

STATE OF KARNATAKA'S ECONOMY

- AN OVERVIEW



The Economic Survey 2013-14 is a snapshot of the State's developmental achievements and concerns in key economic and social sectors. Over the years, the key objective of Economic Survey had been to provide basic information and data on economic policies and programmes of the State Government and overall performance of the State. To date, the Survey is the single most authentic source of official information on the entire state of Karnataka economy for budget and other key economic policy purposes.

Demography

Karnataka State has 1,33,57,027 Households as per 2011 Census as against 1,04,01,918 Households in 2001 Census. The number of households has registered a decadal growth rate of 28.41%. Karnataka with a population of 6,10,95,297, retains the 9th rank as in 2001, in population size among all the States and Union Territories and accounts for 5.05% of Country's population of 1,21,05,69,573 in 2011. The State's population has grown by 15.7% during the last decade, while its population density has risen from 276 in 2001 to 319 in 2011, indicating an increase of about 15.6% during the corresponding period. While birth rate (per 1000 people) in the State has declined to 19.2 in 2011 (from 22.2 in the year 2000), indicating a decline of about 9%, the death rate has declined at a lower rate of about 6.5% from 7.6 in 2000 to 7.1 in 2011. The consequent demographic changes are expected to open up new opportunities and challenges for the State. 50.80% of the population is male with a child sex ratio of 943 Female to 1000 males in 2011 (as against 946 female to 1000 males in 2001), and the adult sex ratio at 968 female to 1000 males (against 965 female to 1000 males in 2001). It is a matter of concern that there is a perceptible decline in the child sex ratio from 2001 to 2011, especially in some of the districts such as Chamarajanagar (decline of 22 as compared to 2001),

Davangere (decline of 15), Chitradurga (decline of 13) and Hassan (decline of 12). There is a significant decline of 2.30% in the State's child population of 0-6 years but the decline is uneven across the State. In Yadgir district, 0-6 year-old children constituted 15.83% of the population whereas in Udupi it was just 8.54%, indicating different developmental needs of districts within the State. According to census 2011, Karnataka has 19.65 lakh female headed households, ie.14.91 percent of households in the State are headed by women compared to the all-India average of 10.9 percent.

Macro-Economic Profile

Karnataka has made notable progress in all sectors during the course of the 11th Plan. As far as overall growth is concerned, the increase in State Income has been satisfactory inspite of the global slowdown in recent years. The increase in State Gross Domestic Product was 6.9% during the 11th Plan. The agriculture sector has particularly performed well by achieving a growth of 5.1% during the 11th Plan period. While the growth in the services sector was satisfactory at 8.7%, the industrial sector was able to record a growth of 4.8% during the 11th Plan. The major factor for the slow growth in the industrial sector was the global slowdown witnessed since the beginning of 2008. Due to an uncertain and challenging macroeconomic situation globally and nationally, and the widespread drought situation in the State, the economy could not grow at the pace as planned during the 11th Five Year plan.

In 2013-14, advance estimates show that Karnataka's Gross State Domestic Product (GSDP) at constant (2004-05) price is expected to grow at 5.0% and reach Rs. 311628 crore. The agriculture and allied sector is expected to grow by 3.6% in 2013-14 as against a negative growth of (-) 4.9 % during 2012-13. This may be due to the foodgrain production is likely to be

130.54 lakh tones against the target of 130 lakh tones during 2013-14. The industry sector (comprising mining & quarrying, manufacturing, construction and electricity, gas & water supply) is estimated to grow at 1.2% during 2013-14. A decrease in the growth rate of the service sector from 8.4% in 2012-13 to 7.2% in 2013-14 is noticed. However, Real Estate, Ownership of Dwellings and Business Services, Public Administration and Other Services have each grown by more than 9%, which is a key driver of the 5.0% growth of GSDP in 2013-14. However, the Government is optimistic about the 12th Five Year Plan, during which the State Government intends to consolidate the strategies and achievements made so far by intensifying governance reforms, ensuring effective targeting of subsidies and better monitoring, and instituting a process of informed decision making through independent evaluation.

The Government has taken initiatives to strengthen the GSDP estimates. The important initiatives are: (i) the Common Business Register: to provide the sector-wise employment with number of establishments. Sample surveys based on these units will yield "Value Added Per Worker" (VAPW). This data is being used to prepare GSDP estimates at district and state level. (ii) The reliable estimates for manufacturing sector at the state and district level can be prepared by increasing the sample size significantly by participating in the residual survey of ASI. By pooling the central and state sample of ASI data, State and District level estimates can be prepared. (iii) Karnataka is way ahead in software exports for several years, now. Its share in the All India software exports is around 33% to 36% to the total software exported. The GVA of this sector is being calculated by the Central Government, which allocates to the States, based on the private corporate employment in this sector as revealed from Employment and Unemployment Survey of 2004-05 which stood between 15% to 16%. A study has also been proposed to know the actual contribution from these services to GSDP of the State.

Fiscal Development and State Finances

State's fiscal consolidation efforts have continued to be effective with all the fiscal indicators contained

within the stipulated limits of the Karnataka Fiscal Responsibility Act, 2002 (KFRA). State has chosen on its own volition to bring in fiscal discipline in the management of its finance. The 2013-14 budget had the advantage of general economic recovery, in particular in the service sector, which significantly guides the overall growth of the State's economy. The Government has been maintaining revenue surplus since 2004-05 as mandated by the KFRA. Over the last few years, the fiscal deficit could also be maintained within 3% of GSDP as mandated by the KFRA except in 2008-09 and 2009-10 when it was 3.2% as a result of additional expenditure for economic stimulation prompted by the Government of India.

The effective management of fiscal situations of the State has enhanced its revenue receipts through rationalization of its tax systems and deployment of mechanisms to check leakages. Driven by various fiscal consolidation measures, Karnataka has managed its expenditure well even while enhancing its revenues. The State's fiscal deficit has declined marginally from 2.93% in 2012-13(RE) to the level of 2.90% of GSDP in 2013-14(BE) while the capital outlay has also declined from 110% in 2011-12(RE) to the level of 94% of Gross Fiscal Deficit in 2012-13(BE). The State's revenue receipts have increased to 16.20% of GSDP. Revenue receipts have grown primarily due to growth of tax revenue with the State having an overall revenue surplus. The State's expenditure on social services as a share of GSDP has grown while the non-tax revenues continue to remain at low levels. The State's situation with respect to fiscal deficit, public debt, revenue surplus, proportion of capital outlay, per capita development outlay are all very positive. Education and Water resources development are significant components of State's development expenditure. Capital outlay, although on the increase in its absolute size, its decline in its share to Gross state Domestic Product poses a challenge to the state in promoting the state social and economic infrastructure. The healthy fiscal situation of the state is to be translated proportionately into overall outcomes of human development indices, regional balance, poverty and the indices of social and gender inclusion.

Investment and Exports

Promotion of private investment has been high on the agenda of Government of Karnataka, the successful Global investors meets bear testimony to the intensified effort of the state to attract private investment. The concerted efforts by the State have resulted in a large-scale inflow of investments during the past few years. The State has also developed a distinct policy framework for guiding investments and set up dedicated institutions that streamline the approval processes. Karnataka offers wide range of fiscal and financial incentives to investors even while nurturing the supporting infrastructure such as technical institutions, laboratories and research institutions. The share of exports in GSDP which was 7.36 % in 1993-94, has grown to 48.4% in 2012-13. Exports of electronics and computer software constitute the largest share in the State's exports. Its share was of the order of 60% in 2012-13 and continues to account for the largest share.

Degree of openness is measured by the ratio of value of exports to GDP at National level and by the ratio of value of exports to GSDP at the State level. Karnataka's degree of openness to export trade has increased from about 42% in 2010-11 to about 48% in 2012-13. This is remarkably higher than that of all India (at about 28%). Increasing degree of openness to trade is an indicator of economic globalization. From this point of view, the levels of Karnataka's economic globalisation have been higher than at all India level. Karnataka's economic growth can be accelerated further with a continued emphasis on promotion of private investment and enhancement of industrial competitiveness.

The Government of Karnataka has explicit policy measures for export promotion in various policies relating to general industrial policy, SEZ policy and sector-specific policies such as the Millennium Bio-tech Policy - II Information and Communication technology policy 2011, Suvarana Vastra Neethi 2008-13, Mineral Policy – 2008, New Infrastructure Policy – 2009-14, Tourism Policy 2009-14, Renewable Energy Policy -2009-14, Solar Policy – 2011-16, Semiconductor Policy – 2009-10, Karnataka animation visual effects and comic policy, Integrated Agribusiness Development Policy – 2011, Grape processing and wine policy 2007, Electronic Hardware Policy, Agro-food processing industrial

policy and package of incentives and concessions, Industrial promotion policy for the automobile industry, the millennium BPO policy etc. The State Government's incentives for exports in the Industrial Policy 2009-14 include Exemption from payment of Entry Tax and Refund of certification charges.

Rural Development

The vision of rural development is to provide sustainable and inclusive growth along with empowerment of Panchayat Raj Institutions. Karnataka is a pioneer in the implementation of Panchayat Raj System in its true spirit and has transferred the operation and maintenance of all Rural Water Supply schemes to gram panchayats more than a decade back. The State is geared to cover all the 59,630 rural habitations with adequate potable water supply, along with universal coverage of rural schools and anganwadis. 90% of rural water supply system in the State is based on groundwater sources. Owing to indiscriminate exploitation of groundwater source by different quarters, established public drinking water schemes are becoming defunct, requiring fresh investment. Coupled with this, water quality problem needs to be tackled in a time bound manner. According to Census 2011, 72% of Karnataka's rural households had no access to latrines. There was a need to increase coverage of Individual Household Latrines (IHHL). Use of toilets cannot be sustained without provision of water supply and safe drinking water cannot be ensured without assured quality sanitation either. Thus, there is a need for convergence between drinking water and sanitation schemes during design and implementation.

Housing, as a basic need, has gradually evolved as a prime component not only as shelter but also helped in providing employment opportunities and aiding the local development. To meet the growing demand of housing, the State Government has been proactive in its housing policies. Housing for the poor and down-trodden assumes greater importance both in Rural and Urban areas in the State. Every successive Government have given greater attention to the problem of scarcity housing and hence increased the budgetary allocation over the years. Good and timely policy prescriptions help in establishing a well functioning and sustainable housing market. The

Affordable Housing Policy Karnataka is expected to serve the larger overarching goal of “Affordable Housing for All”. The Karnataka Government is planning a public-private partnership (PPP) project to provide affordable housing to economically weaker sections.

Karnataka State is implementing MGNREGA at the Grama Panchayat (GP) level, being the first State to transfer funds from State to GPs directly. It is a matter of pride that from 1st June 2012, direct transfer of funds to the accounts of the beneficiaries through electronic Funds Management System (eFMS) has commenced in seven pilot districts. This has reduced delay in payments. To widen the scope of the Scheme, the State has identified eight line departments as implementing agencies to execute the works as per the operational guidelines of the Scheme. Social Audit has been conducted in GPs. Near about 181.8 lakh person days of employment has been generated by 5.08 lakh households upto October 2013.

Urban Development

Karnataka is India's 7th most urbanized State in India. As per Census 2011, of Karnataka's 6.1 crore population, 38.6% (i.e. 2.35 crore) reside in urban areas. In terms of urbanization, the State has witnessed an increase of 4.68 per cent in the proportion of urban population in the last decade. The state is expected to reach an urban population proportion of 50% in the next fifteen years (2026). The population living in urban slums in Karnataka has risen from 14.02 lakh (2001) to 32.91 lakh (2011) in a decade. This is a rise from 7.8% of the total urban population of the State being slum-dwellers according to the 2001 Census to 13.9% now. Bangalore district has 21.5% of the total slum population. This has huge implications for providing infrastructure and other civic amenities in urban areas. The objective of urban development in Karnataka is creating and fostering democratically vibrant urban local bodies by working collaboratively with them and other stakeholders and providing policy framework for achieving sustainable, efficient and equitable urban areas in the state. This implies smart, efficient, affordable and sustainable towns and cities that would meet developmental, social and environmental needs of all with the provision of UGD, sanitation facilities, safe disposal of sewage and recycle/reuse of waste water,

and scientific solid waste management through innovative technologies.

Further, Urban Development is not an exclusive sector and cannot be viewed in isolation. It is multi-sectoral in nature and as such needs a holistic approach. It is, therefore, important to align urban development with the strategy for economic and human development of the State. Urbanization gives rise to various issues like (i) urban poverty and slums, (ii) access to basic services/civic amenities of housing, water supply, sanitation, electricity, (iii) urban schooling and healthcare, (iv) solid waste management, (v) good quality roads and their maintenance and (vi) Urban transport. Addressing these concerns is a big challenge for the State Government. Further, the State Government has initiated many initiatives to overcome the challenges of urbanization such as Karnataka Municipal Reforms Project, North Karnataka Urban Sector Investment Programme, Karnataka Urban Water Sector Improvement Project, Karnataka Urban Water Supply Modernization Project, Karnataka Integrated Urban Water Management Investment Program etc.,

Agriculture

On account of timely and widespread rainfall in major parts of the State, except during August in some parts of Bagalkot, Bijapur, Gulbarga, Yadgir, Bidar, Koppal, Dharwad, Gadag, Tumkur, Kolar, Chikkaballapur, Bangalore Urban and Bangalore Rural districts sowing of Kharif crops carried out in 70.58 lakh hectares. Excess rainfall during June/July caused damage to kharif crops in an area of about 1.45 lakh hectares. Rainfed kharif crops in about 7.07 lakh hectares were affected by long dry spell. Government declared drought situation in 64 taluks considering the rainfall deficiency and moisture adequacy index. Sowing of Rabi crops had been carried out near normal and it is expected that the summer sowings would be taken up fully in the targeted area in view of adequate water storage in major and minor irrigation reservoirs of the State. As such, the food grain production is likely to be 130.54 lakh tonnes against the target of 130.00 lakh tones during 2013.14. In 2013-14, an amount of Rs. 1692.56 crore has been provided to Agriculture Department, out of which Rs. 1411.77 crore has been provided under Plan and Rs. 280.79 crore under Non-Plan schemes. Due to implementation of novel mission-mode programmes

such as Bhoo Chetana, Suvarna Bhoomi Yojane, interest subsidy, watershed programmes like Sujala and timely provision of inputs, free electricity and prudent use of irrigation water, the productivities of the rainfed crops have increased.

A look at the past 10 year's agriculture production shows significant increase in production of Cereals, Pulses, Cotton, Sugarcane and Tobacco. Slight decline has been observed in production of Oilseeds, which is mainly due to diversion of area to other crops. However, the important challenges are: Low growth rate in agricultural sector, Fragmentation of land holdings and deteriorating soil health, Dryland Agriculture, Efficiency in Irrigation, Technological and Extension Constraints, Slow capital formation, Inadequate of Safety Nets, Low level of Farm Mechanization and Agro processing .

Industry

Karnataka has been spearheading the growth of Indian industry, particularly in terms of high-technology industries in the areas of electrical and electronics, information & communication technology (ICT), biotechnology and, more recently, nanotechnology. The industrial structure of Karnataka presents a blend of modern high-tech capital goods and knowledge intensive industries on the one hand and traditional consumer goods industries on the other. The general index of industrial production (IIP) of Karnataka covering mining, manufacturing and electricity sectors for 2012-13 stood at 171.93. The Annual Survey of Industries (ASI) statistics shows that Karnataka accounted for 5.07% of the total number of registered factories in 2010-11 in the country. The contribution of registered factories of Karnataka stood at 6.76% of total fixed capital, 6.10% of total output, and 5.86% of Gross Value Added (GVA) in the same year. The share of Karnataka in total registered factories has decreased whereas total investment (fixed capital and working capital) has risen in 2010-11 as compared to 2009-10. Micro, Small & Medium Enterprises (MSMEs) form an important and growing segment of Karnataka's industrial sector. In 2012-13, 24206 MSME Units have been registered in the State with an investment of Rs.216851 lakh by providing employment to 1,55,551 persons. As compared to 2011-12, there is a 15.14% increase in the number of units registered,

35.84% increase in investment and 21.16% increase in number of persons employed during 2012-13.

The following challenges are important for the growth of manufacturing sector: (a) Low Growth in Manufacturing: Stagnation in the growth of manufacturing is a cause of concern as this indicates that additional employment opportunity creation in manufacturing sector is limited. (b) Regional Imbalance in Growth: The distribution of income generated from industry sector is largely concentrated in a few districts in the state. Of the total income generated from manufacturing 59.6% is generated from Bangalore Urban and Rural districts alone. About 81% of the total income from manufacturing in Karnataka is generated in just 9 districts and the remaining 19% is from 21 districts. This indicates a lop-sided growth in manufacturing in the state which has repercussions on inclusive growth as well. (c) Inadequate Industrial Infrastructure.

Labour and Employment

According to Census 2011, the Work Participation Rate (WPR) in the State is 2,78,72,597 persons constituting 45.62% of the total population have enumerated themselves as workers. Among them, 1,82,70,116 are males and 96,02,481 are females. In other words, 59% of the total male population and 31.87% of the total female population are workers. In 2001 Census the WPR in the State was 44.53% comprising 56.64% male workers and 31.98% female workers. On the whole WPR in 2011 has increased in general irrespective of gender and more significantly in urban areas (4%) compared to 2001. It is noted that female WPR has marginally declined in rural Karnataka.

Of the total 2,78,72,597 workers in the State, 2,33,97,181 persons, constituting 83.94% of the total workers, are main workers and 44,75,416 persons, constituting 16.06% are marginal workers. The proportion of main workers has marginally increased from 82.28% in 2001 to 83.94% in 2011. On the contrary, the proportion of marginal workers has slightly decreased from 17.72% in 2001 to 16.06% in 2011. Though the number of agricultural labourers has increased in the State by 14.92% in 2011-12, their proportion to total workers has marginally declined from 26.46% in 2001 to 25.67% in 2011. The number

of cultivators has decreased from 68,83,856 in 2001 to 65,80,649 in 2011. Of the total decrease of 3,03,207, the decrease in the number of female cultivators (2,24,075) is more than the decrease in the number of male cultivators (79,132). The proportion of workers engaged in Household Industry, which was 4.08% in 2001 has declined to 3.28% in 2011. All workers engaged in any category of economic activity other than cultivation, agricultural labour or household industry are treated as 'Other Workers'. This category accounts for the highest number of workers i.e. 1,32,22,758 or 47.44% of total workers at the State level. In comparison to 2001 Census, the proportion of Other Workers has increased by 7.23% in 2011 Census.

According to National Sample Survey 2011-12, the labour force participation rate (LFPR) refers to the ratio of both the employed and the unemployed seeking for job to the total population. 43% of population belonged to the labour force in Karnataka, which is higher than all India, Kerala and Gujarat. The LFPR is 45.4% in rural areas and 38.8% in urban areas of Karnataka. LFPR was significantly lower for females than for males in both rural and urban areas. It was about 62% for rural males and about 59.4% for urban males. For females, LFPR was about 28.9% in rural areas and about 17.1% in urban areas. The males LFPR is higher in Karnataka compared to select states and all India. The unemployment rate for Karnataka according to Usual Principal and Subsidiary Status, among the Southern states, Karnataka's total unemployment rate is 1.6%, rural unemployment rate is 0.9% and Urban UR is 2.9%, which is lower than rest of the southern states.

At the overall state level, the self-employed accounted for about 47.8% of the total employment followed by that of casual (29.7%) and regular workers (22.5%). In the rural areas, both the self-employment and casual work has 51.9 percent and 36.3 percent respectively, whereas in urban areas, self-employment and regular wage work has a share of 39% and 44.9% respectively.

The employment challenge that Karnataka faces consists both of creating of new jobs and improving the quality of existing jobs, a faster economic growth is the key to meet this challenge. A faster growth even with relatively low employment elasticity can

generate reasonably high employment growth with significant increase in productivity. A major proportion of workers in non-agricultural economic activities work in the informal sector where they suffer from a large quality deficit in employment, in terms of low productivity, low earnings, poor conditions of work and lack of social protection. So far as the numbers of workers in agriculture are concerned one should expect them to decline as more and more of them move out to other sectors. However, for them to move out to other sectors, skill development is necessary.

In addition to the demand side measures, an important initiative relating to the supply side of the labour market that needs special attention is development of adequate quantity and quality of skills. Most workers – employed and looking for work – have not had any vocational training for acquiring skills. Institutional capacity needs to be vastly expanded for training of young entrants to the labour market and realization of the 'demographic dividend'. It also needs to be oriented towards greater flexibility in timing and regularity to suit the requirements of the employed, especially those in the informal sector, to enable them to upgrade their skills. Training requires to be made demand – induced for which it would be necessary to have an important role for industry in its planning and execution. A public private partnership mode is necessary for this purpose as well as for sharing the financial cost by the users. It is hoped that the Skill Commission of the State will place the subject on the high enough priority to give effect to adequate expansion in the skill base of the Karnataka workforce and better matching of skill supplies and demand, both in quantity and quality.

With a view to making employment growth faster, sectors and activities with relatively higher employment elasticity could be targeted for particularly high economic growth. But the compulsion of raising productivity with a view to improving employment quality in major part of the economy makes it imperative that economy grows at a high rate to generate the required number of new employment opportunities. Thus the strategy for creating quality employment essentially consists of a strategy for a rapid and diversified economic growth.

Economic Infrastructure

The State has effectively managed infrastructural challenges that have emerged in the wake of rapid economic growth and constraints on availability of certain natural resources like fossil fuels. Karnataka's hydropower sources have been inadequate to meet the growing demand for energy. This has led to the establishment of infrastructure for thermal sources of power with the active participation of the private sector. However, due to lack of adequate coal (fuel) linkages and timely environmental clearances, it has not been possible to initiate many new projects. The demand-supply gap, increasing cost of acquiring new power, high cost of power subsidy particularly to the agriculture sector, non-metering of certain installations and transformers remain daunting challenges. The State has been striving continuously to reduce its power transmission losses and other operational losses while an active regulatory body for the electricity sector has been promoting higher efficiencies in power distribution.

An efficient transport system is a pre-requisite for sustained economic development. It is not only the key infrastructural input for the growth process but also plays an important role of promoting the development of the backward regions and integrating them with the mainstream economy by opening them to trade and investment. Of the various modes of transport that connect the cities and villages of the country, road transport constitutes the crucial link. In addition, the road system also provides the last-mile connection for other modes of transport such as railways, airports, ports and inland waterway transport. In the State, road density (road length per 100 sq. Km.) works out to 39.34 Kms There is district disparity in the road density which adversely affects the industrial growth in the regions. For development to be equitable, it is imperative that the road infrastructure needs to be improved.

Natural Resources and Environment

Karnataka's geographical area of 191,791 sq. km. constitutes 5.83% of India's area, and accounts for the second largest land use after agriculture. The state total forests cover in 43356.45 sq.km as per Annual Report of 2011-12. Thus, about 22.61% of the State's

geographical area is under forest cover. Forests are an integral part of the natural resources, environmental and ecological systems. The State's dense forests are located in the Western Ghats region. About 60% of the Western Ghats are located in the State. In order to protect and develop biodiversity, the State has formed 950 biodiversity management committees at Grama Panchayat level. Biodiversity heritage sites (such as the 800-year old tamarind grove at Nallur, Devanahalli taluk) have been developed to conserve and develop the unique genetic diversities.

In recent years, due to fundamental and proximate factors, Western Ghats, one of the hot spots of the world's biodiversity has been under severe threat. Although the depletion of forest cover is halted to a large extent and forest cover has quantitatively increased in the recent years, the natural forest stock is qualitatively still under severe degradation. Increased deforestation and degradation of the environmental resource base has serious implications for production and resilience of the ecosystem. The loss of forest cover is a serious threat to the environment, sustainable development and the livelihoods of millions of people in the State.

Forest resources significantly contribute to the State's Gross Domestic Product (GSDP) by being a major source of timber, medicinal plants, NTFPs, grazing, recreational activities, carbon sequestration, watershed provisions etc. Forest resources are under severe pressure due to rapid population growth and in this scenario, meeting developmental, livelihood, agricultural and industrial needs and conserving forests for productive and ecological services is a major challenge. The main factors responsible for the depletion of the forest resource base are diversion of forest areas for developmental activities, encroachment of forest area, destruction of natural habitat, mining and quarrying, wildlife poaching, smuggling of timber, erosion of common property resources, excessive fuel wood collection and livestock grazing. The Forest Department of Karnataka has succeeded in halting quantitative depletion of forest cover through afforestation programmes but the deteriorating quality of forests continues to be a major threat to the sustainability of both human beings and animals.

Further, today, environmental sustainability is a cardinal issue to be addressed. Short-term goals of growth and development may lead to new environmental challenges. Afforestation, man-animal conflict, improvement in air-water-soil quality, and policies for recycling, prudent use of natural resources and exploring and tapping alternate source of energy are daunting challenges. Karnataka Groundwater (Regulation and Control of Development and Management) Act 2011 will go a long way in ensuring water resource sustainability.

Human Development

The State's efforts in formulating and implementing programmes to address poverty and other social issues have contributed to the reduction of poverty. However, according to Tendulkar's committee estimates, poverty continues to be a concern as about 20.9% (in 2011-12) of the population in the State lives below the Planning Commission's poverty line. The State has made good progress towards poverty reduction by achieving an overall reduction of about 12.5 percentage points compared to 2004-05. Although the State has planned and implemented various interventions for poverty alleviation, it is well recognized that such efforts need to be intensified and realigned for better targeting and impact.

The Twelfth Five Year Plan, with its focus on 'Faster, More Inclusive and Sustainable Growth', puts the growth debate in the right perspective. The government's targeted policies for the poor, with the prospect of fewer leakages, can help better translate outlays into outcomes. The State has vigorously implemented various programmes to address critical issues relating to health and education. The State is committed to the Right of Children to Free and Compulsory Education (RTE) Act, and has notified the RTE rules. The State's overall literacy rate has improved to 76% in 2011 (from about 56% in 1991) with a higher decadal rate of growth in female literacy as compared to male literacy. However, while urban male literacy stood at about 90% in 2011, rural female literacy was about 60%. While overall literacy performance of the State is encouraging, its regional and rural-urban spread across the State is a matter of concern. 15 districts in the State show overall literacy rates which are lower than the national average (74.0) with Yadgir (52.36) at the bottom and, 14 districts of

the State show female literacy rate below the national average with Yadgir district (41.31) again being at the bottom. The State recognizes such issues and is committed to taking additional steps to address such regional, gender and social disparities. The quality of schooling also continues to be a concern, despite several ongoing initiatives.

The State has a high level of focus on primary and secondary education and is investing significant resources in developing educational infrastructure especially in rural and backward areas. Key indicators such as gross enrolment rate and net enrolment rate have improved significantly while the dropout rates and the number of out-of-school-children have seen a significant decline. These gains need to be consolidated to improve learning and overall quality of education.

The State's efforts to enhance the health of its citizens have been well-recognized at various fora. Maternal mortality rates and infant mortality rates have seen a rapid decline during the last decade. Efforts to encourage institutional delivery, and programmes such as Madilu, Thaiy Bhagya, 24X7 PHC, Ambulance services have paid rich dividends. However, regional variations in health indicators exist and call for additional efforts in the area of public health. Malnutrition remains a concern and the State has to enhance its investments on programmes to improve the nutritional status of mothers, children and adolescent girls. Recently government announced "Ksheera Bhagya"- the innovative and prestigious program of distributing milk to school and Anganwadi children.

Government of India passed the crucial National Food security bill (Right to Food Act) on 13th September 2013 which was in (retrospective) effect since July, 2013. This law aims to provide food to approximately two thirds of the population at subsidized price. In the similar vein, as an attempt to ensure food security to its people, the Government of Karnataka launched a new pro-poor programme named 'Annabhagya Yojana'. The programme was officially launched on 10th July, 2013. In brief, the scheme aims to provide 30 kilograms of rice per family per month at the price of Re.1/ kilogram to below poverty line (BPL) families across the state. The programme covers a total of 98.35 lakh families

(87 lakh BPL cardholders and 11.35 lakh 'Antyodaya Anna Yojana' beneficiaries) across the state. The rice will be distributed through a network of 21,024 public distribution system (PDS) shops. A single person family is eligible for 10 kilo rice, 2 person families will get 20 kilo, a family with 3 and more number of persons are eligible for 30 kilo rice per month. The scheme was initially started with the focus of distributing only rice at subsidized prices. But rice is not the staple food of many people in Karnataka. Therefore, other food grains like Jowar, Ragi and Wheat were also included in the list and the new scheme came to being from 1st of October 2013.

The State has taken multi-pronged steps to reduce social, gender and regional disparities. In its endeavour towards ensuring "faster, sustainable and more inclusive growth", the Government of Karnataka has committed itself to improving capabilities and productive endowments among the economically disadvantaged and socially marginalized sections of the State. In this direction, the welfare departments and development corporations of the State are implementing several multi-faceted and multi-pronged programmes for welfare of SCs, STs, BCs, minorities, the disabled and senior citizens and thereby placing them on the path of mainstream development.

To prevent diversion of funds and spending of allocated funds for the schemes directly benefiting the Scheduled Castes and Scheduled Tribes population, the State Legislative Assembly on 5th of December, 2013 has passed the Karnataka Scheduled Castes Sub-Plan and Tribal Sub-Plan (Planning, allocation and utilization of Financial Resources) Act, 2013. The Act envisages allocation of state plan outlay to be in proportion to the population of SCs and STs; to make allocated funds non-divertible; to spend for the schemes directly benefiting the SC and ST population and other matters. In the case of unspent amount out of allocation in a particular year, the same would be added to the next year allocation but should not be carried beyond that year. The Act also envisages setting up of a nodal agency headed by the Social Welfare Minister and seven secretaries of different departments as its members. Its main function is to evaluate and appraise sub-plans, prepare sub-plans, review execution of schemes, identify impediments, co-ordinate with other

departments, and directions of the agency would be binding on the departments. The district monitoring committee in each district would be responsible for implementation of plans.

Karnataka also initiated an exercise to sensitize implementing agencies across sectors to formulate Plans from the Gender perspective. This resulted in the first steps to identify those programmes and schemes where substantial outlays could be earmarked for women, which grew into the Karnataka Mahila Abhivruddhi Yojane to monitor the inter-sectoral allocation of funds for women, ensure gender equality and to integrate women in the mainstream of development.

Regional Disparity

During the last five decades, the State has made efforts to achieve rapid growth through investments in agriculture, industry, infrastructure and other sectors. But, this growth has not been inclusive with 25% of the State's population living below poverty line with the sharp North-South divide existing in the State. In view of this, an eight-year Special Development Plan (SDP) has been recommended for implementation by investing Rs. 31000 crore which includes Rs. 15000 crore from Normal Plan and Rs. 16000 crore as additionality. The Special Development Plan is being implemented from 2007-08. The amount provided for various programmes under SDP has been increasing. To begin with, an amount of Rs. 1571.50 crore was provided in the financial year 2007-08 across various sectors of development. The amount released was Rs. 951.44 crore against which an expenditure of Rs. 946 crores was made. Similarly, in the year 2008-09, the allocation was Rs. 2547.34 crore and the expenditure was Rs. 1739.41 crore. For the years 2010-11, 2012-13 and 2013-14, the allocation has been Rs. 2984 crore, Rs. 2680 crore respectively. The total allocation from 2007-08 to November 2012 works out to Rs.14945.81 crore of which Rs. 10318.97 crore has been spent.

In order to improve socio and economic development of the State's backward regions, the 118th Constitutional amendment has facilitated Article 371 (J) that provides Special Status to Hyderabad-Karnataka Region comprising Gulbarga, Bidar, Yadgir, Raichur, Koppal and Bellary districts. This

amendment will translate into better employment opportunities for local people and, reservation in education and employment. The Hyderabad-Karnataka Region Development Board has come into being consequent to the issue of the Hyderabad-Karnataka Region Development Board Order, 2013. As per provisions in the Order, action is being taken to nominate members of the Board. Consequently action is also being taken to repeal the Hyderabad-Karnataka Development Board Act, 1991. The State Government has earmarked a sum of Rs. 150 crore for the Hyderabad- Karnataka Region Development Board in 2013-14. There is a need to increase the allocations substantially especially to the districts of Hyderabad-Karnataka region to bring about a significant transformation. The focus needs to be on education, health and nutrition and skill development along with development of farm and non-farm activities. Therefore, formulation and effective implementation of development programmes tailored to the needs of the region are required to meet the challenges of these regions. Article 371-J may provide the necessary impetus for development of the region.

Governance

The role of good governance in promoting the State's all-round development is well-recognized. The Karnataka Sakala Services Act 2011 is a transformational governance reform bringing a paradigm shift in the bureaucratic delivery system, and empowering citizens to get notified services as a matter of guaranteed right. Under this Act, the coverage of services increased from 265 services (in 30 Departments) to 447 services (46 Departments). Karnataka was the first State in India to establish Evaluation Authority for systematic evaluation of policies, programmes, schemes, and projects.

The State has also adopted Result Framework Document (RFD) to tighten monitoring, transparency and accountability thereby leading to effective results-oriented delivery. Decentralized Governance has been further strengthened by deploying Panchayat Development Officers to the Gram Panchayats and enabling Panchayats to get additional resources. At the threshold of the 12th Five Year Plan, Karnataka is determined and poised to accelerate the process of its economic growth so as to

achieve its vision of an inclusively developed State.

12th Five Year Plan Approach Paper

The State undertook the preparation of an Approach paper for the 12th Five Year Plan and made detailed analysis for fourteen key sectors and also on Macro Economic framework and Resources and Allocations. The paper on Macro Economic framework benchmarked Karnataka with comparable States on various demographic and socio-economic indicators, existing structures of economy and employment, poverty, equity and human development and regional variations / disparities within the State. The paper on Resources and Allocations benchmarked Karnataka with comparable States on fiscal parameters and covered trend analysis of resource allocation and utilization for various sectors and suggested a broad outline for the 12th Plan allocations. The Approach paper identified major challenges for the state during the 12th plan period in each of the sectors. Some of these challenges are:

- ❖ The area under rice and wheat has remained almost constant during the last one decade, while the area under jowar and ragi has declined. The only cereal crop which has observed an increase in the area covered is maize.
- ❖ Provision of post harvest infrastructure for horticulture products to improve income of farmers.
- ❖ Rapidly depleting ground water resources resulting from increased dependence on ground water for irrigation.
- ❖ Bridging the gap in irrigation potential created and utilized and provision of commensurate investments in command area development.
- ❖ Speedier completion of irrigation projects and restoration of traditional minor irrigation tanks.
- ❖ Efficient water pricing to avoid wasteful usage of water.
- ❖ High AT&C losses in electricity sector.
- ❖ Low addition to installed capacity in the power sector in view of delays in clearance of projects and allocation of coal by Central Government.
- ❖ Reducing un-metered agricultural energy

- consumption and usage of inefficient and aging pump sets.
- ❖ Reducing malnutrition, anemia and non-communicable diseases.
- ❖ More attention to provision of potable drinking water and geriatric care.
- ❖ Address low gross enrollment rate at secondary school and higher education level.
- ❖ Low railway route density and least coverage under National Highways.
- ❖ Competition and strong pull from other countries due to reduced competitiveness of IT / ITES industries.
- ❖ Increase the road length under National Highways and coverage under four lane.
- ❖ Urban local bodies should be strengthened with human resources and allocation of sufficient funds for providing basic amenities.
- ❖ Establishment of Municipal Services Regulatory Commission to monitor services levels, fix tariffs and to adjudicate contractual disputes.

STATE INCOME AND PRICES

2

Introduction

This chapter analyses Karnataka's economic growth in terms of changes in aggregate and per capita State income and stability of prices in indices of wholesale and retail prices in the State. In addition, this chapter also provides an analysis of District Income Estimates and related inter-district variations.

2.1 State Income

The growth of GSDP at constant prices (year-on-year) slightly decreased from 5.3% in 2012-13 to 5.0% in 2013-14, mainly attributable to the decline in the growth of industry and services from 4.4% and 8.4% in 2012-13 to 1.2% and 7.2% respectively in 2013-14. However, the growth of agriculture increased from (-) 4.9% in 2012-13 to 3.6% in 2013-14. The State economy is showing revival trends with a growth rate of 5.3% during 2012-13 and 5.0% (advance estimates) during 2013-14.

2.1.1 Growth Trends in Eleventh Five Year Plan

The sectoral growth rates of GSDP of Karnataka during the eleventh five year plan are compared and presented in Table 2.1.

2.1.2 Advance Estimates of Gross State Domestic Product (GSDP) for 2013-14

Karnataka's Gross State Domestic Product (GSDP) at constant (2004-05) prices is expected to grow at 5.0% and reach Rs. 311628 crore in 2013-14. 'Railways', 'Storage', 'Trade, hotels and restaurants', 'Real estate, ownership of dwellings and business services' 'Communication', 'Public administration' and, 'Other services' have contributed to the growth of services sector (7.2%). Manufacturing sector is expected to grow at 0.2%, which is lower than the growth of 6.1% that was observed in 2012-13. The expected growth rate of electricity, gas and water supply sectors is around 10.0%. Although the drought conditions continued from 2011-12, the GSDP from agriculture and allied activities is expected to increase by 3.6 % in the State, during 2013-14.

2.1.3 Comparison of GSDP and GDP

At constant (2004-05) prices, the GSDP of Karnataka in 2012-13 is estimated at Rs. 296658 crores which is higher by 5.3% as compared to GSDP of Rs. 281707 crores that was recorded in 2011-12. The

Table 2.1: Sectoral Growth Rates of GSDP of Karnataka during XI Five Year Plan

Five Year Plan / Year	Agriculture & allied activities	Industry	Services	GSDP
XI FYP Targets	5.4	12.5	12.0	11.2
2007-08	12.4	10.8	13.8	12.6
2008-09	2.3	5.1	9.8	7.1
2009-10	4.1	-1.5	2.1	1.3
2010-11	16.2	9.5	8.7	10.2
2011-12	-9.7	0.1	9.2	3.3
XI FYP Achievement	5.1	4.8	8.7	6.9

Source: Directorate of Economics and Statistics, Government of Karnataka.

corresponding annual increase in GDP is 5.0 % with GDP at Rs. 5503476 crores. The growth rates of GSDP and GDP at constant (2004-05) prices from 2004-05 to 2012-13 are presented in Table 2.2.

The GSDP (current prices) of Karnataka in 2012-13 estimated to reach Rs. 524502 crore is higher by

14.3% than the State's GSDP recorded in 2011-12. At current prices, the estimated GDP is equal to Rs. 9461979 crore in 2012-13; an increase of 13.3% over the previous year. The growth rates of GSDP and GDP at current prices from 2004-05 to 2012-13 are presented in Table 2.3.

Table 2.2: Annual Growth Rate of GSDP and GDP at Constant (2004-05) Prices

Year	GSDP (Rs. crore)	Growth Rate of GSDP (%)	GDP (Rs. crore)	Growth Rate of GDP (%)
2004-05	166747	-	2971464	-
2005-06	184277	10.5	3253073	9.5
2006-07	202660	10.0	3564364	9.6
2007-08	228202	12.6	3896636	9.3
2008-09	244421	7.1	4158676	6.7
2009-10	247590	1.3	4516071	8.6
2010-11	272721	10.2	4937006	9.3
2011-12	281707	3.3	5243582	6.2
2012-13	296658	5.3	5503476	5.0

Source: 1. Directorate of Economics and Statistics, Government of Karnataka.
2. Central Statistical Office, Government of India.

Table 2.3: Annual Growth Rate of GSDP and GDP at Current Prices

Year	GSDP (Rs. crore)	Growth Rate of GSDP (%)	GDP (Rs. crore)	Growth Rate of GDP (%)
2004-05	166747	-	2971464	-
2005-06	195904	17.5	3390503	14.1
2006-07	227237	16.0	3953276	16.6
2007-08	270629	19.1	4582086	15.9
2008-09	310312	14.7	5303566	15.7
2009-10	337559	8.8	6108903	15.2
2010-11	410703	21.7	7266967	19.0
2011-12	458894	11.7	8353495	15.0
2012-13	524502	14.3	9461979	13.3

Source: 1. Directorate of Economics and Statistics, Government of Karnataka.
2. Central Statistical Office, Government of India.

2.1.4 Comparison between Advance Estimates for 2013-14 and First Revised Estimates for 2012-13

A comparison of the estimates is presented by annual growth rates in Table 2.4. Agriculture and allied sector is expected to grow by 3.6% in 2013-14 as against a negative growth of 4.9% during 2012-13. This is due to increase in the production of food grains from 109.64 lakh tones in 2012-13 to 130.54 lakh tones during 2013-14. Industry sector (comprising mining & quarrying, manufacturing, construction and electricity, gas & water supply) is

estimated to grow by 1.2% as against a growth of 4.4% during 2012-13. A slight decrease in the growth rate of the service sector is evident from 8.4% in 2012-13 to 7.2% in 2013-14. Real Estate, Ownership of Dwellings and Business Services, Banking and Insurance and Other Services, have each grown beyond 9%. These sectors are key drivers of the 5% growth of GSDP in 2013-14, i.e. from Rs. 296658 crore in 2012-13 to Rs. 311628 crore in 2013-14. At the same time, per capita GSDP at constant prices is expected to increase from Rs. 49130 in 2012-13 to Rs. 51108 in 2013-14 i.e. by about 4.0%.

Table 2.4: Sectoral Growth Rates of GSDP at Constant (2004-05) Prices

Sl.No.	Sector	2012-13 F.R.E.	2013-14 A.E.
1	Agriculture	-6.4	3.3
2	Forestry and Logging	5.6	5.6
3	Fishing	-9.2	0.8
	Agriculture and Allied Sector	-4.9	3.6
4	Mining and Quarrying	1.7	1.7
5	Registered Manufacturing	7.6	0.2
6	Un-registered Manufacturing	0.7	-0.1
7	Construction	2.3	1.3
8	Electricity, Gas and Water supply	1.8	10.1
	Industry Sector	4.4	1.2
9	Railways	6.4	4.0
10	Transport by other means	8.3	3.9
11	Storage	-1.6	2.2
12	Communication	9.9	8.2
13	Trade, Hotels and Restaurants	3.4	2.8
14	Banking and Insurance	8.8	9.5
15	Real estate, Ownership of Dwellings and Business services	9.3	9.0
16	Public Administration	9.9	1.9
17	Other services	14.8	13.5
	Services Sector	8.4	7.2
	Total GSDP	5.3	5.0

Source: Directorate of Economics and Statistics, Government of Karnataka

2.1.5 Net State Domestic Product (NSDP)

The estimates of Net State Domestic Product (NSDP) are derived from the Gross State Domestic Product (GSDP) by deducting Consumption of Fixed Capital (CFC) or Depreciation. The estimated NSDP at constant (2004-05) prices is Rs. 273518 crore in 2013-14 as compared to Rs. 260098 crore in 2012-13, showing an increase of 5.2% against 5.3% during 2012-13. Agriculture & allied activities, industry and service sectors are expected to register a growth of 3.6%, 1.0% and 7.2% respectively in 2013-14. The

NSDP at current prices is estimated at Rs. 529191 crore in 2013-14, higher by 13.4% than that achieved in 2012-13 (Table 2.5). On NSDP basis, the agriculture & allied activities, industry and service sectors are expected to register a growth of 7.2%, 6.1% and 17.8% respectively at current prices.

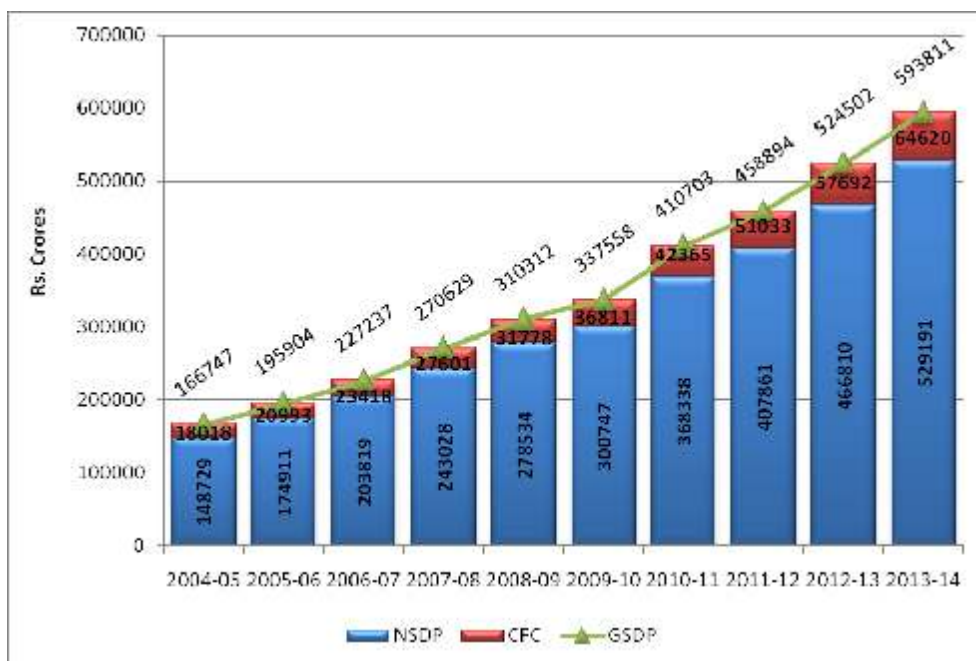
On the other hand, Figure 2.1 shows the GSDP, NSDP and CFC at constant (2004-05) prices from 2004-05 to 2013-14. The difference in GSDP and NSDP indicates the extent of consumption of fixed capital or depreciation.

Table 2.5: NSDP at Current and Constant (2004-05) Prices

Sectors	NSDP at Current Prices		NSDP at Constant (2004-05) Prices	
	2012-13 F.R.E.	2013-14 A.E.	2012-13 F.R.E.	2013-14 A.E.
Agriculture	73000	78272	36606	37921
Industry	110505	117202	65028	65702
Services	283305	333716	158464	169895
NSDP	466810	529191	260098	273518

Source: Directorate of Economics and Statistics, Government of Karnataka

Figure 2.1: GSDP, NSDP and CFC at constant prices



2.1.6 Per Capita Income

Per capita income is estimated by dividing NSDP at current prices by mid-financial year projected population. Per Capita State Income (i.e. per capita NSDP) of Karnataka at current prices is estimated at Rs. 86788 during 2013-14 as against Rs. 77309 in 2012-13 with an increase of 12.3%. The level of per capita income at constant (2004-05) prices for the year 2013-14 is estimated to increase to Rs. 44857 as compared from Rs. 43075 achieved in 2012-13. Per capita GSDP at current prices is expected to reach Rs. 97386 in 2013-14 from Rs. 86864 in 2012-13 indicating an increase of 12.1%. At the same time, per capita GSDP at constant prices is expected to increase from Rs. 49130 in 2012-13 to Rs. 51108 in 2013-14 i.e. an increase of about 4.0%. Sectorwise details of GSDP and NSDP for the years 2004-05 to 2013-14, both at current and constant (2004-05) prices including growth rates are presented in Appendices 2.1 to 2.8. It can be observed from Figure 2.2 that Gulbarga division comprising Bidar, Gulbarga, Yadgir, Raichur, Koppal and Bellary districts stood lowest in the per capita income. Gulbarga division per capita income is less than half of Bangalore division per capita income.

2.1.7 Sectoral Composition of Gross State Domestic Product

A marginal decrease in the composition of GSDP of agriculture & allied activities and industry sector is evident from 14.90% and 26.16% in 2012-13 to 14.10% and 22.50% in 2013-14 respectively. At the same time, the marginal increase in the composition of service sector from 58.94% to 61.40% is very apparent. During the last few years, services sector has been the largest component of GSDP. The composition of 'Real estate, Ownership of Dwellings and Business services' is highest with 19.08% in 2012-13 and 20.68% in 2013-14. This is followed by 'Trade, Hotels & Restaurants', 'Manufacturing' and 'Agriculture (including livestock and horticulture)'. The sectoral composition of GSDP in 2012-13 and 2013-14 at current prices is given in Table 2.6. The sectoral composition of GSDP is shown in Figure 2.3 by primary, secondary and tertiary sectors.

Sectoral composition of GSDP and NSDP at current and constant (2004-05) prices are presented in Appendices 2.9 to 2.12.

Figure 2.2 - Division wise Per Capita Income

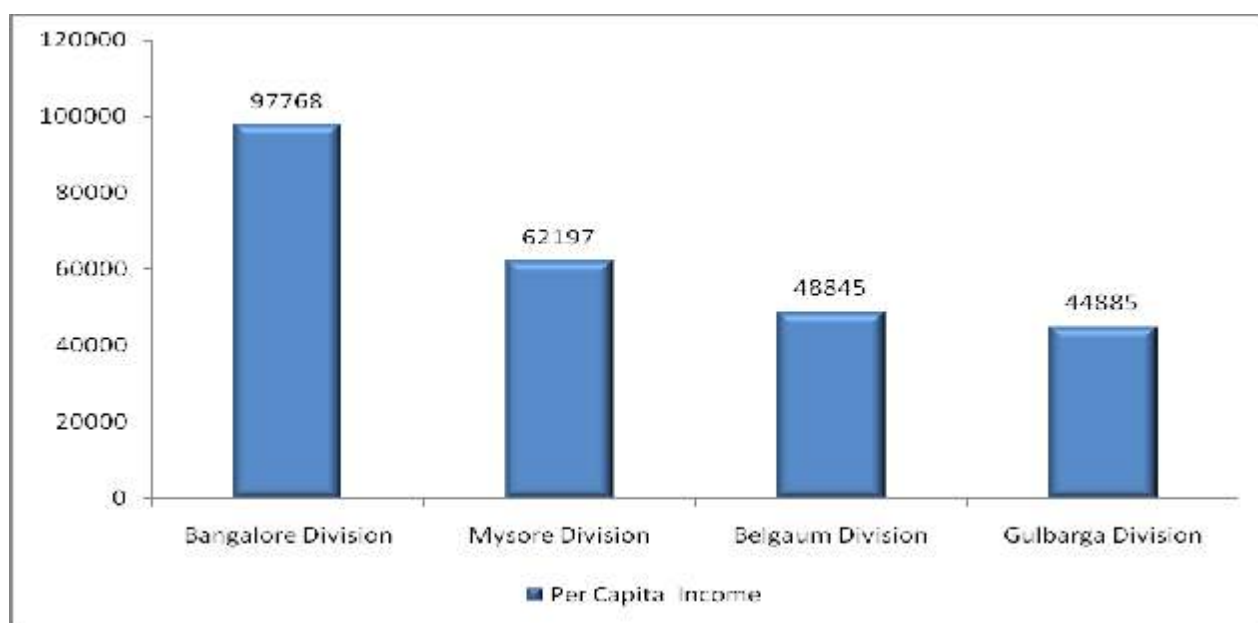
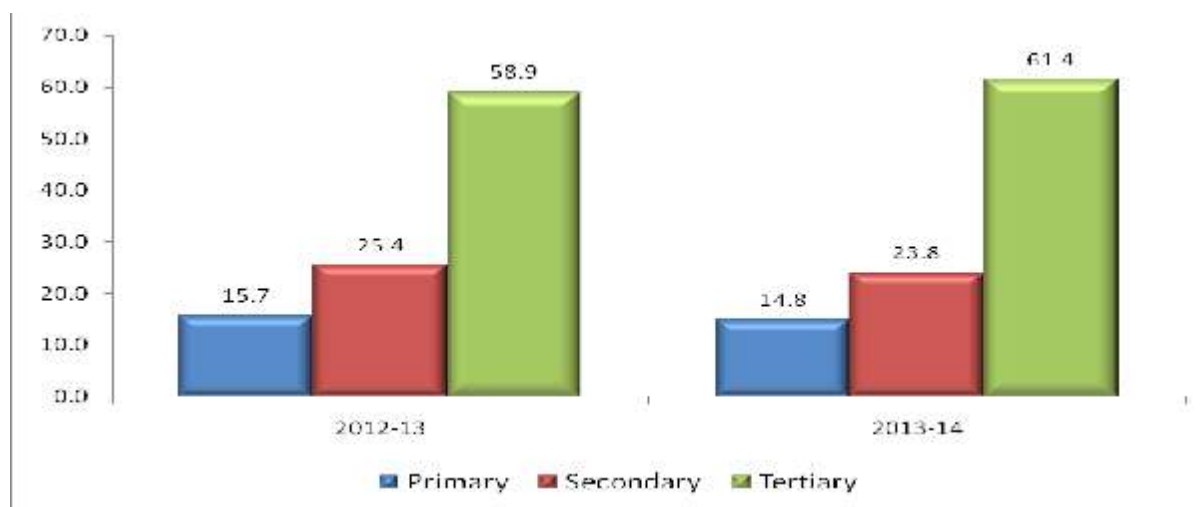


Table 2.6- Sectoral shares of GSDP at Current Prices

Sl.No.	Sector	2012-13 F.R.E.	2013-14 A.E.
1	Agriculture	12.40	11.55
2	Forestry and Logging	1.93	2.01
3	Fishing	0.56	0.55
	Agriculture and Allied Sector	14.90	14.10
4	Mining and Quarrying	0.78	0.72
5	Registered Manufacturing	10.56	9.61
6	Un-registered Manufacturing	3.09	2.82
7	Construction	9.53	9.14
8	Electricity, Gas and Water supply	2.20	2.21
	Industry Sector	26.16	24.50
9	Railways	0.39	0.38
10	Transport by other means	5.43	5.52
11	Storage	0.02	0.02
12	Communication	1.52	1.67
13	Trade, Hotels and Restaurants	13.41	12.69
14	Banking and Insurance	5.96	6.10
15	Real estate, Ownership of Dwellings and Business services	19.08	20.68
16	Public Administration	3.76	3.74
17	Other services	9.37	10.60
	Services Sector	58.94	61.40
	Total GSDP	100.00	100.00

Source: Directorate of Economics and Statistics, Government of Karnataka

Figure 2.3 - Sectoral composition of GSDP at Current Prices



2.1.8 Inter State Comparison

The comparison of GSDP or State Income and per capita income of Karnataka for 2012-13 with some important states and with all India is presented in Table 2.7. It can be observed that the Karnataka stood at 16th under State Income as well as under per capita income.

2.1.9 District Income

Estimates of gross and net district incomes at current and constant (2004-05) prices including per capita net district domestic product at current prices for the year 2011-12 for 30 districts in the State are presented in Appendices 2.13 and 2.14. The District income estimates are prepared on a provisional basis. The database for the estimations is available for primary sector only. In respect of secondary and tertiary sectors, the State level estimates are allocated to districts with appropriate available indicators at the time of preparation of estimates as per the guidelines

of CSO. Because of the data limitations, it may not be very useful to analyze the sectorwise district estimates between two points of time as the estimates are not firmed up. However, a brief description of the broader sector wise district estimates is given in Appendix 2.14.

Bangalore Urban District stands first in the total District Income as well as per capita district income for the year 2011-12. Bangalore Urban District contributes 33.8% to GSDP at Current Prices followed by Belgaum (5.7%), Mysore (4.8%) and Dakshina Kannada (4.5%). However, Yadgir and Chamarajanagar both at 0.9%, stands last in the districts' contribution to the GSDP. At constant (2004-05) prices, contribution of Belgaum district to the primary sector GSDP is highest in 2011-12, due to a higher contribution in agriculture. Bangalore Urban District tops in secondary and tertiary sectors due to high concentration of major industries and infrastructure facilities. District income is also a

Table 2.7- Comparison of State Income and Per Capita Income

Sl. No.	State	State Income in Rs Crore	Rank	Per capita Income in Rs	Rank
1	Andhra Pradesh	745782	3	78177	5
2	Assam	143567	13	42036	12
3	Bihar	308640	9	28317	14
4	Chhattisgarh	160188	12	52689	9
5	Haryana	350901	8	122660	1
6	Karnataka	524502	6	77309	6
7	Madhya Pradesh	361874	7	43864	11
8	Maharashtra	1372644	1	107670	2
9	Odisha	258744	11	49489	10
10	Punjab	293815	10	88783	4
11	Tamil Nadu	744474	4	98550	3
12	Uttar Pradesh	769729	2	33269	13
13	West Bengal	622263	5	62831	8
All India		9461013		68757	7

Source: 1. Karnataka: Directorate of Economics and Statistics, Government of Karnataka.

2. Rest of the States and all India: Central Statistical Office, Government of India.

measure of level and growth of economic development at the district level. It is a useful policy indicator to monitor the nature and degree of inter-district variations as well as disparities in the process of economic growth at the State level. A simple statistical indicator of inter-district variations in the levels of district income is coefficient of variation. Figure 2.4 shows the computed values of coefficient of variations across the four divisions and at the State level.

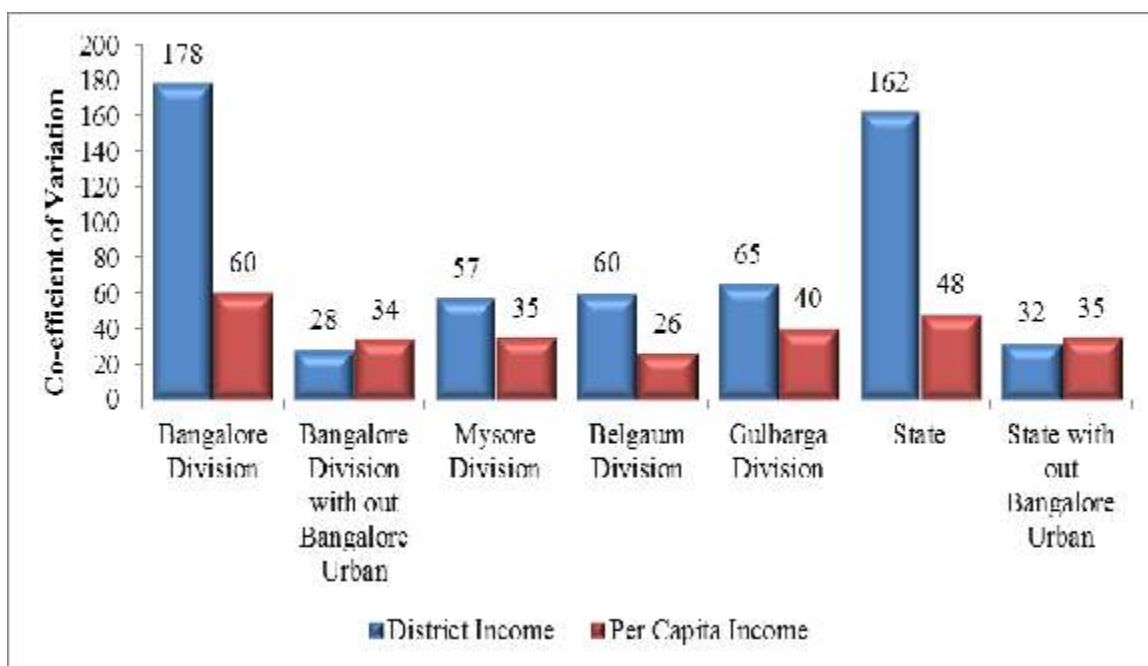
Figure 2.3 indicates the variations in gross district and per capita district income among the districts in each of the revenue divisions of the State. The highest variation is evident for Bangalore division, if Bangalore urban district is included. Excluding Bangalore urban, inter-district variations in district income and per capita district income are remarkably reduced at the division and State level and to the lowest level as compared to other divisions. The low values of coefficient of variation for Gulbarga division are mainly attributable to comparable levels of low district income among the districts in the division. The growing inter-district variation is an

important indicator and source of broader inter-regional disparities in the State's development. However, a low coefficient of variation as such does not imply either a higher or lower district economic growth or regional disparity.

2.1.10 New Initiatives in Regional Accounts

The Karnataka State Strategic Statistical Plan (KSSSP), a World Bank assistance programme envisaged the computation of contribution by local bodies. This activity deals with the economic cum purpose classification of annual accounts of all local bodies. A web-based application has been developed to record the contribution of local bodies to the State's income and capital formation, from the year 2009-10 and onwards, at the district level. To achieve these, two consultants were provided to each Zilla Panchayat in the state. The data entry into the web application is in progress. The final results will help local level planners to identify priority sectors for further investment. This will accelerate the economic development of the region.

Figure 2.4 - Inter-district variations of Gross District Income and Per Capita Income by Divisions in Karnataka for 2010-11



2.2 PRICES

2.2.1 Introduction

Price is one of the key indicators in the economic planning process. Changes in prices have a direct bearing on all sections of the society irrespective of their level of living. Prices indicate the purchasing power of money and inflation rate at both wholesale & retail levels. To measure inflation at wholesale and retail levels, the commonly used indicators are Wholesale Price Index (WPI) and Consumer Price Index (CPI).

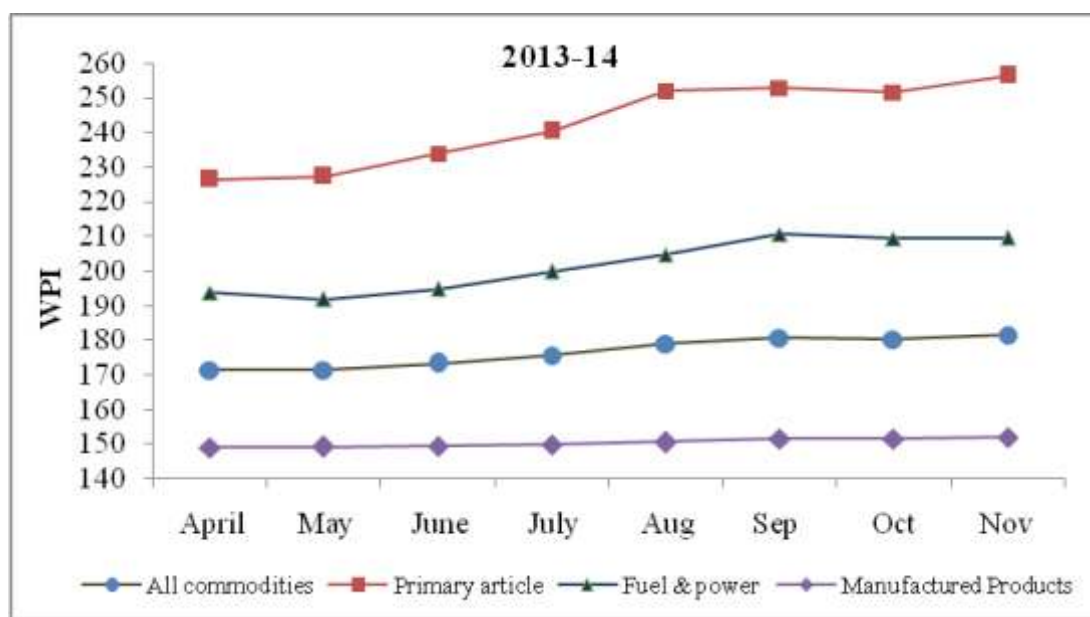
2.2.2 Wholesale Price Index

WPI is used to measure the price situation in different sectors of the economy. This index is released every week at the National level by the Office of the Economic Adviser in the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry. The base year for the construction of this index has been changed from 1993-94 to 2004-05 in order to cover existing commodities. For better representation and wider coverage, 676 commodities have been included which include 102 primary articles, 19 fuel & power items and 555 manufactured products.

At the all India level, the WPI, which was 168.8 in November 2012 rose to 181.5 in November 2013, showing an annual inflation rate of 7.52%. The inflation rate based on WPI was 7.24 for the previous year. During 2013-14, the index of all commodities increased from 171.3 in April 2013 to 181.5 in November 2013, showing a rise of 5.95% as against an increase of 3.24% during the corresponding period in 2012-13. Groupwise changes in WPI are shown in Figure 2.5. It can be seen that the 'Primary Articles' group index increased by 13.16% 'Fuel & Power' group recorded an increase in index by 8.21% 'Manufactured Products' group index increased by 1.88% and Details of all India wholesale price index in April and November of 2011-12, 2012-13 and 2013-14 are presented in Appendix 2.15. Appendix 2.16 contains details of annual all India wholesale price index from 2000-01 to 2012-13 and monthly data for the current year.

In Karnataka, the Directorate of Economics and Statistics constructs the WPI for 33 agricultural commodities with 1981-82 as the base year. However, under KSSSP, shifting of the base year from 1981-82 to 2007-08 has been taken up for better coverage. In the State, WPI is useful to monitor the trends in prices at the first stage of commercial

Figure 2.5 - Group-wise all India WPI



transactions and estimation of price deflators to obtain GSDP at constant prices. The main source of primary data for the construction of this index is 40 agricultural produce marketing committees of agricultural marketing department situated across the State, who compile the prices of agricultural commodities and also the Directorate of Sugar, Coffee Board, Tobacco Board and Spices Board. In 2013-14, the WPI has marginally increased in the State from 1034 in April 2013 to 1036 in November 2013, an increase of 0.19% against a increase of 12.89% during the corresponding period in 2012-13. The 8-month average index in 2013-14 was 1052 as against the average index of 951 in 2012-13, showing an increase of 10.62%. The trend of WPI for 33 agricultural commodities in Karnataka for the year 2013-14 and 2012-13 are shown in Figure 2.6.

During the reporting period of 2013-14, indices of miscellaneous, pulses, condiments & spices group

have increased by 19.76%, 6.09%, 4.26% respectively. On the other hand, the indices declined in respect of oil seeds by 13.77% cereals group by 5.77%, fibre by 3.73%, Gur & Sugar by 1.63%. Higher increase in index of miscellaneous group has resulted in the increase of the State index. Among miscellaneous group onion commodity shows an increase in index i.e an increase of 178% in November 2013 over April 2013. The average index value of onion between April to November of 2013-14 increased by 210.54% as compared to the corresponding period 2012-13. Figure 2.7 shows the trends of Onion in Karnataka. WPI numbers of agricultural commodities in Karnataka since 2000-01 are given in Appendix 2.17 and groupwise index numbers details for 2011-12, 2012-13 and 2013-14 are given in Appendix 2.18.

Figure 2.6- Average Trend of WPI in Karnataka

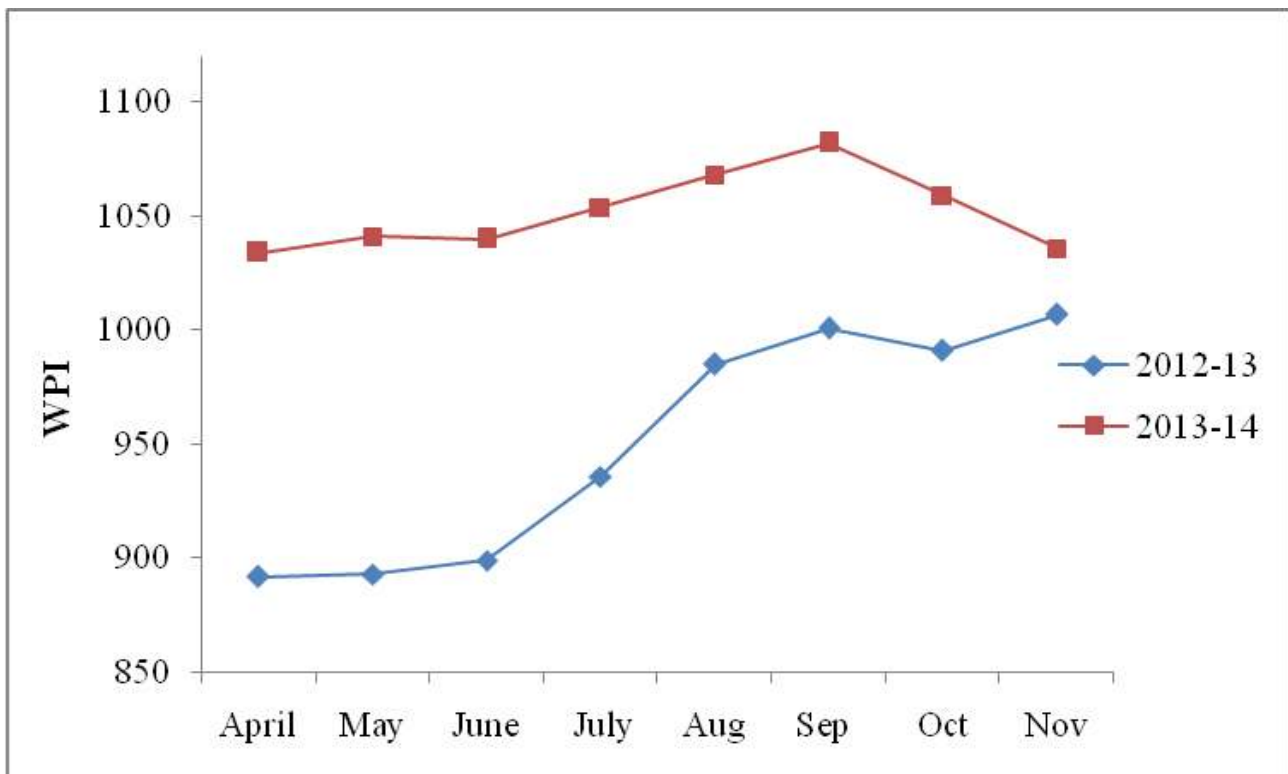
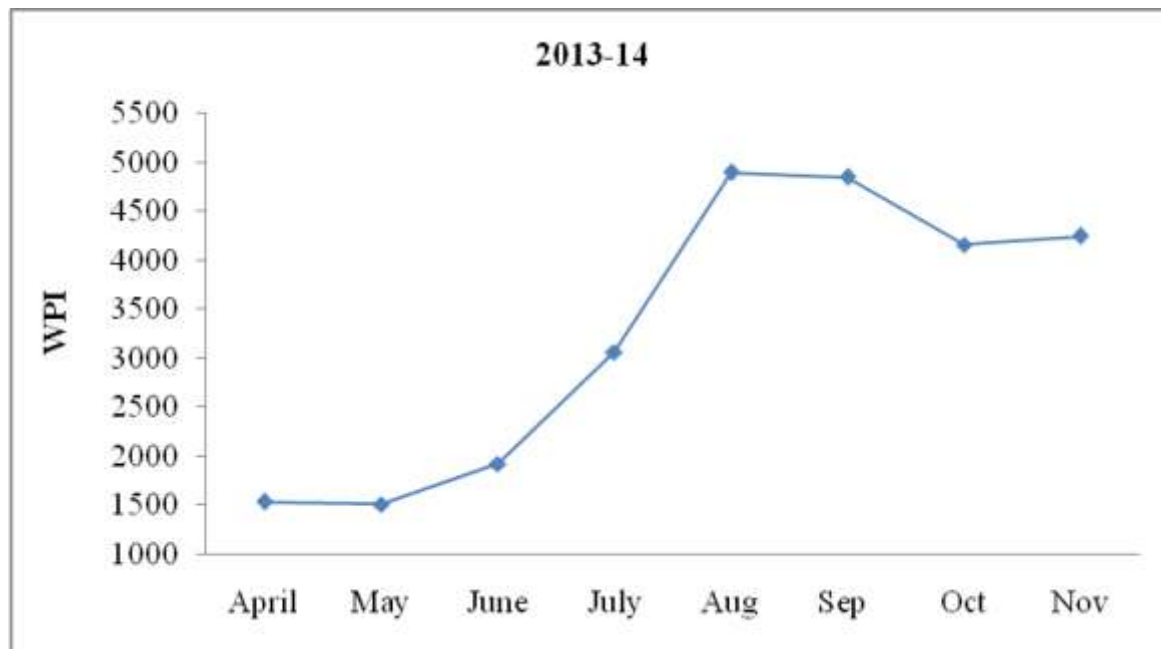


Figure 2.7 - Trends of WPI of Onion

2.2.3 Consumer Price Index

In order to study the changes in the retail prices of a basket of selected goods consumed and services utilized by a selected group of population, four different types of CPIs are being constructed every month. They are CPI for (a) Industrial Workers (CPI-IW) (b) Agricultural Labourers (CPI-AL) (c) Rural Labourers (CPI-RL) and (d) Rural and Urban. The first three indices are constructed and released by the Labour Bureau, Shimla and the fourth by the Central Statistical Office (CSO), New Delhi. In Karnataka, the Directorate of Economics & Statistics constructs and releases only the CPI-IW for State series every month, whereas the remaining three indices are not being constructed by the State Directorate.

2.2.3.1 Consumer Price Index for Industrial Workers

CPI-IW is for workers of factories, mining, plantations, motor transport, docks, railways & electricity, which is mainly used to determine the dearness allowance for the employees in both the public and private sectors. At the National level, CPI (IW) for Central series is constructed for 78 selected industrially developed centres across the country,

with 5 of these centres based in Karnataka (Bangalore, Belgaum, Hubli-Dharwad, Madikeri and Mysore). The base year of these centres is 2001=100. At the all India level, CPI (IW) moved to 243 points in November 2013 from 218 points in November 2012. The point-to-point rate of inflation for the month of November 2013 was 11.47%, whereas it was 9.55% in the corresponding month of the previous year. The average all India CPI-IW during 2013-14 (upto November 2013) shows an increase by about 10.85% over the same period in 2012-13. The trend of all India CPI-IW is shown in Figure 2.8.

In 2013-14, among 5 centres of central series, Hubli-Dharwad centre shows the highest increase in index i.e. an increase of 7.53% in November over April and the average general index of this centre was 251 upto November 2013 indicating an increase of 14.09% over the corresponding period of the previous year. For food index, the increase was 12.92%. Food and General Index during 2013-14 till November 2013 is illustrated in Figure 2.9. Details of the CPI-IW for all-India and Karnataka are presented in Appendix 2.19.

In Karnataka, the Directorate of Economics & Statistics constructs CPI-IW for 11 centres viz. Bellary, Bhadravathi, Davangere, Dandeli, Gulbarga,

Figure 2.8- Trend of all India CPI-IW

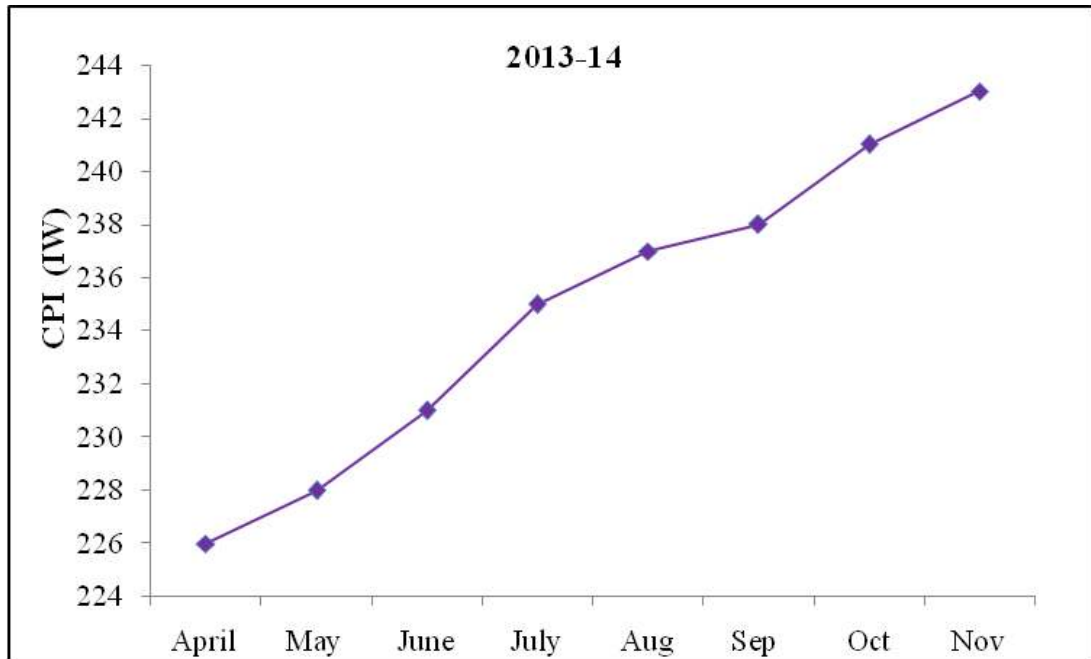
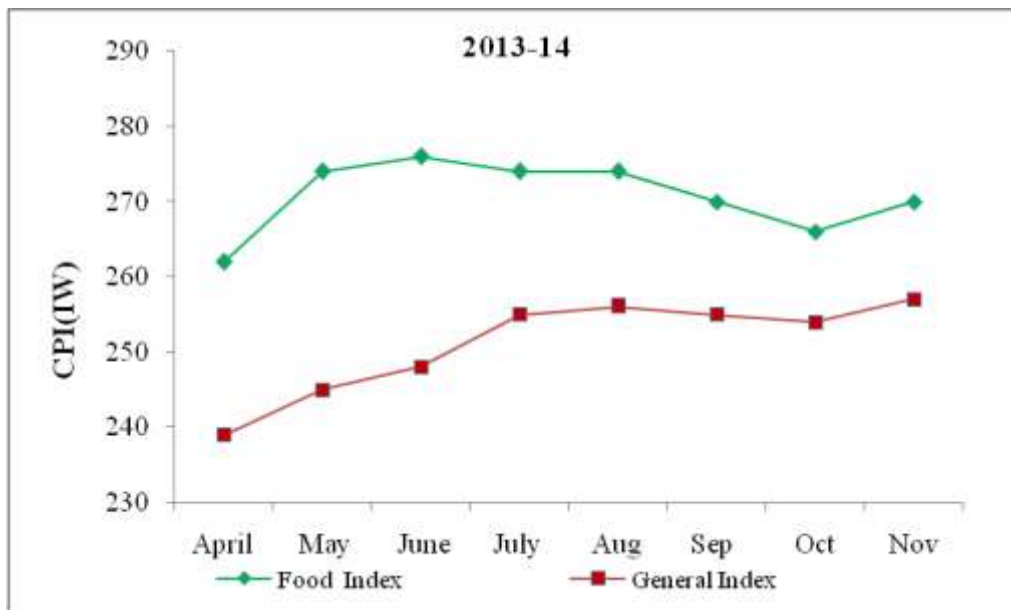


Figure 2.9 - Food and General Index of Hubli-Dharwad



Harihara, Hassan, Mandya, Mangalore, Raichur and Tumkur. The base year for these State series index is 1987-88=100.

In 2013-14, among the 11 State series centres, Hassan centre recorded the highest increase in index i.e. from 603 to 664 in April to November 2013 showing a rise of 10.12%. The average general index of this centre (634) has increased by 16.12%, while that of food group index increased by 21.02% as compared to the corresponding period of the previous year. A detailed of food and general index during 2013-14 till November 2013 is depicted in Figure 2.10. CPI-IW in April & November for the years 2011-12, 2012-13 and 2013-14 in Karnataka are presented in Appendix 2.20. Details of CPI-IW in Karnataka for the selected Central series centres are given in Appendix 2.21(a) and for State series centres in Appendix 2.21(b).

2.2.3.2 Consumer Price Index for Agricultural Labourers

CPI-AL for 20 States, including Karnataka, is being constructed every month by the Labour Bureau, Shimla based on the information obtaining from the Field Operation Division of NSSO. This index is used for fixation and revision of minimum wages in agriculture sector. The base year for this index is

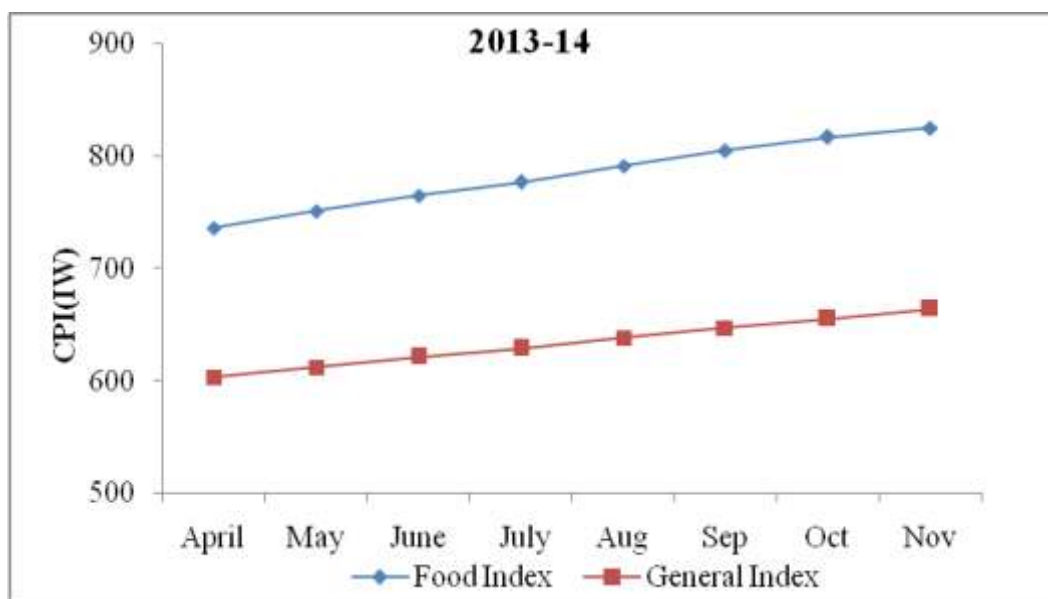
1986-87. The general index in Karnataka recorded an increase of 7.74% in November 2013 over April 2013 as against 9.28% at all India level, whereas the food index in Karnataka showed an increase of 9.08% as against 10.94% at all India level.

In 2013-14 (upto November 2013), in Karnataka, the average general index moved to 817 from 707 during same period of 2012-13 thus showing an increase of 15.56 percent. At the all India level, this increase was 12.72%. The average food index in the State stood at 845 and at all India level it was 735, indicating an increase of 17.85% and 13.77% respectively over the previous year. Food and General Index during 2013-14 is illustrated in Figure 2.11. CPI-AL in April & November for the years 2011-12, 2012-13 and 2013-14 are presented in Appendix 2.22 and CPI-AL at all India and Karnataka from 2000-01 are given in Appendix 2.23.

2.2.4 Price Situation in Rural and Urban Karnataka

Directorate of Economics & Statistics, Government of Karnataka, collects retail prices of a basket of essential commodities from selected centres in rural and urban areas in order to assess the price situation in the State. Rural retail prices are collected every month and urban retail prices are collected every

Figure 2.10 - Food and General Index of Hassan



week for the construction of monthly Rural Retail Price Index Numbers and Urban Retail Price Index Numbers. For both these index numbers, the base year is 1970=100. These index numbers are based on un-weighted diagram and focuses on broad price trends in rural and urban areas, to guide policy decisions.

(a) Price Situation in Rural Areas

In the State, for construction of monthly Rural Retail Price Index (RRPI), retail prices of 29 essential commodities are collected from 352 villages every month. In 2013-14, the index shows a continuous increase from 3813 in April 2013 to 4078 in November 2013, thus showing an overall increase of 6.95%. This rise was mainly due to increase in prices of onion, & potato. Price trends of these commodities are shown in Figure 2.12. Upto November 2013-14, the average RRPI was 3932 with an increase of 13.05% over the RRPI level (3478) of the corresponding period of the previous year. Rural Retail Price Index Numbers in Karnataka are given in Appendix 2.24.

(b) Price Situation in Urban Areas

Every week, retail prices of 20 important commodities are collected from 20 urban centres in

the State in order to construct Urban Retail Price Index (URPI). During 2013-14, the URPI which was 2625 in April 2013 rose to 3035 in November 2013 showing an increase of 410 points or 15.62%. The rise in index is attributed to the increase in prices of onion & gur. The price trends of these commodities are graphically illustrated in Figure 2.13. During 2013-14 (upto November 2013), the average URPI (2843) increased by 19.91% over the corresponding period of the previous year (2371). Urban Retail Price Index numbers in Karnataka are presented in Appendix 2.25.

2.3 Issues and Challenges

The major challenge in computing GSDP estimates at state and district level is accessibility to employment data. At present, the NSSO conducts quinquennial Employment and Unemployment Surveys. Inter survey growth rates are being used to extrapolate for forthcoming years.

The statistical data required for computation of Gross Value Added (GVA) from registered manufacturing sector is being collected from the Annual Survey of Industries (ASI). The data collected from these surveys is sufficient to arrive at state level estimates. However these are not adequate enough to compute the estimates at district level.

Figure 2.11 - Food and General Index of Agricultural Labourers

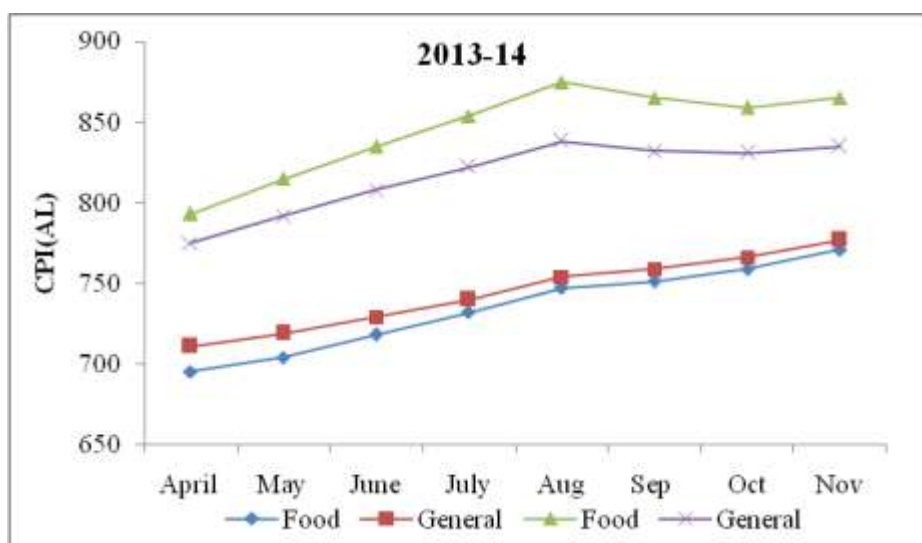


Fig. 2.12 - Rural Retail Price of Onion and Gur

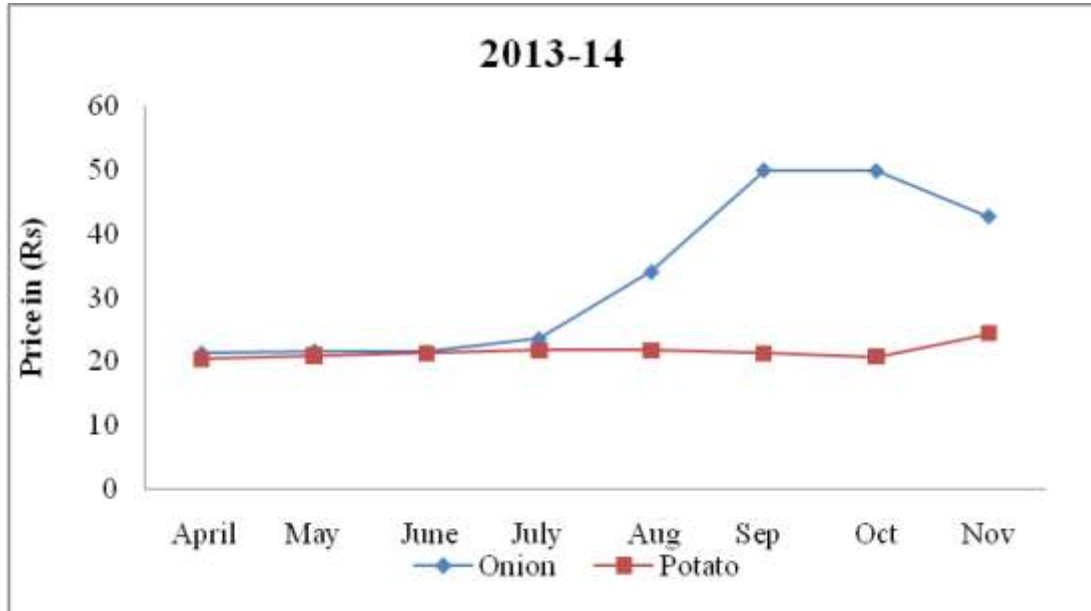
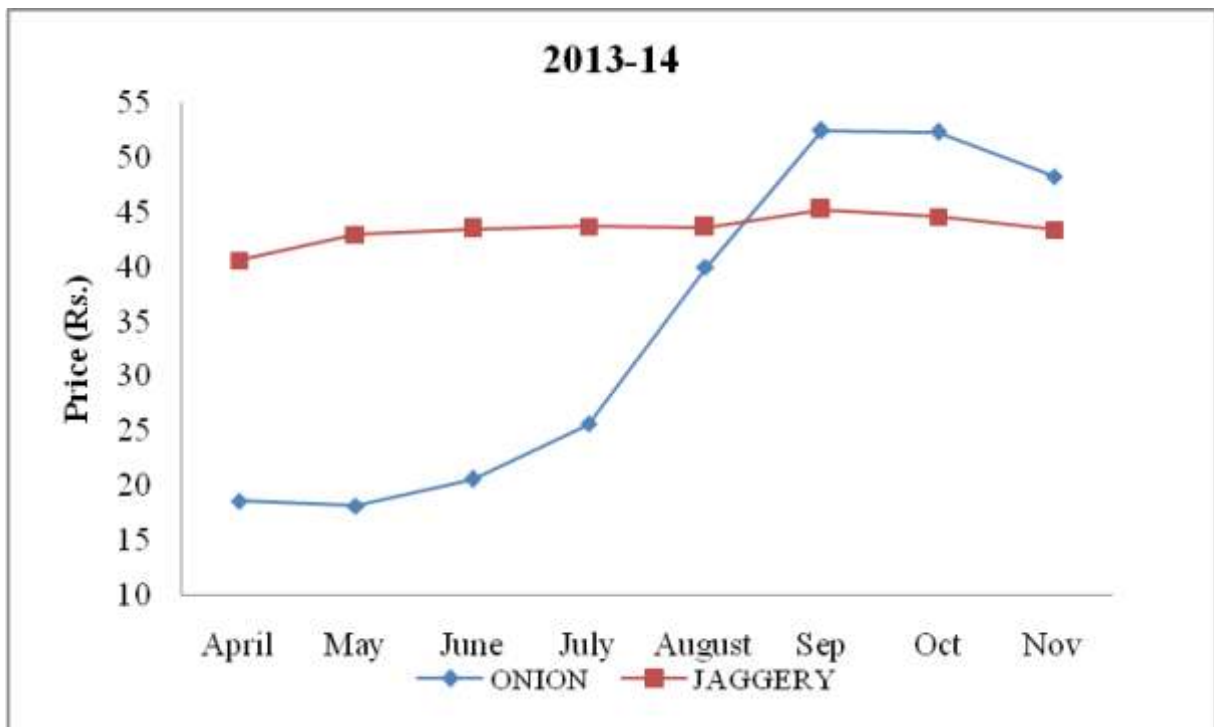


Fig. 2.13 - Urban Retail Price of Onion & Jaggery



Estimates of some of the important sectors like: GVA of computer related services, private sector construction, etc., are being calculated at the All India level and the same being is allocated to the States based on the employment prevailing in the concerned sectors.

2.4. Initiation taken by Government

- (i) The Common Business Register: to provide the sector-wise employment with number of establishments. Sample surveys based on these units will yield "Value Added Per Worker" (VAPW). This data is being used to prepare GSDP estimates at district and state level.
- (ii) The reliable estimates for the manufacturing sector at the state and district level can be prepared by increasing the sample size significantly and participate in the residual

survey of ASI. By pooling the central and state sample of ASI data, the state and district level estimates can be prepared.

- (iii) Karnataka is way ahead in software exports for several years, now. Its share in the All India software exports is around 33% to 36% to the total software exported. The GVA of this sector is being calculated by the Central Government, which allocates to the States, based on the private corporate employment in this sector as revealed from Employment and Unemployment Survey of 2004-05 which was between 15% and 16%. A study has also been proposed to know the actual contribution from these services to GSDP of the State.

By employing these measures, the estimates of GSDP will be more realistic in the years to come.

FISCAL DEVELOPMENT AND STATE FINANCES

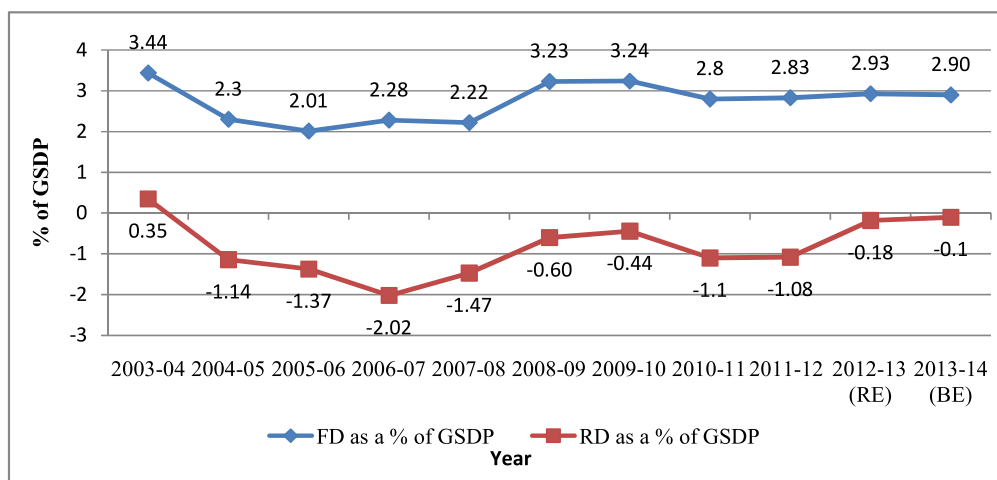
3

Driven by various fiscal consolidation measures, Karnataka has managed its expenditure well even while enhancing its revenues. The State's fiscal deficit has declined marginally from 2.93% in 2012-13(RE) to the level of 2.90% of GSDP in 2013-14(BE) while the capital outlay has also declined from 110% in 2011-12(RE) to the level of 94% of Gross Fiscal Deficit in 2012-13(BE). The State's revenue receipts have increased to 16.20% of GSDP. Revenue receipts have grown primarily due to growth of tax revenue with the State having an overall revenue surplus. The State's expenditure on social services as a share of GSDP has grown while the Non-tax revenues continue to remain at low levels. Education and Water resources development are significant components of State's development expenditure. Capital outlay, although on the increase in its absolute size, its decline in its share to Gross state Domestic Product poses a challenge to the state in promoting the state social and economic infrastructure.

3.1 FISCAL CONSOLIDATION

The State's fiscal consolidation efforts have continued to be effective with all the fiscal indicators contained within the stipulated limits of the Karnataka Fiscal Responsibility Act, 2002 (KFRA). State has chosen on its own volition to bring in fiscal discipline in the management of its finance. The 2013-14 budget had the advantage of general economic recovery, in particular in the service sector, which significantly guides the overall growth of the State's economy. The Government has been maintaining revenue surplus since 2004-05 as mandated by the KFRA. Over the last few years, the fiscal deficit could also be maintained within 3% of GSDP as mandated by the KFRA except in 2008-09 and 2009-10 when it was 3.2% as a result of additional expenditure for economic stimulation prompted by the Government of India. Trends in fiscal and revenue deficits since 2003-04 till date are presented in Figure 3.1.

Figure 3.1: Trends in Fiscal and Revenue Deficits/Surplus



3.2 KARNATAKA VIS-A-VIS-OTHER STATES

The State's major fiscal indicators continue to compare well with the 'all states' average for a number of years. This is reflected in the information on various fiscal indicators presented in Table 3.1. Revenue deficit as a proportion of gross fiscal deficit (GFD) is lower than all States average for all the time points presented and the surplus in the recent years has been larger than the other States. Further, the State has capital outlay of 94% in the GFD as

compared to 110% of all States average in 2012-13(BE). The other important expenditure indicators such as the proportion of State tax revenue in the revenue expenditure and that of non-development expenditure in the aggregate disbursements also place Karnataka in a better position.

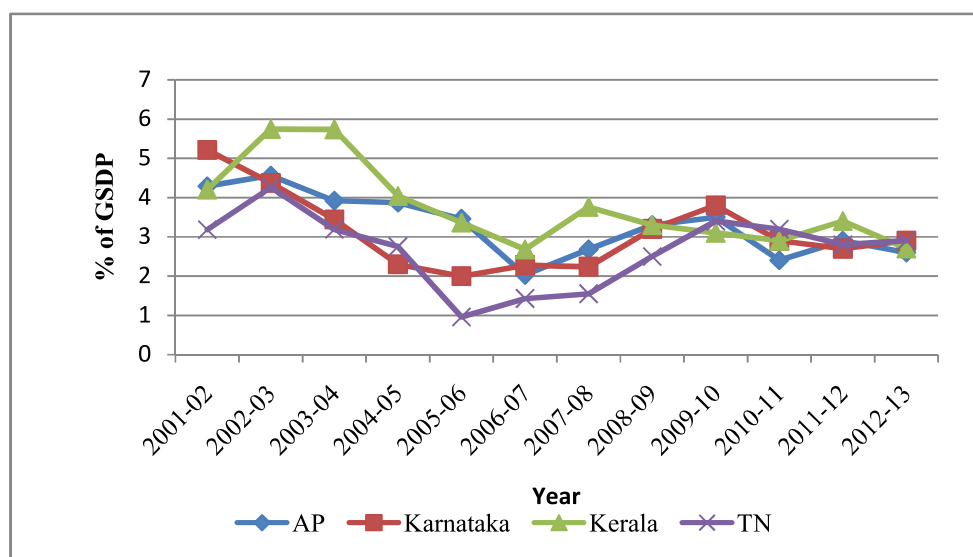
A comparative perspective of Karnataka's fiscal deficit with other Southern states is presented in Figure 3.2.

Table 3.1: Major Fiscal Indicators of Karnataka

Fiscal Indicators	2007-08 (Accounts)		2008-09 (Accounts)		2009-10 (Accounts)		2010-11 (Accounts)		2011-12 (RE)		2012-13 (BE)	
	KAR	All States	KAR	All States	KAR	All States	KAR	All States	KAR	All States	KAR	All States
RD/GFD	-70.80	-56.90	-18.70	-9.4	-14.90	16.40	-39.00	-1.90	-24.80	-2.90	-6.10	-19.80
Capital Outlay/ GFD	162.20	157.50	113.00	106.00	111.60	79.00	125.00	94.10	110.60	93.90	94.40	110.20
Non-devpt. Expenditure/ Aggregate disbursement	23.30	31.00	23.60	28.90	21.10	30.30	20.20	30.80	21.40	28.80	24.50	29.40
STR/RE	69.50	49.30	66.40	47.20	64.3	45.40	71.20	49.40	70.10	48.60	64.30	50.50

RD = Revenue Deficit; GFD = Gross Fiscal Deficit; STR = State Tax Revenue Source: RBI-Study of budget, 2012-

Figure 3.2: Karnataka's Fiscal Deficit Compared with the Southern States



Source: RBI-Study of Budget, 2012-13, Appendix 3. IV

Liabilities - The total liabilities of the State Government increased from Rs.63844 crore in 2007-08 to Rs.136078 crore in 2013-14, at a CAGR of 16.34%. The total liabilities are however, within the limit of 25% prescribed by the 13th Finance Commission (Figures 3.4 & 3.5). Karnataka also compares well with other states in this regard.

3.4 Budgetary Developments in 2013-14

3.4.1 Highlights

Owing to a recovery in the macroeconomic situation, the State has been in a position to enhance revenue collection in 2013-14. Receipts are expected to be Rs.118095.80 crore in 2013-14 BE, comprising Rs.97986.38 crore (82.97%) of revenue receipts and

Rs.20109.42 crore (17.03%) of capital receipts. As compared to 2012-13, revenue receipts are expected to increase by 15.44% and capital receipts are expected to increase by 14.88%, resulting in an overall anticipated increase of 15.34%. The State budget for 2013-14 envisages an expenditure of Rs.118016.26 crore comprising Rs.97390.53 crore (82.52%) of revenue expenditure and Rs.20625.74 crore (17.48%) of capital expenditure. Expenditure in 2013-14 is expected to grow by 15.24% over the previous year, with revenue expenditure growing at a higher rate than that of capital expenditure. In addition, despite the sharper growth in revenue expenditure over the revenue receipts, the State has managed to maintain a revenue surplus, however, a reduced magnitude. The overall budgetary position of the State is reflected in Table 3.4.

Figure 3.3: Trends in Karnataka's Receipts and Expenditure

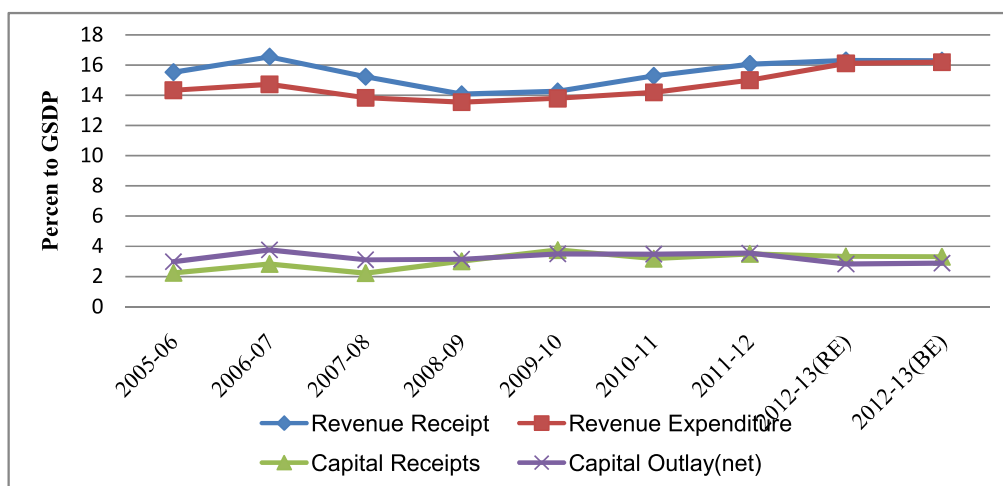


Table 3.3 - Composition of revenue receipts (% of GSDP)

Year	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (R.E)	2013-14 (B.E)
State taxes	9.53	10.26	9.62	8.99	8.87	10.10	10.70	10.27	10.38
Share of central taxes	2.16	2.37	2.51	2.33	2.14	2.50	2.55	2.40	2.50
Grants from centre	1.86	2.12	1.86	1.73	2.29	1.80	1.88	2.90	2.73
Non-Tax Revenue	1.98	1.80	1.24	1.03	0.97	0.88	0.94	0.73	0.67

Source: MTFP, Finance Department, GOK, 2013-14

Important budgetary indicators of the 2013-14 budget are presented in Table 3.5. The per capita State's own tax revenue has increased from Rs. 8504.37 (2012-14 RE) to Rs. 9775.27 (2013-14 BE). Revenue from Sales tax/VAT is expected to increase from Rs. 28425 crore in 2012-13 to Rs.33590 crore in 2013-14, indicating a growth rate of 18.17%. On the expenditure front, it is interesting to note that development expenditure and some key development sectors such as education, health and social security and welfare have had an increase in per capita terms implying an enhanced per-head financial outlay that has accrued to the citizens of Karnataka in these areas. Development expenditure budgeted for 2013-14 is of the order of Rs.83372.95 crore against Rs.73503.04 crore in 2012-13, an increase of 13.43%.

3.4.2 Receipts

Aggregate receipts are likely to increase considerably by about Rs.15706.69 crore i.e. by 15.34% in 2013-14. Revenue receipts are expected to increase by Rs.13102.71 crore and capital receipts are expected to increase by Rs. 2603.98 crore. Revenue receipts account for 82.97% of total receipts. Details of revenue and capital receipts are presented in Table 3.6.

3.4.2.1 Revenue Receipts

Revenue receipts comprise of four major components viz. own tax revenue, nontax revenue, devolution from GOI and GIA & contributions. The State's own tax revenue in 2013-14 is anticipated to increase by 16.77% and non tax revenue by 6.37 %. The share of tax revenue in the total revenue receipts is of the order 79.11% in 2013-14 BE.

Figure 3.4 - Total liabilities of State Government

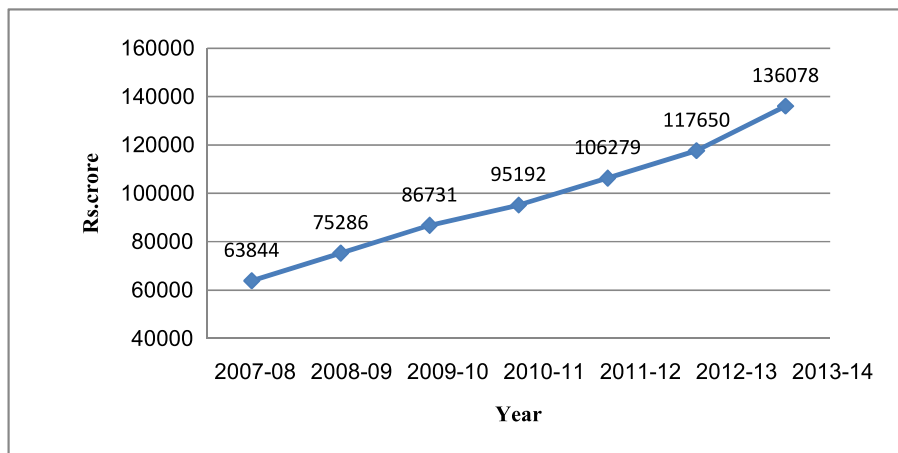
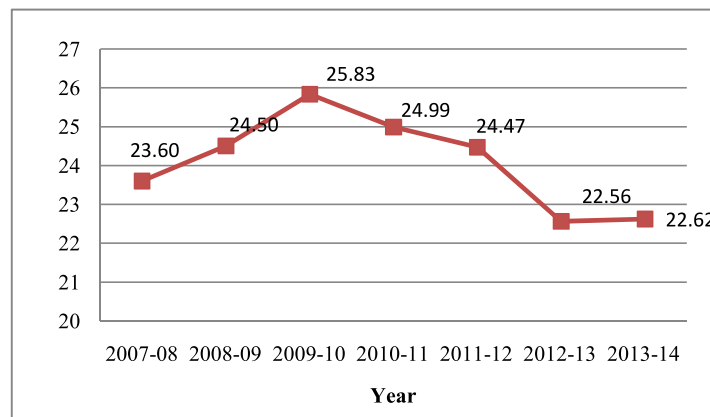


Figure 3.5: Share of total liabilities to



a) Tax Revenues: Karnataka's Tax to GSDP ratio (tax effort), has been good and compares well with other Indian States. The State's own tax revenues (SOTR) increased from Rs. 25987 crore in 2007-08 to Rs.62464 crore during 2013-14 at a CAGR of 19.2% (Figure 3.6). The tax effort declined in 2008-09 and 2009-10 largely due to adverse impact of the economic slowdown. The tax effort has since improved to 10.38% in 2013-14 contributed by improvements in the tax administration, tax rate enhancement and high inflation (Figure 3.7).

Composition of the revenue receipts, as described earlier, reveals that the State's own tax revenue has performed very well during the period under reference. Tax revenue mainly includes taxes on income & expenditure, entry tax, property and capital transactions, VAT, sale of goods, commodities & services, State excise, motor vehicle taxes and the State's share in central taxes. The budgeted tax revenue is anticipated at Rs.77519.99 crore in 2013-14 as against Rs.65992.50 crore in 2012-13. Sales tax/VAT is the main source of tax revenue comprising about 53.77 % of own tax revenue in 2013-14, with a growth rate of 18.17 %. Revenue from State excise is expected to increase by 11.50%. Taxes on income and expenditure will be 13.33% as compared to the

previous year. The State's share in central taxes is anticipated to increase by Rs.15055.99 crore i.e. by 20.45 %. Taxes on goods and passengers have increased by 14.77 % and State's excise revenues have increased by 11.50 %. The increase in overall revenue receipts is 15.44 %. The State's share in the central taxes is expected to increase by 20.45 %.

b) Non - tax Revenues: Non-tax revenue includes receipts from social, economic and general services, interest and dividends. In the budget for 2013-14 the revenue from the above three services is Rs.4038.28 crore in 2013-14(BE) against Rs.3796.33 crore in 2012-13(RE) (indicating an increase of 6.37%). Grants from the Government of India are expected to increase from Rs. 15094.84 crore in 2012-13(RE) to Rs. 16428.11 crore (BE) in 2013-14 (an increase by 8.83%). Non-tax revenue as a percent of GSDP has revealed a decline from 1.98% in 2005-06 to 0.67% in 2013-14: This is an important fiscal challenge faced by the State which warrants necessary measures to recover user charges at optimal levels. The ratio of non-tax revenue to total receipts has been continuously declining over the years. Further, the State has one of the lowest non-tax revenues to the GSDP ratios in the country. It has hovered around the 1% mark over the past two to three years. This is due

Table 3.4 - Overall Budgetary Position (Rs.crore)

	Receipts and Disbursements	2011-12 (A/C)	2012-13 (R.E.)	2013-14 (B.E.)	% variation (2013-14 over 2012-13)
A.	Receipts				
1	Revenue Receipts	69806.27 (82.01)	84883.67 (82.90)	97986.38 (82.97)	15.44
2	Capital Receipts	15317.53 (17.99)	17505.44 (17.10)	20109.42 (17.03)	14.88
	Total A: (1+2)	85123.80	102389.11	118095.80	15.34
B.	Disbursement				
1	Revenue Expenditure	65115.07 (77.09)	83940.81 (81.97)	97390.53 (82.52)	16.02
2	Capital Disbursements	19348.59 (22.91)	18465.19 (18.03)	20625.74 (17.48)	11.70
	Total B : (1+2)	84463.66	102406.00	118016.26	15.24

A/C: Accounts, R.E.: Revised Estimates, B.E.: Budget Estimates

Note: Ways and means advances from RBI have not been included in the Capital receipts and expenditure; values in the bracket indicate percentage to respective totals.

to low recovery of costs. In many departments, the revision of user charges, fees & fines and other such non-tax receipts have not taken place for many years. Even with revision of rates and better collection mechanisms, the increase in revenues from this avenue may not be large due to existing low base. Expenditure Reforms Commission has made a number of recommendations to enhance revenues from user charges.

3.4.2.2 Capital Receipts

Capital receipts include loans from Government of India, internal debt - ways & means, open market loans (net), public account, recoveries of loans & advances and contingency funds (net). Capital receipts of Rs.20109.42 crore in 2013-14 (BE)

accounts for an increase of 14.88 % over the 2012-13 (RE) level. Loans from the Government of India account for Rs. 2095.47 crore i.e. 10.42% of the capital receipts and are expected to increase by 6.45 % as compared to the previous year. There is an increase in internal debt-open market loans (Net) by 51.05% in 2013-14 as compared to the previous year (2012-13) whereas recovery of loans and advances has decreased by 14.01 %.

3.4.3 Expenditure

Expenditure indicators (Table 3.7 & 3.8) reveal that the State's total expenditure under Consolidated Fund as a proportion of the GSDP has marginally declined from 20.58% in 2007-08 to 20.21 % in 2013-14 B.E.

Table 3.5 - Important Budgetary Indicators

Indicator		Unit	2012-13 (R.E.)	2013-14 (B.E)
1.	Aggregate Receipts (Revenue + Capital)	Rs. Crore	102389.11	118095.80
2.	Revenue Receipts	Rs. Crore	84883.67	97986.38
3.	State's Own Tax Revenue	Rs. Crore	53492.50	62464.00
4.	Per Capita State's Own Tax Revenue	Rupees	8504.37	9775.27
5.	Sales Tax / VAT Collection	Rs. Crore	28425.00	33590.00
6.	Share of Sales Tax /VAT in the State's Own Tax Revenue	%	53.14	53.77
7.	Non-Tax Revenue including Grants from the Centre	Rs. Crore	18891.17	20466.39
8.	Share of Non-Tax Revenue in Revenue Receipts	%	22.26	20.89
9.	Debt Receipts	Rs. Crore	14645.53	22396.47
10.	Share of Debts Receipts in Aggregate Receipts	%	14.30	18.96
11.	Per Capita Receipts	Rupees	16278.08	18481.35
12.	Aggregate Expenditure (Revenue + Capital)	Rs. Crore	102406.00	118016.26
13.	Developmental Expenditure	Rs. Crore	73503.04	83372.95
14.	Per Capita Development Expenditure	Rupees	11685.70	13047.41
15.	Share of Developmental Expenditure in Total Expenditure	%	71.78	70.65
16.	Per Capita Expenditure - Social Security & Welfare	Rupees	1340.68	1467.41
17.	Per Capita Expenditure on Health, Family Welfare, Water Supply and Sanitation	Rupees	1023.50	1326.20
18.	Per capita Expenditure on Education, Sports, Art and Culture	Rupees	2569.93	2991.39

*R.E.: Revised Estimates, B.E.: Budget Estimate
Per capita are calculated on projected population of 2013 and 2014*

(Figure 3.8). The State's efforts to enhance the social and economic infrastructure are revealed in the positive gains that the social services and capital expenditure have yielded during the post FRA period. The share of expenditure on social services has increased from 5.61% of GSDP in 2007-08 to 6.27% in 2013-14 while the share of capital expenditure decreased from 3.70% of GDSP to 2.93% of GDSP during the same period; is a matter of concern. Expenditure Reforms Commission has suggested that capital expenditure should be insulated from such adhoc cuts and the state should maintain the capital outlay at least at 5 percent level of Gross state

domestic product. The share of development expenditure has significantly increased from 10.51% to 13.86% while the share of interest payments has declined from 1.93% to 1.41%.

3.4.3.1 Functional Categories of Expenditure

Services provided by the Government are categorized broadly under three functional categories - General, Social and Community and Economic services and reflect the priorities of the Government by its various functions performed. The trends and composition of the functional categories of

Figure 3.6 - State's own tax revenue

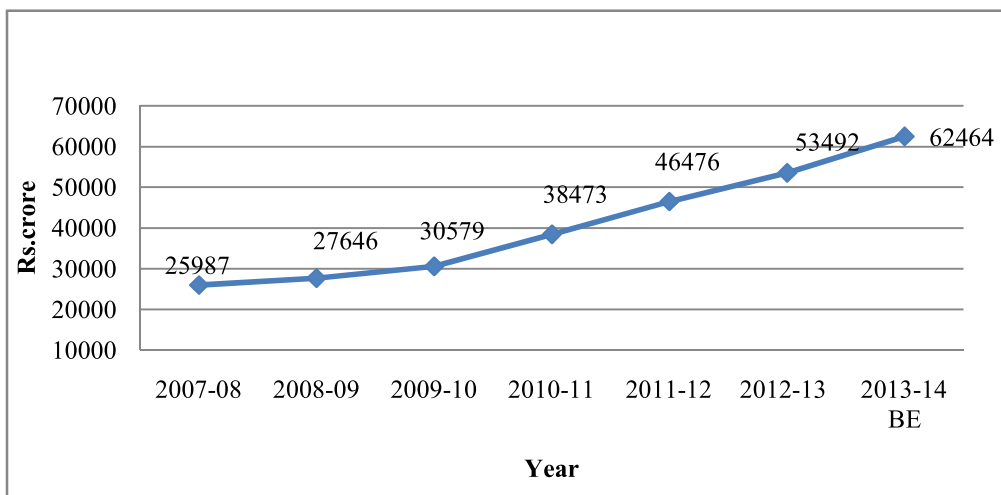


Figure 3.7: Tax effort (Tax/GSDP)

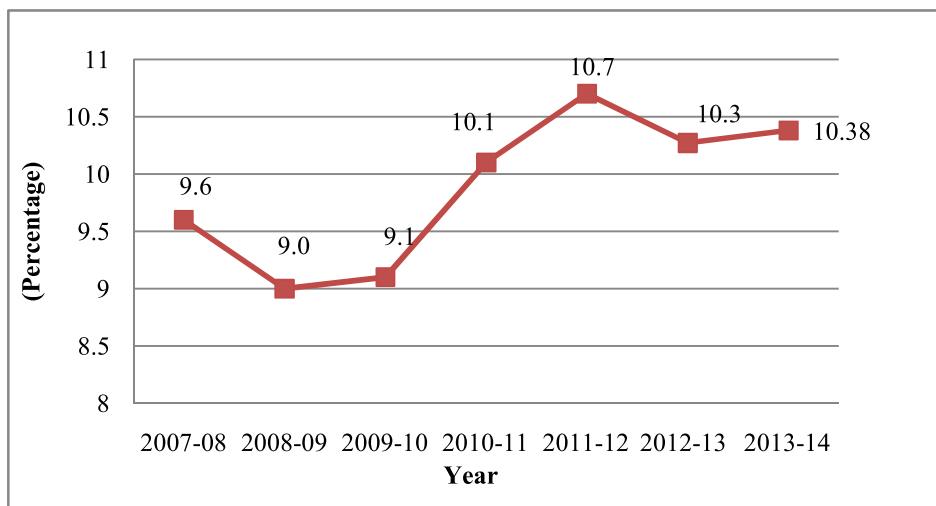


Table 3.6 - Revenue and Capital Receipts, Karnataka 2011-12 to 2013-14 (Rs.crore)

Category of Receipts		2011-12 (A/C)	2012-13 (RE)	2013-14 (B.E)	% Variation 2013-14 over 2012-13	% to total Revenue Receipts		
						2011-12 (A/C)	2012-13 (RE)	2013-14 (B.E)
L	Revenue Receipts					% to total Revenue Receipts		
A.	State's Tax Revenue	57551.00	65992.50	77519.99	17.47	82.44	77.74	79.11
(i)	Taxes on Income and Expenditure	615.29	750.00	850.00	13.33	0.88	0.88	0.87
(ii)	Taxes on Property & Capital Transactions of which	45860.72	52742.50	61614.00	16.82	65.70	62.14	62.88
	(a) Sales Tax / VAT	25020.02	28425.00	33590.00	18.17	35.84	33.49	34.28
	(b) Taxes on vehicles	2956.72	3500.00	4120.00	17.71	4.24	4.12	4.20
	(c) State Excise	9775.44	11300.00	12600.00	11.50	14.00	13.31	12.86
	(d) Taxes on Goods & Passengers	1690.17	2200.00	2525.00	14.77	2.43	2.59	2.58
	(e) Others	6418.38	7317.50	8779.00	19.97	9.19	8.63	8.96
	State's Own Tax Revenue (i)+(ii)	46476.01	53492.50	62464.00	16.77	66.58	63.02	63.75
(iii)	Tax Devolution from Centre	11074.99	12500.00	15055.99	20.45	15.87	14.73	15.37
B.	Non-tax Revenues	4086.86	3796.33	4038.28	6.37	5.85	4.47	4.12
C.	Grants - in - aid from Central Government	8168.41	15094.84	16428.11	8.83	11.70	17.78	16.77
	Total I: Revenue Receipts (A+B+C)	69806.27	84883.67	97986.38	15.44	100.00	100.00	100.00
II.	Capital Receipts							
(i)	Loans from Govt. of India	1267.06	1968.53	2095.47	6.45	8.27	11.25	10.42
(ii)	Internal Debt (Net of W & M & MB)	6798.39	11059.89	16706.39	51.05	44.38	63.18	83.08
(iii)	Public A/c (Net)	6910.48	4220.00	972.97	-76.94	45.11	24.11	4.84
(iv)	Recovery of Loans & Advances	240.40	156.51	134.59	-14.01	1.57	0.89	0.67
(v)	Contingency Fund (Net)	12.02	0.51	0.00	0.00	0.08	0.00	0.00
(vi)	Misc. Capital Receipts	89.18	100.00	200.00	100.00	0.58	0.57	0.99
	Total II: Capital Receipts (i) to (vi)	15317.53	17505.44	20109.42	14.88	100.00	100.00	100.00
	AGGREGATE RECEIPTS: I+II	85123.80	10289.11	118095.80	15.34			
	CONSOLIDATED FUND OF RECEIPTS	79493.80	99785.70	120717.43	20.98			
	Total Tax Revenue as per cent of Total Receipts	67.60	64.50	65.60	1.84			

A/C: Accounts, RE: Revised Estimates. BE: Budget Estimates, W & M = Ways & Means, MB =Market Borrowings; Source: Annual Financial Statement 2013-14

Table 3.7 - Expenditure Indicators (Rs. crore)

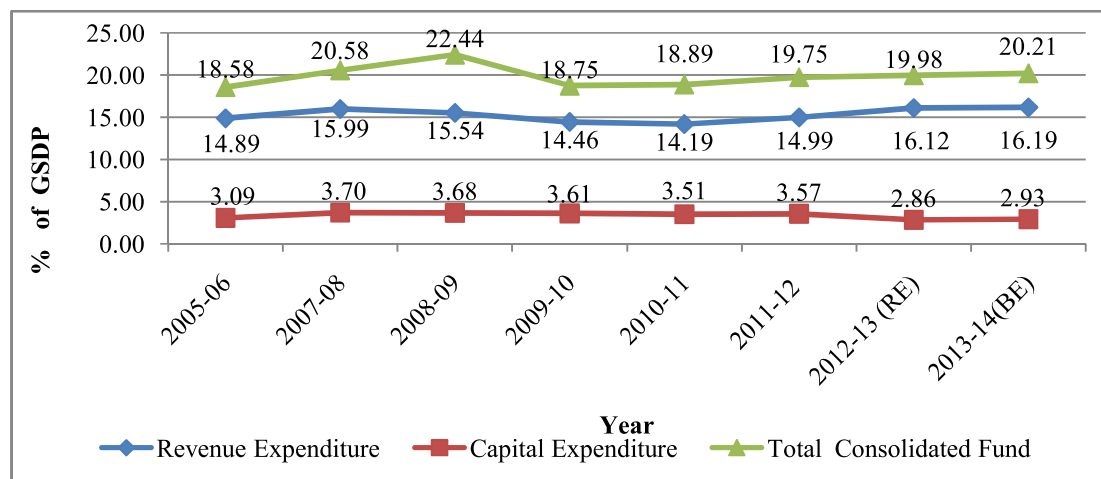
Particulars	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (RE)	2013-14 (BE)
Revenue Receipts	41151.14	43290.68	49155.70	58206.23	69806.27	84883.67	97986.38
Revenue Expenditure	37374.77	41659.29	47536.92	54033.83	65115.07	83940.81	97390.53
Development Expenditure	24577.12	27009.63	32300.57	51626.38	60929.69	73503.04	83372.95
Social Services	13123.81	15872.99	19118.86	22107.82	29413.15	36419.81	42186.25
Economic Services	11453.31	11136.64	13181.71	14892.44	31516.54	37083.23	41186.70
General Services	10871.79	12275.57	12762.34	14055.09	17070.97	21786.36	26314.86
Interest Payments	4506.00	4532.00	5213.00	5641.00	6061.85	6852.23	8500.00
Wage Bill	8667.00	9927.00	10296.00	11086.00	11543.00	17120.00	20843.00
Pensions	3241.00	4113.00	3408.00	4070.00	5436.00	7500.00	8500.00
Capital Expenditure	8648.94	9870.29	12136.68	13355.16	15505.65	14877.13	17626.99
Total Expenditure (RE+CE)	46023.71	51529.58	59673.60	67388.99	80620.72	98817.84	115017.52
Consolidated Debt	63655.00	71410.00	83482.00	91943.00	103030.00	114401.00	132829.00
Total Consolidated Fund	48109.22	60178.38	62963.51	71934.07	85756.15	104023.10	121610.87

Table: 3.8: Expenditure Indicators as % of GSDP

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (RE)	2013-14 (BE)
Revenue Receipts	17.60	16.14	14.64	15.28	16.07	16.30	16.20
Revenue Expenditure	15.99	15.54	14.16	14.19	14.99	16.12	16.19
Development Expenditure	10.51	10.07	13.38	13.55	14.03	14.11	13.86
Social Services	5.61	5.92	5.69	5.80	6.77	6.99	7.01
Economic Services	4.90	4.15	3.93	3.91	7.26	7.12	6.85
General Services	4.65	4.58	3.80	3.69	3.93	4.18	4.37
Interest Payments	1.93	1.69	1.55	1.48	1.40	1.32	1.41
Wage Bill	3.71	3.70	3.07	2.91	2.66	3.29	3.46
Pensions	1.39	1.53	1.02	1.07	1.25	1.44	1.41
Capital Expenditure	3.70	3.68	3.61	3.51	3.57	2.86	2.93
Total Expenditure (RE+CE)	19.68	19.22	17.78	17.69	18.56	18.98	19.12
Consolidated Debt	27.23	26.63	24.86	24.14	23.72	21.97	22.08
Total Consolidated Fund	20.58	22.44	18.75	18.89	19.75	19.98	20.21

Note: Shares in GSDP have been calculated based on GSDP projections from MTFP 2013-17, FD, GOK.

Figure 3.8 - Revenue, Capital and Consolidated Fund Expenditure as a percent to GSDP

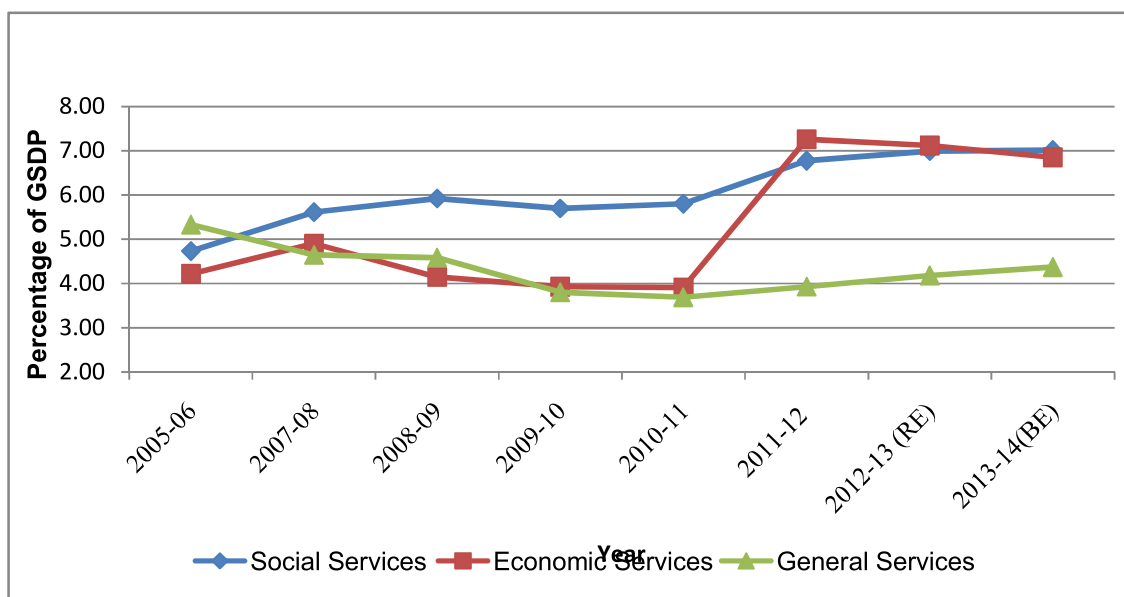


expenditure from 2005-06 reveal that the focus on social services covering the sectors such as education, health, housing, water supply etc., has significantly increased as reflected in the share of expenditure from 4.73% of GSDP to 7.01% of GSDP (Figure 3.9). The share of expenditure on economic services has increased from 4.22% to 6.85% of GSDP while that of general services has declined from 5.33% to 4.37% of GSDP during the reference period.

3.4.3.2 Development Expenditure: An Inter-State Comparison

The State has a larger size of per capita development expenditure as compared to the National average and that of many other States. Development expenditure comprises of spending incurred by the Government on programs relating to the social and economic services which, in turn, contribute to the social and

Figure 3.9 - Functional Categories of Expenditure as a percent to



economic development of the State. The per capita development expenditure in Karnataka during 2010-11, 2011-12(RE) and 2012-13(BE) was Rs. 8450/-, Rs.9477/- and Rs.10672/-respectively as compared to all State's average of Rs.5952/-, Rs7487/- and Rs.8265/-. Karnataka has the second highest level of per capita development expenditure during 2012-13 as can be seen in Table 3.9.

3.4.3.3 Expenditure Highlights - 2013-14

Sector wise break-up of development and non-development expenditures is presented in Table 3.10 and the corresponding revenue, capital and loan accounts are given in Appendix. The broad trends in development and non development expenditure are depicted in Figure 3.10. The expenditure on social services is anticipated to increase by 15.83 % with a

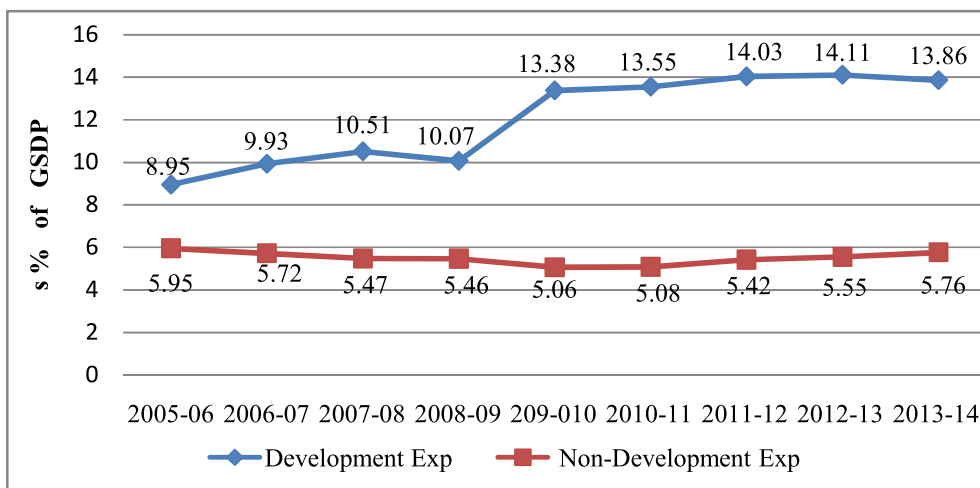
Table 3.9 - Per-Capita Development Expenditure in select States (Rs.)

State	2010-11 (A/C)	2011-12 (RE)	2012-13 (BE)
Andhra Pradesh	7791	9853	11854
Assam	4885	7429	8436
Bihar	2719	4550	4740
Gujarat	7864	8585	10400
Karnataka	8450	9477	10672
Kerala	6132	8424	10056
Madhya Pradesh	5486	8034	7371
Maharashtra	7650	8898	9386
Orissa	5573	6812	7440
Punjab	5736	7911	9479
Rajasthan	4879	6483	7164
Tamilnadu	7632	9470	10412
Total: All States	5952	7487	8265

Note: Per- capita development expenditure is calculated using the projected population of 2011, 2012 and 2013; Source: RBI-A Study of Budget 2012-13, Statement 12

net increase of Rs.5766.44 crore, from Rs.36419.81 crore in 2012-13 to Rs.42186.25 crore in 2013-14. Expenditure on economic services is expected to increase by 11.07% from Rs.37083.23 crore in 2012-13 to Rs.41186.70 crore in 2013-14. Development expenditure on social security & social welfare in 2012-13 is anticipated to go up by 11.19%; housing & urban development has increased by 3.33% over the previous year. Water & power development followed by agriculture and allied services have large share in the Economic Services, while in social services, Education sector followed by Social security & welfare gets the largest share. Non-development expenditure is expected to increase to Rs.34643.31 crore in 2013-14 from Rs.28902.96 crore in 2012-13,

accounting for 19.86% share in total expenditure. Repayment of loans to Government of India and discharge of internal debt account has increased to Rs.2245.81 crore in 2013-14 compared to Rs.2026.51 crore in 2012-13. Interest payments in the current year have increased to Rs.8500 crore compared to Rs.6852.23 crore in 2012-13. Expenditure on administrative services is anticipated to increase by 28.68%, while on pension and miscellaneous general services, an increase of 13.74% are seen (as compared to 2012-13).Expenditure on the organs of the State has increased marginally by 23.29% over the previous year.

Figure 3.10 - Development and Non Development Expenditure**Table 3.10 - Trends in Key Expenditure Components (Rs. Crore)****3.4.3.4 Plan and Non-Plan Expenditure**

Plan and non-plan expenditure details are presented in Table 3.11. Of the aggregate expenditure of Rs. 118016.26 crore budgeted for 2013-14, plan outlay

amounts to Rs.58823.05 crore. There has been a significant increase in the State plan outlay by Rs.6585 crore from Rs.42100 crore (RE) in 2012-13 to Rs.48685 crore in 2013-14 B.E. The central Plan component (including CSS) has increased by Rs.

Table 3.10 - Trends in Key Expenditure Components (Rs. Crore)

Category of Expenditure		2011-12 (A/C)	%	2012-13 (RE)	%	2013-14 (B.E)	%	Percent Variation (2013-14 over 2012-13)
I	Developmental Expenditure							
A	Economic Services of which	31516.54	51.73	37083.23	50.45	41186.70	49.40	11.07
1	Agriculture & Allied Services	6178.51	10.14	8888.15	12.09	12829.41	15.39	44.34
2	Rural Development	1949.04	3.20	5134.41	6.99	4672.04	5.60	-9.01
3	General Economic Services	3507.21	5.76	2126.51	2.89	1805.42	2.17	-15.10
4	Water & Power Development	12762.20	20.95	14225.22	19.35	14440.07	17.32	1.51
5	Industry and Minerals	1218.62	2.00	1155.05	1.57	1276.62	1.53	10.53
6	Transport and Communication	5726.30	9.40	5462.51	7.43	5945.49	7.13	8.84
7	Others	174.65	0.29	91.39	0.12	217.65	0.26	138.15
B	Social Services of which	29413.15	48.27	36419.81	49.55	42186.25	50.60	15.83
8	Education, Sports, Art and Culture	12564.52	20.62	16164.84	21.99	19114.99	22.93	18.25
9	Medical & Public Health, Family Welfare, Water supply & Sanitation	5799.40	9.52	6437.83	8.76	8474.40	10.16	31.63
10	Social Security & Welfare Including SC & ST Welfare	6974.41	11.45	8432.88	11.47	9376.72	11.25	11.19
11	Housing and Urban Development	2552.07	4.19	2851.89	3.88	2946.74	3.53	3.33
12	Information and Publicity	69.10	0.11	83.43	0.11	87.95	0.11	5.41
13	Others	1453.64	2.39	2448.94	3.33	2185.45	2.62	-10.76
	Total Development Expd. (A+B)	60929.69	100.00	73503.04	100.00	83372.95	100.00	13.43

II	Non-developmental Expenditure							
(a)	Revenue Expenditure under General services	16445.48	69.88	21127.31	73.10	25642.89	74.02	21.37
(i)	Organs of the State	655.90	2.79	938.40	3.25	1156.98	3.34	23.29
(ii)	Fiscal Services	638.14	2.71	883.67	3.06	1086.56	3.14	22.96
(iii)	Interest payment & servicing of debts	6061.85	25.76	6852.23	23.71	8500.00	24.54	24.05
(iv)	Administrative Services	3621.99	15.39	4919.67	17.02	6330.79	18.27	28.68
(v)	Pension & Miscellaneous General Services	5467.61	23.23	7533.34	26.06	8568.56	24.73	13.74
(b)	Compensation & Assignment to Local Bodies and PRIs	4343.96	18.46	5010.61	17.34	6054.73	17.48	20.84
(c)	Capital Expenditure	2744.53	11.66	2765.03	9.57	2945.69	8.50	6.53
(i)	General Services	625.49	2.66	659.05	2.28	671.97	1.94	1.96
(ii)	Discharge of Internal Debt (Net)	1227.18	5.21	1422.48	4.92	1532.45	4.42	7.73
(iii)	Repayment of Loans to G.O.I.	800.20	3.40	604.03	2.09	713.36	2.06	18.10
(iv)	Loans & Advances to Govt. Servants	91.66	0.39	79.47	0.27	29.71	0.08	-64.88
	Total non-development Expenditure	23533.97	100.00	28902.96	100.00	34643.31	100.00	19.86
	Aggregate Expd. I + II	84463.66		102406.00		118016.26		15.24
	Developmental Exp as % of total Exp	72.14		71.78		70.65		
	Per Capita Development Expenditure(Rs)	9827.37		11685.70		13047.41		11.65
	III.Ways & Means & Market Borrowings	1292.50		1617.11		3594.61		122.29
	Consolidated Fund	85756.15		104023.10		121610.87		16.91

R.E: Revised Estimates, B.E.: Budget Estimates

Note: Per capita is based on the projected population of 2012, 2013 and 2014

Source: Appendix 3.3 based on Budget Documents: 2013-14

1681.12 crore from Rs.8456.93 crore in 2012-13 (RE) to Rs.10138.05 crore during the current year. Non-Plan expenditure is expected to increase by 15.05% from Rs. 61507.13 crore in 2012-13 to Rs.70764.32 crore in 2013-14. The expenditure on irrigation projects (Non-plan) pending approval is Rs. 265.48 crore during current year.

Trends in the share of plan and non-plan expenditure in the GSDP during 2005-06 to 2013-14 are presented in Figure 3.11. It can be seen that there has been a gradual increase in the plan expenditure of the State. Restricting the non-plan expenditure has been possible due to the austerity measures adopted by the Government from time to time such as restrictions on fresh recruitment, vehicle purchases, foreign tours

and training, holding Government functions in star hotels and total ban on travel in business class in flights. However, the State government still has a fairly large amount of expenditure locked up under "committed expenditure" category which is highlighted below -

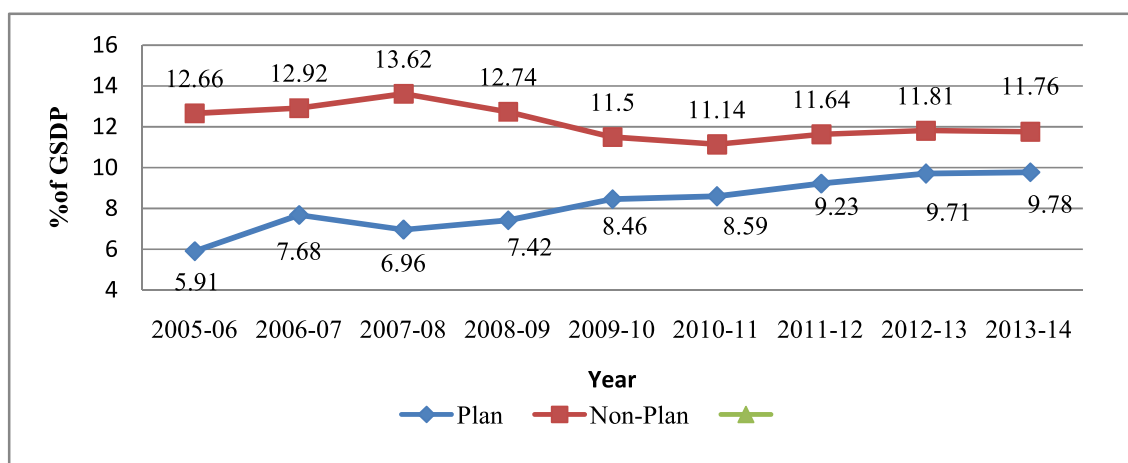
3.4.3.5 Committed Expenditure

Committed expenditure on salaries, pensions, interest, subsidies, administrative expenditure, devolution to PRIs and ULBs, etc constitute about 95 percent of the total uncommitted revenue receipts i.e. total revenue receipts less tied grants from Government of India, during the year 2013-14(BE) (Figure 3.12). The graph below indicates the trends in the share of committed expenditure to the

Table No. 3.11- Plan and Non-plan Expenditure (Rs.crore)

	Items	2011-12 (A/C)	2012-13 (RE)	2013-14 (BE)
I.	Plan			
1	State Plan	38450.00 (95.95)	42100.00 (83.27)	48685.00 (82.77)
2	Centrally Sponsored Schemes (including Central sector)	1620.50 (4.05)	8456.93 (16.73)	10138.05 (17.23)
	Total Plan Outlay	40070.50	50556.93	58823.05
II.	Non-Plan Expenditure	50536.83	61507.13	70764.32
III.	of which Irrigation Projects Pending Approval (Non-Plan)	429.35	289.64	265.48

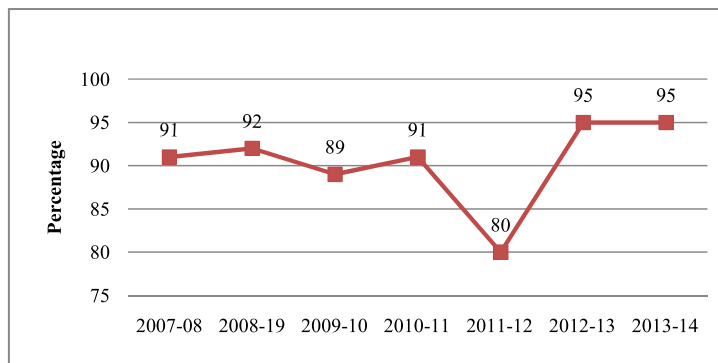
Note: values in the bracket indicate percentage to grand total. R.E: Revised Estimates, B.E: Budget Estimates

Figure 3.11- Plan and Non Plan Expenditure as a Percent of GSDP

uncommitted receipts. As is evident from the graph, approximately 95% of uncommitted revenue receipts in 2013-14 are committed. Hence, only 5% of uncommitted revenue receipts are available for new initiatives and existing capital expenditure commitment of the the Government. With such limited fiscal space available for manoeuvrability, containing the committed expenditure which is largely revenue in nature vis-a-vis capital expenditure which is one of the key challenges currently being faced by the state.

3.4.3.6 Economic Classification of Expenditure

Under the guidelines from the Central Statistical Organization, the Directorate of Economics and Statistics classifies Government expenditure by economic categories in the annual budget. This is useful for analyzing the economic significance of the budgetary transactions of the State Government. It throws light on the extent of capital formation out of budgetary resources, savings of the Government, draws of the Government on various resources of

Figure 3.12- Committed Expenditure as % of Uncommitted Revenue Receipts

the State's economy and contribution of the Government to State income. A summary of the total expenditure by economic classification for 2013-14 in comparison with the preceding two years is presented in table 3.12. In 2013-14, in the final outlays, the Government's consumption is anticipated to increase by 22.41% over 2012-13. The capital formation has increased by 13.39%. Consumption expenditure forms 22.88% of the total expenditure during the current year. Transfer

payments to the rest of the economy are anticipated to go up by 10.17% during the current year. The share of transfer payments to the rest of the economy in total expenditure is 56.36%. Within transfer payments, current transfers, which include interest and subsidies, are a major component (98.34%). Financial investments and loans to the rest of the economy that amounted to Rs.6310.84 crore in 2012-13 have increased to Rs. 7077.49 crore in 2013-14.

Table 3.12 - Economic Classification of Expenditure in the State Budget for 2013-14 (Rs. Crore)

	Description	2011-12 (A/C)	2012-13 (RE)	2013-14 (B.E)	Percent Variation (2013-14 over 2012-13)
1	Final Outlays	27561.79	35895.42	42535.97	18.50
(a)	Government consumption Expenditure	14603.23	21252.69	26016.29	22.41
(b)	Gross Capital Formation	13039.69	14736.29	16709.08	13.39
(c)	Acquisition of Fixed Assets	-81.13	-93.56	-189.40	102.44
2	Transfer Payments to the Rest of the	43337.13	58166.57	64084.42	10.17
(a)	Current Transfers *	43136.54	57190.58	63021.15	10.19
	Capital Transfers	200.59	975.99	1063.27	8.94
3	Financial Investments and Loans to the rest of the Economy	7062.98	6310.84	7077.49	12.15
Total Expenditure (1+2+3)		77961.90	100372.83	113697.88	13.28

* Includes interest and subsidy also R.E.: Revised Estimates, B.E.: Budget Estimates

Source: An Economic-cum-Purpose Classification of the Karnataka Government Budget 2013-14, Directorate of Economics and Statistics, Government of Karnataka

3.5 Capital Formation by Government

Details of capital formation by the Government are presented in Table 3.13. Gross capital formation by the Government is expected to increase by 12.54% in

2013-14. The value of assets anticipated to be created in 2013-14 is Rs.13549.07 crore of which Rs.3163.02 crore will be created by departmental commercial undertakings and Rs.14419.93 crore by the Government.

Table 3.13 - Capital Formation by the Government of Karnataka - 2013-14 (Rs. Crore)

	Description	2011-12 (A/C)	2012-13 (RE)	2013-14 (B.E)	Percent Variation (2013-14 over 2012-13)
1	Value of Assets Created	13159.15	15618.72	13549.07	12.58
(a)	By Departmental Commercial Undertakings	2552.45	2663.71	3163.02	11.31
(b)	By Government Administration	10606.70	12955.01	14419.93	18.74
2	Change in Stock in (a) & (b) above	-1.36	-12.49	-20.04	60.45
	Total: Gross Capital Formation	13157.79	15606.23	17562.91	12.54

Source: An Economic-cum-Purpose Classification of the Karnataka Government Budget 2013-14, Directorate of Economics and Statistics, Government of Karnataka

3.6 Investment under Plan: State Budgetary Support (SBS) For Plan

Karnataka's plan SBS has increased from Rs 18047 crore to Rs.40663 crore during the period (2008-09

and 2013-14) at a CAGR of 17.64% (Figure 3.13). The plan SBS as a percentage of the budget marginally increased from 33.4% to 33.43 % during the same period. Relative to the GSDP, the plan SBS increased from 5.9% to 6.8% during the period (Figure 3.15).

Figure 3.13- Plan State Budgetary Support

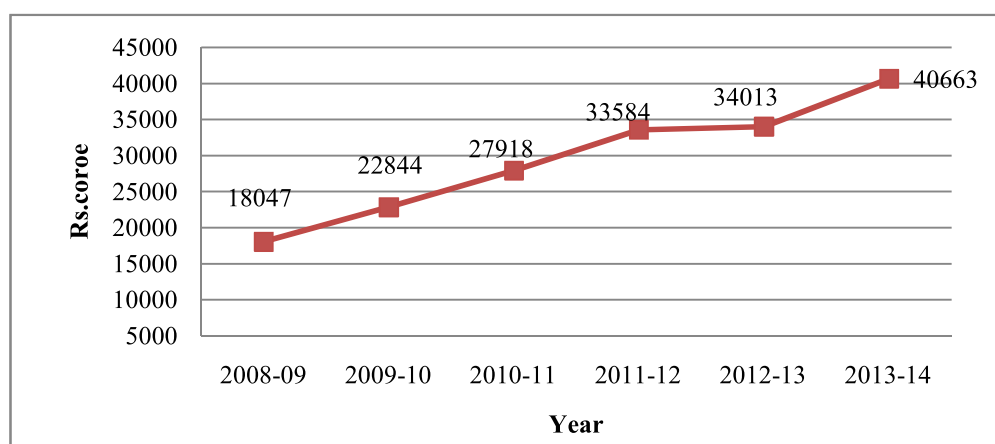
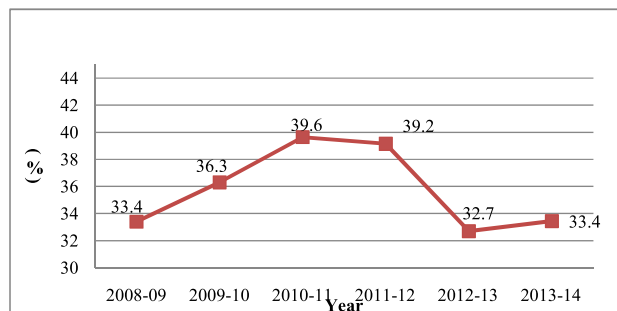
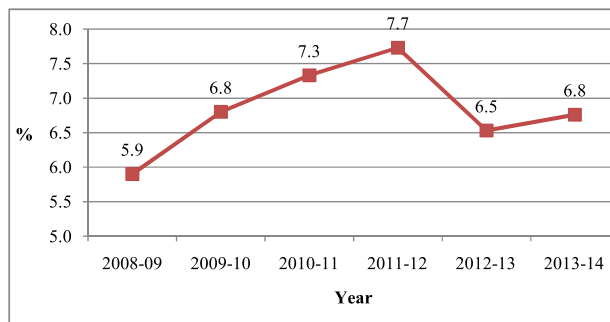


Figure 3.14 - Share of plan SBS in Total Disbursements**Figure 3.15: Share of plan SBS to GSDP**

Eleventh Five Year Plan (2007-12): The State's plan spending has been growing significantly. The outlay for the Eleventh Five Year Plan was Rs.101664.00 crore at 2006-07 prices which was 133% more than the Tenth Five Year Plan's outlay of Rs.43558.22

crore. Karnataka's plan achievement is impressive. (Table 3.14) Plan expenditure also has revealed an impressive growth over the years and the State has one of the highest per capita plan expenditure in the country at Rs.6693 in 2012-13(RE).

Table 3.14- Financial Resources of Eleventh and Twelfth Plan, Karnataka (Rs. Crore)

	Items	Eleventh Plan Target (at 06-07 prices)	Eleventh Plan Achievement (at Current prices)	% Achievement over Target
1	State Borrowings	33854.56	29851.44	88.18
2	State Own Resources	44323.59	75923.75	171.29
3	IEBR	12709.21	17418.97	137.06
4	Central Assistance	10776.63	13158.23	122.10
	Total	101663.99	136352.39	134.12

b) Inter-sectoral Outlays - The sectors which have performed well in Eleventh Plan including Agriculture and Allied Activities, Irrigation and Flood Control, Energy, Industries and Minerals, Transport, Science, Technology and Environment, General Economic Services, Education, Health,

Information and Publicity, Welfare of SCs, STs and OBCs, Labour and Employment and Social Security. The plan performance by the major sectors during the Eleventh Five Year Plan 2007-12 are presented in Table 3.15.

Table 3.15- Plan Outlays and Expenditure by Major Sectors (Rs. Crore)

Sl.No	Sectors	Eleventh Plan 2007-12 (at 2006-07 prices)	Expenditure in Eleventh Plan (At Current prices)	% variation Expenditure over outlays
A.	Economic Services			
1	Agriculture & Allied Activities(incl. Cooperation)	7687.48	9204.15	119.73
2	Rural Development	5200.27	5666.83	108.97
3	Special Area Programme (including HKDB, MADB & BADP)	1369.11	2086.74	152.41
4	Irrigation and Flood Control	14795.36	18975.85	128.26
5	Energy	10050.55	16740.12	166.56
6	Industry & Minerals	2143.37	2950.39	137.65
7	Transport	12959.26	19010.15	146.69
8	Science, Technology & Forestry & Environments	1075.59	1504.48	139.87
9	General Economic Services	2650.29	3441.78	129.86
	Total - A : Economic Services	57931.28	79580.49	137.37
No	Sectors	Eleventh Plan 2007-12 (at 2006-07 prices)	Expenditure in Eleventh Plan (At Current prices)	% variation Expenditure over outlays
B.	Social Services			
10	Education, Sports, Art &	8412.02	11799.85	140.27
11	Health	3376.22	4587.55	135.88
12	Water Supply, Housing & Urban Development			
	a) Water Supply	5409.35	5493.12	101.55
	b) Housing	3393.05	3680.39	108.5
	c) Urban Development	13027.41	13246.45	101.68
13	Information & Publicity	59.00	105.20	178.30
14	Welfare of SCs, STs & OBCs	3626.33	7095.41	195.66
15	Labour & Labour Welfare	572.18	786.84	137.52
16	Social Welfare & Nutrition	3895.36	7057.80	181.18
	Total - B : Social Services	41770.92	53852.61	128.92
C.	General Services	1961.80	2919.13	148.80
	Grand Total - State Plan	101664.00	136352.24	134.12

Source: Eleventh Five Year Plan and Annual Plan 2013-14 documents.

Sectoral breakup of plan outlays by major sectors for the last three years is presented in Table 3.16.

Table 3.16- Developmental Outlays by Major Sectors (Rs. Crore)

	Sectors	2011-12 (A/C)	%	2012-13 (RE)	%	2013-14 (BE)	%
A.	State Plan						
L	Economic Services						
1	Agriculture & Allied Activities (Including Co-	3280.45	8.09	4800.40	9.43	6149.25	10.40
2	Rural Development	2104.42	5.18	2067.26	4.06	1827.83	3.09
3	Special Area Programme (including HKDB, MADB & BADP)	332.17	0.82	425.87	0.84	451.87	0.76
4	Irrigation and Flood Control	6032.87	14.88	6838.40	13.44	8856.03	14.98
5	Energy	3464.42	8.55	4168.72	8.19	5244.46	8.87
6	Industry and Minerals	833.38	2.06	699.32	1.37	764.21	1.29
7	Transport	5001.71	12.34	5206.23	10.23	4881.20	8.26
8	Science, Technology & Environment	46.29	0.11	69.79	0.14	74.52	0.13
9	General Economic Services	927.95	2.29	964.51	1.90	1122.85	1.90
	Total - I: Economic Services	22023.66	54.34	25240.50	49.61	29372.22	49.68
II.	Social Services						
10	Education, Sports, Art & Culture	3172.89	7.83	3683.11	7.24	4228.38	7.15
11	Health	1248.29	3.08	1472.51	2.89	1732.24	2.93
12	Water Supply, Housing & Urban Development						
	(a) Water Supply	1743.98	4.30	1935.06	3.80	2023.67	3.42
	(b) Housing	1120.33	2.76	1324.21	2.60	1114.26	1.88
	(c) Urban Development	3687.81	9.10	3527.26	6.93	4977.10	8.42
	Total - II: Social Services	15574.96	38.43	15778.65	31.01	18129.12	30.67
I.	General Services	851.38	2.10	1080.85	2.12	1183.66	2.00
	Total - A : State Plan	38450.00	94.87	42100.00	82.74	48685.00	82.35
B.	Irrigation Projects Pending Approval (Non-Plan)	429.35	1.06	289.64	0.57	265.48	0.45
C.	Centrally Sponsored & Central Plan Schemes (GOI Share Outlay)	1620.50	4.08	8456.93	16.69	10138.05	17.20
	Grand Total	40499.85	100.00	50846.57	100.00	59088.53	100.00

Source: 1) Details of provision of Plan schemes, 2011-12 to 2013-14, Finance Department, 2) Details of Estimates of Irrigation, 2013-14 BE: Budget Estimates, RE: Revised Estimates and AC: Accounts

a) Centrally Sponsored and Central Sector Schemes: Outlays and expenditure under centrally sponsored and central sector schemes by sectors in 2011-12, 2012-13(RE) and 2013-14(BE) are presented in Table 3.17. In 2013-14, the budgeted outlay (Government of India's share) on centrally sponsored and central sector schemes was Rs.10138.05 crore, the revised estimate of 2012-13 was Rs.8456.93 crore and expenditure in 2011-12 was Rs. 1620.50 crore. Sector wise breakup reveals that the share of funding support for the 'Agriculture and allied activities' sector has marginally decreased from 11.39 % in 2011-12 to 9.07 % in 2013-14. Social

services account for the largest share under the CSS and CPS but its share has decreased from 78.46 % in 2011-12 to 70.10 % in 2013-14. There is, in fact, an absolute increase of social services in the amount from Rs.1271.38 crore to Rs.7106.56 crore during the above reference period. Similarly, there is a huge increase in allocation for the Rural Development in 2013-14 as compared to 2011-12. This is because of large amount of outlays for major schemes like NREGA, SSA etc which were not showing in the budget and releasing directly to the implementing agencies till 2011-12 are shown in the budget for the first time in 2012-13 and onwards.

Table 3.17 - Centrally sponsored and Central Plan Scheme (GoI share) (Rs. Crore)

Sectors	2011-12 (A/C)	2012-13 (RE)	2013-14 (BE)
Agriculture & Allied Activities	184.58(11.39)	746.56 (8.83)	919.70 (9.07)
Rural Development	6.07 (0.37)	2250.03 (26.61)	1534.74 (15.14)
Special Area Programme	1.20 (0.07)	1.64 (0.02)	1.64 (0.02)
Irrigation and Flood Control	77.51 (4.78)	216.17 (2.56)	130.98 (1.29)
Energy	10.10 (0.62)	568.08 (6.72)	11.83 (0.12)
Industry and Minerals	46.88 (2.89)	83.31 (0.99)	55.45 (0.54)
Transport	7.22 (0.45)	151.11 (1.79)	308.00 (3.04)
Science, Technology & Environment	0.74 (0.05)	0.70 (0.01)	0.70 (0.01)
General Economic Services	14.82 (0.91)	17.54 (0.21)	68.45 (0.67)
Social Services	1271.38 (78.46)	4421.79 (52.29)	7106.56 (70.10)
GRAND TOTAL	1620.50	8456.93	10138.05

Note: values in the bracket indicate percentage to grand total

3.7 - New Schemes announced in 2013-14 Budget

In all, 57 new schemes were announced in the State Budget of 2013-14. Distribution of new schemes across the departments is presented in Table 3.18.

3.7.1 - Description of Major New Schemes for the year 2013-14

a. Setting up of Agriculture Price Commission - Farmers are always facing problems due to indeterminate prices for their produce. Most of the items they do not even get the costs incurred. Hence, Government constituted the 'Agriculture Price

Commission' to fix suitable Prices which are worked out on scientific way by the Commission. Rs. 1000 crore has been provided as revolving fund for this Scheme in 2013-14.

b. Rajiv Gandhi Panchayathi Sashakthikaran Abhiyana - The main objective of the Scheme is to enhance capabilities & efficiency of Panchayaths and Grama Sabhas and also to enable democratic decision making and accountability in Panchayaths. It provides an opportunity to promote people participation. Rs.20 crore has been provided in 2013-14 for this purpose.

Table 3.18 - Department wise New Plan Scheme for the year (2013 -14)

Agriculture	3
Horticulture	1
Animal Husbandry	3
Forest and Environment	1
Food & civil Supplies	1
Co-operation	1
Rural development and Panchayat Raj	2
Irrigation	11
Commerce & Industries	1
Energy	3
Education	1
Health & Family Welfare	10
Medical Education	1
Revenue	3
Social Welfare	8
Backward Classes	4
Infrastructure Development	1
Transport	1
Law	1
Total	57

c. Development of Christian Community - For the welfare and upliftment of Christian Community in Karnataka, Government has initiated the implementation of various Schemes in the State. The schemes taken up for implementation are construction of Samudaya Bhavans, opening of Training Centres, provision of Educational opportunity, provision to start Small Scale Industries etc. Rs. 100 crore has been provided in 2013-14 for this purpose.

d. State Disaster Mitigation Fund - The State Government purposes to set up 9 natural calamities relief fund with a view to provide Capital Assets and relief for the man- made disaster which are not covered under Government of India . The said fund will be utilized for mitigation hardships and also to fulfill the Scheme related demands of various districts and also for natural calamities resistance activities. Rs. 125 crore has been provided in 2013-14 for this purpose.

e. Development of Logistic Parks in Karnataka - Government has proposed to develop Logistic Parks through Public Private Partnership(ppp) at suitable Locations in Karnataka which will help in reducing the logistics cost and efficient storage system,

reduction of wastage & quick supply to various regions. Logistic Parks will have 1CD, Warehouses, Truck terminals, Coldstorages and related commercial facilities. Rs.32.00 crore has been provided in 2013-14 for this purpose.

f. Weavers Package - The State Government has provided Rs.41.02 crore as weavers' package for 2013-14 after examining the problems faced by Weavers. This package includes previous arrears of electricity subsidy; interest subsidy on working capital loan availed from Commercial Banks, re-imbursent of 20 % rebate on Handlooms Products etc.

3.8 District Sector Plan Outlays for 2013-14

District sector plan outlays from 1990-91 to 2013-14 is given in Appendix. The total outlay of the district sector plan programmes for the year 2013-14 is Rs.8921 crore, of which Rs. 4841 crore is the State's share and Rs.4080 crore is the share of the Government of India. This constitutes around 18% of the total State's plan size; in the district sector outlay, the corresponding share of the State and the centre being 54% and 46% respectively. District wise break-up of the plan outlay is presented in Table 3.19.

3.9 Externally Aided Projects

There are sixteen externally aided projects under implementation with assistance from the World Bank and other external agencies during the year 2013-14. Of these, four are in Urban Development, three Public Works Department, two in Rural Development & Panchayat Raj department and one each in Health & Family Welfare, Water Resources, Forest, Energy, Education and Finance Departments. Another project, namely, Sujala III is being implemented by both Agriculture and Horticulture departments. It is proposed to implement Karnataka Integrated & Sustainable Water Resource Management – Urban Development Sector, Karnataka Integrated and Sustainable Water Resource Management – Irrigation Sector, Karnataka Urban water Supply Modernization Project and Dam Rehabilitation & Improvement Project from the current year. Expenditure incurred on these projects since inception upto September, 2013 is Rs. 8568.56 crore. Project wise details are presented in Table 3.20.

Table 3.19 - District Plan Outlay for the year 2013-14 (Rs. Lakh)

District	State	%	Central	%	Total	%
Bangalore Urban	11840.67	1.33	12822.14	1.44	24662.81	2.76
Bangalore Rural	5802.09	0.65	4667.77	0.52	10469.86	1.17
Bagalkote	14450.19	1.62	8227.15	0.92	22677.34	2.54
Belgaum	27818.82	3.12	19145.02	2.15	46963.84	5.26
Bellary	15581.03	1.75	8987.32	1.01	24568.35	2.75
Bidar	11051.33	1.24	5509.35	0.62	16560.68	1.86
Bijapur	16239.96	1.82	9422.95	1.06	25662.91	2.88
Chamarajanagar	7561.23	0.85	4504.65	0.50	12065.88	1.35
Chikkaballapur	7878.28	0.88	5786.18	0.65	13664.46	1.53
Chickmagalore	10447.91	1.17	5145.18	0.58	15593.09	1.75
Chitradurga	11661.47	1.31	8288.65	0.93	19950.12	2.24
Dakshina Kannada	9131.64	1.02	7233.16	0.81	16364.80	1.83
Davangere	11769.02	1.32	7910.71	0.89	19679.73	2.21
Dharwad	9036.88	1.01	7103.12	0.80	16140.00	1.81
Gadag	7749.03	0.87	4267.40	0.48	12016.43	1.35
Gulbarga	21007.05	2.35	10288.49	1.15	31295.54	3.51
Hassan	12106.25	1.36	7434.67	0.83	19540.92	2.19
Haveri	11156.75	1.25	6540.86	0.73	17697.61	1.98
Kodagu	4388.26	0.49	2806.23	0.31	7194.49	0.81
Kolar	8526.96	0.96	6485.62	0.73	15012.58	1.68
Koppal	10855.47	1.22	5541.57	0.62	16397.04	1.84
Mandya	11180.35	1.25	8275.96	0.93	19456.31	2.18
Mysore	14519.42	1.63	10792.26	1.21	25311.68	2.84
Raichur	16536.21	1.85	9032.47	1.01	25568.68	2.87
Ramanagar	7072.85	0.79	4595.42	0.52	11668.27	1.31
Shimoga	13825.34	1.55	10023.25	1.12	23848.59	2.67
Tumkur	16822.32	1.89	13067.39	1.46	29889.71	3.35
Udupi	5914.39	0.66	4157.93	0.47	10072.32	1.13
Uttar Kannada	13237.06	1.48	7869.37	0.88	22106.43	2.37
Yadgir	8042.77	0.90	4521.35	0.51	12564.12	1.41
Lump sum – ZP	130920.50	14.67	177564.41	19.90	308484.91	34.58
Grand Total	484131.50	54.27	408018.00	45.73	892149.50	100.00

Table 3.20 - Externally Aided Projects under implementation (Rs.crore)

Sl.No	Name of the project & Department	Name of the aiding Agency	Project cost	Year of Commencement/ Closing	Expd. Since Inception upto Sept.'13	Outlay for 2013-14
	Forest					
1	Karnataka Sustainable Forest Management & Bio-Diversity	JICA	841.49 (Revised)	2005-2015 (Revised)	714.09 (Revised)	21.26
	Water Resources (MMI)					
2	National Hydrology Phase - II	World Bank	29.19	2006-2014	15.66	20.62 (includes Ph.I)
3	Dam Rehabilitation & Improvement	World Bank	Project is yet to be signed			10.00
4	Karnataka Integrated & Sustainable Water Resource Management	ADB	Project is yet to be signed			20.00
	Agriculture & Horticulture					
5	Sujala - III	World Bank	471.30	2013-2018	1.93	52.61
	Health and Family Welfare					
6	Karnataka Health Systems Development & Reforms(including additional finance)	World Bank	1455.70	2007-2016	977.74	190.00
	Urban Development					
7	Cauvery Water Supply Scheme- Stage IV - Phase II	JICA	3383.70	i. 2005-2015 ii. 2006-2016	3129.45	400.00
8	Karnataka Municipal Reforms	World Bank	1364.00	2006-2014	854.97	350.00
9	North Karnataka Urban Sector Investment Programme	ADB	1980.00	2008-2016	571.56	300.00
10	Karnataka Integrated & Sustainable Water Resource Management	ADB	Project is yet to be signed			30.00
11	Karnataka urban Water Supply Modernization Project	World Bank	Project is yet to be signed			30.00
12	Bus Rapid Transit System-Hubli-Dharwad	World Bank	692.01	213-2015		100.00
	Public Works					
13	i. Karnataka State Highways Improvement Phase-II	World Bank	4522.50	2011-2016	472.76	400.00
14	ii. Karnataka State Highways Improvement Phase-II	ADB	2150.40	2011-2015	378.96	350.00
15	Sustainable Coastal Protection & Management	ADB	911.00	2011-2018	17.06	81.88

Sl.No	Name of the project & Department	Name of the aiding Agency	Project cost	Year of Commencement/ Closing	Expd. Since Inception upto Sept.'13	Outlay for 2013-14
16	Karnataka Improving Education Governance	World Bank	3.85	2009-2013	2.54	1.50
	Rural Development and Panchayat Raj					
17	Jal Nirmal -A.F	World Bank	816.00	2010-2014	555.86	275.00
18	Karnataka Panchayat Strengthening- Gram Swaraj	World Bank	674.14 (Revised)	2006-2013	622.68	24.20
	Energy					
19	Bangalore Distribution Up gradation	JICA	563.70	2007-2014	252.83 (including BESCOM Share)	145.91 (JICA Share)
	Finance					
20	Karnataka Public Financial Management & Accountability System	World Bank	2.40	2011-2014	0.47	1.13
	Total				8568.56	2804.11

Major Policy Announcements in the 2013-14 Budget

- **Anna Bhagya Yojane** - Distribution of 30kg Rice at Rs.1 to poorest of the poor (BPL) covering 98.17 lakh beneficiaries.
- **Incentive to Milk Producers:** Rs.818 crore provided for enhancement of incentives to milk producers from Rs.2 to Rs.4 per litre benefiting 7.5 lakh beneficiaries.
- **Runa Mukta Bhagya:** For one time waiver of overdue loans availed by Scheduled Caste, Scheduled Tribe, Backward Classes and Minorities from Corporations of Social Welfare Department amounting to Rs.1314 crore and benefiting 7.6 lakh borrowers.
- **Subsidy to Homeless for Construction of Houses** - Enhancement of housing subsidy from Rs.75000 to Rs.1.20 lakh per unit covering 3.2 lakh beneficiaries.
- **Ksheera Bhagy:** Supply of 150ml milk thrice in a week to 1.04 crore schools and anganwadi children.
- **Farmers Loans** - Interest free loans to farmers up to Rs.2 lakh.
- **Agriculture Price Commission:** Constitution of Agriculture Price Commission to fix the suitable prices of Agriculture Commodities. Rs.1000 crore has been provided for Agri support price fund.
- **Swabeejabhivruddhi Yojane:** Rs.10 crore provided for Swabeejabhivruddhi Yojane to promote production of more quantity of quality seeds by farmers.

- **Manaswini:** Pension Rs.500/-per month to more than 40 years unmarried and divorcee women under BPL.
- **Maithri:** Pension Rs.500/- per month for transgenders.

3.10 Issues and Challenges

Fiscal Challenges: Despite the State's broad successes in its fiscal consolidation efforts, the State government faces several fiscal challenges arising from limited upside potential for resource mobilization relative to GSDP, rigidities in the form of committed expenditure, and weak linkages between expenditure and development outcomes as detailed below.

- ⇒ **Tax effort plateau** - Having already achieved the highest tax to GSDP ratio, any further increase in the tax effort is fairly challenging. Similarly, achieving a higher level of tax buoyancy is difficult as the marginal increase in the taxes from a high base is likely to be lower. As a result, until the economy as a whole grows at an accelerated rate (which is unlikely at present due to signs of economic slowdown), the tax collections will not see a quantum jump like in the past.
- ⇒ **Low non-tax revenue** - While the State has one of the highest own taxes to GSDP ratio, the ratio of non-tax revenue to total receipts has not been increasing over the years on anticipated lines. Apart from enforcement and monitoring of own tax efforts, special emphasis needs to be given for mobilizing non tax revenues during the coming years. Government is committed to rationalizing user charges and reviewing the same regularly. Further, Government is also guided by the recommendations of Expenditure Reform Commission.
- ⇒ **Low recovery of loans and advances** - The State's borrowings are more expensive than the loans advanced by the government. The recipient boards and corporations are unable to service the loans given to them by the State government in view of low recovery of cost of their services from the consumers.
- ⇒ **Low financial returns on investments** - The

return from investments of more than Rs.44295 crore by the State government was just 0.14% % during 2011-12. While the Government is borrowing at a high cost from market for these investments, the returns are much lower.

- ⇒ **Committed expenditure** - Committed expenditure on salaries, pensions, interest, subsidies, administrative expenditure, devolution to PRIs and ULBs etc., constitute about 95% of the total uncommitted revenue receipts during 2013-14(BE). Containing the committed expenditure in light of the ever-expanding demands for welfare programmes, an increase in the employee strength vis-a-vis capital expenditure is one of the key challenges.
- ⇒ **Linkage between expenditure and outcomes** - In spite of maintaining one of the highest per capita plan expenditure, the State has been able to achieve economic growth at all-state average level only. Ensuring the desired levels of outcome from ever increasing outlays for the development mandate is one of the key governance challenges. Karnataka continues to be behind Maharashtra, Haryana, Tamil Nadu, Uttarakhand, Gujarat and West Bengal. District Human Development reports for all the 30 districts are expected by March 2014 which will guide the state government in framing policies for equitable resource allocation which in turn helps in achieving inclusive growth, in terms of human development indices. While there is a need for focused investment in these sectors, ensuring effective implementation machinery and monitoring the outcomes closely and equitable resource allocation to districts/blocks based on the District Human Development Reports is a challenge.

3.11 Initiatives taken by the Government

- ⇒ **Comprehensive Decision Support System** - A Comprehensive Integrated Decision Support System is being implemented in a time bound manner for the transparent resource allocation, better decentralized monitoring and improved implementation of all the plan schemes and programmes. This system would capture information on the progress of the State

Government's Schemes directly from the implementation points and enable the Government to formulate comprehensive District and Block Plans. Presently this system is being implemented on a pilot basis in 4 departments namely Health, Education, Horticulture and Forest. Further, this system is now rolled out to 25 more departments. The system will ensure need based equitable distribution of resources to every Block and District and their better utilization through decentralized participatory monitoring.

⇒ **Result Framework Document (RFD)** - RFD is designed for the departments in the State to set out

its Vision, Mission and Objectives wherein it requires defining and disclosing quantifiable indicators for measuring the success of the stated activities. During 2012-13, 45 departments have finalized RFD of which 42 departments have uploaded in the website. With a view to enable the departments for rationalization or merger of schemes/programmes related to outcomes leading to better implementation, resource allocations to outcomes, guidelines have been revised for the year 2012-13 and communicated to all the departments.

INVESTMENT AND EXPORTS

4

Promotion of private investment has been high on the agenda of Government of Karnataka, the successful Global investors meets bear testimony to the intensified effort of the state to attract private investment. The concerted efforts by the State have resulted in a large-scale inflow of investments during the past few years. The State has also developed a distinct policy framework for guiding investments and set up dedicated institutions that streamline the approval processes. Karnataka offers wide range of fiscal and financial incentives to investors even while nurturing the supporting infrastructure such as technical institutions, laboratories and research institutions. The State's information technology and biotechnology sectors have attracted significant investments and contribute to significant exports from the country in those sectors. Exports contribute about 40% of the State's GSDP with electronic, computer software and biotechnology contributing a major portion of the exports. Karnataka's economic growth can be accelerated further with a continued emphasis on promotion of private investment and enhancement of industrial competitiveness.

4.1. Investment in Karnataka

Karnataka is a pioneer in introducing many reform initiatives adopted in India and has been highly proactive in attracting private investment. Lucrative policies incentivizing private domestic and foreign investments are framed from time to time. These policies along with an investment friendly climate in the State have helped the State attract large-scale private investment, especially in information and communication technology (ICT) and biotechnology sectors. The State held global investor meet twice during the last four years i.e. in June 2010 and in June 2012. These events aimed at attracting National and Global investments by highlighting the investment opportunities in 12 key sectors namely, minerals,

tourism, information, biotechnology, power, health, education, food processing and textiles. Karnataka Udyog Mitra established under the Department of Industries and Commerce, by the Government of Karnataka, is specially meant for the promotion and facilitation of investments in the State.

4.1.1. Policy Framework for Attracting Private Investments

Foreign investment is a subject in the Central List of the Indian Constitution. All powers for the design of policies for promotion and regulation (including approvals) of foreign investment rest with the Government of India. State Governments complement the National policy efforts by initiating special measures for speedy clearances and smooth facilitation of inflow of investments. The National policy framework is aimed at maximising the inflow of private foreign investment into India. However, investors have the ultimate locational choice of their investment anywhere in India. In this context, policies and programmes of Government of Karnataka for attracting private foreign investment by making Karnataka a competitive and attractive destination for global investments assume special and utmost significance.

Karnataka is one of the industrially developed States in the Country. The State has been laying special emphasis on promotion of industries, trade and service sectors. In order to make the State more attractive and investor friendly, investment promotion policies and programmes framed on a periodical basis have offered attractive incentives and concessions and made attempts to strengthen the required infrastructure. The industrial promotion policies also aim at achieving inclusive development, given the wide regional industrial development disparities prevailing in the State. The State has been

making concerted efforts to announce suitable incentives in attracting investment into the backward regions. The current industrial policy 2009-14 of the Government of Karnataka is a reflection of these broad objectives for promotion of industrial investment and development in the State.

The fiscal and financial incentives, announced by the State government include capital investment subsidy, exemption of electricity duty on captive power generation, exemption of stamp duty & reduction of registration charges, waiver of conversion fee (on lands converted for industrial use), acquisition and allotment of land through Karnataka Industrial Areas Development Board (KIADB), subsidy for setting up of Effluent Treatment Plants (ETPs), entry tax & special entry tax concessions, technology up gradation and, industrial infrastructure development/common infrastructure/facilities in notified industrial clusters. Agricultural produce processing industries are exempted from payment of APMC cess. Incentives such as interest free loan on VAT for large and mega projects, anchor unit subsidy, special incentives for enterprises coming up in low human development index (HDI) districts (only for large and mega projects), interest subsidy for micro-manufacturing enterprises, exemption from electricity duty for micro and small manufacturing enterprises and refund of cost incurred for preparation project reports for micro and small manufacturing enterprises are also provided.

Karnataka Udyog Mitra (KUM) is a single contact point for all investors who are looking at setting up enterprises/business in Karnataka. As the nodal agency, its role is to facilitate investments and execute initiatives to enable a smooth transition from the stage of receiving investment proposals to the eventual implementation of the project. It acts as a secretariat for State High Level Clearance Committee (SHLCC) for projects above Rs.50.00 crores and State Level Single Window Clearance Committee (SLSWCC) for projects between Rs.3.00 crore to Rs.50.00 crore.

4.1.2 Karnataka's Investment Climate

Karnataka' vast and diversified resource base has emerged as a reputed investment destination for investors worldwide. The World Bank's 'investment

climate' survey across 16 states in India has assessed the conduciveness of the Indian States to private investment by using a number of indicators. The survey's results place Karnataka in the top rank in terms of the conducive investment climate. The State was the first to enact the Industrial Facilitation Act to help investors. Karnataka has a single window which acts as a one-stop-shop for investments in the State. The specific advantages for Karnataka include i) Good law and order situation prevailing in Karnataka which is conducive to foreign direct investments ii) Abundant availability of highly skilled manpower iii) Karnataka ranks among the top 5 industrially developed States in India iv) The State provides excellent logistic support and connectivity to the investors and v) The State provides one of the biggest and fast expanding markets in the Country.

Karnataka's investor-friendly and responsive administration has worked towards easing administrative procedures and implementing policy measures for faster and smoother industrial growth. Some of the significant measures are as follows:

- (a) An investor-friendly responsive administration
- (b) The State-level single window clearance committee and the State high level clearance committee facilitate clearance of proposals in a speedy manner.
- © Sector-specific industrial zones and SEZs that match the natural resources and capabilities of a region with the industry requirements.
- (d) Creation of World-class, ready-to-use infrastructure through investments in power, roads, water, warehouse and logistic facilities, connectivity through rails and ports etc.
- (e) The State Government's packages of incentives and concession for new industrial investments announced from time to time
- (f) Special focus on skill development to enhance generation of technical manpower
- (g) Excellent telecommunication network and optical fibre connectivity throughout the State
- (h) Exemption from State taxes for all purchases from domestic tariff area

4.1.3 Investment flows into Karnataka

Details of projects approved by the State Level Single Window Clearance Committee (SLSWCC) are provided in Table 4.1. The State had attracted maximum investment during the year 2006-07 with an investment of Rs 11511.44 crore. In terms of approved number of units and employment too, 2006-07 had the largest during the time period under study. Good flow of investment continued in 2007-

08. The global recessionary trends have not spared Karnataka as one can observe a reduced size of investment, however, one can observe that the number of approved projects and investment have been much higher than any of the years between 2000-01 and 2004-05. For the current year, up to September 2013, the SLSWCC has approved 158 projects with an investment of Rs.2485.44 crore with employment generation potential of 0.33 lakh.

Table 4.1- Projects approved by State Level Single Window Clearance Committee

Year	Approved Projects	Investments (Rs. In crore)	Employment (In Nos.)
2000-01	292	4557.88	138204
2000-02	103	2042.92	46007
2002-03	95	1822.97	32072
2003-04	162	3797.57	102735
2004-05	202	4524.76	109028
2005-06	293	6647.65	272654
2006-07	871	11511.44	612620
2007-08	727	10266.92	349015
2008-09	310	5181.62	135623
2009-10	359	7749.88	115932
2010-11	439	6879.64	110505
2011-12	410	5328.50	65549
2012-13	675	9350.79	141821
2013-14 (Up to Dec 2013)	185	3080.96	35973
Total	5123	82743.50	2267738

Source: Karnataka Udyog Mitra

During the time period 2000-01 to 2013-14 (till December) the State Level Single Window Clearance Committee has approved 5123 projects with an investment of Rs 82743.50 crore.

Projects with an investment of Rs.50 crore and above are cleared by the State High Level Clearance Committee (SHLCC). The number of projects cleared by SHLCC during 2000-01 till 2013-14 is 934 with a whopping investment of Rs.1156770.96 crore creating employment of 6429302 people (Table 4.2). Performance has been remarkable since 2005-06.

Karnataka accounts for a significant share in the total FDI that flows into India. The statistics provided in Table 4.3 reveal that the State had 7.41% share in the total FDI taking place in India in 2008-09, the highest for the time period reported in the table up to last year. During the current year, the State's share in total FDI taking place in India is likely to be highest year at 8.72%. Karnataka attracted FDI of US \$11523 million during the period of April 2000 to August 2013, constituting 5.71% of the all-India FDI. During the 11th Five Year Plan period, the State attracted 5.70% of FDI in the country.

Table 4.2 - Projects approved by State High Level Clearance Committee

Year	Approved Projects	Investments (Rs. In crore)	Employment (In Nos.)
2000-01	88	38345.82	109863
2000-02	21	5975.40	30702
2002-03	7	1130.82	9302
2003-04	26	10263.61	99313
2004-05	29	31718.05	130642
2005-06	55	43993.19	588259
2006-07	66	92055.84	781966
2007-08	108	160522.82	1996504
2008-09	50	105266.20	410842
2009-10	110	288548.57	284934
2010-11	186	187185.70	580161
2011-12	60	34088.80	165010
2012-13	100	133109.77	1158001
2013-14 (upto Dec 2013)	28	24566.37	83803
Total	934	1156770.96	6429302

Table 4.3- Foreign Direct Investment Inflow to Karnataka (US \$ Million)

Year (April to March)	Karnataka	All India	Percentage
2007 – 08	1581	23901	6.61
2008 – 09	2026	27331	7.41
2009 – 10	1029	25834	3.98
2010 – 11	1332	19427	6.86
2011-12	1533	35121	4.36
Total (2007-12)	7501	131614	5.70
2012 – 13	1023	22424	4.56
2013–14 (upto Oct. 13)	867	12603	6.90
April 2000 to Oct 2013	11652	206006	5.66

4.1.4 Investment in Information Technology

The information technology (IT) sector in Karnataka has become one of the main growth drivers of Karnataka's economy. IT activity in Karnataka is largely concentrated in Bangalore. Lately, other parts of Karnataka have also seen a growth in IT-related activities.

Bangalore was the first city in India to set up a satellite earth station for high speed communication services to facilitate software exports in 1992. The State made a giant leap in the IT sector by establishing the Country's first extended facility of the International gateway and network operations centre at the Software Technology Park of India (STPI) in the Electronic city. Karnataka is home to over 3500 IT companies, contributing to over 26 billion US dollars (Rs.1.60 lakh Crore) of exports, giving direct employment to over 9 lakh professionals and creating over 27 lakhs indirect jobs. The industry contributes to over 25% of the State's GDP. The industry will continue to grow over 15% annually and expected to cross 20% by end of 2014.

4.1.4.1 Information Technology Policy in Karnataka

The State Government has been encouraging IT units to set up their operations in the State. Under the State's IT policy, several infrastructure facilities are proposed in Mysore, Hubli, Manipal & Mangalore apart from Bangalore to help the development of IT industry. The setting up of IT industries under this policy is with an objective of earning valuable foreign exchange through software exports.

4.1.4.2 Karnataka's Information, Communication and Technology (ICT) Policy 2011

Karnataka Government has announced two new policies-the Information and Communications Technology Policy and the Karnataka Electronics Systems Design and Manufacturing (ESDM) Policy aimed at further growth of the Industry. The aim of the ICT policy is to position Bangalore as the ITR&D and product hub, to maintain Karnataka's leadership in outsourced IT services and to enable it to be the most preferred destination for MSME. Salient Features of Karnataka's Information and Communication and Technology (ICT) Policy 2011 are -

Highlights of Karnataka's IT Promotion Policies

- 1) Karnataka fund for Semiconductor Excellence of Rs.10 crore to encourage innovation and R&D in Chip Design Development Telecom etc
- 2) Contribution of Rs.25 crore towards KITVEN IT fund to assist start up semi conductor units engaged in design and embedded software
- 3) Financial assistance to augment Orchid Tech Space in STPI into Characterisation Lab
- 4) Encouragement and assistance to Solar PV manufacturing units
- 5) To Encourage setting up of Semiconductor units in Tier -II cities under Karnataka Industrial Policy 2009/14
- 6) Special package of incentives for ATMPs
- 7) For focussed school under IIIT and strengthening research labs in the Institute, Rs.12 crores are being provided
- 8) Fiscal incentives and concessions under Karnataka Industrial Policy 2009 -14 being extended

1. Set up IT Investment Region (ITIR) near BIAL with excellent infrastructure and investor-friendly Policy environment.
2. Encourage partnership between educational institutes and industries to identify specific areas of research in the information Technology and Software Development.
3. Set up an Innovation Park on PPP mode for MSMEs at Bangalore.
4. Support creation of clusters with MSMEs Providers and couple of large users of IT.
5. Self-certification of statutory compliance by the IT companies.
6. Promote Green IT initiatives and organise Seminars/Conferences to disseminate knowledge on these initiatives and related technologies.
7. Set up and promote e-learning centres at the semi- urban and rural areas of Karnataka.
8. Emphasize on providing IT literacy to young men and women in all semi- urban and rural areas.
9. Promote Green satellite townships at Ramanagar, Devanahalli, Hoskote and Bidadi.
10. Create Cyber halls in clusters to facilitate students/public to use internet easily and freely.

4.1.4.3 Karnataka's Electronics Systems Design and Manufacturing Policy 2013- Electronic Systems Design and Manufacturing (ESDM) is the fastest growing segment of the Information and Communications Technology (ICT) sector. As per the National Electronics Policy – 2012 (NEP-2012), ESDM is expected to grow to USD \$400 Billion by the year 2020 and will generate a total employment of over 28 million. The objective of the Karnataka

ESDM Policy is to facilitate, promote and develop the “ESDM” sector in the State of Karnataka and make Karnataka a preferred destination for investment in Telecommunications, Defense, Medical, Industrial, Automotive, Consumer Products, applications and components, parts, and accessories required for the aforesaid products and applications. The following targets are set for Karnataka ESDM Policy -

1. Emerge as the leading contributor to India's ESDM sector by accounting for at least 10% of the USD \$400 billion by 2020,
2. Generate over 20% of the country's total ESDM exports target of USD \$80 billion by 2020,
3. Develop core competencies in specific ESDM verticals such as telecom, defense electronics, avionics and energy,
4. Make Karnataka the country's preferred destination for investments in ESDM, and
5. Generate at least 240,000 new jobs, 25% of India's PhDs and 5000 patent filings in ESDM sector in Karnataka by 2020,
6. Increase the value-addition that is done in Karnataka.

Table 4.4 - Performance of Information, Communication and Technology Sector

Sl. No.	Particulars	Unit	2012-13	2013-14 (up to Sept. 2013)
1	IT Units	No.	2200	2321
2	IT Exports	Rs. crore	135000	160000
3	No. of Employees	Lakh No.	8	9

Source: Karnataka Biotechnology & Information Technology Services, Bangalore.

Karnataka's I 4 Policy – IT, ITES, Innovation Policy - Karnataka's new IT policy looks beyond Bangalore

In a bid to decongest India's grid-locked tech hub, Karnataka's new IT policy, focuses on attracting investments in the knowledge sector in cities & towns across the state & not only the state capital. The objective is to attract prospective investors & entrepreneurs to look beyond Bangalore & replicate its IT success in cities & towns across the state to ensure Karnataka retains its numero uno status. The new policy, offers incentives and exemptions to facilitate existing & new firms to set up software or hardware development centres in tier-2 & tier-3 cities in the state, with a potential to create a million jobs over the next seven years. Besides a single-window agency for expeditious approvals, the policy provides stamp duty exemption, concession in power tariff & extends exemption from the state labour laws under the Industrial Employment Act for another five years. The extension will enable hundreds of IT and back office services firms in the state from complying with outdated labour laws that were made essentially for the manufacturing sector. As the country's preferred IT destination, the policy aims to achieve a whopping Rs.4 lakh crore (Rs.4 trillion) software exports from the state by 2020 from Rs.1.65 trillion (Rs.1.65 lakh crore) in 2012-13, accounting for over 40% of the country's total exports. The stamp duty exemption will be 100% for investments & concession on power tariff will be Rs.2 per unit for units that will be set up in tier-two and tier-three cities such as Belgaum, Gulbarga, Hubli, Mangalore and Mysore. The single-window agency is headed by the IT minister & will meet every month to monitor the status of the clearances and address grievances of investors for speedy implementation of their projects. Projects up to Rs.100 crore will be cleared by the agency while the state high-level committee, headed by the Hon'ble Chief Minister will evaluate investments above Rs.100 crore for approval.

4.1.5. Investment in Biotechnology

Karnataka has played a key role in India's emergence as a significant player in the global biotechnology industry. Karnataka is home for 60% of the country's biotech units. There are 365 biotech units in the country and in Karnataka their number has increased to 206 in 2012-13 with total revenue of Rs.3600 crore, registering a 10 fold increase from 2001. This number continues to grow with most of the well-known companies choosing Karnataka for their operations.

Karnataka has put in place a strong policy framework to provide all requisite resources for enhancing this industry's research and development capabilities. Being the pioneer of the biotechnology industry, the State has built up considerable resources and talent pool that are well suited for the needs of the industry. Karnataka was one of first Indian States to frame an industry-oriented biotechnology policy. The

millennium biotech policy was formulated by Karnataka Government in 2001 to give a thrust to the biotechnology industry in the State. Keeping in tune with rapid changes in the industry, the policy was revised in 2009.

4.1.6 Expected investments

4.1.6.1 Global Investors Meets

- a) **Global Investors Meet 2010** - The State Government organized the Global Investors Meet on 3rd & 4th June 2010. During the Global Investors Meet, 2010, the State Government entered into MOU with 389 companies with an investment of Rs.3.92 lakh crore which would create employment opportunities to more than 7 lakh people. 61 projects with an investment of Rs.32178 crore are already implemented & 216 projects with an investment of Rs.2.36 lakh crore are under various stages of implementation.

Highlights of the Millennium Biotech Policy II

- Bio-venture fund of Rs.50 crore in partnership with professional VC firm
- Unique package of concessions for Mega projects
- Fiscal incentives and concessions under Karnataka Industrial Policy 2009 -14 being extended
- Research labs automatically come under green category
- BT finishing schools to equip students with necessary employable skills to make them industry ready
- Five Biotech parks being established in different parts of the State
- Animal quarantine facility near BIAL
- Bio-IT facility in IBAB
- Encourage the growth of bioinformatics in Karnataka
- Create awareness about investment opportunities in biotechnology, genomics, bio fuels, bioinformatics, contract research, etc, among the entrepreneurial community.
- Incentives and concessions for the biotechnology industry to attract investments to the State.

b) Global Investors Meet 2012 – The State Government had organized Global Investors Meet in the month of June 2012. The event was held at Bangalore International Exhibition Centre, Tumkur Road, Bangalore. The event witnessed the participation of 10,000 delegates. It attracted an investment of Rs.6.78 lakh crore from 751 companies who have signed Memorandum of Understanding/Expression of Interest/Registration of Interest with Government. Further, as a part of Global Investors Meet, MOUs in MSME and other sectors involving investment of Rs.42364 crore have been entered into.

This event provided investors an excellent opportunity to explore the potential of the State & network with global investors. Several sectoral sessions were held and eminent speakers participated. An exhibition was also held as a part of the event. As a result of constant follow up and review, 38 projects were implemented with an investment of Rs.9561 crore. 245 projects are in the various stages of implementation which will

generate an employment to more than 5 lakh people in next 3-4 years.

c) Agriculture Global Investment Meet 2011- The State Government has organized the Global Agri business Investors' Meet during December 2011; the event, held at the Bangalore International Exhibition Centre on 1st and 2nd December 2011, was the first exclusive Global Investors Meet for Agriculture sector in the entire country. The Meet was participated by 1900 delegates, including farmers; 300 organisations from across 20 Indian States. Delegates from Netherlands, Australia, Israel and France also took part. The Meet resulted in the signing of 66 MOUs covering an investment of Rs.60969 crore. So far 28 Projects covering an investment of Rs.10774 crore have been approved by Karnataka Udyog Mitra, the Single Window Agency in the State and these projects are at various stages of implementation. In addition, during the Global Investors Meet 2012, 62 MOUs related to Agriculture sector have been signed involving an investment of Rs.15017 crore. Implementation of these projects is also

being coordinated by Karnataka State Agricultural Produce Processing & Export Corporation Limited (KAPPEC) by regular interaction with investors and concerned departments in order to ensure their timely implementation.

4.2. EXPORTS OF KARNATAKA

Karnataka has a long tradition of overseas trade. Historically, Karnataka has been a major exporter of commodities like Coffee, Spices, Silk, Cashew nuts, Handicrafts and Agarbathies. In the last two decades, the State has emerged as a major player in the export of Electronic and computer Software Engineering goods, Readymade garments, Petrochemicals, Gems and jewellery, Agro and food processing products, Chemicals, Minerals and Ores, Marine products, Handicrafts etc. Karnataka has carved out a niche for itself in the global market place as the knowledge and technology capital of the Country. The State has made rapid and spectacular strides in the new economy. Information Technology, Biotechnology and Research and Development institutions have enhanced Karnataka's achievements at National and Global levels. Karnataka accounts for more than one third of electronics and computer software exports from the country. It is also a leader in exports of Readymade Garments, Gems and Jewellery, Petrochemicals and engineering commodities from Southern Region.

4.2.1 Export performance of Karnataka

Karnataka stands 4th in Merchandise exports and also a leading State in exports of products and service sectors. Karnataka is a pioneer in establishing a continuous database on exports among the states in India. Visveswaraya Industrial and Trade Centre (VITC) under the aegis of Department of Industries and Commerce of the Government of Karnataka is the official institution for compilation and publication of the export data by 19 commodities from Director General of Commercial Intelligence and Statistics, Kolkata, Export Promotion Councils (EPCs), Commodities Boards and Export Houses and trade & industry bodies have also supported for creation of database. VITC has no statutory backing and as there are several exporters in the categories of

merchant exporters, manufacturers and service sectors, a complete exporter's database is yet to be built at the State level. Thus, the data presented here needs to be taken as indicative of overall export patterns and not of the exact magnitude of every exported item.

Karnataka has shown a highest growth rate of over 18% in the year 2012-13 compared to previous year and also when compared to other States. Karnataka's exports in terms of value in 2011-12, 2012-13 and 2013-14 (April-September) are shown in Table 4.5. Appendix provides data on the State's exports since 2001-02 to 2012-13. In 2010-11, Karnataka's exports amounted to about Rs.258368 crore in 2012-13 which constituted about 12.69% of the Country's exports in that year. Karnataka's exports as a percentage of GSDP have a fairly large share and it has also increased significantly over time. The share of exports in GSDP which was 7.36% in 1993-94, has grown to 48.4% in 2012-13. Exports of electronics and computer software constitute the largest share in the State's exports. Its share was of the order of 60% in 2012-13 and continues to account for the largest share. The other commodities which have substantial share in Karnataka's exports in 2012-13 are Petroleum and petroleum products (13.13%) and Gems & Jewellery (9.48%). These three commodities account for about 83% of Karnataka's exports. Other commodities with significant share in State exports are Engineering Goods (4.87%), Readymade Garments (2.97%), Basic Chemicals, Pharmaceuticals and Cosmetics (2.80%) and Coffee (1.37%). Karnataka enjoys a unique position in India in exports of electronics and computer software. In 2012-13, the exports of electronics and computer software from the State accounted for as much as 38% of India's total exports.

Exports of electronics and computer software, basic chemicals, pharmaceuticals and cosmetics, petroleum & petroleum products, Iron ore and Minerals, Plastic goods, Spices, leather products, engineering products, Coffee products and agro and processed food products, Handicrafts have increased significantly in 2012-13 as compared to their exports in 2011-12. The exports of silk products, readymade garments and cashew have revealed a marginal

Table 4.5- Export Performance of Karnataka

Sl. No.	Commodity	Value of exports (Rs. crore at current prices)		
		2011-12	2012-13	2013-14*
1	Electronics, Computer Software & BT	135660.40	156000.00	53746.13
2	Readymade Garments	8142.56	7669.76	3240.00
3	Petroleum & Petroleum Products	23418.32	33915.00	17216.00
4	Engineering Products	8262.93	12568.11	7978.00
5	Iron Ore & Minerals (incl. Granite)	1134.08	1734.77	344.23
6	Silk Products	673.31	653.69	289.12
7	Coffee Products	3173.31	3534.38	1799.22
8	Basic Chemicals, Pharmaceuticals and Cosmetics	5076.68	7232.93	4034.38
9	Agriculture and Processed Food Products	762.94	1148.85	288.20
10	Gem and Jewelry	23728.06	24482.55	9027.96
11	Cashew and Cashew Kernels	882.21	846.99	633.45
12	Handicrafts	267.33	373.80	400.00
13	Leather Products	319.65	452.00	227.58
14	Chemicals and Allied Products	479.88	491.49	251.31
15	Marine Products	604.50	631.63	378.1
16	Plastic Goods	603.69	788.03	350.00
17	Spices	700.11	904.63	451.57
18	Wool & Woolen Products	128.75	150.51	109.45
19	Miscellaneous and Others	4818.68	4789.39	2650.64
	Total	218837.39	258368.51	103415.34
	Karnataka's share in all India exports	11.71	12.67	NA
	Karnataka's degree of openness to export trade (%)	47.00	48.40	NA
	India's degree of openness to export trade (%)	20.96	20.30	NA

decline in 2012-13 as compared to 2011-12. Karnataka's export was Rs.103415 crore during the period of April-September, 2013. Export of electronics and software constitutes the largest share in the State's exports. Its share is 52% in 2013-14 (up to September 2013). The other commodities whose share in exports in 2013-14 (up to September 2013) are Gems & Jewellery (8.73%), petroleum & petroleum products (16.65%), engineering products (7.71%) and readymade garments (3.13%).

Karnataka's contribution to India's exports has varied between 11% and 15% during the Eleventh Plan Period. Further, Karnataka's share in India's total exports of information and communication technology products has remained higher than 25% since 2005-06. The share of Karnataka's exports in the State's GSDP from 2007-08 to 2012-13 is depicted in Fig. 4.1. Higher export performance is an important determinant of increasing degree of openness to export trade. Degree of openness is measured by the ratio of value of exports to GDP at National level and by the ratio of value of exports to GSDP at the State level. Karnataka's degree of openness to export trade has increased from about 42% in 2010-11 to about 48% in 2012-13. This is remarkably higher than that of all India (at about 28%). Increasing degree of openness to trade is an indicator of economic globalization. From this point

of view, the levels of Karnataka's economic globalisation have been higher than at all India level.

4.2.2 Policy support for exports

Foreign trade is in the Central List of the Indian Constitution. The Government of India is empowered to formulate all rules and regulations for foreign trade applicable for the country as a whole. The role of the State Government is complementary by way of providing supportive and special promotional measures for promoting foreign trade, especially in regard to exports of goods and services. The State Government has explicit policy measures for export promotion in various policies relating to general industrial policy, SEZ policy and sector-specific policies such as the Millennium Bio-tech Policy - II Information and Communication technology policy 2011, Suvarana Vastra Neethi 2008-13, Mineral Policy-2008, New Infrastructure Policy-2009-14, Tourism Policy 2009-14, Renewable Energy Policy - 2009-14, Solar Policy-2011-16, Semiconductor Policy-2009-10, Karnataka animation visual effects and comic policy, Integrated Agribusiness Development Policy-2011, Grape processing and wine policy 2007, Electronic Hardware Policy, Agro-food processing industrial policy and package of incentives and concessions, Industrial promotion policy for the automobile industry, the millennium

Fig.4.1: Exports as percent to GSDP



**up to September 2013; NA-not available since percentage has been calculated on the basis of annual data.*

Source: Visveswaraya Trade Promotion Centre, Government of Karnataka

BPO policy, etc. The State Government's incentives for exports in the Industrial Policy 2009-14 include the following –

1. **Exemption from payment of Entry Tax** - For 100% export oriented units; the State provides 100% exemption from payment of entry tax on plant & machinery and capital goods for an initial period of 3 years from the date of commencement of project implementation irrespective of their location in specified Zones. For other export oriented units (minimum export obligation of 25% of their total turnover), the State provides 100% exemption from payment of entry tax on raw materials, inputs, component parts & consumables (excluding petroleum products) for an initial period of 3 years from the date of commencement of commercial production in zone 1, 2 & 3 and 50% in Zone 4.
2. **Refund of certification charges** - The State refunds expenses incurred for compulsory marking like Conformity European (CE), China Compulsory Certificate (CCC) etc. to the extent of 50% of expenses subject to a maximum of Rs.2 lakh per unit for both 100% and other export oriented units in all zones.

The Government of India has in the recent past, initiated a number of measures to promote exports of primary sector, manufacturing sector and also service sector. Govt. of India extends various schemes such as Advance authorized scheme, Duty Drawback scheme, EPCG, Focus product scheme, Focus market scheme, Vishesh Krishi and Gram Udyog Yojana (VKGUY), Served from India scheme, EOU and EHTP/STPI, Deemed exports, SEZ, Market Development Assistance, Market Access Initiative, ASIDE. Allocation of funds for export development by States, Export promotion industrial park scheme and Critical infrastructure balance Scheme, Export intensive area scheme, Market development scheme and setting up of SEZs in important locations are some of the initiatives taken by the Government of India.

Karnataka has various export promotional measures for development of exports from the State. Karnataka has established a dedicated nodal agency, Visvesvaraya Industrial Trade Centre (VITC) for promotion of exports. In addition to compiling of data

on the State's exports, VITC conducts various capacity building programmes and also provides services in market intelligence, export documentation, finance and other critical areas to the exporting community. Incentives are also provided for technology up-gradation/sourcing to meet the specifications of international buyers. VITC also organizes several export-related programmes for both prospective and existing exporters including export awareness programmes at district levels. VITC has established computerized trade information centre at Dharwad & Mysore to facilitate exporters of the State. The promotional activities for exports through VITC include the following:

- Export Awareness Programmes
- Export Trading Programmes
- Export Management Training Programmes
- Conduct of Seminars, Workshops, Conferences, Open Houses on various export-related matters
- Financial Support to the all Artisans, SC, ST, Women Entrepreneurs of Micro and Small enterprises, who participate in the Trade Fair and Exhibitions.
- Assisting the traders/exporters in certification for the export/import of commodities.
- Trade point to provide live trade enquiry, Global directory services & online trading facility.
- Interaction and Open Houses Meetings.
- Market Development Assistance for Overseas Visits for business promotion.
- Organised and Participation of industries in National/International Exhibitions/Trade Fairs
- Providing Live trade enquiries emanating from over 200 countries through VITC Portal
- On behalf of State, confer State Export Award for exporters who have outstanding performance
- Implementation of Government of India's ASIDE Scheme in the State.

VITC is the nodal agency for implementing Assistance to States for Developing Export Infrastructure and Allied Activities (ASIDE) scheme in Karnataka. The agency has extended financial support for completion of 82 export infrastructure projects in various parts of the State viz. connectivity

to ports, formation and up gradation of roads in industrial area/estates, flyovers, by-pass, water supply, cold storage, training centres, warehouses, R&D centres, common facility centre, Human Resource Development, pre-harvest & post-harvest technological facilities etc. are implemented in the State. So far, 76 projects have been already completed and remaining 34 projects are under various stages of implementation. Karnataka has been recognised as the best performing State in the implementation of ASIDE scheme. It is also expected that exports of all commodities mainly engineering commodities will continue to increase by benefiting from the incentives and encouragements provided by the Government. In addition, the export-promotion measures are expected to increase exports of both primary and manufactured products as also services. However, these expectations are subject to the presence of favourable world market demand and other favourable factors for the State's exporters.

Outcomes and challenges

Foreign Investment in India has been the direct outcome of the liberal trade policies undertaken and implemented by successive governments. The liberalization program of the government aims at rapid and substantial growth of the country's economy besides a harmonious integration with global economy. Foreign investment ensures a huge amount of domestic capital, production level and employment opportunities, which is a major step towards the economic growth of the country. India is among one of the few markets in the world that offers such high prospects of growth and earning in virtually all sectors of the economy. The huge skilled workforce is one factor that ensures that foreign investors get a good return on their investments. The expansion of FDI into and from India has been accompanied by a rapid economic growth and an increasing openness to the rest of the world. Investment in Karnataka has huge potentials. However, investors have their own share of advantages and disadvantages. Overseas and domestic investors must prepare themselves well in advance to face with adversities and deal with them properly. Some of the drawbacks that investors may have to face are bureaucratic hassles, infrastructural deficiencies, power shortages and sometimes political uncertainty. Despite these uncertainties,

Karnataka presents a huge potential to global and domestic players to invest in the market. The State is taking up initiatives to set goals of achieving IT revenues of Rs.4 lakh crore by 2020, direct employment of 20 lakh by 2020. The industry group setup by the State Government last year has recommended some initiatives to leverage the unique opportunities that the State offers in the IT space. The key initiatives are use of technology in education; talent development and job creation; increasing innovation for sustainable value addition; entrepreneurship development; going beyond Bangalore by developing emerging ICT Centers; leveraging the global ecosystem by developing relationship with other Countries; development of physical infrastructure; increased focus on Electronics Systems Design and Manufacturing; Branding etc.

The challenges for achieving the set goals are: development of physical infrastructure, development of IT infrastructure, manpower development and making available land. The various State agencies concerned with development of physical infrastructure have taken note of the potentialities of the growth of IT and BT sectors in tier 2/3 cities. Similarly, Department of IT is developing IT infrastructure in Hubli-Dharwad, Mangalore, Mysore, Gulbarga, Shimoga, Tumkur and Belgaum. VTTC has proposed to have trade facilitation centres at Mysore, Mangalore, Hubli, Gulbarga and Davangere to facilitate the exporters to enhance their business activities from the State. These centres would involve in conducting of capacity building programmes in their jurisdiction to encourage exports. They also liaison with DICs and trade bodies in conduct of various programmes and interaction meets with the agencies/organizations of Govt. of India Dept., and State Govt. to address the grievances of exporters. In the budget speech of the Hon'ble Chief Minister of Karnataka for the year 2013-14, an announcement was made for establishment of international desks in Japan, Taiwan, USA and Germany to attract investment for the State. In this regard, it is proposed to establish the liaison office at VTTC to facilitate establishing international desks in the above countries. The international desk would function to attract foreign direct investment for the State and to promote international trade from the State.

RURAL DEVELOPMENT



5.1 RURAL GOVERNANCE

Karnataka has been a pioneer State in decentralized governance, more specifically in nurturing Panchayati Raj Institutions (PRIs). The 73rd and 74th Amendments to the Constitution, a watershed in Indian Democratic Republic saw the dawn of powerful local governments all over the country. Karnataka was the first state in the country to enact the Panchayat Raj Act, during 1993 incorporating the features of the 73rd Amendment. Elections are being successively held to the three-tiers of PRIs. Politically, there is a broad consensus and sincere commitment in favour of decentralisation that finds a place in the ideologies of all political parties in the State. The Panchayati Raj System in the state has been stabilized with the conduct of five elections. An outstanding feature of the Panchayati Raj System in Karnataka is the determined effort to empower the voiceless section of society by providing for specific reservation not only in its membership but also to the post of Chairpersons of the Institutions. It is a matter of great pride that women have been provided with 50 per cent reservation both in membership and authority positions. More significantly, in order to promote participatory governance the Karnataka Panchayat Raj Act, 1993 has been further amended for enhancing the quality of people's participation through greater empowerment of Gram Sabhas and Ward Sabhas thereby bringing in transparency and accountability in the functioning of PRIs;

5.1.1 Decentralised Planning as the Strategy

The objectives of accelerating rural development and reaching benefits of development equitably call for the evolution of an appropriate rural development planning strategy- a strategy that strengthens the various indicators of rural development as also brings a qualitative change in their reach to all sections of the society. In order to achieve this objective, the Government of India opted for a strategy of

decentralized planning and entrusted that the responsibility of planning and implementing rural development programs to the decentralized government bodies like PRIs in rural areas and urban local bodies in urban areas. With the passing of the 73rd Constitutional (Amendment) Act, 1992 the PRIs have acquired a statutory status, become integral part of our polity and, more importantly, they have been recognized as 'institutions of self-government'. They have been given the important responsibilities of plan preparation and plan implementation in order to ensure economic development in rural areas and to ensure social justice in the distribution of benefits of such development process (Article 243G). Consequently, decentralised governance and planning have emerged as strategies for initiating socio-economic transformation in rural areas with the prime objective of developing rural infrastructure and improving the living conditions of the rural people, especially the weaker sections.

Development of rural areas has a bearing on improving agricultural production and related economic activities, availability of natural and financial resources and their development, improvement of service delivery thereby paving way for improved human development. Towards promoting effective and inclusive rural development, the housing department and department of rural development of the Government of Karnataka has been implementing the following programs.

5.1.3 Role of Civil Society Organisations in Decentralised Planning Process

Civil society originally referred to social groups organised for emancipating themselves from the oppressive rule of feudal lords and tyrant rulers. But today the term connotes a wider meaning and embraces a plethora of institutions outside the State. The civil society is a voluntary organisational

structure intended to promote the well-being of its members by self-management of their own affairs with little or no interference from political regime. In recent years, civil society has come to assume a greater role in the life of people because of the following reasons: (i) In the modern day world, the needs and aspirations of people have multiplied beyond imagination such that the State alone cannot fulfill all these needs. (ii) The State by its very nature is less responsive to people's needs on account of the bureaucratic structure it has built. (ii) Interventions by the State are not cost effective as it operates with huge administrative machinery. On the other hand, civil society, being people's organisation, can be more responsive to the needs of the people and, being participative in its approach, it can also be cost effective. In view of these merits, civil society has obviously assumed a greater role today.

The series of rural development programs initiated from the sixties, especially with the adoption of the target group approach emphasising on targeting growth to weaker sections and backward sub-regions, gave primacy to decentralised planning. The latter emphasised on participation of people, their organisations and NGOs in the planning and implementation process which in turn provided some space to civil society. The latter in its new avatar was to play the role not only of assisting the panchayats by giving to them technical inputs on the basis of their own analysis of the prevailing socio-economic situation but also to motivate people to participate in the development process including monitoring of, and taking up development projects for, the benefit of the weaker sections and backward regions. In other words, the civil society is expected to play the role of capacity building among panchayat functionaries. The NGOs, as an important component of the modern civil society, are looked upon as change initiators in the rural society and input providers to rural governments. Because of their vast experience of working at the grass root level and the committed and trained cadres they have with them, the country reposes great faith in their ability to build capacities among local governments.

5.2 RURAL HOUSING

Housing, as a basic need, has gradually evolved as a prime component not only as shelter but also helped

in providing employment opportunities and aiding the local development. To meet the growing demand of housing, the State Government has been proactive in its housing policies. Housing for the poor and down-trodden assumes greater importance both in Rural and Urban areas in the State. Every successive Government have given greater attention to the problem of scarcity housing and hence increased the budgetary allocation over the years.

5.2.1 Rajiv Gandhi Housing Corporation Limited (RGRHCL)

The RGRHCL was established by the State Government in the year 2000 to implement all the State and Central Government sponsored housing schemes for economically weaker sections of the society both in rural and urban areas. The main objective of the Corporation is to provide affordable housing for persons belonging to economically weaker sections (EWS) and low income groups (LIG). RGRHCL has conducted a survey of Houseless and site less in the State during 2003. Accordingly, 1299789 House-less and 1298813 site-less people have been identified. Later in the year 2009, a survey of hut dwellers was conducted in the State with the aim of making the state huts free. The survey identified 10.50 lakh hut dwellers in Karnataka. RGRHCL has been providing houses to its target segments. The Government has increased the unit cost of such houses constantly over a period of time. Details of unit costs are given in Table 5.1. Details of houses constructed under various schemes and house sites distributed through the Corporation are provided in Table 5.2 and 5.3.

5.2.1.1 Housing Programmes

Details of achievement against the target under various housing schemes are given in Table 5.4. In 2013-14, the State has allocated Rs.1161.50 crore for the implementation of housing schemes, out of which an amount of Rs. 1033.44 crore has been released and Rs. 947.75 crore has been spent up to October 2013.

5.2.1.2 Rural Ashraya/Basava Vasathi Yojane

This scheme was introduced by the State Government in the year 1991-92 for providing the housing for rural house less poor. The annual income

Table 5.1- Unit costs of houses provided under housing schemes

Series Year	Unit Cost(Rs.)			
	Rural Ashraya*	Rural Ambedkar	IAY	Urban Ashraya*
2008-09	40000	40000	35000	No target
2009-10	No target	40000	40000	No target
2010-11*	63500	63500	No target	130000
2011-12	No target	No target	63500	No target
2012-13	75000	5,0000	75000	75000
2013-14	1,20.000	No target	1,20.000	1,20,000

*In 2010-11, Rural Ashraya Scheme has been renamed as Basav Vasathi Yojane and Urban Ashraya Scheme has been renamed as Vajpayee Urban Housing Scheme.

Table 5.2 - Details of Houses Constructed under housing schemes (Nos)

Year	Rural Ashraya**	Rural Ambedkar	Urban Ashraya**	Urban Ambedkar	IAY \$	Total
2009-10	157217	15876	4135	*	155744	332972
2010- 11	48422	3692	685	*	95311	148110
2011-12	69529	4722	4071	*	26769	105091
2012-13	158422	5938	8985	---	108493	281838
2013-14*	90342	2644	3136		41260	137382
Total	523932	32872	21012		427577	1005393

*Up to October, 2013

Note: * Scheme discontinued **Rural and Urban Ashraya schemes have been renamed as Basava Vasathi Yojane and Vajpayee Urban Scheme from 2010-11; and \$ Scheme has been implemented by RGRHCL since 2004-05.

Table 5.3- Details of House Sites Distributed (Nos)

Year	Rural	Urban	Total
2009-10	34765	2519	37284
2010- 11	22992	16983	39975
2011-12	24334	16861	41195
2012-13	13737	16270	30007
2013-14*	922	5718	6640
Total	142610	111118	285534

*Up to October, 2013

Table 5.4- Target and Achievement under Different Housing Schemes

Year	Rural Ashraya		Ambedkar housing		IAY		Urban Ashraya	
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
2009-10	175000	157217	15000	15876	125000	155744	10000	4135
2010-11	176500	48422	12000	3692	85000	95311	26500	685
2011-12	130000	69529	8000	4722	100000	26769	32000	4071
2012-13	125000	158422	10000	5938	100000	108493	15000	8985
2013-14*	180000	90342	5000	2644	100000	41260	15000	3136
Total	786500	1310432	50000	32872	510000	427577	98500	21012

* Up to Oct- 13.

of the beneficiary is limited to Rs.11,800/-. Presently, it has been enhanced to Rs.32,000/-. Till 2004-05 the beneficiaries were selected by the Ashraya Committees headed by the local MLA. From 2005-06, the beneficiaries are selected by Gram Panchayats through Gram Sabhas as per the Panchayat Raj Amendment Act. From 2013-14 the Government has fixed unit cost of Rs. 1.50 lakh, in which Rs.1.20 lakh is subsidy from the State Government and remaining Rs.30,000/- is beneficiary contribution or the bank loan. 50% of the target is reserved for SCs/STs and 50% is for general categories. Under this scheme, the Corporation has constructed Rs. 2.76 lakh houses during last 3 years. In 2013-14, the target is to complete 1.80 lakh houses including backlog of which 90342 houses have been constructed upto October 2013.

5.2.1.3 Ambedkar Housing scheme

This scheme is implemented for rural house less poor belonging to SC/STs. The annual income of the beneficiary is limited to Rs.11800/-. Presently, it has been enhanced to Rs.32,000/-. The beneficiaries are selected by the Gram Panchayats through gram sabhas. The unit assistance per house has been enhanced from Rs.40000/- to Rs.63500/- from 2010-11 (Rs.50000/- as subsidy, Rs.10000/- as bank loan and Rs.3500/- being beneficiary contribution). 1.56

lakh houses have been constructed during 2000-01 to 2011-12. In 2013-14, the target is to complete 5000 houses of which 2644 houses have been constructed upto October 2013.

5.2.1.4 Indira Awas Yojana

This Centrally Sponsored Scheme was introduced in 1989-90. This scheme is implemented for rural BPL houseless families. As per the guidelines, 60% of the target is earmarked for SC/STs, 15% is for religious minority and remaining for others. From 2013-14, the Government of India has enhanced the subsidy per house to Rs.70,000/-, further the State Government has enhanced the unit cost to Rs.1.50 lakh. In this Rs.52,500/- is subsidy from Central Government and Rs.67,500/- is subsidy from State Government and remaining Rs.30,000/- is the beneficiary contribution or bank loan. The scheme is being implemented by the RGRHCL. From 2004-05 to 2012-13, 6.37 lakh houses have been constructed upto October 2013. In 2013-14, 41260 houses have been completed as against the target of one lakh upto October 2013.

5.2.1.5 Urban Ashraya Scheme

Urban Ashraya was introduced in 1991-92. It is a State-sponsored scheme implemented for the urban poor. The annual income of the beneficiary is limited to Rs.11800/-. Presently, it has been enhanced to

Rs.32000/-. The beneficiaries are selected by the Ashraya Committee comprising both official and non-official members appointed by the Government and, this committee is headed by the local MLA. The unit cost under this scheme is Rs.30000/- in which Rs.25000/- is a loan from Government for all the beneficiaries and Rs.5000/- is beneficiary contribution. The loan provided to the beneficiaries is recovered in 180 monthly instalments. During the period 2000-01 to 2011-12, 1.49 lakh houses have been completed. In 2010-11, this scheme was renamed as Vajpayee urban housing scheme. In 2013-14 the Government, has enhanced unit cost of Rs.2.00 lakh, per house in this Rs.1.20 lakhs is subsidy from the State Government, Rs.30,000/- is compulsory beneficiary contribution and balance Rs.50,000/- is the bank loan or beneficiary contribution. During the period 2000-01 to 2011-12, 1.49 lakh houses have been completed. In 2013-14, the target is to complete 15000 houses against which 3136 houses have been completed.

5.2.1.6 House Site

Dwelling sites are distributed free of cost to poor site less families both in urban and rural areas to the beneficiaries whose annual income is less than Rs.11800/-. Presently, it has been enhanced to Rs.32,000/-. The scheme was introduced during

1992-93. During 2000-01 to 2013-14 (till October 2013), 2.79 lakh sites have been distributed (1.42 lakh in rural and 1.05 lakh in urban areas and 31,806 sites in flood affected areas). In 2013-14, the target is to distribute 20000 sites (10000 in rural areas and 10000 in urban areas) and 6640 sites have been distributed till October 2013. (Table 5.5)

5.2.1.7 Nanna Mane (Affordable Housing for Low Income Groups)

In 2010-11, the State had introduced a new scheme to benefit the people above poverty line by providing affordable houses to the low income group families like auto drivers, film industry workers, unorganised sector workers, beedi workers, hamals, street vendors etc. The annual income of the beneficiary is limited to Rs.1.00 lakh. Four projects had been taken up in 2011-12 in an around Bangalore viz., Talaguppa near Bidadi, Singanayakanahalli, Hunasamaranahalli and Kodathi under G+2 concept. The unit cost of the flat is Rs.3.90 lakh, Rs. 4.25 lakh and Rs.5.20 lakh respectively for different floors.

5.2.1.8 Expenditure on EWS Housing

The State's expenditure on EWS housing schemes has been constantly increasing. During this period, the State Government has spent Rs. 9464.28 crore,

Table 5.5 - Progress of House Site Scheme

Year	Rural House Site			Urban House Site			Total		
	Target	Ach	% of Ach	Target	Ach	% of Ach	Target	Ach	% of Ach
2009-10	10000	34765	347.65	10000	2519	25.19	20000	37284	186.42
2010-11	200000	22992	11.50	50000	16983	33.97	250000	39975	15.99
2011-12	150000	24334	16.22	50000	16861	33.72	200000	41195	20.59
2012-13	30000	13737	46.00	20000	16270	81.00	50000	30007	60.00
2013-14*	10000	922	9.00	10000	5718	57.00	20000	6640	33.00
Total	400000	96750	24.00	140000	58351	42.00	540000	155101	29.00

* Up to October 2013

including Rs.3058.41 crore on Centrally Sponsored Scheme of Indira Awas Yojana and Rs. 6405.87crore on the State sponsored EWS housing schemes. The details of expenditure on EWS housing are furnished in Table 5.6.

5.3 RURAL INFRASTRUCTURE

A) Karnataka Rural Infrastructure Development Ltd.

The Karnataka Land Army Corporation Limited was established as an undertaking of the Government of Karnataka in August 1974. The name of the Organization was changed from Karnataka Land Army Corporation Limited (KLAC) to Karnataka Rural Infrastructure Development Limited (KRIDL) with effect from August, 2009. The Organization was started with an authorized Government share capital of Rs. 15 crore and subscribed capital of Rs.25 lakhs and further subscribed Rs.12 crore during 2001-02 .The Organization has the objective of undertaking civil construction of tanks, irrigation works low cost housing, roads, culverts, buildings etc. in rural areas by employing rural youth. Currently,organization has an annual turnover of Rs.1000 crore with a staff around 1000 including 360 highly dedicated and Qualified Civil Engineers handling Civil works all over the state and outside

the state too. The main objective of the organization is to undertake developmental works in rural areas including employment oriented works entrusted by the state Government Departments, Statutory Boards and Local Self Government under various schemes and programmes. The works are executed directly at Government (PWD) scheduled rates without involvement of contractors. The organization is a designated agency of the State Government for the purpose of departmental execution of works. The company has achieved highest turnover of Rs.108747.95 crore during the financial year 2012-13. The company has achieved a net profit of Rs.5124.87 crore and also paid Rs.2.45 crore as dividend to the State Government. In 2013-14, the turnover of Rs. 850 crore has been achieved. The company is making sincere efforts to increase the turnover by approaching different Government Departments to obtain entrustment works.

B) Western Ghats Development Programme

Developing hilly areas, Conservation of forests and maintenance of ecology, Providing irrigation facilities to the farmers of hilly region, Providing Agriculture, Horticulture, Sericulture, Animal Husbandry activities to the residents of hilly areas, Providing marketing to the outputs generated at these areas, Providing vented dams cum foot bridges for

Table 5.6 - Expenditure Incurred on EWS Housing (Rs. Crores)

Year	Housing Schemes in Rural and Urban Areas				
	Rural Ashraya	Rural Ambedkar	Indira Awaas Yojana	Urban Ashraya	Total
2009-10	373.04	38.11	545.10	7.53	963.78
2010-11	219.24	25.27	482.49	3.43	730.43
2011-12	494.68	33.60	302.67	103.58	934.53
2012-13	977.64	27.73	805.89	108.72	1919.68
2013-14*	706.24	16.15	181.65	43.71	947.75
Total	2770.84	140.86	2317.80	266.97	5496.17

* Up to October, 2013

cultivation of second crop in the year etc are the main objectives of this programme. Some of the other objectives of this programme include:-

1. Capacity building for effective implementation of the programme by providing training facilities to the officers of Hilly Area Development Programme (HADP) and Western Ghats Development Programme (WGDP)
2. Programme of eco-preservation and eco-restoration with a focus on sustainable use of Bio-diversity
3. Soil and water conservation through land development activities such as leveling, bench terracing, land reshaping, amalgamation of paddy fields, land reclamation, contour bunding etc.,
4. Water harvesting and erosion control structures like check dams, vented dams, nalabunding, boulder bunds and checks, gully checks, ravine reclamation structures etc.,
5. Construction of farm ponds, diversion channels, waterways, vegetative filter strips etc., to regulate the flow and disposable of excess water
6. Focus on the needs and aspirations of local communities ensuring community participation in the strategies for conservation of bio-diversity and sustainable livelihoods
7. Development of watershed based activities
8. Development of spreading of technology/ instruments/ materials which are useful to the hill economy/society which are suitable to the small holdings to provide bio-fertilizers, seeds and other inputs
9. Providing schemes for income generation by cultivating the medicinal plants, bamboo, jatropha and agro forestry
10. Providing gap filling infrastructure such as laying of water pipelines, construction of foot bridges etc.,
11. Development activities through animal husbandry viz., artificial insemination for upgrading cattle, fodder development plots in farmers holding and Government farms,

poultry development, piggery development, rabbit development, health camps and distribution of medicines, mineral mixtures and food ingredients and Constant monitoring/providing funds to the Spice Board for regular growth of spices etc.

C) Backward Regions Grant Fund

The erstwhile Rashtriya Samvikas Yojana has been converted into Backward Region Grant Fund. Six districts i.e. Gulbarga, Yadgiri, Bidar, Chitradurga, Raichur and Davanagere of Karnataka are implementing this scheme.

The main objectives of this scheme are:

1. Remove barriers to growth
2. Reduce the imbalances
3. Accelerate the development process through gap filling
4. Improve quality of life of the people

Under this scheme, every selected district will get a Central Grant on the basis of population and geographical extent. The project is to be implemented in the 11th Five Year Plan with an outlay of Rs.550 crore and it is being continued in the 12th Five Year Plan with an outlay of Rs.595 crore.

D) 13th Finance Commission Grants

A five year tenure starting from 2010-11 to 2014-15 has been recommended by 13th Finance Commission. The said grants are released in 2 installments annually. It is released in the ratio of 10:20:70 (ZP:TP:GP) to all the Panchayat Raj Institutions. In 2012-13, the Government of India has allocated and released General Basic Grants amounting to Rs. 67354 lakhs. These grants have been released online by the State to the PRIs through State Bank of Mysore, G-Seva Branch as well as Axis Bank, Bangalore. In addition to General Basic Grants, the Government of India has also released General Performance grants amounting to Rs. 124020 lakhs to the 3-tier Panchayati Raj Institutions. As new Guidelines have been issued on 27th June 2013 and all the Zilla Panchayats have been instructed to prepare Action Plan. These grants are to be utilized for the following aspects as per 13th Finance

Commission Guidelines.

- i) To enhance the lives of rural people by providing of drinking water, sanitation health, women and children welfare, nutrition and developmental works
- ii) Funds can be utilized for schools desk in Anganwadis, furniture, sports equipment, laboratory equipment
- iii) Works not exceeding 20% of the funds may be utilized for modernization and building of roads.
- iv) Preference may be given for long term sustainable infrastructure
- v) Under drinking water scheme modernization and maintenance, protection of sources of drinking water and sanitation

Details of grants released under the 13th Finance Commission are given in Table 5.7.

Statutory Grants

In 2013-14 Statutory Grants to the Grama Panchayat has been enhanced to Rs. 12 lakh per GP - for GPs with population of more than 8000 and Rs.10 lakh per GP - for those with a population of less than 8000. Accordingly Rs. 57834 lakhs had been provided, out of which Rs. 44334.50 lakhs has been released by the Finance Department in 4 equal installments. 60% of the funds are to be used for payment of electricity dues and 40% of the funds for the payment of salary and allowances to Gram Panchayat staff.

Untied Grants of Rs.2 crore to Zilla Panchayat Adhyaksha

Under the Untied Grants Rs. 200 lakhs has been provided to each Zilla Panchayat and totally Rs. 3000 lakhs has been released. These funds were to be

utilized for the developmental works in the Zilla Panchayats.

Untied Grants of Rs.1 crore to Taluk Panchayat

Under the United Grants, Rs.100 lakhs had been provided to each Taluk Panchayat and totally Rs.13200 lakhs has been released. These funds are to be utilized for the developmental works in the Taluk Panchayats.

Honorarium to Zilla and Taluk Panchayat Members

Honorarium paid to Zilla Panchayat Adhyaksha is Rs. 3000/-, to Upadhyaksha is Rs. 2250/- and to Members is Rs. 1500/-. Honorarium paid to Taluk Panchayat Adhyakshahas is Rs. 2250/-, to Upadhyakshais Rs. 1500/- and to Members is Rs. 750/-. The honorarium has to be met out of their own resources.

E) Gram Swaraj Project

This project is being implemented to provide opportunities towards improving conditions particularly with respect to the management of public resources and the delivery of relevant services that the rural people prioritize in the 1341 Gram Panchayats (GP) in 39 'Most Backward Taluks of the State'. The objectives of the scheme are higher investments by GPs to improve social indicators, greater local revenue mobilization, improved monitoring and delivery of key services to rural population, and improved participation in local planning.

Formula-based Block grants to 1341 GPs in the 'Most Backward Taluks' was given to improve the effectiveness of service delivery across a range of services that have devolved on them under the Karnataka Panchayath Raj Act, 1993. Buildings have

Table 5.7- Grants released under 13th Finance Commission (Rs. in lakhs)

13 th FC Grants	Zilla Panchayat	Taluk Panchayat	Gram Panchayat
General Basic Grants(1st Installment)	6735.00	13471.00	47148.00
General Performance Grants(1st Installment)	4601.00	9202.00	32209.00

been constructed in all taluks for imparting Training and capacity building. SATCOM centers at five locations ensure that satellite based training programme for different regions of the state from 2006-07 onwards Rs.637.07 crores have been spent towards the project under different components. The Gram Swaraj Project strictly adheres and follows Karnataka Panchayat Raj Act 1993 at every stage.

F) Suvarna Gramodaya Yojane

Suvarna Gramodaya yojane was launched February, 2007. This is a new initiative of the State Government for developing vibrant village communities by adopting an intensive and integrated approach to rural development. Launched at the commencement of the Golden Jubilee Celebrations of the formation of the State of Karnataka, the new initiative focuses on the development of 1000 villages every year by the concerted efforts of the Government, Non Governmental Organizations, private sector partners and village communities. The main objectives of the programme are as follows:-

- To upgrade the physical environment of the selected villages for improving the quality of life
- To fully develop the income generating potential of land based activities
- To provide full and adequate infrastructure for human resources development including education, health services, childcare facilities etc.
- To generate significant levels of non agricultural employment, especially for educated unemployed youth
- To support community awareness and development through self-help groups, cultural associations etc.

Selection of Villages - Population covered in each taluk is determined on the basis of rural population of that taluk in relation to total rural population of the entire State. Funds are allotted at the rate of Rs.2500 to 3000 per capita. In general, the villages having population above 2500 but below 8000 are selected within the limit of the population fixed in the taluka keeping in view of the rural constituency population.

In the hilly and western ghat areas, the population limit is relaxed.

Physical and Financial progress

1st Phase (2006-07 and 2007-08) - In the 1st phase 1204 villages were selected for which a sum of Rs1000.60 crore was allocated of which Rs 950.05 crore was released and Rs 947.13 crore expenditure was incurred. In about 1204 villages, road and drainage works have been completed, a road length of 2895 Kms has been completed. Drainage length of 2336.07 Kms has also been completed. 2307 Anganawadi & Samudaya Bhavana buildings are also completed.

2nd Phase (Gulbarga revenue division) - (2008-09) - In the 2nd phase, 222 villages were selected for which a sum of Rs208.20 crore was allocated of which a sum of Rs.190.50 crore was released of which an expenditure of Rs 181.18 crore was incurred. A road length of 329.40 Kms has been completed. 373 Anganawadi & Samudaya Bhavana Buildings has also been completed.

3rd Phase - (2009-10) - In the 3rd phase 1574 villages were selected for which a sum of Rs.1012.05 crore was allocated of which Rs. 960.42 crore was released and expenditure of Rs 919 crore was incurred. Road and drainage works are completed in about 427 villages. A road length of 2075 Kms has been completed. Drainage lengths of 805.91 Kms have been completed.

4th Phase - (Gulbarga revenue division) - (2010-11) - In the 4th phase 381 villages were selected for which a sum of Rs. 214.09 crore was allocated of which Rs.192 crore was released and expenditure of Rs 176 crore was incurred. Road and drainage works are completed in about 73 villages. A road length of 236.30 Kms and drainage length of 112.13 Km have been completed.

5th Phase - (2012-13) - The list of selected villages of all the 30 districts in the state has been approved. 2174 villages are selected for which a sum of Rs 1000 crore was allocated of which a sum of Rs. 109.67 crore was released. The tender process is in progress. Phase wise implementation details are given in the table 5.8 and 5.9.

Table 5.8 - Year Wise Financial Details of SGY (Rs.crore)

Year	Allocation	Opening Balance	Released	Available Fund	Expenditure	%age expd. against available fund
2009-10	302.00	61.28	300.25	361.53	251.41	70
2010-11	402.79	110.13	402.79	512.92	431.07	84
2011-12	750.00	81.85	700.00	781.85	445.31	57
2012-13	449.14	336.54	336.20	672.74	462.35	69
2013-14	109.67	210.39	94.10	295.39	200.43	68
Total	2013.60	800.19	1833.34	2624.43	1790.57	68

Table 5.9 - Suvarna Gramodaya Yojana Stage wise Physical Progress

Phase	No. of selected villages	Villages that have completed road & drainage works	Length of road completed in km.			Length of drainage completed in km.			No. of anganawadi & community halls completed		
			Target	Achievement	%	Target	Achievement	%	Target	Achievement	%
1 st Phase	1204	1204	2997	2895	97	2829	2336.07	83	2479	2307	93
2 nd Phase	222	142	333.6	329.4	99	190.14	166.34	87	478	373	78
3 rd Phase	1573	427	2307	2075	90	997.03	805.91	81	2713	1440	53
4 th Phase	381	73	268.9	236.3	88	127.52	112.13	88	487	173	36
5 th phase	2174	285	771.7	406.08	53	209.77	74.22	35	531	16	3
Total	5554	2297	6678	5942	89	4353.5	3494.7	80	6688	4309	64

5.3.1 Rural Water Supply

The norm for providing potable drinking water is 55 litres per capita per day (LPCD) with a provision of 3 litres for drinking water, 5 litres for cooking, 15 litres for bathing, 10 litres for washing utensils and domestic applications, 10 litres for ablution/toilets and 12 litres for washing of cloths and other uses. The population should be 100 or more for coverage under the rural water supply norms. A 'Habitation' is a locality in a village where a cluster of families reside. Considering the average size of the family as 5

persons, a 'habitation' includes 20 families totaling 100 persons, with an exception in hilly areas, where the habitation can have a population below 100 persons. Fully Covered (FC) indicates that entire population in a habitation is provided with drinking water as per the norms. Partially Covered (PC) means supply of drinking water is less than 55 LPCD. Habitations with access to safe drinking water source/point (from public/ private source) of 10 to 55 LPCD, within 1.6 kms in the plains and within 100 meters in hilly areas are characterized as PC. Not Covered (NC) habitations implies habitations where

volume of safe water from any source is below 10 LPCD and/or, habitations with a source of drinking water, affected by excess salinity, iron, fluoride, arsenic or other toxic elements or biologically contaminated.

Access to safe drinking water and sanitation is indispensable for a healthy life. According to the 2011 census, 3.83 crore persons live in rural areas of Karnataka in 59753 habitations. Among them, 9.35% (5581) are FC, 85.29% (50965) are PC and 5.36% (3207) are quality-affected by March 2013. As per the present National Rural Drinking Water Programme (NRDWP), the concepts of FC and PC are modified from conventional LPCD to percentage of population covered by water supply schemes. Accordingly, there are 5223 habitations with >0 and <25% population coverage, 16161 habitations with = 25 and <50% population coverage, 19469 habitations with = 50 and <75% population coverage, 10112 habitations with = 75 and <100% population coverage, 5581 habitations with 100% of population coverage. 3207 habitations are found to be affected with water quality problems. District wise details are furnished in Table 5.10.

The drinking water infrastructure of the State includes 216828 bore wells fitted with hand pumps, 29640 piped water supply schemes and 40715 mini water supply schemes. Among the 59573 rural habitations covered under the schemes, about 5581 (9.35%) of habitations receive above 55 lpcd of water, 50965 (85.29%) receive less than 55 lpcd and 3207 (5.36%) are water quality affected. Water scenario in rural area of Karnataka is shown in Table 5.11 and distribution of households by source of drinking water as per 2011 Census is shown in 5.12.

5.3.1.2 BharatNirman National Rural Drinking Water Programme (NRDWP)

In order to meet adequate and safe drinking water supply requirements in rural areas, particularly in those areas that have water coverage lower than 55 lpcd and those villages which are affected by water quality problems due to excessive dependence on

groundwater based water supply schemes, Bharat Nirman a unique central Government programme for building infrastructure and basic amenities in rural areas was launched in 2005. Phase I of the Programme was implemented in the period 2005-06 to 2008-09. Phase II is being implemented from 2009-10 to 2012-13. Details of physical progress of this programme are given in Table 5.13 and financial target and achievement from 2008-09 to 2013-14 are shown in Table 5.14.

(i) Action Plan 2013-14 - As per the NRDWP guidelines, action plan 2013-14 has been formulated to cover habitations coming under 0-25%, 25-50% and 50-75% category and quality affected, to bring them to 100% coverage category by providing 55 LPCD. In addition to this, spill overworks of 2012-13 falling under more than 25-50% coverage category are also incorporated. Further, it is proposed to bring about 2568 habitations affected by water quality under this coverage. To achieve the above mentioned target, a provision of Rs. 2480.92 crores has been made for rural water supply programme in the annual action plan 2013-14 (Table 5.15).

(ii) Source Sustainability Measures - Groundwater from the main source of water supply for rural drinking water needs in Karnataka. Due to over exploitation of groundwater for irrigation and other uses, conservation of water for drinking purposes is crucial. Accordingly, construction of 75 pits and trenches, 1023 check dams, 83 percolation tanks, 7 dug wells, and 61 roof top harvesting structures are proposed (Table 5.16) for groundwater recharge as per the 2013-14 action plan. The state has provided 10% of Central Government grants amounting to Rs. 112.75 crore for this purpose.

(iii) Water Quality Monitoring and Surveillance Programme (WQM&SP)

The State has established 30 district-level laboratories to monitor the quality of groundwater to meet drinking water standards. Field water testing kits have been procured at a cost of Rs. 134.28 lakh for distribution to all the 5627 gram panchayats. These kits are used to all the groundwater sources in pre-monsoon and post-monsoon, seasons. If the

Table 5.10 - Drinking Water status in habitations with population coverage as on 31st March 2013

Sl. No.	District	Water Quality Affected Habitations	Coverage of habitations					100% Coverage
			0	0 and < 25%	>= 25 and < 50%	>= 50 and < 75%	>=75 and < 100%	
1	Bagalkot	70	0	53	192	269	301	124
2	Bangalore (R)	20	0	104	429	524	156	38
3	Bangalore (U)	62	0	111	565	184	63	52
4	Belgaum	121	0	209	406	575	414	65
5	Bellary	224	0	13	200	346	196	33
6	Bidar	18	0	6	251	361	209	36
7	Bijapur	23	0	135	139	387	320	45
8	Chamarajnaragar	0	0	2	8	680	61	79
9	Chikballapur	69	0	394	501	727	198	32
10	Chikmagalur	45	0	245	1385	1231	460	140
11	Chitradurga	90	0	12	736	329	427	37
12	D.Kannada	49	0	73	436	1593	1017	414
13	Davangere	170	0	64	131	474	234	61
14	Dharwad	14	0	8	148	170	48	0
15	Gadag	43	0	0	26	157	102	14
16	Gulbarga	127	0	52	184	538	320	48
17	Hassan	105	0	452	1538	1082	490	144
18	Haveri	1	0	9	283	345	73	0
19	Kodagu	0	0	14	143	27	57	291
20	Kolar	319	2	290	289	705	303	54
21	Koppal	27	0	177	227	146	137	23
22	Mandya	448	0	235	584	426	220	73
23	Mysore	135	0	321	671	565	193	118
24	Raichur	205	0	42	249	270	281	413
25	Ramanagaram	4	0	375	516	942	278	22
26	Shimoga	24	0	267	1478	2069	628	335
27	Tumkur	767	0	816	1480	1300	776	173
28	Udupi	8	0	3	1358	1447	341	340

Table 5.11- Rural Water Scenario in Karnataka

Service levels of water (LPCD)	Habitations (No.)	Percentage
55& above	5581	9.35
Less than 55	50365	85.29
QualityAffected	3207	5.36
Total	59753	100

(Norm for Rural Area = 55lpcd)

Table 5.12- Distribution of households by source of drinking water in Karnataka (2011)

Source of Water	Total	Percent	Rural	Percent	Urban	Percent
Tap water treated	5432724	41	1797502	23	6025	58
Tap water untreated	3274240	25	2634613	34	1750	17
Covered well	131305	1	79637	1	876	9
Uncovered well	1051685	8	855626	11	1269	12
Hand pump	729630	6	662370	8	111	1
Tube well/Borehole	2101712	16	1539109	20	112	1
Other sources	4586155	3	295339	4	31	0.3
All sources	131799111	100	7864196	100	58	0.6

Table 5.13 - Water Supply Coverage under Bharat Nirman/NRDWP programme

Year	Total Coverage	Coverage of Habitations (No.)					
		0-25%	25-50%	50-75%	75-100%	Above 100%	Quality Affected
2009-10	7668	-	-	-	-	-	-
2010-11	6130	1	1146	952	1204	2708	-
2011-12	8757	8	2237	761	596	2783	1495
2012-13	13284	1338	4197	1213	637	3876	2023
2013-14 (upto Oct '13)	3015	331	743	947	446	201	347

Table 5.14 - Financial Target and Achievement under NRWDP (Rs. crore)

Year	Target	Achievement
2009-10	1072.25	860.06
2010-11	1167.07	947.53
2011-12	1656.74	1118.52
2012-13	1864.65	1807.11
2013-14 (up to Oct.2013)	959.12	580.37

Table 5.15 - Target and achievement under Action Plan 2013-14 (upto October -2013) (Rs. crore)

Sl. No.	Category (Percentage)	No. of habitations proposed for Coverage	Achievement	Action Plan amount	Expenditure
1	>0<25	4865	331	2480.92	580.00
2	>=25<50	6080	743		
3	>= 50 <75	144	947		
4	>= 75 <100	452	446		
5	100	65	201		
6	QualityAffected	2568	347		

Table 5.16 - Ground water Conservation Measures

Structure	Pits & Trenches	Check Dam	Percolation Tanks	Point Recharge System	Dug Wells / Injection Wells	Others	Ooraries/ Village Ponds/ Traditional Water Bodies	Roof Top Harvesting
No.	75	1023	83	0	7	159	56	61

water sample parameters are beyond the permissible limits, the values are sent to the district level laboratory for confirmation. Training is also given to village water and sanitation committee (VWSC) for testing water quality using the testing kits. In 2012-13, under the WQM&S programme, Rs. 7.29 crore was released and Rs. 2.45 crore was spent. Allocation and Opening Balance (OB) for 2013-14 is Rs. 35.55 crores. Available fund (OB+Allocaion) under support activity and WQM&SP in 2013-14 is given in Table 5.17.

(iv) Sub-mission programme to tackle water quality problems

The State has identified acute water quality problems in 3207 habitations, of which 80% (2568 habitations) have to be covered in 2013-14. Also Rs. 48.40 crore is earmarked for water quality focus funding (chemical) exclusively for tackling Arsenic and fluoride contaminated habitations. The balance of habitations will be addressed subsequently. An estimated Rs.300 crore is required to cover them.

5.3.1.3 World Bank Assisted Jalnirmal Project

The World Bank Assisted Jal Nirmal Additional Financing Project is being implemented in the State for providing safe drinking water and sanitation facilities for the rural population. Jalnirmal additional financing project is also a demand driven project as an erstwhile World Bank Assisted Jalnirmal project and this project is also being taken up with the same project objectives, principles, components and parameters followed under Jalnirmal Project. Under

this project 1552 water supply schemes and rural internal road and drain works are taken up for implementation from July, 2010, at an estimated cost of Rs.816.18 crore for a period of 3 years in the 12 districts of Northern Karnataka i.e. Bagalkote, Belgaum, Bidar, Bijapur, Dharwad, Gadag, Gulbarga, Yadgir, Haveri, Koppal, Raichur & Uttara Kannada and water quality affected habitations in few other districts. The project period has been extended up to June, 2014.

Upto September, 2013, out of 495 water supply schemes taken up, 404 schemes have been completed and balance are under different stages of progress. Eighteen long term Multi Village Water Supply Schemes has been taken up, and all the MVS are under different stages of progress (Table 5.18). Upto September, 2013, out of 481 road & drain works taken up, all 481 roads & drain works have been completed. Further, increased demand from the rural community and since fund is available, 19 more road & drain works have been taken up under the project and initiatives have been taken to complete the works within the stipulated time. Rs.275 crore has been allocated for implementation of this project by the State Government in 2013-14. Upto September, 2013, an expenditure of Rs.95.91 crore has been incurred. An amount Rs.36.86 crore has been reimbursed by the World Bank. A proposal of Rs.38.26 crore has been sent to World Bank for reimbursement and it is in pipeline. Upto September, 2013, an expenditure of Rs.549.67 crore has been incurred and an amount of Rs.413.61crore has been reimbursed from World Bank since inception of this project.

Table 5.17 Water Quality Management and Surveillance Programme (2013-14)

Sl. No.	Activity	Rs. in Crore
1	HRD Activities	7.05
2	IEC Activities	14.96
3	Water Quality Monitoring & Surveillance	35.55
4	MIS, R&D	5.54
5	Community Involvement	15.60
6	Establishment	12.81
	Total	91.51

Table – 5.18 Details of schemes completed under Jal Nirmal Additional Financing Project (Up to Sept’13)

Sl. No.	Districts	Target		Achievement	
		Water Supply Schemes	Roads& Drains Works	Water Supply Schemes	Roads & Drains Works
1	Bagalkote	23	33	19	33
2	Belgaum	20	51	19	51
3	Bidar	23	85	08	85
4	Bijapur	43	00	40	00
5	Dharwad	11	13	11	13
6	Gadag	05	35	04	35
7	Gulbarga	101	125	82	125
8	Haveri	08	03	08	03
9	Koppal	03	27	01	27
10	Raichur	60	43	36	43
11	U. Kannada	167	51	152	51
12	Yadgir	31	15	24	15
	Total	495	481	404	481

5.3.1.4 Desert Development Programme (DDP)

Additional rural water supply schemes in drought prone districts of Bagalkot, Bellary, Bijapur, Davanagere, Raichur and Koppal are being implemented under this centrally sponsored scheme DDP since 1997-98. It is contemplated to provide 70 LPCD of water to human being and cattle in these drought affected DDP Districts. The implementation of schemes such as PWSS (piped water supply scheme), MWSS (mini water supply scheme) and borewells including schools in rural areas are taken up under this programme (Table 5.19)

- (1) **Multi Village Scheme Project** - Drinking water supply schemes under Rajiv Gandhi National Drinking Water Mission have been formulated in rural areas with surface water as source to tackle water quality problem. Habitations having chemical contamination like Arsenic, Fluoride, TDS, Nitrate and Iron in

drinking water are provided safe drinking water after treating the surface sources. Under this programme, the State is provided with Central Grants to an extent of 50% of the project cost and remaining 50% is being borne by the State Government. The surface sources viz., River, Tank Canal etc., are considered for safe drinking water supply under this Sub-Mission Programme. Since 2004-05 and onwards, the State has taken up Rajiv Gandhi Drinking Water Mission Programme under Bharat Nirman Programme to provide safe drinking water to water quality affected habitations in rural areas.

Since inception, 397 Schemes covering 5752 water quality habitations at an estimated cost of Rs. 3399.24 crore have been taken up under this programme. All the schemes are administratively approved & by October 2013,

Table - 5.19 : Physical & Financial Progress (2007-08 & 2012-13)

Year	Financial (Rs.in Crore)		Physical (in Nos)					
	Target	Achievement	Target			Achievement		
			PWSS	MWSS	BWS	PWSS	MWSS	BWS
2007-08	32.79	31.77	276	259	425	181	167	422
2008-09	28.61	23.81	245	310	323	117	188	165
2009-10	38.21	25.33	202	260	300	173	243	296
2010-11	68.60	48.60	272	212	78	156	120	78
2011-12	137.80	103.30	628	286	48	440	215	48

150 schemes have been completed, 164 schemes are on-going, 22 schemes are under tendering process and 61 schemes are yet to be technically sanctioned.

Under the 13th Finance Commission Schemes, Rs. 300 crore is proposed to be released in 4 years. 30 Multi Village Schemes (MVS) & 387 RO units are approved under this Scheme. Out of 30 MVS Schemes, 3 Schemes are yet to be administratively approved, 23 Schemes are under tendering process, 2 Schemes are yet to be technically sanctioned and 2 Schemes are under progress.

5.3.2 Rural Sanitation

5.3.2.1 Nirmal Bharat Abhiyan – Total Sanitation Campaign (TSC)

Karnataka has been the forerunner in putting forth concerted efforts to implement total sanitation in rural parts of the State. The State has been implementing a number of sanitation programmes right from 1985, with the assistance of external agencies like Danida, Royal Netherlands, World Bank, UNICEF and other development partners. With a view to give emphasis to rural sanitation, Total Sanitation Programme has been operational for the last 8 years from 1995. Presently, the State Government is implementing the Total Sanitation Programme of Government of India intensively in

all the 30 districts of the State. Individual hygiene, household sanitation, safe drinking water, disposal of human excreta, solid and liquid waste management is the various components of the revised TSC.

Though the State has been implementing a number of programmes for rural sanitation, there has not been substantial progress. Social mobilization and encouraging the rural masses to adopt sanitation facilities have been incorporated as components of the campaign. Panchayat Raj institutions are involved in implementation of a number of programmes to achieve progress in this direction. The TSC is a community led, people centered and demand driven programme. To inculcate a sense of hygiene among the school children, construction of toilets in anganwadis and schools are the sub-components of the TSC. The TSC has been renamed w.e.f April, 2012 as Nirmal Bharat Abhiyan, and an incentive amount to an extent of Rs.4700/- (Rs.3200/- from GOI, Rs.1500/- from the State Government) is made available, besides convergence with MGNREGA programme providing for 26 man days amounting to Rs.4500/- in-addition to Rs.800/- as beneficiary contribution to the BPL and Restricted APL (SC/ST, small and marginal farmers, landless labourers, physically handicapped and the women dominant families) households, with the result of which Rs.10,000/- would be the assistance available from various sources to undertake the construction of individual household toilets.

Greater emphasis is laid upon information, education and communication activities in the campaign. To make the campaign as a community led programmes and to ensure that the requisite technological options are made available, various capacity building programme are hatched to build capacity of the stake holders in a variety of sectors. Attempts are made to erase the notion in the minds of the rural masses that the toilets are no more luxury and expensive. As per 73rd amendment to the constitution, rural sanitation has been the responsibility of the GPs. In view of this, all the GPs are participating in implementation of the TSC. Objectives of the campaign are -

- (a) To improve the health and living standards of the rural population
- (b) Disposal of the solid and liquid wastes generated in rural areas.
- (c) Construction of toilets in schools and anganwadis, maintenance of hygiene and inculcation of hygiene and sanitation practices among the children
- (d) Establishment of rural sanitary marts and production centers
- (e) Construction and maintenance of community sanitary complexes, sanitary drains and hygiene around water sources.

The detail of release of funds under the total sanitation programme is given in Table 5.20.

5.3.2.2 Awards for Total Sanitation

(I) Nirmal Gram puraskar - Government of India instituted Nirmal Gram Puraskar awards to encourage 100% achievement by the Gram Panchayats, Taluk panchayats and Zilla panchayats under the total sanitation campaign with the effect from the year 2004. The details of the Gram panchayats having awarded the Nirmal Gram Puraskar awards are given in Table 5.21.

(II) Nirmalya State Awards - State Government has instituted the State Nirmalya awards to encourage panchayat raj institutions to undertake sanitation and hygiene programmes as their priority items and achieve the targeted outcomes. This award is mainly to accelerate the campaign and to ensure

sustainability in respect of such Gram Panchayats who have been awarded with the Nirmal Gram Puraskar awards. In addition, awards are also contemplated for the best schools and anganwadis besides the institutional awards by facilitating them with mementos. In order to give fillip to the Nirmalya awards, the awards at the District level would be designated as Rajata Nirmalya, the awards at divisional level as Swarna Nirmalya and those at the state level would be designated as "Nirmalya Ratna". The award amount at the Gram Panchayat level would be Rs. 1 lakh, while the award amount at the District, Division and State would be respectively Rs.3 lakhs; Rs.5 lakhs and Rs.10 lakhs. In addition to the above, the excelling taluks panchayat at the division level would be given an award of Rs.10 lakhs and at the State level the first, second and the third prizes would carry a prize amount of Rs.20 lakhs, Rs.15 lakhs and Rs.10 lakhs. In addition, the excelling Zilla Panchayat at the state level would get the prize award of Rs.30 lakhs and Rs.20 lakhs respectively as first and second prizes, besides giving them the felicitation mementos. The proposals for 2011-12 awards have been received and the evaluation process is in progress, consequent to which the award function would be organized. The physical progress achieved under TSC till date is given in Table 5.22.

Information, Education and Communication (IEC) activities - The information pertaining to the total sanitation is effectively propagated. The IEC activities, include the use of All India Radio, Doordarshan, wall paintings, street plays, jatas, hand bills, advertisements etc., NGO's take active role in these IEC activities. In additional to the above, interpersonal discussion, door to door interviews, Group discussions, indoor games, outdoor games, songs, quiz capitation, street walks, speeches by religious leaders etc., are the various options through which the IEC activities are more effective.

Community led Total Sanitation - Awareness about the Total Sanitation Campaign were organized by way of awareness programmes to the stake holders in organizing 2,3,5 days training programmes at Gulbarga, Davanagere, Belgaum, Chamrajanagar, Bellary, Bagalkote, Bijapur, Gadag, Raichur and Chickballapur districts. A regional CCDU unit has

Table 5.20 - Funding pattern for different component under Nirmal Bharat Abhiyan

Sl No.	Component	Components wise limits prescribed	Contribution percent		
			GOI	State	Beneficiary
1	IEC & Start Up Activities	Up to 15%	80	20	0
2	Alternate delivery mechanism (PCs/RSMs)	Up to 5% (Subject to a maximum of Rs. 35 lakh per district for PC/RSMs and additional Rs.50 lakhs as revolving fund for group lending activity)	80	20	0
3	1.Individual latrines for BPL/Disabled households	Actual amount required for full coverage	80	20	12
	2.Community Sanitary Complexes		60	30	10
4	Individual household latrines for APL	Nil	80	20	100
5	Institutional Toilets including school & Anganwadis sanitation.	Actual amount required for full coverage	70	30	0
6	Administrative charges, including training, staff, support services, Monitoring and Evaluation etc.	Less than 5%	80	20	0
7	Solid/Liquid waste Management (Capital cost)	Up to 10%	60	20	20

Table 5.21 - NGP - Awards Bagged by the State

Year	No. of NGPs awarded to GPs	No. of NGPs awarded to Blocks	No. of NGPs awarded to Districts
2006-07	121	-	-
2007-08	479	3	-
2008-09	245	1	-
2009-10	121	-	-
2010-11	103	2	1
Total	1069	6	1

Table 5.22 Physical target and progress under Nirmal Bharat Abhiyan (Nos.) up to 31.10.2013

Sl. No	Component	Target	Progress (As on 31.10.12)	%
1	IHHL (BPL)	2889224	2330038	81
2	IHHL (APL)	2981691	2285225	77
	Total IHHLs	5870915	4615263	79
3	School Latrines	39267	44057	112
4	Anganwadi Latrines	26353	29150	111
5	Community Sanitary Complexes	1305	996	76
6	Rural Sanitary Marts and Production centre	290	219	79
7	PC	6	15	

been established at Gulbarga district which has facilitated the acceleration of the TSC programme in Northern Districts of the State. The services of Asha workers and Anganwadi workers would be utilised in the NBA programme. Detailed guidelines are issued for appointment of Swachchatha Doots at the GP level. Detailed guidelines are also issued for establishment of the Solid and Liquid Waste Management units. The financial progress achieved under the TSC programme till date is reported in Table 5.23 & 5.24.

5.3.3 Rural Energy

Three schemes viz., National Biogas Manure and Management Programme (NBMMP), Karnataka State Bio-fuel Policy, 2009 and Soura Belaku have been implemented in Rural Energy Programme.

A) NBMMP - Biogas is a clean, non-polluting, smoke and soot-free fuel, containing methane gas produced from cattle dung, human waste and other organic matter in a biogas plant through a process called anaerobic digestion. The digested slurry can be used as good quality manure in agricultural fields. It is a Centrally Sponsored Scheme being implemented since 1982-83. This is mainly 100% women programme. Government of India has increased central subsidy w.e.f. from November, 2009. The details of revised subsidy are given as below -

Based on the cattle population in the State, 6.80 lakh biogas plants can be constructed, of which, since inception upto March 2013, 4.198 lakhs of biogas plant have been constructed. Beneficiaries are selected by Grama Panchayat level under NBMMP. In 2013-14, the State Government has provided State

Particulars	Existing subsidy	Revised subsidy
Central Subsidy	3500/-	8000/-
Turn Key Fee	700/-	1500/-
Latrine Linked Biogas Plants (LLP) - incentives State subsidy is Rs.3500/-	500/-	1000/-

Table 5.23 - Financial Progress under the Nirmal Bharat Abhiyan from 2005-06 to 2013-14 (upto October-2013)

Project Outlay	Centre share Approved	State share Approved	Centre share releases	State Share releases	Total releases	Center Exp	State Exp.	Total Exp.
108474.68	70077.23	26898.26	47924.63	18193.31	66117.94	37750.49	15666.57	53417.06

Table 5.24 - Financial Progress under the Nirmal Bharat Abhiyan for 2013-14 (upto Oct-2013)

Approved Share		Release of funds		Total releases	Expenditure		Total Exp.	%
Centre	State	Centre	State		Centre	State		
6594.68	4262.50	-	-	-	5993.74	1364.83	7358.57	38.69

share of Rs. 283.31 lakhs and Central share of Rs.1182 lakhs in the State Budget.

B) The Karnataka State Biofuel Policy, 2009

The Karnataka State Biofuel Policy, 2009 has come into force from March, 2009. It is a State Plan programme. Karnataka Biofuel Policy is implemented through Karnataka State Biofuel Development Board. An amount of Rs.400 lakhs was provided in the State budget for 2012-13. Rs.200 lakhs has been released to Karnataka State Biofuel Development Board for implementation of biofuel activities.

C) Soura Belaku - Installation of Solar Street Lights at Grama Panchayats

Soura Belaku Programme is started in the year 2009-10 for installation of Solar Street Lights at Grama Panchayat level. The Programme is implemented only in each selected pilot district from each revenue division. The programme is implemented through E-Procurement. In the State budget, of 2012-13, Rs.310 lakhs was provided and the entire amount has been released to 6 Pilot Districts. Year wise details are furnished in table 5.26a, 5.26b, 5.26c and 5.26d.

D) Institutional Support for Rural Energy Development

Mahatma Gandhi Institute of Rural Energy and Development, (MGIRED) - It is an Institute established with the assistance of Ministry of New and Renewable Energy, Government of India and the Department of Rural Development and Panchayat Raj, Government of Karnataka. The Institute is a registered society set up in the year 2000 to cater to the training needs of Southern States/Union Territories. It is the vision of the MGIRED to create awareness and propagate the latest development in the Rural Energy, Ground Water Conservation, Rain Water Harvesting and Environmental Protection to the rural masses. MGIRED is committed itself to the following activities (i) Capacity Building, (ii) Demonstration of Rural/Renewable Energy Technologies, (iii) Demonstration of De-centralized Rural Energy based Industry, (iv) Documentation and dissemination of information on Rural Energy Development/Rain Water Harvesting/Environmental Protection etc., (v) Research on Rural Energy, and (vi) Advisory Services and Consultancy on Rural Energy, village adoption for implementing Rural Energy and related Rural Development Programs.

Table 5.25 - Physical and Financial Progress under National Project on Biogas Development

Year	Physical (No's)		Financial (Rs.in lakhs)	
	Target	Achievement (S+C)	Target (S+C)	Achievement (S+C)
2009-10	10000	6954	841.33+120.00	693.37
2010-11	16000	12902	1463.08+120.00	997.79
2011-12	15000	10863	1503.20+120.00	1359.93
2012-13	12000	11985	570.00+340.68	910.68
2013-14 (upto Oct 2013)	10000	1149	1465.91+120.00	113.29

Table 5.26a Achievement under Soura Belaku Programme 2009-10

Name of the district	Annual Target		Achievement	
	Physical (Nos.)	Financial (Rs.in lakhs)	Physical (Nos)	Financial (Rs.in lakhs)
Bagalkot	178	50.00	178	50.00
Bellary	178	50.00	178	50.00
Dak.Kannada	178	50.00	219	50.00
Shimoga	180	50.00	204	50.00
Total	714	200.00	779	200.00

Table 5.26b Achievement under Soura Belaku Programme- 2010-11

Name of the district	Annual Target		Achievement (Tentative)	
	Physical (Nos.)	Financial (Rs.in lakhs)	Physical (Nos)	Financial (Rs. in lakhs)
Chamarajanagar	180	50	180	50
Dharwad	180	50	180	50
Kolar	180	50	0	12.50
Raichur	180	50	180	50
Total	720	200	540	162.50

Table 5.26c - Achievement under Soura Belaku Programme- 2011-12

Name of the district	Annual Target		Achievement Tentative)	
	Physical (Nos.)	Financial (Rs.in lakhs)	Physical (Nos)	Financial (Rs.in lakhs)
Belgaum	458	110.00	458	110.00
Chitradurga	208	50.00	252	50.00
Dharwad	208	50.00	257	50.00
Koppal	208	50.00	208	50.00
Mysore	208	50.00	224	50.00
Total	1290	310.00	1399	310.00

Table 5.26d Achievement under Soura Belaku Programme 2012-13

Name of the district	Annual Target		Achievement Tentative	
	Physical (Nos.)	Financial (Rs.in lakhs)	Physical (Nos)	Financial (Rs.in lakhs)
Tumkur	210	50.00	305	54.85
Chikmangalur	210	50.00	255	49.04
Gadag	210	50.00	287	49.78
Dharwad	210	50.00	244	54.90
Bidar	210	50.00	Re-E tender process under progress	
Gulbarga	210	50.00	273	24.88
Total	1260	300.00	1364	233.45

5.3.4 Rural Road Infrastructure

The total length of rural roads upto March 2013 in Karnataka is 1,47,212 km of which 48,811 km is asphalted, 21,980 km has macadam surface, and 76,421 km consists of mud roads. Development of rural roads and their maintenance has been the responsibility of the Zilla Panchayats since 1987. Technical supervision of the roads at the state level, which was with the Public Works Department till the end of 1999, has been transferred to the Rural Development and Panchayat Raj Department with effect from 2000 onwards. Improvement of roads

and their maintenance is being taken up under Pradhan Manthri Gram Sadak Yojana, Mukhya Manthri Grameena Rasthe Abhivruddhi Yojane (CMGSY) & RIDF schemes.

5.3.4.1 Pradhan Mantri Gram Sadakyojana (PMGSY)

PMGSY was launched in the State during December 2000 with the objective of providing rural connectivity by way of all-weather roads to eligible habitations having a population of 500 and above by the end of 2007. Under this programme, Rs 3642.12

crore has been spent and 16049.60 Km of road length has been asphalted as on October 2013. In order to implement the scheme more effectively, Karnataka Rural Road Development Agency has been formed during January 2005. The agency is involved in preparation of detailed project reports in each stage, implementation of the works (as approved by Government of India) as per the required standards and, release of grants provided by Government of India. As on date, the State has connected 2235 unconnected habitations. The details of rural connectivity from 2008-09 is shown in Table 5.27.

5.3.4.2 Chief Minister Gram Sadak Yojana

Under Mukhya Mantri Gramina Raste Abhivruddi Yojane, a sum of Rs.14979.70 lakhs has been provided in the annual budget for 2012-13 (Table 5.28). The funds so provided have been allocated to Zilla Panchayats as per Dr.D.M.Nanjundappa Committee report for maintenance of roads.

5.3.4.3 NABARD

RIDF Nabard -15 (2009-10)

Government has administratively approved 250 Roads & Bridges works for Rs.11948.20 lakhs & 27 Foot Bridges works for Rs. 190 lakhs during the year 2009-10. Out of 250 Roads & Bridges works 237 works are completed & 9 works are under progress. Out of 27 Foot Bridges works 25 works have been completed & 2 works are ongoing.

RIDF Nabard-16 (2010-11)

Government has administratively approved 251 Roads & Bridges works for Rs.15126.70 lakhs & 153 Foot Bridges works for Rs. 733.44 lakhs during the year 2010-11. Out of 251 Roads & Bridges works 228 works are completed & remaining works are under progress. Out of 153 Foot Bridges works 127 works have been completed & remaining works are under progress.

RIDF Nabard-17 (2011-12)

Government has administratively approved 473 Roads & Bridges works for Rs. 18928.50 crores & 126 Foot Bridges works for Rs. 1536 lakhs during the year 2011-12. Out of 473 Roads & Bridges works, 199 works have been completed & 264 works are under progress. Out of 126 Foot Bridges works 30 works are completed & remaining works are under progress.

RIDF Nabard -18 (2012-13)

Government has administratively approved 199 Road works for Rs.7330.50 Lakh & 2 Bridge works for Rs. 65 lakhs in 2012-13. Tendering of all works are nearing completion & works are under progress.

RIDF Nabard -19 (2013-14)

Government has administratively approved 355 works (Roll over project under NABARD-18) for

Table 5.27- Year wise details of rural connectivity

Year	All weather Roads (Kms)	Good Roads (Kms)	Earthen Roads (Kms)	Villages not connected by Road (Nos.)
2008-2009	64,116	27,630	55,458	1718
2009-2010	65,904	26,450	54,858	2235
2010-2011	66,791	25,863	54,558	2235
2011-2012	68,649	24,748	53,815	2235
2012-2013	70791	24,478	51,943	2235

Table 5.28 - District wise Releases and Expenditure under CMGSY

	District	2012-13			
		Amount allocated (Rs.in lakhs)	Amount Released (Rs.in lakhs)	Expenditure upto 31-03-2013	Physical Progress (in Kms)
1	Bagalkot	480.89	484.06	483.27	241.6
2	Bangalore(U)	315.08	622.08	622.07	311.0
3	Bangalore(R)	207.77	207.77	207.77	103.9
4	Belgaum	694.63	853.34	844.45	422.2
5	Bellary	296.06	311.60	291.78	145.9
6	Bidar	167.51	301.29	275.53	137.8
7	Bijapur	467.28	691.60	691.44	345.7
8	Chamarajnagar	221.57	293.32	293.28	146.6
9	Chickmagalur	455.99	493.34	493.34	246.7
10	Chikkaballapur	254.71	254.71	254.55	127.3
11	Chitradurga	456.29	559.29	559.04	279.5
12	Dakshina Kannada	571.61	571.61	570.68	285.3
13	Davanagere	380.00	924.30	896.27	448.1
14	Dharwad	236.68	236.68	215.01	107.5
15	Gadag	223.58	293.58	264.93	132.5
16	Gulbarga	469.12	690.53	680.39	340.2
17	Hassan	330.37	330.37	329.41	164.7
18	Haveri	374.56	374.56	374.54	187.3
19	Kodagu	280.86	290.53	275.76	137.9
20	Kolar	218.70	248.70	247.65	123.8
21	Koppal	197.44	197.44	186.86	93.4
22	Mandya	525.26	846.51	835.89	417.9
23	Mysore	420.34	1054.58	936.82	468.4
24	Ramanagar	208.58	208.58	208.06	104.0
25	Raichur	271.35	270.97	268.91	134.5
26	Shimoga	607.91	855.85	815.44	407.7
27	Tumkur	643.22	855.22	810.90	405.5
28	Udupi	563.44	752.60	747.52	373.8
29	Uttara Kannada	777.65	847.65	740.39	370.2
30	Yadgir	169.56	184.47	169.03	84.5
	Lumpsum	3491.69	0.00	0.00	0.0
	Total	147979.70	15107.13	14590.98	7295.5

2013-14 and Rs.11475 lakh has been earmarked. Technical sanctioning of works are under progress. The proposal for 61 works for Rs.4400 lakh have been approved by the Government and submission of DPRs are under progress.

5.4. RURAL EMPLOYMENT AND LIVELIHOODS

5.4.1. Mahatma Gandhi National Rural Employment Guarantee Scheme

The National Rural Employment Guarantee Act came into operation in five districts viz., Bidar, Gulbarga, Raichur, Davanagere and Chitradurga w.e.f. February, 2006 for implementation under Phase-I. Subsequently the scheme was extended to 6 more districts namely Belgaum, Bellary, Chickmagalur, Hassan, Shimoga and Kodagu under Phase II with effect from April 2007. The scheme was further extended to cover the remaining district from April 2008.

The primary object of the Act is to enhance livelihood security in rural areas by providing at least 100 days

of guaranteed wage employment in every financial year to every house hold whose adult members volunteer to do unskilled manual work. If the work is not provided within 15 days of the demand for work by the applicant, then un-employment allowance has to be paid. Under the scheme, related objectives such as generation of productive assets, environmental protection, empowerment of rural women, reduction rural-urban migration etc are also sought to be achieved. The scheme is being implemented as Centrally sponsored Scheme on cost sharing basis between Centre and State as wage component is fully borne by the Government of India and material component is borne by Central and State Governments in the of 75:25. The allocation for 2013-14 is Rs 1535.30 crore of which, Rs.1051.71 crore has been spent upto October 2013 and 181.8 lakh person days of employment has been generated by 5.08 lakh households. (Table 5.29)

5.4.2. Swarna Jayanthi Grama Swarojgar Yojana

SGSY aims at alleviating the poverty among the rural poor. The programme has been launched by

Table 5.29 - Progress achieved from 2006-07 to 2013-14 (Upto Oct - 2013)

Year	A vailable funds (Rs. lakh)	Expd. (Rs. lakh)	person days	Employment provided generated (Nos)	Works		
					Households undertaken (Nos)	Completed (Nos)	Under progress (Nos)
2006-07 (5 districts)	34133.36	25189.00	222.05	545185	18642	11004	7638
2007-08 (11 districts)	41925.46	23650.80	197.77	549994	26180	18040	8140
2008-09 (29 districts)	54745.44	35787.47	287.64	896212	96598	8446	88152
2009-10 (30 districts)	302629.19	256920.37	1793.23	3310995	519471	27919	491552
2010-11 (30 districts)	234912.00	208131.03	1099.82	2366290	391657	195430	195657
2011-12(30 districts)	194087.33	161763.44	701.03	1652116	326002	144029	181973
2012-13(30 districts)	177383.85	143233.93	621.93	1337882	311898	78359	233539
2013-14 (Up to Oct-2013)	153529.99	105171.28	181.80	508077	314682	10893	303789

restructuring the then self-employment programmes like IRDP, DWCRA, TRYSEM SITRA, Ganga Kalyana Yojana and Million Wells Scheme. The programme has been launched from April 1999. SGSY is a holistic programme covering all aspects of self-employment like organization of the poor into self-help groups, Training, Credit linkage, Technology, infrastructure and marketing facilities. SGSY is being funded by the Centre and State in the ratio of 75:25. The main emphasis is on cluster approach. The Cumulative total number of beneficiaries is 4.55 lakh of which 46% were from SC/ST categories upto September, 2013. Seven special project proposals have been approved of which three projects have been completed. Remaining four special projects are under implementation. For effective implementation of scheme, many areas of preferences have been identified & stress is being laid on those areas. Some of the important identified areas are:

- (1) Three village Hats per district were constructed.
- (2) Apparel Training and Designing Centres are established in 24 districts in coordination with AEPC.
- (3) RUDSETI/RSETIs have been established in 28 districts to provide Skill Development Training.
- (4) Urban hats have been established in collaboration with Bangalore Metro Rail Corporation Ltd.
- (5) District Hats have been constructed

Physical & Financial Achievements for 2008-2009 to 2013-14 (upto September 2013) is given in Table 5.30. The beneficiaries under SGSY and advance disbursement through the SGSY programme are given in Tables 5.31 and 5.32.

5.4.3 AAJEEVIKA – NRLM

Ministry of Rural Development has restructured SGSY as AAJEEVIKA – National Rural Livelihood Mission (NRLM). Accordingly the State Government has issued Notification to implement SANJEEVINI (NRLM) effectively in the State

through “Karnataka State Rural Livelihood Promotion Society” (KSRLPS) which has been registered. The State Government has decided to implement the programme in phases from 2011-12. During 1st Phase 20 taluks of 5 districts are selected for implementation viz., Belgaum (Athani, Gokak, Soudatti, Hukkeri), Dharwad (Khalghatgi, Kundagol, Navalgund), Gulbarga (Gulbarga, Jewargi, Sedam, Aland), Mysore (H.D. Kote, Hunsur, Nanjangud, T.Narasipura), Tumkur (Gubbi, Kunigal, Madhugiri, Pavagada, Koratagere). Other than the above intensive blocks of 5 districts, SGSY will be implemented as AAJEEVIKA (Sanjeevini) non intensive blocks in all other districts of the State.

5.4.4 Mahila sashaktikarana pariyojane

Mahila Kisan Sashaktikarana Pariyojane – The Central Government has implemented Mahila Kisan Sashaktikarana Pariyojane (MKSP) scheme. The objective of the scheme is to train the poorest women of rural in agriculture and to strengthen them financially. The Central & State Government contributes 75:25 funds respectively. The Centre releases its 75% funds in 3 installments in 25:50:25 ratios. State releases its 25% share according to Central releases.

5.5 FISCAL DECENTRALISATION IN KARNATAKA

5.5.1 Decentralised Planning in Karnataka

It is to be noted that, after effecting the 73rd Amendment to the Constitution, Karnataka was the first State to pass a new legislation in 1993, namely, the Karnataka Panchayat Raj Act, 1993. The new Act provides for a three-tier structure of Panchayati Raj with Zilla Panchayats (at the district level) Taluk Panchayatis (at the Taluk level) and Gram Panchayatis (at the village level). The Bill for constituting panchayatis, which was introduced on 1st April 1993, came into force from May 18, 1993. In conformity with the Eleventh Schedule of the Constitution, the 1993 Act has entrusted a wide range of functions (Schedule I, II and III) to panchayatis. To carry out these functions, the Gram Panchayatis receive an annual grant of Rs. 12 lakh per GP - for GPs with population of more than 8000 and Rs. 10

Table: 5.30 - Swarna Jayanti Gram Swarojgar Yojana :Sanctions & Disbursements of Loan & Subsidy from 2008-09 to 2013-14 (Upto September-2013)

Category	Year	Sanctions		Disbursements		Subsidy	
		No.	Amount	No	Amount	No	Amount
Individuals	2008-09	709	2.69	570	2.16	570	0.86
	2009-10	1607	4.58	1435	4.58	1435	1.73
	2010-11	2616	7.93	2335	7.08	2335	2.51
	2011-12	2491	8.51	2007	6.91	2007	2.35
	2012-13	2317	8.58	1587	5.88	1587	3.12
	2013-14*	647	2.07	434	1.39	434	0.44
Groups	2008-09	6325	203.79	5774	186.08	5774	71.47
	2009-10	6131	213.53	5497	191.45	5497	76.25
	2010-11	7068	254.41	6222	223.96	6222	79.55
	2011-12	6737	229.04	6018	204.60	6018	72.62
	2012-13	5939	232.84	4296	168.43	4296	55.34
	2013-14*	1840	36.98	1612	32.40	1612	11.49
Total	2008-09	7034	206.48	6344	188.24	6344	72.33
	2009-10	7738	218.11	6932	196.03	6932	77.98
	2010-11	9684	262.34	8557	231.04	8557	82.06
	2011-12	9228	237.55	8025	211.51	8025	74.97
	2012-13	8256	241.42	5883	174.31	5883	58.46
	2013-14 *	2487	39.05	2046	33.79	2046	11.93

Table: 5.31 - Beneficiaries of SGSY under Self Employment Schemes - 2009-10 to 2013-14 (up to September 2013)

2009-10		2010-11		2011-12		2012-13		2013-14 (Sep. 2013)	
Target	Ach.	Target	Ach.	Target	Ach.	Target	Ach.	Target	Ach.
63216	91366	90420	104527	82610	82509	76760	71092	Not fixed	17053

Table: 5.32 - Advances under SGSY Disbursement

Indicator	2009-10	2010-11	2011-12	2012-13	2013-14 (Sep. 2013)
Swarojgaries (in thousands)	91.37	104.53	82.51	71.09	17.08
of which SCs/STs (in thousands)	40.87	47.26	38.53	34.39	7.77
Loan Component (Rs in Crores)	196.03	231.04	211.51	174.31	33.78
Grant in Aid (Rs in Crores)	77.98	82.06	74.97	58.47	11.74

lakh per GP - for those with a population of less than 8000. GPs have also powers to levy tax on buildings and lands, levy water rate, tax on entertainment, vehicles, advertisement and hoarding and collect market fee, fee on bus stands and on grazing cattle. Both the Taluk Panchayatis and the Zilla Panchayatis are allowed to charge fee on their property used by others and they do not have powers to levy taxes. In addition, both the Grama Panchayatis and the Taluk Panchayatis get proceeds from cess on land revenue, surcharge on stamp duty levied by the State Government. Except for these, the panchayatis have to depend solely on the resources transferred from the Government.

The powers and functions of the Grama Panchayatis, Taluk Panchayatis and Zilla Panchayatis have been listed in sections 58, 145 and 184. As per the three schedules (I, II, III) the panchayatis are authorised to carry out functions such as preparation of annual plans, annual budgets and sectoral schemes for promotion of agriculture, animal husbandry, rural housing, drinking water, roads and bridges, rural electrification, education, rural sanitation, public health, women and child development, social welfare, public distribution system, maintenance of community assets, cooperative activities and promotion of libraries. Section 309 of 1993 Act provides for the preparation of development plan by the grama panchayatis, taluk panchayatis and zilla panchayatis. Furthermore, Section 310 of the Act makes it mandatory for the state to constitute District Planning Committees (DPCs) in each district which are required to consolidate the plans prepared by the

panchayatis and municipal bodies and to prepare the draft district development plan of the district by taking into consideration the needs of the spatial planning, physical and natural resources and the level of infrastructure development. Dr. D M Nanjundappa's Report also recommended that DPCs in each district should do the planning keeping 'taluk' as the primary unit in the planning process.

5.5.2 Recent Policy Initiatives to strengthen Decentralised Planning Process

Karnataka comprises of 5,627 Gram Panchayats, 176 Taluk Panchayats and 30 Zilla Panchayats. The State has to its credit entrusting major responsibilities and devolving all the 29 functions (a first State to do so in the country as a whole) to the panchayats as enlisted under the Eleventh Schedule of the Constitution. In recent years, the State Government has been taking a proactive stance to strengthen the decentralised governance and planning process and to that effect has introduced many administrative innovations like the following:

- (i) The responsibility of plan formulation and implementation has been devolved to the panchayats by transferring functions, functionaries and finances.
- (ii) Introduction of social auditing in the form of Jamabandhi to ensure transparency in the system; Grama Panchayatis are empowered to call for tenders for all works with an estimated cost of Rs. 10,000/- and above and for

- procuring materials worth Rs. 5000/- and above.
- (iii) Ombudsman are appointed at the district level to ensure transparency and accountability in the implementation of important programmes like MGNREGS
 - (iv) Computerisation of Grama Panchayatis, Taluk Panchayatis and Zilla Panchayatis.
 - (v) Drawl of salary by the Grama Panchayati Secretaries from the Grama Panchayati account; ensure more accountability to their Panchayatis
 - (vi) In order to strengthen the Grama Panchayats for effective implementation of programmes, effective utilization of grants, one post of Panchayat Development Officer in each of the 5627 GP and 2500 Second Division Accounts Assistant posts in the larger GPs have been created.
 - (vii) Grama Panchayat Budget and Accounts Rules, 2006 has been enacted to ensure transparency in the maintenance of accounts. Besides, Double Entry Accounting System has been introduced.
 - (viii) The State has launched capacity building programmes such as - certificate course for panchayati members, imparting functional literacy to illiterate Grama Panchayati members, training through satellite networks to elected panchayatis functionaries at ANSSIRD, Mysore.

5.5.3 Activity Mapping

In addition to this, the State Government, based on the recommendations of the Working Group, constituted in the year 2001, has evolved a detailed range of 'Activity Mapping' for all the three panchayats. Complying with these recommendations, the Cabinet Subcommittee had cleared an 'Activity Mapping Framework' in August 2003. Broadly, the activity mapping visualises both Zilla Panchayatis and Taluk Panchayatis as planners, facilitators and owners of common executive

machinery, Grama Panchayats as the cutting edge of local service provision, and Grama Sabha and Ward Sabhas as instruments of downward accountability. The new activity mapping framework devolving functions has to be accompanied by adequate devolution of finances and functionaries. To translate this into reality, the Department of Rural Development and Panchayati Raj in coordination with other departments has devolved certain functions, functionaries and finances to PRIs.

5.5.4 Simplification and Rationalisation of Schemes

Another step in the above direction is the simplification and rationalisation of schemes. Accordingly, the number of schemes in the Panchayat Sector of the budget is now reduced about 324 (200 plan and 124 non-plan schemes) thus simplifying the District Sector fund transfer mechanism. Minor schemes have been merged into larger ones, giving greater flexibility to panchayatis to address their priorities.

5.5.5 Decentralized Planning Process - Allocation of Funds to District Sector

The decentralised planning process as described in the plan documents begins with the determination of annual plan size at the state level, and allocation of funds to the district sector. Then district sector allocation for various programmes is done in consultation with the Chief Executive Officer of each Zilla Panchayat, District level Sectoral officers and State level Department officers. After this, the data is supplied to Finance Department to integrate the district sector data with the State and also to print budget link documents. The Budget Link Documents are placed before the Legislature as a part of State Budget. Once the budget is passed, the link documents are made available to the Zilla Panchayath for the preparation of Action Plans at ZP, TP and GP level. These PRIs prepare the action plans as per the allocations, discuss them in the various Standing Committees and place them in the general body meetings and seek approval from the District Planning Committees after which the implementing officers start executing the plans/programmes. In the preparation of plans the ward sabhas and grama

Table 5.33 - Sector wise Allocation of the District Sector State Plan Funds (Rs. lakh)

	Sector	2009-10	2010-11	2011-12	2012-13	2013-14
1	Education	87120	86720	100037	175653	234354
2	Sports & youth services	878	1935	2079	2223	2770
3	Art & Culture and Library	1357	70	74	69	88
4	Medical & Public health	10393	10423	12543	14254	17700
5	Family welfare	23925	26677	31115	35297	42195
6	Rural water supply	11272	5809	12925	22939	22983
7	Rural Housing	36426	36340	36408	53668	28225
8	Welfare of SCs & STs	33558	35251	33863	40151	53090
9	Welfare of BCs	8878	11618	9473	9715	14690
10	Welfare of Minorities	1993	2082	1494	1490	1816
11	Labour, Employment & Trg.	141	119	117	118	120
12	Welfare of Women & Children	42422	45250	55691	77226	92798
13	Welfare of Disabled & Sr. Citizens	368	434	540	651	814
14	Nutrition	22871	27935	28665	37557	68825
15	Agriculture	6506	6574	6970	4090	4192
16	Soil and Water Conservation	23319	19580	12817	20429	17995
17	Horticulture	2071	1992	2012	2242	2127
18	Animal Husbandry	7429	8102	10406	11761	14145
19	Fisheries	765	796	865	643	714
20	Forest	2291	2212	2301	2288	2469
21	Co-operation	454	468	474	480	524
22	Agriculture Marketing	77	96	102	155	205
23	Area Development & RD Programmes	12619	13207	15798	7182	7258
24	Rural Energy	1141	1463	1933	1925	1896
25	Rural Employment - NREG	77599	84099	126727	151280	151280
26	Grants to PRIs including ZP Office Buildings	40992	40790	81643	90292	91459
27	Minor Irrigation	88	85	76	74	76
28	Village & Small Industries	441	460	501	316	567
29	Sericulture	411	432	456	466	502
30	Roads & Bridges	15313	15324	15341	15518	15517
31	District Planning Unit	241	295	305	316	317
32	Handlooms & Textiles	238	237	256	274	287
33	Science & Technology	127	136	158	151	152
	Total	473724	487011	604165	780893	892150

Source: Department of Planning, Programme Monitoring and Statistics

sabhas play a crucial role and their recommendations and suggestions do figure in such action plans emphasising the fact that the plans so prepared are the byproduct of people's wishes and demands. Thus, the entire planning process can be termed as 'participatory planning processes. Table 5.35 provides information on allocations to the different sectors in the annual plans of 2009-10 to 2013-14.

As may be seen in Table 5.35 sectors like education, rural employment, welfare of women and children, welfare of Scheduled Castes and Scheduled Tribes, rural housing has been the priority sectors of panchayats having been receiving better allocation compared to other sectors. It can also be seen that there is a perceptible increase in the allocation made to these sectors across the plan years.

5.6 ISSUES AND CHALLENGES

- **Rural Government** - These is inadequate capacity of panchayats and elected representatives, hence capacity building is necessary. Further there is need for greater functional and financial autonomy of local governments.
- **Rural Housing** - The state housing scheme pertaining to inability to meet demand for housing. The rural housing sector may be supported through enhancement in allocations towards meeting housing demand in the state.
- **Rural Water Supply:** According to the ERC, 2011, about 31% of the rural habitations had been, provided with the water Quantity of 55 lpcd and above as of March 2010. The poor provisioning of adequate drinking water is further compounded by continued depletion of ground water table, and presence of toxic minerals in drinking water.
- **Rural Sanitation:** According to Census 2011, 72% of Karnataka's rural households had no access to latrines. There was a need to increase coverage of Individual Household Latrines (IHHL). Use of toilets cannot be sustained without provision of water supply and safe drinking water cannot be ensured without assured quality sanitation either. Thus, there is a need for convergence between drinking water and sanitation schemes during design and implementation.
- **Rural Roads:** There is pressure to focus on maintenance of roads rather than new coverage owing to bad maintenance and shortage of funds at times.
- **Rural Employment:** Many of the households had not under taken any income generating activities due to lack of proper training and mostly due to lack of entrepreneurial skills of inadequate marketing support and the associated market.

URBAN DEVELOPMENT



6.1 Introduction

Urban Development is not an exclusive sector and cannot be viewed in isolation. It is multi-sectoral in nature and as such needs a holistic approach. It is, therefore, important to align urban development with the strategy for economic and human development of the State. Urbanization gives rise to various issues like (i) urban poverty and slums, (ii) access to basic services/civic amenities of housing, water supply, sanitation, electricity, (iii) urban schooling and healthcare, (iv) solid waste management, (v) good quality roads and their maintenance. Addressing these concerns is a big challenge for the State Government. The Urban Development Department comprises of the following Boards/Corporations/Departments/UDAs/ULBs:-

- ✦ BBMP & other 7 City Corporations
- ✦ BDA (Bangalore Development Authority)
- ✦ BWSSB (Bangalore Water Supply & Sewerage Board)
- ✦ KUWS&DB (Karnataka Urban Water Supply & Drainage Board)
- ✦ DMA (Directorate of Municipal Administration)
- ✦ DULT (Directorate of Urban Land Transport)
- ✦ BMRDA (Bangalore Metropolitan Region Development Authority)
- ✦ BMRCL (Bangalore Metro Rail Corporation Limited)
- ✦ KUIDFC (Karnataka Urban Infrastructure Development & Finance Corporation)
- ✦ DTCP (Directorate of Town & Country Planning).
- ✦ City Corporations- 7

- ✦ Other UDAs- 29
- ✦ City Municipal Council- 44
- ✦ Town Municipal Council- 94
- ✦ Town Panchayats- 68

The Total number of ULBs in Karnataka is 213.

6.2 TRENDS IN URBANIZATION

Karnataka is India's 7th most urbanized State in India. As per Census 2011, of Karnataka's 6.1 crore population, 38.6% (i.e. 2.35 crore) reside in urban areas (Table 6.1). In terms of urbanization, the State has witnessed an increase of 4.68 per cent in the proportion of urban population in the last decade. As per the Registrar General of India, for the decade 2001-2011, the absolute increase in population has been more in urban areas than in rural areas for the first time since independence. Karnataka's urban population has grown by 31.27% between 2001 and 2011, compared with 28.85% in the previous decade. The growth of urban population between 2001 and 2011 is also higher as compared to the growth of 7.63% in the rural population in the same period. The state is expected to reach an urban population proportion of 50% in the next fifteen years (2026). Among the districts, Bangalore is the most urbanized district with 90.94% of its population residing in urban areas (Table 6.2) followed by Dharwad district (56.82%), Dakshina Kannada district (47.67%), Mysore district (41.50%) and Bellary district (37.52%). The least-urbanized district in the State is Kodagu with 14.61%, preceded by Koppal district (16.81%), Mandya district (17.08%), Chamarajanagar district (17.14%) and Yadgir district (18.79%). The district wise details are given in Appendix.

Table 6.1-Trends in Urbanization in Karnataka (1951-2011)

Year	Karnataka's total Population (lakhs)	% of Urban Population in Karnataka
1951	194	22.95
1961	236	22.33
1971	293	24.31
1981	371	28.29
1991	448	30.91
2001	527	33.98
2011	611	38.57

Source: Census, 2011

Table 6.2 -Urbanization in Karnataka Districts, 2011

Sl No	Top Five Districts		Bottom Five Districts	
	District	Urbanization in %	District	Urbanization in %
1	Bangalore	91	Kodagu	15
2	Dharwad	57	Koppal	17
3	Dakshina Kannada	48	Mandya	17
4	Mysore	41	Chamarajanagar	17
5	Bellary	38	Yadagiri	19

Source- Census, 2011

6.3 URBAN HOUSING

Housing is one of the important and most basic needs of the people. Housing has evolved as a prime component over the period of time not only in providing shelter but also providing employment opportunities and in development of locations. To meet the growing demand of housing, the State Government has been pro-active in its housing policies. Housing for the poor and down-trodden assumes greater importance both in rural and urban areas in the State. The State Government has given

greater attention to the problem of housing scarcity and increased the budgetary allocation year after year along with policies and guidelines.

According to Census 2011, about one-third of the households in the State live in one-room tenements; nearly 30 per cent more live in two-room tenements. When the disaggregated data become available, they were likely to reveal a significantly higher proportion of households living in one- or two-room tenements in the northern districts of the State. Similarly, while the broad State-level data showed that two-thirds of

the households in the State had access to “tap” water, the proportion was likely to significantly lower in these districts.

The State Government has formulated an Affordable Housing Policy to augment affordable housing stock, particularly for Economically Weaker Section (EWS) and Lower Income Group (LIG) categories. The policy helps operationalize the strategy envisaged in the National Urban Housing and Habitat Policy (NUHHP) 2007 of promoting various types of Public Private Partnerships (PPP) - of the Government sector with the Private sector, the State undertakings, ULBs etc. - for realizing the goal of Affordable Housing for all. The basic aim of the policy is to increase affordable housing stock by encouraging affordable housing developers through incentives and concessions.

The State Government has traditionally given high priority to public housing. It is one of the few states, which has its own housing programmes for the EWS both in rural and urban areas apart from the centrally sponsored housing schemes for the EWS. In addition, the Karnataka Housing Board (KHB) caters to housing needs of low income, middle income and high-income groups. The Karnataka Slum Clearance Board (KSCB) is responsible for improvement of slums and resettlement of slum dwellers.

6.3.1 Karnataka Housing Board

KHB is endeavouring to meet the rise in housing demand by undertaking layout formation, construction of houses, any land development scheme under joint venture scheme policy approved by Government and Karnataka Housing Board Act. At present KHB is executing the schemes approved by the Government under 100 housing scheme, Suvarna Karnataka Housing schemes and 225 housing schemes approved in 2010-11. The projects approved by the Government and proposed projects are demand driven. Detailed project reports are being professionally prepared by pre-qualified Architectural and Engineering Firms and monitored by pre-qualified, reputed and professional Management consultants. The schemes are offered to pre-qualified turn-key contractors who shall execute all the works starting from civil works, roads electrical water supply sanitation and sewerage

treatment works, landscaping including developing open spaces, parks and gardens etc.

(a) 100 Housing Projects

100 Housing projects is being implemented since 2002. Details are as follows -

- ✦ 93 Schemes have been completed at a cost of Rs. 990.19 crore. Out of these schemes 5793 houses and 26551 sites have been developed/constructed.
- ✦ 5 Schemes at the cost of Rs. 19.86 crore under implementation to develop 1127 sites and construct 52 houses
- ✦ 2 schemes yet to be prepared.

(b) Suvarna Karnataka Programme

Board has proposed to take up 50 Housing Scheme at various places under Suvarna Karnataka Scheme at a cost of Rs.1406.48 crore and the Government has accorded approval to the proposal in July 2007. The various stages of implementation of the programme are -

- ✦ 25 Schemes have been completed at a cost of Rs.384.80 crore. Out of these Schemes 790 houses and 10932 sites have been developed/constructed.
- ✦ 18 Schemes at a cost of Rs.1065.34 crore are under implementation to develop 10346 sites and construct 1702 houses
- ✦ 7 Schemes are under formulation to develop 7050 sites & 790 houses at the cost of Rs. 416.10 crore.

(c) 225 Housing Schemes

Government has accorded approval in May 2010 for 225 housing schemes which was taken up in 2011-12 to develop 305786 sites and construct 131051 houses throughout the State. Out of these schemes

- ✦ 5 Schemes were completed at a cost of Rs. 77.63 crore. Out of these Schemes 225 houses and 701 sites have been developed/constructed
- ✦ 35 schemes at a project cost of Rs. 4080.02 crore are under progress to construct 3305 houses and develop 52165 sites.
- ✦ The procurement of lands is in progress for the remaining schemes.

(d) Other Schemes

- ✪ 53 Housing schemes were approved in September, 2012 for 2011-12 at a project cost of Rs. 7888.04 crore to construct 130471 sites & 6867 houses.
- ✪ For the above schemes 4 schemes are under progress at the cost of Rs. 485.21 crore to construct 110 houses & 5403 sites.

(e) Details of Housing Schemes completed and allotment under KHB

There are 20 places identified across the State to develop 32405 sites at the project cost of Rs. 752.65 crore. The details of various housing schemes completed under KHB are given in Table 6.3. Allotment of houses and sites is being done as per the KHB Allotment Regulation 1983 based on demand survey. The details of allotment from 2006-07 to 2013-14 under various categories are reported in Table 6.4. The detail of budget and expenditure is given in Table 6.5.

(f) Deposit Contribution works

Karnataka Housing Board has also undertaken deposit contribution works entrusted by the Government. Up to September 2013 the details of progress is as follows -

- ✪ 352 projects of Government departments have been completed at the cost of Rs. 53069.33 lakhs
- ✪ 136 projects of Government Departments are under progress at the cost of Rs. 27970.23 lakhs
- ✪ 10 projects of Government departments are at the stage of formulation at the cost of Rs. 6000 lakhs

In line with the guidelines given in Affordable Housing Policy as stated

- ✪ KHB will construct at least 50% houses/flats for EWS/LIG category in each of their housing schemes.
- ✪ Government land shall be allotted on priority to KHB.

Table 6.3- Details of various housing schemes under KHB

Year	Completed projects					No of Properties			Project Cost (Amt in lakhs)
	100 HP	SKHP	225 HP	Board Scheme	Total	Houses	Sites	Total	
2006-07	6	0	0	3	9	552	2242	2794	5239.28
2007-08	5	0	0	5	10	186	1671	1857	3592.07
2008-09	11	0	0	2	13	764	4592	5356	9059.28
2009-10	7	2	0	0	9	364	1947	2314	5016.19
2010-11	10	5	0	0	15	768	6097	6865	21267.57
2011-12	6	11	1	0	18	2435	8144	10561	53947.25
2012-13	4	6	2	3	15	510	5350	5840	20343.86
2013-14 (From April to September, 2013)	0	1	2		3	405	2592	2862	17089.72

Table 6.4 - Details of year wise allotment

Year	Houses					Sites					Others (CA/ Com. Shops)	Grand Total
	EWS	LIG	MIG	HIG	TOTAL	EWS	LIG	MIG	HIG	TOTAL		
2006-07	0	2093	1273	281	3647	0	1779	2162	528	4469	0	8116
2007-08	5	1326	784	245	2360	5	1147	1358	573	3083	0	5443
2008-09	19	316	537	75	947	4	2396	2162	1049	5611	0	6558
2009-10	54	330	218	8	610	14	1492	1153	714	3373	537	4520
2010-11	4	222	257	36	519	1249	3467	3504	2456	10676	1368	12563
2011-12	3	689	587	130	1441	1953	2526	2598	1205	8282	113	9334
2012-13	48	523	536	127	1234	1963	4069	4684	2615	13331	376	14941
2013-14 (From April to September, 2013)	1018	1420	1303	877	4618	12	161	171	52	396	66	5080

Table 6.5 - Details of budget and expenditure (Rs. in Lakhs)

year	100 housing scheme		Suvarna Karnataka programme		225 housing scheme		Board Scheme		Shopping complex		53 Housing Scheme	
	Budget	Expd.	Budget	Expd.	Budget	Expd.	Budget	Expd.	Budget	Expd.	Budget	Expd.
2006-07	24324.79	17985	6946	-	-	-	206	249	1384.75	30.36		
2007-08	24324.79	15183.08	6946	-	10003	6042	735	0	1384.75	19.71		
2008-09	10992.91	5425.52	41294	-	0	0	12968	1014.89	459.38	432.38		
2009-10	9772.75	7819.78	5104	-	-	-	17388	709.63	395	-		
2010-11	10175.87	24637	34284	13985	-	-	15065	5813	505	-		
2011-12	9124	2170.58	51731.88	15801.88	68706.19	17558.91	720	6259.66	-	-		
2012-13	1590.03	1340.00	28683.10	21806.63	50658.16	36197.16	1387.68	890.62	0	0	27865.00	17068.00
2013-14 Upto Sept., 2013)	486.46	469.98	7720.88	4926.05	65212.85	36982.61	5600.58	1902.85	0	0	10599.60	2537.58

- ⊛ KHB shall also take up EWS/LIG flats on PPP model and will select PPP partner by following a transparent process.
- ⊛ KHB shall help cross-subsidize the land cost of EWS/LIG houses so as to bring down the costs of these categories of houses to affordable limits.
- ⊛ KHB may adopt fast track and efficient construction technology.

From 2000-01 to 2013-14 (upto October, 2013), KHB has built 2662996 houses under various housing schemes and 285534 sites have been distributed. The details are given in Table 6.6

6.3.2 Urban Ashraya Scheme

This is State Sponsored scheme implemented for urban poor and it was introduced by Government in 1991-92. The annual income of the beneficiary is limited to Rs.11,800/-. Presently it has been enhanced to Rs.32,000/-. The beneficiaries are selected by the Ashraya Committee comprising both official and non-official members appointed by the Government and this committee is headed by the local MLA. The unit cost under this scheme is Rs.30,000/- in which

Rs.25,000/- is loan from Government for all the beneficiaries and 5000/- is beneficiary contribution. The loan provided to the beneficiaries is recovered in 180 monthly installments.

6.3.3 Vajpayee Urban Housing Scheme

In 2010-11 the State Government has renamed the Urban Ashraya Scheme as Vajpayee Urban Housing Scheme. From 2013-14 the Government has fixed the unit cost of Rs.2 lakhs per house. In this Rs.1.20lakhs is subsidy from the State Government, Rs.30,000/- is compulsory beneficiary contribution and balance Rs. 50,000/- is bank loan or beneficiary contribution.

6.3.4 Housing demand survey

RGRHCL has conducted a survey of houseless and siteless in the State during 2003. Accordingly, 1299789 houseless and 1298813 siteless people have been identified. Later in 2009 hut-dwellers survey was conducted to make the state a hut-less State (Table 6.7). As per the survey around 10.50 lakh hut-dwellers have been identified in the State.

Table 6.6 -The Scheme-wise houses completed and sites distributed

Year	Expenditure	Houses under Urban Ashraya/ Vajpayee Urban Scheme	Urban House Sites
2000-01	77.75	28702	16901
2001-02	91.80	34274	18167
2002-03	53.50	20020	1526
2003-04	38.17	17966	3829
2004-05	30.46	11905	2379
2005-06	22.64	8961	3160
2006-07	14.08	5488	3566
2007-08	3.63	1452	2066
2008-09	5.79	2317	1173
2009-10	7.53	4135	2519
2010-11	3.43	685	16983
2011-12	103.58	4071	16861
2012-13	108.72	8985	16270
2013-14**	43.71	3136	5718
Total	604.79	152097	111118

** Figures are upto October, 2013

Table 6.7 –Details of district-wise no. of hut-dwellers

District Code	District	No. of Hut-dwellers
1	Belgaum	84656
2	Bagalkot	9733
3	Bijapur	33586
4	Gulbarga	94754
5	Bidar	54989
6	Raichur	86676
7	Koppal	36441
8	Gadag	27422
9	Dharwad	10889
10	Uttara Kannada	19349
11	Haveri	33961
12	Bellary	75918
13	Chitradurga	29958
14	Davanagere	34093
15	Shimoga	39368
16	Udupi	5901
17	Chikmagalur	8053
18	Tumkur	91965
19	Kolar	14445
20	Bangalore Urban	797
21	Bangalore Rural	1486
22	Mandya	23115
23	Hassan	30982
24	Dakshina Kannada	5296
25	Kodagu	2396
26	Mysore	40714
27	Chamarajanagar	27788
28	Ramanagara	31618
29	Chikkaballapur	33262
30	Yadgir	60389
	Grand Total	1050000

During last 13 years i.e. 2000-01 to 2012-13 1,48,961 houses have been completed. During last 3 years 13,741 houses has been constructed as against the target of 73,500 houses and in 2013-14 upto October

2013 3,136 houses have been completed as against the target of 15,000. District wise break-up is furnished in Table 6.8.

Table 6.8- District wise details of Urban Ashraya & Vajpayee Urban Housing Scheme

Sl. No.	District	2010-2011		2011-2012		2012-2013		Total	
		Target	Completed	Target	Completed	Target	Completed	Target	Completed
1	Bagalkot	1117	39	1329	170	623	1330	3069	1539
2	Bangalore Rural	689	0	515	2	236	64	1440	66
3	Bangalore Urban	6594	0	9832	200	5004	0	21430	200
4	Belgaum	1194	64	1791	23	742	229	3727	316
5	Bellary	783	35	1134	295	549	1050	2466	1380
6	Bidar	664	0	681	34	308	18	1653	52
7	Bijapur	392	10	590	487	271	455	1253	952
8	Chamarajanagar	452	2	563	88	254	189	1269	279
9	Chickaballapur	596	8	681	106	308	193	1585	307
10	Chikmagalur	480	0	630	25	271	76	1381	101
11	Chitradurga	353	0	530	30	235	301	1118	331
12	Dakshina Kannada	571	8	855	46	373	258	1799	312
13	Davanagere	593	72	760	299	369	388	1722	759
14	Dharwad	612	27	693	81	326	168	1631	276
15	Gadag	919	9	708	217	356	735	1983	961
16	Gulbarga	1762	246	1095	222	462	457	3319	925
17	Hassan	464	0	692	5	319	138	1475	143
18	Haveri	1054	9	837	90	352	318	2243	417
19	Kodagu	222	0	338	10	165	44	725	54
20	Kolar	743	0	707	65	319	77	1769	142
21	Koppal	324	0	516	19	236	165	1076	184
22	Mandya	604	0	612	40	299	89	1515	129
23	Mysore	1337	3	900	1073	405	657	2642	1733
24	Raichur	620	32	681	59	300	94	1601	185
25	Ramanagara	415	2	548	1	294	70	1257	73
26	Shimoga	871	3	902	48	409	351	2182	402
27	Tumkur	862	37	1051	201	423	569	2336	807
28	Udupi	280	1	435	42	251	130	966	173
29	Uttara Kannada	660	8	1038	19	400	119	2098	146
30	Yadgir	273	70	356	74	141	253	770	397
	Total	26500	685	32000	4071	15000	8985	73500	13741

6.3.5 House Site

Under this scheme the sites are distributed free of cost to poor site-less families both Urban and Rural areas. As per the scheme guidelines the beneficiary whose income is less than Rs.11,800/- is eligible for the benefit. Presently it has been enhanced to Rs.32,000/-. This scheme was introduced by the Government in 1992-93. During 2000-01 to 2012-13 2, 78,894 sites

have been distributed (1, 41,688 sites in rural areas, 1,05,400 sites in urban areas and 31,806 sites in flood affected areas). For 2013-14 it is targeted to distribute 20,000 sites (10,000 in rural and 10,000 lakhs in urban areas) and as against this 6,640 sites have been distributed up to October, 2013. District wise break-up for sites distributed during last 3 years is given in Table 6.9.

Table 6.9 - District-wise wise break-up for urban sites distributed

Urban House-sites								
District	2010-2011		2011-2012		2012-2013		Total Target	Total Distributed
	Target	Sites Distributed	Target	Sites Distributed	Target	Distributed		
1	4	5	6	7	8	9	10	11
Bagalkot	2890	748	2890	4345	1165	2101	6945	7194
Bangalore Rural	1127	646	1127	31	446	0	2700	677
Bangalore Urban	1573	1166	1573	200	647	1039	3793	2405
Belgaum	3913	0	3913	3150	1428	797	9254	3947
Bellary	2467	0	2467	3016	989	850	5923	3866
Bidar	1480	283	1480	278	595	644	3555	1205
Bijapur	1303	1656	1303	0	514	309	3120	1965
Chamarajanagar	1234	0	1234	401	502	85	2970	486
Chickaballapur	1480	105	1480	368	595	39	3555	512
Chikmagalur	1375	0	1375	0	550	90	3300	90
Chitradurga	1163	0	1163	224	464	1432	2790	1656
DakshinaKannada	1868	0	1868	183	747	170	4483	353
Davanagere	1657	195	1657	66	717	363	4031	624
Dharwad	1516	0	1516	697	611	0	3643	697
Gadag	1551	905	1551	2242	643	2510	3745	5657
Gulbarga	2291	1337	2291	1114	921	565	5503	3016
Hassan	1515	0	1515	0	600	1022	3630	1022
Haveri	1832	2520	1832	359	731	1731	4395	4610
Kodagu	741	268	741	31	303	0	1785	299
Kolar	1550	1266	1550	0	620	356	3720	1622
Koppal	1128	1014	1128	8	459	175	2715	1197
Mandya	1339	112	1339	0	532	66	3210	178
Mysore	1974	1200	1974	22	790	295	4738	1517
Raichur	1480	381	1480	28	595	0	3555	409
Ramanagara	1198	0	1198	0	484	1368	2880	1368
Shimoga	1975	848	1975	91	805	113	4755	1052
Tumkur	2291	946	2291	0	923	0	5505	946
Udupi	951	64	951	0	378	0	2280	64
Uttara Kannada	2257	16	2257	0	893	150	5407	166
Yadgir	881	1307	881	7	353	0	2115	1314
Grand Total	50000	16983	50000	16861	20000	16270	120000	50114

6.3.6 Nanna Mane (Affordable Housing for Low income groups)

In 2010-11 the Government of Karnataka has introduced a new scheme for above poverty line people to provide affordable houses to the low income group families (LIG) like Auto drivers, Film Industry workers, Unorganized sector workers, Beedi workers, Hamals Street Vendors etc. The annual income of the beneficiary is limited to Rs.1 lakh per annum. In this regard the Government has taken up 4 projects in 2011-12 in and around Bangalore. i.e. Talaguppa near Bidadi, Singanayanahalli and Hunasamaranahalli near Yelahanka, Kodathi under G+2 concepts. The unit cost of the flat is Rs.3.90 lakh, Rs.4.25lakh and Rs.5.20lakh.

6.3.7 Budget Allocation in 2013-14

For 2013-14, the State Government has provided Rs.116150 lakhs for implementation of housing Schemes. As against this, Rs.103344.50 lakhs has been released so far and the department has spent Rs.917334.43 lakhs upto October 2013.

6.4 URBAN SLUMS

The population living in urban slums in Karnataka has risen from 14.02 lakh (2001) to 32.91 lakh (2011) in a decade. This is a rise from 7.8% of the total urban population of the State being slum-dwellers according to the 2001 Census to 13.9% now. Bangalore district has 21.5% of the total slum population, and every fifth person in the Bruhat Bangalore Mahanagara Palike (BBMP) limits lives in a slum. An analysis of the 2011 Census data shows that Bangalore is followed by Bellary and Dharwad, which have 6.1% and 6% share of the total urban population in slums, respectively. Udupi, Dakshina Kannada and Kodagu reported less than 1% of the population in slums (see Appendix for details). Out of 220 statutory towns in Karnataka, 206 (94%) reported slums. There are some surprises when it comes to sex ratio (number of females per 1,000 males) in slums. When all age groups are considered, sex ratio in the slums of Karnataka is an impressive 1,015, against 973 in Karnataka on the whole. While the overall child sex ratio (0 to 6 age group) in the State is 948, it is significantly higher in slums at 964.

Udupi district, which has child sex ratio of over 1,000 when the whole district is taken into account, is at the bottom at 883 when only its slum population is considered. The literacy rate in urban slums has risen from 67.5% in 2001 to 75.6% in 2011, with Gulbarga at the bottom (57.1%) and Udupi at the top (81.1%).

The KSDB is implementing schemes for improving the environmental conditions of slums and provides basic amenities like drinking water, toilets, drains, roads, streetlights, etc. The Board has identified 2796 slums having a population of 40.50 lakhs covering 6.18 lakhs households. The Board is implementing the centrally sponsored scheme of Basic Services to the Urban Poor (BSUP) in both Bangalore and Mysore cities to construct houses for slum dwellers and Integrated Housing and Slum Development Programme (IHSDP) with the intention to provide housing to slum dwellers and also improve the environmental conditions of the slums. The Board is implementing the following schemes -

(a) Slum Improvement Programme

In 2012-13, an amount of Rs.7500 lakhs was sanctioned in budget for providing basic amenities, this amount was utilized for improvement of slums. In 2013-14, out of the budgeted outlay of Rs. 8560 lakhs, an amount of Rs. 270 lakhs has been utilized up to October 2013.

(b) Basic Services to the Urban Poor (BSUP)

This programme was launched to assist cities & towns in taking up housing and infrastructural facilities for the urban poor. Among 65 cities in the country, Bangalore and Mysore cities from Karnataka State have been selected under this programme. For BSUP programme, Karnataka Urban Infrastructure Development & Finance Corporation (KUIDFC) has been made as the nodal agency for monitoring of the scheme and KSDB as the implementing agency in the state. The main objective of this programme is to provide basic services to urban poor including security of tenure at affordable prices, improved housing, water supply, sanitation and ensuring delivery of other already existing universal services of the Government for education, health and social security.

The Central Sanctioning and Monitoring Committee (CSMC) of Ministry of Housing and Urban Poverty Alleviation (MoHUPA) has sanctioned to construct 18180 houses including infrastructure in 3 phases in the selected slums of Bangalore city with an estimated cost of Rs.522.23 crore and 6328 houses in Mysore city with an estimated cost of Rs.203.97 crore on different CSMC meetings. The funding pattern between GOI and GOK for Bangalore city is 50:50. The state share includes beneficiary contribution of 10% for SC/ST and for others is 12%. For Mysore city GOI share is 80% and the remaining 20% is to be borne by GOK. For the first time in the country, KSDB has adopted Cost effective and Fast Track Construction Technology called “Foam Technology” for ground floor houses and for G+3 houses Monolithic Shear wall Technology on pilot basis for construction of dwelling units with infrastructure works under JNNURM-BSUP. This technology is eco-friendly, results in reduction in construction cost by 10% and time by 25%, more stable and long lasting, user friendly and conventional bricks and cement blocks are totally avoided. Since inception of BSUP programme, out of 24508 houses 19996 houses are completed and 2607 houses are at various stages of construction up to end of October 2013. The phase wise details of the project and the expenditure incurred are appended in Table 6.10.

(c) Integrated Housing & Slum Development Programme (IHSDP)

For taking up Housing and Slum up gradation programme in Non-BSUP cities, IHSDP was

launched along with BSUP in December 2005. This programme combines the existing schemes of Valmiki Ambedkar Awas Yojana (VAMBAY) & National Development Programme (NSDP) with an objective of integrated approach in ameliorating the conditions of the slum dwellers who do not possess adequate shelter and basic facilities, to strive for slum less cities with a healthy living and good environment and enhance public and private investment in housing and infrastructure development in urban areas.

The Central Sanctioning and Monitoring Committee of MoHUPA has sanctioned 34 projects for Karnataka in 2 phases with a revised cost of Rs. 410.80 crore for constructing 17237 houses of which the central share is 80% and State share 20%. Out of the state share, beneficiary contribution is 10%. A total of 16280 houses are completed up to end of October 2013 since inception of the programme and the remaining 743 houses are at various stages of construction. The details of progress achieved under IHSDP are given in Table 6.11.

(d) New Projects

Government of India has introduced a new scheme called “Rajiv Awas Yojana” on the lines of Indira Awas Yojana in 2009-10 budget to make the country slum free by providing infrastructure facilities to the slum dwellers. Under this programme Karnataka has been selected to make slum free State by 2017. This project was launched during 2009-10. Directorate of Municipal Administration (DMA) is appointed as

Table 6.10 - Phase wise details of the project and expenditure (Rs. crore)

Sl. No.	Name of City	No. of Houses Sanctioned	Total Project Cost (Revised)	Amount released	Expenditure	No. of houses completed
1	Bangalore City	11603	261.17	223.58	236.51	10261
2	Mysore City	2788	65.27	64.61	57.92	2558
	Phase-II					
1	Bangalore City	3151	124.27	80.13	77.70	2107
2	Mysore City	2500	90.93	81.20	65.49	2380
	Phase-III					
1	Bangalore City	3426	136.79	57.93	65.92	1650
2	Mysore City	1040	47.76	30.70	33.72	1040
	Total	24508	728.52	538.15	537.26	19996

Table 6.11 - Details of progress achieved under IHSDP (Rs. in crore)

Sl. No.	Name of City/Towns	No. of Houses Sanctioned	Total Project Cost (Revised)	Amount released	Expenditure	No. of houses completed
1	25 City/ towns	13053	277.90	271.52	234.26	12404
2	8 City/ Towns	4184	132.90	124.76	106.49	3876
		17237	410.80	396.28	340.75	16280

Nodal Agency for the survey work. DMA has already started the survey work. In the first phase, total 10 City/Towns has been sanctioned; the preparation of detailed project reports (DPR) is in progress.

In the first phase cities population having more than 3 lakhs covered under CMC like Bangalore, Mysore, Mangalore, Tumkur, Shimoga, Davanagere, Hubli-Dharwad, Belgaum, Gulbarga and Bellary are selected providing housing and basic amenities. It has been intended to provide housing and basic amenities under this project to these slum dwellers. At present 5 projects have been sanctioned Rs. 314.84 crores by the Central Government to construct 5549 houses including basic amenities in Bangalore, Tumkur, Hubli-Dharwad, and Gulbarga of the state. Apart from this, 13 other DPRs have been approved by State Level Empowered Committee at the cost of Rs.647.17 crore to construct 13029 houses. The same has been submitted to the Govt. of India for approval.

The objectives of the programme are (1) Conducting socio-economic survey and GIS mapping. (2) Creating conditions of living that are dignified, healthy and productive for all. (3) Seriously addressing the target of affordable housing for all in urban areas. (4) Adopting sustainable strategies that durably redress the shortage of urban land, amenities and shelter that lead to the creation of slums. (5) Providing housing on Public Private Partnership. (6) Conducting the IEC activities to create awareness for health, education, sanitation and training, capacity building and environmental to slum dwellers.

6.5 Urban Infrastructure

Provision of infrastructure services is fundamental to economic growth and urban development. Urban

infrastructure covers the following - Water supply (for drinking, industrial, commercial and public usages), Sanitation (including Sewerage and Drainage), Domestic Energy, Road Infrastructure and Urban Transport.

6.5.1 Water Supply

The Government of Karnataka came out with an Urban Drinking Water and Sanitation Policy (UDWSP) in 2002. The main objectives of the policy are to ensure demand based universal coverage of water supply, commercial and economical sustainability of the operations and a minimum level of service to all citizens. The policy statement is yet to be followed up by implementation. A number of water supply projects have been taken up to augment water supply but deficiencies continue in the form of inability to provide water as per the prescribed norms, inefficiency in distribution systems, serious water losses, commercially non-viable water supply systems and lack of coordination between different agencies. The average number of hours of water supply per day has actually declined- from 9 hours in 2003 to 7 hours in 2006 in Municipal Corporations, (excluding Bangalore) and from 10 to 7 hours in Town Panchayats. Water is a critical resource and will simply be the most limiting factor, if not made available in right quantity, to urban development. Considering the existing shortage of water supply to the urban areas in the state and the enormous cost and problems associated with the augmentation of water supply, the following issues become relevant:

- Conservation of the water resources of the State
- Adoption of alternative methods of augmenting supply
- Reducing water losses / UFW
- Pricing of water

- Scope for private sector participation
- Institutional framework

Conservation of water resources is an area that needs to be coordinated with the Water Resources Departments and Zilla Panchayats who have a major role to play in protection and rejuvenation of tanks and other surface water sources. ULBs must take up alternative methods of augmenting water supply such as rainwater harvesting and recharging ground water. A time bound programme must be chalked out to reduce water loss or UFW which is of the order of 30-40%, the ultimate aim should be to reduce UFW to 10-15%. The KUWSDB was constituted by an Act of Legislature in 1974 and is functioning from August 1975. KUWSDB is responsible for providing drinking water and underground drainage facilities to 213 urban cities of Karnataka except Bruhat Bengaluru Mahanagara Palike (BBMP). The Board

has commissioned 502 water supply and 51 underground drainage scheme since inception of Board up to March 2013. The Board is executing water supply and underground drainage schemes.

(a) Water supply schemes

The State Government has approved the funding pattern for water supply scheme in July 2011. Accordingly the funding pattern for water supply schemes is given in Table 6.12.

In 2013-14 there are 41 on-going water supply schemes and 47 new schemes are proposed for approval. The budget allocation is Rs.175.97 crore and it is proposed to commission 9 schemes. 3 Schemes are commissioned by October 2013 and remaining schemes are in progress. The physical and financial details water supply schemes are given in table 6.13.

Table 6.12 - Details of funding pattern for water supply schemes

Sl No	Category	Government Grant	Loan from financial institution	ULB Share
1	City Corporation	40	50	10
2	City Municipal Council	60	30	10
3	Town Municipal council	75	20	5
4	Town Panchayat	95	--	5

Table 6.13 - Details of progress of water supply schemes

Sl. No.	Year	Financial(Rs. in Crores)		Physical(No. of schemes)	
		Target	Achievement	Target	Achievement
1	2008-09	304.74	156.90	26	19
2	2009-10	315.07	199.40	17	9
3	2010-11	255.86	133.58	21	10
4	2011-12	160.03	176.44	17	11
5	2012-13	186.31	276.33	11	8
6	2013-14 (Up to October,2013)	95.30	109.63	6	3

The BWSSB is committed to providing drinking water of unquestionable quality in sufficient quantity and to treat the sewage generated to the required parameters. As the leader in providing water and sanitation services, BWSSB is recognized as an effective instrument of change through adopting state-of-the-art technologies for improving the quality of its services to the general public. Construction of Ground level reservoirs under DC works of BDA, providing water supply and UGD lines in BDA layouts, providing water supply lines and house service connections under GBWASP in the former 7 CMC and 1 TMC are being taken up. Its responsibility is providing UGD facilities with house service connection, lateral sewers, trunk sewers under KMRP and JNNURM in 7 CMCs & 1 TMC areas, providing and laying water supply and UGD pipelines to 110 villages of BBMP areas and providing individual toilet facilities in slums under Slum Development Component of KMRP.

(b) KUIDFC Water Supply

KUIDFC, a Government Company registered under the Companies Act, 1956, acts as a Nodal Agency for implementation of various Urban Infrastructure Projects of the State Government and Government of India. Apart from the budgetary support received from the Government, the Company raises financial and other technical resources through multilateral lending agencies such as World Bank and Asian Development Bank and their Subsidiary Agencies/Associates for the successful implementation of the Projects. Following are the important Projects/Schemes being implemented by KUIDFC through Bruhat Bengaluru Mahanagara Palike (BBMP), 7 City Corporations and other Urban Local Bodies in the State of Karnataka. On-Going Projects/Schemes are Karnataka Urban Water Sector Improvement Project (KWASIP), Karnataka Urban Water Supply Modernization Project (KUWSMP), Karnataka Integrated Urban Water Management Investment Programme (KISWRMIP), Implementation of Water Supply and Under Ground Drainage Programme in 16 ULBs.

(c) Municipal Investment Component

This component provides investment support for urban infrastructure improvement in selected 32

ULBs of the State. Augmentation of water supply work with an expenditure of Rs. 4.07 crore has been completed in the Madikeri, Hassan, Savanur and Chitradurga. Works amounting with an expenditure of Rs. 5.54 crore are under progress in Chikkamangalur, Chintamani and Jewargi. 24x7 Water Supply works have been proposed in the towns of Haliyal, Nanjangud, Kollegala and Magadi at an estimated cost of Rs. 104 crore and procurement related activity is underway in the said towns.

6.5.2 Sanitation (including Sewerage and Drainage)

Traditionally, sanitation refers to the waste management of human excreta but in a broader sense, it is associated with public health and environmental impacts. It, therefore, includes waste management—solid waste, industrial and hazardous waste, drainage and the management of drinking water supply. The Ministry of Urban Development, GOI brought out a National Sanitation Policy in 2008. The vision for urban sanitation in India is set forth thus: “All Indian cities and towns become totally sanitized, healthy and livable and ensure and sustain good public health and environmental outcomes for all their citizens with a special focus on hygienic and affordable sanitation facilities for the urban poor and women”. City Sanitation Plan preparation envisaged under NUSP-2008 by GoI includes:

- ★ 6 City Corporations and 2 CMCs - Mysore, Belgaum, Shimoga, Gulbarga, Hubli-Dharwad, Mangalore, Tumkur and Bellary.
- ★ Total project cost sanctioned 250.25 lakhs.(7 CCs). Rs. 150.15 lakhs released to GoK in 2 instalments
- ★ State Sanitation Policy (draft) proposed by the Government.
- ★ Final CSP reports of all the 8 towns submitted to GoI.
- ★ CSP reports submitted by SIUD Mysore for 7 Towns viz., Davangere, Chitradurga, Bidar, Raichur, Harihar and Yadgir (under BRGF fund) is submitted to GoI for funding support for implementation. Total requirement of funds is

Rs. 87.58 Cr. The required fund is to be dovetailed with ongoing schemes such as JNNURM, 13th FC etc.

- ★ SIUD is preparing CSP reports for 13 towns through All India Institute of Local Self Government (AILLSG)

(a) Under Ground Drainage (UGD) Schemes

The State Government has approved the funding pattern for UGD schemes in July 2011. Accordingly the funding pattern for UGD schemes is given in 6.14.

In 2013-14 there are 55 on-going schemes and 42 new schemes proposed for sanction with budget outlay of Rs.109.92 crore. Among on-going schemes it is proposed to commission 9 schemes in 2013-14. Details of financial and physical as well as schemes commissioned over the period time are provided in table 6.15 and 6.16.

The KUWSDB is responsible for providing water supply and sewerage schemes in 213 urban areas of Karnataka except BBMP. The Board has implemented assured safe drinking water to 193 urban areas. The Board is implementing 11 schemes for shifting the source of water from ground water to assured surface source of water. All these schemes would be completed by the year 2014. By the year 2014 only 9 urban areas are left with sub-surface water as source. Most of the urban areas are provided with surface water as source. At present 43 urban areas are provided with UGD facilities. In most of the urban areas the sewerage system is covered in core areas. The newly developed areas are not provided with Sewerage system. The Board has prepared a plan amounting to Rs.14508.70 crores for providing UGD scheme to all the urban areas in Karnataka. The Board aims to provide UGD facilities to all urban areas in phased manner depending upon the availability of funds. The State Government has

Table 6.14 - Details of funding pattern for UGD Schemes

Sl No	Category	Funding Pattern		
		Loan From Financial Institution	Govt. Loan	Local Body Contribution
1	Corporations	50%	20%	30%
2	City Municipal Council	50%	25%	25%
3	Town Municipal Council and Town Panchayat	50%	30%	20%

Table 6.15 - Details of progress of UGD Schemes

Sl. No.	Year	Financial (Rs. in Crores)		Physical (No. of schemes)	
		Target	Achievement	Target	Achievement
1	2008-09	117.45	39.02	4	--
2	2009-10	139.93	63.49	6	1
3	2010-11	97.10	72.52	8	1
4	2011-12	84.01	64.31	7	1
5	2012-13	68.10	41.63	0	0
6	2013-14 (Up to October 2013)	63.00	47.40	1	0

Table 6.16 - Details of Schemes Commissioned (Cumulative)

Sl No	Year	Water Supply Schemes	Board Water Supply Schemes	Under Ground Drainage Schemes
1	2008-09	168	20	46
2	2009-10	171	20	48
3	2010-11	177	20	49
4	2011-12	186	20	50
5	2012-13	189	20	50
6	2013-14 (Upto October 2013)	485	20	51

accorded approval to provide bulk water supply to all urban and rural areas of Bijapura district at an estimated cost of Rs 885 crores under Kannada Ganga Phase 1.

The KUIDFC has come out with a proposal to set up a State Urban Water Supply Council (SUWSC), which would oversee the water supply and sewerage operations of the ULBs, provide technical assistance to ULBs and act as an advisor to the Government. It is also envisaged that the Council will play a coordinating role between ULBs and the Water Boards and also perform regulatory functions. It would not be proper for the same body to combine the functions of oversight, monitoring and coordination as well as regulation. It would be more appropriate to set up a regulatory authority rather than a council. The KUWS &DB should be equipped with sufficient technical capacity to guide the ULBs. The question of private sector participation must be approached with caution. There are apprehensions in the minds of the people about the role of the private sector in the management of public water supply systems. The World Bank aided project under implementation in the cities of Belgaum, Gulbarga and Hubli-Dharwad, experimenting with private sector participation on a pilot basis should be carefully studied and further steps taken in involving the private sector. People must be made aware of the distinction between privatization and private sector participation where the ULB will continue as the owner of the project and carries the responsibility to provide water supply. The overall objective must be to improve the efficiency of

the supply and distribution systems, reduce water losses and aim for 24/7 supply in the long run.

6.5.3 Domestic Energy

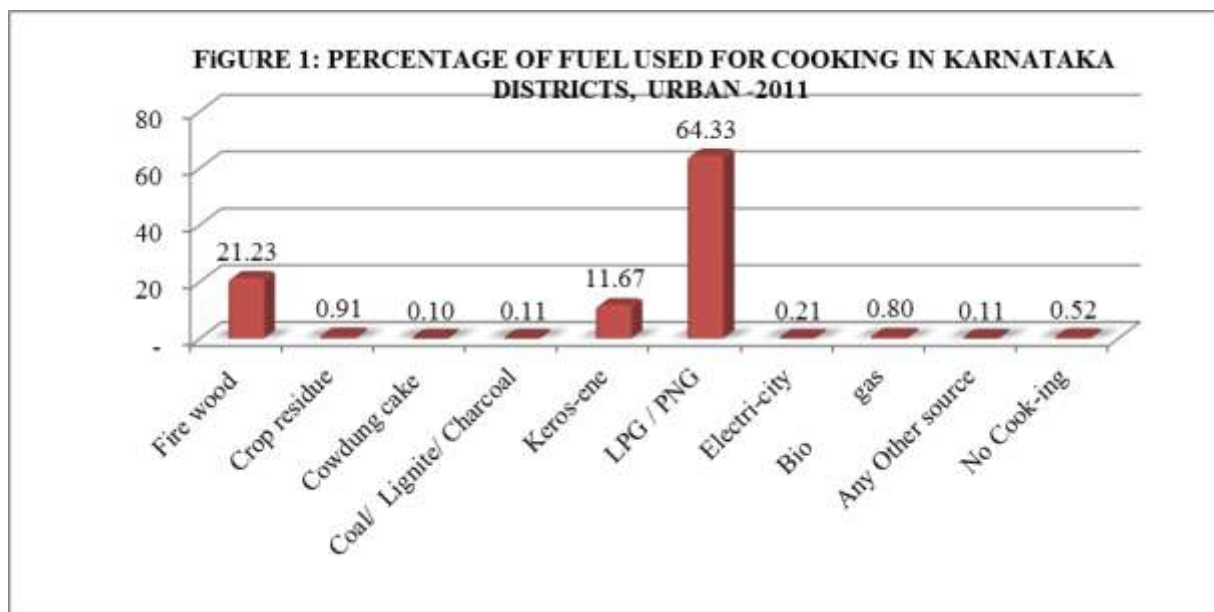
The census 2011 revealed that 60% households in the state, 87% in rural areas and 22% in urban areas, use firewood /crop residue, cow dung cake/coal etc for cooking. Only 33% of households in the state, 12% in villages and 65% in urban areas, use LPG/PNG/electricity/biogas for cooking. However, use of LPG for cooking purposes has seen a rise by 14% across households in the state-rural households have seen 6% rise and urban households 12% increase from the 2001 figures. The details of Census-2011 information on fuel for cooking are given in Figure 1. The district level information is provided in Appendix.

6.5.4 Road Infrastructure

Roads and Roadside drains - Works amounting to Rs. 80.70 crore are completed in Madikeri, Sringeri, Chittapur, Hassan, Kolar, Savanur, Robertsonpet, Chitradurga and Chintamani and works amounting to Rs. 38 crore are underway in Hassan(savings), Kanakapura, Nagamangala, Shimoga, Chikkamagalur and Hiriyur.

6.5.5 Urban Transport

Karnataka is one of the fifth most urbanized states in the country and it is estimated that 50% of the population of the State would be living in its urban areas by 2030. Urbanization brings many challenges



in its wake and a significant one of them is that of ensuring sustainable mobility options for the urban populace. Most cities in Karnataka including Bangalore are suffering the impact of poor mobility planning in the past-congestion and travel times are on an increase with the increase in the use of personal vehicles for mobility.

The Directorate of Urban Land Transport (DULT) was set up in 2007, close on the heels of National Urban Transport Policy coming into existence. The key functions of the DULT, which are given below, reflect the awareness about the need for a paradigm shift in the way urban transport solutions are being planned and implemented -

- ↳ To take up periodic assessment of travel demand and determination of level of public transport required on different corridors and the type of Transport system required in a given area through CTTS and other studies.
- ↳ To provide necessary hand-holding support for conceptualising and implementing mass transit/ public transport/ NMT Projects.
- ↳ To advise Government on urban transport matters referred to it/policy issues.
- ↳ To initiate in-house studies on appraisal of transport infrastructure related projects.

- ↳ To leverage Urban Transport fund for promoting PT/NMT initiatives.

- ↳ To work in close tandem with stakeholders in Urban Transport sector/academic institutes/lobby groups towards achieving sustainable mobility.

DULT has grown in strength in the last few years. The mobility plans for all six city corporations were prepared in the previous years. Plans for nine other cities- Tumkur, Shimoga - Bhadravathi, Davangere, Udupi, Chitradurga, Bidar, Bijapur, Raichur and Hospet are in advanced stage of preparation. DULT had a parking policy for nine cities including Bangalore, Mysore etc. Parking management through parking pricing; restriction and regulation of on-street parking and professional management of existing parking resource, both on-street as well as off-street etc. were some of the highlights of the parking policy. DULT has recognized that lack of parking management is one of the reasons for congestion of roads as the RoW for vehicles is drastically reduced by un-regulated parking. DULT has also prepared a parking action plan for core areas of the Bangalore metropolitan area and is actively working with BBMP for the implementation of the same. In the parking action plan, assessment of the demand for parking was carried out, and parking facilities were systematically identified at both on-

street and off-street locations with the aim to reduce traffic demand in the area by restricting parking supply and by strategically introducing parking pricing. The parking action plan details of streetwise on-street parking design, such as number of parking spaces for all vehicle types, type of on-street parking to be provided (parallel, angular or perpendicular), location of off-street parking, automatic metering of parking facility, pricing structure for different vehicle types, etc. The parking action plan also details modalities of implementation and marketing strategies.

Multi-modal integration is the need of the hour to ensure seamless movement across modes. DULT has identified the multimodal integration at metro stations as a critical component to promote the public transport usage. The Directorate is in the process of preparing the Station Accessibility Plans for all metro stations and the work has been awarded in case of twelve metro stations. The focus is on enhancing the reach and access of the pedestrians and bus users to the metro stations. The plans are expected to be finalised by March 2014.

Continuing the focus on mobility plans, the Directorate has taken up implementation of the recommendations of the mobility plans. Demonstration projects aimed at better junction and road space management are under way in Tumkur district. A proposal for public bike sharing in Mysore is under way with GEF grant of US \$ 1.9 million. Assistance is continued under State Urban Transport fund for strengthening and introduction of urban bus systems in two-tier cities of the State. City bus services in Tumkur, Hassan, Davangere, Mandya, Gadag-Betageri, Gulbarga and other cities have quickly gained massive acceptance, underlining the felt need for good public transport in even smaller cities. DULT has conducted evaluation of urban bus systems partly funded through State urban transport fund in Tumkur, Davangere, Hassan, Mandya, KGF, Kolar etc., and the studies have shown that the city bus services have considerably reduced the travel expenditure of daily travellers and students resulting in cost saving. Hassan city bus service is a very good example of a transit system making profit within a very short span of its implementation. An amount of Rs. 27.94 crore has been released as assistance to state road transport corporations.

(a) Bus Rapid Transit System (BRTS) for Hubli-Dharwad

Hubli and Dharwad cities are about 20 Km apart, and on account of the fact that Dharwad is the seat of education and is the district headquarters and Hubli is an important commercial centre, about 1,70,000 trips happen between the twin cities. Buses are the most preferred mode of travel carrying about 70% of travelers along this corridor though the number of buses is only about 7% of the total number of vehicles. The number of motorized vehicles in Hubli-Dharwad is 3,38,481 (as on March 2011) and this number is growing at an average rate of 14% per annum. The high percentage of personal vehicles in the city has led to congestion along the road between Hubli-Dharwad. The travel time between the cities is about 45 min during off peak hours and it takes about 60 min during peak hours to travel a stretch of 20 Km.

NWKRTC is a state owned company running public transport services within Hubli-Dharwad Municipal Corporation. According to projections made in CTTTP prepared for Hubli-Dharwad, if nothing were done to improve the public transport by way of introducing measures like mass transit/ augmentation of buses etc, the share of public transport would come down drastically by 2028. The CTTTP also recommends for implementation of BRTS for about 70 kms. in Hubli-Dharwad in a phased manner.

A project was formulated for the implementation of BRTS in Hubli-Dharwad to improve public transport in the twin cities. BRTS gives scope for both low and high density passenger movement; high quality, customer oriented transport and low cost urban mobility. The objectives of BRTS are reduction in private vehicle dependence; reduction in travel time; increased passenger safety and comfort; high reliability and high quality infrastructure.

The proposed BRTS corridor length is 22.25 km with cross sections ranging from 44 m to 35 m in between and within the cities limit respectively. The project includes segregated bus ways with central bus lanes and median bus stops; trunk and feeder system; accessible and comfortable bus stations with level boarding and external ticketing; improved fleet; traffic management centre for Hubli-Dharwad etc. The corridor will be a closed system i.e., no other

vehicle except BRTS buses will be allowed in the corridor. There will be two kinds of services – regular and express services to cater to the requirements of different section of commuters. Foot over bridges are proposed at seven locations, PELICAN signals and synchronized signal management are proposed to facilitate easy approach of passengers to bus stations. The project also includes improvements in transit infrastructure like terminals, depots and interchanges and improvements to non-motorized transport infrastructure for about 60 km. The project cost is estimated at Rs. 692 crores, out of which US \$ 47 million is the anticipated assistance from the World Bank-GEF assisted SUTP. In addition, a grant of US\$ 1.9 million will be technical assistance which is proposed to be used for communication & outreach programme, monitoring and evaluation study, city bus route rationalization study, parking management plan, integrated transport and land use plan etc. BRTS project results in substantial benefits for the people of Hubli-Dharwad and the region and the viability of such system has been well established through a process of detailed study.

(b) Bus Rapid Transit System for Bangalore

DULT is collaborating with BMTC and BDA for “Bus Rapid Transit System for Bangalore”. The COTP for Bangalore identifies 279.60 km of BRT System. In the first phase a 30 km stretch (along eastern stretch of ORR) Central Silk Board to Hebbal is being taken up at a cost of Rs 542.40 crore, DPR is under preparation. The project involves signal synchronization and prioritization for buses at the junctions besides dedicated rolling stock of articulated buses. The design capacity of the project is 15000 persons per hour per direction. The project is expected to result in reduced travel time, reliable and comfortable service.

(c) Sub-Urban Rail System for Bangalore

The COTP for Bangalore has made a detailed analysis of transportation issues and future strategies for the Bangalore Metropolitan Region. Among other recommendations, the COTP has recommended the implementation of a suburban rail system connecting Bangalore to nearby towns like Ramanagaram, Chennapatna, Tumkur and Doddaballapura etc. The

State Government has also repeatedly requested the Ministry of Railways, Government of India to sanction a suburban rail system to Bangalore in the lines of MMTS in Hyderabad and suburban rail system in Chennai.

The State on its own initiative had engaged M/s. RITES to conduct a detailed assessment of the existing suburban rail traffic and its potential future demand; identification of gaps in the existing infrastructure, system constraints, if any and infrastructure requirements at the terminals and the corridors for effective implementation of suburban rail system. The findings suggest that even with most conservative estimates the current demand is more than twice of current ridership. The report has evaluated major suburban rail corridors and has clearly recommended extension of services on Baiyyappanahalli - Hosur section; Yeshavantpur – Tumkur section; Bangalore – Mandya section and Yelahanka – Chikkaballapur sections. Implementation of the suburban rail system has also been recommended to be taken up in phases as doubling and electrification works along various corridors have been completed to different extents. The total project cost is estimated to be Rs. 8759 crore. The State is now preparing a detailed project report for the implementation of Phase-1 A of the project which is expected to cost around Rs 1500 crore. Bangalore City railway station is the main hub of Bangalore city. However, the station is not in a position to effectively handle a major delay in arrival or departure of even a single train. Presently Bangalore yard has 10 platform lines, 6 pit lines (maintenance lines), 8 stabling lines and a few other lines. Thus, redevelopment of the Bangalore station is necessary to remove constraints in the system. Similarly, existing constraints in the Yeshvantpur station need to be rectified to ensure an optimal utilization of the station facilities. In the phase-1A, procurement of MEMU rakes, automatic signaling, development of additional pit lines, some developments in Bangalore city station etc. have been proposed. A special purpose vehicle, Bangalore suburban rail company limited is being set up for the implementation of the project and DPR is under preparation.

(d) Capacity Building and Partnerships

The staff of DULT is regularly deputed to various conferences and workshops held in the country so as to regularly update their skills. The Directorate has also entered into a MOU with Embarq to enable knowledge transfer in respect of latest developments around the world. The Directorate has also organized a workshop on CTTTP – Bangalore for all stakeholders especially pertaining to the Transport Model of Bangalore. DULT has also organized training in CUBE software used for transportation modeling for its staff. The DULT has also entered into a MOU with Curtin University, Australia and Cistup to evaluate and assess the potential for value capture of Bangalore Sub-Urban Rail and the workshop was organized for “Bangalore Sub-Urban Rail Transit Project: Potentials for Innovative Financing and planning Strategies” The directorate has also organized a workshop on State Urban Transport Fund for the commissioners of CCs and CMCs of the cities where DULT is preparing CTTTPs and CMPs.

(e) Best Practices of DULT

(i) Vehicle Free Day at DULT, UDD, Government of Karnataka

DULT as a part of its sustainable initiatives has proposed to make the fourth Saturday of every month a Vehicle Free Day. This initiative is to encourage DULT employees to give up the use of car/two-wheeler (including government vehicles) for a day, in an effort to make promote the sustainable modes of transport like Public Transport (Buses & Metro), and walking and cycling. This initiative started on the 31st August, 2013 and has successfully completed its fifth Vehicle Free day during the year. The trips of DULT staff to and from work produce 24 tons of carbon dioxide per year (carbon footprint of DULT). The vehicle free day makes it possible to produce 4 tons less carbon dioxide (CO₂) per year. If replicated all over the city, this could save energy as well as protect the environment.

(ii) “Feel Bengaluru” Cycle Day

DULT, UDD, GoK as a part of its initiatives to promote sustainable modes of non-motorized transport in the city of Bangalore, has decided to organize the “Feel Bengaluru” Cycle Day on the last

Sunday of every month, starting 27th October 2013, to build a critical mass of cyclists in Bangalore. This initiative is a citizen initiative that was proposed by Praja RAAG, an NGO, to help propagate the practice of cycling in the City of Bangalore. Around 1200-1500 people are turning up for the event and showing that they support the cause and want better infrastructure for using cycling as the major mode of travel on a daily basis. The event has been showing participation and support from the Army and NCC's; IT Companies like Mphasis, and Cognizant and also cycling related sponsors like Bums on the Saddle (BOTS) and Decathlon. Going forward, DULT along with the Praja and other cycling and walking communities is planning to have an event equivalent to Cyclovia in Bogota, Columbia, where streets will be closed to traffic on that stretch and the street will turn into a lively place.

(iii) Challenges and Future Outlook

DULT has been constituted as a nodal agency for planning and co-ordination of transport related development and integrating land use with transport, throughout the State. In order to achieve this objective, it is necessary to strengthen the institutional arrangements of DULT considering the fact that detailed technical and intricate traffic and transport planning and engineering matters are to be handled by Directorate. There is a need for strengthening institutional set up of DULT by -

- a. Setting up of transport modelling lab. This will consist of state of art of software that are necessary for projecting traffic forecast and studying various traffic improvement alternatives in a scientific manner. Software will also be utilised to develop or co-ordinate regional transportation plans.
- b. Creation of Centralised data base for storing and disseminating transport related information to various stake holders.

6.6 URBAN LAND MANAGEMENT (LAND REQUIREMENT FOR URBAN USE IN KARNATAKA)

Urban land is a limited resource with competing demands. As such, Government must intervene in the urban land market through a well formulated policy. The objectives of such a policy are to achieve:

- i) An appropriate supply of urban land for productive as well as community purposes
- ii) Greater equity including access by low income families to adequate shelter
- iii) Spatial distribution of population and activities consistent with State priorities and
- iv) Optimum utilization of land.

The strategies to achieve these objectives are -

- i) Land Use Planning.
- ii) Land acquisition for public purpose.
- iii) Land Registration System that guarantees title to property.
- iv) Housing policy with focus on the weaker sections and low income groups.
- v) Fiscal measures.

(a) Land Acquisition

Land can be acquired under the Land Acquisition Act 1894 for any public purpose including housing and infrastructure development. The process of acquisition is lengthy and cumbersome resulting in enormous delay and cost escalation. The law which is more than a century old needs to be revised to meet the requirements of rapid development. As this is a central legislation, the Central government must be moved in this regard. Some of the important changes that can be made are as follows:

- ✘ Under the present Act, a person not satisfied with the award of compensation by the Land Acquisition Officer may refer the matter to the court. Instead of making the reference to the court, a Tribunal may be set up to deal with matters relating to revision of compensation.
- ✘ It is necessary to make provision for alternate means of acquisition/compensation such as Land Pooling, Transfer of Development Rights and other land sharing arrangements with farmers and land owners.
- ✘ The KIADB is empowered to acquire land for industrial purpose under the KIADB Act. The

process of acquisition under this law through negotiation has been faster. A provision may be included in the KIADB Act making it mandatory for the KIADB to obtain clearance of the municipal or planning authorities, when land is acquired in the urban areas or within a radius of 5 kms. In respect of Bangalore, BDA should be made the sole land acquisition authority for any project and KIADB should cease to operate within the BMR. It should also submit an Urban Impact Statement while developing any industrial estates

(b) Land Title Registration

When an immovable property is transferred by way of sale, mortgage etc. what is registered is the deed and not the title. Absence of clear title to property is one of the reasons for dubious transactions and enormous amount of litigation in our country. It is also a hurdle to obtaining easy credit for housing or other purposes. It is, therefore, essential to introduce a system of state guarantee to title of land or property or a Property Title Certification system which is also one of the reform measures under JNNURM. All land records in ULBs must be computerized. An Urban Bhoomi Program must be initiated. A Directorate of Urban Land Records must be created to deal with all matters relating to city survey, maintenance of land records and utilization of land title. This is especially relevant since there is no record of how much land belongs to which agency at the state, ULB, or district level. Institutional arrangements for land use are quite fragmented with several agencies at the city level, and lack of records of ownership of such land at the city level (e.g., what belongs to the city, or to UDA, or to the Defence Ministry, or to the Railways, PSUs, textile mills, and so forth). This will be the first step towards capitalizing on the use of land as an innovative financing tool.

Fiscal Measures - Land is a resource and land-based taxes are important source of revenue. They can also be used as an instrument to regulate land use. Apart from property tax which is also land based, levy of the following taxes can be considered.

(i) Vacant Land Tax - Developed urban land is scarce and keeping such land vacant for long must be subject to heavy taxation. Such tax can also be used to curb

speculation. Presently, vacant sites are taxed nominally as part of property tax.

(ii) Betterment Fee - It is levied under KTCP Act whenever there is change of land use, or development taxes place on the land which can yield a better income to the owner.

(iii) Impact Fee - It is levied to finance additional city level services.

(iv) Valorization charges - They are levied to recover specific project costs.

6.7 URBAN ENVIRONMENT

The physical expansion and demographic growth of urban areas have had an adverse impact on the urban environment. The large scale conversion of agricultural land in the urban periphery for urban uses like industries, housing and infrastructure has resulted not only in loss of greenery but in creation of urban heat islands. A large number of trees and water bodies have given way to concrete structures. The increase in motor vehicular traffic in cities and industrialization has contributed to air pollution which in turn has an adverse effect on the health of the people. Cities are huge consumers of energy and resources generating more waste than they can absorb. The increasing consumption of water is leading to depletion of water resources, particularly underground water. The enormous quantities of waste generated in cities proliferation of slums and lack of sanitation are serious environmental hazards.

6.7.1 Solid Waste Management

Solid Waste Management is one of the most basic functions of every municipal body. The unclean state of our cities is a sad reflection of the inability of ULBs to provide basic services. A number of Committees have been set up to address this issue and the matter even went up to Supreme Court which gave directions to GOI to take steps to implement the recommendations of these committees. GOI issued Municipal Solid Waste Management Rules 2000 laying down new procedures for collection, segregation, storage, transportation, processing and disposal of waste. The standards prescribed in the Rules have so far not been fulfilled by any city. Karnataka has formulated a policy on Integrated

Solid Waste Management in 2000. The objectives of the policy are the following:

- (a) Providing directions for carrying out waste management activities in a manner which is not just environmentally, socially and financially sustainable but is also economically viable;
- (b) Establishing an integrated and self-contained operating system for Municipal Solid Waste Management (MSWM) which would include the development of appropriate means and technologies to handle various waste management activities.
- (c) Enhancing the ability of the ULBs to provide waste management services to their citizens.

The principles to guide the future approach of MSWM procedures relating to collection, transportation and treatment of waste have been spelt out. It is necessary to lay down timelines to implement the plan. Emphasis shall be placed on promoting awareness about the importance of waste management from the point of view of health and environment.

(a) Initiatives taken up in 2013-14

a) Initiatives on Solid Waste Management

- ▲ Constitution of State Level SWM Technical Committee.
- ▲ Rs. 100 crore Budget is earmarked for SWM activities in the 218 ULBs.
- ▲ Formulation of SWM Bye-law.
- ▲ Amendment to The Karnataka Municipal Corporations Act, 1976 regarding empowerment of Corporations to impose penalties for violations such as non-segregation of waste, littering of waste etc.
- ▲ Construction of modern slaughterhouses in the 20 selected major cities.

(b) Achievement in 2013-14 - Solid Waste Management

- ▲ Reconstitution of State level SWM Technical Committee under the chairmanship of Director,

DMA and members from IISc, KSPCB, EMPRI, KUIDFC, KCDC, NIAS, NGOs involved in SWM activities and SWM experts etc. Formation of Technical Sub-Committee to scrutinize SWM estimates and authorize SE of DMA to accord technical sanction, Normative standards for labour, tools & equipment, safety gears to carryout street sweeping and other SWM activities have been formulated.

- ▲ Constitution of State level SWM Empowered Committee under the chairmanship of Principal Secretary, UDD to look into the issues such as, adaptation of modern technologies in waste processing, waste disposal, city cleaning and SWM projects involving huge expenditure etc.
- ▲ Steps are taken to construct modern slaughterhouses in the 20 selected major cities of the State. In the first phase, The DPRs pertaining to Belgaum, Mysore, Chitradurga and Hospet cities, where the lands are readily available, have been already submitted to Ministry of Food Processing Industries, GoI for approval and release of Central govt. grants.
- ▲ A model SWM bye-law has been prepared which is under the consideration of the Govt., covering the important aspects of SWM such as, segregation of waste at source, door to door collection of waste; bulk waste management, slaughterhouse waste management, plastic waste management, penalty for violations etc.
- ▲ Rs. 100 crores Budget is allocated by the State Govt. to various ULBs with respect to Solid Waste Management in the year 2013-14. Provisions of funds for development of modern slaughter houses, Bio-Methanation units, Simple Waste Processing Machines, Plastic Baling Machines, establishment of Dry Waste Recovery Centres, construction of Windrow Platforms in the selected ULBs as per the requirements have been made under this Budget.
- ▲ In order to ensure the compliance by all the citizens in the city corporation limits towards segregation of waste at source, non-littering of waste, etc. the Govt. has notified the Karnataka Municipal Corporations (Amendment) Act,

2013 by bringing suitable amendment to the Karnataka Municipal Corporations Act, 1976, by enabling imposition of penalties on the violators.

(c) Way forward

- ▲ Procurement of Simple Waste Processing Machines, Waste Segregation Machines and plastic baling machines by the ULBs.
- ▲ Achievement of 100% segregation of waste at source and also 100% door to door collection.
- ▲ Maximum recovery of recyclable wastes and minimization of waste going to landfills.
- ▲ Construction of Modern Slaughterhouses in the 20 selected major cities of the State.
- ▲ Establishment of Dry waste collection centres at the ward level in the ULBs.
- ▲ Procurement of land for waste processing and disposal in Kumta and Dandeli towns.
- ▲ Improve collection and treatment efficiencies of the waste.
- ▲ Bringing amendment to The Karnataka Municipalities Act, 1964 with respect to imposition of penalties.

(d) Best Practices Initiatives Implemented By ULBs of Karnataka - Received & Documented By City Managers' Association Karnataka (CMAK) :-Municipal Solid Waste Management in Mangalore City Corporation – Biogas Plant implementation

Mangalore City Corporation has implemented Biogas Plant unit to tackle its Solid Waste Management problems. This initiative was commissioned on August, 2011, operations was started since October, 2011 and electricity generation begun from December 2012. An investment of Rs.25,48,000/- was made for Construction, Installation & Commissioning of this plant and the O&M cost for 2 years is Rs.4,55,000/-. This Plant is located at Urma Market with a capacity of 2 tons /day. The technology for this project was provided by NisargarunaTechnology, BARC, Mumbai which

requires about 500 m² space. Capacity of the unit - 15KVA Engine can generate 12kwh from 8cum of biogas (For 2TPD capacity plant will generate biogas 160m³ and produce power of 240kwh- 20hr running). By-products of this initiative are - Gas Generated: 150-160 Kg/m³ equivalent to 240 Kwh/day and Manure generated - 120-140 Kg/day.

6.7.2 Environmental Challenges (air pollution, water pollution, noise pollution etc.,)

Sustainable urban development is not a choice but a necessity if cities are to meet the needs of their citizens (United Nations 2007). Some of the most critical problems facing our cities concern the health impacts of urban pollution generated by inadequate water, sanitation, drainage, poor waste management and air pollution. This set of problems known as the 'Brown Agenda' combined with what are called the 'Green Issues' such as depletion of water and forest resources, up gradation of environmentally fragile lands, occupation of areas prone to flooding, landslides etc. and the carbon emissions from energy use, heating, industry and transport now known as 'Climate Change Issues' all pose serious challenges to the health of the eco system of a city and its people. To tackle these issues, an Urban Environmental Management Action Plan must be formulated. A city specific plan would be required for large cities such as Bangalore, Hubli-Dharwad, Mysore and Mangalore and a common strategy can be evolved for other towns and smaller cities in the State. The major components of the action plan could be the following:-

- i) **Conservation of water resources-** The objective should be to reduce the demand for fresh water. Conservation measures such as rain water harvesting should be made mandatory.
- ii) **Waste Water Management -** The recycling and re-use of waste water should be encouraged in cities which generate substantial quantities of sewerage. Decentralized waste water treatment plants must be set up at appropriate places.
- iii) **Controlling Air pollution -** Air quality monitoring systems must be set up to measure various pollutants like particulates carbon dioxide, carbon monoxide etc. Controlling air pollution depend upon factors such as density of

vehicular traffic and emission from industries. The Prevention of Air Pollution Act will have to be enforced strictly.

- iv) **Energy Conservation -** Cities consume enormous quantities of energy. In view of the shortage of electrical power, it is imperative to promote the use of renewable energy such as solar and wind power and other energy efficiency measures. Urban design will have to take into account the efficient use of energy and promote green buildings.

(a) Urban Conservation and Built Heritage

“Urban conservation seeks to retain that part of the urban environment which is a part of national or local heritage. It also seeks to enhance the environmental character by ensuring that the siting and the design of any new development is complementary to it”. There are several towns and cities in Karnataka with precious heritage which needs to be protected. This heritage may be in the form of -

- ❑ Buildings or places of architectural, historical or cultural importance.
- ❑ Unique temples, mosques, and other monuments
- ❑ Designed environments such as Russell Market or City Market in Bangalore, Connaught Place in Delhi etc.
- ❑ Water front areas: lakes, rivers or sea.
- ❑ Centers of recreation and tourism -natural or man-made other items may be added depending on their significance to heritage.

It is necessary to enact a law to ensure the protection of heritage. Bangalore city had an Urban Art Commission which was unfortunately wound up a few years back. An Urban Art Commission or a Heritage Commission should be set up, on each, exclusively for Bangalore and Mysore and another for the State as a whole through legislation with statutory powers to carry out urban conservation effectively. This should be followed up by -

- i) Provision of adequate funds for carrying out the activities of the Commission and

ii) Amendments to the Town and Country Planning Act and the Municipal Acts in order to conserve the private buildings which have a heritage value. Urban conservation should be regarded as an integral part of the urban planning process and suitable changes incorporated in the master plan and building regulations.

(b) Waste Water Management (WWM)

Environmental Action Plan –B– Project: The Environmental Action Plan – B scheme for rehabilitation/replacement of 76 kms. of existing sewerage system of core area of Bangalore City has been taken up in 16 packages at an approved project cost of Rs. 176.754 crore. The works in respect of 4 packages have been completed. The works in respect of 8 packages are under progress and targeted for completion by March 2014. The offers received for the balance of 4 packages are under progress and works will be entrusted shortly. This scheme is targeted for completion by end of March 2015.

Environmental Action Plan –C– Project: The Board has proposed to take up the replacement/rehabilitation of balance 74 Kms. of existing sewerage system of core city and for this the DPR has been prepared. The cost of the project is Rs. 250 crore. For implementation of this project efforts are made to get the financial assistance from State budgetary support/JNNURM/JICA/KUIDFC and other financial institutions. A time period of 2 years is required for implementing this project.

300 MLD Waste Water Treatment Plant at Vrishabhavathi Valley: The Board has proposed to take up the new 300 MLD capacity secondary sewage treatment plant at Vrishabhavathi Valley in place of the existing 180 MLD capacity plant at a total cost of Rs.400 crore. This project will be taken up with the financial assistance from KUIDFC or other financial institutions. The DPR for this scheme is under preparation. A time period of 2 years is required for implementation of this project.

Under Ground Drainage (UGD): Works amounting to Rs.135.84 crore is under progress in Doddaballapur, Chikkaballpur, Bhadravathi, Tiptur, Humnabad and Harihara. The UGD missing link works at Hassan and Chintamani are completed at a cost of Rs. 6.20 crore.

Sewerage Treatment Plants (STP): To improve the sanitary condition in urban areas, construction of STP is proposed in Doddaballapur, Tiptur, Chikkaballpur and Humnabad. The work of STP in Chikkaballpur is completed. With regard to Tiptur STP, work could not be taken up due to withdrawal of CFE issued by KSPCB. Alternate Government Land has been identified and proposal for handing over of land is submitted to District Administration. In other ULBs works are under progress.

Storm Water Drains (SWD): Works amounting to Rs. 14.67 crore has been completed in Sringeri, Hassan, Savanur, Kolar, and Robertsonpet. Further, works amounting to Rs. 24 crore are under progress in Chintamani, Chitradurga, Chikkamangalur, Sira, T.Narsipura, Gurmitikal and Shimoga.

Solid Waste Management (SWM): The work of development of Land fill site in Chitradurga at the cost of Rs. 1.56 crore has been completed. Preparation of bid documents for outsourcing Operation and maintenance is underway.

Rain Water Harvesting (RWH): Works amounting to Rs. 2 crore have been completed in Kolar, Savanur, Robertsonpet, Chitradurga, Chintamani and Sira and works amounting to Rs. 40 lakh are underway in Nagamangala and Hiriya.

Construction of Low Cost Sanitation (LCS)

Construction of 2471 LCS units at a cost of Rs. 4.63 crore has been completed and balance 553 units are under progress.

6.8 DEVELOPMENT OF BANGALORE REGION

(a) BMRDA

The Bangalore Metropolitan Region Development Authority (BMRDA) is an Authority established under the Bangalore Metropolitan Region Development Authority Act, 1985 (Karnataka Act No. 39 of 1985), for the purposes of planning, coordinating and supervising the proper and orderly development of the area within the Bangalore Metropolitan Region and allied matters. The Bangalore Metropolitan Region (BMR) is one of the largest among the Metropolitan Regions in the country covering the entire Bangalore Urban,

Bangalore Rural and Ramanagaram Districts measuring 8,005 sq. kms. with a population of 8.42 million (2001 Census).

The Structure Plan prepared by the BMRDA is in the nature of a broad area development plan for the entire BMR and requires preparation of detailed sector specific and area specific plans. Separate Planning Authorities and Urban Development Authorities have been constituted for the various Local Planning Areas under the Karnataka Town and Country Planning Act, 1961 and other Acts for preparation of detailed Master Plans and enforcement of the same. The Authorities so formed are, besides the Bangalore Development Authority, as follows:

- 1) Bangalore International Airport Area Planning Authority (BIAAPA).
- 2) Nelamangala Planning Authority.
- 3) Magadi Planning Authority.
- 4) Kanakapura Planning Authority.
- 5) Ramanagara-Channapatna Urban Development Authority (RCUDA).
- 6) Bangalore-Mysore Infrastructure Corridor Area Planning Authority (BMICAPA)-Part.
- 7) Anekal Planning Authority.
- 8) Hoskote Planning Authority.

The BMRDA has during the year prepared several schemes to implement the Structure Plan in coordination with the concerned organizations. The details are given as follows:

(i) Development of Satellite Town Ring Road (STRR) and Individual Town Ring Roads (ITRR) and also Intermediate Ring Road (IRR), and the Radial Roads (RR) -

The Structure Plan had mooted development of a pair of ring roads and several radial roads with an objective to improve connectivity in the Region. The initial project report is being prepared in collaboration with the Public Works Department. The objective of these ring roads is to segregate the highway traffic from the local traffic and also to pave the way for a systematic expansion and growth of Bangalore. A survey of these roads has been conducted and a Notification has also been issued restricting any development in these roads alignment.

In the first instance the STRR and ITRR have been notified as State Highway (Special-2) in the Karnataka Gazette along with the road alignment by the Public Works Department. Techno-Economic Feasibility Report in respect of STRR and ITRR are prepared. The said firm has prepared the same and submitted to the Authority in October, 2008. Totally for the entire Ring Roads Network in BMR, a sum of Rs.6,04,40,305/- has been spent for the preparation of this report and survey work so far. The total length of STRR along with 7 Town Ring Roads about 365 K.Ms. has been divided into 4 packages. The Government had allocated an amount of Rs.100 crore for each package i.e. Rs. 400 crore in all to be provided to BMRDA in 2007-08. However, till today, BMRDA has not received the said amount. The PWD Department has to take approval of Government for the implementation of the STRR and ITRR. During the period of report there is no progress in these schemes.

(ii) Preparation of Master Plans for the Local Planning Authorities

Under KTCP Act 1961 Section 13 BMRDA has preparing Master Plan for 5 local planning authorities. The preparation of scientific base map and existing land use is already completed. The Draft Master Plan was submitted to Government. The Government has approved the Draft Master Plan in September, 2013.

(iii) Preparation of IMP for Ramanagar – Channapatna LPA

Draft Interim Master Plan of Ramanagaram–Channapatna LPA was approved by Government in September, 2009. Public suggestions/objections were invited for these draft plans. Final Interim Master Plan has been submitted to Government. The Government has approved the final plan in October, 2013.

(iv) Preparation of Scientific base maps using Satellite imagery for the Local Planning Areas:

BMRDA has taken up preparation of scientific base maps using Satellite imagery for Anekal, BIAAPA, Nelamangala, Hoskote, Magadi, and Kanakapura Local Planning Areas in the Bangalore Metropolitan

Region. The cost of the project is 1.36 crores and is expected to be completed in this financial year itself. Consultants were selected through tender procedure and work orders had been issued. At present, base maps of 5 Local Planning Area's (Anekal, Hosakote, Kanakapura, Magadi, and Nelamangala) have been completed and the BIAAPA LPA is at final stage of completion.

(v) Issue of Plan approvals electronically using e-vinyasa software

In view of State High Court order the UDD had decided to stop illegal layout and registration of sites in the illegal layout and BMRDA was directed to develop and adopt suitable software for issue of the approval of all plans through electronically under the jurisdiction of this authority and complete the task in stipulated time. Accordingly, software called e-vinyasa is developed with the assistance of NIC to issue of all approvals of all local planning authorities and RCUDA within the jurisdiction of Bangalore Metropolitan Region Development Authority through electronically. The process of adopting the previous approvals to the software is undertaken and the new approvals are being issued through electronically.

(vi) Transport policy

It is to ensure safe, affordable, quick, comfortable, reliable and sustainable access for the growing number of city residents to jobs, education and recreation. The State Government has set up a Directorate of Urban Transport to plan and co-ordinate transportation services in all the cities in the State. It should initiate preparation of city level transportation plans. For Bangalore, a separate Metropolitan Land Transport Authority has been set up with Chief Secretary as Chairman. The BMLTA should be made a statutory body with powers to enforce its decisions.

(vii) Comprehensive Traffic and Transportation Study (CTTS) BMRDA -

The main objective of this study is to improve the basic transport infrastructure traffic conditions and goods transport. The draft report has been submitted to the Government for approval.

(b) Bruhat Bengaluru Mahanagara Palike (BBMP)

The Bangalore Mahanagara Palike (Bangalore City Corporation) was established in 1949 by merging two separate municipalities, which were in charge of the administration of the "City Area" and the Cantonment Area of the City. The population of Bangalore at that time was about 0.75 million. The municipal corporation started with 7 divisions with as many elected councilors. This was subsequently increased to 50 divisions. The area of the city was expanded to include 87 wards in 1991, 100 wards in 1995 and 198 wards in 2007. Prior to the formation of Greater Bangalore the city had an area of 226 sq. km and was organized into 100 wards represented by a councilor in the city corporation. 7 CMC's and 1 TMC were added up with the previous 3 zones viz., east, west, and south. Eight ULBs around Bangalore consisting of City Municipal Councils (CMC) and one Town Municipal Council (TMC) viz., Yelahanka CMC, Byatarayanapura CMC, K.R.Puram, CMC, Mahadevpura, CMC, Bommanahalli CMC, Rajarajeshwari Nagar CMC, Dasarahalli CMC, and Kengeri TMC were created in 1996. Bangalore has now transformed into Greater Bangalore with 7 CMCs, 1 TMC and 110 villages being appended to the Bangalore City. The city's total area has now expanded from 225 sq.km to over 800 sq.km and the population too has increased correspondingly. BBMP comprises of 8 zones viz., R.R. Nagar, Bommanahalli, Dasarahalli, Mahadevapura, Yelahanka, East, South and west. The area is developing very fast hence the Government is thinking of dividing the BBMP.

(i) State Finance Commission Grants

State Finance Commission grants represent the transfer of financial resources from the state government to local bodies in the term of tax shares and grants-in-aid. The details of SFC grants released under tied or untied between 2008-09 to 2013-14 and expenditure incurred are summarized in Table 6.17.

(ii) Other Schemes of BBMP

BBMP has taken up many infrastructure projects to improve the infrastructure of the city. Flyovers, underpasses, grade separators, signal free roads, road widening has smoothed the traffic flow of the city.

Table 6.17-Financial Progress of SFC Grants (Rs.in lakhs)

Nature of Grants	Grants released						Expenditure incurred					
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
SFC Tied Grants	11571	13076	14383	15821	13053	9500.71	11571	13076	14383	15821	13053	9500.71
SFC untied grants	15671	20334	17166	17749	15563	9400.06	15674	20334	17166	17749	15563	9400.06
Street Light adjustment	7807	5937	6430	7394	6100	4666.66	7807	5937	6430	7394	6100	4666.66
13 th Finance Commission Grants			4134	9603	8632	3000.17			4134	9603	8632	3000.17
12 th Finance Commission	1748	1422			0		1748	1422			0	
Special Development grants	20000		30000	75000	10000		20000		30000	75000	10000	
Chief Minister Urban Development Scheme						6333.00						6333.00
Total	56797	40768	72119	125171	533348	32900.06	56979	40768	72113	125171	53348	

The following projects are in the pipe line to improve the infrastructure and environment of the city in 2013-14.

- * Construction of 5 Signal free corridors – Integrated development of (i)Dr, Raj Kumar Road, and Yeshvantpur of Okalipuram, (ii) Hosur-Lashkar road from Vellara Junction of Central Silk Board, (iii) Old madras road from Mekhri circle to white field hope farm junction, (iv) Old airport road from Mysore road to Hosur up-to Central silk Board junction, (v) Outer Ring Road from Mysore road to Hosur up-to Central Silk Board Junction.
- * Construction of Multi Level Car Parkings in (i) Freedom Park in Gandhinagar, (ii) Gandhinagar, (iii) Koramangala near Forum Mall, (iv) Opposite Hosmat Hospital, (v) Vijaya nagara near Metro Station, (vi) Rassul Market, (vii) BBMP Head Office, (viii) Opposite Yeshwantpur RTO office, (ix) Murugeshpalya along Old Airport Road, (x) Near Banappa Park. This project is at DPR stage.

- * Other Major Infrastructure Works – (i)Comprehensive Development of 20 lakes, (ii) Comprehensive development of 18 roads, (iii) “Constructions of grade separator/underpass at” Maramma Circle, Malleswaram, Magadi Road and Basaveshwara nagar Road Junction, Rajaji Nagar 10th Cross West of Chord Junction, Shivajinagar 8th Main and west of Chord Road Junction, Shivananda Circle.

(c) Bangalore Metro Rail Corporation Limited (BMRCL)

The Bangalore Metro Rail project – Phase 1 consists of Standard gauge double line, 750V DC electrified north-south and east-west corridors weaving through the bustling commercial and residential areas of the city. The east-west corridor is 18.10 km. long, starting from Baiyyappanahalli and terminating at Mysore Road terminal, going via Old Madras Road, Indira Nagar, Ulsoor, Trinity Circle, M.G. Road, Cricket Stadium, Vidhana Soudha, Majestic, City Railway Station, Magadi Road, Hosahalli, Vijayanagar and DeepanjaliNagar. The North-South Corridor is 24.20

Kms long starting from Hessarghatta Cross terminal and goes upto Puttenahalli Cross via Jalahalli, Peenya Industrial Area, Peenya Village, Yeshwantpur industrial Area, Yeshwantpur, Soap factory, Mahalakshmi, Rajajinagar, Kuvempu Road, Malleswaram, Swastik, Majestic, Chickpet, City Market, K.R. Road, Lalbagh, South End Circle, Jayanagar, RV Road, Banashankari and Jayaprakash Nagar. Out of the 42.3 km., 8.8 km. is underground near City Railway Station, Vidhana Soudha, Majestic, Chickpet and City Market and the rest 33.5 km will be elevated.

All the major tenders have been awarded except one which is for 'architectural works for underground stations in North South Corridor'. The total completion cost of the project is Rs. 11609 crore. The funding pattern is, 14.1% equity would be from each of the Governments GoI and GoK. Subordinate debt would be 9.4% from GoI and 19.1% from GoK. Remaining 43.3% would be from borrowings from JICA, AFD, HUDCO and ADB. The work on the project started from utility diversion works on 2nd October, 2006 on MG Road and the first civil construction work was in Eastern corridor i.e., Reach 1 (Baiyappanahalli to MG road- 6.7 Kms) and it started in April 2007. The Reach 1 (Baiyappanahalli to MG road- 6.7 Kms) was commissioned in October 2011 for public and the cumulative ridership by October, 2013 is approximately 147 Lakhs.

The project has 151 milestones. By October, 2013, 110 have been achieved and 9 are under progress. The progress in terms of weightage is 75.70% and the progress for the current year is 5.70%. (The progress upto October 2013 is 0.40%). The financial progress is 85.4%. The planned cumulative physical target upto 31st March 2014 is 86%.

(i) BMRCL Initiatives in 2013-14

Registration of Construction Workers: BMRCL has taken keen initiative and interest in creating awareness among the construction workers about the benefits available to them and the need for registration there for.

Labour Quarters: BMRCL has taken up building Labour Quarters in order to see that the Labourers working for BMRCL get decent living conditions.

The Company is creating accommodation for about 1012 labourers at Talaguppa village on Mysore Road. The project consists of building 138 two-BHK flats meant for junior engineers and supervisory staff, 184 one-BHK flats for labourers with families and 828 single-bed accommodations. The labour colony will be provided with basic infrastructure including roads, drainage, electricity and water supply, besides a crèche, health care centre and a community hall.

Improved road and better footpaths: In fact, it is significant to note that all along the metro alignment, the roads have become wider than before. This is mainly evident in the case of roads such as the CMH Road, Halasoor Road, Magadi Road, M.K.K. Road, Mysore Road, Kanakapura Road and R.V Road as well as the road from Malleswaram to West of Chord Road junction and the road from NH-4 junction upto Peenya Depot, where the Metro work has been completed.

Compendium on Segmental Launching: The General Consultants (GC) and BMRCL together have brought out a Coffee Table Book titled “**Compendium on Segmental Launching in Namma Metro - Phase-1**”. This brings out the various techniques and methods applied by BMRCL in respect of launching the heavy girders (almost 450 Tons more than a thousand number) the history as to how the work started, the challenges faced, the solutions found, the quality control, safety aspects with photographs and sketches. It also includes the post launching activities undertaken. This is a book first of its kind documenting such activity and will be an excellent reference for designers, engineers, and contractors.

Accessibility Audit: BMRCL has taken the following disabled-friendly measures. They are as follows:

- In all the stations, tactile have been fixed to facilitate the blind to move easily for travel by Metro.
- In all the stations, there is wheel chair facility, elevation and ramps have been provided for easy movement of wheel chairs.
- Inside the Metro Train, there is a designated place for the wheel chair passenger.

- There are signages in the train requesting the commuters to make way for the physically challenged persons for movement and for sitting.

BMRCL staff, specially the Customer Relation Managers, have been trained in sign language so that they can interact with the deaf and the dumb too. In this connection, an “Accessibility Audit” is also being done by an Expert Group so that further improvements, if any necessary can be done.

(ii) Achievements of BMRCL during 2013-14

Wi-Fi facility in trains: BMRCL has facilitated innovations in the field of enhancement of mobile network coverage and Wi-Fi application in underground tunnels of Metro. This invention provides for a highly secure environment using two level authentications. The system deployed is modular in structure which can cater to multiband viz. GSM, UMTS, CDMA, WCDMA, WIMAX and just needs only a specific add-on module for each additional frequency band. The launch of Wi-Fi service in the Metro trains will be started after successful completion of tests.

Mahatma Gandhi Road Boulevard: The Boulevard on the Mahatma Gandhi Road gave way to the viaduct and the Mahatma Gandhi Road Station and was used as a works area for the Project. After the construction of the metro station, BMRCL has brought back the rest of boulevard as an attractive urban space for cultural activities, with an improved and modern design called the “Rangoli Metro Art Centre”. The place, besides leisure walk-ways and fountains, houses an open air theatre, art galleries, children's play area and art demonstration areas. The Centre was opened for the public in May 2013. The place has seen art exhibitions (“Making of Metro”, “Bangalore over the years” were two such exhibitions), the “Community Drum Jam” (expected to be a monthly social event involving public participation with 150 drums available for community drumming), music performances, puppet shows, street plays by school kids, poetry reading, demonstration workshops for terracotta articles, and Channapatna toys. This has indeed become a “happening place” for Bangaloreans.

Rural Haat: BMRCL, in association with RDPR-GoK, conceptualized a Rural Haat on the lines of Delhi Haat, where the rural artisans can display and market their products. The said Rural Haat runs along the Swami Vivekananda station and further, for about 700 mtrs. While the citizens of Bangalore and other visitors will have the facility of selecting and purchasing ethnic rural products under one roof, the rural artisans, especially the Self-help Groups of the State, will have a market for their products. This will also result in increase in the footfalls for the Metro. This facility was opened to public on 08.05.2013. The facility consists of a large number of stalls most of which have now been occupied. Each artisan can take a stall on rent for a maximum period of two months and a minimum period of 10 days. The rent per stall is nominal, presently being Rs.100 to Rs.150 per day depending on the stall size. Besides this, the occupier of the stall needs to pay 5% of his gross sales as revenue share. This revenue helps in making the Bangalore Santhe self-sustainable. While the expected revenue per month is about Rs.4 to Rs.5 lakh, presently, the revenue is Rs.1.5 lakh per month. The stalls display khadi items, terracotta, handicrafts, rural ethnic food items, stone art, and herbal medicines. Both the “Rangoli Metro Art Center” and “Bangalore Santhe” will contribute to higher footfalls for the Metro Stations, besides forming new city spots.

(d) Centrally Sponsored Mega City Scheme

The Government of India had launched the centrally sponsored Mega City Scheme in 1995. Under the scheme Rs.241.75 crore from Govt. of India and Rs.241.75 crore from Govt. of Karnataka was received as Grant. KUIDFC is appointed as Nodal Agency for the Mega City Scheme. The Total Grant amount of Rs.483.50 crore was lent to different implementing Agencies as loan for 55 infrastructure projects. Under the Guidelines of the Megacity scheme, a 'Mega City Revolving Fund' was constituted out of the repayments received on the loans advanced to IAs and the interest earnings thereon. The status of Mega City Revolving fund is given in Table 6.18.

Table 6.18 - Status of Projects sanctioned under Mega City Revolving Fund (As of September, 2013)

Total No. of projects sanctioned	11
Total Cost of projects sanctioned	Rs. 1332.55 crores
Total Loan sanctioned for the projects	Rs. 663.49 Crores
The total loan released by KUIDFC to various Implementing agencies	Rs. 556.50 Crores
Total No. of projects completed	3
Total cost of projects completed	Rs. 541.13 Crore
Total No. of projects under progress	8
Total cost of projects Under progress	Rs. 791.42 crores

(e) New Initiatives

(i) City Cluster Development (CCD) : With increasing urbanization and increasing pressure on in the state the cities/towns are facing numerous challenges in sustaining and service delivery. An innovative urban development project has been conceptualized by the Karnataka Urban Infrastructure Development and Finance Corporation (KUIDFC) for city cluster development around Bangalore including elements of infrastructure development, regional planning and PPP to lessen the strain on overburdened infrastructure of Bangalore. The estimated cost of the project will be approximately Rs.2100 crore and KUIDFC has sought financial assistance from the ADB to fund this project.

(ii) Heritage Based Development : The KUIDFC is planning for a state-level heritage based urban development program for Karnataka aimed at improving the quality of life and socioeconomic development opportunities in heritage towns and cities through the enhanced conservation and management of the state's unique heritage assets. The program would be the first-of-its-kind in India and is expected to serve as a demonstration model to other states interested in better preservation of their heritage to generate lasting development impacts in cities and towns with unique heritage assets. The proposed program aims at improving the quality of life and economic opportunities in heritage towns/cities through the enhanced conservation and

management of Karnataka's unique heritage assets. The estimated cost of the project is approximately US \$ 150 million and KUIDFC is looking forward to seek financial assistance from World Bank to fund this project.

KUIDFC is the nodal agency on behalf of GoK for coordinating with Indian Heritage Cities Network Foundation (IHCN-F) at Mysore which has been formed with the active support of the Ministry of Urban Development GoI and the initiative of UNESCO and to promote heritage based urban development. IHCN-F will provide technical assistance, conduct trainings and help in capacity building and also involve in the development of heritage based master plans. It is also proposed to develop Heritage Master Plan for Bijapur, Bidar, Gulbarga and Badami on priority basis by the Heritage Planning Cell. The HPC work will lead to area based or precinct development schemes for these cities. And it is proposed to take up heritage based urban infrastructure works in Bijapur, Gulbarga and Badami. Indian Heritage Cities Network Foundation are preparing Heritage Resource Plans for Bidar and individual consultants are hired for Bijapur, Gulbarga and Badami for preparing the area wise development plan and DPRs.

(iii) Municipal Reforms Cell: This is an exclusive cell dedicated for municipal reforms. The cell has in house Data Center with centralized software applications and is responsible for business process re-engineering, design, development,

implementation, O&M along with monitoring the usage of e-Governance applications. It also undertakes training programmes for officials of ULBs, DMA and DUDC.

(iv) Reforms in Service Delivery Phase: It includes Fund-based Double Entry Accrual Accounting System (FDEAAS), Aasthi- GIS-based Property Tax Information System (schematic GIS), Birth & Death Registration and Certification System (B&D), Public Grievance and Redressal System (PGR), developing website for ULBs. ULB Websites provides information about the city, information on city finances, details of elected body, details of municipal staff, downloadable forms, accounting system, birth and death applications and other applications, public disclosure schedule, RTI information. All 213 ULBs have their own website, gateway to all online applications, information is updated periodically and all ULB related information is available. Bilingual features are to be included in the website to make it more user friendly.

(v) Public Grievances and Redressal (PGR) System: PGR Cell operated by NGOs is functional across the State. Complaint registration via Internet/Phone/Written application can be made. A unique complaint registration number is generated and the complaint is automatically directed to concerned officials. PGR online application usage report is generated on weekly basis. There is regular follow up of ULBs where complaint registration is poor. SMS integration is under progress. Complaint statistics are given in Table 6.19.

(vi) Birth and Death Records Registration and Certification: Online application has been provided across the state, online registration of events, unique registration number, citizens can view their record details, certificate and receipt generation, birth and death record corrections, inclusion of new hospitals,

creation of registration unit, generation of reports, since 1990, around 1.09 Crores Birth and Death records are in digital form, generating online application usage report on weekly basis. Major enhancements like bilingual registration and certification and implementation of digital signature and biometrics are to be taken up.

(vii) Fund-based Double Entry Accrual Accounting System– Before reforms were undertaken, there was single entry and cash based accounting. The salient features of the application are – fund entity, double entry accounting, accrual based accounting, defined chart of accounts, public participatory budgeting, preparation of annual performance report, financial statement audit by chartered accountants.

(viii) GIS based property tax (AASTHI) – The objective is to establish a property database with set standard details, scientific naming and numbering of streets and properties, bring all properties under tax net, maintain past and current data of all properties, bring transparency and accountability in property tax collection and automate tax collection process. The approach is through property survey, preparation of MIS-GIS database, GIS-MIS database matching, assigning of PID, serving citizen copies, testing of application and providing application online. The status of AASTHI is given in Table 6.20.

(f) Bangalore Development Authority (BDA)

The Authority has been established with the goals of planning function of the City Planning Authority and the developmental functions as in the erstwhile City Improvement Trust Board (CITB) The Authority aims to check the haphazard and irregular growth of the city. BDA has so far formed 64 layouts and allotted 1,39,795 sites of different dimensions of which 20,330 sites have been allotted to SC/ST

Table 6.19 - Complaint registration statistics

Financial Year	Complaints Registration	Complaints Attended
2011-12	373852	363047
2012-13	440043	429763
2013-14 (till date)	247417	238876

Table 6.20-Status of AASTHI

Sl. No	Actions	Sept 2012	October 2013	Dec 2013	Mar 2014
1	Total No. of ULBs	213			
2	No of KMRP ULBs Online	26	76	110	164
3	No of NN ULBs Online	37	44	45	49
4	Total No. of ULBs Live	63	120	155	213

categories. A total of 1263 Civic Amenity sites have been allotted so far. For providing major infrastructure works in Bangalore Metropolitan city, BDA has spent about Rs.2390.24 Crore during the period from 1996-97 to 2013-14 (upto October 2013). For the financial year 2013-14 major infrastructure works for an estimated amount of Rs.1511.93 crore are under progress/to be taken up. BDA has proposed the formation of five new layouts with the joint participation of land owners. It is proposed to share developed land in lieu of land compensation. About 1.60 lakh sites of various dimensions are proposed to be formed in the five new layouts. The new layouts are namely Nada Prabhu Kempgowda Layout, Dr.Shivarama Karanth Layout, Sri.D.Devaraju Urs Layout, and Sri.S.Nijalingappa Layout & Sri.K.C.Reddy Layouts.

6.9 MASTER PLANNING

(a) Integrating spatial planning with economic development planning

Urban planning in the State, as in the rest of the country, has been mostly identified with town planning or land use, planning. It is necessary to broaden the vision of the urban planning process and integrate spatial planning with economic development planning. The 74th CAA has provided a new framework to the planning process and mandates. The approach to urban development in the Five Year Plans has been ad hoc and piecemeal. As pointed out by the National Commission on Urbanization, there has been a lack of spatial concern in the planning process, and no efforts have been made to link the process of urbanization with the general pattern of economic development. Spatial planning deals with a hierarchical system of

settlements and plays a vital role in investment decisions depending on the growth potential of different settlements. Planned economic development should take into account the locational aspects of development. The objective of spatial planning is to generate a process of spatial development which optimizes utilization of resources, reduces regional, spatial and economic imbalances, strengthens rural and urban relationships, protects the environment and maintains an ecological balance (NCU). A State-level Perspective Spatial Plan must be prepared highlighting policies relating to the development of the thrust areas of the State like development of natural resources, regional development, settlement pattern, population distribution policy, transportation networks, water and power supply systems, the urban poor, areas of tourist interest and environmental issues.

(b) Regional Development

The Industrial Policy of the state aims at industrialization in backward regions and also development of industrial corridors and identifying potential locations to setup industries. In this context, it is essential to identify a spatial configuration of the existing and future urbanization in or near cities and along emerging urban corridors.

(c) Planning for metropolitan areas

Although Bangalore is the only metropolitan city in Karnataka at present, Hubli-Dharwad and Mysore are fast emerging as metros and as such, it is necessary to plan for orderly development of these three metropolitan areas in the State. The Bangalore metropolitan area covers an extent of about 1307 sq. kms of which about 420 sq kms is earmarked as agricultural land or green belt. The Bangalore City

Corporation or BBMP which has been extended recently from an area of 223sq. kms to 709 sq. kms comes within the metropolitan planning area. The Bangalore Development Authority is the Planning Authority for the metro politanarea and is also responsible for land development and housing. With increasing urbanization in its hinterland, Bangalore is facing enormous challenges in providing infrastructure and services to meet the needs of the growing population. The BMRDA was set up in 1985 to address the problems of the region and prepare a Structure Plan. But this Authority has not been able to function in the manner envisaged by the law makers.

The Expert Committee on the Governance of Bangalore has suggested setting up a Metropolitan Planning Committee (MPC) for the Bangalore Metropolitan Region (8,000 sq. kms) covering Bangalore Urban, Bangalore Rural and Ramanagaram districts. The composition, powers and functions of the MPC as recommended by Expert Committee may be adopted. In order to deal effectively with the planning and development issues of Hubli-Dharwad and Mysore, Metropolitan Planning Committees must be set up for these two cities. The physical jurisdiction of these two metropolitan areas must be carefully demarcated taking into consideration the peripheral outgrowths and potential for urban expansion.

(d) Planning at the city level

Under the Constitution, urban planning and town planning as also social and economic development and protection of the environment are functions to be performed by the urban local bodies. However, in Karnataka, these responsibilities have not yet been assigned to the municipalities. Once the scope of the municipal functions is expanded, municipal management will acquire a new dimension. To the traditional municipal functions of water supply, sanitation, solid waste management and regulatory functions such as licensing, construction of buildings, regulation of food establishments etc, will be added planning and development functions. At present, Master Plans under the KTCP Act are prepared by the Local planning Authorities or UDAs. Under the JNNURM, the Municipalities are expected to prepare a City Development Plan. The present practice of having a master plan, activity

development plan and a comprehensive development plan should be given up. Only one plan should be prepared at the city level which includes the spatial plan, development plan and development control measures and such plan should be prepared by the Municipality. The capacity of ULBs should be enhanced to take on planning responsibilities.

(e) Town and Country Planning

Preparation of Master Plans for the orderly development of Cities, Towns and Villages in the State and providing technical assistance to Urban Development Authorities, Planning Authorities and Local Bodies in the State for implementation of these plans and schemes are the major activities of the Department. The Karnataka Town and Country Planning Act, 1961 has been extended to 132 Urban Centers in the State and Authorities have been constituted to these Urban Centers after declaring Local Planning Area. Accordingly, in addition to Bangalore Development Authority, 28 Urban Development Authorities and 39 Planning Authorities are functioning in the State and in respect of 64 Towns, Municipal Areas have been declared as Local Planning Areas and the respective Municipal Councils are functioning as Planning Authorities. As per 74th Constitutional Amendment Act local bodies are required to function as Planning Authorities and have to perform the planning functions. The Department is assisting these Planning Authorities in preparation of Master Plans for the respective LPA. As on date Government has approved Master Plans for 97 Cities/Towns in the State.

The Department is extending technical assistance to Karnataka Housing Board, Karnataka Industrial Area Development Board, Karnataka Slum Clearance Board, revenue department and such other departments involved in the urban and rural settlements. Further, the Department is extending technical assistance to local bodies/departments in the preparation of Town Extension Schemes, Development/Improvement Schemes, Rehabilitation Schemes, Ashraya Schemes and other such schemes. In the last 1 year the progress achieved by the department is as follows;

- ⊙ Master Plans for 05 Cities / Towns have been approved by Government.

- ⊙ Preparation of Scientific base maps for the urban areas of the state are being taken up in stages under various projects.
- ⊙ Preparation of base maps using Satellite images and total station survey is being taken up under the KMR project for 31 urban areas in 4 packages. Work is under progress by M/s N.K. Build con for package-1 for 11 towns and for the other 3 packages, process is in different stages of implementation.
- ⊙ KTCP Act 1961 has been extended to 15 Municipal / Town Panchayat Areas and these Municipalities / Town Panchayats have been declared Municipal / Town Panchayat Planning Authorities.
- ⊙ As per the Central Government reforms agenda to issue property title certificate, the maps for Hassan city using total status is taken up the work is under progress by M/s Secon Private Limited.
- ⊙ Under the central Government Sponsored NUIS scheme, preparation of base maps for 06 urban areas is ongoing. This project is funded by the central and state government on the 75/25 basis. KGDC, SOL and NRSC have prepared draft maps and work is in progress.
- ⊙ The state government has taken up the project of computerization of all Urban Development Authorities / Planning Authorities / Municipal Planning Authorities and Department of Town and Country Planning on the estimated cost 4.5 crores, out of which 1.5 crores has been released by State Town Planning Board. The same project is entrusted to Karnataka Municipalities Data Society. As a pilot project, website for Shimoga Urban Development has been created and is ready to be launched similar websites Mysore, Belgaum, Tumkur, Bellary and Gulbarga are also created and for rest of the UDA's work is in progress.
- ⊙ The Government has stated that regarding networking of UDA's/PA's/MPA's/DTCP and its offices shall be taken up by KMDS for which the funds shall be borne out of the KSTPB.
- ⊙ The website proto type for all UDA's/PA's/MPA's/JDTCP offices/ADTCP offices was prepared by DTCP and then forwarded to collect the information from respective offices.

- ⊙ The information is received from UDA's/PA's is forwarded to KMDS for Development of website hence the project is in progress.

6.10 URBAN GOVERNANCE

The reality of urban governance in Karnataka and in India general, in the context of a local government, stands in contrast to the philosophy of the Constitution. The colonial authoritarian structure of city governance continues to this day with resistance to sharing political power with local urban institutions. It is therefore, one could find a scenario where apart from urban local bodies, there is a host of parastatal Urban Development and departmental agencies dealing with urban services. This is particularly so in metropolitan cities where there are separate government agencies dealing with water supply and sewerage, transport, land and infrastructure development etc.

(a) 74th Constitutional Amendment Act

The passage of 74th CAA has provided new opportunities for urban governance reforms in the country. The municipal bodies have for the first time been provided the constitutional status of the third tier of government. They have been vested with increased responsibilities as a result of the devolution of 18 functions through the 12th schedule to the Constitution. Clearly, the intention of the Constitution is to provide a democratic structure of governance at the local level. Local democracy is based on the principle of subsidiarity i.e., functions which are local in nature should be performed by the local government. Thus, public health, water supply, sanitation, public works, public safety, welfare, recreation and regulation of construction, food and trade activities all come within the domain of the local bodies. Besides these traditional core functions of municipalities, the Constitution has included certain other functions like planning for economic development and social justice, urban poverty alleviation, and urban and town planning. However, while recognizing local governments and providing a list of functions which could be performed by them, the Constitution does not directly endow them with any functions, responsibilities and powers. They derive their powers and functions from the States through specific legislation. Thus, in practice, it is the

state governments which determine the degree of autonomy of the local bodies.

(b) New Institutional Arrangements

The image of local government is equally characterized by democracy and efficiency. This should be the guiding principle. The elected representatives formulate the policy and set the targets. The administration's task is to support the elected representatives in this endeavor and reach the defined targets without detailed political supervision. The present system of separation of powers between the deliberative wing (the Council) and the executive wing (the Commissioner and his staff) must be replaced by a system where political responsibility and accountability go together. This is possible only if the executive powers are vested in the elected representatives. The following alternative proposals can be considered : (i) Directly elected Mayoral system (ii) Mayor-in-Council System (iii) Ward Committees (iv) Neighborhood Area Committee (NAC) (v) Functions of Municipalities, (vi) Role of parastatals, (vii) Capacity building (viii) participatory city governance (ix) citizen participation in neighborhood improvement and (x) legal framework.

6.11 DEVELOPMENT PROGRAMMES

(i) Jawaharlal Nehru National Urban Renewal Mission (JNNURM)

The JNNURM was launched in December 2005. In order to provide reforms linked central assistance to

State Governments for the development of urban infrastructure, a Mission Mode Approach was adopted in 65 selected cities. In Karnataka, Bangalore and Mysore are selected under this Scheme.

The Mission has two components, Urban Infrastructure and Governance (UIG) and Basic Service for the Urban Poor (BSUP).

UIG -UIG sub Component addresses the needs of Urban Infrastructure. BBMP has taken up remodelling of drains, construction of underpasses, grade-separators, Up-gradation of skywalks under this component. There are 11 projects estimated at Rs. 2128 crores. GOI has sanctioned 14 projects of Rs.91639.87 lakhs under UIG. 5 projects have been completed. Total expenditure incurred is Rs.61085.47 lakhs. The details of funds received from GOI, GOK for the UIG projects and expenditure incurred since from 2006-07 to 2012-13 is given in Table - 6.22. (Sharing Pattern: 35:15: GOI, GOK, BBMP). The Details of Financial progress of UIG from 2006-07 to 2013-14 is given in Table 6.21.

BSUP - The objective of this scheme is the focused attention to integrated development of Basic services to Urban Poor in the cities covered under the mission. The funding pattern will be 50% for GOI, 40% from GOK, 10 from the ULB or beneficiary. GOI has sanctioned 2 projects of Rs.6060.87 lakhs which includes the development of 18 slums and construction of 1807 dwelling units. 400 dwelling units have been completed and allotted to the

Table 6.21- Financial Progress of UIG (Rs. Lakh)

Year	Funds Received			Expenditure
	CS	SS	Total	
2006-07	6713	2996	9709	10658
2007-08	8054	3332	11385	9456
2008-09	-	-		17726
2009-10	6818	2922	9740	16046
2010-11	-	960	960	7021
2011-12	2724	246.7	2970.7	748.35
2012-13	418.87	176.78	595.65	41.38
2013-14	200.00		200.00	200.00

* Up to September, 2013

beneficiaries. The year wise grants received and expenditure incurred is given in Table 6.22.

(ii) SJSRY (Swarna Jayanti Shahari Rozgar Yojana)

SJSRY is centrally sponsored scheme under implementation in the state from 1997. The programme is focused on urban poverty alleviation. It aims at providing gainful employment to unemployed and under employed urban youth living below poverty line. The details of funds received and expenditure incurred under various schemes of SJSRY from 2007-08 to 2013-14 (up to September-2013) is given in Table 6.23 and Table 6.24.

(iii) UIG & BSUP Sub-Missions

JNNURM was launched by the Government of India (GoI) on December 3, 2005 for supporting cities for sustainable infrastructure development and improvement in the existing service levels. There are two Sub-Missions under this Mission, viz., (1) Urban Infrastructure & Governance (UIG) and (2) Basic Services to the Urban poor (BSUP). Mysore and Bangalore are the two cities from Karnataka covered under this Mission, with an investment of Rs. 4624.87 crore for 67 projects.

The Sector wise investment approved under this flagship Program is given in Table 6.25.

As on 30th September, 2013, GoI has released Rs. 1646.25 crore and the State Government has contributed Rs. 759.33 crore. Rs. 3787.57 crore (inclusive of ULBs share) has been spent so far. Out of approved 67 projects, 26 projects have been completed in the Karnataka State. Under Basic Service to Urban Poor (BSUP) Sub- Mission, out of approved 28118 dwelling units (DUs) with essential services in 156 slums, the construction of 21825 DUs is completed and 3924 DUs are under construction. This will benefit about 1,40,590 slum dwellers in the mission cities of Bengaluru and Mysore. This Mission is helping to build citizen friendly and sustainable cities in Karnataka.

A study done by Public Affairs Centre (2012) as part of the MoHUPA's program, Support to National Policies for Urban Poverty Reduction (SNPUPR), studied the contribution made by the slum dwellers of Bangalore to the city economy. That study found that the slum dwellers, who constituted 9-11% of the city's population, contributed 3-3.5% of the city's economy, using standard national income accounting methods.

(iv) Chief Ministers' Small and Medium Town Development Programme (CMSMTDP)

Government of Karnataka accorded approval for implementation of Chief Minister's Small and Medium Development Programme (CMSMTDP) in

Table 6.22 - Financial Progress of UIG (Rs. Lakh)

Year	Funds Received			Expenditure
	CS	SS	Total	
2006-07	-	-		
2007-08	758	487	1245	
2008-09	-	-		1854
2009-10	-	-		329
2010-11	122	97	219	213
2011-12	121.6	84.07	205.67	
2012-13	-			
2013-14	32.88	43.44	76.24	

*Up to September-2013

Table 6.23 - Financial Progress of SFC Grants from 2008-09 to 2013-14 (Rs. in Lakhs)

Year	Urban Self employment programme	Development of women and children in urban areas	Training Programme	Thrift and Credit group	Community structure component	Urban wage employment programme	Urban women self employment a) loan & subsidy b) revolving fund	Step up Programme	Urban community development network
Budget									
2007-08	82.62	30.75	42.60	35.82	6.65				
2008-09									
2009-10	212.00						243.00/124.60	49.86	40.00
2010-11	74.21						69.00/30.00	150.40	48.93
2011-12	246.00						159.00/86.20	345.20	61.66
2012-13	85.50					20.20	24.00		61.66
2013-14									
Total	700.33	30.75	42.60	35.82	6.65	20.20	495.00/240.80	545.46	212.25
Funds Received									
2007-08	114.33	52.50	45.41	50.75	25.30	12.35			
2008-09									
2009-10	212.00						243.00/124.60	49.86	40.00
2010-11	740.5						69.00/30.00		
2011-12	139.74						86.92/63.42	106.56	50.49
2012-13	81.60	4.15							6.40
2013-14									
Total	621.95	56.65	45.41	50.75	25.30	12.35	398.62/218.02	156.42	96.89

ULBs in the State of Karnataka with a total cost of Rs.1,454 crore. The following are the salient features of the Scheme -

- ✦ To be Implemented at an estimated cost of Rs.1,454 crore for the development of infrastructural projects in 211 ULBs in the State of Karnataka.
- ✦ The works that would be taken under implementation are for works to improve urban services such as Water Supply, UGD, Storm Water Drainage, Roads, Footpaths, Side Drains, Street Lights, Municipal Solid Waste and Slum Up gradation.
- ✦ Karnataka Water and Sanitation Pooled Fund (KWSPF) Trust to raise Rs.700 crore from Financial Institutions/ Banks for funding part of the project cost.
- ✦ The Terms for funding the ULBs will be by way of securitization of the future State Finance Commission (SFC) Devolution arising out of untied Grants to ULBs that will be released through Directorate of Municipal Administration.
- ✦ The borrowing programme has been rated by an accredited Rating Agency viz., 'ICRA Limited' and has assigned rating of A+ (SO) (pronounced as ICRA A plus Structured Obligation) to the captioned Line of Credit (LOC).
- ✦ The Term Loan of Rs. 700 Crore is to be raised is for a period of 8 years out of which 2 years is the moratorium, interest would be paid on monthly basis.
- ✦ KWSPF Trust has raised a Term Loan of Rs.300 crore during FY.2009-10 from Axis Bank

Table 6.24 - Physical and Financial Progress under various schemes of SJSRY (up to November 2013)

Year	Urban Self employment programme	Development of women and children in urban areas	Training Programme	Thrift and Credit group	Community structure component	Urban wage employment programme	Urban women self employment a) loan & subsidy b) revolving fund	Step up Programme	Urban community development network
Expenditure									
2007-08	23.46	9.50	14.17	4.36	1.88				
2008-09	16.22	3.94		6.60					
2009-10	67.81						37.20		
2010-11	35.91						8.05/32.60	2.92	
2011-12	161.36						38.65/41.40	90.45	15.01
2012-13	117.74	79.18	125.05	68.15					38.80
2013-14	36.96	12.33	3.02	5.58					5.34
Total	341.72	25.77	17.19	84.69	1.88		83.90/74.00	93.37	20.35
Physical Targets (Nos)									
2007-08	1410	90	1766	777					
2008-09	1390	88	1746	777			81		
2009-10	424						46/623	2493	
2010-11	297						53/300	6015	
2011-12	492						8/431	4932	
2012-13	171					101		5500	62
2013-14								1789	
Total	4184	178	3512	1554		101	188/1354	20729	62

Table 6.25- Sector wise Investment

Sector/Mission Cities	Bangalore
Water Supply and Sewerage	33.60%
Drainage	32.00%
Roads and Flyover	12.40%
Urban Transport	22.00%
Sector/Mission Cities	MYSORE
Water Supply	33.93%
Drainage	14.35%
SWM	3.35%
Roads and Flyover	26.79%
Urban Transport	17.17%
Tourism	4.41%

Limited, Corporate Banking Branch, Bangalore and disbursed to DMA for implementation of the above project.

- ✦ KWSPF Trust has raised another Term Loan of Rs.200 crore during FY: 2011-12 from Syndicate Bank, BWSSB Branch, Bangalore and disbursed to DMA for implementation of the above project.
- ✦ An amount of Rs.100 crore has been drawn from Bank of India, Large Corporate Branch, Bangalore and disbursed to DMA (Rs. 50 Crore on 6th Nov, 2012 & Rs. 50 Crore on 30.07.2013) out of the sanction of Rs.200 crore, under the second installment of 2nd tranche of the Term Loan. The balance amount of Rs.100 crore is to be drawn which is based on the requirement of DMA.
- ✦ Urban Development Department will have the overall responsibility for implementing the Programme.
- ✦ The DMA will be the overall co-ordination agency.

As against Rs.1454.28 crore, approved in the action plan a sum of Rs.1317.15 crore has been released out of which Rs.1235.33 crore expenditure has been incurred upto September 2013.

(v) Initiatives taken up in 2013-14

Cabinet approval obtained for deployment of UIDF funds after having a scheme drawn up for its deployment. Scheme envisages a broad based distribution of UIDF funds under three segments: commercial, semi-commercial, and social.

- 1) Objectives of the scheme is to promote infrastructure development by enabling ULBs to access market in a cost effective manner and providing in the process a source which is both long term and economical
- 2) Incentives built-in for ULBs adopting municipal reforms, displaying project implementation capabilities and focusing in social sectors. These incentives are given by significant discount on the lending rates.
- 3) Reduction in borrowing costs of the trust.

6.12 EXTERNALLY AIDED PROJECTS

(i) Karnataka Municipal Reforms Project (KMRP –World Bank assisted)

The KMRP aims to improve the quality of life of citizens by improving the delivery of urban services and promoting good governance among the Urban Local Bodies (ULBs). The project addresses the need to strengthen institutional and financial frame works in Urban Service Delivery at ULB level. The total funding for this project is Rs.1364 crore and expenditure incurred as on September,2013 is Rs.855 crore. The component wise progress is as follows -

(ii) Institutional Development Component - (Rs.102.4 crore)

This component includes support for implementation of state-wide reforms namely implementation of Double Entry Accrual Based Accounting system in 158 ULBs and computerization of municipal functions in 164 ULBs of the State. A separate Cell under the control of the DMA has been created for this purpose. The computerization of municipal function covers 5 modules namely ULB website, Public Grievance Redressal, Birth and Death Certification and GIS based property tax information. Of which, the first 4 modules have been completed and are live. GIS based property tax system module is live in 67 ULBs and implementation is underway in the rest 97 ULBs. The Double Entry Accrual Based Accounting modules have been completed and the same is live in 158 ULBs. This component also supports preparation of geo referenced base maps for 28 urban areas. A dedicated Urban Mapping cell has been constituted under the control of Directorate of Town and Country Planning to oversee the implementation. The preparation of Geo referenced base maps is under way for 17 towns and for balance 11 towns award of work is underway. It is also proposed to build the capacity of the ULB officials and elected representatives in identified 21 areas under this component for which State Institute of Urban Development (SIUD), Mysore has been appointed as the nodal agency.

(iii) Bangalore Development Component (Rs.791 crore)

Bangalore Road Rehabilitation component supports rehabilitation of roads about 125 kms of core city

road networks including improvement of foot path, drainage etc. The road rehabilitation work has already been completed by the BBMP. Greater Bangalore Underground Drainage Program project supports construction of underground sewerage network of about 2314 Km & about 210,000 House Service Connections (HSC). This component has been dovetailed with JNNURM program which has been approved by GoI for an amount of Rs.383.44 crore. So far, 1734 Km sewer lines have been laid and 115,000 HSC has been provided of which 33,693 HSC has been sanctioned. About 702 LCS units have been constructed in the slum settlements under the Greater Bangalore pro-poor sanitation program.

(iv) North Karnataka Urban Sector Investment Programme (NKUSIP)

NKUSIP is the third Asian Development Bank (ADB) assisted urban development project. The expected impact of the Investment Program is improved urban infrastructure and services resulting in overall improvement of quality of life in the urban areas, where this programme is being implemented. This will lead to increase in economic opportunities and growth in north Karnataka, and reduced imbalances between north Karnataka and rest of the state. There are 25 towns covered under this program. The project cost is Rs.1980 crore out of which, ADB loan is Rs.1188 crore and the State Government share is Rs.792 crore. The major components under the program are water supply, sewerage, storm water drainage, road improvement, slum improvement and non-municipal infrastructure such as fire & emergency service, tourism and lake development.

ADB's Multi-tranche Financing Facility (MFF) is adopted for the program. Till date, three tranche loans have been signed and made effective. 12 contracts are completed, 57 contracts are in progress, 3 contracts have been terminated, procurement for 9 contracts is in progress and 4 packages are to be tendered. The fourth and final Tranche loan is being negotiated. The Tranche 4 lays emphasis on provision of 24X7 water supply in 12 Program ULBs apart from sewerage works in 3 ULBs, road improvement works in 2 ULBs and lake improvement works in 1 ULB. Advance action has been taken under Tranche 4 and tendering for three packages has been commenced.

The overall financial progress in 2013-14, upto September, 2013 is Rs.70.39 crore as against the budget allocation of Rs.300 crore.

(v) Karnataka Urban Development & Coastal Environmental Management Project (KUDCEMP)

- * KUDCEMP has been taken up with financial assistance from the ADB in the ten towns of coastal Karnataka viz., Dakshina Kannada District - Mangalore, Ullal & Puttur ; Udupi District: Udupi & Kundapura ; Uttara Kannada District: Ankola, Bhatkal, Dandeli, Karwar & Sirsi.
- * Components -The Project consists of the following 6 parts
 - Part - A: Capacity Building, Community Participation & Poverty reduction
 - Part - B: Water Supply Rehabilitation & Expansion
 - Part - C: Urban Environmental Improvements
 - Part - D: Street & Bridge Improvements
 - Part - E: Coastal Environmental Management]
 - Part - F: Implementation Assistance
- * Project Cost and Status - Project cost is Rs.996.30 crore (US \$ 221.40 Million), of which ADB share is Rs. 652.50 crore (US \$ 145 Million) and GoK share (including ULB share) is Rs. 343.80 crore (US \$ 76.40 Million).
- * The ADB loan was closed on 30th September 2009, with 100% draw of US \$ 145 Million.
- * Cumulative expenditure of the project is Rs.986.22 crores (98.98%). Out of total 184 contract packages, 178 contracts have been completed. (96.74%). Expenditure incurred during April to September 2013 is Rs.8.80 crore.

(vi) Karnataka Urban Water Sector Improvement Project (KUWASIP)

KUWASIP is a project for reforms in Water Sector and service improvements through Private Sector Participation. The first phase of the project has been implemented with World Bank assistance in three

cities viz., Belgaum, Gulbarga and Hubli-Dharwad for improving water supply services and to demonstrate 24x7 water supply in 5 demonstration zones. The project was implemented during the period 2005-2011. The total cost of the project (Phase-I) was Rs.237 crore. An expenditure of Rs. 208.56 crore has been incurred on the project (the World Bank loan was closed in March, 2011).

Achievements under the Project: Continuous pressured (24X7) water supply has been provided in five demonstration zones viz., (1) Belgaum (South) (2) Belgaum (North) (3) Gulbarga (4) Hubli and (5) Dharwad with Private Sector Participation (PSP), under a Performance Based Management Contract (PBMC). Bulk supply improved to Belgaum, Gulbarga and Hubli-Dharwad by 27 MLD, 30 MLD and 2 MLD respectively. Savings in energy charges (about Rs.1.40 crore per annum) in providing water supply to Hubli city. 2 38 kms of distribution network has been laid in the Demonstration Zones and 28,192 house service connections have been provided. A population of about 2 lakhs has benefited from this project. Volumetric tariff has been implemented in all the Demonstration Zones. Currently O&M of 24X7 water supply in the Demonstration Zones is carried out through a private operator on contract basis and O&M expenditure is met out of water charges.

(vii) Karnataka Urban Water Supply Modernisation Project (KUWSMP)

Based on the success of the Demonstration Project, the proposal of up-scaling 24x7 water supply to the entire corporation areas of Hubli-Dharwad, Belgaum and Gulbarga on PPP basis was approved by the State Government in October, 2008. The approximate project cost for providing 24x7 water supply to the above three cities is Rs.1760 crore (Belgaum – Rs.470 crore, Gulbarga – Rs.480 crore and Hubli-Dharwad – Rs. 810 crore). A proposal seeking a loan of Rs. 880 crores (50% of the project cost) from the World Bank was sent to GoI by GoK. The proposal was recommended by the GoI to the World Bank and the World Bank has agreed in principle to the proposal.

The World Bank's (i) Identification Mission and (ii) Interim Mission visited Karnataka and the cities covered under the project. The Government has

accorded approval for a capital investment of US\$ 279 million (Rs. 1809 crores) during 1st phase and US\$ 118 million (Rs. 765 crores) in 2nd phase i.e., after 2026 for all the three project cities. The proposal of short listing of operator is in progress and shall be completed by January 2014. Two studies viz., (i) Sectoral Environmental and Social Assessment and (ii) Communication & Stakeholders Intermediation Strategy are taken up and are in progress.

A pilot study with the objective for assessing realistic water loss and capacity of the existing network to withstand continuous pressurized water supply with improved operational practices is taken up in a small area of ward no. 8 of Dharwad adjoining the existing Demonstration Zone. The NRW for 2 months has been worked out as a base line parameter for intermittent water supply. Further, the detail study of network and the NRW for continuous water supply, study is in progress. The project preparation activities are in progress and are expected to be completed by March 2014.

(viii) Karnataka Integrated Urban Water Management Investment Program (KIUWMIP)

The State Government envisages implementing “Integrated Water Resources Management Programme” in the state with ADB assistance. For this purpose, an integrated and sustainable water resources management investment programme is being developed. Under the program, it is proposed (i) to modernize the existing irrigation infrastructure and (ii) to expand urban water supply and sanitation. The total size of the program is \$450 million, of which 50% (\$225 million) is allocated for UWSS component.

Water Resources Department is the executing agency for preparation of integrated water resources management and irrigation modernization components and overall co-ordination of the “Karnataka Integrated and Sustainable Water Resources Management Investment Programme” (KISWRMIP). KUIDFC is the executing agency for preparing water supply and sanitation component of the programme. “Upper Tungabhadra Sub-Basin” has been selected as the pilot sub-basin. There are 34 ULBs in the pilot sub-basin. The total population of

pilot of sub-basin is 70 lakhs, of which the urban population is about 22.40 lakhs.

A proposal seeking financial assistance of \$150 million from ADB for implementing urban water supply and sanitation component has been sent to GOI by the State Government. Under tranche-1 of the programme, it is proposed to implement 24x7 water supply and improve sewerage system in the 4 towns viz., (i) Davangere, (ii) Harihar (iii) Ranebennur and (iv) Byadagi located in the lower reaches of the "Upper Tungabhadra Sub-basin" (pilot sub-basin), at an estimated cost of \$ 115 million. Feasibility studies have been prepared for the tranche-1 towns to cover expansion rehabilitation of UWSS systems. DPRs for water supply and sewerage works are under finalization for the subject towns. And loan negotiations are expected to take place shortly. Under Tranche-2, water supply and UGD projects in the

towns of (i) Mangalore (ii) Puttur (iii) Udupi and (iv) Kundapura towns are proposed and the Government has accorded approval for Rs. 522.80 crore.

6.13 FINANCING URBAN DEVELOPMENT

The financial allocation for urban development in the Five Year Plans of Karnataka was less than 10% upto Sixth Plan and has ranged from 11.5 to 15.3% between the 7th and 9th Plans. It was only in the 10th Plan that the proportion has gone up 20% and it has come down to 12.82% during 11th Plan though absolute increase of Rs.3000 crore during 11th Plan (Table 6.26). The expenditure of ULB's has increased from Rs.1,52,918.35 lakhs in 2007-08 to Rs.2,73,355.45 during 2013-14. The projections of ULB's expenditure and actual expenditure are given in Table 6.27. The revenue and expenditure of ULB's are increasing over the period of time (Table 6.28).

Table 6.26 - Proportion of Urban Development outlay in Five year plans (Rs. crores)

Sl No	Plan Period	Total Outlay	Outlay for Urban Development	% of Total
1	Third Five Year Plan	250.00	5.00	2.00
2	Fourth Five Year Plan	440.00	35.00	7.95
3	Fifth Five Year Plan (1974-79)	1350.00	128.00	9.48
4	Sixth Five Year Plan (1980-85)	2500.00	215.00	8.6
5	Seventh Five Year Plan (1985-90)	5500.00	743.41	13.52
6	Eighth Five Year Plan (1992-97)	11000.00	1266.10	11.51
7	Ninth Five Year Plan (1997-2002)	31144.87	4770.66	15.32
8	Tenth Five year Plan (2002-2007)	50850.00	10354.73	20.36
9	Eleventh Five Year Plan (2007-2012)	101664.00	13027.41	12.82

Table 6.27 - Detail Expenditure of ULB's in Karnataka

EXPENDITURE OF ULBs (Rs. In Lakhs)							
S.No.	Item	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
1	Establishment						
	a) Salaries & wages for employees	35,181.96	43,791.79	48,659.60	44,313.92	62,588.17	88,461.10
	b) Pension etc. for employees	700.00	4,964.34	3,264.27	2,343.32	4,023.10	2,372.04
	c) Any other (Office Expenses)	1,124.66	1,591.89	1,822.96	1,924.21	2,538.73	2,310.56

S.No	Item	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
2	Maintenance						
	(i) Water Supply	8,676.56	14,044.31	11,951.25	14,320.36	13,322.37	13,514.04
	(ii) Buildings	1,026.48	1,302.52	1,610.19	1,804.22	1,857.49	1,866.93
	(iii) Roads	6,051.70	6,230.29	9,871.38	8,082.61	7,806.03	7,262.87
	(iv) Any other maintenance Expenditure (Electricity Charges)	36,500.00	35,190.52	34,976.56	36,381.07	42,064.17	44,416.60
3	Capital Expenditure						
	(i) Water Supply	6,170.49	5,379.52	8,715.62	10,685.17	9,250.47	10,735.22
	(ii) Buildings	5,494.34	6,845.36	8,751.20	9,795.64	11,287.85	10,737.14
	(iii) Roads	29,612.27	35,597.77	58,101.05	58,328.72	49,420.05	50,644.93
	(iv) Any other Capital Expenditure (SWM, UGD & Street Lights)	13,046.99	14,585.22	25,732.49	28,002.20	19,875.29	21,366.82
4	Welfare Expenditure for citizens						
	a) Education (excluding teachers salary)						
	b) Pension etc. for citizens						
	c) Any other welfare expenditure for citizens (22.75%, 7.5% OBC, 3% PH)	3,153.59	5,012.91	10,917.40	8,552.05	9,080.23	9,361.60
5	Any other (SJSRY)	6,179.31	6,274.77	8,421.62	9,465.95	11,330.80	10,305.59
	Total	152,918.3 5	180,811.2 1	232,795.5 8	233,999.4 4	244,444.7 5	273,355.4 5

Table 6.27 (contd.)- Detail Expenditure of ULB's in Karnataka

EXPENDITURE OF Projections (Rs in Lakhs)								
S.No.	Item	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
1	Establishment							
	a) Salaries & wages for employees	97,307.21	107,037.93	117,741.73	129,515.90	142,467.49	156,714.24	172,385.66
	b) Pension etc. for employees	2,609.24	2,870.17	3,157.19	3,472.90	3,820.19	4,202.21	4,622.43
	c) Any other (Office Expenses)	2,541.62	2,795.78	3,075.36	3,382.89	3,721.18	4,093.30	4,502.63
2	Maintenance							
	(i) Water Supply	14,865.44	16,351.99	17,987.19	19,785.90	21,764.50	23,940.94	26,335.04
	(ii) Buildings	2,053.62	2,258.99	2,484.89	2,733.37	3,006.71	3,307.38	3,638.12
	(iii) Roads	7,989.16	8,788.07	9,666.88	10,633.57	11,696.92	12,866.62	14,153.28
	(iv) Any other maintenance Expenditure (Electricity Charges)	48,858.26	53,744.09	59,118.49	65,030.34	71,533.38	78,686.72	86,555.39
3	Capital Expenditure							
	(i) Water Supply	11,808.74	12,989.61	14,288.57	15,717.43	17,289.17	19,018.09	20,919.90
	(ii) Buildings	11,810.85	12,991.94	14,291.13	15,720.24	17,292.27	19,021.49	20,923.64

EXPENDITURE OF Projections (Rs in Lakhs)								
S.No.	Item	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	(iii) Roads	55,709.43	61,280.37	67,408.41	74,149.25	81,564.17	89,720.59	98,692.65
	(iv) Any other Capital Expenditure (SWM, UGD & Street Lights)	23,503.51	25,853.86	28,439.24	31,283.17	34,411.48	37,852.63	41,637.90
4	Welfare Expenditure for citizens							
	a) Education (excluding teachers salary)							
	b) Pension etc. for citizens							
	c) Any other welfare expenditure for citizens (22.75%, 7.5% OBC, 3% PH)	10,297.76	11,327.54	12,460.29	13,706.32	15,076.95	16,584.65	18,243.11
5	Any other (SJSRY)	11,336.15	12,469.76	13,716.74	15,088.41	16,597.26	18,256.98	20,082.68
	Total	300,690.99	330,760.09	363,836.10	400,219.71	440,241.68	484,265.85	532,692.43

Table 6.28- Expenditure and sources of Revenue/Capital of ULBs

Year	Expenditure		Sources of Revenue								Sources of Capital (Specify)	
	Revenue	Capital	Own Revenue			Transfers from Central Government	Transfers from 12th FC/ 13th FC	Assigned + Devolution	Grant-in-Aid from State Government	Others (pl. specify)	Source *	Amount
			Immovable Property Tax	Other Taxes	Non Tax (Incl. user charges)							
1	2	3	4	5	6	7	8	9	10	11	12	13
Municipal Corporations												
2007-08	964.22	475.94	521.18	83.81	171.49	-	30.76	664.53	-	-	Centre+State+Loans+Others	475.94
2008-09	1,068.10	1,698.24	607.64	29.65	215.97	-	29.72	820.37	-	-	Centre+State+Loans+Others	1,698.24
2009-10	1,408.20	629.80	1,159.84	36.33	314.52	319.33	41.32	867.53	-	-	Centre+State+Loans+Others	629.80
2010-11	1,740.14	2,238.02	1,856.82	42.58	414.79	190.61	66.68	1,055.48	-	-	Centre+State+Loans+Others	2,238.02
2011-12	2,596.28	1,701.30	1,589.93	47.47	728.45	497.65	170.01	1,175.17	-	-	Centre+State+Loans+Others	1,701.30
2012-13	2,736.90	1,893.17	1,206.74	69.03	578.27	734.75	191.55	1,310.23	-	-	Centre+State+Loans+Others	1,893.17
Municipalities												
2007-08	133.21	186.26	81.10	9.37	43.25	-	69.79	981.32	-	-	Centre+State+Loans+Others	186.26
2008-09	151.88	184.30	100.84	9.92	45.05	-	114.02	1,210.02	-	-	Centre+State+Loans+Others	184.30
2009-10	228.75	298.50	117.41	12.30	51.47	16.05	53.75	1,261.24	-	-	Centre+State+Loans+Others	298.50
2010-11	248.37	402.43	129.02	12.12	55.06	74.87	92.06	1,518.13	-	-	Centre+State+Loans+Others	402.43
2011-12	264.49	301.80	120.31	16.07	50.65	81.70	214.11	1,706.89	-	-	Centre+State+Loans+Others	301.80
2012-13	241.90	311.95	136.50	12.92	46.08	13.00	259.86	1,923.46	-	-	Centre+State+Loans+Others	311.95
Nagar Panchayats												
2007-08	20.61	37.75	13.58	1.77	3.91	-	11.05	292.80	-	-	Centre+State+Loans+Others	37.75
2008-09	30.32	36.41	9.58	1.55	4.57	-	31.29	360.94	-	-	Centre+State+Loans+Others	36.41
2009-10	58.26	89.50	38.91	6.58	9.56	8.47	25.34	376.82	-	-	Centre+State+Loans+Others	89.50
2010-11	59.13	83.24	12.91	6.17	9.50	41.30	26.72	452.85	-	-	Centre+State+Loans+Others	83.24
2011-12	56.67	87.56	12.28	8.41	11.21	3.44	56.77	509.28	-	-	Centre+State+Loans+Others	87.56
2012-13	29.61	41.56	13.83	4.26	5.82	2.00	70.25	573.89	-	-	Centre+State+Loans+Others	41.56

*Source of capital to include market borrowing/issue of bond etc.

Column No. 7 - Transfers from Central Government - JNNURM, SJSRY, RAY, UIDSSMT

Column No. 9 - Actual Devolution + 10% of the Assigned Taxes

Column No. 12 - Grants from GOI under 12th/13th FC, Devolution from state, Loans borrowed from Banks, 10% of Cess Handling Charges

Financial resources are required for the following activities: i) Provision of municipal services ii) Operation and Maintenance of assets (O&M), iii) Infrastructure Development, iv) Debt Servicing. The budget allocation, release and expenditure of Urban Development are given in table 6.29.

Municipalities are empowered to levy taxes on i) buildings or lands or both (property tax), ii) advertisements, iii) toll on vehicles other than those taxed under Karnataka Motor Vehicles Taxation Act, 1957, and iv) water rate on water supplied by the Municipalities. Property tax is the major source of tax

revenue for ULBs, an average of 73% of own revenues during 2012-13 and 56% during 2013-14 (till November 2013). The ARV system which was in vogue in the state has been replaced by the Capital Value System. The new system is more rational and has come to be accepted by all municipalities. It is, however, necessary to take measures to improve tax administration in terms of coverage of properties (a good percentage of properties escape taxation) and collection efficiency. The performance of different classes of ULBs in tax collection may be seen in Table 6.30.

Table 6.29 - Allocation, Releases & Expenditure (Rs. in lakhs)

Sl. No	Year	Budget Allocation	Releases	Expenditure
1	2008-09	311678.99	262084.97	293632.19
2	2009-10	369677.47	344265.57	444438.78
3	2010-11	514670.00	420266.74	616050.78
4	2011-12	477089.45	295305.47	384898.52
5	2012-13	425238.72	204618.39	292362.80

Table 6.30 Property Tax Collection - Performance of ULBs (Rs. In lakhs)

Sl No	Type ULB	Opening Balance	Demand	Total Demand	Total Collection	Balance	%age
1	CCs	4005.50	18193.80	22199.30	12857.30	9342.00	58%
2	CMCs	1512.83	10062.38	11575.21	10267.86	1307.35	89%
3	TMCs	551.25	4577.84	5129.09	4920.37	208.72	96%
4	TPs	145.32	1347.63	1492.95	1447.48	45.47	97%
5	NAC	2.62	39.29	41.91	37.46	4.45	89%
	Total	6217.52	34220.94	40438.46	29530.47	10907.99	73%
2013-14							
Sl No	Type ULB	Opening Balance	Demand	Total Demand	Total Collection	Balance	%age
1	CCs	5100.01	20242.95	25342.96	12558.41	12784.55	50%
2	CMCs	1382.6	11394.26	12776.86	7812.35	4964.51	61%
3	TMCs	473.78	5130.82	5604.60	3849.67	1754.93	69%
4	TPs	185.16	1586.20	1771.36	1232.60	538.76	70%
5	NAC	2.43	36.98	39.41	32.28	7.13	82%
	Total	7143.98	38391.21	45535.19	25485.31	20049.88	56%

The Director of Municipal Administration (DMA) is the Nodal Agency to monitor the administrative, developmental and financial activities of the ULBs (Table 6.31) coming under its jurisdiction. The ULBs in the State are given in Table. The budget, progress and implementation of schemes and programmes under DMA are given Table 6.32.

(a) Chief Minister's Small & Medium Towns Development Programme (CMSMTDP Phase -I)

CMSMTDP was announced in the budget speech of 2009-10. It covers 211 small and medium towns (Urban local bodies). Govt. Order and Guidelines issued in June 2009 and July 2009. There is 50% Grant and 50% Loan. The details are given from Table 6.33 to 6.35.

Table 6.31 - Category of ULBs

Sl. No.	Category of ULB	Nos.
1	City corporations	7
2	City Municipal Councils	44
3	Town Municipal Councils	94
4	Town Panchayats	68
5	Notified Area Committees	5
	Total	218

Table 6.32 – DMA- Budget for 2013-14

Sl. No	Scheme	Allocation
1	State Finance Commission Grants (GOK)	2697.66
2	Nagarottana Yojane (Total Grant - Rs.490 crore) (GOK)	
	a. Rs.100 crores Scheme- 7CCs	150.00
	b. CMSMTDP Phase II	360.00
	c. Gulbarga Cabinet	100.00
3	SJSRY (GOI & GOK) (75:25)	80.00
4	RAY (GOI, GOK & ULBs) (80:10:10)	110.00
5	13th FC- General Basic & General Performance Grants (GOI)	434.94
6	13th FC- R&B (GOK)	74.33
	Grand Total	3347.93

Note: Budget excluding BBMP, GOI-Government of India, GOK-Government of Karnataka, ULBs-Urban Local Bodies

Table 6.33- Amount earmarked in CMSMTDP (Rs. in crore)

ULB Category	2009-10			2010-11		Grand Total
	Numbers	Amount per town	Total Amount	Amount per town	Total Amount	
District Hqrs. having CMCs	21	15	315	15	315	630
ULBs in Taluka Headquarters	142	5	710	-	-	710
Non Taluka Head Quarter CMC's	6	5	30	-	-	30
ULBs in small towns	42	2	84	-	-	84
Total	211	27	1139	15	315	1454

Table 6.34-Sector wise Approvals in CMSMTDP Phase-I (Rs. In lakhs)

Sl no	Sector	Works	Amount
1	Water Supply	514	11265.05
2	Storm Water Drains	300	5812.79
3	Roads & Drains	3796	64951.97
4	Sewerage (UGD)	75	5258.20
5	Slum Up-gradation	1925	28118.78
6	Others	1690	29920.92
	Total	8300	145327.71

Table 6.35 - CMSMTDP Phase-I (Rs. in Crore)

Category	Nos	Allocation	Total
Dist. Head Quarter CMCs	21	30.00	630.00
Other CMCs	23	15.00	345.00
TMCs	94	5.00	470.00
TP/NAC	73	5.00	365.00
Total	211		1810.00

Sl. No.	ULB Name	Project	Cost approved by SLSC	Releases to SLNA GoI+GoK +ULB (80+10+10)	Releases to Agencies	Expenditure		Completion status
						Phy. (%)	Fin.	
1	2	3	4	5	6	7	8	9
14	Hubli-Dharwad	Roads	414.00	420.20	371.82	100%	680.00	Completed
15	Ramanagara	Roads & Drains	1741.00	1765.26	1558.56	100%	1781.04	Completed
16	Ramanagara	Storm water drains	1460.00	754.64	657.00	45%	327.27	By March 2014
17	Shikaripura	Sewerage	1317.00	1336.77	1185.30	74%	1423.52	By March 2014
18	Holenarasipura	Roads & Drains	2024.00	1989.54	1821.60	75%	1733.60	By December 2013
19	Holenarasipura	Sewerage	303.00	307.55	272.12	60%	290.09	By March 2014
20	Holenarasipura	Water Supply	89.79	91.15	80.79	100%	112.49	Completed
21	Holenarasipura	Storm water drains	800.00	812.00	718.50	100%	880.31	Completed
22	Basavana Bagewadi	Sewerage	844.00	856.66	755.55	85%	857.21	Commissioned
23	Yargol (Kolar-Bangarpet-Malur) combined WSS	Water Supply	7992.00	7993.48	7177.80	80%	6764.02	By December 2015
Approved by SLSC								
24	Mulbagalu	Water Supply	1894.76	852.64		Tender under negotiation	0.02	By March 2015
25	Kerur	Water Supply	1173.23	1173.22	1055.90	95%	1463.15	Commissioned & physically completed. Completion report will be sent
26	Soundatti	Sewerage	867.84	477.31	390.54	20%	171.63	By March 2014
27	Mundgod	Water Supply	376.58	376.58	338.92	100%	501.16	Completed

Sl. No.	ULB Name	Project	Cost approved by SLSC	Releases to SLNA GoI+GoK +ULB (80+10+10)	Releases to Agencies	Expenditure		Completion status
						Phy. (%)	Fin.	
1	2	3	4	5	6	7	8	9
28	Bijapura	Water Supply	6277.57	6049.82	5649.81	95%	7720.00	Commissioned & physically completed. Completion report will be sent
29	Chikkodi	Water Supply	2039.91	1948.07	1835.92	90%	2530.06	By December 2013 (physically completed)
30	Hunagunda-Ilkal-Kustagi (combined WSS)	Water Supply	5821.20	5527.44	5239.08	90%	6472.11	By December 2013 (physically completed)
31	Mulki	Roads	213.98	213.97	192.57	100%	212.97	Completed
32	Gajendragad-Naregal (combined WSS)	Water Supply	3632.44	3535.22	3269.20	50%	2669.88	By August 2014
33	Vijayapura	Water Supply	1109.62	553.09	499.33	25%	281.28	By March 2014
34	Shirahatti-Mulagunda (combined WSS)	Water Supply	2595.58	2564.51	2336.02	85%	3187.77	By February 2014 (physically completed)
35	Shiggaon-Savanur-Bankapura (combined WSS)	Water Supply	3975.70	3766.04	2683.59	65%	4222.42	By December 2015 (physically completed)
36	Harihara	Roads & SWD	2422.00	2310.00	2179.80	94%	2176.66	By March 2014
37	Chennagiri	Roads & Drains	620.71	620.70	558.63	100%	621.65	Completed
38	Konnur	Roads & Drains	750.79	750.77	675.72	81%	592.85	By December 2013
	Total		68248.57	64563.42	57095.54	29.06	67925.79	

(c) State Finance Commission Grants

The details of State Finance Grants are regarding untied is given in Table 6.37 and 6.38

(d) 13th Finance Commission Grants for ULB's

The 13th finance commissions grant implementation period is 2010-15. The target for this grant is 219

ULB's. The priority sectors, mode of execution and other details are given in Table 6.39. The details of 13th Finance Grant with respect to General Basic grants, General Performance, Roads & Bridges are given in Table 6.40 to 6.41.

Table 6.37 - SFC Untied - Programme Highlights

Allocation:	Rs.782.64 crore for 2013-14 (Excluding BBMP)
Target ULBs	218 urban local bodies
Priority sectors	(a) compulsory allocation for spill-over works (b) 22.75% for SC/ST welfare (c) 7.25% for urban poor (d) 50% of balance grants for water supply, markets, modern toilets internal roads, cremation grounds and ULB loan repayment (e) 50% of balance grants for SWM, ULB share to central schemes, SWM equipment, computer & internet facility and viability gap- funding
Works selection	• Through Council Resolution and Action Plan approved by Deputy Commissioner of the District
Mode of execution:	Through open Tenders as per KTPP
Monitoring mechanism	Third party inspection agency to inspect and certify the works
Fund release	In four installments from Government every year through Treasury Network Management Center(online transfer)

Table 6.38- Untied Grants (Rs.in crores)

Year	Allocation	Releases	Expenditure
2009-10	846.47	712.66	636.72
2010-11	685.42	601.19	525.00
2011-12	752.53	712.50	522.69
2012-13	783.15	468.65	300.08
2013-14	782.64	396.62	-

Note: Excluding BBMP

Table 6.39-13th Finance Commission - Programme Highlights Basic grants and Performance grants to ULBs-(Centrally Sponsored Scheme)

Allocation:	Rs.1992.06 crore (including BBMP)
Implementation period	2010-11 to 2014-15
Target ULBs	219 urban local bodies
Priority sectors	SWM (min.25%), Water supply (max. 20%), UGD(max.20%), SWD (max. 25%), Streetlights (min.10% - max.15%), Municipal buildings(max.5%)and Parks &Afforestation (min.5% - max.10%)
Works selection	Through Council Resolution and Action Plan approval by Deputy Commissioner.
Mode of execution:	Through open Tenders as per KPPP
Monitoring mechanism:	Third party inspection agency to inspect and certify the works
Fund release	In two installments from Government every year through Treasury Network Management Center (online transfer).

Table 6.40-General Basic Grants (Rs.in Crore)

Year	Allocated Amount	Released Amount	Expenditure
2010-11	144.13	144.12	112.53
2011-12	167.15	180.67	104.90
2012-13	195.37	205.23	57.73
Total	738.11	530.02	275.16

Table 6.41 - General Performance Grants (Rs.in Crore)

Year	Allocated Amount	Released Amount	Expenditure
2011-12	58.81	93.28	12.97
2012-13	166.82	150.60	1.09
2013-14	203.50	87.51	-
Total	429.13	331.39	14.06

Table 6.42 - Roads and Bridges (Rs.in Crore)

Year	Allocated Amount	Released Amount	Expenditure
2011-12	65.25	65.25	38.24
2012-13	69.53	69.53	14.11
2013-14	74.33	-	-
Total	209.11	134.78	52.35

Note: Excluding BBMP

6.14. NEW INITIATIVES

(a) E-Governance Initiatives in ULB's

- ★ Municipal Reforms Cell has been established as a centre of all e-governance activities under UDD.
- ★ Aasthi – GIS based Property Tax Information System – to enhance property tax collection to bring in transparency, minimizing tampering of records, tracking of defaulters.
- ★ Jala Nidhi – Computerization of manual processes of Collection of Water Charges.
- ★ Introduction of Fund Based Accounting System (FBAS).
- ★ Introduction of Public Grievance Redressal System.

(b) BWSSB:

BWSSB has taken up Bangalore Water Supply & Sewerage Project – II funded by JICA under a Loan Agreement ID-P165 consisting of water supply component, slum development and management improvement services and ID-P 168 consisting of sewerage component which includes construction of Sewage Treatment Plants (STP) under 7 contract packages and Distribution Improvement Component (UFW) consisting of 3 contract packages. The Water Supply Component of the scheme consisting of 13 contract packages was commissioned in October 2012. In 2013-14 under sewerage component, tenders have been invited for construction of 60 MLD STP at Kengeri. Also, tenders have been invited for construction of 3 MLD STP at Agaram.

Under slum development component, tenders have been invited for providing water supply and sewerage facilities to 68 Slums under 13 contract packages. In 2013-14 initiation has been taken up to prepare revised Draft Project Reports as per CPHEEO guidelines for Providing Water supply and UGD facilities to the 110 Villages of BBMP areas. Preparation of DPRs for transitional Phase UGD works in 7 CMC and 1 TMC areas under KMRP for further developments. Providing Water supply facilities in the left out areas of former 7 CMCs 1 TMC viz RR Nagar, Dasarahalli, Mahadevapura,

Batrayanapura, KR Puram, Bommanahalli & Kengeri under GBWASP Phase-IV.

Initiative has been taken to get ROW clearance from different organizations of State Government and Central Government. Initiative has been taken to achieve good physical as well as financial progress in respect of KMRP UGD works. Initiative has been taken to acquire the required land for laying of pipelines where private properties comes across the alignment of the pipelines and also initiatives taken to acquire the land at Kengeri for Construction of wet well. Initiatives have been taken to prepare the DPRs for Providing Water Supply and UGD facilities to further extension of Banashankari VI Stage and Anjanapura further extension of BDA layouts.

(c) BMRCCL

The major challenge will be new land acquisition bill which is going to be in place in Jan 2014. The various provisions of the new Act are likely to adversely affect the land acquisition for the Phase-II of Bangalore Metro Rail Project. The main provisions which are likely to affect the acquisition are -

- a) The provisions relating to preparation and publication of Social Impact Assessment Study.
- b) Appraisal of Social Impact Assessment report by an expert group.
- c) The provisions relating to Rehabilitation and Resettlement Scheme.
- d) The compensation will be paid twice the market rate in urban and four times of the market rate in rural areas.
- e) Increase in solatium from 30% to 100%.

(d) ULB's

To guide, control and supervise the affairs of the ULBs in the State, the ULBs have to provide basic services to the citizens. The Department guides the ULBs in carrying out the duties like-

- ✧ Construction of roads, bridges and beautification of traffic islands, maintenance of parks and play grounds, solid waste management and rain water harvesting etc.

- ❖ To provide required training to the personnel of the ULBs.
- ❖ To provide solutions to the service problems of the employees working in the ULBs to bring up their morale and commitment in discharging their duties most effectively.
- ❖ To have effective monitoring system over ULBs, the DMA will be upgraded as Commissionerate of UDD. For this an expert committee is constituted and based on its recommendations, suitable will be taken. It is under progress.
- ❖ Up-gradation of Local Bodies based on 2011 Census data, approval to upgrade 200 ULBs in the State. The details are as given below -

(e) Housing

- ❖ **Hut dwellers Survey** - The Company has conducted a survey of hut-dwellers in the State during 2009-10 to make the hut less State. As per the survey around 10.50lakhs hut-dwellers
- ❖ **Direct release of funds to a beneficiary account-** From 2010-11 and onwards the Company has introduced on-line direct release the funds to the beneficiary account based on GPS verification to ensure more transparency in the implementation and also to ensure that the entire unit cost should reach to the beneficiary.
- ❖ **Introduction of GPS (Global Positioning System):** The Company has introduced GPS system during 2010-11 wherein payment will be made directly to a beneficiary account after GPS verification of a house at each stage to avoid the duplications, to ensure the actual progress at the field etc.
- ❖ From 2013-14 the Government has introduced lottery system in selection of beneficiary to ensure the transparency in the selection.

- ❖ **Introduction of DGS (Digital Signature):** For the old series beneficiary list was brought to head office through Hard Copy. Now from 2013-14 the beneficiary list is approved through online with Digital Signature within 24 hours.
- ❖ **Introduction of SMS:** From 2013 014 the Company has introduced SMS. In this the SMS is sent to the Deputy Commissioner of the Districts, Chief Executive Officer of the Zilla Panchayat, Executive Officer of the taluka panchayats, Commissioners/Chief Officers of the CMCs/TMCs/TPs and beneficiaries at every stage. i.e after approval of the list, opening of bank account, release of funds etc.
- ❖ **Involvement of Financial Institutions in the implementation EWS housing schemes:** It is 1st time; the financial institutions are came forward to participate in Government Sponsored housing schemes especially for EWS in massive scale.
- ❖ Adoption of fast track technologies in construction of affordable housing for LIG

6.15. Issues and Challenges

In spite of new initiatives, following are the major challenges of urbanization.

- ↯ Present Urban Population – 2.36 crore. The increase in the growth of urban population is 4% over the last decade (0.60 crore).
- ↯ Migration from Rural to Urban Areas.
- ↯ Growing population widens urban infrastructure deficit - Water Supply, UGD, Solid Waste Management, Roads and Power.
- ↯ Sustainability of environment
- ↯ Improving, Monitoring and Delivery of Public Services.
- ↯ Addressing Regional Imbalances

Sl no	Existing Category of ULBs	To be Upgraded as	No. of ULBs proposed
1	CMC	CC	3
2	TMC	CMC	15
3	TP	TMC	18
4	GP	TP	164
		Total	200

The challenges of urbanization in the State may be understood through different lenses - the spatial distribution of urban areas and their emerging demographic trends, the infrastructure shortfall on several fronts, the challenge of ensuring the basic welfare of the poor in urban areas, and the need for strengthening their governance, planning and administration.

↪ **Migration** - Migration of large numbers of people to cities has led to increase in urban poverty. The rate of urban poverty in Karnataka is now higher than that in rural areas. It is also higher than the urban poverty rate of several other states as well as the all-India average. Although only a small portion of the urban population in the state lives in slums, the monthly per-capita expenditure by poor families in Karnataka is lower than in many other large states. Therefore, it has become imperative to develop policies and programs by which the welfare of the urban poor is protected better. Of particular concern, in this regard, are the shortfalls in adequate housing for the poor, their sanitary conditions, and their opportunities to education and jobs. This challenge is made more difficult to overcome by the fact that the problems of the poor are now tackled by a number of different government departments acting independently, rather than a single body with responsibility for their welfare. In migration also stretches the carrying capacity of Bangalore and other cities.

↪ **Infrastructure shortfall** - The growth of urban areas has vastly outpaced the State's efforts to develop infrastructure to serve the growing needs of cities. There is now a substantial deficit of infrastructure in several key areas - roads and transport (both within cities and between important cities in the State), housing, drinking water supply, domestic sanitation, sewage treatment systems, solid waste collection and management, storm water drains, lakes in urban areas, and domestic energy. In all these cases, the gap between demand and supply is very large, affecting millions of families, with consequences for the quality of life in urban areas across many measures.

↪ **Resources** - As the demand for infrastructure continues to grow, resources have to be mobilized to make new investments, and to adequately maintain the assets created. It is also important to ensure good standards in quality and design of construction.

↪ **Governance issues** - The far-sighted and enabling provisions of the 74th Constitutional Amendment have not been fully embraced in Karnataka. As a result, Urban Local Bodies suffer from two kinds of shortfalls - one, they do not have the necessary financial strength or autonomy that is necessary to develop their capacity for municipal administration, and must therefore rely on State-level funding for their various programs. Secondly, only a subset of the various responsibilities given to them under the Constitution has been transferred by the State, and citizens' participation in the governance of urban areas remains an unfulfilled promise (unlike rural areas, where panchayati raj institutions have greatly devolved power to local communities). ULBs lack the capacity to deal with local planning needs.

↪ **Growth of Bangalore (in terms of size and economic role)** - During the last two decades, the size and economic role of Bangalore have both become disproportionately high within the state. This has created a self-fulfilling cycle by which even more new investment and migrants are attracted to the Bangalore Metropolitan Region. Even the second largest urban conglomeration (Hubli- Dharwad) is much smaller, its population is only 1/6th of that of Bangalore. Any plan for the future therefore, has to redress this imbalance, but given the importance of Bangalore to the economy of the state, this should be done carefully, without sacrificing the interests of the capital.

POVERTY



INTRODUCTION

Poverty estimates at state level are based on the household consumer expenditure surveys conducted by National Sample Survey (NSS). These surveys are normally conducted on quinquennial basis. The last quinquennial survey was conducted in the year 2009-10 (66th round). Since 2009-10 was not a normal year, NSSO conducted another large sample survey in the year 2011-12 (68th round) and this section is based on the findings broadly from 2011-12 expenditure data and comparison is made with respect to 2004-05 (61st round).

Planning Commission periodically estimates poverty line and poverty ratio at state level for each of quinquennial rounds. The methodology adopted by Planning Commission has undergone changes from time to time based on the recommendation made by experts. The latest methodology adopted by Planning Commission was the suggestion by Expert Group under the chairmanship of Prof. Suresh D. Tendulkar and known commonly as Tendulkar Committee methodology. Even though several representations were made suggesting Tendulkar's poverty line is too low, and to review the methodology Committee was constituted under the chairmanship of Dr. C. Rangarajan, since Rangarajan Committee report is expected only in mid 2014 Planning Commission updated poverty line as per Tendulkar Committee methodology.

7.1 POVERTY ACROSS STATES

The NSSO tabulates Monthly Per Capita Consumer Expenditure (MPCE) on the basis of three different concepts: Uniform Reference Period (URP), Mixed Reference Period (MRP) and Modified Mixed Reference Period (MMRP). Poverty line as per Tendulkar methodology is expressed as MPCE based on Mixed Reference Period. For 2011-12, for rural areas national poverty line is Rs. 816 per capita per

month and Rs. 1000 for urban areas. The corresponding figures for Karnataka are Rs. 902 in rural areas and Rs. 1089 for urban areas, which are slightly higher than national average. All the members whose MPCE is below the poverty line are poor and incidence of poverty (head count ratio) is percentage of poor in total. Table 1 provides the poverty estimates for the year 2011-12 across States. It can be seen from the table that Karnataka stands 13th position among 20 major States and has highest poverty among southern States both in Rural and Urban areas.

7.2 TRENDS IN POVERTY

Comparable poverty ratios for 1993-94, 2004-05, 2009-10 and 2011-12 are given in Table -2 both for Karnataka State and at the national level. Rural poverty in Karnataka has declined by 32.1 percentage points during 1993-94 to 2011-12, which is much higher as compared to the decline at the all-India level (24.4%). The number of rural poor also declined over the period from 16.7 million to 9.3 million, which is about 44%. Incidence of poverty has always been less in rural Karnataka than the corresponding estimates for the country except for the year 1993-94. Deprivation in the urban sector too declined but at a lesser extent (as compared to rural sector) both in Karnataka (18.9%) and India as a whole (18.1%) between 1993-94 and 2011-12. The decline in the poverty ratios was not sufficient to neutralize the growth in urban population. Hence, the number of urban poor has increased both in Karnataka and all-India between 1993-94 and 2004-05. However between 2004-05 and 2011-12, a remarkable decline is seen in the number of poor and the decline is less by 6% in Karnataka (28.8%) as compared to all-India (34.8%). Incidence of urban poverty is almost same in Karnataka as that of all-India except for the year 1993-94, where Karnataka had higher incidence of poverty compared to all-India.

Table 7.1 - Percentage of Population below Poverty Line by States: 2011-12

Sl. No	States	Rural	Urban	Total
1	Andhra Pradesh	10.96	5.81	9.2
2	Assam	33.89	20.49	31.98
3	Bihar	34.06	31.23	33.74
4	Chhattisgarh	44.61	24.75	39.93
5	Gujarat	21.54	10.14	16.63
6	Haryana	11.64	10.28	11.16
7	Himachal	8.48	4.33	8.06
8	Jammu & Kashmir	11.54	7.2	10.35
9	Jharkhand	40.84	24.83	36.96
10	Karnataka	24.53	15.25	20.91
11	Kerala	9.14	4.97	7.05
12	Madhya Pradesh	35.74	21	31.65
13	Maharashtra	24.22	9.12	17.35
14	Odisha	35.69	17.29	32.59
15	Punjab	7.66	9.24	8.26
16	Rajasthan	16.05	10.69	14.71
17	Tamil Nadu	15.83	6.54	11.28
18	Uttarakhand	11.62	10.48	11.26
19	Uttar Pradesh	30.4	26.06	29.43
20	West Bengal	22.52	14.66	19.98
21	All India	25.7	13.7	21.92

Source: Press Note on Poverty Estimates, 2011-12, Government of India Planning Commission, July 2013.

7.3 LEVELS OF LIVING - A REGIONAL PROFILE

Regional profiles of deprivation in levels of living and inequality are presented in this section for rural and urban sectors of Karnataka for the years 2004-05 and 2011-12. The NSS regions for Karnataka are classified as follows -

Region 1 : Coastal and Ghats : Dakshina Kannada ,Udupi and Uttara Kannada .

Region 2 : Inland Eastern : Chickmagalur , Hassan ,Kodagu and Shimoga .

Region 3 Inland Southern (Bengaluru Rural) , Bengaluru (Urban) Chamarajanagar ,Kolar , Mandya ,Mysore and Tumkur .

Region 4 : Inland Northern : Bagalkot ,

Belgaum , Bellary , Bidar , Bijapur , Chitradurga ,Davanagere ,Dharwad ,Gadag , Gulbarga ,Haveri ,Koppal and Raichur .

Rural Karnataka -For the State as a whole ,per capita per month rural median consumption (in 2009 - 10 prices)increased by Rs 151 / between 2004 05 and 2011 12 .The increase in the consumption was highest in Coastal and Ghats Rs .296 / and lowest in Inland Eastern Rs .27 / -All the regions except Inland northern stand out with levels of consumption being higher than the state average in both the years 2004 05 and 2011 12 . Coastal and Ghats and Inland Southern had similar increase in the consumption and also achieved similar decline in the poverty ratio i e . around 15 percentage points .Inland Northern ,

Table 7.2 - Trends in Incidence of Poverty: Karnataka and All India

Karnataka						
	Rural		Urban		Total	
Year	% of poor	No. of Poor (million)	% of poor	No. of Poor (million)	% of poor	No. of Poor (million)
1993-94	56.6	16.7	34.2	4.1	49.5	20.8
2004-05	37.5	13.5	25.9	5.2	33.4	18.7
2009-10	26.1	9.7	19.6	4.5	23.6	14.2
2011-12	24.5	9.3	15.3	3.7	20.9	13.0
All India						
1993-94	50.1	327.7	31.8	74.9	45.3	403.0
2004-05	41.8	325.8	25.7	81.4	37.2	407.2
2009-10	33.8	278.2	20.9	76.5	29.8	354.7
2011-12	25.7	216.7	13.7	53.1	21.9	269.8

Note: Estimates are based on MRP of distribution of monthly per capita consumption expenditure of the National Sample Survey.

Table 7.3a - Region-wise Consumption Distribution in Rural Karnataka

2004-05						
Regions	Consumption Levels in 2011-12 prices (Rs. Per month)		Head Count Ratio (%)	Poverty Gap Index (%)	Squared Poverty Gap Index (%)	Gini Ratio (%)
	Mean	Median				
Coastal & Ghats	1481.07	1217.93	26.98	6.42	2.04	38.37
Inland Eastern	1342.23	1151.21	17.81	2.00	0.38	23.19
Inland Southern	1284.02	1077.16	27.47	3.98	0.90	25.43
Inland Northern	1011.42	906.08	49.60	8.97	2.33	22.97
State	1171.99	1006.91	37.49	6.51	1.67	26.64
2011-12						
Coastal & Ghats	1955.31	1513.85	12.72	1.08	0.22	32.45
Inland Eastern	1487.23	1177.75	16.88	1.70	0.22	27.95
Inland Southern	1615.90	1354.60	11.89	1.42	0.24	26.72
Inland Northern	1178.52	1024.27	34.29	4.84	1.11	21.78
State	1395.10	1157.95	24.53	3.26	0.71	26.78

even though had only half of that of the increase in the consumption, witnessed same stride in the reduction of poverty between 2004-05 and 2011-12. Inequality in nominal consumption distribution remained same in rural Karnataka as a whole. The extent of inequality (Gini Ratio) in consumption distribution in rural Karnataka was 27% in the year 2011-12.

Urban Karnataka: For the State as a whole per capita per month urban median consumption increased (in 2009-10 prices) by Rs. 412 during 2004-05 and 2011-12. In urban areas increase was highest in Coastal and Ghats, i.e. by Rs. 783/- followed by Inland Southern region, Rs. 729/-, during the period 2004-05 and 2011-12. However, Inland eastern region witnessed a lowest increase in consumption i.e. Rs. 61/- during the same period. Extent of poverty reduction in the two regions i.e., Inland eastern, inland southern and were marginal

and it was substantial in Coastal & Ghats region (about 28 percentage points) Inland Northern also had a remarkable decline in poverty i.e. 16 percentage points. Inequality in nominal consumption distribution in urban Karnataka is much higher compared to rural areas. Inequality increased in urban Karnataka as a whole. Although inequality declined in all the regions except inland southern the decline was substantial in inland eastern region. The extent of consumption inequality in Urban Karnataka was 42% in the year 2011-12.

7.3.1 Living Standard across Administrative Division

For administrative purpose, Karnataka has been divided into four Divisions viz. Bangalore division, Belgaum division, Gulbarga division and Mysore division. In Rural Karnataka, Mysore division not only had highest consumption level but also lowest

Table 7.3b - Region-wise Consumption Distribution in Urban Karnataka

2004-05						
Regions	Consumption Levels in 2011-12 prices (Rs. Per month)		Head Count Ratio (%)	Poverty Gap Index (%)	Squared Poverty Gap Index (%)	Gini Ratio (%)
	Mean	Median				
Coastal & Ghats	2253.61	1445.37	38.16	8.57	2.55	45.62
Inland Eastern	1881.19	1604.39	20.49	3.15	0.76	27.47
Inland Southern	2648.30	2062.06	7.91	1.50	0.45	33.35
Inland Northern	1373.59	1102.63	49.47	12.73	4.58	32.40
State	2107.56	1563.15	25.88	6.19	2.13	36.85
2009-10						
Coastal & Ghats	3469.49	2228.54	10.45	1.58	0.35	43.85
Inland Eastern	1746.68	1665.63	20.21	3.75	1.11	23.83
Inland Southern	3841.80	2791.36	2.45	0.36	0.08	38.47
Inland Northern	1618.32	1336.14	33.89	7.17	2.08	30.24
State	2898.94	1975.15	15.29	3.09	0.88	41.68

poverty estimates indicating prosperity of the division .Even though it constitutes nearly 1 4th of the population it contributed only 12% to the overall poverty .On the contrary Gulbarga division not only had highest poverty but also contributed 36% to the overall poverty . In Urban Karnataka ,Bangalore division had highest consumption levels . Consumption levels in this division were almost 2 5 times more than their rural counterpart .With respect to the other divisions the difference in the consumption levels between rural and urban is to the tune of 1 5times more which is marginally more after taking into account the price differentials between

rural and urban .This indicates the prosperity of the districts coming under Bangalore division ,partly may be due to proximity to the Bangalore city . However as expected , inequality is highest in Bangalore division .Poverty is quite low i e . only 5 5% of the people are below poverty line .Mysore division stands next in terms of low poverty and high consumption levels . Inequality is as high as Bangalore division .Gulbarga division shows the same picture as Rural i e . division with highest poverty and very low consumption level and hardly any improvement in the consumption levels between rural and urban .Only 14% of the urban population

Table 7.4 - Administrative Division wise Consumption Distribution, 2011-12

Division	Consumption Levels (Rs. Per month)		Head Count Ratio	Poverty Gap Index	Squared Poverty Gap Index	Contribution to total Poverty	Gini Ratio
	Mean	Median					
RURAL			(%)	(%)	(%)	(%)	(%)
Bangalore Division	1478.32	1237.12	18.83	2.40	0.47	20.8	26.8
Belgaum Division	1255.64	1068.71	29.52	2.97	0.53	31.0	22.2
Gulbarga Division	1139.69	999.85	37.09	6.28	1.62	36.3	22.3
Mysore Division	1717.97	1348.94	12.61	1.48	0.24	11.9	29.7
Total	1395.10	1157.95	24.53	3.26	0.71	100.0	26.8
URBAN							
Bangalore Division	3693.87	2725.26	5.49	0.96	0.23	19.3	39.7
Belgaum Division	1760.77	1407.60	28.19	5.87	1.70	34.1	31.8
Gulbarga Division	1450.46	1183.87	41.50	8.96	2.64	38.7	28.4
Mysore Division	2828.17	1953.13	8.90	1.51	0.46	7.9	38.3
Total	2898.94	1975.15	15.29	3.09	0.88	100.0	41.7
TOTAL							
Bangalore Division	2652.36	1692.10	11.76	1.64	0.34	20.4	42.4
Belgaum Division	1402.03	1151.10	29.14	3.81	0.87	31.8	26.8
Gulbarga Division	1218.18	1046.02	38.20	6.96	1.88	36.9	24.7
Mysore Division	1995.31	1510.83	11.69	1.49	0.30	10.8	34.4
Total	1940.23	1344.58	21.18	3.20	0.77	100.0	38.8

belongs to Gulbarga division and it contributes 39% to overall poverty . Thus Gulbarga division needs special attention both in rural areas and urban areas .

District Poverty : District level poverty estimates indicate that poverty is concentrated in northern Karnataka districts . Incidence of poverty which exceed 35% are found in the districts ,Chitradurga , Bellary ,Koppal ,Raichur ,Gulbarga ,Bagalkot and Bidar (Appendix Table 1) Following findings are made by Juxtaposing incidence of poverty with district income .

Districts are divided into four groups . Group I districts are those whose poverty levels are above the state average and district income is also above state median income .These districts are of concern since in spite of district having good income it has not percolated to lower segment of the population . Group II districts are those whose poverty levels are above the state average and district income is below the state median income .Districts being poor need more state intervention in the form of special programmes .Group III districts are those with low

poverty and high income and most of these districts as expected are from the southern region with either good irrigated land or more urbanized .Group IV districts are those with low poverty and low income levels .These districts being close to Bangalore city , some emphasis towards industrialization can overall make the people better How ever special emphasis is required with respect to the districts in Group II , which are mostly from Northern part of Karnataka as they are restraints from trickledown effect .

7.3.2 Poverty across Social Group

Social group wise disaggregation indicates that SC and ST group have lowest consumption levels and high incidence of poverty compared to OBC and others .Further it is seen that in rural areas poverty is highest among SC group compared to others .SCs who account only for 18% of the population in rural areas contribute about 27% to the total poverty . Though the reduction in the poverty levels of this group is substantial i e . 20% from 2004-05 to 2011-12 ,it is as a result of decline in the regions of Inland eastern and Inland southern (Table 7.6 and 7.7) Thus

Table- 7.5 - Incidence of Poverty Vs District Income

	High Income (Income above State median Income)	Low Income (Income below State median Income)
High Poverty (Poverty levels above State figures)	I Dharwad, Bellary Shimoga Udupi	II Belgaum Bagalkot, Bijapur, Gulbarga, Bidar Raichur, Koppal, Gadag, Haveri Chitradurga Davangere
Low Poverty (Poverty Levels below State figures)	III Uttara Kannada Chickmagalur Tumkur Bangalore , Rural Hassan Dakshina Kannada Kodagu Mysore Ramanagar	IV Kolar Mandya Chamarajanagar

Table- 7.6 - Social group-wise Consumption Distribution in Karnataka

2004-05								
	Rural				Urban			
	Consumption Levels (Rs. Per month) in 2011-12 prices		Head Count Ratio	Contribution to total Poverty	Consumption Levels (Rs. Per month) in 2011-12 prices		Head Count Ratio	Contribution to total Poverty
	Mean	Median	(%)	(%)	Mean	Median	(%)	(%)
ST	977.33	895.50	50.53	11.28	1286.21	994.56	55.70	5.82
SC	981.54	879.16	57.37	31.00	1371.57	1182.41	41.22	20.28
OBC	1162.98	1010.21	35.85	37.14	1710.66	1424.94	32.14	48.91
Others	1351.50	1101.37	23.72	20.58	2709.95	2080.57	14.31	24.99
Total	1171.99	1006.91	37.49	100.00	2107.56	1563.15	25.88	100.00
2011-12								
ST	1191.89	1023.70	30.81	8.72	1867.37	1393.26	33.69	8.52
SC	1281.80	1064.62	37.06	26.93	1931.20	1552.60	24.96	24.06
OBC	1452.48	1221.82	20.75	46.36	2441.57	1821.71	15.09	49.47
Others	1409.14	1148.05	21.62	17.99	4214.19	2947.79	8.77	17.95
Total	1395.10	1157.95	24.53	100.00	2898.94	1975.15	15.29	100.00

Inland northern region not only needs emphasis in general but also on the SC group in particular ,where every alternate person is poor .

7.4 BPL AND ANTHYODAYA CARD HOLDERS

NSS in its 68th round collected data on the type of ration card possessed by the households . At the State level it was found that still 21% of the households did not possess Ration cards . In rural areas the percentage of households who did not possess ration card was much smaller i e . only 13% compared to urban areas which was around 36% . In rural areas 6.6% possessed Anthyodaya card and 62% had BPL cards .In total as per the Ration card possession 68.6% are termed below poverty line and are getting benefits through several programme including Rs1

per KG rice . Type I error committed by not identifying the household properly as poor is to the tune of 2.5% in Rural area and 1.7% in Urban areas . These percentages correspond to 9.46 lakh persons in rural areas and 4.12 lakh persons in urban areas . These are the households who are really poor but have been denied of all the programme benefits including Rs 1 per Kg rice ,which would be a great help in the current situation given that market prices being quite high which is unaffordable by most of these households .Efforts should be made to bring down this error to almost 0% . On the other hand type II error committed is to the tune of 49.3% in rural areas and 25.2% in urban areas .Drastic reduction in these numbers would save a lot to the government , which in turn can be diverted towards other developmental activities .

Table – 7.7 - Region-wise Incidence of poverty Across Social groups (%) in Karnataka

Rural					
2004-05					
	Coastal & Ghats	Inland Eastern	Inland Southern	Inland Northern	Total
ST	51.29	27.21	27.34	63.83	50.53
SC	56.11	36.23	45.78	65.99	57.37
OBC	33.41	16.21	24.74	54.06	35.85
Others	14.10	8.41	18.15	30.94	23.72
Total	26.98	17.81	27.47	49.60	37.49
2011-12					
ST	30.90	62.89	1.95	36.24	30.81
SC	47.62	13.14	15.06	50.93	37.06
OBC	6.97	19.26	11.30	30.38	20.75
Others	1.11	0.00	16.94	28.76	21.62
Total	12.72	16.88	11.89	34.29	24.53
Urban					
2004-05					
	Coastal & Ghats	Inland Eastern	Inland Southern	Inland Northern	Total
ST	0	20.92	24.98	81.96	55.70
SC	35.59	28.06	25.73	59.42	41.22
OBC	55.90	26.19	8.69	59.42	32.14
Others	22.08	8.94	2.12	33.28	14.31
Total	38.16	20.49	7.91	49.47	25.88
2011-12					
ST	0.00	0.00	2.26	52.58	33.69
SC	23.13	49.28	7.68	48.86	24.96
OBC	19.90	15.93	2.32	33.08	15.09
Others	0.60	14.50	0.12	23.81	8.77
Total	10.45	20.21	2.45	33.89	15.29

Table – 7.8 - Types of Ration Card Possessed by Different Groups of Households

	Type of Ration Card Possessed				
	No Card	Anthyodaya	BPL	Other(APL)	Total
Rural					
Above Poverty Line	10.2	4.7	44.6	15.9	75.5
Below Poverty Line	2.8	1.9	17.4	2.5	24.5
Total - Rural Karnataka	13.0	6.6	62.0	18.5	100.0
Urban					
Above Poverty Line	34.7	1.1	24.1	24.8	84.7
Below Poverty Line	1.6	1.7	10.3	1.7	15.3
Total - Urban Karnataka	36.4	2.7	34.3	26.6	100.0
Total (Rural + Urban)					
Above Poverty Line	19.1	3.4	37.2	19.2	78.8
Below Poverty Line	2.4	1.8	14.8	2.2	21.2
Total Karnataka State	21.4	5.2	52.0	21.4	100.0

7.5 ISSUES AND CHALLENGES

- While the State has taken multiple measures to reduce urban poverty, and numbers have significantly come down from previous 11th plan levels, there a lot needs to be done. One of the main causes of poverty is the rural urban growth differential, and while measures are being put in place to address this, the task of the ULB is complicated by natural causes, drought, flood, crop failure as well as systemic failure on the part of governance mechanisms.
- The urbanisation of poverty in Karnataka is witnessed in the recent decade, with higher urban poverty growth rates than rural poverty

growth rates. Urban poverty cannot be looked at from the perspective of rural poverty since it is more dynamic and complex, with issues in housing, health, sanitation, education, social security, and livelihoods, rising crime and exacerbating the vulnerability of groups such as children, women, the challenged and the aged.

- Poor migrants are a vulnerable class. They are usually ineligible for social benefits which accrue to the long term residents and usually do not have a sustaining social network. Children of migrants face systematic barriers to education due to absence of documents and proof of residence, as well as due to the mobile nature of their parents' work.

- Where cities experience extreme population pressure and urban environments deteriorate, street crime increases.
- There is also regional disparity in poverty levels as indicated in Table 7.5. The districts of Belgaum, Bagalkot, Bijapur, Gulbarga, Bidar, Raichur, Koppal, Gadag, Haveri, Chitradurga Davangere have low income and high poverty levels, Most of these districts are in Northern Karnataka. Further poverty across social/marginalized groups is also a challenge.

7.6 Strategies for reducing poverty

Poverty alleviation requires integration of multiple agencies to remove both the push and pull factors of migration. Measures to address these include reducing the rural urban growth differential (RUGD), providing infrastructure in rural areas and increasing agricultural incomes by moving up the agricultural value chain, targeted subsidies, skill development, increasing formal financing measures. Providing urban amenities in rural Areas (PURA) measures that provide urban infrastructure in rural areas will help in addressing reducing in migration to cities.

Sustainability of urban development should be placed in the context of basic lifeline services for informal settlements and for slums. This requires interventions in provision of basic services in terms of access, affordability and security. Financial, governance, and development reforms need to be undertaken jointly to address this segment. Apart from the segment with informal housing, such as in slums, the needs of the homeless and street children require urgent attention. Some interventions required in this respect are the identification of urban poor livelihoods for wage employment. Interventions in education and health provision are required so that even homeless people and slum dwellers, who do not have access to documentation, can avail of health services in PHC, education in schools and medical insurance coverage.

The SNPUPR (Support to National Policy for Urban Poverty Reduction) under MoHUPA is a program aimed at reducing urban poverty and strengthening local government capacity, specifically with reference to Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and Rajiv Awas Yojana (RAY). This program also supports JnNURM cities in sustained reduction in Urban Poverty. The National Urban Health Mission that has been launched should be implemented by following guidelines as prescribed in the NUHM framework. NUHM has a high focus on urban poor population living in listed and unlisted slums, vulnerable population such as homeless, rag pickers, street children, sex workers, temporary migrants. It also emphasizes on sanitation, clean drinking water and vector control and strengthening of public health capacity of urban local bodies. Other key steps for better implementation of scheme include the need to develop infrastructure to address urban health and recruitment of USHA (urban social health activist) workers on the lines of ASHA (accredited social health activist).

There is a need to recognise the contribution of the urban poor in providing labour and treat migration as a desirable rather than as an undesirable consequence of urbanisation. In a study on push and pull factors of rural urban migration, the non availability of non-farm sector jobs, the reducing returns in farm sector, income differential and lack of access to basic services were provided as the main reasons for migration. The push factors that lead to high migration should be addressed on a war footing by strengthening the MNREGA job guarantee scheme for the rural poor and through the Provision of Basic Urban Services in Rural Areas (PURA). To address the pull factors of migration, smaller towns need to be established near rural areas with good connectivity and provision of basic urban services. These towns should be well networked to larger urban centres nearby so that investments and industry can be attracted, and migrant labour can be utilised close to the source. Counter magnet and

satellite towns will not only help in channelizing migration into desired pockets but also help in decongesting the prime migrant centre of Bangalore and lead to more balanced growth across the region .

Contractors who work with migrants should be encouraged to observe laws relating to migrant labour and provide for temporary housing ,access to education and health .Night shelter schemes have to be vigorously pursued and budgets enhanced substantially to address the issue of urban poverty and homelessness .

Investing in human capital and skill development of unemployed youth and of street children through targeted measures is the best insurance against street crime .Law enforcement mechanisms should also be strengthened to police such incidences .

Another aspect of governance interventions in poverty alleviation is systemic improvements to address the needs of the urban poor ,by reducing the complexity of documentation required in availing services ,reducing inefficiencies and ensuring the subsidies reach the deserving ,increasing community participation ,increasing information dissemination

to the target population .It is well documented that existing schemes are being subverted to the Above - poverty line residents as well .For instance ,The Department of Food and Civil Supplies in Karnataka has identified over 32 lakh LPG connections and 17 lakh ration cards in the state which are alleged to be illegal .The poverty lists that are compiled by various agencies have different beneficiaries listed in each list leading to duplication of effort and unnecessary subsidisation . There needs to be one comprehensive list based on which the poorest of the poor can be targeted for poverty alleviation schemes .The Socio - economic Caste Census that has been conducted by the Rural Development and Panchayati Raj department is a first step in this single list based identification of the poor .There is a proliferation of schemes at both the State and the Central level , leading to duplication of effort non convergence and sub optimal results ,diluting the effort on poverty reduction .There is a need to draw on the synergies of the existing schemes and reduce them to a manageable number ;and new schemes need to be purged of these drawbacks and a holistic approach to poverty alleviation must be made .

AGRICULTURE AND ALLIED SECTORS



8. AGRICULTURE

8.1 BUDGET FOR AGRICULTURE SECTOR

In 2013-14, an amount of Rs. 1692.56 crore has been provided to Agriculture Department, out of which Rs. 1411.77 crore has been provided under Plan and Rs. 280.79 crore under Non-Plan schemes. Emphasis has been given for comprehensive development of agriculture through Bhoochetana, supply of quality seeds, organic farming, farm mechanization and micro-irrigation.

8.2 MONSOON IN 2013

Pre-monsoon Rainfall

The State had received normal pre-monsoon rainfall during April and May. This helped to carry out sowing of early kharif crops in parts of Mysore, Chamarajanagar, Hassan, Chikkamagalur, Mandya, Chitradurga, Davanagere and Tumkur districts.

Southwest monsoon

Southwest monsoon commenced in parts of Chamarajanagar and Mysore districts on 2nd June and by 6th June covered all parts of Karnataka. During June, actual average rainfall was 216 mm as against the normal of 195 mm but it was deficit in Yadgir and Dharwad district. During July, actual average rainfall was 350 mm. as against the normal of 278 mm however; it was deficit in Ramnagar, Kolar, Chikkaballapur, Tumkur and Mandya district of South Interior Karnataka. During August, actual average rainfall was 163 mm. as against the normal of 205 mm. Rainfall was deficit in major parts of North Interior and some parts of South Interior and Coastal Karnataka. Rainfall was deficit/scanty in as many as 102 taluks of the State. During September, actual average rainfall was 205 mm. as against the normal of 158 mm and rainfall was excess/normal in all districts. Cumulative rainfall from 1st June to 30th

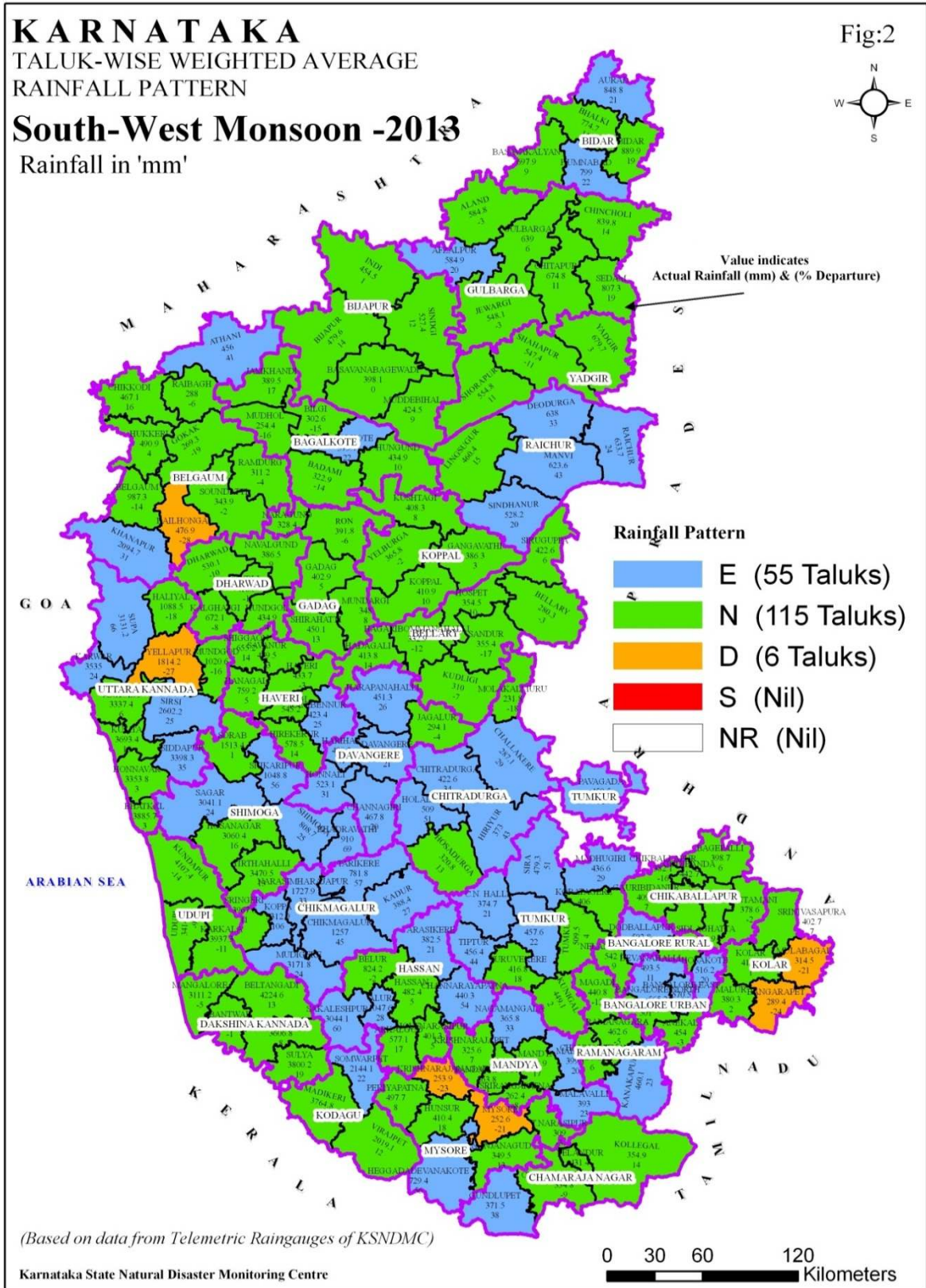
September 2013 was 934 mm as against a normal of 835 mm. Cumulative Rainfall was excess in 6 districts and normal in the rest 24 districts. Among taluks, 55 taluks were under excess category, 115 taluks under normal category and the rest 6 taluks were in deficit category. South-west monsoon withdrew from the State on 21st October 2013.

Northeast monsoon

Northeast monsoon rains commenced on 21st October 2013. Widespread rainfall occurred in North Interior regions during last week of October which helped to continue Rabi sowings. Actual average rainfall during October was 108.47 mm as against a normal of 137.80 mm (-21%) and it was excess/normal in 12 districts and deficit in the rest 18 districts. Rainfall during November (up to 21st) was scanty in major parts; as many as 145 taluks were under deficit/scanty category and 26 taluks were under NIL Rainfall category. District-wise and Month-wise rainfall received during pre-monsoon, southwest monsoon and northeast monsoon during the year 2013 is given in Appendix 8.1.

8.3 AGRICULTURAL PRODUCTION - PERFORMANCE AND PROSPECTS

On account of timely and widespread rainfall in major parts of the State, except during August in some parts of Bagalkot, Bijapur, Gulbarga, Yadgir, Bidar, Koppal, Dharwad, Gadag, Tumkur, Kolar, Chikkaballapur, Bangalore Urban and Bangalore Rural districts sowing of Kharif crops carried out in 70.58 lakh hectares. Excess rainfall during June/July caused damage to kharif crops in an area of about 1.45 lakh hectares. Rainfed kharif crops in about 7.07 lakh hectares were affected by long dry spell. Government declared drought situation in 64 taluks considering the rainfall deficiency and moisture adequacy index. Sowing of Rabi crops had been carried out near



E : Excess (>=20%)	N : Normal (-19 to +19%)
D : Deficient (-59 to -20%)	S : Scanty (-99 to -60%)
NR : No Rainfall (-100 %)	

normal and it is expected that the summer sowings would be taken up fully in the targetted area in view of adequate water storage in major and minor irrigation reservoirs of the State. As such, the food grain production is likely to be 130.54 lakh tonnes against the target of 130.00 lakh tonnes. Area and Production of major crops are given in Table 8.1.

The projected production of principal crops in Karnataka for Kharif, Rabi and summer crops of

2013-14 are given in Appendix 8.2. Table 8.2 and Appendix 8.3 provide details of area coverage under kharif, Rabi and summer crops during the current and previous year.

Index number of area, production and yield of agricultural commodities over the years are given in Appendix 8.4. Area under principal crops in Karnataka over the years is given in Appendix 8.5.

Table 8.1 Area & Production of Major Crops (Area in lakh ha, Production in lakh tonnes)

Crop / Group	2013-14 *		2012-13**		Average growth over previous year (%)	
	Area	Prod.	Area	Prod.	Area	Prod.
Cereals	53.14	116.37	50.32	96.02	5.60	21.19
Pulses	25.77	14.18	22.68	13.62	13.62	4.11
Total food grains	78.92	130.54	73.00	109.64	8.11	19.06
Oilseeds	16.61	11.68	14.22	9.00	16.81	29.78
Cotton #	6.14	12.99	4.25	10.38	44.47	25.14
Sugarcane	4.25+1.24	403.75	4.25+1.26	357.32	-0.36	12.99
Tobacco	1.11	1.00	1.08	0.67	2.78	49.25

#Lakh bales of 170 Kg. lint, ** Final Estimates of DE&S, * Advance Estimates of Agriculture Dept.

Table 8.2- Area Coverage- Kharif, Rabi and Summer (Lakh hectares)

Crop/ Groups	Kharif			Rabi			Summer		
	Normal	2013-14	2012-13	Normal	2013-14	2012-13	Normal	2013-14	2012-13
Cereals	34.53	35.07	32.68	15.75	14.67	15.32	3.39	3.40	2.30
Pulses	14.12	14.08	11.26	10.90	11.47	11.36	0.24	0.22	0.07
Total foodgrains	48.65	49.16	43.94	26.65	26.14	26.68	3.62	3.62	2.37
Oilseeds	13.90	10.31	8.84	5.19	3.65	3.53	2.52	2.65	1.85
Cotton	2.93	5.38	4.46	1.40	0.75	0.48	0.01	0.01	0.01
Sugarcane	3.71	4.65	4.25	0.43	0.45	0	0.41	0.39	0
Tobacco	1.06	1.08	1.08	0.06	0.03	0	0.00	0	0
Aggregate	70.26	70.58		33.74	31.02		6.57	6.67	

*Anticipated

Details of production of principal crops in Karnataka over the years are given in Appendix 8.6. Average yield of selected crops in India and Karnataka are given in Appendix 8.7. Area Irrigated by various sources in the State is shown in Appendix 8.8.

8.4 LAND UTILIZATION AND OPERATIONAL HOLDINGS

8.4.1 Land Utilization

As per the land utilization statistics for 2011-12, out of the total 190.50 lakh hectares geographical area of the State, the net cropped area was 99.41 lakh hectares accounting to 52% of the total geographical area. Gross cropped area was 120.59 lakh hectares including 21.18 lakh hectares area sown more than once, this works out to 121.30 % cropping intensity. Around 16% of the area was covered under forests, 7.5% area was under non-agricultural uses, 4.1% land was barren and uncultivable land and 2.16% land was cultivable waste. Permanent pastures, grazing land

and miscellaneous tree crops constituted 4.77% of the total geographical area. About 8.77% of the total area falls under current fallow land. The details of land utilization situation are presented in Appendix 8.9(a) and 8.9(b). The land utilization details for the year 2011-12 are as follows.

There was decline in the net area sown and area sown more than once on account of drought salutation in 123 taluks in 2011-12. As a result of this area under current fallow increased to 16.72 lakh hectares from 11.99 lakh hectares in 2010-11 (Table 8,3).

8.4.2 Land Holdings

2010-11 Agriculture Census shows 78.32 lakh farm holdings operating 121.61 lakh hectares. Small and marginal holdings account for 76.44% of total holdings and operate only 40.05% of the total operated area, while semi-medium, medium and large holdings account for 23.57% of the total holdings and their operation land holding is 59.95%

Table 8.3- Classification of Total Geographical Area

Sl. No.	Classification	Area (lakh ha.)
	Total Geographical Area	190.50
1	Forest	30.72
	Not available for cultivation	
2	a) Land put to non-agri.uses	14.33
3	b) Barren & uncultivable land	7.87
4	Cultivable waste	4.13
	Uncultivated land excluding fallow land	
5	a) Permanent pastures & other grazing land	9.08
6	b) Misc. Tree crops, Groves	2.85
	Fallow Land	
7	a) Current fallow	16.72
8	b) Other fallow land	5.39
9	Net Area Sown	99.41
	Total Cropped Area	120.59
	Area sown more than once	21.18
	Cropping Intensity - %	121.30

Source: Annual Season & Crop Reports of DE&S, Bangalore.

Table 8.4 - Land Holdings in Karnataka

I Number of Operational Holdings ('000)				
Size Class	1995-96	2000-01	2005-06	2010-11
Marginal (Below 1 ha.)	2610	3252	3655	3849
Small (1 to 2 ha.)	1707	1909	2014	2138
Semi Medium (2 to 4 ha.)	1204	1259	1278	1267
Medium (4 to 10 ha.)	594	569	555	511
Large (Above 10 ha.)	106	90	79	68
Total	6221	7079	7581	7832
II .Area of Operational Holdings ('000 hectares)				
Marginal	1248	1492	1651	1851
Small	2480	2742	2876	3020
Semi Medium	3298	3429	3468	3393
Medium	3490	3317	3206	2904
Large	1593	1327	1184	994
Total	12109	12307	12385	12161
III. Average Size of Operational Holdings (hectares)				
Marginal	0.48	0.46	0.45	0.48
Small	1.45	1.44	1.43	1.41
Semi Medium	2.74	2.72	2.71	2.68
Medium	5.88	5.83	5.78	5.69
Large	15.02	14.74	14.99	14.71
Total	1.95	1.74	1.63	1.55

Source: Karnataka Agricultural Census Reports and Agriculture Census 2010-11

out of the total operated area. Land Holdings in Karnataka is given in Table 8.4.

8.5 CROPPING PATTERN

Karnataka State falls in Zone X (Southern Plateau and Hilly region) and Zone XII (West Coast Plains and Ghat region) as per the Agro-climatic Regional Planning of Planning Commission. The State is divided into 10 Agro-climatic zones. On account of this varied agro-climatic features almost all cereals, pulses, oilseeds and commercial crops are cultivated in different parts of the State. Farmers in Karnataka

are very innovative and take lead in diversification as per the market trends.

Agricultural crops are grown in three seasons viz. Kharif (70.26 lakh ha.), Rabi (33.74 lakh ha.) & summer (6.57 lakh ha.) in an area of 110.55 lakh hectares. Cereals, Pulses, Oilseeds, Cotton, Sugarcane and Tobacco account for 49%, 23%, 20%, 4%, 4% and 1% respectively of the total agricultural cropped area. Paddy, Maize, Tur, Bengal gram, Cotton and Soyabean are witnessing higher trend in recent years, whereas as crops like Sunflower, Jowar, Ragi etc. are witnessing declining trend. The details on cropping pattern are given in Appendix - 8.10.

Table 8.5 - Consumption of NPK during last three years

Sl. No.	Years	N	P	K	TOTAL
		(Tonnes)			
1	2010-11	1016208	696173	398049	2110429
2	2011-12	1215931	786763	332852	2335547
3	2012-13	891691	389638	249869	1531198
4	2013-14 (Likely Achievement for Kharif only)	573634	257316	138469	969419

8.6 DISTRIBUTION OF INPUTS

8.6.1 Fertilizers

8.6.1.1. Distribution of Fertilizers

For Kharif 2013, the State Government had projected the requirement of various grades of fertilizers as 24.44 lakh tonnes which include DAP-5.00 lakh tonnes, MOP - 2.90 lakh tonnes, Complex-7.50 lakh tonnes, Urea-8.00 lakh tonnes and others – 1.04 lakh tonnes {(Mono Ammonium Phosphate, Potassium Schemata (PS), Ammonium Sulphate, Ammonium chloride (AC), Calcium Ammonium Nitrate (CAN), Rock Phosphate (RP), Single Super Phosphate (SSP)}. Consumption of NPK in chemical fertilizers during the last 3 years is below. Trends in fertilizer consumption in terms of NPK nutrients are furnished in Table 8.5 and Appendix 8.11.

8.6.1.2 - Buffer Stock of Fertilizer for Kharif 2013

To overcome the scarcity of fertilizers at critical period during the Kharif season, the State Government has decided to operate the Buffer Stocking of Fertilizers. The scheme of buffer stocking has been continued for Kharif 2013. A sum of Rs. 1000 crores loan has been extended from State Bank of Mysore to Karnataka State Co-operative Marketing Federation of Bangalore and MARKFED has been instructed to stock required fertilizers at district and taluk levels. This arrangement in turn helped to manage the fertilizer demand /supplied situation smoothly in the State and there was no major problem with respect to availability of fertilizers. For

Buffer stocking of fertilizers in 2012-13 the budget allocation was Rs.50 crore and the expenditure was Rs.49.999 crore. For 2013-14 the budget allocation is Rs.152 crore for buffer stocking of fertilizers.

8.6.2 Seeds Distribution

8.6.2.1 Production and distribution of Seeds

As per the Seed Replacement Norms, Seed Replacement Rates fixed for different Agricultural Crops for 2013-14 is as follows:

1. Cereals : 33 to 37 %
2. Pulses : 33 %
3. Oilseeds : 33 to 89 %
4. Cotton : 33 %
5. All Hybrids : 100 %

Production and supply of Breeder Seeds of different crops is being done by the State Agricultural Universities and Indian Council of Agricultural Research Institutes (ICAR) Institutes. These organizations produce and supply Breeder Seeds required for the State based on the advance indents placed by the Department of Agriculture. The Seed Association of India is the Nodal agency for supply of breeder seeds to the private seed producing agencies. Certified Seed production and distribution in the State is being done by Karnataka State Seeds Corporation, National Seeds Corporation, Karnataka Co-operative Oilseed Growers Federation, State

Agricultural Universities and number of private seed supplying agencies. Seed producing and supplying agencies fix the procurement and selling rates of various seeds taking into account, procurement rates, production costs, certification, processing, packaging and other overhead charges. Production and distribution of Certified Quality seeds in the State from 2010-11 to 2013-14 is given in Table 8.6

8.6.2.2 Distribution of seeds at subsidised rates to Farmers during 2013-14

An allocation of Rs.156.42 crores has been provided for subsidy seed distribution under the scheme, 'Supply of seeds and other investments'. During Kharif 2013, it was programmed to distribute 12 crop seeds viz., Paddy, Ragi, Jowar, Maize, Bajra, Cowpea, Green gram, Black gram, Red gram, Groundnut, Sunflower, and Soyabean crops subsidised rates to farmers under State sectors Seeds Supply and other investments Scheme and Rashtriya Krishi Vikasa Yojane. Totally 4,83,577 qtls seeds have been distributed and Rs. 9221.52 lakhs subsidy amount is utilized for this purpose. Totally 17.57

lakh farmers have benefited. During Rabi 2013 as on 17-12-2013, totally 1,25,773.7 qtls seeds have been distributed, Rs. 2361.91 lakhs subsidy amount has been utilized and 3.75 lakh farmers have benefited. Seed distribution is under progress.

Swabeejabhivridhi Yojane - 2013-14

To encourage farmers to take up seed production in large area by allowing subsidy for foundation seed and creating infrastructure facilities for seed production. It is programmed to extend various benefits to seed production farmers like subsidy for foundation seeds, creation of infrastructure facilities viz., seed storage godowns, threshing yards, processing equipments and tarpaulins which will be useful in seed production and thereby encourage more people to take up seed production. In 2013-14 Rs.1000 lakhs has been provided for this scheme (Table 8.7). Karnataka State Seeds Corporation has been identified as the nodal agency. A circular on the Guidelines has been issued to the agencies and action has been taken to implement the scheme.

Table 8.6- Production and distribution of Certified: Quality seeds (Quantity in quintals)

Particulars	2010-11	2011-12	2012-13	2013-14 (Target)
Production	1128258	828040	1023172	1112162
Distribution	1292765	1214596	1270340	1562172

Table 8.7- Details of Swabeejabhivridhi Yojane - 2013-14

Sl.No.	Particulars	No. of Units	Subsidy amount (Rs. in Lakhs)
1	Subsidy for foundation seed (Qtls)	3000	100.00
2	Seed Storage Godowns (no.)	17	170.00
3	Seed cleaning & Grading Equipment(no.)	100	250.00
4	Threshing Yards (no.)	200	180.00
5	Tarpaulin Distribution	21739	300.00
	Total		1000.00

8.6.3 Agricultural implements - Farm Mechanization

The Centrally Sponsored Scheme of Farm Mechanization Programme was being implemented under Macro Management Mode of Agriculture (Work Plan) since 2001-02 upto 2012-13. Under this scheme, 25% subsidy is provided as per the assistance norms indicated by Government of India. From 2003-04 as per the State Government announcement, the rate of subsidy was increased to 50% with the State share of 25% in addition to the Central share of 25%. From 2008-09 Central fund under Macro Management Mode of Agriculture (Work Plan) is used as a matching grant to State fund. After exhausting the Central fund, the entire 50% subsidy for farm machineries is borne by the State fund. From 2013-14, the Macro Management Mode of Agriculture (Work Plan) will not be implemented as per the Govt. of India Guidelines. Farm Mechanization Programme is also implemented as Karnataka Farm Mechanization Mission under Rashtriya Krishi Vikas Yojana. The total allocation for Farm Mechanization Programme for the Year 2013-14 is Rs.29252.90 lakhs. 50% subsidy is provided for the general category farmers and 90% subsidy is provided for the farmers belonging to Scheduled Caste and Scheduled Tribe farmers. The main objective of the scheme is to popularize mechanized farming in order to reduce drudgery in farm operations, labour use, to save time and to cover more area in short span of time. Mechanized farming helps to increase efficiency in farming operations and ultimately results in higher production and productivity. The details of expenditure incurred during the last three years under Farm Mechanization programme are given in Table 8.8.

Farm Machinery Custom Hire Service Centers

Under the R.K.V.Y., Special Initiatives Programme for rain fed area, 660 Farm Machineries Custom Hire Service Centers were established in the year 2010-11 and the same were strengthened during the year 2011-12. Considering the success of these Custom Hire Service Centers, it was proposed to establish 500 Custom Hire Service Centers (CHSC) in 2012-13 and an amount of Rs. 50 crore was also allocated under RKVY for the purpose. However, due to Fiscal lapses the programme could not be implemented during 2012-13. Further, Expression of Interest was also invited for selection of functional co-operative societies/NGOs etc for the purpose of establishment of CHSC, however; only 26 societies/NGOs have participated in Expression of Interest. The amount allocated for establishment of CHSC during the year 2012-13 was revalidated for the distribution of farm machineries for general category under Karnataka Farm Mechanization Mission during the year 2013-14.

Solar Pump sets - Chief Minister has announced in his budget speech of 2013-14 schemes for providing solar pump sets upto 5HP to farmers; it will be implemented in one district each of Northern and Southern parts of the state on "pilot basis."

Project Objectives and Targets

Solar Pump sets are reliable, cost effective, low maintenance, generates power locally, which helps in energy conservation and is environmental friendly. Solar Pump set could be used instead of Diesel and Kerosene pump set for irrigation. This makes farmer less dependent on labour, saves time and could be used in area of water scarcity. This in turn increases

Table 8.8 - Farm Mechanization Programme in Karnataka (Rs in Lakh)

Scheme	2010-11	2011-12	2012-13
Farm Mechanization (Under all Schemes)	10920.00	12642.03	11871.74

the production and income of the farmers. There are about 18 lakh irrigation pump sets in the State and their electricity consumption is increasing. Solar Pump set programme will be formulated to make up for the shortage of electricity, to adopt modern technology and to install solar power based pump sets, where ever possible. The Programme has to be implemented in Chitradurga and Bagalkote districts on pilot basis and solar pump set will be distributed at 50% subsidy or maximum up to Rs.3 lakhs/solar pump set. MNRE (Ministry of New and Renewable Energy) standards will be followed during distribution of solar panels. Tender Processing and technical specifications/ clarifications for implementation of programme would be taken from Karnataka Renewable Energy Development Limited (KREDEL). KREDEL has to submit the project proposal to State Government for sanctioning of the programme and provide subsidy and to guide in the tender process for selection of manufacturers to supply the Solar Irrigation pump sets.

8.6.4 National Mission on Micro irrigation

Considering the irrigation needs in agriculture, emphasis is given to promote the proven cost-reducing micro-irrigation technology which helps conserve water, reduces fertilizer inputs and ensures higher productivity. The Centrally Sponsored Scheme on Micro Irrigation is intended to provide 75 per cent subsidy to the farmers for adoption of Micro Irrigation systems. The main objective is to achieve economic and judicious use of water. Under this scheme, drip and sprinkler units are provided to the general farmers at 75% subsidy and 90% subsidy to farmers belonging to Scheduled Caste and Scheduled Tribe farmers. As per the GoI guidelines, 40% of GoI share is matched with 35% of GoK share for big farmers and for small and marginal farmers 50% of GoI share is being matched with 25% of GoK share.

In 2013-14, an amount of Rs. 15876.97 lakhs has been earmarked for this scheme. The details of expenditure during the last three years under this programme are given in Table 8.9.

8.7 PROGRAMMES AND SCHEMES IMPLEMENTED BY THE STATE GOVERNMENT.

8.7.1 - National Food Security Mission (NFSM)

National Food Security Mission [(Rice) and (Pulses)] is a Central Sector scheme, being implemented in the State from 11th plan period (2007-08 to 2011-12) and is continued for 12th plan period also for increasing production of Rice and Pulses through area and yield enhancement in order to achieve the food security. The productivity enhancement to an extent of 62 % in Pulses & 8 % in Rice is achieved during 11th plan period. The Districts covered under NFSM Scheme are: NFSM (Rice) - Belgaum, Dakshina Kannada, Hassan, Raichur, Shimoga, Udupi and Uttara Kannada.

NFSM (Pulses) - From 2007-08 to 2009-10 it was implemented only in 13 districts of the State, viz., Bagalkote, Belgaum, Bellary, Bidar, Bijapur, Chitradurga, Dharwad, Gadag, Gulbarga, Koppal, Mysore, Raichur and Tumkur. It has been extended to all the 30 districts of the State from 2010-11.

In order to increase the productivity of Pulses and Rice under NFSM, the budget provision to the State for the year 2013-14 is as detailed in Table 8.10.

8.7.1.1 Accelerated Pulses Production Programme during 2013-14

Accelerated Pulses Production Programme (A3P) is another step forward for vigorous implementation of pulses' development under NFSM and is being

Table 8.9 - Details of Micro Irrigation Scheme (Rs. Lakhs)

Scheme	2010-11	2011-12	2012-13
CSS Micro Irrigation	10245.36	6065.63	6323.67

implemented from 2010-11. Under this programme, seed minikits, INM and IPM kits are freely distributed for organizing large scale demonstrations in Red gram, Green gram, Black gram and Bengal gram. Karnataka State has been allotted 55 A3P units for Kharif 2013-14 with an allocation of Rs. 2880 lakhs and 40 units for Rabi with an allocation of Rs.1904 lakhs. The crop-wise allocation of A3P units (1 unit-1000 ha) and budget provisions are given in Table 8.11.

Interventions under A3P

The State High Level Technical Committee recommended the IPM inputs as per the local requirements for different pulse crops of the State for Kharif 2013. Districts selected for Kharif 2013 are Gulbarga, Bijapur, Bidar, Raichur, Bagalkote,

Yadgiri, Koppal, Bellary and Dharwad. INM/IPM Kits of Green gram and Black gram are converted to Red gram INM/IPM kits as the sowing of Green gram and Black gram was over before the release of grants. 2,21,000 number of IPM kits (acre kits) were distributed under A3P for Red gram crop during Kharif 2013-14. In order to provide facilities to large number of small and marginal farmers under A3P, INM/IPM input kits were distributed for one acre demonstration size in the selected districts. Hence, the State was enable to take up demonstrations in 88,400 ha (2,21,000 acres) instead of targeted 55,000 ha (1,37,500 acres) during Kharif 2013. For Rabi 2013-14, 5,00,000 IPM(acre) kits containing Chlorantrinirole (Rynaxypyr) 20% SC is being distributed in Gulbarga, Bidar, Raichur, Yadgiri, Bijapur, Koppal, Dharwad, Bellary and Gadag districts.

Table 8.10 - Details of NFSM

Sl. No.	Scheme	Budget allocation (Rs. in lakhs)
1	NFSM (Rice)	1209.975
2	NFSM (Pulse)	5868.504
3	A3P	4784.000
	Total	11862.479
	Special Programme for Rabi 2013-14	
4	Additional Rabi Pulses Programme	2622.000
	Grand Total	14484.479

Table – 8.11 Accelerated Pulses Production Programme for 2013-14

Sl. No.	Crop	Rate of Assistance	Physical	Financial
1	Red gram	Rs.54.00 lakhs per unit	40	2160.00
2	Black gram	Rs.48.00 lakhs per unit	9	432.00
3	Green gram	Rs.48.00 lakhs per unit	6	288.00
4	Bengal Gram	Rs.56.00 lakhs per unit	40	1904.00
	Total		95	4784.00

Additional Area Coverage of Pulses during Rabi/Summer- 2013-14

In order to achieve the sustainable enhancement in the production of all the pulses in the State, Govt. of India has provided an amount of Rs. 2622 lakhs for implementation of Special Additional Rabi Pulses' production programme. This programme is being implemented in 16 predominant Rabi districts of the State viz., Gulbarga, Bijapur, Raichur, Bagalkot, Belgaum, Gadag, Dharwad, Koppal, Bidar, Bellary, Yadigiri, Udupi, Mangalore, Haveri and Chitradurga district during Rabi/Summer 2013-14. Major crops covered will be Bengal gram, Cowpea, Black gram and Green gram. Progress of NFSM is given in Table 8.12.

8.7.2 Rashtriya Krishi Vikas Yojana (RKVY)

Government of India has launched a Special Additional Central Assistance Scheme called "Rashtriya Krishi Vikas Yojana" from 2007-08 in order to re-orient the Agriculture Development strategies for rejuvenation of Agriculture to meet the needs/demands of farmers. It incentivizes the States to increase public investment in agriculture and allied sectors and aims at achieving the goal of reducing the yield gaps in important crops and thus maximizes returns to the farmers.

In 2012-13, an amount of Rs.549.15 crore was released and funds were utilized for implementation

of the schemes related to Agriculture, Horticulture, Animal Husbandry, Fisheries, Agricultural Marketing, Sericulture, University of Agricultural Science (Bangalore, Dharwad and Raichur), UAHS, Shimoga, Karnataka State Seeds Corporation and other Departments/Institution. In 2013-14 an amount of Rs.794.68 crore has been sanctioned for implementation of various schemes & sub-schemes of RKVY as mentioned below. Upto October 2013, Government of India has released an amount of Rs.397.29 crore and an amount of Rs.71.19 crore has been utilized for various schemes. The detail of allocation of funds during 2013-14 is given in Table 8.13.

An amount of Rs. 312.89 crore has been earmarked for 2013-14 to Agriculture Department for implementation of the following schemes as given in Table 8.14.

8.7.3. Macro Management

The funds under this scheme are utilized to implement the work plan prepared by the state keeping in view the crop region specific requirement of the State Programmes such as Crop Production Management Programmes in Sugarcane, Pulses & Paddy and Farm Mechanization. Innovative programmes like honorarium to farm facilitators and Lead farmers for transfer of technology are taken up.

Table 8.12 - Progress of NFSM Programme 2013-14(Upto September 2013) Rs. in lakhs

Sl. No.	Programme	Budget Provision	Unspent balance	Grants Released by GoI	Total Grants Available	Exp. up to September 2013 (Commt.)
1	NFSM Rice (including local initiative)	1209.975	225.740	669.640	895.380	557.350
2	NFSM Pulses(including local initiative)	5868.504	1705.810	1932.660	3638.470	2059.392
3	A3P	4784.000	55.540	2824.460	2880.000	2437.000
4	Additional Pulses Production Programme	2622.000	0.000	0.000	0.000	0.000
Grand Total		14484.479	1987.090	5426.760	7413.850	5053.742

Table 8.13 - Allocation of funds under RKVY Scheme (Rs. Crore)

Sl. No	Title	Allocation
1.	Normal RKVY	716.40
Sub-Schemes		
2.	Oil Palm Development programme	22.28
3.	Vegetable Clusters	9.00
4.	Nutri Cereals – INSIMP	13.50
5.	Rain fed Area Development Programme	20.00
6.	National Mission on Protein Supplements	13.50
	Total	794.68

Table 8.14- Schemes Implemented by the Department of Agriculture (Rs. crore)

Sl. No.	Name of the Project	Budget approved
Normal RKVY		
1.	Karnataka Farm Mechanization Mission	70.00
2.	Bhoochetana	55.00
3.	Karnataka Seed Mission	56.10
4.	Agro Processing and Post Harvest Technology	30.00
5.	Organic Farming - on site activities	12.50
6.	Popularization of Mechanized Transplanting of Rice	3.00
7.	Swabeejabhi vrudi and Strengthening of Seed farms	30.00
8.	Improving Rural livelihoods in Karnataka through CGIAR initiative	25.50
9.	Popularization of Direct Seed Rice (DSR)/SRI technology	5.00
	Additional expenditure of INSIMP during 2012-13	5.39
	Administrative Cost	6.90
	Total	299.39
Special Scheme		
10.	Initiative for Nutritional Security through Intensive Millets Promotion programme (INSIMP)	13.50
	Grand Total	312.89

8.7.4. Integrated Scheme for Oilseeds, Oil Palm and Maize (ISOPOM)

ISOPOM is a Centrally Sponsored Scheme for the development of Oilseeds, Pulses, Oil Palm and Maize since 2004-05 with objective of Increasing production and productivity of these crops and to attain sustainability in Agriculture. The scheme was modified in 2007 to provide greater flexibility to the states and to increase the assistance for certain components. Pulses have been included under NFSM w.e.f. April 2010 hence ISOPOM now supports only 3 crops viz., Oilseeds, Oil Palm and Maize. The Scheme is implementing in all the 30 districts of the state. The above programmes are being implemented with 75% of Central and 25% of State share (except infrastructure under oilseeds and publicity component in all the three schemes). Under this

Scheme, the provision of subsidy is extended to distribute certified seeds, inputs which are necessary for Block Demonstration, IPM and FFS Demonstrations viz., Rhizobium/PSB, NPV, Gypsum/Pyrites and micronutrients, water conveying pipes, Plant Protection chemicals and Plant Protection equipments. Annual Action Plan for 2013-14 & target and achievement of area and production of ISOPOM crops are given in Table 8.15.

8.7.5 Crop Insurance Scheme

a. National Agricultural Insurance Scheme (NAIS)

NAIS is being implemented in the State since Kharif 2000. All farmers irrespective of the size of their holdings, both loanee and non-loanee will be insured against any loss of yield due to natural calamities in

Table 8.15 - Annual Action Plan for 2013-14

(Rs. in lakh)

Sl.No.	Crops	GoI	GoK	Total
1.	Oilseeds	2140.7150	726.5717	2867.2867
2.	Maize	187.51	62.51	250.02
	Total	2328.225	789.0817	3117.3067

Target and Achievement of Area and Production of ISOPOM Crops

Year	Area (Lakh Ha.)		Production (Lakh Tonnes)	
	Target	Achievement	Target	Achievement
Maize				
2011-12	12.59	13.49	37.99	40.85
2012-13	12.25	13.22	41.50	34.76
2013-14*	13.26	14.37	41.56	45.73
Oilseeds				
2011-12	21.16	14.16	14.90	9.42
2012-13	21.00	14.22	15.20	9.00
2013-14*	19.82	16.61	15.75	11.68

*Likely achievement.

the scheme. The scheme is compulsory for loanee farmers and optional for non-loanee farmers. The premium paid by small and marginal farmers is subsidised to the extent of 10%. Claims will be paid based on indemnity level, sum assured and shortfall in the assessed yield against the threshold yield. In 2013-14 for Kharif, Rabi and summer seasons 25, 19 and 4 crops respectively were notified at hobli level. To compensate the crop losses on individual basis to the farmers in the event of crop failure due to localized calamities like flood, hailstorm, cyclone and landslide, all the notified districts are covered during 2013-14. The allocation in 2013-14 for this scheme is Rs.7800 lakhs. Crops notified during Kharif, Rabi and summer 2013-14 are given in Appendix 8.12. Progress made under NAIS since inception of the scheme till Kharif-2012 is given in Table 8.16.

b. Weather Based Crop Insurance Scheme (WBCIS)

This is an alternative scheme for NAIS framed by Government of India and was launched in the country during Kharif 2007. The scheme compensates the insured farmers against the likelihood of financial loss on account of anticipated loss in crop yield resulting from incidence of adverse weather conditions and will cover the risk of weather parameters like rainfall, relative humidity, temperature, wind velocity etc., The scheme is compulsory for loanee farmers and voluntary for non-loanee farmers. All the payable claims shall be the responsibility of the Insurance Companies.

The scheme is continued during Kharif 2013 covering 19 crops viz., Jowar(RF), Maize(RF), Ragi(RF), Green gram(RF), Black gram(RF), Tur(RF), Groundnut(RF), Soyabean(RF), Sunflower (RF), Cotton (I), Cotton (RF), Onion(I), Onion(RF), Chilly(I), Chilly(RF), Potato(I), Potato(RF), Grapes and Banana in 333 reference unit areas (hoblis) of 19 Districts.

The actuarial premium rates are charged under the scheme. Farmers would pay concessional rates of premium which are equivalent to the premium rates as under NAIS. The difference in the premium will be borne by State and Central Governments on 50:50 basis. This scheme is implemented by 6 insurance

companies viz., AIC of India Ltd., ICICI Lombard GIC Ltd., HDFC ERGO GIC Ltd., Cholamandalam MS GIC Ltd., IFFCO Tokyo GIC Ltd., and TATA AIG GIC Ltd.,.

During Rabi 2013-14, 9 crops viz., Jowar (Irrigated), Jowar (Rainfed), Wheat(Irrigated), Wheat(Rainfed), Bengal gram (Irrigated), Bengal gram (Rainfed), Potato (Irrigated), Grapes and Mango were notified in 202 reference unit areas (hoblis) of 15 Districts Viz., Bangalore (Rural), Bagalkot, Belgaum, Bellary, Bidar, Bijapur, Chitradurga, Chikkaballapur, Dharwad, Haveri, Kolar, Koppal, Raichur, Ramanagara and Yadgir. Last date for participation of loanee and non-loanee farmers is 31-12-2013 for Rabi season. The progress made under Weather Based Crop Insurance Scheme since inception of the scheme till 2012-13 is shown in Table 8.17.

c. Modified National Agricultural Insurance Scheme (MNAIS)

Government of India modified NAIS and implemented the MNAIS for the first time in the country during Rabi & Summer 2010-11. The modifications made by GOI are as follows -

1. Bringing unit of Insurance to Grama Panchayat level for major crops.
2. Fixing minimum level of Indemnity to 70%.
3. Excluding 2 calamity years' data out of 7 years yield data for calculation of threshold yield.
4. Claim liability will be on insurance companies and Government will provide only premium subsidy.
5. Covering pre sowing and post harvest risk.

During Kharif 2013 this scheme is implemented in 4 districts Viz., Gulbarga, Tumkur, Shimoga and Uttara Kannada by AIC of India Ltd., 20 crops viz., Jowar (Irrigated), Jowar (Rainfed), Ragi (Irrigated), Ragi (Rainfed), Bajra (Rainfed), Navane (Rainfed), Save (Rainfed), Black gram (Rainfed), Green gram (Rainfed), Horse gram (Rainfed), Soyabean (Rainfed), Sesamum (Rainfed), Castor (Rainfed), Sunflower (Irrigated), Sunflower (Rainfed), Cotton (Irrigated), Cotton (Rainfed), Chilli (Irrigated), Chilli (Rainfed) and Onion (Irrigated) are implemented at hobli level and 7 crops viz., Paddy (Irrigated), Paddy (Rainfed), Maize (Irrigated), Maize (Rainfed), Tur

Table 8.16 - Details of National Agricultural Insurance Scheme

Season / Year	No. of farmers Enrolled (lakhs)	Premium collected (Rs. in lakhs)	Area covered (lakh Hectares)	Sum insured (Rs. in lakhs)	No. of farmers Benefitted (lakhs)	Claims settled (Rs. in lakhs)
Kharif 2000	3.27	953.67	6.13	34861.32	0.22	213.03
Rabi 2000-01	0.24	91.53	0.73	4598.44	0.01	34.71
Summer 2000-01	0.16	70.36	0.30	3348.68	0.01	79.21
TOTAL 2000-01	3.67	1115.56	7.16	42808.44	0.24	326.95
Kharif 2001	6.11	1417.89	9.83	51907.35	3.12	11990.08
Rabi 2001-02	0.53	96.60	0.78	3230.53	0.36	1411.35
Summer 2001-02	0.12	61.23	0.24	3014.24	0.04	211.35
TOTAL 2001-02	6.76	1575.72	10.85	58152.12	3.52	13612.78
Kharif 2002	8.89	3891.79	12.88	116343.40	5.07	28096.53
Rabi 2002-03	1.35	270.90	1.97	8848.01	0.89	2168.63
Summer 2002-03	0.06	29.10	0.13	1426.82	0.03	125.65
TOTAL 2002-03	10.30	4191.79	14.98	126618.23	5.99	30390.81
Kharif 2003	7.04	3042.31	10.09	94566.66	3.81	28742.00
Rabi 2003-04	11.52	1320.12	19.50	58962.63	8.59	22063.57
Summer 2003-04	0.08	43.13	0.14	1885.86	0.02	102.72
TOTAL 2003-04	18.64	4405.56	29.73	155415.15	12.42	50908.29
Kharif 2004	7.89	3687.97	11.40	97197.00	1.25	2648.18
Rabi 2004-05	1.65	243.71	2.45	11204.32	0.26	369.22
Summer 2004-05	0.09	57.76	0.21	2887.84	0.01	33.02
TOTAL 2004-05	9.63	3989.44	14.06	111289.16	1.52	3050.42
Kharif 2005	8.54	4646.67	14.72	117866.05	1.16	4387.70
Rabi 2005-06	1.09	151.51	1.90	7647.93	0.15	125.89
Summer 2005-06	0.08	54.63	0.17	2731.26	0.01	23.00
TOTAL 2005-06	9.71	4852.81	16.79	128245.24	1.32	4536.59
Kharif 2006	7.92	3987.82	16.37	115736.71	3.13	15028.10
Rabi 2006-07	5.39	685.49	10.30	34512.85	2.96	5196.95
Summer 2006-07	0.08	65.92	0.55	3118.38	0.06	442.65
TOTAL 2006-07	13.39	4739.23	27.12	153367.94	6.15	20667.70
Kharif 2007	5.72	3545.06	15.06	102209.63	0.65	2801.04
Rabi 2007-08	0.57	100.21	0.82	5059.80	0.01	42.18
Summer 2007-08	0.08	53.15	0.17	2657.47	0.01	28.77
TOTAL 2007-08	6.37	3698.42	16.05	109926.90	0.67	2871.99
Kharif 2008	10.56	3926.77	15.58	122398.86	3.15	14145.52
Rabi 2008-09	2.75	549.52	5.12	27725.45	0.36	805.28
Summer 2008-09	0.11	92.86	0.26	4643.13	0.01	13.62
TOTAL 2008-09	13.42	4569.15	20.96	154767.44	3.52	14964.42
Kharif 2009	9.83	3852.76	13.76	131798.43	4.67	16772.67
Rabi 2009-10	1.11	247.38	2.03	12628.69	0.40	1575.47
Summer 2009-10	0.07	82.68	0.17	4134.00	0.003	9.89
TOTAL 2009-10	11.01	4182.82	15.96	148561.12	5.073	18358.03
Kharif 2010	6.59	3423.08	9.56	129497.12	0.56	4542.81
Rabi & Summer 2010-11	0.60	218.08	10.02	11141.94	0.04	145.06
TOTAL 2010-11	7.19	3641.16	19.58	140639.06	0.60	4832.81
Kharif-2011	4.92	1988.00	5.80	76821.86	0.66	3989.60
Rabi&Summer2011-12	8.76	1560.78	21.73	113639.93	4.64	10001.00
TOTAL 2011-12	13.68	3548.78	27.53	190461.79	5.30	13990.60
Kharif-2012	4.21	1947.06	4.72	75068.42	1.82	12686.00
Rabi&Summer2012-13	1.24	443.80	-	-	-	-
TOTAL 2012-13	5.45	2390.86	4.72	75068.42	1.82	12686.00
GRAND TOTAL	129.26	46903.13	225.49	1595321.01	48.14	191052.33

Table 8.17 - Weather Based Crop Insurance Scheme

Season/year	No. of farmers participated	Premium paid by farmers (Rs. in lakhs)	No. of Beneficiaries	Claims (Rs. in lakhs)
2007-08	43790	141.75	35275	524.10
Total 2007-08	43790	141.75	35275	524.10
2008 Kharif	25006	90.24	20087	275.72
2008-09 Rabi	3621	47.71	1632	113.40
Total 2008-09	28627	137.95	21719	389.12
2009 Kharif	100529	528.33	69877	1593.05
2009-10 Rabi	7700	42.79	1127	44.99
Total 2009-10	108229	571.12	71004	1638.04
2010 Kharif	42619	385.54	28316	131.19
2010-11 Rabi	15858	91.21	4347	158.48
Total 2010-11	58477	476.75	32663	289.67
2011 Kharif	134937	788.46	116168	847.25
2011-12 Rabi	21359	132.46	5869	154.83
Total 2011-12	156296	920.92	122037	1002.08
Kharif-2012	210125	1766.68	204783	4270.68
2012-13 Rabi	2063	40.65	1140	82.95
Total 2012-13	212188	1807.33	205923	4353.63
Grand Total	607575	4057.10	488250	8199.09

(Irrigated), Tur (Rainfed) and Groundnut (Rainfed) at Grama Panchayath level during Kharif 2012. During Rabi & Summer 2013-14 this scheme is being implemented in 4 districts Viz., Gulbarga Tumkur, Shimoga and Uttara Kannada by AIC of India Ltd., 6 crops viz., Paddy (Irrigated), Maize (Irrigated), Horse gram (Rained), Green gram (Rainfed), Safflower (Rainfed) and Groundnut (Rainfed) are implemented at hobli level and 8 crops viz., Jowar (Irrigated), Jowar Rainfed), Wheat (Irrigated), Wheat (Rainfed), Bengal gram (Irrigated), Bengal gram (Rainfed), Sunflower (Irrigated), Sunflower (Rainfed) at Grama Panchayath level during Rabi 2013-14. During Summer 2013-14 Sunflower (Irrigated) crop is notified at hobli level, whereas Paddy (Irrigated), Groundnut (Irrigated) and

Groundnut (Rainfed) crops are notified at Grama Panchayat level. Last date for participation of loanee and non-loanee farmers is 31-12-2013 during Rabi season and 28-2-2014 for summer season. The progress made under Modified National Agriculture Insurance Scheme since inception of the scheme till 2012-13 is shown in Table 8.18

8.7.6 Minimum Support Price

Commission for Agricultural Costs and Prices, Government of India collects the information and views from all State Governments/Stake holders and recommends Minimum Support Prices for various crops to the Union Cabinet for fixing the MSP of various crops. Procurement of commodities is

Table 8.18 - Modified National Agriculture Insurance Scheme

Season/year	No. of farmers participated	Premium paid by farmers (Rs. in lakhs)	No. of Beneficiaries	Claims (Rs. in lakhs)
2010-11 Rabi & Summer	8743	20.40	2735	242.08
Total 2010-11	8743	20.40	2735	242.08
2011 Kharif	152571	1557.31	38941	1737.64
2011-12 Rabi & Summer	22994	86.34	17055	978.81
Total 2011-12	175565	1643.65	55996	2716.45
2012 Kharif	226714	2970.07	54445	5003.51
2012-13 Rabi & Summer	2084	30.85	Yet to be settled	
Total 2012-13	228798	3000.92	54445	5003.51
Grand Total	413106	4664.97	113176	7962.04

undertaken by Food Corporation of India, NAFED, and KOF etc. in the event of price crash below MSP. Details of Minimum Support Prices fixed for the year 2013-14 crops is furnished in Appendix.

8.7.6.1 Minimum Floor Price Scheme

Minimum Floor Price Scheme is operated in Karnataka for perishable agriculture commodities like onion, potato, tomato and green chilies. The agricultural Marketing Department arranges the procurement of these commodities through HOPCOMS in districts/taluks after the sanction of cabinet sub-committee.

8.8 FLAGSHIP PROGRAMMES

8.8.1 Bhoochetana

Bhoochetana is a mission mode project of GoK implemented to unlock the potential of rain-fed agriculture in the state which has the second largest rain-fed area (5.3 million ha) amongst the states in India after Rajasthan. Bhoochetana is a science-led development approach launched by the GoK to improve livelihoods of farmers in the state. The overall goal of the Bhoochetana mission project was to increase average productivity of selected crops in the selected districts by 20% in four years. With this background it is proposed to capitalize on the success

of the first phase of the Bhoochetana project and convert into Bhoochetana Phase-2. The Bhoochetana Phase -2 will be implemented for five years (2013-14 to 2017-18). All 30 districts of the state will be covered. Department of Agriculture will work as nodal department and ICRISAT will serve as the Technical Consultant. The consortium partners of the project are Karnataka State Department of Agriculture, Watershed Development Department, UAS, Bangalore/Dharwad/Raichur and ICRISAT, Hyderabad.

Main strategies

Soil test based nutrient management with a major thrust to micronutrients, distribution of inputs @ 50% subsidy at cluster village level, services of farmer facilitators for Transfer of Technology, wide publicity through wall writings, posters, village meetings & mass media, effective project monitoring and feedback. The specific objectives of the second phase of Bhoochetana Programme are -

- 1 To strengthen the Bhoochetana consortium for increasing the crops (irrigated and rain-fed) yields by 20 per cent over the first phase of Bhoochetana in five years in 30 districts of Karnataka through science-led development and new innovation systems.

- 2 To strengthen the institutional mechanisms such as seed villages, village seed banks, inputs supply, agricultural machinery hiring centers, farm extension through farm facilitators.
- 3 To assess the impact of climate change in different agro-eco regions of the state in terms of anticipated shifts in the crop growing periods, water availability, major crop yields, and evaluate adaptation strategies for developing climate resilient farming systems.
- 4 To document the process of consortium functioning, learning, increased crop yields, institutional development and capacity building of different stakeholders in the state.

In 2012-13 Bhoochetana programmes was implemented in 37.34 lakh hectares during Kharif and 27 lakh hectares during Rabi in all districts including 4.17 hectares in irrigation (Paddy & Sugarcane). This was implemented with the help of 9700 farm facilitators and 48,500 lead farmers. An amount of Rs.106.65 crore was utilized to implement this programme.

Progress of Bhoochetana-2 during Kharif 2013-14

- The target area for kharif 2013-14 under the programme is 50 lakh ha dryland area and 6 lakh ha of paddy and 2 lakh ha of sugarcane in irrigated area. An area of 52.00 lakh ha sown up. The major crops covered are Jowar, Ragi, Maize, Cotton, Red gram, Groundnut, Sunflower, Green gram, Soybean, Bajra.
- 9700 Farmer facilitators (FFs) have been appointed for transfer of technology under this

programme.

- 8923 Farmer Field Schools (FFS) have been organized through 9770 farmer facilitators.
- 28661 villages have been covered with 41 lakh registered farmers under this programme in the Kharif 2013.
- Inputs are distributed to the farmers under 50% subsidies through RSKs and 4081 cluster godowns. Inputs distributed are shown in Table 8.19.
- 8849 Trainings have been organized at district, taluk, hobli and cluster villages.

Bhoochetana-2 Programme for Rabi 2013-14

- The target area for Rabi season is 25 lakh ha and major crops are Rabi jowar, Safflower, Bengal gram, Sunflower, Wheat etc in Rabi districts. An area of 15.25 lakh ha has been covered till today.
- 2607 Farmer facilitators (FFs) have been appointed for transfer of technology under this programme.
- 1848 Farmer Field Schools (FFS) have been organized through 2607 farmer facilitators.
- 4131 villages have been covered with 7 lakh registered farmers under this programme in Kharif, 2013.
- Inputs are distributed to the farmers under 50% subsidy through RSKs and 806 cluster godowns.
- 506 Trainings have been organized at district, taluk, hobli and cluster villages.

Table 8.19- Inputs Distributed to Farmers under Bhoochetana-2 during Kharif 2013-14

Input	Distribution (Tonnes)
Gypsum	89730
Zinc sulphate	10555
Borax	3312

The achievement in Bhoochetana, 2012-13 is reported in Table 8.20

8.8.2 INSIMP (Initiative for Nutritional Security through Intensive Millets promotion Programme)

Millets are major food crops in Karnataka covering an area of 23.00 lakh ha. Important millets grown in Karnataka are Jowar (sorghum), Bajra (pearl millet), and Ragi (finger millet). Minor millets like kodomillet, proso millet, foxtail millet, little millet, haraka are also grown in some pockets. Among them Sorghum & Bajra (Northern districts) and Ragi (Southern Districts) are three important staple food crops. The millets are rich source of nutrition. The current level of productivity is lower than the potential yields. In this context this new initiative was started by GOI during 2011-12. The objective of the programme is:

1. To demonstrate improved production and post harvest technologies in an integrated manner with visible impact to catalyze increased production.
2. Promoting processing and value addition techniques to generate consumer demand for millets based food production

Project Implementation

In 2013-14 for Kharif this programme has been implemented in 17 districts in Jowar, Bajra, Ragi, Foxtail Millet & Little Millet covering an area of 38,606 hectares. Under this programme 28415 seed minikits & 38606 input minikits distributed to farmers. In Rabi season the programme will be implemented in 6 districts in Rabi Jowar crop covering area of 14,975 hectares. Under this

Table 8.20 - Achievement of Bhoochetana, 2012-13

Crop	YIELD (in kg/ha)		
	Farmers' Management (Non Bhoochetana plots)	Improved management + Micronutrients (Bhoochetana plots)	% yield increase
KHARIF			
Ragi	1380	1830	33
Maize	3750	4930	31
Pearl millet	1355	1855	37
Sorghum	2050	2675	30
Green gram	823	1093	33
Pigeonpea	1009	1283	27
Groundnut	930	1210	30
Soyabean	1060	1407	33
Sunflower	1008	1316	31
Paddy	3630	4600	27
Cotton	2200	2910	31
Chickpea	630	820	30
Rabi Sorghum	1210	1590	31

Note: Bhoochetana: Goal: Achieve 20% higher yield in rainfed crops

Source: ICRISAT

programme 12750 seed minikits & 14975 input minikits distributed to farmers.

8.8.3 Karnataka Seed Mission

Seed is an important and crucial agricultural input. The Karnataka Seed Mission Scheme is being implemented in the State since 2008-09 under RKVY. Components have been included to strengthen Certified Seed Production and Certified Seed Distribution programmes in the State. The objectives of the scheme are -

- To achieve enhancement in agricultural productivity through increased SRR & Comprehensive Development of all facts of seed sector in Karnataka through a mission mode approach.
- To make Karnataka a Global Destination for seed production.
- To identify gaps in seed requirement, production and infrastructure for quality seed production and marketing.
- To have farmers centric approach in varietal development, seed production and marketing.

8.8.4 Organic Farming

Organic farming aims at production of quality and safe agricultural produce which contain no chemical residues, following eco-friendly production methods and farming systems that restore and maintain soil fertility.

Model Organic Farming Village/Site Programme

Government brought out a Policy on Organic farming during 2004-05 to promote organic farming in the State. As per the organic farming policy Organic Village/Site programme was initiated at the district level in the first phase. Under this programme an area of about 100 hectares was brought under organic farming in cluster approach. Based on the results and success of the programme, it was extended to taluks level in the year 2006-07. An area of 3153 hectare was covered under district programme benefitting 2511 farmers and an area of about 14800 hectares was covered involving about 11,100 farmers under taluka level programme. The programme was extended to convert another new 100 hectare area in each taluk in 2011-12 under RKVY. In 2012-13, an amount of

Rs.200 crore was earmarked for Organic farming Promotional Programmes under the new scheme called "Amruthabhoomi Yojane". Later "Karnataka Amruthabhoomic Project" was transferred to Horticulture Department from November 2012; an area of 21,031 hectares was brought under Organic Farming involving 14784 farmers. In 2013-14 Rs.44.80 crore has been earmarked for organic farming promotional programmes under State Sector Schemes and it is planned to implement the "Savayava Bhagya Yojane" in all 571 hoblies excluding the 176 hoblies already covered.

8.8.5 Raitha Samparka Kendra (RSK)

The Department of Agriculture under "Raitha Mitra Yojane" established 747 RSKs, one per Hobli to provide services and information at single point required by the farmers. Based on the various agro climatic zones of the state, the new food production technologies and skills are being implemented in the farmers' field aiming to increase the state food production levels under this scheme. Bi-monthly and fortnightly, primary and secondary training sessions, respectively built in the system to continuously upgrade and update the professional skills of the extension workers. Facilities available at RSK and service charges collected at RSK include, Seed sample testing Rs 5/- per sample, Soil sample testing Rs 3/- per sample, Rentals for the space to stock and sale agricultural inputs by the public sector and private sector companies Rs 100/- per month, Rentals for the space used for demonstration purpose by the public sector and private sector companies Rs 300/- per plot for a period of four months, Rentals for promotional activities conducted in the premises of the RSK's by the public sector & private sector companies Rs 100/- per day per event. Service charges are collected also for sale of seeds and other inputs at the RSK.

Public-Private partnership

As per 2013-14 budget, action has been taken to strengthen the RSK activities at field level involving all line departments. Permission is sought from the government for inviting e-procurement based Expression of Interest for implementation of scheme on Public Private Partnership basis. The scheme is to be implemented on a pilot basis in 4 CGIAR districts

(Tumkur, Chickmagalur, Bijapur and Raichur) in the current year with an allocation of Rs.8.00 Crores as per the government order. Under the ATMA programme, activities like Trainings, Demonstrations, Exposure visits and Farmer group formation are being implemented by involving NGO and Agri-Entrepreneurs trained under AC&ABC Scheme from the grants released under the scheme as per the GOI guidelines.

8.8.6 Scheme to provide relief to the families of the farmers who have committed suicide

This scheme was launched during 2003-04 to provide Rs.1 lakh as a relief to families of farmers committing suicide on account of the heavy burden of loans borrowed from the institutional agencies. A budget provision of Rs. 100 lakhs provided during 2013-14 and Rs. 54 lakhs has been distributed upto December 2013.

8.8.7 Relief to farmers/agricultural laborers due to accidental death from snake bites, fall from trees and other accidental death while doing agricultural activities and also compensation for loss of fodder/hay from fire accidents

This scheme was launched in 2010-11 to provide Rs.1 lakh as a relief to farmers/agricultural labourers due to accidental death from snake bites, fall from trees

and other accidental death while doing agricultural activities and up to Rs.10,000/- for loss of fodder/hay from fire accidents. A budget provision of Rs. 500 lakhs has been provided in 2013-14 and Rs. 499.68 lakhs has been distributed upto December 2013.

8.8.8 Sanction of Crop loans to the farmers through Commercial Banks and Regional Rural Banks (RRBs) at 3%

This scheme was launched in 2009-10 to provide interest subsidy up to 3% to facilitate short term agricultural crop loans to the farmers at 3% through commercial banks and regional rural banks up to Rs.1 lakh. The benefits of the subsidy on interest is available to the farmers who repay the principal amount along with the interest before due date fixed by the banks. A budget provision of Rs. 10 crore has been provided in 2013-14. In addition, in the Budget of 2013-14 the State Government has announced 0% interest up to Rs.2 Lakhs and 1% interest up to Rs.3 Lakhs for loans availed by farmers from Co-operative Institutions.

8.8.9 ATMA-Reformed Agricultural Extension System-CSS

The Scheme is being implemented in the State since 2005.Grants released and achievements are given in Table 8.21 and 8.22. The revised Scheme focuses on

Table 8.21- Grants released and Expenditure incurred under ATMA Scheme (Rs. Lakhs)

Year	Administrative Sanction by GOI	Amount Released		Expenditure (Up to Sep, 13)
		GOI	GOK	
2007-08	1217.15	339.00	74.88	141.21
2008-09	1865.55	452.00	50.22	410.18
2009-10	1857.80	250.00	27.78	692.45
2010-11	1587.52	634.63	70.51	537.64
2011-12	3424.76	1300.00	144.44	1339.70
2012-13	2966.57	1417.57	101.95	1839.89
2013-14	2630.30	433.29	103.70	770.10

Note: - There was an opening balance of Rs.361.53 Lakh as on 01.04.2013.

the following key extension reforms as objectives of the Scheme.

- Providing innovative and restructured technologies by an autonomous agency through institutions at the State/District/Block levels.
- Encouraging multi-agency extension strategies involving Public/Private Extension service providers.
- Ensuring an integrated, broad-based extension delivery mechanism consistent with farming system approach.
- Adopting group approach to extension in line with the identified needs and requirements of the farmers in the form of CIGs & FIGs.
- Facilitating convergence of Programmes in planning, execution and implementation.
- Addressing gender concerns by mobilizing farm women into groups and providing training to them.
- Moving towards sustainability of extension services through beneficiary contribution.

8.8.10 Karnataka Krishi Mission

For the comprehensive development of agriculture and allied activities, “Karnataka Agriculture Mission” has been set up under the Chairmanship of Hon’ble Chief Minister with the following objectives-

- To induct new ideas, sensitize and develop new plans, projects and programmes for agriculture and agriculture related universities and line departments related to agriculture.
- Streamlining and coordinating the functions of line departments viz., agriculture, horticulture, animal husbandry and veterinary services, sericulture and fisheries etc., including agriculture and agriculture related universities in the State to provide technical information and services from a single window.
- Bring new policies and guidelines which can improve the farm productivity to the level 4.5% per annum and also increase the income level of farmers by convergence of line departments.
- Drafting new programmes for sustainable agriculture, conservation of natural resources like land, water and improving the fertility of soil and water use efficiency.
- Promotion of organic farming.
- Intensify training to the farmers in modern agriculture including marketing.
- To provide infrastructure for seed storage, water harvesting and water use efficiency, processing and value addition to the farmers through commodity groups.
- To provide intervention for better prices to the farmers through the commodity groups and future trading etc.

Table 8.22 - Achievements under some important activities of ATMA Scheme

Programme		07-08	08-09	09-10	10-11	11-12	12-13	2013-14 (Up to Sep, 13)
Exposure Visit of Farmers	No. of farmers Benefited	5908	7970	16582	13742	20935	50857	17822
Demonstrations	Numbers	585	1995	4922	3744	5557	9077	4296
Training:	Numbers	310	259	377	270	330	1059	411
1. Farmers	Beneficiaries	8510	16200	19790	13472	15696	49141	19402
2. Extension Workers	Numbers	26	46	75	38	79	67	40
	Beneficiaries	490	1149	2302	832	2027	1761	1310
Farm Schools	Numbers	-	36	45	101	257	423	172

- Promoting integrated farming approach to increase the income of the farmers even under rain fed condition.
- Guiding Universities for producing professional and para-professional human resource for changing situations in Agriculture.
- Providing utmost priority for seed production in field and horticulture crops, planting material, Animal poultry and fish breeds and seed production.
- Establishment of Market extension departments in UAS, Bangalore, Dharwad, Raichur and Shimoga, University of Horticultural Sciences, Bagalkote and Karnataka Veterinary animal and Fisheries Sciences University, Bidar with coordination of Govt. line departments.
- Establishment of pilots centers of reclaiming saline and alkaline soils for improving productivity of crops at a required time.
- Initiating survey to identify farmers who have done out of box, to generate more income more than 2 lakh/acre under rain fed conditions and more than Rs. 50,000/acre under rainfed to bring their practices to the mainline research of Agricultural universities for validating and recommending through line departments for adoption by all other farmers.

8.8.11 National Mission on Food Processing (NMFP)

The Ministry of Food Processing Industries (MFPI), Government of India has launched new centrally sponsored scheme "National Mission on Food Processing (NMFP)". Decentralization of the implementation of the scheme through participation by States is the distinct feature of this mission. The main objectives of NMFP are as follows

- To augment capacity of food processors, upscale their operation through capital infusion, technology transfer, skill up gradation and providing support.
- To provide support to established SHGs' working in food processing sector
- Capacity development and skill up gradation through institutional training to ensure

sustainable employment opportunities and reduce gap between requirement and availability of skilled manpower in food processing sector.

- To raise standards of food safety and hygiene to globally accepted norms.
- To facilitate food processing industries to adopt HACCP and ISO certification norms
- To enhance basic infrastructure up to farm level, supply chain logistics, storage and processing capacity.
- To provide better support system to organized food processing sector.

8.9 INITIATIVES TAKEN UP BY THE DEPARTMENT

8.9.1 GOK-CGIAR Initiative for improving rural livelihoods in Karnataka (Bhoochetana Plus)

The State has 70% of the cultivated area under rainfed. To protect the farmer from the frequent drought situation the Government of Karnataka in 2012-13 agriculture budget introduced the GOK-CGIAR "Initiative for improving the rural livelihoods in Karnataka", CGIAR institutions working in India to partner in a consortium-led by ICRISAT to operationalize impact oriented research for development in the State, realizing high impacts in terms of increased agriculture productivity and improved livelihoods. The scheme is being implemented from 2013-14 on a pilot basis in four districts representing each revenue division viz, Bijapur, Tumkur, Raichur and Chikkamagalur. The main objective is to increase the production by 20% and livelihoods by 25% over a period of four years, in this connection the Agriculture and all the line departments are implementing the ongoing existing schemes in the identified villages.

8.9.2 Karnataka Agricultural Prices Commission

As announced in the Budget of 2013-14, Karnataka Agricultural Price Commission is being established. The Agricultural Prices Commission in the State will be an Advisory body to the State Government in the issues of policies and programmes related to remunerative prices for agriculture and horticultural commodities. It will advise the State Government on

the price policy of major agricultural and horticultural produce of the State as the Government may indicate from time to time with a view to evolve a balanced and integrated price structure with the perspective of the overall short and long term needs of the State's economy and with due regard to the interests of the producer and the consumer. This Commission will consist of farmers, agriculture experts and agro-economists. The Government will fix suitable prices based on the scientifically worked out recommendations of the Commission.

8.9.3 Raita Sahayavani Kendra (Farmers helpline centre)

The Department of Agriculture has started a farmers help line called "Raita Sahayavani Kendra" to provide information regarding agriculture and allied subjects to farming community in local language. With this objective, farmers are facilitated to make toll free calls vide Phone No.1800 425 3553. This centre functions from 7.00 am to 9.00 pm on all days on rotation basis under two shifts. Two subject matter specialists are entrusted to receive and provide information to the farmer. On an average 50 calls are received per day.

8.9.4 Kissan Call Centre - Toll free No.1800 180 1551

Kissan call centre has been set up in the country for which M/S IFFCO Kisan Sanchar Limited (a subsidiary of IFFCO) have been chosen to work as a service provider. IFFCO Kisan Sanchar Limited has established KCC at 13 locations in the country and have introduced the facilities like call recording, call replay, voice mail service, customized IVRS, call conferencing through the experts and SMS to the caller farmers at these KCC locations. In Karnataka, Kissan call centre is located in Bangalore (IKSL office, KSCARD Bank premises, Tippu Sultan Palace Road, Chamarajpet, Bangalore -560 018.)

8.9.5 Merging of Agriculture Department Schemes

To enhance smooth and timely implementation of schemes at district and field level, to avoid repetition of components, to avoid confusion and delay in accounting procedures, for effective monitoring of

grants release and expenditure at various levels and for effective matching of State Grants for Centrally Sponsored Schemes, 20 State Sector Schemes are converged into 5 schemes and being implemented in 2013-14.

8.9.6 Computerization and co-ordination of departmental offices

K-KISAN project was framed for computerizing the offices of agriculture department from Raitha Samparka Kendras (RSKs) at hobli level to Secretariat level. The main objectives of the project were-

- Timely information to the farmers about agricultural production,
- Strengthening and modernization of agricultural extension system through information and communication technology &
- Periodic review of physical and financial progress under various schemes.

Department of Agriculture had taken steps to implement K-KISAN project in 2011-12 by calling for open tender. However, due to higher estimate by L1 bidder against the approved budget, the tender was annulled. The Department is taking steps to recall the tender by modifying the tender conditions suitably.

8.9.7 Telemetric Rain gauge Stations

Weather based crop insurance scheme is being implemented in the State. The scheme compensates the insured farmers against the likelihood of financial loss on account of loss in crop yield resulting from incidence of adverse weather conditions and will cover the risk of weather parameters like rainfall, relative humidity, temperature, wind velocity etc. Agriculture Department has granted allocations under RKVY to Karnataka State Natural Disaster Monitoring Centre (KSNDMC) for establishing telemetric rain gauges at Gram panchayath level. KSNDMC has installed 3432 stations which include 747 Hobli headquarters and 2685 Gram panchayaths in the State. Telemetric Weather stations have been installed in all the 747 hobli headquarters. It is proposed to establish Telemetric Rain gauges in the remaining 2193 Gram panchayaths of the State during 2014-15.

8.10 Outcome of Various Development Programmes

Growth in agriculture production is the net result of efforts put in for implementation of various programmes of the State's Agriculture Department. A look at the past 10 year's agriculture production shows significant increase in production of Cereals, Pulses, Cotton, Sugarcane and Tobacco. Slight decline has been observed in production of Oilseeds, which is mainly due to diversion of area to other crops. The details are as given in Table 8.23.

8.11 Watershed Development Programme

The productivity of any crop mainly depends on crucial natural resources namely, land and water, in addition to management practices. Therefore, conservation, up-gradation and utilization of these natural resources on scientific principles are essential for the sustainability of rainfed agriculture. The watershed concept for development of rainfed area is gaining importance over the years and it amply demonstrated that watershed developmental tools are very effective in meeting the objectives with a mission approach. Karnataka has given an important place for Watershed Development because about 75% of the cropped area in Karnataka depends upon low and uncertain rainfall. The geographical area of

the State is 190.50 lakh hectares, out of which 129.70 lakh hectares are available for watershed development. Out of this area, 58.60 lakh hectares have been treated up to March 2013, and the remaining lakh hectares are yet to be treated. Figure 8.1 shows the proportion of drought prone area in India. The area covered by soil conservation measures from 2007-08 to 2012-13 is depicted in the Table- 8.24. In 2012-13 under different schemes an amount of Rs.350.66 crores was spent and 4.01 lakh hectares of area was treated.

8.11.1 Prime Minister's Special Package - (Sujala-II)

Prime Minister's Special Package programme is a relief programme for revitalization of 6 distressed districts viz, Chickmagalur, Hassan, Kodagu, Shimoga, Belgaum and Chitradurga in the state. An allocation of Rs. 4664 lakh has been made to develop an area of 38867 hectares in 2013-14 and including opening balance of which Rs 1567.77 lakh has been spent and developed 12565 hectares upto December, 2013.

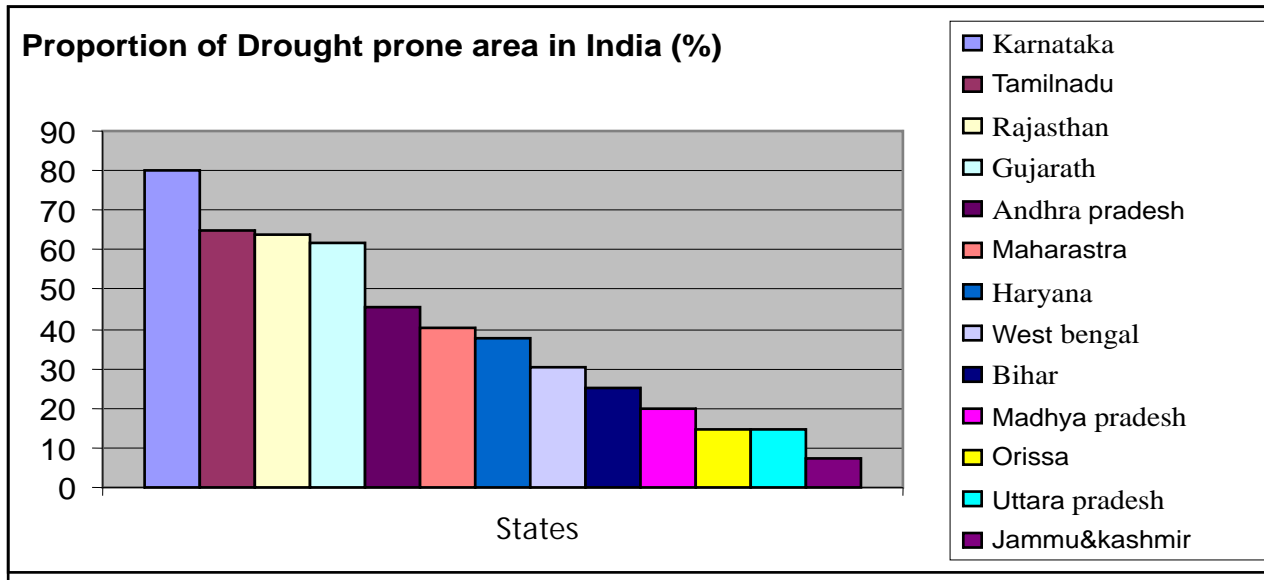
8.11.2 Fisheries in farm ponds and other harvesting structures

By utilising the available water in the form ponds and other water harvesting structures for fish culture, Rs

Table 8.23- Agriculture Production over the period of TimeTable

Crops	Production (Lakh Tonnes)		
	Avg. of 2003-04 to 07-08	Avg. of 2008-09 to 12-13	% + - in last 5 years
Cereals	91.15	105.36	16
Pulses	8.78	12.07	37
Total Foodgrains	99.93	117.43	18
Oilseeds	12.54	9.73	-22
Cotton (Lakh bales)	5.43	9.99	84
Sugarcane	198.63	346.74	75
Tobacco	0.56	0.91	63

Source: 2003-04 to 2010-11 FRE, 2011-12 & 2012-13 Final Estimates of DE&S.

Figure – 8.1: Proportion of Drought Prone Area in India**8.24 - Area covered under soil conservation (lakh hectares)**

Year	During the year	Cumulative
2007-08	2.22	44.87
2008-09	2.35	47.22
2009-10	2.05	49.27
2010-11	2.93	52.20
2011-12	2.39	54.59
2012-13	4.01	58.60

35 lakh has been provided in 2013-14. Fish culture has been taken up in 730 water harvesting structures by spending Rs.8.53 lakh upto December, 2013.

8.11.3 Externally Aided Project

Sujala –III - Under this project, an allocation of Rs.4761 lakhs has been provided in 2013-14. An amount of Rs.7.32 lakh has been spent for project works upto December, 2013.

8.11.4 Campaign for Check Dams - This scheme was introduced in the state to improve underground water table. An allocation of Rs.405 lakhs has been

made to construct 162 check dams in 2013-14. Upto December, 2013, 82 ground water recharge water harvesting structures have been constructed with an expenditure of Rs.201.50 lakh.

8.11.5 Integrated Watershed Management Programme (IWMP)- IWMP is being implemented in the state since 2009-10 as per the common guidelines-2008 issued by Government of India. All the existing projects like Desert Development Programme, Drought Prone Area Development Programme and Integrated Wasteland Development Programme are being phased out and a common

programme called Integrated Watershed Management Programme is being implemented as a Centrally Sponsored Scheme with the sharing pattern of state and centre as 10:90. Rs.50000 lakh has been allocated for this scheme in 2013-14. Out of this Rs.34085.91 lakh has been spent to develop 244680 hectares of land upto December, 2013.

8.11.6 Special Development Plan

In order to develop 114 backward taluks identified by Dr. Nanjundappa Committee report, Jalasiri schemes is implemented. An allocation of Rs 2311 lakh has been provided in 2013-14 to construct 773 water harvesting structures. An amount of Rs 1142.64 lakh has been spent to construct 471 water harvesting structures upto December, 2013.

8.11.7 Rastriya Krishi Vikasa Yojane - Based on the availability of funds under this scheme, the two schemes mentioned below are being implemented in 2013-14.

a) The River Valley Project: It is a centrally sponsored scheme implemented in the Karnataka state under Macro Management of

Agriculture (MMA). As the MMA division, GOI is not allocating required funds to complete all the planned activities as per approved plans of sub watersheds, much of the areas will be left untreated. Hence GOI has instructed to obtain funds under RKVY to complete all the planned activities in the ongoing watersheds. Accordingly proposal was submitted to State Government and Rs.2500 lakh was approved for 2013-14 to treat 69967 hectares. It is proposed to take up all the balance activities in the 24 ongoing sub watersheds (nearer to saturation) to treat them completely to achieve the desired objectives.

b) Rainfed Area Development Programme (RADP): Rainfed Area assumes significance in terms of ecology, agricultural productivity and livelihood for millions of rural households in India. In this context GOI under RKVY formulated RADP. In 2013-14, GOI sanctioned Rs. 2000 lakh to implement RADP scheme in the state. Recently GOI released an amount of 1000 lakh as its first installments to the state. The scheme is under implementation.

Success Stories

Dist: Haveri

Taluka: Bydagi

Village: Gummanahalli

A Case study of Pond (Gokatte) renovation in Gummanahalli, Kodihalli Watershed, Byadgi Taluk implemented as part EAP

Haveri District Watershed Development Authorities and Taluka Watershed Development Authorities, Byadgi, jointly took up pond (Gokatte) restoration work in Gummanahalli village of Kodihalli watershed in Bydagi taluk. This work was taken as per the recommendation of Gramasabha held in Gummanahalli. The taluk watershed officials after examining this area along with the Executive Committee took up stone pitching work and de-silting work in the pond under IWMP batch – 1 programme. Accordingly, the WDD officials started the renovation and restoration work with allocated funds under Batch 1 project IWMP programme. The intrusion has helped the pond store water for a period of 6 to 8 months. This additional storage has immensely helped the villagers and the stored water is being used for washing clothes and animals. Due to stone pitching the water quality has also improved and further the stored water is being utilized for providing drinking water to cattle. During summer even people also use this water for drinking purpose. Desilting of lake, along with stone pitching, has increased the discharge in nearby bore wells which helped in increasing the ground water in downstream areas. The entry point activities have made a desired impact and now the villagers are expecting more

8.12. AGRICULTURE MARKETING

8.12.1 Agriculture Marketing

Karnataka has 155 Agricultural Produce Market Committees (APMC's) to facilitate and regulate the marketing of agricultural commodities in the State. The APMCs are managed by an elected managing committee. The Secretary and supporting staff are Government Servants working in the APMCs.

8.12.2 Computerized E-Tendering System

Implementation of E-tender system in APMCs as announced in the budget speech of 2012-13 - As announced in the budget speech of 2012-13, Action has been taken for the establishment of e-trading facility in 50 APMCs for 11 major agricultural produce through NCDEX platform. E-trading facility has been already implemented through NCDEX platform in 26 APMCs i.e. 1) Gulbarga, 2) Tiptur, 3) Tumkur, 4) Arasikere, 5) Bijapur, 6) Bagalkot, 7) Bellary, 8) Haveri, 9) Yadgir, 10) Chitradurga, 11) Challakere, 12) Gadag, 13) Mysore, 14) Raichur, 15) Dharwad, 16) Hubli 17) Shimoga, 18) Yallapura 19) Koppal, 20) Bhadravati, 21) Bailahongala 22) Bidar, 23) Chamaraja nagar, 24) Channagiri, 25) Ranebennur and 26) Sagar. Approval has been accorded for the procurement of Hardware / peripherals required for the implementation of the project. Department has taken action for the procurement of required hardware/peripherals for the implementation of the project. For the implementation of E-tender system in the 54 APMCs coming under the Department of Agricultural Marketing (including 4 APMCs i.e. Bhalki, Harapanahalli, Basavakalyana & Kadur under RFD mandate), E-bid notification has been given on 21-9-2013 for the procurement of necessary hardware/peripherals (including networking) from an approximate amount of Rs.950 lakhs. Among the bids received, Ninerich Infotech has given the lowest bid amount. Issue of work order and approval is under Government verification.

8.12.3 Management Software

The day-to-day transactions of APMCs including management of accounts, property, daily transaction, developmental works, permits and administration

works have been computerized with the help of management software developed by the KEONICS. Of total APMCs, 78 have adopted this management software during the year 2009-10.

8.12.4 Minimum Floor Price Scheme

In order to prevent farmers from the distress sale of their agriculture produce the Government of Karnataka implements the Floor Price Scheme. During the year 2013-14 an amount of Rs. 44 Lakhs was released to KFCSC as incentive pertaining to 2012-13 for the procurement of Paddy, an amount of Rs.25 Lakhs each released to DCs of Chamrajnagar and Ramnagar when the price of coconut ruled below the Support Price of Rs.1,425/- announced by Government of India. The Government of India has started procurement of Ball copra under Support Price Scheme and 2,95,352 quintals of Copra valued at Rs.191.97 crore was procured from 33,211 farmers. In addition to support price of Government of India, the State Government has also given an incentive of Rs.1000 per quintal of copra for farmers. In this connection an amount of Rs.80 crore was released for the procurement of Ball copra out of revolving fund for the said purpose. An amount of Rs. 80.94 crore has been released from the revolving fund for 2013-14.

8.12.5 Rural Infrastructure Development Fund (RIDF)

The Government has accorded approval for construction of 646 Rural Shandy/Godowns and other Infrastructure facilities, out of which so far 641 works are completed and other 5 schemes are under progress.

8.12.6 Rural Godown Scheme/ Grameena Bhandar Yojana

The Government of India has introduced the rural godown scheme from the year 2001-02 to help the farmers to store their commodities scientifically in godowns and to sell the same when the prices are high. Under the scheme, construction of 545 godowns in the rural areas coming under 14 APMC's jurisdiction has been taken up. Out of this 518 works has been completed and 27 works are under progress.

8.12.7 Rice Technology Park

The Government has accorded administrative approval for establishing Rice Technology Park with the State-of-the-Art technology for processing, grading, packing, branding, marketing and export of rice in Karatagi of Gangavathi taluk at an estimated cost of Rs.3719 lakhs. Government has released Rs.110.21 lakhs in 2011-12 and Rs.200 lakhs in 2012-13, the same has been utilised for land acquisition. In 2013-14, an allocation of Rs.200 lakhs has been made. Upto October, 2013, Rs.100 lakhs has been released. This released amount is also utilised for acquisition of land. For the implementation of this scheme, 139 acre 39 guntas of land has been acquired for the purpose. Acquisition process is under progress for the acquisition of additional required land. Proposal has been submitted to Government for the sanction of 107 acre 21 guntas of Government land in somanala village of Gangavathi taluk. Action has been taken for the implementation of the scheme under IIPDF (India Infrastructure Project Development Fund).

8.12.8 Establishment of Private Wholesale Markets

In order to provide 25% subsidy and land for investment by the private entrepreneurs for the establishment of agricultural produce wholesale markets, the Government has allocated Rs 200 lakh in the budget in 2011-12. Since no application has been received from the private entrepreneurs, the amount has not been released under this scheme.

Establishment of Coconut processing unit at Konehalli of Tiptur – In 2011-12, from the budgetary allocation of Rs.200 lakhs, an amount of Rs.125 lakhs has been released for the establishment of coconut processing unit at konehalli sub market of APMC Tiptur. During the year 2012-13, Rs.250 lakhs has been released under this scheme. Detailed project report has been prepared and retendering process is under progress. In 2013-14, an allocation of Rs.250 lakhs has been made and Rs.25 lakhs for the establishment of coconut processing unit at Tiptur and Rs.37.50 lakhs for the establishment of coconut processing unit at chamarajanagar has been released.

Providing infrastructural facilities in the APMC's of backward areas – In 2011-12, from the allocation of Rs.300 lakhs, an amount of Rs.100 lakhs was released. The same has been distributed among 12 APMCs which are coming under backward areas to take up basic infrastructural facilities. In 2012-13, an amount of Rs.150 lakhs was released under this scheme. In 2013-14, a provision of Rs.50 lakhs has been made under this scheme. Upto October, 2013, Rs.25 lakhs has been released to the APMCs which have taken the developmental works under this scheme in the previous year.

Rashtiya Krishi Vikas Yojana (RKVY) – In 2013-14, a provision of Rs.3250 lakhs has been made under this scheme. Action has been taken to construct 97 numbers of godowns (total 45,250 MT capacity) in the selected 36 APMCs. Administrative approval has been accorded in September, 2013. Administrative approval & technical sanction is accorded to construct 48 numbers of 100 MT capacity godowns under SCP plan with a cost of Rs. 528.14 lakhs. Administrative approval & technical sanction is accorded to construct 18 numbers of 100 MT capacity godowns under TSP plan with an approved cost of Rs.197.86 lakhs. Under this scheme, in 2013-14, Rs.2000 lakhs has been released as first instalment. Action has been taken to distribute the same to the APMCs.

Establishment of Tur Technology Park at Gulbarga - Action has been taken to acquire the necessary land required for this project. Administrative approval has been accorded for this project in September, 2013. In 2013-14, a provision of Rs.75 lakhs has been made. Government has accorded approval for the release of Rs.37.50 lakhs as first instalment.

Establishment of Maize Technology Park at Ranebennur- Action has been taken to establish maize technology park in the proposed mega market yard of Ranebennur APMC. Administrative approval has been accorded for this project in September, 2013. In 2013-14, a provision of Rs.75 lakhs has been made. Proposal has been submitted to Government for the release of Rs.37.50 lakhs as first instalment. Release of grant from the Government is awaited.

Establishment of Coconut Technology Park at Tiptur - Action has been taken to acquire the necessary land required for this project. Administrative approval has been accorded for this project in September, 2013. In 2013-14, a provision of Rs.100 lakhs has been made. Government has accorded approval for the release of Rs.50 lakhs as first instalment. Action has been taken to draw the amount from the treasury.

8.12.9 Development of Market under National Horticultural Mission (NHM) Scheme

Under NHM scheme, there is provision for availing 25% subsidy. During the year 2009-10, 18 market committees have taken up schemes at a cost of Rs 5648.13 lakh. Out of this 17 works are completed and 1 work is under progress.

8.12.10 Pledge Loan Scheme

This scheme is being implemented by the APMCs by reserving 10% of their income by way of market fee and license fee. A maximum of Rs.2.00 lakh per farmer is given as loan for a maximum period of 6 months. The loan is interest free for the first 3 months. This scheme is meant to help the farmers to come out of the clutches of private money lenders. Pledge loan scheme is continued in the present financial year also.

8.12.11 Raitha Sanjeevini

This is an insurance scheme for farmers. Under this scheme, farmers who meet with an accidental death or are permanently disabled while being involved in farming / marketing activities are provided a compensation ranging from Rs.1500/- to Rs.50000/-. From 2009-10 to 2012-13, an amount of Rs.12.45 crore was given as compensation to 2860 farmers. In 2013-14, 193 farmers were given compensation and Rs.86.53,500/- was spent for the purpose.

8.12.12 Janashree Bima Yojane

The Janashree Bima Yojane is an insurance scheme implemented in collaboration with Life Insurance Corporation of India for the welfare of licensed weighmen, hamals and cartmen working in AMPCs. Under the scheme, for accidental death or permanent disability, an amount for Rs.75000/- and for natural death Rs. 30000/- is given as compensation. An amount of Rs.44,58,989 was

given to 141 families from 2009-10 to 2012-13. In 2013-14 an amount of Rs.13,79,994 was paid as compensation to 46 families. Further, through this scheme two children (who are students of 9th to 12th standards) of the registered persons are eligible to get scholarships at the rate of Rs.100/- per month.

8.12.13 Raitha Santhe

The Raitha Santhe Scheme provides a direct link between farmers and consumers by eliminating the middlemen to ensure better prices for the farmer produce. The scheme was implemented in Yelahanka town in 2002-03.

8.12.14 Global Agri-business and food processing

Global Agribusiness Meet was held in December 2011 with an aim to attract private investment from National and International firms in the field of technologies in food processing/packaging, post-harvest technologies, education & research, marketing, infrastructure development, Agri logistics etc., so as to achieve high growth in agriculture and allied sectors and enable farmers to earn higher income. Regular review meetings are held by KAPPEC institution and Addl. Chief Secretary & Development Commissioner for timely implementation of 65 MOUs (Rs.60942.47 crore) signed in the Global Agri Business Investors Meet held in December 2011. Progress achieved up to November 2013 is given in Table 8.25

Further an investment of Rs. 15450.24 crore is anticipated in Agriculture and Allied sectors from the 62 MOUs signed in the 'Global Investment Meet' held during June, 2012 organized by the Industries and Commerce Department of the State Government.

8.13 Horticulture

The horticultural sector has registered a rapid growth in Karnataka. The State Government has undertaken several initiatives to boost the growth in this sector. The major initiatives include a) area expansion programme b) providing micro irrigation c) providing assistance to farmers d) disease and pest management e) mechanization f) post harvest management and marketing and g) providing infrastructure facilities. With the successful implementation of these programmes, production of

horticultural crops has increased over time. In 2011-12, horticulture crops covered an area of 18.86 lakh hectares and recorded production of 155.01 lakh tones. Area under horticultural crops in the state from 2008-09 to 2012-13 is given in Table 8.26. A comparative statement of area and production of major horticultural crops during 11th Plan period is given in Appendix- 8.14.

8.13.1 Area Expansion Programme

The area expansion programme has been taken up under different schemes viz., a) National Horticulture

Mission b) Oil Development Programme c) Coconut Development Board and d) Comprehensive Horticulture Development. The details of these schemes and progress in implementation are discussed below.

8.13.1.1 National Horticulture Mission (NHM)

The GOI has sanctioned the NHM Scheme for implementation in Karnataka State in 2005-06. It is a centrally sponsored scheme in which GOI provided 100% assistance to the State Missions during 10th Five Year Plan (2005-06 & 2006-07). In the 11th Five

Table 8.25- Progress Achieved- Global Agri-business Meet

Sl. No.	Particulars	Nos.	Investment Rs. Crore
1	Total No. of Investment MOUs signed during the Meet and subsequently	65	60942.47
2	Total No. of Finance MOUs signed during the Meet and subsequently	3	50500.00
3	Total No. of projects submitted to Kamataka Udhog Mitra	35	11244.37
4	Total No. of projects approved by Kamataka Udhog Mitra	28	10743.74

Table 8.26 - Area under Horticultural crops in Karnataka (Lakh hectares)

Crops	2008-09	2009-10	2010-11	2011-12	2012-13*
Fruits	3.18	3.60	3.54	3.69	3.88
Coconut	4.71	4.87	4.91	4.93	5.13
Spices	2.43	2.66	2.57	2.29	2.39
Vegetables	4.21	4.37	4.38	4.20	4.37
Cashew	0.70	0.70	0.69	0.70	0.73
Flowers	0.27	0.27	0.28	0.29	0.30
Others	2.50	2.52	2.64	2.76	2.88
Total	18.00	18.99	19.01	18.86	19.68

*Anticipated

Source: Directorate of Horticulture

Year plan onwards (from 2007-08), the Central Government and State Government assistance is fixed at 85:15. This scheme is now being implemented in all the 30 districts in the State. The main objective of introducing the NHM scheme was achieving the allround development of Horticulture by integrating backward and forward linkages. Its approach is “end-to-end”, starting from the production of planting material and finally ending with value addition and marketing/export of produce. The major strategies set for the development of Horticulture through NHM in the State were enhancing both production and productivity of major Horticulture crops, doubling the production, increasing quality of the produce, rejuvenation of the unproductive orchards, rain water harvesting, organic farming, induction of INM and IPM, providing post harvest support, improving marketing, enhancing the technical knowledge and skills of farmers, extension officials and entrepreneurs through an array of HRD programmes. The financial progress achieved under NHM is given in Appendix 8.15. In 2013-14, the annual physical target is 10038 ha & financial target is Rs.1781.79 lakh for establishment of new horticulture crops like fruits crops, plantation crops, spice crops, flower crops and aromatic crops. About 8647 ha area has been covered with a financial assistance of Rs. 1522.13 lakh upto end of December 2013. The total approved Annual Action Plan for the year 2013-14 is Rs.140 crore. In 2013-14 more emphasis has been given for plantation infrastructure, protected cultivation component as well as post harvest management component. The progress of programme implementation during 2013-14 under NHM is given in Table 8.27.

Future plans for Implementation of NHM Scheme for 2014-15

The Mission has planned to prepare the draft annual action plan for an amount of Rs.150 crore. During this year emphasis will be given on the following:

- Post Harvest Management
- Protected cultivation
- Rejuvenation programmes
- Integrated pest /disease and Nutrient management

- Mechanization.
- Marketing Infrastructure Programmes.

8.13.1.2 Oil Palm Development Programme (ISOPOM & RKVY)

Oil palm Development Programme is jointly sponsored by the Government of India and Government of Karnataka, with fund sharing pattern of 75% and 25% respectively. Under this programme, to establish plantations farmers are given input subsidies at the rate of Rs.20,000 per hectare for an initial period of four years or pre-bearing period and planting material at Rs. 10000 per hectare. Subsidies are also extended for the purchase of harvesting tools, drip irrigation, drainage; inter cropping, INM/IPM, borewell, water harvesting structures and diesel pump set. Farmers are also taken on exposure visits and given training programmes on advanced practices in oil palm cultivation.

To facilitate the expansion of area and planting in the next year, oil palm seedlings have been raised in 2013-14. About 6345610 sprouts (both indigenous and exotic type) have been procured by oil palm entrepreneurs and sown in various nurseries. More than 600000 seedlings in various nurseries are ready for planting in the current year. Further, to produce indigenous oil palm sprouts, a seed garden in an area of 12 hectares has been established at Taraka, H.D.Kote taluk, Mysore district. In 2013-14, as against the production target of 300000 sprouts, about 271000 good quality sprouts have been produced and sold to entrepreneurs' upto December 2013. Owing to increase in the demand for oil palm sprouts and in order to increase the sprouts production from Taraka Seed garden to 10 Lakh sprouts annually in the coming years, about 2000 selected mother palms have been procured from Directorate of Oil Palm Research, Pedavegi, Andhra Pradesh and have been planted in Kabini Horticulture farm, Mysore district in about 15 ha. Further, under RKVY during 2012-13, it is proposed to convert or upgrade Frontline Demonstration Project at Bheemanakolli Horticulture farm into a 'Centre of Excellence for Oil Palm' with state of the art facilities. The price of oil palm Fresh Fruit Bunches (FFBs) are fixed every month by the state Government. This is a unique and transparent system

Table 8.27 - Progress of programme implementation during 2013-14 under NHM

Programme	(Units)	Annual Target		Achievement (upto Oct.2013)	
		Physical	Financial (Rs.inlakh)	Physical	Financial (Rs.inlakh)
Nursery	(Nos.)	28	175.00	4	11.69
Tissue Culture Lab	(Nos.)	6	255.00		
Vegetable seed Production	(Ha.)	242	78.00		
Import of Planting Material (District)	(Nos.)	8	65.00	1	5.00
New Area Expansion	(Ha)	10038	1781.79	5970	1031.65
I & II year Maintenance	(Ha.)	18449	1007.27	15277	821.98
Mushrooms	(Nos)	2	25.00		
Rejuvenation of Old/Senile Orchards	(Ha.)	4518	677.70	1050	147.92
Creation of Water Storage Structures	(No.)	649	525.40	158	124.83
Protected Cultivation	(Ha.)	2142	2336.57	367	434.61
Integrated Nutrient / Pest & Disease Management.	(Ha.)	40237	632.30	29249	318.08
Organic Farming					
i.A doption of Organic Farming	(Ha.)	4900	171.50		
ii. Vermi compost/ Bio-digester units	(No.)	500/1300	150/390	82/306	24.30/88.80
Pollination support through bee keeping	(No.)	21012	189.59	1848	14.18
Mechanization	(No.)<20 H.P >20 H.P	178 1004	53.40 753.00	23 451	11.70 345.75
Front Line Demonstration (FLD)	(Nos)	6	30.00		
Human Resource Development	(No.)	30772	545.53	7193	57.96
Integrated Post Harvest Managt.		670	2618.40		
i. Pack Houses	(Unit No.)	398	597.00	111	166.45
ii. Reefer Vans	(No.)	1	9.60		
iii. Primary/Mobile Processing	(Unit No.)	128	1228.80	78	230.65
iv. Cold Storage Units	(Unit No.)	2	170.00	1	120.00
v. Ripening Chamber	(Unit No.)	21	252.00	1	15.33
vi.Evoparative/low energy coolchamber	(Nos)	1	2.00		
vii.CA/MA cold storage unit	(Nos)	1	300.00		
viii. Onion Storage Structures	(No.)	118	59.00	17	8.50
Establishments of Marketing Infrastructures	(Unit No.)	424	184.85		

* Work is under progress,

followed to promote oil palm crop in the State and protect the interest of farming community and entrepreneurs. The FFBS price for the month of December 2013 has been fixed at Rs. 6756 per ton of FFBS. The State Government is examining the proposal to announce Minimum Support Price for oil palm FFBS. Overall, the situation in oil palm development is quite encouraging with better prospects for the crop as the country is importing huge quantities of edible oil and prospects of crude palm oil for conversion into bio-fuel are bright. The physical and financial achievements of the oil palm development programme are given in Table 8.28.

8.13.1.3 Integrated Farming in Coconut for Productivity Improvement Programme

Coconut Development Board

The Coconut Development Board is providing 100% financial assistance for the Integrated Development

of Coconut Industry in the state. The activities that are being implemented are - 1) laying out of demonstration plots and their maintenance 2) distribution of plant protection chemicals, organic manures, chemical and bio fertilizers for improvement in production and productivity of coconut 3) production of TXD hybrids coconut seedlings. In 2012-13, out of total financial allocation of Rs. 1041.25 lakhs, an amount of Rs.1048.12 lakh was released, out of which Rs. 1035.003 lakh was spent by March, 2013. In 2013-14, out of total allocation of Rs. 1110 lakh, an amount of Rs.991.65 lakh has been released, out of which Rs. 654.392 lakh has been spent upto December, 2013. Details of progress of activities of the board are given in Table 8.29.

8.13.1.4 National Medicinal Plants Mission

Under the National Medicinal Plants Mission, an Annual Action Plan for an amount of Rs. 216.71 lakhs

Table 8.28- Physical & Financial progress under Oil Palm Development Programme

Year	Physical(Area Expansion)		Financial (Rs. lakh)	
	Target (Ha.)	Achievement (Ha.)	Target	Achievement
During 11 th Plan Period	21891	14109	7535.00	3060.38
2012-13	5186	2413	1862.76	1717.07
2013-14 *	6500	1945	1790.45	686.86

Source: Department of Horticulture, *up to October 2013

Table 8.29 - Progress achieved under the Coconut Development Board

Sl. No.	Year	Financial (Rs.in lakh)		Development of New Coconut plot (Ha)	
		Target	Achievement	Target	Achievement
1.	2012-13	1041.25	1035.00	5873	5872
3.	2013-14*	1110.00	654.392	787.15	269.40

* Upto the end of December-2013

was approved by GOI for 2013-14, to implement the programmes like area expansion of medicinal plants, development of nurseries, and establishment of Quality testing laboratory units. The details are given in Table 8.30.

8.13.1.5 Providing Micro Irrigation Facility

The Department of Horticulture has been promoting the use of drip irrigation system among the horticultural farmers since 1991-92. A Centrally Sponsored Scheme of Micro Irrigation has been implemented from 2006-07 in the State. Under this scheme, subsidy is provided for drip irrigation, sprinkler irrigation and drip demonstrations for all horticulture crops, except coffee, tea, rubber and oil palm. The assistance is available for a maximum area of 5 ha per beneficiary family for both drip and

sprinkler irrigation. In 2013-14 for all categories of farmers under drip irrigation, 90% subsidy is provided for the first 2ha and 50% for the remaining 3ha. The subsidy for the sprinkler irrigation is 90%. Under drip demonstration component, the State/Central Government Institutes, farmers of non-governmental organization/progressive farmers can avail assistance of upto 100% for a maximum area of 0.5ha. Details of the progress are shown in Table 8.31.

8.13.1.6 Providing assistance to farmers - Under this programme, assistance to farmers is given in the form of training and supply of planting materials.

a. Training - The newly developed technologies and improved hybrid varieties of high yielding potential crops are disseminated to farmers through various

Table 8.30 – Area Expansion Programme under Medicinal Plants (2013-14)

Sl.No.	Name	Area Expanded (Hectares)	Achievement
1	Ashwagandha	378.00	201.6
2	Tulsi	388.80	6.84
3	Guggal	13.00	-
4	Coleus	164.00	40.74
5	Amla	12.00	
6	Acorus calamus	40.00	40
7	Asparagus(Shatavari)	13.00	
8	Mucunna Prurita	72.20	4
9	Aloevera	8.00	4
10	Safedmusli	34.00	7
11	Pippali	10.00	
12	Senna	40.00	40
13	Sarpagandha	10.00	
14	Saraca asoca(Ashoka)	10.00	
15	Andrographis (Kalmeg)	22.80	8
	Total	1215.80	

Table 8.31 - Progress achieved under micro irrigation

Period	Physical (In.Hectares)		Financial (Rs. inlakh)	
	Target	Achievement	Target	Achievement
During 11 th Plan period	192733	156896	57088.60	44487.40
2012-13	64572	51687	19459.57	19323.41
2013-14 *	55557	28967	22564.64	9269.64

*upto October 2013

media to enable them to adopt it and get better returns. Training programmes are also conducted by the Horticulture Department on the latest available technologies in horticulture. Since 2005-06 training to farmers' scheme is implemented under Zilla Panchayat on different technological aspects. Farmers, both women and men are trained in preservation of fruits, vegetables and mushroom cultivation. For the year 2012-13, about 19570 men and women were trained under this programme and Rs 38.05 lakhs has been earmarked during 2013-14 with a target of 19025 farmers being trained.

b. Horticulture Extension - There are 10 Horticultural Training Centers in the State which were working since 1950. Ten months practical training programmes are being conducted to the farmers' children with modern technologies introduced in Horticulture; to improve their own land and productivity of horticulture crops. Around 300 participants are trained every year. Training centers have Hostel facilities & it has been made mandatory for students to stay in the Hostels. For the year 2012-13 an amount of Rs.450 lakhs has been allocated, of which Rs.336.95 lakhs has been utilized upto the end of March, 2013. This has been utilized for the maintenance of Departmental training centers and for various publicity activities. Rs.350 lakhs has been earmarked in 2013-14. Under the District Sector Scheme, components such as area expansion, social horticulture, development of ornamental plants and distribution of plant protection chemicals are under implementation. In 2012-13, out of total financial allocation of Rs. 177.89 lakh, Rs.172 lakh has been

spent. In 2013-14 Rs.197.27 lakh has been allocated. Out of which Rs. 180 lakh has been spent upto December, 2013.

c. Production and supply of planting materials

A greater emphasis has been given for the mass multiplication of horticultural seed and planting materials through 410 horticultural farms and nurseries spread across the State and supply to farmers at affordable rates. Progress on these activities are given in Table 8.32.

d. Disease and Pest Management

i) Integrated Disease and Pest Management Programme for Horticulture Crops

The Department of Horticulture, through its plant protection programmes, provides bio-pesticides, botanicals, chemicals, pheromone traps and lures to control the pests and diseases of horticulture crops. In addition, pest surveillance is undertaken in different districts to predict the outbreak of pest and diseases and, create awareness in the management of pests and diseases like eriophyidmite, black-headed caterpillar, stem bleeding, tomato leaf curl virus, bacterial blight and koleroga of arecanut. In 2012-13 Rs.146.571 lakh has been spent against Rs.150 lakh. In 2013-14, Rs.1495.76 lakh has been allocated for parasite production, brachmeria production, assistance for chemicals purchase and good management practices in pomegranate. Rs.1125.98 lakhs has been released, out of which Rs. 858.89 lakhs has been spent upto

December, 2013. There are 20 major and 30 minor parasite laboratories in the department where in 284.964 lakh Goniozus parasites and 2 lakh Brachymeria parasites were produced and released during 2012-13. In 2013-14, 171.952 lakh Goniozus and 1.70 lakh Brachymeria parasites were produced upto December, 2013 and distributed to the beneficiaries for releasing in coconut garden. Details of the programmes' progress are given in Table 8.33.

ii) RKVY Schemes

“Strengthening of Departmental Laboratories” under RKVY Scheme

This programme is implemented in Tumkur, Chitradurga, Mysore, Davanagere, Hassan and Chamarajanagar Districts. In 2011-12, 4 laboratories were developed with total allocation of Rs.80 lakh and in 2012-13, 4 laboratories were developed with

Table 8.32- Distribution of Horticultural Seed and Planting Material (*upto December 2013)

Crops	Unit	11 th PlanPeriod	2012-13	2013-14*
Fruits	Lakhs	1180.79	28.36	26.14
Spice crops	Lakhs	67.03	46.28	5.00
Cashew	Lakhs	15.53	1.30	0.73
Ornamental and Flower seedlings	Lakhs	11.90	3.05	1.77
Vegetable and flower seeds	Quintals	602.35	125.00	-

Source: Department of Horticulture

Table 8.33- Details of Disease and Pest Management Programme

Sl. No	Programme Name	During 11th Five Year Plan Period		2012-13 (Rs. in lakh)		2013-14 ** (Rs. in lakh)	
		Target	Achievement	Target	Achievement**	Target	Achievement**
1	Integrated Disease and Pest Management Programme for Horticulture crops	1229.11	885.024	150.00	146.571	1495.76	413.918
2	"Strengthening of Departmental Laboratories"* under RKVY Scheme	180.00	Work is under Progress	40.00	Work is under progress		

*Implemented during 2011-12

** (up to December-2013)

an allocation of Rs.40 lakh. The works are under progress.

iii) Arecanut Research Centre, Sringeri

The 'Yellow Leaf Disease' has been a limiting factor for cultivation of Arecanut in Sringeri, Koppa and Narasimharajapura taluk of Chikmagalur District. In this context, an exclusive "Areca Research Station" has been established at Sringeri as proposed in the 2008-09 budget to help the areca growers with scientific recommendation for the management of the disease. An amount of Rs.200 lakh in 2008-09, Rs.80 lakh in 2009-10, Rs.50 lakh in 2010-11, 2011-12 and 2012-13 was provided to Horticulture University, Bagalkot for this purpose. Further, an amount of Rs.48.30 lakh has been released during 2013-14 out of which an amount of Rs.46.20 lakh has been spent upto December 2013. Research activities are under progress in yellow leaf disease affected areca gardens besides taking up detailed survey of YLD affected gardens.

iv) Comprehensive Horticulture Development

Karnataka State is in the forefront with regard to the development of Horticulture in the entire Country. Horticultural Crops are grown in an area of 18.86 lakh hectares with a production of over 155 lakh tons in the State. The total value of horticultural produce/products is about Rs.34377 crores. It is a matter of pride to note that the horticulture sector contributes 40% to the production under the combined agriculture sector in the state. About 12 lakh farm families are engaged/ dependent on the horticulture sector and employment opportunities both direct and indirect are created to about 75 lakh people. The development of horticulture in the State are ridden with many problems and shortcomings like low value addition, poor marketing facilities and improper crop management practices. In order to achieve Comprehensive Development in the Horticulture sector of the state, the Honorable Chief Minister of Karnataka has announced in the Budget Speech of 2012-13, a major scheme for the Integrated/Comprehensive Development of Horticulture with a budget outlay of Rs.305 crores. The component of Promotion of Crop Clusters will be implemented in all 176 taluks of all the 30 districts of the State. In 2012-13, an amount of Rs.15000 lakhs

was enmarked, out of which Rs. 20153.92 lakhs was released. Area under horticulture crops were expanded in an area of 1,34,445 ha, with an expenditure of Rs. 17155.40 lakhs. In 2013-14, an amount of Rs. 14550 lakhs has been earmarked, out of which Rs.11537.65 lakhs has been released upto December 2013. Area under horticulture crops has expanded covering 25035.91 ha, with an expenditure of Rs. 5523.93 lakhs.

8.13.2 Mechanisation

The programme on Mechanization in Horticulture is being implemented with a provisional budgetary support of Rs 25 crore for a period of 3 years (2009-10 to 2011-12). In order to reduce the man power drudgery and cost of cultivation, under this scheme, assistance is provided in the form of subsidy for the different types of equipment/machineries that are used in cultivation, pre and post-harvest management of horticultural crops. In 2012-13, an allocation of Rs.2100 lakh was made, out of which Rs.1995.06 lakh have been spent. In 2013-14, a provision of Rs.2000 lakh has been made for this programme and the programme and the programme has been implemented effectively with a financial achievement of Rs. 748.29 lakhs upto December 2013.

8.13.3 Precision Farming in Banana

The low productivity of banana in the state is mainly due to traditional cultivation practices using suckers as planting materials, improper nutrition and unscientific water management practices. If these defects are overcome, there is scope for enhancing the productivity levels. RKVY precision farming in Banana-programme was taken up in all the 30 districts of Karnataka from 2011-12 with the intention to increase socio-economic status of Scheduled Caste and Scheduled Tribe farmers and to raise the productivity levels by educating the farmers, helping them to take up scientific cultivation, using tissue culture plants, drip irrigation, fertigation, mulching, integrated nutrition and appropriate plant protection measures. In 2011-12, Rs.1485 lakhs was released with a financial achievement of Rs.1450 lakhs covering about 3222 acres and in 2012-13, Rs.900 lakhs was released with a financial

achievement of Rs.830.27 lakhs covering about 1845 acres. In 2013-14, the scheme is being implemented in 30 districts with a financial target of Rs.500 lakhs and physical target of 2500 acres and the programme has been implemented effectively with a financial achievement of Rs. 142.82 lakhs upto December 2013.

8.13.4 Post Harvest Management and Marketing and providing Infrastructure Facilities

8.13.4.1 Post Harvest Management

The Government of Karnataka has been implementing a programme called "Processing and value addition for Horticulture crops". It includes activities related to grape dehydration, red chilli powdering, vanilla processing, winemaking unit and desiccated coconut powder units. Since horticulture produce like fruits, vegetables and flower are perishable, it is important to provide proper post harvest management practices for these produce. Karnataka has 82 cold storages, of which 74 are in private, 4 are in co-operative and 4 are in public sector. To make the existing storages facilities economical and to encourage establishment of new cold storages in private/co-operative sector, electricity subsidy of Rs.1/- is provided for every unit of electricity consumed by the cold storage units.

Details of progress of activities for post harvest management are given in Table 8.34.

8.13.4.2 Marketing

At the district level, 19 Horticultural Produce Marketing and Co-operative Societies have been established on the lines of HOPCOMS in Bangalore. At present, these district HOPCOMS are unable to work under profit due to lack of infrastructure and basic amenities. In this regard, a project for strengthening of 19 districts HOPCOMS through Karnataka Horticulture Federation has been approved under RKVY with an outlay of Rs.26.50 crore. In 2011-12, Rs.7.50 crore was released and has been utilized under the programme. In 2012-13, Rs. 2.50 crores was released to KHF and other 23 district HOPCOMS. In 2013-14, the above said programme is not being implemented under RKVY.

8.13.4.3 Providing Infrastructure Facilities

In 2012-13, the State sector scheme of Procurement of fruits and vegetables has been implemented to create infrastructure facilities for the collection of fruits and vegetables with a release of Rs.5 crore to KHF, Bangalore and 11 districts HOPCOMS. The same amount has been allocated in 2013-14. The progress under this scheme is given in Table 8.35.

Table 8.34 Physical and financial achievement under post Harvest management

Year	Annual Physical (No. of processing units)		Annual Financial (Rs in lakh)	
	Target	Achievement	Target	Achievement
2007-08	13	13	100.00	99.87
2008-09	162	72	200.00	174.79
2009-10	39	39	100.00	98.94
2010-11	22	20	871.48	621.34
2011-12	12	13	500.00	299.58
2012-13	19	19	150.00	145.93
2013-14*	20	2	200.00	25.18

* (up to December-2013)

Table 8.35 -Progress of Assistance to Boards & Corporations implementing through KHF.

Scheme	2012-13				2013-14				
	Financial (Rs. in lakh)		Physical		Financial (Rs.in lakh)			Physical	
	Target	Achvt	Target	Achvt	Target	Release *	Achvt	Target	Achvt
Assistance to Boards & Corporation through KHF	1135.00	500.00	59	48	1200.00	600.00	1158.75	251	-

* upto December, 2013

8.13.5 Establishment of Flower Auction Centers

With a view to strengthen the marketing/forward linkages for flower crops, a project on "Establishment of Flower Auction Centres" is being implemented in Tumkur, Davanagere, Udipi, Uttara Kananda, Kodagu and Belgaum districts, at a total cost of Rs. 15 crore for a period of four years (2008-09 to 2011-12). Establishment of Flower Auction Centres at Tumkur and Davanagere in 2008-09 was completed and out of Rs.500 lakh released, an amount of Rs. 403.81 lakh has been spent. Since 2009-10, Establishment of Flower Auction Centre at Udipi is under progress. An amount of Rs.161.38 lakh has been spent against Rs.250 lakhs. In 2010-11, an amount of Rs.427 lakhs was released for establishment of flower auction centre at Sirsi and Belgaum, out of this Rs.145 lakh was spent.

8.13.6 Wine Policy and Establishment of Karnataka Grape Wine Board

To promote wine varieties of grapes and to encourage wine industries in the state, a wine Policy has been enforced since 2007. The Karnataka Grape Wine Board has been set up for implementing the programmes under the Wine Policy. In 2012-13, a provision of Rs.10 lakhs was allocated out of which Rs.7.50 lakhs was released as share capital and Rs.2.50 lakhs for developmental activities. In 2013-14, a provision of Rs.350 lakhs has been made out of

which Rs.317.50 lakhs has been allocated as share capital and Rs.32.50 lakhs for developmental activities. An amount of Rs. 262.50 lakhs has been released upto December, 2013 with a financial achievement of Rs. 257.50 lakhs.

8.13.7 Mango Development Board

Mango Development Board was established in 2010-11 to promote and streamline the production, processing, marketing and export of mangoes in the State. The Board is looking after the activities taken in the mango resource center in Kolar and Chikballapur. In 2012-13, a provision of Rs.500 lakh was earmarked out of which Rs.400 lakh was released as Corpus Fund and Rs.100 lakh as Development Fund to the Mango Corporation. In 2013-14, an allocation of Rs.565 lakh is made, out of which Rs.250 lakh as Corpus Fund and Rs.215 lakh as Development Fund and Rs.100 lakhs as salary and other allowances. Upto December 2013, an amount of Rs.565 lakh has been released and the programme is under progress.

8.13.8 Mango Development Centre

The Mango Development Center is developed at Kolar and Chikballapur at a total cost of Rs.19 crore under the RKVY. The period of implementation of this project is four years from 2008-09 to 2011-12. During this period, an amount of Rs.1230 lakh has

been released of which an amount of Rs. 686.65 lakh has been spent upto December 2013. Further, market promotion activities and Mango Melas have been organized at Bangalore and Davanagere. Based on the final report of systematic survey for accessing the status of Mango orchards in the state, various training programmes has been conducted on scientific production and post harvest management of mango for both farmers and Departmental officers. In addition, demonstration/variety blocks have also been established in departmental farm.

8.13.9 Miscellaneous Activities Undertaken by the Department of Horticulture

8.13.9.1 Formation of Karnataka State Horticulture Development Agency (KSHDA) & Development of Horticulture through PPP Framework

The State Government in order to make these farms and nurseries self sustainable and profit making resource center was established, i.e. the KSHDA, a Special Purpose Vehicle (SPV) for development of these farms. The main objective of the KSHDA is to produce high quality horticultural seed and planting materials and to build and operate Crop Development Resource Centres for holistic development of horticultural sector as well for building horticulture related infrastructure facilities. In 2012-13 action was initiated for the development of 50 farms on experimental basis under Business Model for which Technical Advisors are appointed. Since, the reports submitted by the Technical Advisors were not up to the satisfaction of the Department, in the 11th Executive Committee meeting of the KSHDA, it was decided to cancel and drop the project.

8.13.9.2 Biotechnology

The Biotechnology Centre of the Department of Horticulture is taking up activities like germplasm conservation, tissue culture, mushroom development, production of bio-fertilizer and bio-pesticides, soil, water and leaf analysis, DNA finger printing etc. In 2013-14, a total of 8.85 lakhs tissue culture plants were produced by utilizing Rs.132.43 lakhs and 210.3 tonnes of biofertilizers and biocontrol agents and 39 tonnes vermicompost were produced under the scheme of Development of Departmental Laboratories upto December 2013.

Training programmes and demonstrations were arranged at this centre to promote cultivation and consumption of mushroom, to create awareness of Organic farming, use of medicinal plants, kitchen garden etc. A total of 12,630 spawn bottles, 50.25 kgs. mushrooms and 785 kgs. mushroom compost were produced upto September 2013. Under Extension and Training Programme 7 training programmes were organized to train about 288 farmers/Public/Students. Quality control laboratory is set up for testing and analysis of bio inputs at this centre. A total of 1261 & 215 water, soil and leaf samples were analyzed for macro nutrients & micro nutrients respectively, 6 samples of active ingredients of medicinal and aromatic plants, 84 samples of quality testing of organic manure, 80 samples of residue analysis, 209 samples for heavy metal contents and 76 Phytosanitary samples were analyzed upto September, 2013. Further, under the scheme of Development of Departmental Laboratories upto September, 2013, a total of 1260, 577 and 417 water, soil and leaf samples were analyzed in Shimoga, Bijapur and Belgaum districts, respectively. A total of 3000 mushroom spawn bottles were produced in Mysore district. Under this scheme, Rs.250 lakh was released; out of which Rs.200.24 lakh have been spent upto September, 2013.

8.13.10 New Interventions in Horticulture

8.13.10.1 Productivity improvement in Coconut

The Hon'ble Chief Minister of Karnataka has announced Rs.25 crore package in 2011-12 budget for improving the production and productivity in coconut. With the approval of the proposal by the Government, the scheme is proposed to be implemented in 3 financial years. In 2012-13, for the establishment of demonstration plots, control of pest & diseases in coconut, farmer facilitators' salary, publicity, maintenance of Neera Processing Demonstration Centre in Thumbe Horticulture Farm, Bantawal Taluk, Dakshina Kannada District and for the maintenance of demonstration cum training centre in Javarahalli Horticulture Farm, Mandya district, an amount of Rs.938.75 lakh has been earmarked. An amount of Rs. 945.62 lakh was released, out of which Rs. 932.72 lakh was spent upto March, 2013. In 2013-14, an amount of Rs.900 lakh has been enmarked. An amount of Rs. 897.812 lakh

was released, out of which Rs. 565.502 lakh was spent till the end of December, 2013.

8.13.10.2 Rejuvenation of Arecanut Gardens Affected with Yellow Leaf Disease (YLD)

To improve the economic conditions of the farmers who are facing the loss due to YLD, the central team and also scientists from Sringeri Arecanut Research Centre opined that the yield of YLD affected gardens can be increased by proper soil and nutrient management. During 2012-13, for the control of yellow leaf disease affected arecanut gardens in an area of 1332 ha, Rs.1.50 crore has been released under this scheme, out of which Rs.1.499 crore were spent. Further, in 2013-14, for the control of yellow leaf disease affected arecanut gardens in an area of 1333 ha, Rs.1 crore has been earmarked and the same has been released, out of which Rs. 40.705 lakh was spent upto December 2013.

8.13.10.3 Incentives for Floriculture

For the survival of the Hitech Floriculture many organization, farmers, association, entrepreneurs and farmers have submitted request to solve the problems faced by them. The Department of Horticulture has formulated a new scheme for the rejuvenation and strengthening of hitech floriculture in 2013-14. The following programmes have been formulated under this scheme -

- 1) Subsidy for replanting of old plants (variety) with new varieties grown in green house.
- 2) Subsidy for replacement of polythene sheet of green house.
- 3) Subsidy for Electricity used for cold storages of hitech floriculture units at the rate of Rs.2 per unit.

An allocation of Rs.300 lakhs has been made for implementation of the above programmes for 2013-14, out of which an amount of Rs.150 lakhs has been released upto December 2013 and the work is under progress.

8.13.11 Apiculture Development Programme

Apiculture is being practiced as a Cottage Industry since 3000 years. It is playing a major role in providing financial independence to the practicing

bee keepers. Bee keeping enhances the income levels of farmers, since bees play a major role in increasing the productivity of many agriculture and Horticulture crops. In recent days bee keeping Industry is being evolved on par with Horticulture, Agriculture and Sericulture. Bee keeping can be taken up without much investment and there is ample scope for exports.

The Department of Horticulture is implementing various programmes for bee keeping development under State sector, District sector and National Horticulture Mission and RKVY schemes. These programmes are implemented with the objective of increasing the quality yield in Horticulture and Agriculture crops and also to produce disease free quality bee colonies. In order to encourage the farmers to take up bee keeping, various incentives are being given. To create awareness on bee keeping 3 days training is given and interested beneficiaries will be given 50% assistance of Rs. 1500/- for purchase of bee boxes and colonies. Each beneficiary can avail subsidy for 4 bee boxes and colonies. The Apiculture interest groups formed at Taluk level will be given a revolving fund of Rs. 0.50 lakhs. An assistance of Rs. 0.50 lakhs to maximum of Rs. 2 lakhs will be given for processing / storage / transportation of honey. In order to expose the farmers regarding bee keeping techniques else where in the country, farmers will be taken for exposure visits. Madhu melas/Field days/Seminars will be conducted to disseminate information on bee keeping.

Budget is earmarked for development of Madhuvanas in the Department and provision is made for hiring staff on contract basis for maintenance of Madhuvanas. A provision of Rs.95 lakhs is made for development of Bee keeping Training centers at Bhagamandala and Bilagi. A provision of Rs. 60 lakhs is made for establishment of Honey Park at Kodagu. Under RKVY for the first time special programmes are drawn for the welfare of Tribals and Adivasis. There is a provision to provide financial assistance up to Rs. 1 lakh for establishment of Apiaries and training will be given to the beneficiaries regarding maintenance of Apiaries. Training will also be given regarding harvesting of wild Honey as well as bee keeping in boxes, along with financial assistance of Rs. 5000/- for purchase of

wild Honey harvesting kits, Rs. 1500/- for purchase of boxes and colonies and Rs. 2500/- for purchase of Honey extractors at the rate of 50% subsidy. The Honey processing units established by tribal/advansi societies are eligible for financial assistance up to Rs.5 lakhs.

In 2012-13, under both State & District sector schemes, a total allocation of Rs. 259.75 lakhs was earmarked out of which Rs.208.42 lakhs.was released. Bee keeping training of 3 days duration was given to 6075 beneficiaries and subsidy was given for the purchase of 5100 bee boxes and colonies with a financial progress of Rs. 206.07 lakhs. In 2013-14, a total allocation of Rs. 341.70 lakhs has been earmarked out of which Rs.277.47 lakhs has been released upto December 2013. A subsidy is given for the purchase of 2250 bee boxes and colonies with a financial progress of Rs. 137.56 lakhs.

8.13.12 Karnataka WaterShed Development Project-II Sujala-III

Based on the experience of successful results of Sujala-1, KWDP-II, Sujala-III project is been proposed to be implemented under the World Bank assistance in 7 districts of Karnataka viz.,Bidar, Chamarajnagar, Davangere, Gadag, Gulbarga, Koppal and Yadgiri for a period of 6years from 2012-13 to 2017-18. The project is financed by the World Bank and the GOK in the ratio 70:30. The project will

be implemented in 164 Gram Panchayats in 48 Taluks in 524 MWS covering 2.53 lakhs ha. Importance has been given to development of Horticulture crops in rainfed areas to increase the income of the farmers. Under the project various activities such as demonstration of annuals and perennial crops, Nutrition garden demonstration, establishment of soil, water and leaf analysis, laboratory for identification of soil problems and for suitable recommendations, establishment of post harvest infrastructures and improving the market linkages facilities, training to farmers will be taken up. For monitoring and for implementation of the project 65 posts have been created for which Horticulture service support is provided under the project. For 2013-14, an amount of Rs. 500 lakhs has been allocated along with an additional budget of Rs.1000 lakhs. Nearly 340 ha. of area expansion programme through demonstrations will be taken up and 57 training to nearly 2850 farmers will be given on new technology for cultivation of Horticulture crops. 101 soil and water samples from farmer's plots will be tested for studying the nutritional status. To encourage group approach among the farmers and to provide post harvest infrastructures facilities, Farmers Interest Groups are formed. To develop Departmental Horticulture Farms places have been identified and Inventories have been prepared. Under this scheme, an amount of Rs.119.49 lakh has been spent upto October 2013.

Success story - The Hand that Rocks the Cradle can also hold a Plough

The farmer is the backbone of this country. A word without him is almost impossible to imagine. Writing about the achievement the farmers is as much a plesure as tasting nectar. The success story of Smt. Virupamma, who is the wife of late Sri. Shankarappa of Ramajoghally, Imangala Hobli, Hiriyyur Taluk, Chitradurga District, is a story too good for words. Smt. Virupamma, who is the power behind the Shankar farms, known as the king of farms, is a role model for all women farmers. Ranked as the foremost amongst the progressive farmers of the Taluk, Smt. Virupamma has been earning good revenues by growing horticultural crops such as pomegranate, papaya, sweet lime, chiku, lime, coconut, mango, Jamun etc.; and especially exporting yields such as pomegranate, Sweet lime and Mangoes. She also grows vegetables such as drumstics, capsicum, brinjal, onion, tomatoes and ladies finger. Smt. Virupamma has not only adopted organic farming but also uses vermi compost, bio-digester. In addition she has deployed harvesting methods in her farm. Water in the farm of rain is an indispensable requirement for any growth of any nature on land that is dry and barren. Unfortunately, this precious commodity is a scarce and many farmers' families are victims. One such family was that of Shankar Farms of Ramajogi village. Rain dependent crops such as groundnuts, sunflower, maize etc.; constituted the livily hood of the farmers here and any lack of water would prove to be devastating. All that has changed now.

As a result of Smt. Virupamma's determination to succeed, it today stands out as an ever green farm. In a land that was filled with rocks and stones, the Horticulture Department helped Smt. Virupamma to realize her dreams by getting bore well water dug in her land. The Department of Horticulture came to her rescue in helping her adopting modern techniques and has been responsible for the overall growth of her farm. By providing subsidies, incentives and information about the latest techniques in farming, the department has contributed immensely to her success. There is a saying in Kannada that "if you sit with folded arms accepting that nothing will happen, then nothing even moves forward". If Smt. Virupamma had just sad doing nothing in front of the boulders in her farm, today Shankar farms would not have been the even it has turned into. The truth behind the proverb "Where there is a will there is a way" – is the reason for the great success of this lady farmer. The colourful fruits and vegetables at the Shankar farms can be compared to the stars in the sky seemingly bursting forth with energy. This farm is riding high compared to all the other farms in Hiriyur. In order to dispatch the ripe fruits to the market in an organized manner, a well equipped packaging house has been constructed in this farm. The pomegranate and sweet lime fruits are being sold to meet the requirements of HOPCOMS of Bangalore, marketing complex of Hoskur, and also my sugar juice factory. Shankar farms also have the distinction of having sold the fruits several time from this farm to other States and also exported them to other countries. The overall successes of Shankar farms can be attributed to the fact that each and every member of their family has been involved one-way or other in its activities. Over 15 families are dependent on the revenue generated by yield from Shankar farms. The Shankar farms stands as a testimony to the brave story of one undivided family. Smt. Virupamma has received several accolades and rewards for her achievements in the field of Horticulture. On the Horticulture day of 2010 Smt. Virupamma was identified as the "Ideal and progressive woman farmer" and was honoured with the "Dr. M.H. Marigowda Award". She has similarly earned several prizes in various categories in fruits and flower show organized by the Chitradurga Horticultural Department. All in all, this ideal woman farmer is a shining example of excellence of the horizons of agriculture

8.14 ANIMAL HUSBANDRY AND VETERINARY SERVICES

Karnataka has livestock and poultry population of 7.53 crore as per the 18th Livestock Census 2007. The State Government provides free health care facilities to the animals. Government of India has declared the State as a disease - free zone from Rinderpest. The same type of eradication programme has been taken up for Foot and Mouth Disease. During the current financial year an amount of Rs 1343.96 crores has been allocated and Rs.821.25 crores has been spent including Central share till December 2013.

8.14.1 Animal Husbandry

The share of Animal Husbandry in GSDP of Agriculture and Allied activities was 26% in 2011-12. The share of Karnataka in all India livestock and poultry population was 5.83% and 6.48%,

respectively. The density of livestock in the state was estimated at 172 per sq.km and 61131 per lakh human population. In 2012-13, the production of milk in the State was 5.7 million MT and the per capita daily availability is 254 gms. The livestock and poultry statistics is shown in Table 8.36 and the detailed information is given in Appendix 8.16.

India ranks first in the world and Karnataka State ranks eleventh among Indian States in milk production. IN 2012-13, the production of milk in the State was 5.7 million MT and the per capita daily availability was 254gms. The production of milk at the all India level was 127.9 million MT and per capita daily availability was 291 gms in 2011-12. Details of the production of milk, meat, wool and eggs are shown in Table 8.37 and more details are provided in Appendix 8.17.

Table 8.36 - Livestock and Poultry Statistics (No. in crore)

Particulars	Livestock Census			
	1997	2003	2007	%age change in 2007 over 2003
Cattle	1.08	0.95	1.05	9.50
Buffalo	0.44	0.40	0.43	7.59
Goat & Sheep	1.29	1.18	1.57	33.66
Other Livestock	0.26	0.30	0.24	-21.88
Total Livestock	3.07	2.83	3.29	15.96
Poultry	2.14	2.44	4.24	73.55

Table 8.37- Livestock and Poultry Production

Item	Unit	2009-10	2010-11	2011-12	2012-13	2013-14 (upto Dec 2013)	Percentage change in 2012-13 over 2011-12
Milk	'000 T	4821	5113	5448	5718	4492	4.96
Meat @	Tonnes	119247	123910	139553	166059	127439	18.99
Wool	Tonnes	7165	7179	7779	8020	5351	3.09
Eggs	No. in crore	291	307	347	368	301	6.05

@ Includes Poultry Meat.

8.14.2 Animal health and veterinary services

In 2013-14, the health of livestock and poultry are rendered through a network of 4112 Veterinary Institutions, comprising of 371 Veterinary Hospitals, 1943 Veterinary Dispensaries, 1181 Primary Veterinary Centres, 229 artificial insemination centres and 174 mobile veterinary clinics and 214 other Veterinary Institutions. In 2011-12, 111.52 lakh and in 2012-13, 111.58 lakh cases were treated for various diseases respectively. In 2013-14, 63.53 lakhs cases were treated for various diseases upto September, 2013. In 2011-12 & 2012-13, 559.47 lakhs and 522.45 lakhs vaccinations were given for various diseases respectively. In 2013-14, 265.13 lakhs vaccinations were given for various diseases as

precautionary measure upto September, 2013. Table 8.38 shows development of animal husbandry and veterinary services.

A. Performance under Artificial Insemination (AI) Programme

The AI facility has been provided in 4112 centres. Two laboratories of frozen sperms are located at Bangalore and Dharwad. Performance under AI Programme is shown in Table 8.39.

B. Division wise progress of AI Programme and Milk Production

Division-wise progress of AI programme and milk production is given in Table 8.40. Achievement under

Table 8.38 - Development of Animal Husbandry and Veterinary Services

Sl.No.	Particulars	Unit	2010-11	2011-12	2012-13	2013-14 (Up to Dec 13)
1	Veterinary institutions (including AI centres and Mobile Veterinary Clinics)	No.	4110	4111	4112	4112
2	Livestock farms	No.	11	11	11	11
3	Poultry farms	No.	24	23	23	23
4	Artificial inseminations done	Lakh	31.66	31.37	25.08	19.45
5	No. of cases treated	Lakh	114.21	111.52	111.58	87.41
6	Fodder produced	Tonnes	7078	16414	5492.96	5492.57
7	Milk produced	'000Tonnes	5113	5448	5718	4492
8	Egg produced	Lakh	30674	34699	36773	30134
9	Wool produced	Tonnes	7179	7779	8020	5351
10	Meat produced	Tonnes	123910	139553	166059	127439

Note: 1) Information pertaining to items 1 to 3 is cumulative
2) Information pertaining to items 4 to 10 is up to September -2013

Table 8.39 - Performance under AI Programme (No. in lakh)

Particulars	2011-12	2012-13	2013-14 (Up to Dec 2013)	% change in 2012- 13 over 2011-12
I) Cow (AI)				
i) Cross breed	11.24	16.50	13.32	46.80
ii) Exotic	8.63	-	-	-100
iii) Indigenous	5.20	3.49	2.33	-32.88
Total (AI)	25.07	19.99	15.65	-20.26
No. of calves born (Cow)	5.66	5.15	3.95	-9.01
II) Buffalo(AI)	6.29	3.69	3.80	-41.34
No. of calves born (Buffalo)	2.03	1.31	1.14	-35.47

Table 8.40 - Division wise progress of AI Programme and Milk Production

Name of the Division	2011-12			2012-13			2013-14 (upto Sept-13)		
	AI		Milk Production('000 T.)	AI		Milk Production('000 T.)	AI		Milk Production ('000T.)
	Target	% of Achievement		Target	% of Achievement		Target	% of Achievement	
Bangalore	1213000	120.05	1833	590044	176.41	1935	359868	139.73	1016
Mysore	765000	107.47	1456	527139	130.71	1549	283368	119.22	813
Belgaum	779500	112.06	1322	487511	133.67	1377	243416	116.18	723
Gulbarga	190000	98.09	837	346606	36.55	857	107960	85.29	450

AI programme and milk production comparatively is very high in Bangalore division as compared to other divisions.

8.14.3 National Project for Cattle and Buffalo Breeding (upto September 2013)

The National Project for Cattle and Buffalo Breeding is a 100% Centrally sponsored programme and is implemented through Karnataka Live Stock Development Agency for strengthening of Animal Breeding Services. Due to implementation of this programme, the number of productive cattle and buffalo has increased and the number of unproductive and non-descript cattle and buffalo have decreased. Semen production centers, bull mother farms and Artificial Insemination Centers in the state have been provided with necessary infrastructure like buildings, equipments, high pedigreed bulls and liquid nitrogen storage and transport facilities for production of quality frozen semen.

Rural unemployed youth have been trained for 4 months in Artificial Insemination and provided with equipments to carryout Artificial Insemination service at farmers door step. For the current year, around 167 Rural youth were trained upto September, 2013 and 834 Para Veterinarians are undergoing training in modern trends of Artificial Insemination.

8.14.4 Cattle Development

Cattle breeding programme for milch animal production and conservation of indigenous breeds i.e., Hallikar, Amrutmahal, Khilar and Deoni for drought purposes is carried out through artificial insemination and embryo transfer technology. Indigenous breeds are developed by selective breeding in the livestock farms located at kunikenahalli in Tumkur, Ajjampura in Chikmagalur and Bankapura in Haveri districts. Frozen semen from the centers at Hesaraghatta and Dharwad is supplied for breeding purposes. In 2011-12 and 2012-13, 31.37 lakh and 25.08 lakh artificial inseminations were done, resulting in to birth of 7.69 lakh and 6.46 lakh calves respectively during these two years. Further, 6.49 lakh and 7.15 lakh castrations were also performed respectively during these two years. In 2013-14, 12.16 lakh artificial inseminations were done giving birth to 3.16 lakh calves and 2.90 lakh castrations were performed upto September, 2013.

8.14.5 Karnataka Sheep And Wool Development Corporation (KSDWDC)

KSWDC were incorporated under Companies Act 1956, during December 2001. There are five sheep breeding centres functioning under the corporation.

As a part of breed improvement programme 337 and 224 cross bred rams have been distributed from its sheep breeding centres to sheep farmers in 2011-12 and 2012-13 respectively. In 2013-14, a total number of 102 cross bred Rams were distributed by September, 2013. The Corporation has insured 5623 and 5606 sheep farmers under 'Kendriya Bhed Palak Bheema Yojana' in 2011-12 and 2012-13 respectively and a compensation of Rs 26.40 lakhs and Rs 25.95 lakhs has been released by Life Insurance Corporation towards the death of 43 and 50 sheep farmers respectively during these two years. In 2013-14, 3288 sheep farmers were insured under the scheme upto September, 2013 and steps have been taken for the release of Rs.9 lakhs as compensation by the Life Insurance Corporation of India towards the death claim of the 15 sheep farmers. Scholarship amount of Rs. 22.068 lakhs and Rs 43.608 lakhs has been released to 1839 and 3634 students under SSY scheme in 2011-12 and 2012-13 respectively and application for 2032 students are sent to LIC for sanction upto September, 2013. KSWDC is implementing sheep and wool improvement scheme (SWIS) in the state in co-ordination with the Central Wool Development Board, Jodhpur. The scheme is being implemented in the project areas of Badami and Harapanahally during the current year. Under breed improvement programme 250 cross breed rams are distributed each in Badami and Harapanahally Taluk. As a part of Breed improvement programme, Karnataka sheep and wool development corporation has been implementing a scheme for the supply of cross bred rams at subsidized rates, under which 390 cross bred rams were distributed in 2011-12. In 2012-13 under SWIS programme Hangal and Ranebennur taluks are selected and Health Coverage is provided to 1 lakh sheep.

In 2011-12 and 2012-13, de-wormers to sheep and goats have been distributed to the shepherds of the State through sheep and wool producers co-operative societies registered with the KSWDC and by organizing mass deworming camps at a cost of Rs. 199.94 lakhs and Rs.199.95 lakhs respectively. In 2011-12 and 2012-13, 2185 and 1840 shepherds respectively were trained in Scientific Sheep Rearing by organizing one day training programme at a cost of Rs.2.30 lakhs each respectively. During the current year it is planned to train 4800 shepherds by organizing 120 camps 680 shepherds are trained in 17 training camps at the cost of Rs.0.85 lakhs till September 2013. Training in scientific sheep husbandry has been provided to 94 and 83 sheep farmers at Central Sheep Breeding Farm, Hissar with Central Wool Development Board, Jodhpur during 2011-12 and 2012-13. In 2011-12 it was programmed to provide Rs. 25000/- per society as share capital to 160 sheep and wool producers co-operative societies registered with this corporation. Out of which 11 societies were provided the share capital of Rs.25000/- each, totally an amount of Rs.2.75 lakhs was provided upto March 2012.

In 2011-12 KSWDC had earmarked an amount of Rs. 156.50 lakhs for implementation of establishment of (10+1) sheep units from the Grants-in-aid. Under this scheme it was programmed to establish 1356 (10+1) sheep units at a cost of Rs. 46,000/- per unit and provide 25% of the unit cost or maximum of Rs. 11,500/- as subsidy to each beneficiary by the Corporation and Nationalised/Rural/Cooperative Banks have provided the remaining amount as loan to the said beneficiaries. The progress achieved till March 2012 is shown in Table 8.41.

Table 8.41- The progress achieved by KSWDC(Rs in lakhs)

Physical		Financial	
Target	Achievement	Target	Achievement
1356	489	156.50	57.00

Note:- Unspent balance of Rs. 103 lakhs will be spent during the year 2012-13.

This programme is continued in 2012-13 with an opening balance of Rs. 103 lakhs unspent in 2011-12. 758 units of (10+1) sheep were established at a cost of Rs. 46000/- per unit and an amount of Rs. 87.17 lakhs were released as subsidy at Rs. 11500/- per unit till the end of March 2013, and the Nationalized/Rural/Co-operative Banks have provided the remaining amount as loan to the said beneficiaries. This programme is continued in the current year with an opening balance of Rs. 15.83 lakhs unspent in 2012-13. 86 units of (10+1) sheep are established at an cost of Rs. 46000/- per unit and an amount of Rs. 9.89 lakhs were released as subsidy at Rs. 11,500/- per unit upto September, 2013 and Nationalised/Rural/Co-operative Banks have provided the remaining amount as loan to the said beneficiaries. In 2013-14, the Corporation has earmarked an amount of Rs.32 lakhs for implementation of establishment of 249 (10+1) sheep/goat units from the Grants-in-aid. Under this scheme it was programmed to establish 192 (10+1) sheep units at a cost of Rs. 52,000/- per unit and 57 (10+1) goat units at a cost of Rs. 49,000/- per unit. Out of which 25% of the unit cost or maximum of Rs. 13,000/- and Rs. 12,250/- per unit of sheep/goat

respectively as subsidy to each beneficiary who are members of Sheep and Wool Producers Co-operative Societies registered with the Corporation and Nationalised/Rural/Cooperative Banks have provided the remaining amount as loan to the said beneficiaries.

In 2011-12 and 2012-13 Special Component Plan (SCP) and Tribal Sub Plan (TSP) schemes were sanctioned an allocation of Rs. 57 lakhs and Rs. 50 lakhs for the SCP and Rs. 23 lakhs and Rs. 30 lakhs for TSP for these years respectively. Under these schemes (10+1) sheep or (10+1) goats were distributed to SC and ST women/men members of the Sheep and Wool Producers Co-operative Societies registered with the Corporation. The cost of (10+1) sheep units is Rs. 46,000/- and the cost of (10+1) goat units is Rs.44,200/- of which the Corporation released Rs. 15,000/- and Rs.14,500/- respectively as subsidy and the Nationalised/Rural/Cooperative Banks have provided the remaining amount as loan to the said beneficiaries. The progress achieved is shown in Table 8.42.

Table 8.42 - Progress Achieved under SCP and TSP

Sl. No	Scheme	Year	Physical (in units of (10+1)		Financial (Rs. in lakhs)	
			Target	Achievement	Target	Achievement
1	Special Component Plan	2011-12	196 SHEEP UNIT 190 GOAT UNIT <u>386</u>	137 SHEEP UNIT 61 GOAT UNIT <u>198</u>	57.00	29.50
		2012-13	168 SHEEP UNIT 171 GOAT UNIT <u>339</u>	45 SHEEP UNIT 49 GOAT UNIT <u>94</u>	50.00	13.85
2	TRIBAL SUB-PLAN	2011-12	78 SHEEP UNIT 78 GOAT UNIT <u>156</u>	34 SHEEP UNIT 24 GOAT UNIT <u>58</u>	23.00	8.60
		2012-13	140 SHEEP UNIT 62 GOAT UNIT <u>202</u>	32 SHEEP UNIT 38 GOAT UNIT <u>70</u>	30.00	10.31

Note: Unspent balance under these schemes at the end of the financial years will be utilized during the year 2013-14.

The above said schemes were continued and implemented in the current year by utilizing the unspent balance of the years 2011-12 and 2012-13. The progress achieved upto September, 2013 is given in Table 8.43.

In 2013-14 SCP and TSP are continued with an allocation of Rs.50 lakhs and Rs.30 lakhs respectively and an amount of Rs. 25 lakhs and Rs.15 lakhs respectively have been released till the end of September, 2013. Under these schemes (10+1) sheep or (10+1) goat will be distributed to SC and ST Women/Men Members of the Sheep & Wool

Producers Co-operative Societies registered with KSWDC. The cost of (10+1) sheep units is Rs. 52000 and the cost of (10+1) goat unit is Rs. 49000 of which corporation will provide 60% and 75% as subsidy and the remaining balance amount will be sanctioned as loan by the Nationalised Banks/Rural Bank/Co-operative Banks to the beneficiaries. The progress achieved is given in Table 8.44.

In 2011-12 and 2012-13 to provide financial security to the poor shepherds in Karnataka State Sheep Insurance Scheme was sanctioned with an allocation of Rs.100 lakhs and Rs.75 lakhs. Under this scheme

Table 8.43- Progress Achieved Under SCP and TSP

Sl. No.	Scheme	Physical (in units of (10+1))		Financial (Rs. in lakhs)	
		Target	Achievement	Target	Achievement
1	Special Component Plan	157 SHEEP UNIT 231 GOAT UNIT <u>388</u>	60 SHEEP UNIT 47 GOAT UNIT <u>107</u>	57.00	15.815
2	Tribal sub-plan	127 SHEEP UNIT 53 GOAT UNIT <u>180</u>	41 SHEEP UNIT 22 GOAT UNIT <u>63</u>	26.72	9.34

Note: The unspent balance available will be spent during the year 2013-14.

Table 8.44 - Progress Achieved Under SCP and TSP (Rs. in Lakhs)

Sl. No.	Scheme	Physical (in units of (10+1))		Financial (Rs. in lakhs)	
		Target	Achievement	TARGET	Achievement
1	Special Component Plan	96 SHEEP UNITS 68 GOAT UNITS <u>164</u>	2 SHEEP UNITS <u>1</u> GOAT UNITS <u>3</u>	50.00	0.918
2	TRIBAL SUB PLAN	50 SHEEP UNITS 28 GOAT UNITS <u>78</u>	- SHEEP UNITS <u>1</u> GOAT UNITS <u>1</u>	30.00	0.390

10 sheep of more than 6 months of age irrespective of sex belonging to shepherds below poverty line are insured for Rs. 2500 each by the state run insurance companies. An amount of Rs. 112.36/- is paid as insurance premium, out of which the shepherd contribution is Rs. 20/- and the balance of Rs. 92.36/- is borne by KSWDC. The progress achieved under this scheme is given in Table 8.45.

For 2013-14, the State Government has sanctioned an amount of Rs.250 lakhs for the insurance of sheep and shepherds under the said scheme it is proposed to take up the following programmes -

Shepherds Suraksha Yojane - Under this scheme relief will be provided to shepherds to overcome the accidental loss due to death of sheep and goats. Under this programme it is proposed to grant ex-gratia compensation of Rs.3000/- to each sheep and goat which die accidentally or die due to certified epidemic diseases not covered under Natural Calamity Relief or Insurance Schemes, Government has provided Rs. 200 lakhs in the revised budget during 2013-14. Under this scheme during the current year it is targeted to grant relief to 6666 sheep and

goats as ex-gratia amount. Administrative sanction has been accorded and release of grant is awaited.

Sheep Insurance - Under this programme it is proposed to insure 26699 sheep with an outlay of Rs. 30 lakhs for a period of one year belonging to members of the sheep and wool producers co-operative societies registered with the Corporation. The sheep will be insured for Rs. 2500/- each by Nationalised Insurance Companies at a premium of Rs. 112.36/- per sheep. Out of which the Corporation will bear an amount of Rs. 92.36/- per sheep. Balance amount of Rs. 20/- per sheep will be paid by the beneficiaries. Further, under this programme with the assistance of Central Wool Development Board, Jodhpur, 80% of the premium amount i.e. Rs. 16/- per sheep will be re-imbursed to beneficiaries. The Board has sanctioned an amount of Rs. 20 lakhs to cover 1,29,000 sheep. The progress achieved till the end of September 2013 is given in Table 8.46.

Special Component Scheme - The Government of Karnataka has sanctioned an amount of Rs. 15 lakhs under this programme. Maximum of 10 sheep belonging to Scheduled Caste members of Sheep and

Table 8.45 Progress Achieved Under Sheep Insurance

Year	Allocated amount (Rs.in lakhs)	Released amount (Rs.in lakhs)	PHYSICAL TARGET (NO. OF SHEEP)	Progress achieved	
				PHYSICAL. (NO.OF SHEEP)	FINANCIAL (RS. IN LAKHS)
2011-12	100.00	100.00	150000	48000	27.00
2012-13	75.00	75.00	81200	10800	10.00

Table 8.46- The progress achieved till the end of September 2013

Year	Allocated amount (Rs.in lakhs)	Released amount (Rs.in lakhs)	PHYSICAL TARGET (NO. OF SHEEP)	Progress achieved	
				PHYSICAL. (NO.OF SHEEP)	FINANCIAL (RS. IN LAKHS)
2011-12	100.00	100.00	150000	48000	27.00
2012-13	75.00	75.00	81200	10800	10.00

Wool Producers Co-operative Societies registered with this Corporation. The sheep will be insured for Rs. 2500/- each by Nationalised Insurance Companies at a premium of Rs. 112.36/- per sheep which will be paid by the Corporation. It is targeted to insure 13350 sheep during the current year.

Tribal Sub-plan - Under this programme the Government of Karnataka has sanctioned an amount of Rs.5 lakhs under this programme maximum of 10 sheep belonging to Scheduled Tribe members of Sheep and Wool Producers Co-operative Societies registered with this Corporation. The sheep will be insured for Rs. 2500/- each by Nationalised Insurance Companies at a premium of Rs. 112.36/- per sheep which will be paid by the corporation. It is targeted to insure 4450 sheep during the current year.

Rashtriya Krishi Vikasa Yojane - Government released Rs. 275 lakhs for the implementation of the programme for the genetic improvement of sheep and goats during the year 2008-09. The implementation of the programme is under progress. An amount of Rs. 152.88 lakhs is utilized as on September, 2013. The induction of parent stock is in progress.

8.14.6 Karnataka Co-operative Poultry Federation (KCPF)

Presently 80 primary poultry Co-operative societies are affiliated to the federation receives grant-in-aid from the State Government under plan head of account (Short training programme regarding Poultry rearing techniques to the farmers and rearing and sale to Giriraja birds) and under non plan head for salary and other components of the staff of federation for the

year 2013-14. Under plan head Rs 25 lakhs and Rs 215 lakhs under non plan has been sanctioned. Physical & Financial Achievements under plan schemes is given in Table 8.47 & Table 8.48.

8.14.6 Poultry Development

The Poultry Feed Act has come in to force to maintain the quality of poultry feed. In the State 23 poultry farms are functioning under the technical guidance of this department. The major developmental activities are breeding and rearing of Giriraja parent stock and supplying chicks to the farmers and rearing centers of the department. In 2011-12 and 2012-13, 2384 and 1713 persons are trained in poultry rearing and 85,310 and 96,460 Giriraja chicks were produced respectively. During the current year 2013-14 upto September, 2013, 627 persons were trained in poultry rearing, 5,03,836 eggs and 1,60,909 chicks were produced.

8.14.7 Piggery Development

In Karnataka, five Pig Breeding Stations are located in Hesaraghatta in Bangalore District, Kudige in Kodagu District, Koila in Dakshina Kannada District, Bangarpet in Kolar District and Kalasa in Chickmagalur District. Among other activities, these stations are engaged in production and distribution of pure breed piglets to beneficiaries of various socio-economic programmes, training and extension services in modern pig rearing. There are 550 small, medium and large-scale modern piggery units in the State with the financial assistance from various banks. Under RKVY Scheme the Department of Animal Husbandry and Veterinary Services has

Table 8.47 - Financial Achievements under plan schemes (Rs. in lakhs)

Year	PLAN			NON-PLAN		
	Amount sanctioned	Amount released	Amount Spent	Amount sanctioned	Amount released	Amount spent
2012-13	46.00	46.00	46.00	145.56	145.56	145.56
2013-14 (Upto December-2013)	25.00	13.00	13.00	215.00	215.00	132.85

Table 8.48 - Physical Progress

Year/Activity	Short term training in poultry rearing to farmers	Rearing and sale of Giriraja birds
2009-10		
Target	1250	10000
Achievement	1207	9961
%	97	99
2010-11		
Target	1250	10000
Achievement	1250	10570
%	100	106
2011-12		
Target	1500	10000
Achievement	1511	10045
%	101	100
2012-13		
Target	1500	10000
Achievement	1585	12232
%	106	122
2013-14(upto September -2013)		
Target	320	4000
Achievement	509	5655
%	159	141

chosen 12 districts namely Bangalore Urban, Bangalore Rural, Ramanagar, Kolar, Mandya, Tumkur, Kodagu, Hassan, Dakshina Kannada, Udupi, Chikballapur, and Chikmagalur to form a Pig Breeder's Association under the Co-operative Society Act to establish good quality pork and marketing facility etc. The distribution of piglets upto September 2013 is 480 against the target of 1050 and farmers trained on 814 against the yearly target of 800 under the pig breeding programme.

8.14.8 RABBIT REARING

Two Rabbit Rearing farms are functioning in the State. These farms maintain and breed New

Zealand White, California White and Grey Giant breeds of rabbits. The bunnies are being sold to interested farmers. About 238 bunnies were produced upto September, 2013.

8.14.9 Implementation of Livestock Insurance Scheme in Karnataka

The Centrally Sponsored Livestock Insurance Scheme was implemented in four districts of Karnataka namely, Bangalore Urban, Bangalore Rural, Kolar and Mandya on pilot basis during 2006-07. The scheme was continued in 2007-08 in these districts and 13853 animals were insured during the year. The scheme was not implemented in 2008-09. In

2009-10, 16043 animals were insured in 4 districts namely, Belgaum, Gulbarga, Hassan and Mysore. In 2010-11 and 2011-12 this scheme was implemented in districts of Bangalore Urban, Bangalore Rural, Kolar, Mandya, Belgaum, Gulbarga, Hassan, Mysore, Davanagere, Haveri, Bellary, Bagalkote, Dakshina Kannada, Tumkur, Yadgir, Chikkaballapur and Ramanagaram, 67877 and 79315 animals were insured respectively. In 2013-14 the scheme is continued in 17 districts mentioned above and total of 21985 animals have been insured upto September 2013.

8.14.10 Feed and Fodder Development

Fodder production is gaining more importance in the state due to frequent occurrence of natural calamities like drought and flood. To mitigate the shortage of availability of Green Fodder, Central Minikit Testing programme, Minikits distribution under State Disaster Relief Fund for fodder production were under taken. In the State livestock farms, fodder production and training to farmers are being undertaken with the assistance of Government of India and Calamity Relief funds. The progress made under this programme in the last three years is given in Table 8.49.

In 2012-13, a new scheme called special development programme has been implemented under the State sector. Under this scheme, Rs.300 lakhs has been released to 114 taluks in 27 districts which are identified as backward, more backward

and most backward as per Dr.Nanjundappa's report for redressal of regional imbalance of fodder development. The Department of Animal Husbandry and Veterinary Services has selected 6 Amrith Mahal Kavals for infrastructure development, sylvipasture and fodder development during 2010-11. The Government will evict the unauthorized cultivation and these lands will be taken up for development in 3 years at a cost of Rs.487.50 lakhs by an Expert Organisation.

8.14.11 Rashtriya Krishi Vikasa Yojane (RKVY)

Financial Outlay for project proposals for the year 2013-14 under RKVY given in Table 8.50.

8.14.12 Mass vaccination Programmes

In 2013-14, it is planned to take up mass vaccination against FMD and PPR in the state for livestock in pulse polio manner for which Rs. 1615 lakhs has been earmarked. This is a 100% CSS scheme. An amount of Rs. 851 lakh has been released by the Government of India under FMD-CP programme and covered 102.78 lakhs of livestock upto September, 2013 and the vaccination programme is going on. Under PPR programme, Rs 145.95 Lakhs has been released. Vaccination programme has already been completed by covering Rs 116 Lakhs of Sheep and goats (91% of population). Utilization Certificate for Rs.108.90 lakhs has been submitted to GoI.

Table 8.49 - Progress under Feed and Fodder development

Sl.No.	Programme	2011-12	2012-13	2013-14 (Up to Sep-2013)
1	Minikit Distribution Programme	361973	124507	272704
2	Fodder Production in Farms(in MT)	16414	5492.96	2608.31
3	Fodder seed production in farms (in Qtls)	4.35	22.95	10.20
4	Root slips distributed in farms (in lakh nos)	22.71	17.404	14.025
5	Training to farmers regarding fodder development (in nos)	1858	1534	665

Table 8.50 - Financial Outlay for project proposals for the year 2013-14 under RKVY

Sl. No.	Name of the Project	Implementing Agency	Financial Outlay (Rs.in Lakhs)
1	Strengthening Animal Breeding, Animal Health and Extension Services in Kamataka	Dept. of AH&VS	618.00
2	Special Livestock Development Project for Uttara Kannada District	Dept. of AH&VS	45.00
3	Fodder Development Programme in Kamataka	Dept. of AH&VS	300.00
4	Dairy and Dairy Infrastructure Development in Karnataka	Dept. of AH&VS and KMF	2016.00
5	Upgradation Of Vaccine Quality Control Laboratory And Building Up Of Animal Challenge Facility, As Per Gmp For Supply Of High Quality Vaccines To Livestock And Poultry Of Farming Community	IAH&VB Hebbal	450.00
6	Infrastructure Development In Karnataka , Veterinary University, Bidar	KVAFSU	421.00
7	Establishment of Common facility centre at Sheep and Wool Development Scheme, Ranebennur, Haveri Dist.	KSWDC	150.00
8	New Nandini (KMF) Dairy at Bagalkote	KMF	1500.00
9	Up gradation of Artificial Insemination centers of BAIF	BAIF	300.00
10	Milk Dairy Plant of 50 KL Capacity at Sirsi , Uttara Kannada District	KMF	350.00
11	Strengthening of Dharwad Milk Union for sustainable Milk Production and Milk Products with farmers participation	KMF	350.00
Total			6500.00

8.14.13 Assistance to State for Control of Animal Diseases (ASCAD)

Assistance to the State for control of animal diseases has three components viz., systematic control of livestock disease of national importance, foot and mouth disease control programme and animal disease surveillance. For the control of animal diseases component, funds will be shared by the centre and State on 75:25 basis except the training component where 100% central grants are envisaged. The funds

will be provided for purchase of vaccines / diagnostics / medicine and upgradation / strengthening of disease diagnostic labs/vaccine production facilities only as per Good Laboratory Practice (GLP) and Good Manufacturing Practice (GMP). The cost of delivery system or the manpower to undertake vaccination is borne by the State Government. During the current year, the budget provided under ASCAD is as follows: State Budget: Rs.745 lakhs, Z.P.Budget: Rs. 798.34 lakhs, Total

Rs. 1543.34 lakhs and Rs.118.47 lakhs expenditure has been incurred till September, 2013.

8.14.14 Foot and Mouth Disease out break and control measures

According to 2007 State Livestock census there are 105.07 lakh Cattle, 43.29 lakh Buffaloes, 95.65 lakh Sheep, 61.57 lakh Goats and 2.07 lakh Pigs. Foot and Mouth Disease is contagious disease which affects the cloven footed animals like cattle, buffaloes, sheep, goat, pig and also wild animals like deer, bison and elephant. 'O' – Zero type virus caused the disease outbreak in the State during the month of August to November 2013. The disease was found in 5946 villages which affected 55580 cattle and buffaloes out of which 14441 were died. As a preventive measure 2 times in a year mass vaccination programme is being conducted since September 2011 under Foot & Mouth Disease control programme. The programme is 100% Government of India assisted programme. In 2013-14, Rs.1315 lakh has been earmarked in the state budget for this programme. Government of India has released an amount of Rs.851 lakh as first installment and Rs.451.34 lakh has been utilized with balance under various stages of implementation. 5th round of vaccination programme has been completed and 119.09 lakh (90%) animals have been vaccinated. As per the recommendation of the Technical Experts Committee constituted by the Government, action has been taken to control and contain the disease in the state. A Monitoring Cell and Help line has been established at Hebbal to monitor out break and vaccination programmes and also to provide information to the needy farmers. 227 calls from farmers in the state were attended to and necessary guidance was given. The 6th round of vaccination programme commences from 15th February 2014 to 14th March 2014 for which 566 vaccination team has been formed with 2987 vaccinators and other necessary preparatory action has been taken. Necessary arrangement for cold chain management has been taken up by providing additional 7 walk in coolers in addition to existing 62. Drugs of Rs.56.58 lakh were supplied for emergency treatment of the affected animals. State Government has released Rs.10 crore for compensation to the farmers who have lost their animal due to Foot & Mouth Disease.

Action has been taken to provide compensation for death of 6326, animal belonging to 5644 beneficiaries. A balance of Rs.17.48 cr is required for giving compensation to farmers.

8.14.15 New schemes 2013-14

1. Strengthening of polyclinics

Currently Veterinary dispensaries at village level and Veterinary hospital at Taluk level are working towards providing services to the farmers, it is necessary to Establish Veterinary Polyclinic with specialized services by subject specialist at district level. In the Government order regarding reorganization of department 30 Veterinary Polyclinics has been sanctioned with Deputy Director and Subject Specialist Post. It is proposed to establish one Specialty Hospital in each district and one super Specialty Hospital at Cantonment Hospital in Bangalore to provide High-tech treatment services for which Rs 650 lakhs is allocated.

2. Comprehensive Genetic improvement

As per 2007 Livestock Census, there is 43.29 lakhs of buffaloes in the state and an average 6 lakhs insemination are being done every year. But due to infertility problem in buffaloes, there is severe shortage of bulls leading to scarcity of buffalo semen straws. Therefore KVAFSU (Karnataka Veterinary Animal and Fisheries Science University) will be implementing the programme by identifying and recording Murrah breeds in the tracts as per the breeding policy for Murrah bull production under special buffalo breed development programme under Cattle, Sheep and goat development programme, It is proposed to erect 'silos' at districts head quarters to cater to the needs of liquid nitrogen to the taluks and institutions. Vehicles to be provided to 30 districts to transport liquid nitrogen, Semen straws and AI related accessories like Cryocan, Sheaths etc. Cryo containers will be provided to each taluks in the state to facilitate transportation of LN2. So a scheme will be formulated for conservation and development of breeds of buffalo, Sheep and Goats under the comprehensive breed development programme. Artificial insemination programme will be strengthened for which Rs.150 lakhs is allocated.

3. Supplementation of area specific mineral mixture

Indian Council of Agricultural research, New Delhi (ICAR) has done mineral mapping of various states including Karnataka, Which indicates the deficiency of minerals and which requires to be supplemented through feeds or minerals mixture for livestock development. In this connection, National Institute of Animal nutrition and Physiology, Bangalore (NIANP) has conducted a study on “Significance of Minerals in feeding of dairy animals and relevance of developing area specific mineral mixture” and it shows that strategic supplementation of area specific mineral mixture would be helpful in combating problems of production and reproduction. Hence it is proposed to provide area specific mineral mixture to small, marginal & scheduled caste, scheduled tribe dairy farmers for increasing milk production there by increasing the income of the farmers for which Rs.280 lakhs is allocated.

SUCCESS STORIES

A. Goat Farm

Sri Arjun Dias & Sri Rudolph D’souza, of Paradoor Village, Udupi Taluk and Udupi District-

Increase in demand for mutton and young kids of different breeds of goats noticed by Sri Arjun Dias & Sri Rudolph D’souza, of Paradoor Village, Udupi Taluk and Udupi District, the two young Entrepreneurs started a modern stall fed goat farm in the 15 acres of farm during July 2011, with a Goatery of 25 Jamanapuri & 300 Sirohi goats with a working capital of 1.5 crores funded by Karnataka Bank, Ambagilu Branch, Udupi Taluk. So far 700 Sirohi goats of different age are being sold and loan is being paid regularly as per the installments fixed by the Bank. Fresh stocks are being purchased. The said two young Entrepreneurs are trained technically by local veterinarians.

Shri. Halesh Doddabasappa Bajantri, kalasapur village, Gadag Taluk, Gadag District

The beneficiary was unemployed, hence to get regular income the innovative details of the poultry farm (Broiler) under RKVY. Scheme was given to the

farmers for which he was convinced and agreed to implement the project provided he gets a loan. He got Poultry farm (Broiler) under RKVY Scheme of 1000 birds. The farmer was given poultry training from Dept. of AH&VS at Rayapur, Dharwad and he was also made to visit different poultry farm so that he got proper exposure, proper technical information and marketing of his product and other infrastructure was also provided. A loan of Rs. 1,41,400 from KVG Bank, Nagavi was sanctioned and subsidy Rs. 69,500/- was provided by the Dept. of AH&VS (Karnataka Poultry Federation) and the other miscellaneous expenditure was met by the farmer himself. No Constraints were faced for arranging the working capital. Five batches of 1000 birds were reared in one year with a total income of Rs.56,050/- per batch and a net profit of Rs.5000/-per batch so he got a net profit of Rs.25,000/-per year. The total expenditure per batch was Rs.51,000/- and he is also repaying the loan taken from the bank regularly and acquiring the fresh stock of chicks without any problem. His standard of living has improved and in future he is interested in expanding his poultry farm to 2000 birds per batch. He is also now having his own retail outlet which has increased his profit.

8.14.15 Identifying gaps and constraints

a. Animal Health Sector

- Insufficient funding.
- Lack of requisite man power. One veterinary institute headed by a qualified veterinarian for every 5000 livestock units is the pre requisite as per the recommendation of National Council of Agriculture. The facilities are yet to be created in rural areas.
- Inadequate diagnostic facilities and lack of sufficient number of subject matter specialists
- Unrestricted movement of animals from across forest areas inters state border areas. Inadequate facilities for quarantine of animals/Check posts Animal.
- Lack of effective disposal of carcasses to check the spread of infectious agents.

b. Breeding, Production and Marketing Sector

- Non availability of bulls having high yield germplasm of milk

- Inefficient marketing channel to improve marketing efficiency of farm produce.
- Inadequate infrastructure and extension facilities.
- Poor credit facilities and poor assessment of market trends.
- Non- availability of minimum supportive prices for animal produce.

4. Pashu Bhavan

It is proposed to construct “Pashu Bhavan” at Bangalore to accommodate all the offices of the department and its related organization to provide services under one roof for which Rs.667 lakhs is allocated.

8.14.15 Karnataka Milk Federation (KMF) - KMF is a state level Co-operative organization implementing dairy development activities in the state under ‘Operation Flood’. This organization has the responsibility of providing remunerative price and market to the rural milk producers of the state and of supplying pure milk and milk products to the consumers. The progress for the three years is given in the Table 8.51.

The Federation has 22 dairy processing plants with a capacity of 43.80 lakh litres a day and 45 chilling centers having 19.30 lakh litres of chilling capacity

and 5 product dairies equipped to produce 100 MT’s of milk powder per day, 5 cattle feed plants with ISO 9001/2000 certification for quality production and supply of cattle feed to producers. At present, 12122 dairy co-operative societies are functioning and 22.25 lakh farmers are enrolled as members.

Dairy Programme for Women namely Amrutha Yojane has been announced in the budget with an allocation of Rs.5000 lakhs during 2007-08 for providing milch animals to the Devadasis, Widows, SC & ST women in order to improve their Economic and Social Status, with a unit cost of Rs.20,000/- of which the subsidy component is 50% (Rs.10000/-)for Devadasis and Widows, 60% (Rs.12000/-) for SC women and 75% (Rs.15000/-) for ST women and the Department has spent Rs.2000 lakhs In 2010-11 the unit cost has been enhanced to Rs.35,000/- with similar subsidy components.

For the continuation of this programme in the budget for 2012-13 a sum of Rs.350 lakh was released & as on March 2012 Rs.166.25 lakhs has been utilized. The programme has been continued for 2013-14 and a sum of Rs.750.00 lakh has been allocated and upto September 2013 no grants has been released. The programme is under implementation.

In 2011-12, under Special Development Programme, as sum of Rs.1000 lakhs allocated of which Rs.600 lakhs for infrastructure development activities in

Table 8.51 – Progress of Dairy Development

Sl. No.	Items	Unit	2010-11	2011-12	2012-13	2013-14* upto Sept.13
1	DCS registered	No.	539	696	614	131
2	DCS made functional	No.	625	752	705	191
3	Members enrolled	No	65103	80.608	70878	15218
4	Milk procured	Lakh/ Tonnes	13.72	15.68	17.92	9.33
5	Animals Treated	Lakh	0.54	0.54	0.27	0.02
6	Animals inseminated	Lakh	22.71	24.78	.27.50	13.48
6	Animals examined for pregnancy	Lakh	15.20	17.09	20.37	10.22

northern Karnataka and Rs.350/- lakhs for SCP and Rs.50/- lakhs for TSP. GoK released the grants and programme has been implemented. In the budget for 2012-13 GoK, allotted and released Rs.350 lakhs for dairy infrastructure and the programme is under implementation as per the guidelines. In the Budget for 2013-14 Government has allocated a sum of Rs.6500 lakhs for dairy infrastructure and project proposal has been submitted. As on September, 2013 grants are yet to be released. The grants are being utilized to strengthen the activities in the dairy sector in the backward taluks of northern Karnataka districts for redressal of regional imbalances and KMF utilized the entire amount to strengthen forward and backward linkage to the milk producers of northern Karnataka districts.

Under financial assistance/relief in the northern Karnataka Division for improvement in Dairy development activities in five districts namely Gulbarga, Dharwad, Bijapur, Belgaum and Raichur/Bellary for the organization of Dairy cooperative Societies in the budget for 2011-12, an amount of Rs.200 lakh released and utilized for the said purpose. In the budget for 2012-13 Rs.200 lakh allocated and released and upto September 2013 a sum of Rs. 99.40 lakhs has been utilized. There is no allocation of grants under this head in the budget for 2013-14. In 2010-11 the State Government approved project proposal for establishment of Cattle Feed Plant at Shikaripura taluk of Shimoga District at a cost of Rs.4500 lakh and allocated and released a sum of Rs.500 lakh. The amount has been utilized. In the budget for 2011-12 a sum of Rs.2000 lakh was allocated and released. The same has been utilized. In the budget for 2012-13 a sum of Rs.700 lakh was allocated and released. The same has been utilized for the purpose. In budget for 2013-14 out of the grants allocated for infrastructure development activities there is proposal for Rs.1000 lakh for the purpose. Grants are awaited from GOK as on September 2013.

KMF initiated the Support to Training and Employment Programme (STEP) for women in Karnataka from October 1977. Since then KMF has organized 1474 WDSCS and in the 8th phase another 450 WDSCS are included in these ongoing phases that is totally 1924 WDSCS are under STEP Scheme. Till

September, 2013, the Ministry of Women and Child, GOI, has sanctioned Rs.5648.08 lakh and have released Rs.4247 lakh. The KMF and Milk Unions have utilized Rs.4673 lakh. As part of women empowerment, 2350 Nandini self help group have been formed with a savings of Rs.1670 lakh. Milk procurement per day from these WDSCS is 5.41 lakh litres and a payment of Rs.129.80 lakh is made directly to women only as compared to general DCS where predominantly man folk receive the payment.

Awareness generation programme like Health and Nutrition, Legal literacy, Gender sensitization and male orientation is being organized for the awareness and well being of rural women folk, at the villages only. The ultimate aim is to enhance women's bargaining power as members of society by increasing their access and control over household and community resources. In order to improve the keeping quality of the milk, the milk has to be chilled as early as possible, for this, the Bulk Milk Coolers (BMC) are being established at village dairy cooperative societies. Training of farmers in clean and hygienic milk production, supply of detergents to dairy cooperative societies, supply of stainless steel equipments etc., are undertaken in this programme. This programme has been started from 2006 and as on date an amount of Rs.1539.94 lakhs has been approved by GOI. Under the programme so far GOI has released Rs.1022.92 lakhs upto September, 2013 and KMF has spent Rs.913.64 lakhs. The programme is being implemented as per approved plan. GOK is providing a cash incentive of Rs.2 per litre of milk sold by farmers to milk cooperative societies. An amount of Rs.130 crore for year 2008-09 and Rs.200 crores for the year 2009-10 and has continued the programme for the year 2010-11, 2011-12, 2012-13 and 2013-14. Government has enhanced the milk incentive from Rs.2/- to Rs.4/- per litre of milk procured w.e.f 14.05.2013. The Department has spent Rs.1615.22 crore upto August 2013. Under RKVY, grants has been released to KMF for dairy infrastructure development, Feed and Fodder development programme, strengthening of training centres and allied activities. So far under the scheme a sum of Rs.4914 lakhs has been released to KMF and the same has been utilized for the purpose for which it released.

8.15 FISHERIES DEVELOPMENT IN KARNATAKA

Karnataka State has rich fishery resources with a continental shelf of 27000 Sq. km, 300 km of coastline and 5.65 tons hectares of inland waters. This offers immense scope for development of fisheries. In addition, 8000 hectares of brackish water area provides good scope for shrimp farming. The total fisher folk population of the State is 8.72 lakh comprising 3.11 lakh persons in marine areas and 5.65 lakh persons in inland areas. The total fish production in Karnataka was around 2 lakh tons in the early eighties and reached a peak of over 5.25 lakh tons in 2012-13. The State's fish production accounts for about 5.8% of India's total fish production. The current level of per-capita fish availability in the State is 6.8 kg. Karnataka ranks 5th position in the marine fish production and 9th position in the inland fish production in India. In 2013-14(as on Sept.2013) the total fish production is 2.55 lakh tons.

8.15.1 Fish Production

The annual fish production in Karnataka has shown a considerable increase from 3.05 lakh metric tons in 2000-2001 to 5.25 lakh metric tons in 2012-13. Details of fish production for the last 6 years are given in Table 8.52.

8.15.2 Marine Fisheries

Development of marine fisheries sector is taken up with a focus on sustainability through empowering the traditional sector, enhancement of sea safety, rational exploitation of untapped deep-sea resources, achieving employment generation, social security of fishers, increased food security and augmenting sea food exports. The marine exports including fishmeal and fish oil exports from Karnataka was 86299 metric tons of Rs. 658.460 crore during 2011-12 and 96333 metric tons worth of Rs. 854.95 crore were exported during the year 2012-13. Trends in fish exports of Marine Produce from Karnataka for the last twelve years are given in Figure 8.2.

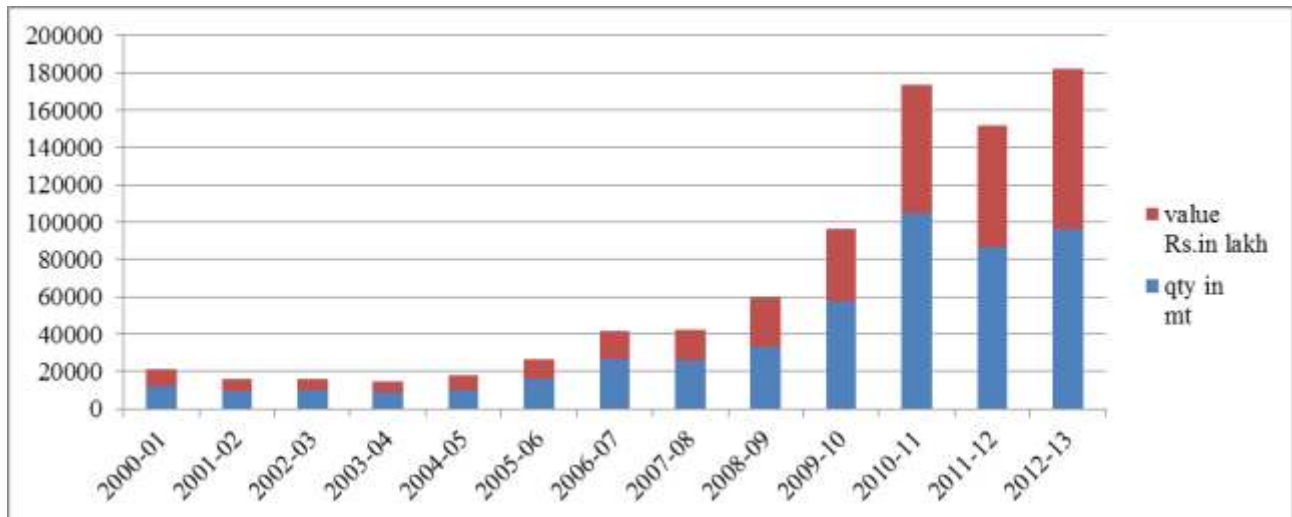
8.15.3 Major Programmes

The major programmes under marine fisheries development include construction of fishing harbours and fish landing centres in the selected places of the coastal districts to provide safe landing and berthing facilities for mechanized fishing boats, construction and improvement of fishery link roads. Besides, the State government has sanctioned supply of 125000 kilo litres of VAT-exempted diesel during 2012-13 and has been raised to 1.50 lakh kilo litres in 2013-14 year to mechanized fishing boats with a purpose of reducing the fishing costs. Assistance is

Table 8.52- Details of Fish Production in Karnataka (MTs)

Year	Marine	Inland	Total
2008-09	218137	143717	361854
2009-10	248728	159324	408052
2010-11	340571	186008	526579
2011-12	347383	199053	546437
2012-13	357325	168241	525566
2013-14*	130210	125000	255210

*as on Sept,2013

Figure 8.2: Exports of Marine Produce from Karnataka

Source: Dept of Fisheries

also being provided for purchase of modern fishing and navigational aids such as fish finders, radio-telephone equipment etc., for offshore fishing vessels for easy navigation and identification of fish in deeper waters. Application of remote sensing technology is also being used to identify potential fishing zones along the coast which help in saving fuel and time to fishermen.

To rejuvenate ice plants, subsidy at the rate of Rs. 1.50 per unit of electricity consumed by these plants has been introduced in the coastal areas. A new scheme on purchase of life saving equipments such as life buoys and life jackets has been started in 2012-13, with 75% subsidy. In the current year i.e 2013-14 the subsidy has been raised to 100%. Karnataka has eight fishing harbours located at Karwar, Tadri, Honnavar, Bhatkal, Gangolli, Belikeri, Malpe and Mangalore and 19 fish landing centers at intervening centers. This apart, an administrative approval has been obtained from the Government for construction of fish landing centre at Koderi at an estimated cost of Rs. 3000 lakh and an expenditure of Rs.2378.85 lakh have been incurred and in 2013-14 (upto Sept.) Rs.284.30 lakhs expenditure has been incurred. To provide basic infrastructure facilities for deep sea

fishing, sanction has been accorded by GoI for construction of Mangalore fishing harbor III stage at an estimated cost of Rs. 5760 lakh and Malpe fishing harbor III stage at an estimated cost of Rs. 3715 lakh and the State government has also given administrative approval for the same. Till now the expenditure of Rs.1028.29 lakh and Rs.1839.26 lakh have been incurred respectively. In 2013-14 (upto September, 2013), the expenditure incurred is Rs.1558.16 lakhs and 1056.62 lakhs respectively for these projects.

8.15.4 Fishing Fleet Operating in Karnataka

Details of fishing boats operating are furnished in Table 8.53.

8.15.5 Inland Fisheries

Immense scope exists for development of inland fisheries with the available vast inland fisheries resources in Karnataka as shown in Table 8.54.

The major programmes initiated under inland fisheries development include assistance for construction of fish ponds, stocking of grass carp seeds, construction of ponds in water logged areas, development of fish sanctuaries and intensive fish

Table 8.53 - Districts of fishing Boats Operating

Mechanized boats	Motorised boats	Traditional boats	Total
Trawlers-1780 Multiday trawlers-1226 Purse seiners-269 Inboard gillnet-179	Gillnetters(OBM)-5157, Long liners & other motorized- 550	Traditional-5686	14847

Source: Department of Fisheries

Table 8.54 - Inland fisheries resources in Karnataka

Type	Area/Length
Major Tanks	2.40 lakh ha
Minor Tanks	0.53 lakh ha
Reservoir	2.72 lakh ha
Rivers	5813 km
Canals	3187 km
Brackish water areas	0.08 lakh ha
Production Potential	4.02 lakh MT

Source: Department of Fisheries

culture development through fish farmers development agencies, etc. From 2009-10 onwards, a new scheme on providing 50% subsidy for purchase of fish seed and supply of fishery requisite kits worth Rs. 5000 (free of cost) was introduced. In 2013-14 the subsidy has been enhanced to Rs.10000/- under free distribution of fisheries scheme. An ornamental fish production and rearing centre called Aqua Park is also being established at Hesaraghatta, Bangalore Urban district to promote ornamental fisheries.

In order to develop the much needed infrastructure for producing the required quantities of fish seed for stocking in tanks, ponds and reservoirs, fish seed production and rearing farms and taluk-level nurseries have been set up by the Department of Fisheries. At present, there are 55 fish seed production/rearing farms under the control of the State's Department of Fisheries' and Zilla Panchayats' and 72 Taluk level nurseries in the State. To meet increased demand for fish seed, the Government has also encouraged the establishment

of private fish seed production and rearing farms by providing subsidies. The State requires atleast 40.00 crore fingerlings of fish seed to develop 50% water resources for fish culture. During the year 2012-13 with the NFDB assistance 70 lakh fish seed has been stocked in tanks and reservoirs at total cost of Rs.72.46 lakhs. Apart from this, under National Fisheries Development Board (NFDB) Rs.194.14 lakhs was released for construction of fish market. Rs.4.68 lakhs was released as subsidy for rearing of Pangassius sp., (Rs. 4.65 lakh has been spent), Rs.2.13 lakhs for construction of one retail market and the amount has been spent, and Rs.12.65 lakhs for cold chain development and amount has been spent. Rs.48.32 lakh was released for establishment of ornamental fish units and out of this Rs.11.95 lakh has been spent. In 2013-14 under NFDB programme Rs.31.83 lakhs released for ornamental fish units and Rs.95.26 lakhs has been released for development of 4 tanks and 20 reservoirs. Details of fish seed production in the State are given in Table 8.55.

Table 8.55 - Fish Seed Production (lakh fry)

Year	Target	Achievement
2007-08	3000.00	2287.00
2008-09	3100.00	2068.90
2009-10	3500.00	2965.00
2010-11	4000.00	3998.00
2011-12	5454.00	5012.73
2012-13	6345.00	4282.35
2013-14 (as on Sept)	7200.00	4330.58

Source: Department of Fisheries

8.15.6 Tank Fisheries Development

Tank fishery development plays a strategic role in providing employment and income to rural people. The fishery rights of the tanks with an extent of more than 40 hectares vest with the fisheries department. These water bodies are disposed of either by lease or tender cum auction. Tanks upto 40 hectares an extent areas have been transferred to the respective Gram Panchayats. A comprehensive policy for disposal of tanks, reservoirs and rivers has been formulated. As per these amendments, the tanks are leased in the following order of priority: a) Jalasamvardhana Yojana Sangha, b) Karnataka Co-operative Fisheries Federation, Mysore, c) Societies that have obtained membership of the Federation, d) Registered fisheries co-operative societies, e) Unemployed fisheries graduates, f) Registered water users co-operative societies and other societies/institutions.

Marine - Harbours: 8
Jetties and Beachlanding Centres: 88
Shrimp Hatchery: 5

Fisheries Co-Operative Societies:
346(Inland), 109 (Marine)
Federation: 1 (Inland), 2 (Marine)

8.15.7 Fish Sanctuaries in Karnataka

River stretches are declared as fish sanctuaries due to conservation of endangered and rare native fish species. Because of their unique and delicate ecosystem, any type of fishing is banned in these declared river stretches which helps to develop natural breeding of fish species. Details of fish sanctuaries in Karnataka declared by Department of Fisheries are given in Table 8.56.

8.15.8 Infrastructure in Fisheries Sector

The State government has given importance for the development of infrastructure facilities like fishing harbours, landing centres, auction halls, ice plants, cold storages, freezing plants and frozen storages. An overview of the infrastructure in fisheries sector is given below.

Farms (Inland) - Production: 27
Rearing: 28,
Taluk Level Nursery: 72
Total: 127, Total: 92

Cold Storages: 24(Inland), 29 (Marine)
Ice Plants: 67 (Inland), 163(Marine)
Frozen Storage: 1 (Inland), 14 (Marine)
Training Centres: 4 (Inland)

Table 8.56 - Fish sanctuaries in Karnataka

Sl. No	Place/Taluk/District	River	Length of protected area
1	“Vanhi Puskarani” (Ramanathapur) Arakalgud, Hassan	Cauvery	-
2	Ranganathittu S.R.Patna, Mandya	Cauvery	5km
3	Muttathi area Malavalli, Mandya	Cauvery	-
4	Shishila Belthangadi, D.Kannada	Kumaradhara	500m
5	Abhirama fish sanctuary (Hariharapura) Koppa,Chikmagalur	Tunga	-
6	Dharmasthala Belthangadi, D.Kannada	Nethravathi	1km
7	Kelkaru Belthangadi, D.Kannada	Palguni	-
8	Marakatha Sulya, D.Kannada	Yenekkal (Kumaradhara)	-
9	Seethanadi Karkala, Udupi	Seethanadi	-
10	Nakurgaya Puttur, D.Kannada	Nethravathi	-
11	Nisargadhama Kushalnagara, Kodagu	Cauvery	-
12	Uppukala Sulya, D.Kannada	Kallaje	-
13	Bachanayakanagudi Sulya, D.Kannada	Yenekkal (Kumaradhara)	2.0 Km
14	Thodikana Sulya, D.Kannada	Chandragiri	500m
15	Thingale Karkala, Udupi	Seethanadi	500m
16	Sringeri Sringeri, Chikmagalur	Tunga	1km
17	Jammatagi (Hariharapura) Koppa, Chikmagalur	Tunga	500m
18	Chippalagudda Thirthahalli, Shimoga	Tunga	500m
19	Mattur-Hosahalli Shimoga Taluk & Dist.	Tunga	1.5 Km
20	Shivanasamudra Malavalli, Mandya	Shimsha	1.4 Km
21	Bhagavathi Chaya Kolla Surpura Taluk, Gulbarga	Krishna	-

Source: Department of Fisheries

8.15.9 Labour Employed in Fisheries Sector

Fisheries sector has been faring high in terms of its foreign exchange earning potential and employability of vast majority of coastal community in the primary, secondary, and tertiary sectors associated with fishing. Improvements in technology has led to unbridled capital investment in this sector and has attracted more and more people from the adjacent coastal transects who do not necessarily belong to the fishing community. Seafood exports from Karnataka is exploring new heights with increasing opportunities for value addition and branding of products. This has led to increasing in the number of export units employing large number of skilled and unskilled workers. Further, over the years, there is increase in the coastal fisherfolk population inducing more and more people into fishing and allied activities. Employment status and opportunities in marine fisheries sector of Karnataka has increased over the years in spite of growing mechanization and increasing replacement of labour-intensive fishing technologies. Fish, being a highly perishable product, needs the services of several people for its fast movement from catching point to consuming point without deterioration in its quality. The size of fisherfolk in Karnataka population in the State is given in Table 8.57.

8.15.10 Steps undertaken for the Development of Fisheries in Karnataka

1. Seed Development

The major fish seed farms in the State which have been established to produce and supply quality fish

seed are:

- Bhadra fish seed production farm at Bhadra Reservoir Project, Shimoga District
- National fish seed production farm at Bhadra Reservoir Project, Shimoga District
- Tungabhadra fish seed production farm at Tungabhadra Dam, Bellary District (Tungabhadra Board)
- Hagaribommanahalli fish seed farm, Bellary District
- Narayanapura fish seed farm, Bijapur District
- Shivapura fish seed farm, Koppal District
- V.V.Sagar fish seed farm, Chitradurga District
- Markonahalli fish seed farm, Tumkur District
- Kabini fish seed farm, Mysore District
- Hessarghatta fish seed farm, Bangalore (Urban) District.

2. Karnataka Co-operative Fisheries Federation, Mysore

The fisheries federation is mainly involved in developing fish culture in tanks through fishermen co-operative societies spread all over the state. It has implemented NCDC-funded Integrated Reservoir Fisheries Development Programme in four districts viz., Mysore, Chamarajanagar, Mandya and Hassan. Further, Integrated Inland Fisheries Development Project is being implemented in six districts viz., Shimoga, Davangere, Haveri, Dharwad, Raichur and Bellary through Fish Cooperative Marketing Federation.

Table 8.57 - Fisherfolk in Karnataka (in lakhs)

Sector	Total number of fishermen	Number of fishermen actively involved/employed
Marine	3.11	1.51
Inland	5.61	1.37
Total	8.72	2.88

Source: Department of Fisheries

3. Landing and Berthing Facilities

Under this scheme, construction and maintenance of fishing harbours and landing centres is taken up. The budget provided is used for maintenance of fishing harbours, sanitation, providing electricity and drinking water and other repair works. Under this scheme in 2012-13 Rs.210.87 lakhs have been spent against the budget provision of Rs.250 lakhs. In 2013-14 Rs.245 lakhs has been provided and Rs.43.99 lakhs (upto September, 2013) have been spent.

4. NABARD Assistance under RIDF

NABARD has given sanctioned 9 works at a cost of Rs.10.41 crores under RIDF XIV and Rs.8.06 crores have been spent upto March 2013. Under RIDF XV, sanction has been accorded by NABARD for 4 works at a total cost of Rs.9.92 crores and Rs.11.49 crores has been spent. In 2012-13 under RIDF XVI, sanction was accorded for 2 works at a cost of Rs.3 crores and upto March 2013 Rs.1.89 crores has been spent. In 2012-13, an allocation of Rs.1600 lakhs was made but an expenditure of Rs.887.42 lakhs only was incurred. Similarly in 2013-14 under different works Rs.1800 lakhs has been earmarked, and Rs.83.59 lakhs has been spent upto September, 2013.

5. Motorisation of Traditional Fishing Crafts

The Centrally Sponsored Scheme of Motorisation of Traditional Fishing Crafts was introduced in the State in 1987-88 and so far, 3189 traditional crafts have been motorised. Under this scheme, for each outboard motor, half of the unit cost is provided as subsidy subject to a maximum of Rs. 30000/-. This subsidy amount is shared equally by State Government and Central Government. The rest of the amount is borne by the beneficiaries with assistance from financial institutions. In 2012-13 an allocation of Rs.85.20 lakhs was released and amount spent was Rs.85.04 lakhs. Subsidy was provided to 284 traditional fishermen to buy outboard motors. In 2013-14 Rs.89.20 lakhs budget have been provided for the implementation of the scheme.

8.15.11 Centrally Sponsored Scheme - Development of Brackish-water Areas through Brackish-water Fish Farmers Development Agencies (BFDA)

Brackish-water Fish Farmers Development Agency (BFDA) at Karwar and Udupi was established to promote shrimp farming and also to execute the central Government -approved programmes. The farmers are being trained in shrimp farming and also brackish water fish culture. Apart from this, traditional/improved shrimp farming is also being encouraged by providing licences.

8.15.12 Dredging of Fishing Harbours

In the State, under centrally sponsored scheme and other schemes major fishing harbours and small landing centres have been constructed and after construction due to lack of periodic dredging and other natural reasons (such as less inflow of water) some of these harbours and landing centres have severe problem of siltation. To solve the problem of siltation, dredging of harbours has been taken up. In 2011-12, GOI sanctioned works of dredging at Udyavara river, Mangalore Alivey-Kandathapalli, Kodibengre, Bhatkal and Hangarakatte. An allocation of Rs.1000 lakhs was made for dredging during 2012-13, works were started in few places but no expenditure has been incurred. In 2013-14 Rs.1000 lakhs has been provided and Rs.19.85 has been spent upto September, 2013.

8.15.13 Maintenance of Coastal Link Roads

There are 181 fisheries link roads with a length of 276.51 Km in the three coastal districts of the State. During 2012-13, an allocation of Rs.400 lakhs was made and additional allocation of Rs.200 lakhs was also provided for development and maintenance of these fisheries link roads. An expenditure of Rs.598.55 lakhs has been incurred. In 2013-14 Rs.600 lakhs has been earmarked for this project.

8.15.14 Rashtriya Krishi Vikasa Yojana

Under RKVY, an allocation of Rs.3272.50 lakhs was provided in 2012-13. The ongoing programme "Integrated Fisheries Development Project" was continued during the year and Rs.1500 lakhs was released. Out of this Rs.1220 lakhs was earmarked for improvement of fish seed production and rearing farms, Rs.125 lakhs for rearing of fish seed on tank periphery and to take up intensive fish culture and Rs.155 lakhs for taking up mariculture at coastal

areas through training and demonstration. Out of this only Rs.280 lakhs was released. Apart from this a sub component “National Mission for Protein Supplements” was also taken up. The following 2 components were identified under NMPS.

1. Reservoir Fisheries Development
2. Intensive Aquaculture in ponds and tanks.

Since amount was not released programme could not be implemented.

Under RKVY a total of Rs.280 lakhs was released in 2012-13 to various implementing agencies. In 2013-14 an amount of Rs.58 crores has been provided, and Rs.200 lakhs has been released upto September, 2013.

8.15.15 Establishment of Aqua Park

For the first time in the State, with an objective of promoting ornamental fish production and sale in and around Bangalore, the Government has accorded administrative approval for the establishment of Aqua Park during 2009 for establishment of ornamental fish seed production and rearing units at Hesaraghatta at a cost of Rs.200 lakhs. Works are under progress. In 2012-13 an allocation of Rs.100 lakhs was provided and Rs.99.95 lakhs has been spent.

8.15.16 Fishermen Welfare Schemes

Fishermen in the State are assisted by the Department of Fisheries through several fishermen welfare schemes such as, HUDCO-sponsored Mathysya Ashraya Scheme for construction of houses to houseless fishermen, construction of link roads for quicker transportation of fish, savings-cum-relief scheme for marine fishermen and group accident insurance scheme.

8.15.17 Distress Relief Fund

Distress Relief Fund was started in order to provide relief to fishermen/their dependents in case of death/permanent disability while fishing. The relief amount which was Rs.25000 per head during 2006-07 has been increased to Rs.50000 per head. In 2011-12 under this scheme Rs.100 lakhs allocation was provided and the total amount has been spent. In

2012-13, relief worth Rs.36.66 lakhs was given to 69 beneficiaries in all death cases, Rs.0.10 lakhs for medical expenses to 2 fishermen, Rs.2.435 lakhs for loss of property to 37 fishermen from distress relief fund. In 2013-14 an amount of Rs.50 lakh has been earmarked.

8.15.18 Group Accident Insurance Scheme

Under this Centrally Sponsored Group Accident insurance Scheme, the premium amount of Rs.30 per fisherman, shared equally by State and Centre has been paid to the National Federation of Fisheries Co-operative Ltd., New Delhi towards insurance coverage of 150,000 fishermen of the State. In 2012-13 Rs.22.50 lakhs has been paid to FISH COFED, New Delhi towards premium and Rs.37 lakhs has been distributed as relief in 38 cases. In 2013-14 Rs.25 lakhs budget has been provided and an expenditure of Rs.24 lakhs has been incurred till date. (Table 8.58)

8.15.19 Matsya Ashraya Scheme

In the State there is a great demand for houses from 28,000 houseless fishermen in the State. Since the funds provided by the GOI for the housing programme was insufficient, Government of Karnataka in the year 2006-07, started Matsya Ashraya III phase to construct houses at a unit cost of Rs.40000/- per house. In 2011-12 the unit cost has been raised to Rs.60 000/- per house. During the years 2011-12 and 2012-13, under Matsyashrya scheme 2000 houses and under CSS scheme 1000 houses were sanctioned and partial amount has been released and works are under progress. In 2013-14 the unit cost has been enhanced to Rs.1.20 lakh and Rs.1200 lakhs budget has been provided.

8.15.20 CSS Savings-cum-Relief Scheme for Marine Fishermen

Under this Scheme, Rs.75 per month will be collected from marine fishermen for a period of 8 fishing months in a year. A total amount of Rs.600 thus collected from each fisherman will be matched with Rs.600 by the State and Central Governments and the total of Rs.1800 thus collected will be distributed during 3 lean months to the beneficiaries equally at Rs.600 per month. In 2012-13 an allocation of Rs.300

lakhs was made under this component. But since the beneficiary contribution was Rs. 185.86 lakhs, Rs. 371.72 lakhs was released including additional allocation through re-appropriation. The entire amount was utilised to distribute the relief to 30836 beneficiaries. In 2013-14 the Government has sanctioned Rs. 400 lakhs and Rs. 392.60 lakhs has been incurred as on September, 2013. (Table 8.59)

8.15.21 Supply of Fishery Requisite Kits

In 2009-10, to improve the livelihoods of the traditional and poor fishermen, "Supply of Fisheries

Kit" was introduced by the Department. Under this scheme a kit consisting of fishing net, coracle and other fishery requisites are given to coastal or inland fishermen involved in traditional capture fisheries. The unit cost of each kit would be Rs. 5000/- and it would be provided as 100% subsidy to the beneficiary. This would improve the economic condition of the poor fishermen and help them to lead their life. In 2012-13, an amount of Rs.450 lakhs was provided and out of this Rs.448.67 lakhs was spent. In 2013-14, Rs.370 lakhs has been provided.

Table 8.58 - Group Insurance scheme

Year	No of cases settled	Amount claimed (Rs. In lakh)
2007-08	35	17.00
2008-09	12	6.00
2009-10	25	12.50
2010-11	31	24.00
2011-12	56	43.11
2012-13	38	37.00
2013-14(upto Sept. 2013)	19	19.00

Table 8.59 - Savings cum relief scheme for marine fishermen

Year	No. of beneficiaries	Amount disbursed (Rs.in lakh)
2007-08	17372	103.14
2008-09	18112	207.07
2009-10	14716	176.04
2010-11	21066	252.78
2011-12	25721	308.66
2012-13	31223	371.72
2013-14(as on Sept.)	32742	392.90

8.15.22 Processing, Preservation and Marketing

There are 230 ice plants with a production capacity of 3259 tonnes of ice per day, 53 cold storages with a storage capacity of 3190 tonnes, 15 freezing plants with a capacity of 184.50 tonnes and 12 frozen storages with a storage capacity of 1555 tonnes per day, 8 canning plants and 21 fish meal plants are working. There are two Co-operative Fish Marketing Federations and one Fisheries Development Corporation working in the coastal districts to help the fishermen in marketing their fish catches. These institutions will also help the fishermen in supply of diesel, fishery requisites, spare parts etc. and in marketing of fish etc.

8.15.23 Fisheries Co-operative Societies (FCS)

There are 610 Fishermen Co-operative Societies in the State of which, 535 are functioning and 75 are defunct. One State Level Co-operative Fisheries Federation in inland and two District Co-operative Fish Marketing Federations are functioning in marine districts in the State. To assist the activities of these Co-operatives, share capital, fishery requisites loan

and managerial subsidy are being provided. There are 1, 77,436 members in all FCS.

8.16 SERICULTURE

Sericulture is one of the major employment generating sectors in the State and its growth has immense employment generation potential, particularly in rural Karnataka. The area under mulberry cultivation in the State was about 77.89 thousand hectares by September 2013, which is higher than the area under mulberry cultivation in 2012-13 (Table 8.60). The production of cocoons, quantity of cocoons marketed, raw silk production was high in 2013 compared to 2012 and total employment in industry was high in 2013 compared to 2012. Details of the State's production and imports of silk yarn are presented in **Table 8.61**. **Table 8.62** provides details of expenditure incurred under various sericulture promotional programs while **Table 8.63** presents details of financial assistance availed by reelers and sericulturists. In 2012-13, the estimated mulberry silk production in India was about 18715 MTs of which Karnataka's share was 7063 MTs. Karnataka is the largest producer of raw silk in India.

Table 8.60 - Sericulture industry in Karnataka 2010-11 to 2013-14 (up to September 2013)

Category	Unit	2010-11	2011-12	2012-13	April to September		% variation 2012 over 2011
					2012	2013	
1. Area under mulberry	'000 hectares	62.70	70.96	74.13	72.08	77.89	4.47
2. Production of cocoons	'000 MTs.	52.71	55.96	49.44	23.01	26.23	-11.65
3. Quantum of Cocoons marketed	'000 MTs.	50.04	55.03	48.95	22.84	22.57	-11.04
4. Raw silk production	'000 MTs.	7.34	7.79	7.06	3.20	3.65	-9.37
5. Employment in sericulture	Lakh	8.15	9.22	9.63	9.37	10.12	4.44

Note: MTs -Metric Tonnes

Source: Department of Sericulture.

Table 8.61 - Production of raw silk in Karnataka and import of raw silk in India(Qty: MT)

Year	Production of raw silk in Karnataka	Import of raw silk by India
2009-10	7360	7338
2010-11	7338	5820
2011-12	7796	5673 (P)
2012-13	7063	
2013-14*	3650(P)	

P: Provisional Data * April to September, 2013

Source: DOS, Karnataka & DGCI&S, Kolkata

Table 8.62: Promotional Programs for Sericulture (2013-14)

Sl. No.	Program	Amount sanctioned (Rs.Lakh)	Amount spent (Rs. Lakh)
1	Catalytic Development Program	5200.00	300.55
2	RKVY	641.78	
3	SDP	1500.00	13.76
4	Special Component Plan	2127.39	52.63
5	Tribal sub-plan	1114.69	22.97
6	Reshme Varadana Yojane	300.00	21.31
7	Development of silk rearing activities	450.00	130.82
8	New initiative for sericulture development	1133.64	479.61
9	Bivoltine seed cocoons incentives	368.00	5.62
10	Hybrid chawki rearing expenses	200.00	38.49
11	Sericulture Cluster development	450.00	

Source: Department of Sericulture.

Karnataka had experienced severe drought since last 2 years and the mulberry area expansion was also not satisfactory. Also, the reduction of custom duty on raw silk from 30% to 5% during March 2011 has had a serious impact on the sericulture industry in Karnataka. It is to be noted that the raw silk price in the country is directly related to imported Chinese raw silk price. Reduction of customs duty has resulted in the drastic fall in the silk and cocoon prices in the State resulting in distress sale and large scale agitation by the farmers and other stakeholders.

Considering the above-mentioned issues, the Govt. of Karnataka had introduced a scheme of providing incentive to cocoons to farmers in 2011-12. The State Government had announced a package upto Rs.30/- per kg cocoons as distress relief when the cocoon rates go below Rs.160/-. To encourage and motivate the farmers to continue in sericulture, the Govt. of Karnataka has introduced a scheme of providing incentive of Rs.10/kg to cross-breed cocoons and Rs.40/ kg to bivoltine cocoons. Also, towards supporting reelers, a power subsidy of Rs.1.50 per

Table 8.63: Financial Assistance availed by Reelers and Sericulturists (2013-14)

A. Financial Assistance to Reelers	2011-12		2012-13		April – Sept 2013-14	
	Beneficiaries	Amount (Rs. Lakh)	Beneficiaries	Amount (Rs. Lakh)	Beneficiaries	Amount (Rs. Lakh)
Charaka	4	3.6	-	-	-	-
Cottage Basin	-	-	-	-	-	-
Multi-end basin	-	-	-	-	-	-
Total	4	3.6			-	-
B. Financial Assistance to Sericulturists						
Mulberry Plantation	168	38.891	146	31.392	18	7.218
Purchase of equipment	110	32.563	39	8.444	16	9.04
Construction of Rearing House	169	410.968	80	206.835	37	114.50
Irrigation system	2	1.5	1	0.442		
Total	449	483.922	266	247.113	71	130.758

Source: Department of Sericulture.

unit has also been introduced by the Govt. of Karnataka. The State Government is also actively pursuing the issue of minimum support price for silk with the Government of India.

In the Union Budget of 2013-14 the duty on raw silk imports has been raised from 5% to 15% as against the request for 30% by State Government in the interest of stake holders with this average cocoon prices of cocoons /kg has gone up. In 2013-14 many innovative programmes are under implementation for the development of Sericulture, like upgradation of cocoon market, equipping cold storages, pledge loan, seed cocoon incentives etc., of automatic reeling machines, benefits to landless sericulturists etc.,

8.16.1 Karnataka Silk Marketing Board Ltd (KSMB)

The Karnataka Silk Marketing Board Ltd. promoted by the Government of Karnataka was established in 1979. This was done with the intention of stabilising the prices of Silk yarn. In 2012-13 the Company has made a turnover of Rs.4647.40 lakhs as against the turnover Rs.4320 lakhs in the previous year. During this year upto September, 2013 the turnover was Rs.1700.05 lakhs. Year wise performance given in Table 8.64.

In 2013-14 upto September, the transactions in the Silk Exchanges were almost similar when compared to the corresponding prices of previous year, whereas

Table 8.64- Year wise performance (Rs in Lakhs)

Particulars	2010-11	2011-12	2012-13	2013-14 (Upto Sept -2013)
1. Turnover	3443.90	4320.00	4647.40	1700.05
2. Profit after tax	(-)399.64	(-)368.70	(-)154.47	(-) 85.87

the average prices of silk yarn has gone up by 29.46% for Filature silk and 24 % for Charaka silk when, compared to the corresponding period of previous year. In 2012-13 the Company had purchased 118 tons of silk amounting Rs.26.96 crores and sold 209 tons valued Rs.46.47 Crores and the loss incurred was Rs.154.47 Lakhs. Transactions of Silk Yarn at Silk Exchange and average prices during 2009-10 to 2013.14 are given in Table 8.65.

Particulars of Purchase & Sales and Profit/Loss of Silk Marketing Board from 2009-10 to 2013-14 is given in Table 8.66.

In 2012-13 the prices of imported silk in the domestic market was higher than the domestic silk price and the prices of domestic silk were on higher throughout the year, when Compared to previous year. The average price of filature silk during 2012-April, was Rs.1935 and increased to Rs.2457/- in March, 2013 and from Rs.2600/- in April, 2013 increased to Rs.3082/- in September, 2013. The Company had purchased the silk by offering day to day market

price. Due to increase in prices the Company was able to sell the carry forward stock of 112 tones in 2012-13. In 2013-14 in the beginning, the prices were prevailing high and hence purchase was low. However, the Govt offered a reasonable price to the silk, as a result there was neither pressure from the reelers to buy the silk nor any strike, boycott, from the farmers as they were getting a satisfactory price for their produces. Production of silk yarn and import of silk yarn in Karnataka 2008-09 to 2012-13 is given in Table 8.67

Company is primarily discharging the function of Price Stabilisation of silk yarn which is generally a non-profitable proposition. Company is expected to protect the interest of reelers and farmers by continuously purchasing silk in all Silk Exchanges in Karnataka. The Company being the biggest Government licensed buyer of silk at Silk Exchanges of Karnataka State has to strive to maintain price stability and to prevent formation of groups and cartels among traders and merchants, thereby to protect the interest of reelers. Company has to

Table 8.65 - Transactions of Silk Yarn at Silk Exchange and average prices

YEAR	Quantity	Average Price Rs. Per Kg.	
	(Tonnes)	Filature	Charka
2009-10	1084	1615	1479
2010-11	1037	2163	1962
2011-12	1310	1913	1655
2012-13	1238	2236	2182
2013-14. Upto Sept-13)	580	2739	2500

Table 8.66- Particulars of Purchase & Sales and Profit/Loss of Silk Marketing Board (Qty in tons, value in Rs. Lakhs.)

Year	Purchase		Sales		(+ Profit (-) Loss Rs.	Accumulated Loss Rs.(-)
	Quantity	Value	Quantity	Value		
2009-10	171	2661	163	2653	(-) 258.79	2440.40
2010-11	201	4179	161	3444	(-) 399.63	2840.04
2011-12	270	5008	215	4320	(-) 368.70	3208.74
2012-13	118	2696	209	4647	(-) 154.47	3363.21
2013-14 (Upto Sept-13)	45	1222	62	1700	(-) 85.87	3449.08

Table 8.67 - Production of silk yarn and import of silk yarn in Karnataka

Year	Karnataka Silk Production (in tons)	Import of Silk Yarn (in tons)
2008 - 2009	7238	8392
2009 - 2010	7360	7341
2010 - 2011	7338	5870
2011- 2012	7796	5673
2012-2013	7063	4951

Source: i) Karnataka Silk Marketing Board; ii) Central Silk Board

maintain sufficient buffer stock to meet the daily requirement of consumers spread over the states of Karnataka, Tamilnadu & Andhra Pradesh. It sells silk to artisans (i.e. weavers). When the prices are continuously stable, the intervention of KSMB in the market may not be necessary. Maintenance of procurement and distribution points involves considerable overhead expenses such as rent for office and godown, insurance etc. In the context of liberalized economy, the Company may have to face increased hurdles and obstacles while performing its function of price stabilization in this Agro based, labour intensive sector requiring substantial capital.

There are about two lakhs families directly and indirectly involved in sericulture in the state of Karnataka alone, apart from considerable number of weavers and traders in the states of Tamil Nadu and Andhra Pradesh, for whom the activities of KSMB are quite necessary if not essential. Karnataka's contribution for sericulture development is substantial. In various processes of sericulture and Silk Industry, over the years, the function of KSMB has become a vital link in a stage at which effort of the farmers get money value in real terms. The State Government has given a financial support by releasing Rs.1 crore during this year, to meet the

administrative expenses. Further to increase the turnover, Government has given a guarantee to Canara Bank to avail loan upto R.15 crores.

8.16.2 Central Silk Marketing Board Ltd

Production of raw silk in Karnataka and Import of raw Silk by India is given in Table 8.68. The value of silk goods export earnings from Karnataka is given in Table 8.69.

8.17 AGRICULTURE RESEARCH, EDUCATION AND TRAINING

The State of Karnataka has registered 5.9 % growth in agriculture production during 2010-11. To further enhance the growth rate in agriculture, the role of research, education and extension is crucial. The State has four Agricultural Universities, one Horticulture University and one Veterinary Sciences

Table 8.68 – Production of raw silk in Karnataka and Import of raw Silk in India (Qty. MT)

Year	Production of raw silk in Karnataka state	Import of raw silk in India
2009-10	7360	7338
2010-11	7338	5820
2011-12	7796	5685
2012-13	8219	4959
2013-14 (Apr-Sep)	3648	1479*

P: Provisional Data *April to August period

Source : DOS, Karnataka & DGCI&S, Kolkata

Table 8.69 – Value of Silk Goods export earnings from Karnataka and India

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14 (April-August) (P)
Karnataka	700.32	712.62	693.47	674.92	233.35
India	2892.44	2863.76	2353.34	2303.53	882.36
Share of Karnataka (%)	24.21	24.88	29.47	29.30	26.67

P. Provisional Source: Directorate General of Commercial Intelligence & Statistics, Kolkata

Note - 1. Figure includes silk yarn & silk waste. 2. Value of export of silk-goods figures from Karnataka reflects the exports consignments dispatched from ports viz., Bangalore Air and Bangalore ICD.

University. On an average, there are about 25 Research Stations in each University, thus making a total of about 100 plus Research Stations. A total of 22 Krishi Vigyana Kendras (KVKs) under the stewardship of ICAR are functioning for the benefit of training the line department officials as well as farming community. Special schemes such as ATMA (Agricultural Technology Management Agency) are also in operation in Agricultural Universities for the purpose of technology management and training. The intake capacity of all the Universities at undergraduate level is about 2500 students for 11 different undergraduate programmes in the State. Further, about 1200 students seek admission to Master's and Doctoral Degree programs every year. Overall, the number of Universities is sufficient for imparting education and conducting research in agriculture sector. However, what is important is the number of institutions at the grass root level, i.e., the Colleges, Research Stations and Extension Education Units, which are primarily responsible for creation of output in terms of education, research and training, which is the focus of the policy of agricultural research and training.

8.17.1 Agriculture Research

Improvement in crop varieties and development of innovations and improved methods of cultivation, crop protection, processing, extension, farm management, marketing and post harvest technologies along with development of Integrated Farming Systems have been a major hallmark of the output of research from the agricultural research system in the State. It may be recalled that improved varieties/hybrids in important crops, such as, rice, sorghum, maize, cotton, groundnut, sugarcane, soyabean along with non-crop specific innovations and improved methods and technologies have contributed significantly to the increase in the agriculture output in the State in the last 30 years. However, this is almost reaching a plateau and with the current level of resource endowments and is posing challenges to sustain the productivity. In addition, there is restriction on the extent of irrigated area, which has stagnated at about 31 lakh hectares. Also, other facilitating technologies, such as, crop management, pest and disease management, post-harvest management, marketing, economics and management also need to be tapped to sustain the

output. Thus, there is an immediate need to focus on S&T and R&D in diverse and innovative research activities in agricultural sciences.

The allocation of funds from the development grants to Directorate of Agriculture is about Rs.1500 crores; and apart of this is from the central schemes such as RKVY. The funding under RKVY is restricted to project based finances and these funds cannot be used for purposes of research, which the Universities wish to undertake highly localized nature of research and of immediate importance. In the previous years the allocation of development grants to each of the agricultural universities in the State is around Rs. 25 crore. The rainfed agriculture research activities need to focus on biotechnology based varieties, developing agricultural technologies/practices for dry land agriculture and also concentrate on latest technologies in farm management such as precision farming. The concept of organic farming, with a view to maintain soil health conditions, also needs special emphasis. This implies that the State needs to facilitate input supplies to enable farmers who shift to organic farming. Massive efforts are necessary to create soil health testing facilities, to reach for 76 lakh farming families in the State. Emphasis on minor millets in providing food, fodder and nutritional security in addition to pharmaceutical benefits through fortification of foods consumed is necessary.

Climate change is playing havoc in agriculture. Farmers need to be educated to cope with climate change in cropping seasons through cropping pattern and farm management practices. This requires substantial research efforts. The watershed technologies developed in the State have become a model for other states to follow and the State needs to continue its efforts in research covering economics, marketing and extension in these technologies. In irrigated areas, soil management, water conservation and maintaining the soil health status, with focus on special varieties and economic use of surface and groundwater needs to be evolved. Due to the policy of making water available free of cost, wise use of water and conservation has become challenging for the State.

In the major irrigation project areas, nearly 22 to 25% of the command area is being affected by water logging, salinity and alkalinity and this call for more

efficient use of the precious water resource focusing on its economic value. In TBP area, about 55,000 hectares are affected by salinity. In Belgaum district, nearly 22,000 hectares have turned saline. Research efforts are needed to economically reclaim these soils as also training, capacity building and provision of inputs for reclamation of the degraded lands. Improved irrigation literacy among farmers in using both surface water and groundwater will gradually help in soil and water conservation and improves efficiency of water use in farms. This should be taken-up as a movement by the agricultural extension efforts by the Department of Agriculture, Horticulture, Sericulture, including KVKs and WALMI through awareness and training programmes.

Efforts towards mechanization need to focus on small scale farm operations suiting to the small and marginal farmers of the State. There is a need to make use of the existing capacity in agricultural engineering in the State and the government is planning to increase the capacity building in the agricultural engineering sector to especially focus on both sustainable use of surface and groundwater and improved cultural practices. This will also cater to the needs of food processing sector, another area requiring attention to reduce the harvest and post harvest losses in agricultural sector. At present, agriculture implements suitable for use by small and marginal farmers are developed by Agricultural Universities in the State, Central Institute of Agricultural Engineering, Bhopal, CIPHET, Ludhiana and other agencies which can be validated for their use for our small and marginal farmers. The local industries need to be encouraged for commercial scale production of appropriate farm implements. All these activities call for a substantial investment on agricultural research in comparison to the present level.

Research Report for 2012-13 from UAS Bangalore

In 2012-13, in UAS Bangalore, a total of 328 research projects, 863 research programs and 23 field experiments on farmers' fields have been undertaken. A new hybrid chili KBCH-1 (Sonia) for the benefit of farmers is released. Two technologies in crop improvement, four in crop production, one in

sericulture, four in plant pest control, one in plant disease control, one in horticulture, one in agricultural engineering (mechanical dehusking of groundnut pods) have been developed and released for the benefit of farmers. In addition, two technologies (starch ragi pappad and ragi mixture) have been recommended in Food Science and Technology. Under the National Seeds Project, with the participation of farmers, seed production activities and seed village program have been undertaken. In this year, the UAS Bangalore has produced 1764 quintals of Foundation Seeds and 24,026 quintals of quality seeds have been produced for the benefit of farmers.

Agricultural Extension activities in UAS Dharwad - Krishi Mela was organized on large scale at Dharwad campus of the University to provide exposure to farmers and other stakeholders to new technologies, inputs and implements and machineries. More than 15 lakh farmers from various districts visited Krishi Mela. To provide incubation facility for jaggery preparation, Jaggery parks were established by the University at Modhol (40 tons capacity) and Sankeshwar (20 tons capacity), the interland of sugar cane.

8.17.2 Agricultural Education

In 2011-12, the University of Agricultural and Horticultural Sciences at Shimoga and two Agriculture Colleges at Gulbarga and Hanumanamatti, Haveri District were established. In 12 campuses, Diploma Courses and in 12 campuses Certificate Courses have also been started during 2011-12 to augment the trained manpower in Agriculture Sector. The UASB has increased UG admission by 15 % and PG by 20 per cent to meet the growing demand of agriculture graduates from 2011-12 onwards. The UAS, Dharwad has started degree programme in B.Tech (Food Processing) at Dharwad campus from September 2012 with an intake of 30 students.

The agricultural education system has concentrated on imparting formal education in the agricultural sector leading to bachelors, masters and doctoral degrees. Most of these graduates get out of agriculture as job seekers in urban and semi-urban areas. With the total turnover of 1000 graduates from

agricultural Universities in the State, they are inadequate to meet the needs and aspirations of 76 lakh farm families in Karnataka with the norm that there should be one trained UAS graduate for every 1000 farmers. This implies that the State needs a total of 7600 graduates at any time. Out of these graduates, 80% pursue higher studies or seek employment in non-farm sector. Only about 20% or 200 graduates will be available for working as extension personnel every year. If we have to achieve the goal of having one extension worker for every 1000 farmers, thus, a total of 7600 graduates are required and it is estimated to take around 38 years with the present intake. Hence, there is a dire need for alternative extension workers at different levels to provide extension services at farmers' doorsteps. With this view, Government encouraged the Agricultural Universities to start 2-year Diploma course in agriculture. The UAS, Bangalore has commenced Diploma course in agriculture in 2 campuses; UAS, Dharwad in 6 campuses; Veterinary Sciences University in 2 campuses and UAS, Raichur in three campuses. This is an ambitious programme of bringing out 1000 diploma holders per year in the State so that they act as "bare foot farm doctors" in rural areas. In addition to the above, a few Universities have started Certificate courses of 6-months duration in viable areas, including, one year diploma in bakery technology, sericulture, DAESI (diploma in agriculture, extension services input dealers). UAS, Bangalore has commenced distance education in integrated farming system as well as post harvest technology in fruits and vegetables, organic farming, seed production, dairying, poultry. A combination of these efforts is expected to provide quality extension services at the farmers' door step in the next few years. Karnataka Government has been helping the Agricultural Universities in developing these programmes with funding support permitting the Universities to hire the requisite manpower.

According to the policy of the Karnataka State, the University of Agricultural Sciences, Bangalore launched the two year Diploma course in Agriculture in 2011-12 in Mandya and Kattalagere campuses. The first batch of Agriculture Diploma holders is already available for offering their service. In the history of the UAS Bangalore, for the first time, the Karnataka Examination Authority, made it

compulsory to include admission to all the degree programs by the State Agricultural Universities including Veterinary University through the CET (Common Entrance Test). This has benefitted thousands of students who wish to get admitted to Agricultural and Veterinary Universities in the State, who need not individually apply to these Universities and one application is adequate for consideration in all these Universities.

The Rural Agricultural Work Experience (RAWE) program designed and implemented by the UAS Bangalore and other Agricultural Universities is a five month practical oriented education program for the students and stands as a model for all the State Agricultural Universities in India. During the RAWE, the State Government's Department of Agriculture pays each student a stipend of Rs.1500 per month and encourages the students to creatively involve in RAWE. The students have expressed their satisfaction for this new model of education. From the current year, in Mandya campus, the UASB has initiated the MSc.

(Agri) degree programs in Agronomy, Soil Science and Agricultural Chemistry, Genetics and Plant Breeding, Plant Pathology and Agricultural Entomology. Similar to previous year, even in this year, the proportion of female students getting admitted to Agricultural University exceeds 50% and in all sub campuses, construction of hostel for women students is being undertaken.

8.17.3 Training

Before the concept of KVKs came into existence, the agricultural University system had broad based network of extension services in the form of Extension Education Units throughout the State equipped with Extension Education Units (EEU) with subject matter specialists, information specialists, assisted by a host of extension guides, who are the last link between University and the farmer. With the advent of KVK, this system has undergone thorough change. It is crucial to rejuvenate the system of EEUs in Agricultural Universities as Extension Guides of the EEUs placed at the taluka level serve as an important link for technology transfer to farmers. However, this role is partially taken by the KVKs in transfer of technology

as well as in training programmes. The KVKs are mandated for the activities of the ICAR and most of the policies as well as funding is from ICAR. Therefore, it is crucial to note the need for extension efforts in the Universities in addition to KVKs through the EEU's, Staff Training Units, SAMETI programmes and others to train the trainers. Still a major chunk of responsibility of transfer of technology rests with the Department of Agriculture and Horticulture, which do not have the support of the erstwhile gramsevaks/gramsevikas who served as an important link of transfer of technology during the green revolution period. The extension agencies in the Universities thus supplement the efforts of the State Agriculture Department in training and transfer of technology. The State thus needs to enhance its capacity in the field of Agriculture Research, training, education and extension by strengthening and restructuring Agriculture Universities during the plan period, by enhancing public investment on Agriculture research from 0.4% to 1% of the State Agriculture Gross Domestic product. University of Agriculture Science Dharwad has organized as a foundation training programme for officials of Agriculture Department of seven districts during this year.

8.18 OUTCOMES AND CHALLENGES

(a) Agriculture:

Growth in agriculture production is the net result of efforts put in for implementation of various programmes of the State Agriculture Department. A look at the past 10 year's agriculture production shows significant increase in production of Cereals, Pulses, Cotton, Sugarcane and Tobacco. Slight decline has been observed in production of Oilseeds, which is mainly due to diversion of area to other crops. However, the important challenges are:

- Low growth rate in agricultural sector - Karnataka shares large portion of the drought prone- rainfed area of the country. Frequent climatic aberrations and failure of technology to meet the challenge have together impacted the low productivity.
- Fragmentation of land holdings and deteriorating soil health - Cultivable land in the state is declining and at the same time, land used for non-agricultural purposes is increasing. The average size of holding is 1.55 hectare and the number of holdings having land less than 1 hectare accounted for 49% of the total holdings in the state, which in itself is a cause for concern. Soil health is fast degrading. Phosphorous and potash availability has declined in many regions, so also the deficiency of micronutrients.
- Fragmentation of land has enormous implications on the production side. The small size of agricultural land holdings is an impediment to enhancing farmer competitiveness and incomes, farm mechanisation and systematic and adequate application of various agri-inputs. There are arguments that the land size may not impact the agricultural productivity, as suggested in the State of Indian Agriculture (2011-12). However, the small and marginal farmers with smaller land holdings face many issues of low production quantity, leading to poor incomes, lack of access to institutional credit, lack of access to extension workers providing information on market technology to name a few
- Dryland Agriculture - Rainfed/dryland areas are harsh environment and suffer from a number of constraints. The basic problem of dryland areas is one of a vicious cycle that starts with degradation of the natural resource base through poor management leading to low productivity, This, in turn, leads to over-exploitation of the existing natural resources and further degradation.
- Efficiency in Irrigation - In the irrigated areas lack of updated scientific water management techniques and proper awareness among the beneficiary is the cause of concern. The major constraints in Canal irrigation are: Untimely filling up of reservoirs and delay in letting of water in canals, Tail Enders are not getting water, Breaching of canals. Development of Saline alkali soils, major crop is Paddy whose water use efficiency is very low; Soil Health/fertility is deteriorated due to imbalanced nutrition.
- Technological and Extension Constraints - Technological innovations have always remains supply driven with least care to the demands on the field. That causes low adoption.

- Slow capital formation - The low levels of agricultural growth are associated with low investments in the sector. Agricultural credit is one of the critical non-land inputs and augmentation of agricultural growth depends on availability of credit. Public investment has also slowed down.
- Inadequate of Safety Nets - There are a few significant safety net programmes operating in the state. These include crop insurance scheme, minimum support prices, Raitha Sanjeevini, KSKs. These have to become efficient by totally revamping and bringing in decentralized administration and implementation up to Panchayat level.
- Low level of Farm Mechanization - Popularizing the farm mechanization is needed along with training to the farmers to usage of advanced machineries. Small implements needed to be popularized keeping in view the labour shortage and tiny size of holding.
- Agro processing - Agro-processing will help value addition and good returns to the farmers. Decentralized processing facilities needs to be undertaken in the state for selected crops and fruits.

(b) Watershed Development

About 75% of the cropped area in Karnataka depends upon low and uncertain rainfall. By continuous watershed development programmes only 58.60 lakh hectares have been treated upto March 2013. The remaining 71.10 lakh hectares are yet to be treated.

(c) Agricultural Marketing

Karnataka ranks 7th in the Infrastructure Development Index (106.12) whereas the neighbouring states like Kerala (2nd rank) and Tamil Nadu (3rd rank) are ahead in the infrastructural development. It is estimated that 15 per cent of crop produce is lost between the farm gate and the consumer because of poor roads and storage facilities thus adversely influencing income of farmers. Strengthening of rural infrastructure can lead to lower production costs which can further augment agricultural income for rural farming community. Improvement in infrastructure also leads to expansion of markets, economies of scale and better

movement of factors of production, especially labour. Thus, infrastructure has a direct bearing on the overall development of the area

The outcome of the Department is that the infrastructure facilities are provided in the markets for better marketing of the commodities. The value of total arrivals in the regulated markets in the state has increased from Rs.24,000 crores to 27,000 crores. The challenges of the Department are to provide additional required infrastructure for trade in the markets, to ensure transparency in the markets, to modernize the markets, and to ensure competitive price to the farmer's produce.

(d) Horticulture

- Post-harvest is the biggest linkage in the entire process of horticulture activities. Nearly 30% of the horticultural produce is wasted due to improper post-harvest management. Lack of awareness and education among farmers and traders and lack of adequate infrastructure such as pack houses, primary processing units, field storage structures are some of the reasons for improper post-harvest management.
- In Karnataka, only 1% of the total production of fruits and vegetables is currently being processed so as to produce value added goods of higher market value. About 25-30% of the produce is lost due to inadequate cold storage and transport facilities. At present there are 79 cold storage units with a total storage capacity of 2.67 lakh MT, for handling fruits and vegetables. Of these units, 5 are in the co-operative sector, 68 are in the private sector and 6 are in the public sector. Based on the estimates of per capita consumption of horticulture produces prepared by the Task Force set up by Planning Commission, demand for fruits and vegetable in Karnataka would be 145 lakh tonnes by 2020 and the state's current cold storage facility would cover a mere 2% of the produce. It is imperative that the cold storage capacity is augmented to reduce the losses and to move up agro processing value chain. By enhancing the capacity of cold storages and overall improvement of post-harvest linkages to the farmers, the state can minimise the losses

caused due to wastage. Infrastructure of Modern Flower Auction House at Bangalore can be used for sorting, grading, cold storages, electronic auction system, banking and other value addition facilities.

- Inadequate power supply and exorbitant power tariff for floriculture and processing sector is a constraint for functioning of cold storage facilities.
- Location of cold storage facilities is a problem with most of them being situated in away from farms. Cold storages in rural areas do not have graded cooling for different types of produce and cold storage chain suppliers incur high power tariffs charged at commercial rates. Further, as highlighted in the Report by Planning Commission for Twelfth Five Year Plan, the Scheme for Cold Chain, Value Addition and Preservation Infrastructure only provides ordinary cold chain and fruit ripening solutions for consumption of fresh Fruits and Vegetables and thus requires restructuring to incorporate organic linkages with processing of perishable Fruits and Vegetables.
- The progress under the credit-linked subsidy under NHM especially the “Post-harvest management” component has been very low. This needs to be strengthened adequately.
- Currently around 36% of the posts in the Department are vacant. This naturally affects the implementation of many of the Department's programmes. One of the major reasons for high level of vacancies in this Department is the shortage of qualified Horticulture graduates in the State. The state must take steps to fill the vacancies to ensure smooth implementation of programmes / schemes being executed by the Department. The state can also introduce regular courses of Diploma in Horticulture and Certificate Courses in horticulture so that there is availability of skilled manpower willing to fill up the vacancies.

(e) Animal Husbandry and Veterinary Services :

(i) Limited value addition to Dairy products

In Karnataka, hardly 11% of the production is being converted into value added products with the

remaining 89% being consumed as liquid milk. There is hence tremendous scope for giving a fillip to the dairy processing industry in the state by designing appropriate support mechanisms/schemes.

(ii) Dairy Cooperative Societies

Out of the 12,262 registered Dairy Cooperative Societies 10,766 are functional. Efforts are needed to make others functional as well.

(iii) Demand –Supply mismatch in Livestock Production

Taking an estimated human population of 690 lakh by 2020 (Karnataka Vision 2020 document), coupled with a continued Compounded Annual Rate of Growth (CAGR) for livestock production as seen in the trends in the last five years, it can be expected that demand could soon exceed supply. Except for milk, which shows availability close to demand, the CAGR required to meet the expected demand by 2020 is 19% for meat and 16% for eggs, whereas the actual CAGR for the last four years (2005-2009) is only 8% for both meat and eggs. The State needs to focus on realistic marketing intelligence to bridge the gap between supply and demand of dairy and poultry products.

(iv) Lack of livestock extension

Livestock extension remains a grossly neglected sector. Only about 5% of the total farm households in India access information on livestock. Organised slaughtering houses/facilities are too inadequate. Further lack of access to organised markets and meagre profits distract farmers from investing in to improved technologies and quality inputs.

(v) Lack of focus on disease control

Currently, a lot of pathogenic and emerging diseases namely Avian Influenza often cause heavy losses both in domestic market and international trade. Frequent outbreaks of diseases such as influenza continue to affect livestock health and productivity.

(vi) Lack of human resources

In order to meet the growing demands of sustainable safe production, there is a huge demand for trained and skilled manpower in poultry/dairy sector. Further, shortage of technical manpower for

teaching, research, extension and for field services is affecting quality of manpower and services. The state needs to invest in strengthening of infrastructure for veterinary education and research. Even the 12th Five Year Plan document on Animal Husbandry and Veterinary Sciences highlights the need for Veterinary colleges/Universities to receive grants to develop appropriate infrastructure to meet manpower within a short timeframe.

f. Fisheries

Department's expenditure towards research and extension activities would have to be intensified to reach higher number of potential fishermen. Out of a total of 5.78 lakh persons enumerated to be inland fishermen, 4.65 lakh are said to be not engaged in fisheries activities. Rs.10.00 lakh per year was availed from GOI during the 11th five year plan for training and extension. Apart from this under NFDB scheme also a sum of Rs.1.20 crore was availed for imparting training on development of reservoir fisheries and other fisheries activities and about 9945 fishermen have been trained during the 11th Plan. From 2010-11 the annual allocation has been increased to Rs.30 lakh. During 2012-13, this allocation has been increased to Rs.50 lakh. This is because the State Government is getting funds from GOI and National Fisheries Development Board. The State can further intensify and strengthen its training and research activities. Apart from this, there are vacancies to the extent of 42% in the technical staff of the Department

g. Sericulture

- Silk production involves a well-balanced cultivation of specific food plants, rearing of silkworm, industrial activities such as reeling, twisting, weaving, processing etc. It is therefore necessary to look into the interest of all the stake holders in the entire silk production chain for the overall development of silk industry.
- Decline in area under cultivation and employment in this sector indicates that more numbers of families are moving away to other occupations. The reasons for this development are (i) Urbanisation, (ii) Depletion of ground water, (iii) Shortage of Agricultural labour, (iv) Fluctuations in Cocoon/silk Prices, (v) Reduction of customs duty from 30% to 15%.
- Due to urbanization the sericulture activities in

the traditional districts are finding a down trend. Hence there is a need to shift the focus from traditional districts to the potential area of non-traditional Northern Karnataka districts.

- Present global scenario demands the production of gradable silk in bulk. It is envisaged to give more attention to the following aspects.
- There is a need to supplement the efforts of all stakeholders of the industry.
- There is need to attract and encourage large scale farmers to take up new mulberry plantation by providing necessary assistance. 80% of the total silkworm seed production is by private sector. To ensure quality seed production, and update the knowledge of the private seed producers, regular training is required and also to strengthen the infrastructure financial assistance is to be provided for production of the BV dfls.
- Rain water harvest and drip irrigation systems have to be encouraged to a greater extent in mulberry cultivation to conserve the ground water level. Community chawki rearing centres are to be encouraged.
- Aiming at globally acceptable quality silk production, installation of Automatic Reeling Machines will be promoted.
- Reeling activities require more working capital for which sufficient financial assistance to be provided at subsidized interest rates.
- Farmers are the major part of the silk industry and any fiscal initiatives should prioritize the interest of the sericulture farmers.
- The most important and also market link in the chain of sericulture industry is silk reelers. Post cocoon sector is mainly run by minorities and SC /ST. Hence a special package for silk reelers to be announced.
- To reduce the gap in the demand of imported raw silk, Government has introduced production and productivity linked incentive to cocoons.
- There is a need to innovate value additive opportunities

h. Research and Extension services

Agricultural research need adequate focus as it is the harbinger of new techniques and technology in agriculture. With not much scope for increasing the area under production of various crops, the only

means to increase productivity of crops cultivated is by increasing the Yields of crops for which investment in research is crucial. Measures such as introducing High yielding varieties and pest-resistant crops calls for continuous and dedicated research in the state. There needs to be an increase in research funding by the state, as it needs to step in where the private sector fails. There is a high rate of return associated with agriculture research throughout the

world. Agriculture research has high payoffs associated with it relative to the investment costs, which indicates that research is under-funded in the state. In order to improve productivity in the agricultural sector research, extension services and Agri-education need to be strongly established in the state Extension services are crucial to farmers as they determine when, where and how information / technology is transferred to the farmers .

NATURAL RESOURCES AND ENVIRONMENT

9

9.1 FORESTS

Forests are an integral part of the natural resources, environmental and ecological systems. The State's dense forests are located in the Western Ghats region. About 60% of the Western Ghats are located in the State. In order to protect and develop biodiversity, the State has formed 950 biodiversity management committees at Grama Panchayat level. Biodiversity heritage sites (such as the 800-year old tamarind grove at Nallur, Devanahalli taluk) have been developed to conserve and develop the unique genetic diversities.

In recent years, due to fundamental and proximate factors, Western Ghats, one of the hot spots of the world's biodiversity has been under severe threat. Although the depletion of forest cover is halted to a large extent and forest cover has quantitatively increased in the recent years, the natural forest stock is qualitatively still under severe degradation. Increased deforestation and degradation of the environmental resource base has serious implications for production and resilience of the ecosystem. The loss of forest cover is a serious threat to the environment, sustainable development and the livelihoods of millions of people in the State.

Forest resources significantly contribute to the State's Gross Domestic Product (GSDP) by being a major

source of timber, medicinal plants, NTFPs, grazing, recreational activities, carbon sequestration, watershed provisions etc. Forest resources are under severe pressure due to rapid population growth and in this scenario, meeting developmental, livelihood, agricultural and industrial needs and conserving forests for productive and ecological services is a major challenge. The main factors responsible for the depletion of the forest resource base are diversion of forest areas for developmental activities, encroachment of forest area, destruction of natural habitat, mining and quarrying, wildlife poaching, smuggling of timber, erosion of common property resources, excessive fuel wood collection and lives tockgrazing. The Forest Department of Karnataka has succeeded in halting quantitative depletion of forest cover through afforestation programmes but the deteriorating quality of forests continues to be a major threat to the sustainability of both human beings and animals.

9.1.1 Area under forests

Karnataka's geographical area of 191,791 sq. km. constitutes 5.83% of India's area, and accounts for the second largest land use after agriculture. The state total forests cover in 43356.45 sq.km as per Annual Report of 2011-12. Thus, about 22.61% of the State's geographical area is under forest cover. (Table 9.1)

Table 9.1: Classification of Total Forest Area in Karnataka (Source-Annual Report 2011-12)

Sl. No.	Legal Status	Area (Sq.Km.)	% age of geographical area
1	Reserved Forest	29550.19	15.40
2	Protected Forest	3585.22	1.86
3	Village Forest	49.05	0.03
4	Unclassified Forest	10117.92	5.27
5	Private Forest	54.07	0.03
	Total	43356.45	22.60

The estimates of Forest Survey of India (FSI 2011) on the basis of satellite data show that the recorded forest area of the State is 36194sq.km, which is lower than the State's estimates. Thereby, about 18.87% of the geographical area is under forest cover. The estimation of forest cover, classified on the basis of

forest canopy density, shows that the State has 1777 sq. km of very dense forest, 20179 sq. km of moderately dense forest and 14238sq.km of open forest. District wise forest canopy density estimates alongwith the changes (as compared to the 2007 assessment) are given in Table 9.2.

Table 9.2- District- wise Forest Cover alongwith Geographical Area in 2009 (sq.km)

District	Geographical Area	Very Dense Forest	Mod. Dense Forest	Open Forest	Total Forest Area	% of Geog. area	Change over 2007	Scrub
Bagalkot	6575	0	11	189	200	3.04	0	233
Bangalore	5815	6	133	673	812	13.93	2	253
BangaloreCity	2190	0	39	111	150	6.85	1	30
Belgaum	13415	17	757	320	1094	8.16	2	465
Bellary	8450	0	110	662	772	9.14	0	252
Bidar	5448	0	18	36	54	0.99	0	12
Bijapur	10494	0	0	12	12	0.11	0	0
Chamarajnaragar	5101	45	1043	1548	2636	51.68	0	179
Chikmagalur	7201	587	2,428	666	3681	51.12	0	17
Chitradurga	8440	0	56	362	418	4.95	0	435
D.Kannada	4560	253	1009	1598	2860	62.72	2	0
Davangere	5924	4	339	399	742	12.53	0	269
Dharwad	4260	0	232	153	385	9.04	2	5
Gadag	4656	0	0	122	122	2.62	-1	64
Gulbarga	16224	0	87	209	296	1.82	0	46
Hassan	6814	67	752	511	1330	19.52	0	91
Haveri	4823	0	154	245	399	8.27	0	53
Kodagu	4102	246	2142	951	3339	81.4	0	0
Kolar	8223	0	59	450	509	6.19	1	283
Koppal	7189	0	1	13	14	0.19	0	56
Mandya	4961	1	98	209	308	6.21	0	135
Mysore	6854	4	648	417	1069	15.6	0	38
Raichur	6827	0	2	22	24	0.35	-1	16
Shimoga	8477	205	2809	1394	4407	52	-1	23
Tumkur	10597	0	62	490	552	5.21	0	219
Udupi	3880	158	1415	617	2190	56.44	0	0
UttaraKannada	10291	184	5776	1859	7819	75.98	-1	1
Total	191791	1777	20179	14238	36194	18.87	4	3175

Tiger Population Estimate - The National Tiger Conservation Authority, Independent Technical Experts and Institutions have evaluated the population status of tigers in all the tiger reserve States using robust scientific techniques. Since 2006, this monitoring exercise is being undertaken every four years. The four phases of the tiger estimation procedure are as follows:

Phase I	Field data collected at the beat-level (i.e the primary patrolling unit) by trained personnel using a standardised protocol.
Phase II	Analysis of habitat status of tiger forests using satellite data.
Phase III	Camera trapping was the primary method used, where individual tigers were identified from photographs based on their unique stripe patterns. This information was analysed using a well-established scientific framework. Camera trapping was carried out by teams of wildlife biologists and local forest personnel.
Phase IV	Monitoring of tiger source populations under National Tiger Estimation in Karnataka.

During 2006 & 2010 the tiger census have been conducted and the number of tiger is as follows:

Sl No.	Year	Tiger Number		
		No.	Lower limit	Upper limit
1	2006	290	241	339
2	2010	300	280	320

As per 2010 tiger population estimate the Karnataka State stands top in India in Tiger Population. In 2013-14, all India tiger estimation exercise (country level assessment of Status of Tigers, Co-predators and Prey in India) of phase 1 was conducted from 16th December, 2013 to 23rd December, 2013 in Tiger Reserves/Sanctuaries/Protected Areas and including all the Territorial Circles of the State. Approximately, 1500 voluntaries are participated along with

departmental front line staff. The work of next phases will be taken by the National Tiger Conservation Authority, Wildlife Institute of India and Forest Department in coming months. After the completion of the entire exercise the outcome of tiger estimation will be finalized and estimation figures will be announced by November-December 2014 by National Tiger Conservation Authority.

9.1.1.1 Changes in Forest Cover

The forest resources of the State are under severe pressure with drastic fall in the area of dense forest cover between 2001 and 2007. The dense forest cover was estimated at about 26156sq. km (70%) in 2001 and declined to 21958 sq. km (60%) in 2007, which is a 10% decline over 7 years. However, the open forest cover increased from 10835sq. km. to 14232sq. km. during this period (Table 9.3). The forest cover (%) of the State has slightly declined when compared to the Country's forest cover (%) during the period (Table 9.4). Forest cover as per the Forest Department's estimation shows that about 0.93% area is classified as very dense forests, 10.52% as Moderately Dense Forests, 7.42% as Open Forests and 1.66% as scrub forests.

9.1.2 Forest cover in Different Forest Types.

The forest vegetation is classified into seven types based on gradients of rainfall, length of dry season and temperature. About 16.70% of forests are wet evergreen, 13.56% is semi-evergreen, 24.06% is moist deciduous and 24.34% is dry deciduous. Thorn forests form 11.39%, plantations form 8.24% and broad-leaved hill forests form 1.03% (Table 9.5).

9.1.2.1 Tree Cover and Forest Cover

The estimated forest cover is 18.87% and the tree cover is 2.96% of the geographical area totaling 21.86% (Table 9.6).

9.2 National Parks and Wildlife Sanctuaries

The forests of Karnataka support a wide range of flora and fauna (bio-diversity) through a network of well-

connected and protected wildlife sanctuaries and national parks (Tables 9.7-a,b,c). The State has 5 National Parks and 26 Wildlife Sanctuaries covering an area of 9290.707 sq. km which form 21.43% of the State's forest area. Apart from the existing National Parks & Sanctuaries the State has 7 Conservation Reserves and 1 Community Reserves covering an area of 428.48 sq. km. These are spread over evergreen to scrub forests, representing different ecosystems with rare and endangered species of plants, animals and birds. With about 6072 wild elephants and nearly 300 tigers, the State is home to about 25% of wild elephants and 20% of the tigers in India. Karnataka ranks first in the tiger population in India. About 4500 species of flowering plants, 500 species of birds, 120 species of reptiles, 70 species of frogs and 800 species of fish are in the forests of the State.

9.2(a) Eco-tourism Activities in the State for the year 2013-14 (upto October, 2013) Information relating to visitors to National Parks/Wildlife Sanctuaries

1. Among the visitors to the sanctuaries, 97.44% are domestic visitors while 2.66% are foreigners (Table 9.8)
2. Maximum number of Foreigners visited to Nagarhole National Park followed by Bandipur and Ranganathittu Bird Sanctuary.
3. Out of the total no. of visitors 4.6% visited Sakarebyle Safari at Shimoga wildlife Division.
4. From this analysis it is clear that some of the Protected Areas are having high pressure of Eco-

Table 9.3- Forest Cover Change Matrix

2009 Assessment	2011 Assessment					Total 2009
	VDF	MDF	OF	SCRUB	NF	
Very Dense Forest	1777	0	0	0	0	1777
Moderately Dense Forest	0	20178	0	0	3	20181
Open Forest	0	0	14220	2	10	14232
Scrub	0	0	3	3172	1	3176
Non-Forest	0	1	15	1	152408	152425
Total – 2011	1777	20179	14238	3175	152422	191791
Net Change	0	-2	6	-1	-3	

Table 9.4-Forest cover according to Forest Survey of India (sq.km)

Sl. No	Forest Type	Year			
		2005	2007	2009	2011
1	Dense Forest	21968	21958	21968	21956
2	Open Forest	14232	14232	14232	14238
	Total	36200	36190	36200	36194
3	India	690171	690899	690171	692077
4	Compare with India (%)	5.25	5.24	5.24	5.24

Table 9.5-Forest cover in Different Forest Types

Sl. No	Types of Forests	% of forest area
1	Wet Evergreen Forests	16.70
2	Semi-Evergreen Forests	13.56
3	Moist Deciduous Forests	24.20
4	Plantation/TOF	8.24
5	Dry Deciduous Forests	24.34
6	Thorn Forests	11.93
7	Sub-Tropical Broad Leaved Hill Forests	1.03
	Total	100.00

Table 9.6 - Forest and Tree Cover

Category	Area (in sq. km.)	% of Geographical Area
Tree Cover	5733	2.99
Forest Cover	36194	18.87
Total Forest & Tree Cover	41927	21.86

Table 9.7(a) - Wildlife Preservation

Sl. No.	District	National Parks	Area(Sq.km)
1	Bangalore	Bannerghatta National Park	260.51
2	Mangalore	Kudremukh National Park	600.57
3	UttaraKannada	Anshi National Park	417.34
4	Mysore	Bandipur National Park	872.24
5	Mysore/Kodagu	Nagarahole National Park	643.39
	Total area in Sq.km		2794.05

Table 9.7(b) - Wildlife Preservation

Sl. No.	District	Sl. No	Sanctuaries	Area (sq.km)
1	Mysore	1	Adichunchanagiri Peacock Sanctuary	0.84
		2	Ranganathittu Bird Sanctuary	0.67
		3	Arabithittu Bird Sanctuary	13.50
		4	Melkote Wildlife Sanctuary	49.82
		5	Nugu Wildlife Sanctuary	30.32
2	Chamarajanagar	6	BRT Wildlife Sanctuary	539.52
		7	Cauvery Wildlife Sanctuary	1027.53
		8	Malai Mahadeshwara Wildlife Sanctuary	906.16
3	Kodagu	9	Pusphagiri Wildlife Sanctuary	102.59
		10	Talacauvery Wildlife Sanctuary	105.59
		11	Brahmagiri Wildlife Sanctuary	181.29
4	Mangalore	12	Someswara Wildlife Sanctuary	314.25
		13	Mookakambika Wildlife Sanctuary	370.37
5	UttaraKannada	14	Dandeli Wildlife Sanctuary	886.41
6	Shimoga	15	Shettihalli Wildlife Sanctuary	395.60
		16	Sharavathi Wildlife Sanctuary	431.23
		17	Gudavi Bird Sanctuary	0.73
7	Chikmagalur	18	Bhadra Wildlife Sanctuary	500.16
8	Dharwad	19	Ranebennuru Blackbuck Sanctuary	119.00
9	Belgaum	20	Ghataprabha Bird Sanctuary	29.78
		21	Attiveri Bird Sanctuary	2.23
10	Bellary	22	Daroji Bear Sanctuary	82.72
11	Davangere	23	Rangayyanadurga Four HornedAntelope Sanctuary	77.23
12	Belgaum	24	BhimgadWildlifeSanctuary	190.42
13	Gulbarga	25	ChincholiWildlifeSanctuary	134.88
14	Ramanagara	26	Ramadevarabetta Vulture Sanctuary	3.46
	Total area (sq.km)			6496.30

Table 9.7(c) - Conservation & Community Reserves

Sl. No.	District	Name	Area (Sq.km)
1	Haveri	Bankapura Peacock Conservation Reserve	0.56
2	Tumkur	Mydhanhalli Blackbuck Conservation Reserve	3.23
3	Chikamagalur	Basur Amrut MahalKaval Conservation Reserve	7.36
4	UttaraKannada	Hornbill ConservationReserve	52.50
5	Uttara Kannada	Aghanashini Conservation Reserve	299.52
6	Uttara kannada	Shalmala Liperion Eco System Conservation Reserve	4.89
7	UttarKannada	Bedthi Conservation Reserve	57.30
8	Mandya	Kokkare Bellur Community Reserve	3.12
Total area (Sq.km)			428.48

Table 9.8- Visitors to National Parks & Wildlife Sanctuaries (2012-13)

Sl. No.	Park / Sanctuary	Indians	Foreigners	Total
1	Nagarahole National Park	51,383	6,918	58,301
2	Bandipura National Park	63,203	2,280	65,483
3	Kudremukh National Park	62,465	6	62,471
4	Someshwara Wildlife Sanctuary	1,405	-	1,405
5	Mookambika Wildlife Sanctuary	207	-	207
6	Dandeli Anshi Tiger Reserve	7,084	61	7,145
7	Bhadra Wildlife Sanctuary	5,458	58	5,516
8	Cauvery Wildlife Sanctuary	988	-	988
9	Ranganatittu Bird Sanctuary	2,55,011	4,647	2,59,658
10	Pushpagiri Wildlife Sanctuary	3,499	2	3,501
11	Talacauvery Wildlife Sanctuary	40	5	45
12	Brahmagiri Wildlife Sanctuary	95,739	767	96,506
13	B.R.T.Wildlife Sanctuary	158	-	158
14	Sharavathi, Wildlife Sanctuary	886	-	886
15	Gudavi Bird Sanctuary	4,141	-	4,141
16	Shettyhalli Wildlife sanctuary	84	-	84
17	Sakarebyle Safari	27,353	-	27,353
18	Daroji Bear Sanctuary	4,258	857	5,115
19	Ranebennur Black Buck Sanctuary	121	4	125
20	Attiveri Bird Sanctuary	6,206	-	6,206
Total		5,89,689	15,605	6,05,294

tourism while others are under-utilized. Hence to reduce the pressure on the Protected Areas like Bandipur, Nagarahole and Kudremukh etc., it is necessary that the less visited Protected Areas like BRT, Bhadra, Dandeli and some other Protected Areas may be provided with better Eco-tourism facilities/infrastructure. Their potential may also be given more publicity. Once they become popular they may also have more tourists. This will help in sensitizing the people and also creating the awareness about wildlife conservation in the State.

9.2.1 Deaths of humans and wild animals

Among the reported deaths of wild animals (including due to natural and unnatural causes) elephants have the maximum number (51%), followed by other animals (43%) and tigers (5%). Due to attacks by wildlife, 50 persons were killed. Ex-gratia at Rs.5 lakhs per person amounting to Rs.250 lakhs (including few cases of 2012-13) was paid, as given in the Table 9.9(a) and 9.9(b).

Visitors to National Parks & Wildlife Sanctuaries in 2013-14 upto October-2013

Sl. No.	Park / Sanctuary	Indians	Foreigners	Total
1	Nagarahole National Park	40,117	1,738	41,855
2	Bandipura National Park	59,246	472	59,718
3	Kudremukh National Park	24,911	0	24,911
4	Someshwara Wildlife Sanctuary	510	0	510
5	Mookambika Wildlife Sanctuary	188	0	188
6	Dandeli Anshi Tiger Reserve	4,732	30	4,762
7	Bhadra Wildlife Sanctuary	3,575	81	3,656
8	Cauvery Wildlife Sanctuary	208	0	208
9	Ranganatittu Bird Sanctuary	1,14,905	1,931	1,16,836
10	Pushpagiri Wildlife Sanctuary	2071	0	2,071
11	Talacauvery Wildlife Sanctuary	20	5	25
12	Brahmagiri Wildlife Sanctuary	57,746	233	57,979
13	B.R.T.Wildlife Sanctuary	1,376	11	1387
14	Sharavathi, Wildlife Sanctuary	531	0	531
15	Gudavi Bird Sanctuary	2,318	0	2,318
16	Shettyhalli Wildlife sanctuary	17	0	17
17	Sakarebyle Safari	1,609	231	1,840
18	Daroji Bear Sanctuary	2,449	186	2,635
19	Ranebennur Black Buck Sanctuary	72	0	72
20	Attiveri Bird Sanctuary	2565	0	2,565
	Total	3,19,166	4,918	3,24,084

Table 9.9(a) & 9.9(b)- Deaths of Wild Animals & Humans

Sl. No.	Name of the animal	No. of deaths, due to natural & unnatural causes	
		2012-13	2013-14 upto Oct-13
1	Elephants	207	101
2	Tiger	22	2
3	Other animals	174	74
	Total	403	177
1	No. of persons killed due to attack by wild animals.	50	30
2	Total Compensation paid (Rs)	1308.83 lakhs	370.63 lakhs

9.2.2 Expenditure on Forestry Operations and Revenue Realized

9.2.2 (a) Expenditure on National Parks and Wildlife Sanctuaries

Among the schemes of the Forest Department concerning wildlife and national parks, the highest expenditure was incurred under Project Tiger (46%),

followed by development of parks and sanctuaries (17%). Nature conservation activities attracted 28% of total expenditure (Table 9.10).

9.2.2(b) Revenue Realized from Forestry

The State had realized revenue of Rs.12886.868lakh during 2011-12 from marketing of forest produce such as timber, firewood, sandalwood, bamboos,

Table 9.10 - Project-wise Area and Expenditure under Wildlife and National Parks/Sanctuaries

Sl. No.	Scheme	Expenditure (Rs.lakh)				2013-14 upto October 2013
		2009-10	2010-11	2011-12	2012-13	
1	Project Tiger	1,153.861	1939.480	2866.190	1,610.770	401.946
2	Development of Wildlife Sanctuaries & National Parks	870.380	710.900	657.811	589.949	50.634
3	Project Elephant	278.790	290.540	235.660	270.412	-
4	Nilgiri Biosphere Reserve	109.731	12.790	--	-	-
5	Kudremukh National Park for Rehabilitation	97.424	250.000	250.000	239.640	250.000
6	Nagarahole Tiger Reserve Rehabilitation	-	784.400	943.930	470.000	-
7	Eco-Tourism	33.720	50.000	50.00	-	-
8	Nature Conservation	149.408	198.320	499.510	994.487	402.008
	Total	2,693.31	4236.43	5503.101	4,175.26	1104.588

canes and other minor forest produce. The revenue from timber formed 83% of the total, with non-timber forest products forming the rest. The details are provided in Table 9.11(a) and 9.11(b).

9.3 DEVELOPMENTAL PROGRAMMES

9.3.1 Afforestation

Afforestation programmes are being undertaken periodically. During 2012-13, afforestation was undertaken on 80385 hectares planting 691.172 lakh seedlings. Under the farm forestry programme, 275.255 lakh seedlings were distributed to farmers and general public for planting in private lands. In 2013-14 (upto September, 2013), afforestation has been undertaken on 79972 hectares by planting 741.251 lakh seedlings.

9.3.2 JICA-Assisted Karnataka Sustainable Forest Management and Bio-diversity Conservation Project (KSFMB) JBIC PHASE II

The Forest Department implemented the JICA Phase II KSFMB project since 2005 with an outlay of Rs.745 crore for 8 years upto 2012-13. Since there is savings due to exchange in currencies of Japan yen the Project period is revised for a further period from 2005-2015 for Rs.841.494 crore. The project covers 176 taluks in all the 30 districts of the State. Rs.771.508 crore has been spent upto 2012-13 for raising 187085 ha. of plantations, Protected area and Bio-diversity Conservation activities, Research, Training, Basic Infrastructure and for undertaking other developmental works. During 2013-14 Rs.5.43 crore has been spent for maintenance of plantations

Table 9.11(a) - Extraction and value of Forest Produce

Sl. No.	Forest Produce	2011-12		2012-13		2013-14	
		Quantity (Cum.)	Market value (Rs. lakh)	Target Quantity (Cum.)	Market Value (Rs.lakh)	Target Quantity (Cum.)	Market Value upto Sept.13 (Rs.lakh)
1	Timber	74295	10668.76	36345.442	22836.849	13995.268	2841.126
2	Firewood	164523	1645.23	187976.449	4390.879	90329.026	1649.434
3	Bamboo	341190	67.374	512936	126.999	101104	29.682
4	Cane	116000	88.863	135934	30.168	639000	25.569

Table 9.11(b) - Revenue Realized from Forest Produce (2012-13)

Sl. No.	Forest Produce	Revenue Realized (Rs.lakh)
1	Timber	4548.998
2	Sandalwood	78.758
3	Firewood	1729.425
4	Bamboos	106.912
5	Canes	45.032
6	Minor Forest Produce	415.681
	Total	6924.805

and other works upto September 2013. Under this project 1222 Village Forest Committees and 73 Eco

Development Committees have been formed. (Table 9.12)

9.12 - List of VFCs/EDCs formed under KSFMB Project from 2005-06 to 2008-09

Sl. No	Division	2005-06		2006-07		2007-08		2008-09		TOTAL	
		Tar	Ach	Tar	Ach	Tar	Ach	Tar	Ach	Tar	Ach
1	2	3	4	5	6	7	8	9	10	11	12
Village Forest Committees											
	Project A										
1	Belgaum	8	20	20	12	20	23	-	-	48	55
2	Gokak	8	7	10	12	10	10	-	-	28	29
3	Kollegal	11	11	12	12	12	7	-	1	35	31
4	Chikmagalur	9	15	14	6	15	9	-	-	38	30
5	Koppal	8	10	14	12	15	11	-	-	37	33
6	Dharwad	9	4	16	11	15	1	-	-	40	16
7	Haveri	10	14	16	22	16	14	-	1	42	51
8	Mysore	8	8	15	6	15	4	-	-	38	18
9	Hunasur	8	10	10	16	10	6	-	-	28	32
10	Hassan	13	13	19	20	20	15	-	-	52	48
11	Shivamogga	8	8	11	12	10	7	-	-	29	27
12	Bhadravathi	8	9	11	12	10	16	-	-	29	37
13	Sagar	8	8	11	15	10	13	-	1	29	37
14	Madikeri	6	6	11	11	10	16	-	-	27	33
15	Virajpet	3	3	2	2	-	1	-	-	5	6
16	Karwar	12	12	17	17	15	18	-	-	44	47
17	Haliyal	10	14	14	11	14	13	-	2	38	40
18	Yellapur	9	12	15	18	14	17	-	-	38	47
19	Honnar	13	21	16	13	15	10	-	3	44	47
20	Sirsi	10	13	17	14	15	30	-	3	42	60
21	Mangalore	9	10	16	15	16	11	-	-	41	36
22	Kundapur	11	11	16	16	15	11	-	-	42	38
23	Chamarajanagar	2	2	2	2	2	2	-	-	6	6
	Total - A	201	241	305	287	294	265	-	11	800	804

1	2	3	4	5	6	7	8	9	10	11	12
Project B											
24	Bangalore(Urban)	12	3	3	5	3	-	-	-	18	8
25	Bangalore(Rural)	22	9	7	4	-	-	-	1	29	14
26	Ramanagar	-	13	-	3	1	1	-	8	1	25
27	Kolar	14	9	11	6	11	2	-	-	36	17
28	Chikkaballapur	-	14	-	5	-	-	-	1	-	20
29	Bagalakote	11	10	10	11	7	7	-	-	28	28
30	Bijapur	3	3	-	4	-	-	-	-	3	7
31	Bellary	9	14	14	9	8	8	-	-	31	31
32	Chitradurga	10	17	13	8	7	12	-	-	30	37
33	Davanagere	10	10	13	13	8	10	-	-	31	33
34	Koppala	10	10	1	1	1	8	-	-	12	19
35	Gadaga	9	10	12	9	6	8	-	-	27	27
36	Gulbarga	11	11	18	17	9	10	-	-	38	38
37	Bidar	9	9	15	17	8	8	-	-	32	34
38	Raichur	3	9	5	2	3	-	-	-	11	11
39	Mandya	7	7	12	11	8	9	-	3	27	30
40	Tumkur	18	23	16	11	12	5	-	-	46	39
	Total-B	158	181	150	136	92	88	-	13	400	418
	GRAND TOTAL	359	422	455	423	386	353	-	24	1200	1222
Eco-Development Committees											
1	Shettihalli WL(OUTREACH)									13	
2	Sharavati WL(OUTREACH)									8	
3	Daroji WL(OUTREACH)									20	
4	Ranebennur WL(OUTREACH)									10	
5	Bandipur WL (IBRAD)									22	
	TOTAL									73	

9.3.3 District Sector Schemes

Special Development Plan-The Forest Department started implementing this scheme from 2008-09 by covering 114 taluks as per the D.M. Nanjundappa Committee Report. In 2012-13 Rs.2000 lakhs was provided and released under forestry sector, out of

which, Rs.1992.10 lakhs was spent on raising 2840 ha plantations and maintenance of 15321 ha older plantations. Advance work over 1698 ha, by raising 33.049 lakhs seedlings has been carried out upto March, 2013. In 2013-14, Rs.2122.50 lakh is provided for forestry sector, out of which Rs.657.946 lakh has been spent upto September 2013, on raising

2889 ha. of plantations and on maintenance of 10750 ha. of plantations.

9.3.4 State Sector Plan Schemes in the wake of climate change

i. Special Component Plan - In the wake of climate change, the State has developed schemes to encourage tree planting as a coping strategy for climate change. The special component plan was re-introduced during 2012-13 to uplift SC families by planting fruit-bearing seedlings on their land and in localities of SC families in rural/urban areas. In addition, other benefits such as solar lamps, Sarala oles and LPG stoves are distributed to beneficiaries. In 2012-13, Rs.876.790 lakh was allocated of which Rs.773.617 lakh was spent to benefit 46274 SC beneficiaries. In 2013-14, Rs.1089.57 lakh has been allocated of which, upto September 2013, Rs.118.561 lakh has been spent for 1425 SC beneficiaries by planting 100 fruit yielding seedlings for each beneficiary, 115 beneficiaries were supplied sarala oles and 537 beneficiaries are supplied with LPG Stoves, Cylinders & regulators.

ii. Tribal Sub-Plan - In the wake of climate change, the State has developed schemes to encourage tree planting as a coping strategy for climate change. The Tribal Sub Plan was re-introduced during 2012-13 to uplift ST families by planting fruit-bearing seedlings on their land and in localities of ST families in rural/urban areas. In addition, other benefits such as solar lamps, Sarala oles, LPG stoves and meadar bamboos are distributed to beneficiaries. In 2012-13, Rs.127.563 lakh was allocated out of which Rs.125.548 lakh was spent to benefit 9947 ST beneficiaries. In 2013-14, Rs. 454.510 lakh has been allocated out of which, upto September 2013, Rs.25.639 lakh has been spent for 283 SC beneficiaries by planting 100 fruit yielding seedlings for each beneficiary, 500 beneficiaries were supplied sarala oles, 372 beneficiaries were supplied with LPG Stoves, cylinders & regulators and 30 beneficiaries were supplied solar water heaters.

iii. Sandalwood Plantations – The scheme for protection and maintenance of valuable sandalwood plantations and sandal bearing area is initiated by protection with chain link mesh, watch-and-ward and other protective measures. In 2012-13, Rs. 240.65

lakh was earmarked, out of which, Rs. 231.153 lakh was spent for raising of 302 ha. sandal plantations, 230 ha. maintenance of older sandal plantations and advance work of 30 ha. with raising 0.132 lakhs sandal seedlings against the target of raising 340 ha. sandal plantations, maintenance of 230 ha older sandal plantations. In 2013-14, Rs. 546.81 lakh has been earmarked.

iv. Development of Degraded Forests – Under this scheme, degraded forests and the open forests which are prone to encroachment are rejuvenated through afforestation, protection, regeneration, soil and water conservation measures. Wherever there is adequate root stock, such areas are protected from biotic pressure thereby encouraging natural regeneration. Alternatively, plantations are raised in other areas based on the requirement of small timber, fuel wood and fodder. In 2012-13, Rs.230 lakh was allocated out of which Rs.229.461 lakh was spent on raising 934 ha. of plantations and maintenance of 2664 ha. plantations and other developmental works. For 2013-14, Rs.402.23 lakh has been earmarked out of which Rs.84.671 lakh has been spent upto September 2013 for maintenance of 2656 ha. plantations.

v. Raising Seedlings for distribution to Public– In order to create awareness among public and farmers regarding the natural environment and to encourage planting in hiduvali (private) lands, seedlings are distributed by the forest department at subsidized rates. In 2012-13, Rs.1850 lakh was earmarked out of which Rs.1719.738 lakh was spent for raising 200.73 lakh seedlings for distribution in 2013 rainy season and maintained 118.103 lakhs seedlings. In 2013-14 Rs.2000 lakhs has been earmarked of which Rs.330.045 lakh has been spent up to September, 2013, for maintaining 200.773 lakhs seedlings. About 135.467 lakh seedlings were sold and 9.141 lakhs seedlings are raised for distribution in 2014 rainy season.

vi. Krishi Aranya Prothsaha Yojane- In order to encourage participation of farmers in enhancing tree cover in the areas outside the forests, the Government launched a programme titled “Krishi Aranya Prothsaha Yojane” in 2011. Under this programme, farmers, public and organizations can plant, conserve and maintain the seedlings planted in their farm

lands. In this way tree cover can be increased by planting more and number of seedlings in non-forestlands and by doing this the income of the farmers can also be increased considerably. Farmer family holding agricultural land can plant any number of seedlings without any limit. However, the incentive is linked to the survival of the seedlings planted and paid at the end of 1st, 2nd and 3rd year, subject to eligible ceiling number of seedlings per hectare. For all forestry species, other than those mentioned in the annexure of non-eligible species, the incentive shall be Rs. 10 per plant at the end of first year, Rs. 15 at the end of second year and Rs. 20 at the end of third year. The total incentive of Rs. 45 per plant, subject to maximum of 400 plants per ha., shall be payable under the scheme. In 2011-12, 13,634 farmers have registered their name under the scheme. In 2012-13, 4055860 seedlings were distributed to the registered farmers, out of which 1867136 seedlings have survived. As per the guidelines of the schemes farmers got the incentive of Rs. 10/- for each surviving seedlings amounting to Rs. 1,86,71,360/-. At the end of second year totally 1343308 seedlings have survived for which Rs. 15/- for each survived seedlings is being paid to the farmers amounting to Rs. 2,01,49,620/- in 2012-13. In 2012-13, 16765 farmers have registered their name under the scheme. 76,93,796 seedlings were distributed to the registered farmers during 2012-13 rains of which 24,14,784 seedlings survived in 11951 Beneficiaries land and farmers are getting first year incentive of Rs. 10/- for each surviving seedlings amounting to Rs. 2,41,47,840/-. In 2013-14, 23874 farmers have registered their name under the scheme and 93,77,480 seedlings are distributed to the registered farmers up to October, 2013.

vii. Roadside Plantation Scheme: Under various afforestation programmes, about 15000 km of roadside planting has been taken up for planting by the forest department since 1980. Since 2000 large number of trees have been felled for the purpose of widening roads. Hence, the department has felt the urgency to take up roadside plantations in all the districts under the roadside plantation scheme from 2011-12 with details as under

1. For roadside plantations, tall seedlings of native tree species of Neem, Ala, Arali, Goni, Tapasi,

tamarind etc. will be raised in 14"x20" size bags to be planted in pits of 1M3 dimension.

2. Plants will be well-protected & maintained by staking, thorn-fencing, Farm Yard Manure (FYM) application and watering during summer months.
3. Treepatta will be issued to adjacent landowners for maintaining them after three years.

In 2012-13, Rs. 1446.69 lakh was earmarked out of which Rs. 1422.088 lakh was spent on raising of 3302 km. for monsoon plantation and maintenance of 529 km. older plantations along the road side. In 2013-14, Rs. 1563 lakh has been earmarked out of which Rs. 339.159 lakh has been spent up to September, 2013, for raising 75 km. plantation and 3784 km. maintenance of older plantations.

viii. Maguvigondumara Shalegonduvana - In order to create awareness regarding the nature environment among school children and to encourage them to plant trees, this new scheme launched in 2011-12 was provided a budgetary provision of Rs. 1 crore. Here, the protected area around educational institution will be identified for planting seedlings of fruit-yielding, flowering and shade trees by providing seedlings to school authorities for planting in their premises. Schools from the primary level, colleges and even universities are involved. Seedlings are distributed to school children for planting in their households or fields on a voluntary basis. Upto March 2013, 29.82 lakh seedlings were distributed to school children. In 2013-14, Rs. 50 lakh has been earmarked out of which Rs. 4.574 lakh has been spent upto September-2013.

ix. Daiveevana Scheme - A unique programme for development of Daivee vana on 100 ha. area in each district was initiated in 2011 in which forest & public lands of religious significance are taken up for planting of tree species of religious, medicinal and native traditional species. A nursery is also proposed in each of these Daiveevanas to distribute such seedlings to the visitors to such place who intend to plant them in their area. In 2012-13, Rs. 9.723 crore has been earmarked out of which Rs. 8.723 crore was spent upto March, 2013. In 2013-14, Rs. 200 lakh has been earmarked out of which Rs. 73.821 lakhs has been spent up to September, 2013, for raising 60 ha. plantation.

x. Greening of Urban Areas – The main objective of this scheme is to minimize effects of pollution caused due to high intensity of population, vehicles and industries in urban areas by planting ornamental, shade and fruit-bearing trees. Tree parks, woodlots and avenue plantations are also established in towns and cities to improve aesthetics. In 2012-13, Rs.1094 lakh was allocated of which Rs.1084.842 lakh was spent for raising 2354 ha.of plantations and 2251 ha. maintenance of plantations. In 2013-14, Rs.1800 lakh has been earmarked out of which, upto September, 2013 Rs.484.843 lakh has been spent for raising 1582 ha. of monsoon plantations, maintenance of 2671 ha.of plantations, besides raising 2.188 lakh seedlings.

xii. Development of Treeparks &Urban Forests -

In 2012-13 in order to develop the tree parks in the urban areas Rs.1 crore was allocated & the same has been spent. The intention of implementing this programme is to develop Tree Park in the every district HQ & adjoining area. In 2013-14 for the creation & maintenance of tree parks Rs.9 lakhs has been sanctioned in the APO, Rs.450 lakhs have been allotted tentatively out of which Rs.430 lakhs has been released, upto September, 2013, 385 ha.of plantation have been maintained, 168 ha.have been created & 165 ha. advance works have been done with an expenditure of 92.064 lakhs. In addition to development of tree parks, the Forest Department is also executing the works of barbed wire fencing and nursery work along the advance works.

9.3.5 Centrally Sponsored Schemes & Central Plan Schemes

i. National Afforestation Programme -Forest Development Agency (NAP-FDA)

- The scheme commenced from 2002 for implementation through 45 Forest Development Agencies constituted in territorial and wildlife divisions, afforesting 86,163 ha. of degraded forests.
- The Forest Development Agencies are registered Federations of Village Forest Committeesto receive GoI grants under NAP-FDA scheme and to spend the same for afforestation and natural regeneration. SMC works along with other village asset creation activities are taken up as part of entry point activities provided to the VFCs.

In 2012-13, Rs.1217.06 lakhs was earmarked and Rs.681 lakhs was released and Rs.968.657 lakhs (including unspent balance of previous year and interest accrued) expenditure was incurred towards advance works in 1665 ha, spill over works in 9598 ha (raising of plantations), maintenance of 2nd and 3rd year plantations and other developmental works. An allocation of Rs.1775.21 lakhs for 2013-14 has been made, of which Rs.925.55 lakhs has been released and expenditure incurred is Rs. 910.927 lakhs (upto Sept-2013) towards raising of plantation, maintenance of 1st and 3rd year plantations. (Table 9.13).

Table 9.13 – Physical and financial progress of NAP-FDA

Year	Plantations raised (ha.)	Financial Progress (Rs.crore)
2009-10	4967	14.89
2010-11	2393	13.35
2011-12	9598	12.36
2012-13	9598	9.687
2013-14	3240	9.109

ii. National Bamboo Mission: This Central Government programme was launched in 2007-08 to promote the growth of the bamboo sector through area-based, region-specific strategies. The purpose is to increase the area under bamboo in potential areas with improved varieties to enhance out turn. Efforts are on to promote marketing of bamboo & bamboo-based handicrafts. Approved annual allocation for 2012-13 was Rs.630.62 lakhs out of which Rs.493.32 was released and the same has been spent upto March 2013 for taking up, advance works in 2470 ha, raising of plantation in 1972 ha, and maintenance of 1st and 2nd year plantations in 1563 ha. (Table 9.14)

Approved annual allocation for 2013-14 is Rs.821.27 lakhs out of which Rs.630 lakhs has been released and expenditure incurred upto September, 2013 is Rs.448.987 lakhs.

iii. Conservation and Management of Mangroves:

In 2009, the scheme for maintenance of mangrove plantations in Honnavar, Kundapura, Mangalore and Karwar forest divisions was initiated. Approved annual allocation for 2012-13 was Rs.115.65 lakhs, out of which Rs.80.55 was released upto March 2013, out of which Rs.69.60 lakhs expenditure was incurred towards creation of 200 ha Mangrove plantations in Honnavar division and other ancillary works in 2012-13. In 2013-14, Rs.50 lakh has been earmarked. But no funds have been released so far. Against the approved target of Rs.46.05 lakhs for 2012-13, in respect of the Kundapura division, only Rs.10.679 lakhs was released during May, 2013 and

same has been incurred towards creation of 60 ha. Plantations and balance of Rs.35.371 lakhs is yet to be released.

iv. CSS Integrated Forest Protection Scheme: In 2012-13 under the CSS Integrated Forest Protection Scheme an amount of 497.45 lakhs was released, out of which an amount of 455.412 lakhs was spent for installation of 1309 concrete boundary pillar, maintenance of 6695 km. old fire lines, engaging 493 temporary watchers for fire protection, construction of 27 residential quarters for front line staff and purchase of 5 digital wireless sets. In 2013-14, Rs.426.84 lakh has been earmarked as Central share and Rs.142.29 lakh as State share. The fire protection work usually starts from December every year.

Revenue and Expenditure

Table 9.15 presents the details of revenue realized by sale of forest produce such as timber, firewood, bamboos, sandalwood, minor forest produce and also revenue realized from sanctuaries, and other miscellaneous revenue items etc. The expenditure component includes the establishment cost as well as cost of afforestation and other departmental programmes.

9.4 ENVIRONMENT

9.4.1 Pollution (Water Resources)

Rivers and lakes are susceptible to pollution mostly due to pollution from Industrial and domestic effluent

Table 9.14- Progress of National Bamboo Mission

Year	Plantations raised (ha)	Financial Progress (Rs.crore)
2009-10	710	4.720
2010-11	853	4.100
2011-12	2132	4.190
2012-13	1972	4.933
2013-14	3405	4.489

Table 9.15 – Revenue and Expenditure from Forest Department (Rs. crore)

Year	Revenue	Expenditure
2009-10	212.44	518.18
2010-11	164.68	555.098
2011-12	156.80	643.96
2012-13	171.51	851.69
2013-14(A)	172.00	1015.28

A-Anticipated

(point source) and agriculture non postal source of pollution. River water quality of Kali and Tungabhadra are affected by discharge of effluent from large industries located on the river banks of Dandeli, Harihara, Bhadravathi towns. However river water in the area falls under quality “C” classification as prescribed by Central Pollution Control Board, i.e. it is potable after treatment.

Industrial Pollution

The Karnataka State Pollution Control Board has covered 70,146 organizations (this includes Industries, Health Care Establishments, Stone Crushers, Telephone Towers, Infrastructure projects, Mines, Coffee pulping units and local bodies) under pollution control laws as on March, 2013. 3337 operating industries have been covered under the Hazardous Waste (Management, Handling & Trans-boundary) Rules, 2008. Prominent industries in the State are Pulp & Paper, Sugar, Distillery, Cement, Engineering, Electronics, Chemicals & Pharmaceuticals, Mining industries, Software, Garment stitching and washing industries. Currently 53246 industries and other activities that are categorized as red, orange and green are functioning in the State. (Industries in the 'Red' category are highly polluting, those in the 'orange' category are medium pollution and, those in the 'green' category are less polluting) 9274 industries have been closed and 7626 industries have been given consent for establishment (CFE) by KSPCB as in Table 9.16.

Pollution Index

Based on the comprehensive Pollution Index assigned by the study conducted by CPCB, they have graded industrial areas as critically polluted and severely polluted. Analysis shows that, in Karnataka the industrial clusters/areas at Mangalore and Bhadravathi are declared as critically polluted ranking 32 and 35 respectively in the country and Raichur, Bidar and Peenya industrial areas are classified severely polluted ranking 53, 54, 66 respectively.

Ministry of Environment and Forests had imposed temporary restriction for developmental projects in the above-said industrial areas and directed the Board to prepare time-bound action plan for improving the environmental quality in these areas. Board has prepared the action plans, which are approved by CPCB. For implementation of action plan, local area committees have been constituted which regularly reviews the action plan and progress and submits report to CPCB. The moratorium was lifted in May 2011 by MoEF. Due to implementation of the said action plan, problem of pollution has been addressed.

Environmental Compliance by Some of the Identified Industrial Sectors

Mining, Sponge Iron, Distilleries, Coffee estates and Stone crushers are some of the focus areas of concern in terms of pollution load and their impact on environment.

Table 9.16 Pollution categories of industries in Karnataka (2013)

Sl. No	Particulars	Category	Nos. as on March 2012	Additions from 01.04.12 to 31.03.2013	Nos. as on March , 2013	Operating	Closed	YTC
i)	Number of Industries	RED	6135	330	6465	3419	2281	765
		ORANGE	5515	418	5933	3642	1683	608
		GREEN	14561	1478	16039	10801	3177	2061
ii)	Number of Stone crusher	RED	2566	118	2684	1497	989	198
iii)	Number of Telephone towers	GREEN	11009	412	11421	11303	51	67
iv)	Number of Local body	RED	200	2	202	200	0	2
v)	Number of Layouts	GREEN	1556	106	1662	32	9	1621
vi)	Number of Infrastructure project(Apartment, education institutions, commercial establishments)	RED	569	142	711	176	0	535
		GREEN	1918	131	2049	659	15	1375
vii)	Number of Hospitality(Hotels, resorts etc.)	RED	65	7	72	46	6	20
		ORANGE	125	5	130	82	20	28
		GREEN	546	42	588	468	28	92
viii)	Number of Hospital /HCE,s	RED	15611	3527	19138	18665	432	41
ix)	Number of Mines	RED	707	2	709	170	399	140
x)	Number of Coffee estates	RED	1293	55	1348	1277	69	2
xi)	Number of others - banks, Kalyanmantap, office complex, association office etc., having DG Sets as Air pollution sources	RED	14	4	18	8	1	9
		GREEN	952	25	977	801	114	62
Total			63342	6804	70146	53246	9274	7626

Pollution Control Status in Mining Sector

Mining is one of the main industrial activities in Karnataka. The major minerals being mined are Iron Ore, Limestone and Dolomite. Iron Ore mining is mainly confined to Bellary, Chitradurga & Tumkur Districts and the Limestone mining is located mainly in the districts of Gulbarga, Yadgir, Bagalkot, Belgaum & Bijapur. During 1980's, major mining activity was started in Chikkamagalur District with the setting up of Kudremukh Iron Ore Company Limited (KIOCL). In recent times, due to high demand in the market, large scale mining has taken place in Bellary, Chitradurga and Tumkur Districts. In Karnataka 709 Mines are covered under the Pollution Control Acts and only 170 are operating as on March 2013. Initially, KSPCB started covering only few major mining companies under the Water & Air Acts like National Mineral Development Corporation (NMDC), Donimalai, and KIOCL, as they were using water for mining activity and discharging tailings. These mines were also covered under the Air Act keeping in view emissions from crushers, DG Sets and other point and non-point sources. In 1994, the Govt. of India notified the Environmental Impact Assessment Notification under the Environment (Protection) Act 1986. This notification made it mandatory for certain projects including mines to obtain prior Environmental Clearance (EC) from Ministry of Environment & Forests (MoEF), Govt. of India (GOI). Mining projects more than 05 hectares were covered under this notification. No objection Certificate (NOC)/ Consent for Establishment (CFE) was a prerequisite for applying to MoEF for EC. Therefore, from 1994 onwards, KSPCB started receiving applications from mines seeking NOC/CFE. The applications were considered with reference to the Rapid Environment Impact Assessment (REIA) reports and IBM approved mining plan which incorporates Environmental Management Plan (EMP) to take care of run-off, waste dumps, provision of check dams, etc., which were submitted along with the application and then NOC/CFE were issued from water & air pollution control point of view only. In the EIA notification 2006, the mining area between 5 to 50 hectares is grouped under 'B' category requiring Environmental Clearance from State Environment Impact Assessment Authority (SEIAA). Mines

having area more than 50 hectares is grouped under 'A' category requiring EC from MoEF.

Action initiated by KSPCB for control of pollution in mining activity

KSPCB has taken steps to strictly implement the provisions of the Water (Prevention & Control of Pollution) Act 1974, and the Air (Prevention & Control of Pollution) Act 1981 irrespective of the size of mining area. The Hon'ble Supreme Court has banned iron ore mining activity in three districts viz., Bellary, Chitradurga and Tumkur Districts from 2009. Accordingly Board was not issuing the consents. The Hon'ble Supreme Court has constituted Central Empowering Committee (CEC) for resumption of mines. The mines have been categorized as A, B and C categories. The Hon'ble Supreme Court during September 2012 have given directions to restart A and B category mines for capacities as per the R & R plan approved by the CEC. The CEC has approved 27 mines under A category and 63 mines under B category. The details relating to production, water & air pollution control measures adopted by the mines, compliance to previous consent conditions, etc., are verified thoroughly while issuing consents for operation. Further, the Board stipulates the following pollution control measures while issuing consents to the mining activity in line with the R&R Plan (Reclamation and Rehabilitation Plan) -

- (i) To provide check dams, gully-traps etc., to prevent the run off from carrying the fine particles of ore & silt,
- (ii) Fines, sub-grade ore, mineral rejects, over burden and side burden etc., to be stored as dumps in the mine lease area and to be stabilized,
- (iii) Retaining walls have to be provided to stabilize the dumps,
- (iv) Afforestation has to be carried out on the slopes of the dumps,
- (v) Sprinkling of water constantly in the mine lease area including approach roads,
- (vi) To metal and asphalt the roads inside the mine lease area as well as the approach road to the mines,
- (vii) To transport ore in a covered truck in wet condition always,
- (viii) Even at Stock yards, moisture content has to be maintained to prevent the dust nuisance,
- (ix) Providing conveyor belts within the mine lease area for ore transportation to avoid fugitive emissions due to movement of trucks.

Pollution Control Status in Sponge Iron Sector

In Karnataka 49 sponge iron units are operating. Most of the units are located in the districts of Bellary (33) and Koppal (9). All the units use Coal based technology.

The Ministry of Environment and Forests (MoEF), GoI has notified standards for sponge iron units vide Notification No. GSR 414(E) dated 30/05/2008. As per the Notification, the chimney height for the Kilns is calculated based on the fuel consumption and the Sulfur content of the fuel. Further, a minimum chimney height of 30 m is stipulated for all de-dusting facilities.

Sponge iron units are not significant from water pollution point of view and water is used only for domestic and cooling purposes and the cooling water is completely recycled. However, these units are not significant from water pollution but very significant from air pollution point of view. The main sources of air pollution from these units are kiln and de-dusting facilities, loading & unloading of raw materials, crushing & processing of raw materials, storage of raw material, vehicular movements. Following conditions are stipulated and implemented by the Board to mitigate air pollution from these industries – (i) Storage of raw materials within the closed sheds, (ii) Bag filters for all raw material processing and de-dusting facilities, (iii) Electrostatic Precipitator (ESP) to the Kiln with interlocking between the working of Kiln and the ESP, (iv) Metalled roads within the premises, (v) Sprinkling of water in raw material storage, process area and in roads for raw material transportation, (vi) Regular monitoring of ambient air quality.

Of the 49 sponge iron units, 47 have complied with consent conditions by providing stipulated air pollution control equipment to control source emissions. Of the two non-complying units during the reporting period, one unit has not obtained EC and the other has not provided required air pollution control measures. Consent for operation for these units is refused and examined for further action.

Pollution Control Status in Stone Crushers

There are 2684 Stone Crushing units in Karnataka and as on March, 2013, 1497 are in operation. The

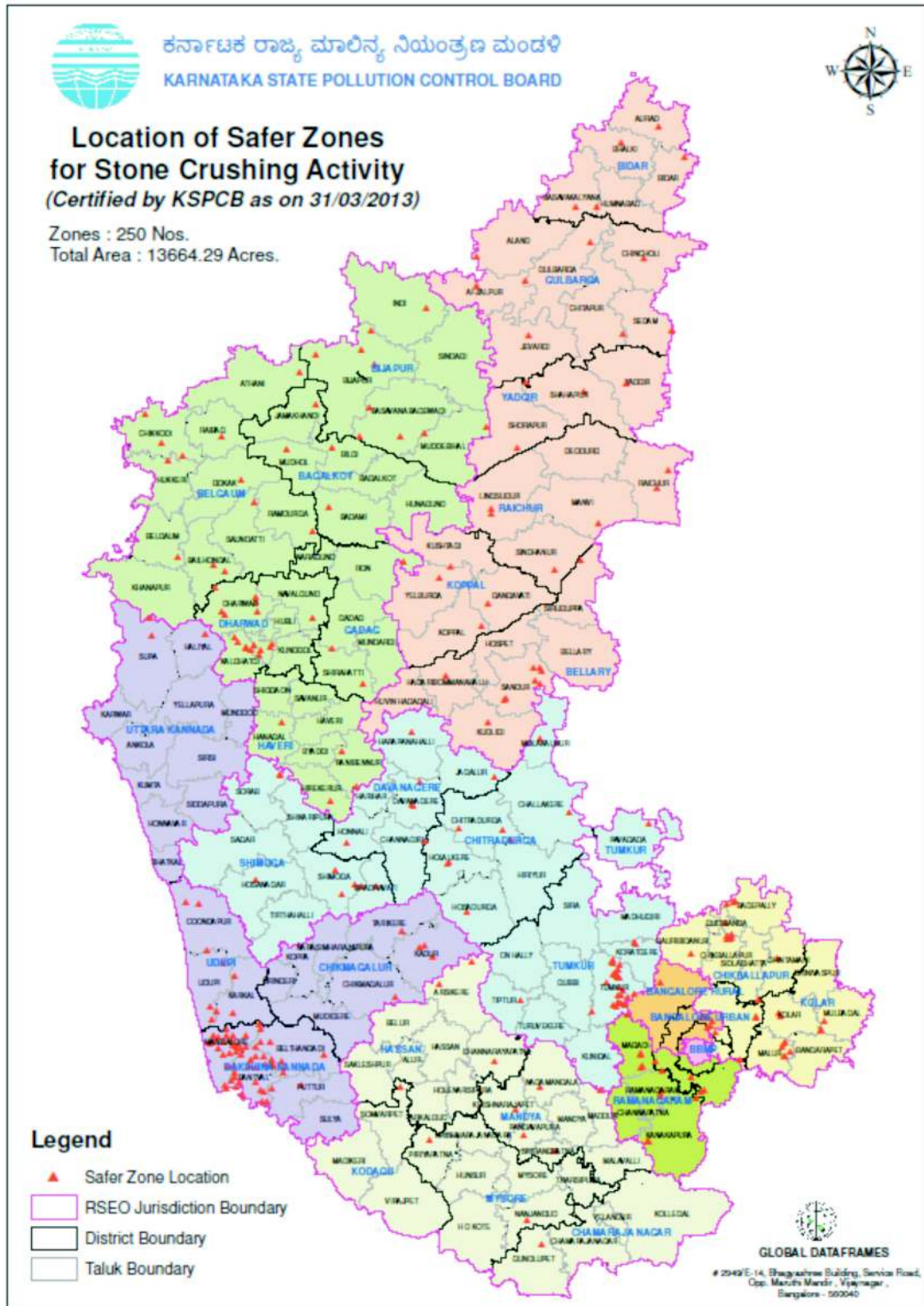
KSPCB is covering the stone crushing activity under the Air (Prevention & Control of Pollution) Act 1981. The State Government has passed an Act “The Karnataka Regulation of Stone Crusher Act 2011” in January, 2012. The Rules have been framed in June, 2012. According to the said Act and Rules, all crushers shall have to be operated in the safer zones only except the crushers established for temporary period for specific govt. development projects with specific time frame. The licensing authority of the district shall identify the safer zones and declare them after certification of the Board. Board has certified 250 safer Zones in all the 30 districts to an extent of 13,664 acres as on March, 2013. The locations of safer zones in Karnataka as on March, 2013 are shown in Map 1.

There are 183 industries under the 17-category highly polluting industries in the State, of which 152 are in operation. The wastes are treated and disposed as per the norms of the Board. The industries, Mysore Paper Mills Limited and Visveswaraya Iron and steel Ltd. are permitted to discharge the treated effluents to Bhadra River. The West Coast Paper Mills at Dandeli is permitted to discharge effluent into Kali River and Harihar Polyfibers and Grasim division at Harihar are permitted to discharge the effluents to Tungabhadra River. The treated effluents from these industries are generally meeting the defined standards. Apart from these industries, no other industry is permitted to discharge effluents to rivers. The policy is to ensure that industrial effluents are treated to the standards prescribed by the KSPCB and to use the treated effluent for irrigation/gardening/green-belt development.

Air Pollution

National Ambient Air Quality Monitoring Programme (NAAQM), Bangalore

Ambient air quality of Bangalore city is being monitored at 12 stations under the National Ambient Air Quality Monitoring Programme (NAMP). Here, monitoring is done twice-a-week for 24 hours at 10 Stations and 24 hours through-out the year using continuous Ambient Air Quality Monitoring Systems at 2 stations. According to the revised national ambient air quality standards (of 16-11-2009), 12 parameters are to be monitored including respirable



suspended particulate matter (RSPM), sulphur dioxide (SO₂) and nitrogen dioxide (NO₂). The measured generated data has compared with the revised national ambient air quality standards. The air quality in different zones in Bangalore is depicted in the graph below.

Industrial Zone: The pollution data indicates that RSPM values exceeded the National Limit of (60µg/M³) at the three industrial areas and NO₂ & SO₂ values are within the standards.

Mixed urban zone: The pollution data indicate that RSPM values have exceeded National Limit of (60µg/M³) at four mixed urban areas and NO₂ sulphur dioxide (SO₂) and nitrogen dioxide (NO₂) has exceeded the limit (40 µg/M³) at city railway station & SO₂ values are within the standards at all places.

Sensitive zone: The RSPM values have exceeded the national standards for sensitive areas and NO₂ & SO₂ is within the standards.

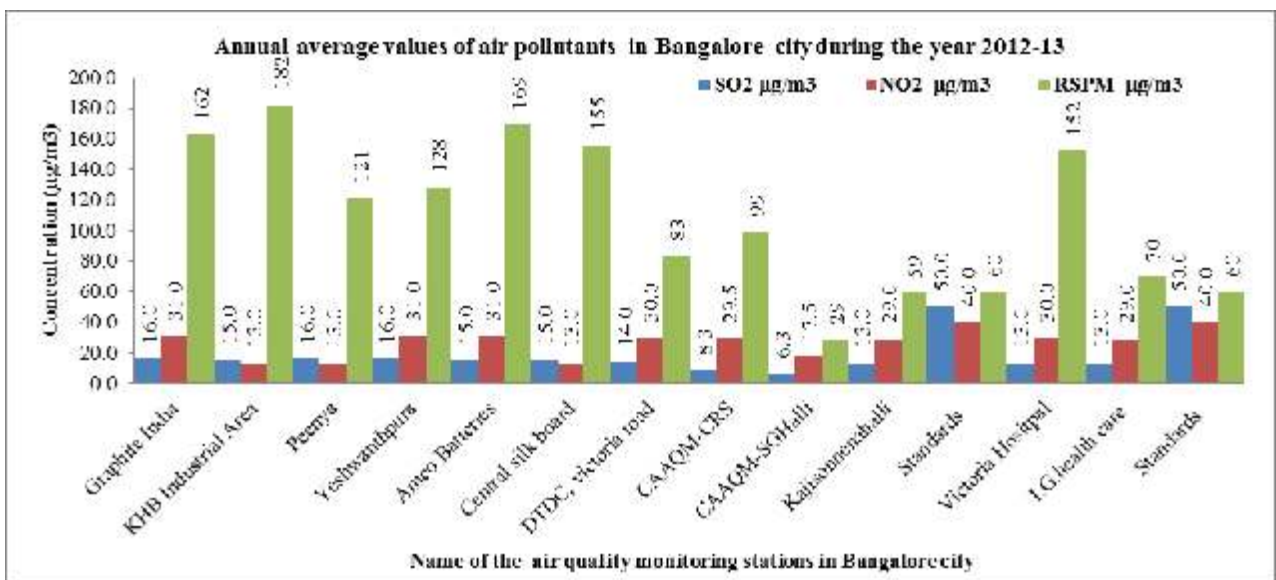
The KSPCB is also monitoring ambient air quality at Mysore, Hubli - Dharwad, Hassan, Davanagere, Mangalore, Belgaum, and Gulbarga under NAMP. Monitoring is carried out twice-a-week for 24 hours at six stations for RSPM, SO₂ and NO_x. Under this programme, ambient air samples were collected and analyzed in 2012-13 and compared with revised

national ambient air quality standards (16.1.2009). It is seen that RSPM values have exceeded the national Limit of (60µg/M³) at Hubli and Davanagere, NO₂ and SO₂ values are within the standards in all the cities.

Noise Pollution

National Ambient Noise Monitoring Programme (NANMP)

As per section 5.2.8 (IV) of National Environmental Policy (NEP) – 2006, the Central Pollution Control Board (CPCB) is in the process of developing noise monitoring network in India. It has decided to include ambient noise as a regular parameter for monitoring in specified urban areas. Government of India has announced a roadmap for systematic monitoring of ambient noise through the National noise monitoring network covering 25 cities by 2012 to make Indian cities less noisy. Karnataka is one of the chosen States and in Bangalore it is proposed to establish 10 continuous monitoring stations. For every continuous monitoring station, CPCB will provide 50% of the capital cost, 50% of the operation and maintenance cost and balance amount will be borne by KSPCB. Five monitoring stations have been installed and working since 2011-12 and the remaining five stations are planned to be installed in 2013-14.



Environmental Monitoring

The Pollution Control Board is monitoring environmental features to assess changes in environmental quality to evolve action plans to protect the environment. Monitoring covers ambient air quality, surface and ground water quality, effluents, emissions, soil, noise, hazardous waste, leachates and solid waste. A total of 78,365 samples were analyzed in 2012-13 in all the laboratories. Monitoring of industrial effluents and emissions is carried out to verify compliance. Wherever samples were not meeting the standards, action was initiated according to the status such as personal hearing, filing court case, issuing directions for closure etc. KSPCB is monitoring and analyzing river water quality at 64 locations under Global Environmental Management System (GEMS) & monitoring Indian natural aquatic resources system regularly. The river water quality at most of the monitoring stations is meeting the Class-C standards i.e. the water source could be used after conventional treatment and disinfection. The major pollution in rivers is due to discharge of domestic sewage from the towns and villages located on the river banks.

Hazardous Waste Management

The Board has permitted totally 135 industries in the State to reprocess their hazardous waste, two industries to incinerate their waste and industries generating land fillable waste to send to M/s Ramky Enviro Engineers at Dobbespeta for its scientific treatment and disposal.

Common Effluent Treatment Plant (CETP) - There are nine CETPs functioning in the State.

Status of Management and Handling of Batteries

KSPCB has identified 645 battery handling units in the State and monitoring them regularly for effective implementation of the Rules.

Plastic Waste Management

The Board has identified 200 plastic carry bag and recycling units. Board is creating awareness by banning units manufacturing plastic bags of less than 40 micron thickness and conducting awareness programmes regularly on its effect on environment.

Commissioners from Urban Local Bodies in the State, BBMP, carry bag manufacturers and different Industrial Associations participated in the workshop.

E-waste

Board has issued CFE to 48 units for recycling/dismantling of E-wastes of capacity 34,948 MT/A. Of these, Consent for operation, Registration and Authorization has been issued to 26 units for Recycling/Dismantling of E-waste of capacity 23,070 MT/A. The remaining 12 units are yet to commission. The Board has authorized 16 Electronic producers with a capacity of 1137.7 MT/A.

Implementation of Bio-medical Waste (Management and Handling) Rules, 1998

KSPCB has identified 26,788 Health Care Facilities (HCF) as on March 2013.

Total Biomedical Waste generating units as on March 2013	: 26788
■ Bedded units	: 5200
■ Non bedded units	: 16110
■ Others (Veterinary Hospital/ Research Organizations)	: 5478

The HCFs in the State is generating about 82.8 tons/day of Solid Biomedical Waste out of which 75.8 tons/day is incinerable, 3 tons/day is recyclable and rest need to be disposable in secured landfill. KSPCB has issued authorization to 23 Common Bio-Medical Waste Treatment Facilities (CBMWTF) in the State, of which 17 are operational and 06 are in commissioning stage. The Board has directed all CBMWTFs to create website as their own for Public Information. MoEF has notified subsidies for new CBMWTF. The Board has constituted District Level Task Force for all the districts in Karnataka.

Municipal Solid Waste (Management and Handling) Rules, 2000

In the State including BBMP, there are 219 Urban Local Bodies.

Status of Landfill Sites and its implementation in Karnataka - As per Directorate of Municipal

Administration-

- Landfill site in Possession - 207
- Urban Local Bodies (Joint venture) - 03
- Land fill site yet to be identified
Viz., Kumta, Dandeli & Shiggou - 03
- Basic Infrastructure provided - 180
- Pit method of disposal - 148
- Door to Door collection started I
(Partially) - 205
- Segregation Started - 82
- Windrow platform for composting - 70

9.4.2 Lake Development Authority (LDA)

The Lake Development Authority since its inception has developed four lakes in Bangalore namely, Nagawara, Vengaiakere, Lalbagh and Jaraganahally at a cost of Rs.13.14 crore. In other districts, 10 lakes in Belgaum, Gadag, Hassan, Gulbarga, Haveri, Davangere, Chikmagalur, Bidar, Tumkur and Ramanagaram have been rejuvenated at a cost of Rs.50.46 crore under the National Lake Conservation Programme. LDA has taken up survey & demarcation of 158 lakes in BIAAPA areas at a cost of Rs.50.62 lakh and water analysis for 86 lakes has been done at a cost of Rs.50.39 lakh in 2009-10 in Bangalore urban district. LDA has implemented National Lake Conservation Programme (NLCP) and National Wetland Conservation Programme (NWCP) in the State for conserving various lakes and wetlands (Tables 9.17 to 9.19).

Table 9.17- List of lakes covered under National Lake Conservation Programme

Sl. No.	Name of the Lake	Amount approved by GOI (Rs. In lakh)
1	Vengaiakere Lake, Bangalore	212.21
2	Jaraganahalli Lake, Bangalore	335.82
3	Nagawara Lake, Bangalore	600.00
4	Lalbagh Lake, Bangalore	166.00
5	Kotekere Lake, Belgaum	564.09
6	Bhishma Lake, Gadag	250.00
7	Sharanabasaveshwara Lake, Gulbarga	489.00
8	Kundawada Lake, Davangere	340.64
9	Tripuranthakeshwara Lake, Bidar	463.50
10	Kotetavarekere Lake, Chickmagalur	364.00
11	Akkamahadevi Lake, Hassan	264.00
12	Channapatna Lake, Hassan	497.10
13	Amanikere, Tumkur	1336.73
14	Gowamma & Hombalamma lakes in Magadi town, Ramanagar Dt.	477.46
	Total	6360.55

Note: In addition to GOI approval of Rs.364 lakh for the integrated development of Kotetavarekere Lake at Chickmagalur, GOK has released Rs.66 lakh additional grants for the project.

Table.9.18-List of Lakes covered under National Wetland Conservation Programme

Sl.No.	Name of Wetland	Fund released (Rs. lakh)
1	Bonal Wetland, Yadagir	36.22
2	Gudavi Wetland, Shimoga	73.93
3	Magadi Wetland, Gadag	57.40
4	Ghata Prabha Wetland, Gokak	7.02
5	Hidkal Wetland, Belgaum	10.32
6	Ranganathittu Wetland, Mysore	8.85
	Grand Total	193.74

Table 9.19- List of Lakes taken up for development under State grants during 2009-10 to 2010-11.

Sl.No.	Name of Lakes	Grants approved (Rs.lakh)
1	Kukkarahalli Lake, Mysore	100.00
2	Dalvoy Lake, Mysore	117.00
	Total	217.00

In 2012-13, LDA has taken up the development of lakes under Government of Karnataka and Local Bodies' fund.

Sl. No.	Name of the Lake	Project Cost	Place	Approved Cost by GOK	Remarks
1.	Doddakere	173.00	Sakaleshpura, Hassan District	129.75	Out of Rs. 173.00, GOK/LDA share is Rs. 129.75 and Rs. 43.25 is local body shares in 75:25 ratio.
2.	Bailahongala	100.00	Bailahongala, Belagavi District	75.00	Out of Rs. 100 .00 GOK/LDA share is Rs. 75.00 and Rs. 25.00 is local body shares in 75:25 ratio.
	TOTAL	273		204.75	

Under NWCP, in 2012-13 for the above mentioned 6 wetlands namely, Bonal, Magadi, Gudavi, Ghataprabha, Hidkal and Ranganathittu (Gende Hosahally), a fresh APO's has been prepared and components were discussed in the State level steering committee and forwarded to GOI for approval for an amount of Rs.106.494. Out of which the proposal for Ranganathittu wetland only was approved for Rs.24 lakh and grant was released in March 2013. The sanction for the remaining proposals is still anticipated from the Central Government.

The State Government has allocated Rs. 100 lakh for development of lakes under National Lake Conservation Programme (NLCP) in ratio of 70:30 (Central:State) in the State for 2013-14. Accordingly, the proposals will be received from the Deputy Commissioners of different districts, and the same will be submitted to MOEF for approval after the scrutiny by the Technical Committee. The following lakes are proposed for development under National Lake Conservation Programme during 2013-14.

Sl. No.	Name of the Lake	Estimates to be approved by GoI&GoK (Rs. lakh)
1	Hirekere lake, Dharwad	1310.00
2	Jagaluru lake, Dhavanagere	1350.00
3	Anugola lake, Belgaum	500.00
4	Ayyanakere lake, Dhavanagere	873.00
	Total	4033.00

9.4.3 Karnataka Biodiversity Board

The Karnataka Biodiversity Board was established vide section 22 of the Biodiversity Act 2002, by the State Government in August, 2003.

Main objectives of the Board are -

1. Implementation of Biological Diversity Act 2002 and Karnataka Biological Diversity Rules 2005.
2. Conservation Biological Diversity.
3. Promotion of in-situ and ex-situ conservation of biological resources, incentives for research, training and public education to increase awareness with respect to biodiversity.
4. Planning schemes and programmes for the sustainable utilization of Biological Diversity.

Activities and performance of the Board

1. Constitution of Biodiversity Management Committees (BMCs)

A per section 41 of Biological Diversity act 2002,

every local body shall constitute a Biodiversity Management Committee with its area for the purpose of promoting conservation, sustainable use and documentation of Biological Diversity. Till date 4384 BMCs have been formed at Gram Panchayat level, 92 BMCs at Taluk Panchayat level and 13 BMCs at Zilla Panchayat level.

2. People's Biodiversity Register (PBRs)

PBR is a panchayat level register that documents local biodiversity and local community knowledge on biodiversity including its conservation and traditional uses. The PBRs are prepared in various districts at Gram panchayat level. PBRs are prepared both in Kannada and English. The PBR will help in opposing patenting and other legal matters. Till date 265 PBRs in different BMCs have been prepared.

3. Declaration of heritage sites

Karnataka Biodiversity Board has declared the following as heritage sites under section 37(1) of Biological Diversity Act 2002 –

Sl. No	Location	Taluk	District	Extent	Remarks
1	Nallur	Devanahalli	Bangalore(R)	53 acres	400 years old unique Tamarind grove.
2	Hogrekhan	Kadur	Chickmagalur	2508.15 acres	Biodiversity rich area and a crucial link in the western ghat ecosystem with Bababudanagari and Kemmannugundi
3	GKVK, UAS,	Bangalore	Bangalore(U)	167 ha.	Site of urban biodiversity
4	Ambaragudda	Sagar	Shimoga	3857.12 acres	Natural Biodiversity heritage site

4. Declaration of Heritage Trees

Karnataka Biodiversity Board has initiated a programme to identify certain trees in various districts which are unique, historical and have high significance. The same are being declared as heritage trees. Till date the Board has recommended 10 trees across the state to consider for heritage tree status.

5. Survey of Bio industries and Utilization of bio resources

As per the Section 7 of Biodiversity Act 2002, action has been initiated to survey the pharmaceutical industries/firms that are using bio-resources for commercial utilization. So far 208 companies have been enlisted which are using bio-resources. 152 out of 208 Bio resource user companies and 15 wineries have already reported in Form I.

With the help of National Biodiversity Authority, the Karnataka Biodiversity Board is striving for access and benefit sharing among the local community which is mandatory for bio-resource users to share the benefits for conservation and sustainable use of bio-resources.

6. Biodiversity Award

Karnataka Biodiversity Board has received 2 awards for its outstanding performance in the previous year, namely The Best Biodiversity Board, 2009-10 by National Biodiversity Authority and 1st prize in Indian Biodiversity Congress Expo 2012.

9.4.4 Environmental Management Policy & Research Institute (EMPRI)

EMPRI is an autonomous society of the Government of Karnataka, established in September 2002 under the Department of Forest, Ecology and Environment, GoK. The Institute undertakes scientific research, policy research and offers training on concurrent environmental issues relevant to the society, industry and Government.

1. Training

Capacity building is a thrust area of EMPRI. The institute conducts need based training programmes on various environmental related issues viz. Rain

water harvesting, industrial pollution control, bio-medical waste management, hazardous waste management, e-waste management, climate change, environmental legislation and such other issues of current relevance. More than 30 training packages of international standard have been developed for building capacities in administration, industry and civil society. EMPRI has developed linkages with several agencies, industries and NGO's working in related fields and intends to extend the collaboration process with eminent and reputed agencies. The details of the training programmes are furnished below.

1.1 Accomplished training programmes

1.1.1 Environmental Conservation & Management

In 2013-14, three day district level training programme on "Environmental Conservation & Management" each for Taluk level officers, gram panchayat members and members of stree-shakti groups was taken up in 4 districts. A total of 533 participants were trained in the programme to create awareness about environmental issues efficiently and effectively. The training programme was a platform for the participants to share their views and problems on environment issues and finding suitable solutions regarding the same.

1.1.2 Bio-Medical Waste

Ministry of Environment & Forests (MoEF), GoI has notified the Bio-Medical Waste (BMW) Management & Handling Rules, 1998 amended in 2000 & 2003. In view of this, EMPRI has conducted training programme to the relevant target groups so that the proper implementation of the rules take place. This has laid a foundation to setup an institutional framework & setup a mechanism at the district level so that the system takes care of proper training & implementation of BMW rules at the concerned districts. In 2013-14, EMPRI has conducted trainings in 5 districts & a total of 1113 participants have been trained. EMPRI has also undertaken the responsibility to impart training to the medical personnel from Private Health Care Establishments in Bangalore Urban District since August 2013. The main objective of the training programme was to

sensitize the participants on proper disposal of BMW. In this context, EMPRI has completed 09 training programmes across Bangalore urban district. A total of 432 participants were trained.

1.1.3 Rain Water Harvesting

In 2013-14, an awareness creation & capacity building programme of one-day duration on Rain Water Harvesting was carried out for two line departments of GoK. A total of 55 participants have been trained.

1.1.4 Pollution Control in Slaughter Houses

EMPRI was entrusted with the responsibility of creating awareness about Pollution Control in Slaughter Houses (PCSH) by the GoK. In 2013-14, EMPRI has conducted 3 training programmes for officials from Karnataka State Pollution Control Board (KSPCB), Directorate of Municipal Administration (DMA) & Bruhat Bengaluru Mahanagara Palike (BBMP). A total of 64 Participants have been trained.

1.1.5 Coastal Regulation Zone

Besides the above mentioned training programmes EMPRI has also undertaken a one day training programme on Coastal Regulation Zone (CRZ). In 2013-14 a total of 06 training programmes were conducted. The main objective of the training programme was to:

- Educate the participants on CRZ notification & integrated coastal zone management approach.
- To conserve & protect Coastal structures & to promote development in a sustainable manner.
- To ensure livelihood security to the local communities (fishing communities) living in the coastal areas.

The target group for the training programme was District Level officers, Taluk level officers, Gram panchayat presidents & vice presidents & Panchayat Development officers. A total of 200 participants have been trained.

2. APPLIED RESEARCH

EMPRI conducts applied Research on concurrent environmental issues of immediate relevance for Government, industry and society. The research identifies problems, determines, causes and proposes measures to mitigate them. In 2012-13 and 2013-14 research work EMPRI included the following:

2.1 Assessment derived conservation strategies for major lakes of Karnataka – Bangalore Phase I

The project was completed during the period of 2012-2013. The report was submitted to CiSTUP in 2013. Major research findings of the study are, identification and documentation of existing and extinct water-bodies, numbering/coding of water bodies, documentation of history and morphology of water bodies, study of hydrological profile, landuse pattern analysis, transport network change analysis for the period of 40 years using Remote Sensing and Geographical Information System technique, seasonal GPS mapping of water spread area of water bodies, water quality analysis, biodiversity assessment, identification and assessment of pollution sources, encroachments, threats to each lake, analysis of health status of each lake using Environmental Impact Unit. Lake Health Report Card was prepared for 117 water bodies located in 33 villages which are at different stages of development viz; already developed area, Sir M. Visweswaraya Layout, under development area, Nada Prabhu Kempegowda Layout and Green Belt. Water Management Plan was also prepared by selecting five major lakes falling under different zones for a sustainable use of water with zero wastage and at the same time reviving lakes throughout the year. Apart from this, the derived conservation strategy for lakes has also been strengthened by involvement of both primary and secondary stakeholders. Three stakeholder's meetings were conducted during the study period. After viewing the draft CLC 'Lake Atlas', GramaPanchayat members requested a copy of 'Lake Atlas' and strategies (for water bodies coming under panchayat) for different GramaPanchayats have been prepared and distributed to the concerned Grama Panchayat.

2.2 Water Safety Plans for Bangalore - A quality based approach to water supply service delivery

The concept of the project is based on WHO procedure for Water Safety Plan. The objective of this pilot project is to develop a protocol for supply of safe drinking water which can be implemented by BWSSB, to the entire Bangalore city as a whole, by making necessary site-specific modifications. The project will assess and analyze all the steps in water supply system from catchment to consumer (C to C) by eliminating the possibilities of any risk of contamination. The study will also identify the hazards, hazardous events, prioritization of risks, providing appropriate control measures to reduce risk of contamination at different levels.

2.3 State of Environment Report 2011, Karnataka

Funded by Department of Ecology and Environment Government of Karnataka and Ministry of Environment and Forests (MoEF), Govt. of India, this is the 2nd edition of the earlier SoER Karnataka 2003 report. The scope of assessments was expanded to include agriculture, livestock, climate change and education. The report has been approved by the Govt. of Karnataka and same has been forwarded to MoEF, GoI.

9.4.5 Karnataka State Action Plan on Climate Change

Funded by Department of Ecology and Environment, Government of Karnataka (GoK), "Karnataka State Action Plan on Climate Change (KSAPCC) - 1st Assessment" report was prepared and submitted to the GoK and the same was forwarded to the Ministry of Environment and Forests, Govt. of India (GoI). In response, GoI has suggested furnishing incremental budget required for implementing the proposed action plan along with the details of the entry points activity mention in the report. Accordingly, KSAPCC has been revised and resubmitted to GoK. The estimated budget proposed for the action plan is Rs.7000 crore.

9.4.5 Green Gross Domestic Product

Department of Planning, Programme Monitoring and Statistics, Government of Karnataka (GoK) entrusted

EMPRI to evolve a methodology for Green GDP accounting in Karnataka. It is a pilot project to study key sectors namely, agriculture, forestry and water resources. The study is funded by Department of Planning, Programme Monitoring and Statistics.

9.4.6 Market survey of re-usable e-products and recycled e-components

EMPRI has undertaken a study on "Market Survey of re-usable e-products and recycled e-components". The survey for the study has been completed and the report is under submission. EMPRI is undertaking a study for evolving sustainable conservation strategies for water bodies present in the proposed Mysore-Nanjangud Local Planning Areas.

Outreach Activities

Environmental Information System (ENVIS): Ministry of Environment and Forest (MoEF) has notified EMPRI as the nodal agency for ENVIS in Karnataka and has the responsibility of running the ENVIS Centre from 01-01-2009.

Following are the components of Karnataka ENVIS Centre:

- Indian State level Basic Environmental Information Database (ISBEID): An environment related database on 17 modules are accessible in the <http://www.isbeid.gov.in/>.
- ENVIS website: Latest news, upcoming events, publications, glossary and other environment related information can be accessed in the link www.karenvis.nic.in.
- ENVIS newsletter: 28th issue of 'Parisara Newsletter' have been published and can be accessed in the link www.karenvis.nic.in
- Library: comprises of more than 2000 titles. During the year 200 titles were added.

The focus of ENVIS has been to provide environmental information to decision makers, policy planners, scientists and engineers, research workers etc.

National Green Corps programme funded by MoEF, GoI [NGC-GoI]

In 2013-14, the National Green Corps (NGC) programme is being implemented in 4,388 Government High Schools, 2,586 Aided High Schools and 1,526 Government Higher Primary Schools, in total 8,500 schools, across the State, by providing an annual financial assistance of Rs.2,500/- to establish and run the eco-clubs. The programme aims at forming and running an eco-club in schools, to inculcate love and concern for environment in young minds. Additionally, during 2013-14, an evaluation of NGC programme in the State of Karnataka is being conducted, which is first-of-its kind in the country. Here, an examination was conducted for 29,621 students, from 708 High schools, across 34 educational districts, across the State. So far, around 224 eco-clubs incharge teachers have been trained and many more will be trained in the coming months.

National Green Corps programme funded by Government of Karnataka [NGC-GoK]: As per the Government Order, dated 19-06-2013, the NGC programme funded by Government of Karnataka, which was until then implemented by the EMPRI, was handed over to the Directorate of PU Education on 05-8-2013.

9.5 WATER RESOURCES

Irrigation is an important source of raising productivity in agricultural sector. Expansion of both the groundwater and surface water resources has helped to increase the cultivated area under irrigation in the state over time. The net irrigated area has increased considerably from 13.62 lakh hectares in 1980-81 to 26.43 lakh hectares in 2000-01 and to 34.40 lakh hectares in 2011-12 (Table 9.20). Similarly, gross irrigated area which was 16.76 lakh hectares in 1980-81, has increased to 41.37 lakh hectares in 2011-12. The gross irrigated area as percentage of total cultivated area has doubled from 16% in 1980-81 to 34% in 2011-12.

Table 9.20 - Trends in Irrigated Area in Karnataka (Area in lakh hectares)

Year	Gross Cultivated Area	Gross Irrigated Area	Net Irrigated Area	Gross Irrigated Area as a % of Gross Cultivated Area
1980-81	106.60	16.76	13.62	16
1990-91	117.59	25.98	21.13	22
2000-01	122.84	32.71	26.43	27
2001-02	116.70	30.89	26.83	26
2002-03	115.32	28.41	27.05	25
2003-04	114.50	27.02	28.38	24
2004-05	128.07	33.28	29.06	26
2005-06	130.27	36.32	29.70	28
2006-07	124.38	36.03	29.46	29
2007-08	128.93	37.89	31.32	29
2008-09	123.68	39.42	32.38	32
2009-10	128.73	40.96	33.91	32
2010-11	130.62	42.79	34.90	33
2011-12	120.59	41.37	34.40	34

Source: Annual Season & Crop Statistics Report (Directorate of Economics & Statistics, GOK)

Table.9.21 presents source wise irrigation for the year 2011-12. Among all irrigation sources, tube wells/bore wells accounted for the highest proportion of 37 per cent of the net irrigated area followed by canals (34%) and dug wells (12%). The share of tanks, which were historically a major source of irrigation, has accounted for about only 5% of the net irrigated area.

9.5.1. Irrigation Potentials Created through Major and Minor Irrigation Projects

The surface water (canal) irrigation projects are classified into major, medium and minor irrigation projects based on the cultivated command area generated by them. The irrigation potential (anticipated) has increased by 4% in 2013-14 as compared to an increase of 3% in 2012-13. The cumulative irrigation potential under major, medium and minor irrigation (surface water) projects is expected to reach 39.50 lakh hectares in 2013-14 from 38.04 lakh hectares in 2012-13 (Table 9.22).

Out of all the type of irrigation projects, additional irrigation potential of 1.08 lakh hectares is anticipated through major and medium irrigation projects in 2013-14. Under minor irrigation (surface water) project, the additional irrigation potential expected is 0.38 lakh hectares. Overall, from all the three irrigation projects, 1.46 lakh hectares of additional potential is anticipated during 2013-14. Irrigation potential of 0.35 lakh hectares is anticipated through the Upper Krishna project alone.

9.5.2. Yearwise allocation and Expenditure on Major & Medium Irrigation Projects:

Expenditure on major and medium irrigation projects was Rs.5294.50 crores for plan and for projects pending approval in 2012-13. The amount of expenditure anticipated in 2013-14 is Rs. 8007.36 crores. Expenditure incurred upto September 2013 was Rs.2526.44 crores (Table 9.23).

Table 9.21- Source-wise Irrigation during 2011-12 (Area in lakh hectares)

Source	Irrigated Area		% share to Net Irrigated Area
	Gross	Net	
Canals	14.73	11.78	34.24
Tanks	1.96	1.78	5.17
Wells	4.75	4.23	12.30
Tube/Bore Wells	15.40	12.78	37.15
Lift Irrigation	1.17	0.90	2.62
Other Sources	3.36	2.93	8.52
Total	41.37	34.40	100.00

Source: Annual Season & Crop Statistics Report. (Directorate of Economics & Statistics, GOK)

Table 9.22 - Irrigation Potential Created - Area in lakh hectares (Cumulative)

Source	2011-12	2012-13	2013-14 (Anticipated)
Major and Medium Irrigation	25.56	27.43	28.51
Minor Irrigation (Surface water)	10.28	10.61	10.99
Total	35.84	38.04	39.50

Source: Water Resource Department, GOK.

The expenditure on Upper Krishna Project (UKP), upto September 2013, was Rs.2086.80 crore (Table 9.24). The latest revised estimated cost for UKP, Stage I and II is Rs.8215.30 crore. As per the Planning Commission approval, the cumulative expenditure upto March 2013 on UKP Stage I & II was Rs.1643.60 crore. The stage I and II of UKP has been completed in 2012-13 and completion report has been submitted to Central Water Commission (CWC).

Efforts are being made to complete the works in UKP in the near future. It is estimated that the UKP is likely to irrigate about 6.22 lakh hectares of land falling under drought prone districts of Bijapur, Bagalkote, Gulbarga and Raichur. The potential created upto March 2013 is 46,511 hectares. As on September 2013, an outlet potential of 6890 hectares has been achieved and it is expected to create the irrigation potential of 20000 hectares in 2013-14 under the UKP Stages I & II.

Table 9.23: Year wise Allocation and Expenditure of Irrigation Sector (Rs. in crores)

Year	Allocation	Expenditure
2009-10	3144.08	2787.62
2010-11	4640.17	3394.10
2011-12	6029.25	3930.68
2012-13	6044.27	5294.50
2013-14	8007.36	2526.44 (Upto Sept.2013)

Source: Water Resource Department, GOK.

Table 9.24- Details of progress achieved in UKP Stage I & II

Particulars	Unit	UKP Stage I & II
Estimated Cost (latest revised estimated cost)	Rs.in Crores	8215.30
Expenditure up to 2012-13	Rs.in Crores	1643.60
Expenditure expected in 2013-14	Rs.in Crores	1560.15
Expenditure till date (September 2013)	Rs.in Crores	443.20
Irrigation potential envisaged	Area in Hectares	142547
Potential created up to 2012-13	Area in Hectares	46511
Additional Potential anticipated to be created in 2013-14	Area in Hectares	20000
Potential created up to September 2013	Area in Hectares	6890

Source: Water Resource Department, GOK.

Upper Krishna Project Stage – III

The Krishna Water Disputes Tribunal-II has passed an award in December, 2010 allocating 177 TMC of water to Karnataka State. Out of this, 130.90 TMC is the share of UKP Stage -III. It is proposed to provide irrigation for 5.30 lakh hectares of command area

falling under Bijapur, Bagalkot, Gulbarga, Yadgir, Raichur, Koppal and Gadag districts of Northern Karnataka (Table 9.25). The Government accorded administrative approval to the DPR prepared for UKP Stage-III at an estimated cost of Rs.17207 crore (price level 2011-12). The progress achieved under UKP Stage- III is given in Table 9.26.

Table 9.25 - Details of components under UKP Stage-III

Name	Allocation in (TMC)	Command Area (in Ha.)	Estimated Cost (Rs. in crore)
Mulwad LIS	54.431	227966	4610.89
Chimmalagi LIS	20.789	87067	2428.95
NRBC Extension	18.982	61747	1238.45
Mallabad LIS	8.054	33730	857.34
Indi LIS Extn.	4.940	20690	420.77
Rampur LIS Extn.	3.324	13923	182.69
Koppal LIS	11.565	48436	1302.58
Bhima Flank	5.151	21572	220.58
Herkal LIS	3.664	15344	243.65
Dam & allied works	-	-	10.10
R&R, land acquisition for submergence & BTDA	-	-	5690.39
Total	130.90	530475	17207.00

Table 9.26- Details of progress achieved in UKP Stage III

Particulars	Unit	Progress achieved
Estimated Cost (latest revised estimates)	Rs. in Crores	17207.00
Expenditure upto 2012-13	Rs. in Crores	653.21
Expenditure expected in 2013-14	Rs. in Crores	1177.05
Expenditure till date (September 2013)	Rs. in Crores	302.79
Irrigation potential envisaged	Area in Hectares	530475
Potential created upto 2012-13	Area in Hectares	12158
Additional potential anticipated to be created in 2013-14	Area in Hectares	15000
Potential created upto September 2013	Area in Hectares	3136

9.5.3. Other Schemes and Programmes

(a) Sonthi Lift Irrigation Scheme (LIS)

Sonthi LIS implemented in Gulbarga and Yadgir districts aims at providing irrigation water for 16,800 hectares on the left flank of river Bhima. The estimated cost of the project is Rs.502.05 crore. KBJNL has submitted a proposal to CWC for financial assistance from Government of India under the Accelerated Irrigation Benefit Programme (AIBP). As per AIBP norms financing will be made to the extent of 90% of the project cost by the Government of India.

(b) Improvement of Water Use Efficiency in NLBC command of UKP

Government of India has launched National Water Mission with a major objective of improving water use efficiency. Krishna Bhagya Jala Nigam Limited (KBJNL) has proposed a project for improving of water use efficiency in Narayanapur left bank canal command area under the UKP covering cultivated area of 4.09 lakh hectares of NLBC, SBC, MBC, IBC and JBC spread over Bijapur, Gulbarga and Yadgir districts. The project targets for achieving water use efficiency by 25% and the estimated project cost is Rs.2416.00 crore. Approval of pilot project under National Water Mission to improve water use efficiency is a major initiative and it will result in rejuvenation of UKP Stage-I and II. This initiative will considerably benefit agricultural sector of the aforementioned three districts.

(c) Drip Irrigation under 2nd Stage of Ramthal (Marol) LIS

Ramthal (Marol) LIS was taken up for implementation in the backwaters of Narayanapur reservoir to provide irrigation for 26,200 hectares of command area in Hungund taluk of Bagalkot district. Under 2nd Stage of Ramthal (Marol) LIS it is proposed to adopt Micro Irrigation System (drip irrigation with entire pipeline network) in lieu of conventional system of irrigation to provide irrigation for 24,000 hectares (including additional command area of 11,239 hectares) at a cost of Rs.786.11 crores. The scheme is implemented since 2012-13.

9.5.4. Minor Irrigation-Surface Water

Irrigation works with an atchkat up to 2000 hectares are classified as minor irrigation works. They have the definite advantage of providing immediate benefits from the potential created. Minor irrigation works with an atchkat up to 40 hectares come under the control of Zilla Panchayats. In 2012-13 expenditure on minor irrigation works was Rs.1027.10 crore for construction of new tanks, anicuts, pickups, lift irrigation schemes and repairs & improvements of existing structures. This includes works under SCCP and TSP. Fresh irrigation facility in an atchkat of 32,769 hectares is created and irrigation facility has been stabilized in 22,945 hectares in 2012-13. The development of surface water irrigation from 2008-09 is given in Table 9.27.

Table 9.27 - Development of Minor Irrigation from Surface Water

Year	Expenditure (Rs. lakh)	Potential Created (hectares)
2008-09	39593.92	15686
2009-10	59408.24	17299
2010-11	82384.52	15889
2011-12	110038.45	21720
2012-13	102710.48	32769
2013-14 (Upto Sept.2013)	44738.54	17360

Source: Department of Minor Irrigation

Government has established Karnataka Jala Samvardhane Yojana Sangha (JSYS) within the framework of Registration of Societies Act, 1960 to develop and strengthen minor irrigation tanks with community participation. It will promote capacity building, provide strategic resources and logistic support for training and orientation, promote and undertake efforts for integrated, multi-dimensional interventions in related sector and ensure timely and adequate flow of funds from all possible sources, including World Bank. This programme was continued in 2012-13 with the state funds as the period of World Bank funding ended in February, 2012.

9.5.5. Command Area Development

The Command Area Development (CAD) programme promotes on-farm development works like construction of field channels, land leveling/shaping and realignment of field boundaries, wherever necessary, adoption of Warabandi and construction of field drains etc. In 2013-14 the anticipated expenditure is Rs.486.60 crore, out of which Rs.235.06 crore was spent in 2012-13. The central assistance for Command Area Development Authorities (CADAs) in 2013-14 is anticipated to be Rs. 129.64 crore. In addition, KBJNL, Karnataka Neeravari Nigam Limited (KNNL) and Cauvery Neeravari Nigam Limited (CNNL) have been carrying out CADA works with an anticipated central assistance of Rs. 94.95 crores. The physical progress made by the CADAs is shown in Table 9.28.

9.5.6. Modernization of Bhadra Project

Modernization of Bhadra canal system was taken up in a comprehensive manner during 2008-09 at an estimated cost of Rs. 951.00 crore. This project is wholly assisted under Hon'ble Prime Minister's Special package project till completion as per revised guidelines. The expenditure incurred so far is Rs. 1014.87crore (Table 9.29).

The Estimated Cost of Upper Bhadra Project is Rs.33.88 crore main components (2 lift and tunnel) are taken up costing Rs.1580 crore. The Upper Bhadra Project is envisaged to provide irrigation facility to drought prone areas of Chickmagalur and Chitradurga districts to an area of 1,07,265 ha along with drinking water facilities to Tumkur and Kolar districts. Expenditure incurred till September 2013 was Rs.733.13 crore.

9.5.7. The National Hydrology Project

The National Hydrology project was taken up with World Bank assistance in 1996-97. It envisages setting up of a reliable and well-designed network for the collection of hydrological and meteorological data for surface and ground water. The project estimate was revised to Rs. 34.86 crores and it was closed in December, 2003. The Hydrology Project Phase- II has allocated a provision of Rs.23.53 crore for the above purpose. This has been divided into two components viz., (i) surface water component with Rs. 9.09 crore and (ii) ground water component with Rs. 14.44 crore.

Table 9.28 - Area under Command Area Development Programme in Karnataka (Area in 000' hectares)

Items of work	2011-12	2012-13	2013-14 (upto September 2013)
Construction field irrigation channels	53.565	54.195	139.590
Construction of field drains & leveling	148.563	193.471	64.741
Land Reclamation	21.168	27.064	0.972

Source: Water Resource Department, GOK.

Table 9.29- Modernization of Bhadra Project

Year	Expenditure (Rs.in crores)	Physical Progress		
		Main canal (In KMs)	Branch canal (In KMs)	Buildings (in Nos.) Canal Distributory
2007-08	220.88	166.91	484.59	978
2008-09	127.92	97.62	369.88	664
2009-10	253.76	111.45	122.35	298
2010-11	148.74	22.65	220.42	177
2011-12	233.49	41.53	55.37	1043
2012-13 (Upto Sept.2013)	30.08	5.82	57.31	127
Total (Till date)	1014.87	445.98	1309.92	3287

Source: Water Resource Department, GOK

Hydrology Project - II is a follow up action project of World Bank Aided Hydrology Project-I, wherein infrastructure for collection of data was established. The data so collected is now proposed for utilization in the new Hydrology project-II. The main components are:

1. Institutional strengthening, which includes consolidation of hydrology project-I activities, awareness creation, dissemination and knowledge sharing and implementation support.
2. Vertical extension, which includes development of hydrological design aids, development of decision support system and implementation purpose driven studies.

The cumulative progress achieved from inception to September 2013 is Rs.162.77 lakh. The financial estimate for the programme is Rs. 1662 lakh.

9.5.8. Accelerated Irrigation Benefit Programme (AIBP)

Under AIBP, 15 projects are being implemented by using Central Assistance in Karnataka. Tables 9.30 present the progress achieved under the AIBP programme. For the current year, 15 major and

medium irrigation projects under AIBP have been proposed for central assistance. The cumulative expenditure incurred under AIBP projects till September, 2013 is Rs. 4641.12 crore and the anticipated expenditure for 2013-14 is Rs.700 crore.

9.5.9. Prime Minister's Special Package

Four major and medium irrigation projects have been proposed for Central Assistance under PM's Special Package for the year 2013-14. The cumulative expenditure incurred under PM's Special Package till September 2013 is Rs. 942.39 crore and the anticipated expenditure for the year 2013-14 is Rs. 2380.54 crore (Table 9.31).

9.5.10. Special Development Programme (SDP)

State Government is committed to eradicate regional imbalance by implementing the recommendations of Dr. Nanjundappa Committee Report. For the completion of on-going major and medium irrigation projects in backward, more backward and most backward areas, budget allocation to Water Resources Department under Special Development Plan in 2012-13 was proposed to Rs.525 crore. Financial progress of Rs. 809.28 crore has been achieved. The details are furnished in Table 9.32.

Table 9.30 - Accelerated Irrigation Benefit Programme (AIBP) (Rs. in crores)

Name of Project	CA received (Cumulative)	Remarks
UKP Stage-I Phase-III	1380.67	Completed
UKP Stage-II	1655.73	Completed
Ghataprabha	544.82	Completed
Malaprabha	404.09	Completed
Karanja	189.03	Foreshore LIS & R&R works is nearing completion
Guddadamallapura	57.24	Nearing Completion
Bhima LIS	156.60	Under Progress.
Varahi	68.54	Under Progress.
Maskinala	3.22	Completed.
Hirehalla	64.24	Completed.
Gandorinala	116.94	Completed.
Srirameshwara LIS	-	Under Progress.
Upper Mallamari	-	ERM projects in Gulbarga District (New)
Chadrapalli	-	
Hattikuni	-	
Total	4641.12	

Source: Water Resource Department, GOK.

Table 9.31: Prime Minister's Special Rehabilitation Package (Rs. in crores)

Name of Project	CA received (Cumulative)	Remarks
Hipparagi	734.96	Under Progress
Modernisation of Bhadra	196.45	Nearing Completion
Dudhaganga	7.50	Nearing Completion
ERM of Bheemasamudra Tank	3.48	Under Progress
Total	942.39	

Source: Water Resource Department, GOK.

Table 9.32: Special Development Programme (Rs. in crores)

Name of Nigam	Budget Allocation for 2012-13	Progress up to 03/2013
Krishna Bhagya Jala Nigam	105.00	143.68
Cauvery Neeravari Nigam Ltd.	110.00	121.78
Karnataka Neeravari Nigam Ltd.	310.00	543.80
Total (WRD)	525.00	809.26

Source: Water Resource Department, GOK.

The budget allocation to Water Resource Department for 2013-14 under Special Development Plan is Rs. 500 crore, out of which Rs.237.19 crore has been spent upto September 2013.

9.5.11. Yettinahole Project

The project envisages diversion of 24 TMC of flood waters from Sakaleshpura (West) in Hasan district to Kolar and Chikkaballapura (East) to meet the drinking water needs and filling up of tanks for groundwater recharge. Estimated cost is of Rs. 8323.50 crore. Tenders for lifting arrangements have been invited.

9.5.12. ADB assistance for Integrated Water Resources Management (IWRM)

At the instance of Water Resources Department, after a detailed study by their experts, ADB has come forward with a Multi-tranche Financing Facility (MFF) for Karnataka Integrated and Sustainable Water Resources Management Investment Program (KISWRMIP) estimated to cost \$ 230 Million. The ADB loan component is \$ 150 Million. The program comprises of the following – (i) Strengthening of basin institutions for IWRM, (ii) Modernization of Irrigation system infrastructure and management and (iii) Operationalization of program management system

9.5.13. New Initiatives

- i) Modernization of irrigation infrastructure on three irrigation subprojects within the selected K-8 sub-basin (Gondi subproject under Project-1, Vijaynagara and Tungabhadra left bank canal under Project-2);
- ii) Strengthening asset management and main system operation and maintenance (O&M); and
- iii) Capacity building of 120 inclusive water user cooperative societies (WUCS) with women representation for improved operation, maintenance and water management within the command area of selected irrigation subprojects and an additional 3000 WUCS state-wide.

The indicators for the output by 2020 are-

- (i) 300 km of irrigation canal will be modernized

- (ii) Rolling main-system asset management plans implemented annually starting 12 months after project financed modernization works are finished in 3 selected irrigation systems
- (iii) At least 90% of Water Users's Co-operative Society (WUCS) confirm receipt of agreed water service
- (iv) More than 75% of WUCS are operating and maintaining handed-over irrigation systems, including fee collection and accounting,
- (v) At least 30% of WUCS management boards are women.

Activities to be undertaken will include

- (i) The installation of telemetry equipment for hydrological measurements within the sub-basin
- (ii) Preparation of feasibility studies for the identified irrigation subprojects
- (iii) Implementation of civil works for canal modernization
- (iv) Capacity building for KNNL, CADA and WUCS in improved system management

9.5.14 Outcome

I. KBJNL

- Under Upper Krishna Project Stage – III, it is proposed to provide irrigation facilities to 5.30 lakh hectares of land in drought prone areas of Bijapur, Bagalkot, Gulburga, Raichur, Koppal, Gadag & Yadgir districts by taking up 9 irrigation schemes.
- As per article 371(J) following are the districts benefited from the Upper Krishna Project Stage – III Gulburga, Yadgir, Raichur and Koppal districts.
- Government has accorded administrative approval for implementation of Micro-Irrigation System as a Pilot project under 2nd Stage of Ramthel (Marol) LIS which increases irrigation command area under UKP Stage – III works.

II. CADA

- CADA being taken massive programme activities on priority basis to create 80,000 ha of achcut area and land reclamation works of 60855 ha.
- Information, Communication Technology (ICT) is used effectively to land leveling and educate the farmers for use of only right quantity of water for crop and soil to achieve the national goal of “More crop per drop”.
- To increase the water productivity by using right quantity of water at right time so as to save as much of water in irrigation sector which can be diverted to other sectors viz., industry & drinking water.
- To encourage water conservation practices at the needy areas to increase ground water potential recharge.
- To encourage consumptive use of water where the ground water table is good and excessive to avoid ill effects.
- To encourage and to adopt/implement on pilot basis the drip & sprinkle irrigation in the command tail ends so as to encourage new technology in the application of water.
- To encourage/construct number of godowns to facilitate the storing of the food crops grown by the farmers at the time of needs.
- To strengthen the water users co-operative societies on revenue model.

9.6 MINING SECTOR

9.6.1 Karnataka's Mineral Resources

Karnataka is rich in mineral resources and has a dominant position on the mineral map of the Country. The State has very rich minerals deposits such as iron ore and manganese deposits in Bellary, Chitradurga, Tumkur, Uttara Kannada and Chikmagalur districts. Besides these ores, chromium (chromite) deposits in Hassan and Mysore districts, Aluminum (Bauxite) reserves in Belgaum, copper (malachite) reserves in Hassan, Chitradurga and Raichur are also found.

Also, the State is rich in industrial minerals, ornamental stones such as kyanite, soapstone, corundum and a wide variety of granite, porphyries and felsites deposits. Karnataka has more than 40,000 sq. kms. of green stone belt which are a treasure trove of several mineral deposits. The known mineral deposits which are visible have been explored all these years and are being mined. There are several indications of occurrences of poly-metallic deposits, diamond and gold.

The Department of Mines and Geology, Government of Karnataka, is responsible for the effective and efficient administration of these mineral reserves thereby contributing to the economic development of the State in particular and the Country in general. The Department is also exploring mineral resources which are raw materials for various industries. Locating mineral deposits, which are not readily open on the surface, will be thrust area of exploration during the XII Five year plan period. In order to achieve this, department has granted more number of reconnaissance permits and prospecting license, notify the areas granted and surrendered to make it available to the National and International private exploration companies for taking up exploration activities.

9.6.2 Mining and Mineral Production

In 2013-14, the Department of Mines and Geology has executed 01 mining lease over an extent of 3.75 hectares. This compared to 2012-13, 01 mining lease over an extent of 121.41 hectares was executed. And this compared to 2011-12, 10 mining leases over an extent of 945.59 Hectares with 01 (122-22 hectares) lease having been executed for iron ore and other associated minerals, 06 (791-09 hectares) for limestone, dolomite and other associated minerals and 2 (25.90 hectares) for manganese and other minerals, 01 pertains to others like quartz, kynite and others.

In 2013-14 (upto October 2013), the Department of Mines and Geology has realized revenues of Rs. 658.84 crores as against target of Rs. 1911.00 crores. In 2012-13, a total of 9 Quarry leases (17 in 2011-12) for ornamental stone and 12 leases (43 in 2011-12) for building stone have been granted and 1 mining lease (nil in 2011-12) have been sanctioned. Details of

royalty collections during the period 2011-12 to 2013-14 are provided in Table 9.33.

9.6.3 Policy initiatives

(i) Karnataka State Mineral Policy 2008

The Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act), lays down the legal frame-work for the regulation of mines and development of all minerals other than petroleum and natural gas. These two set of rules were framed under the act to deal with major minerals (state governments are free to deal with mineral concessions related to minor minerals).

- The Mineral Concession Rules, 1960 (MCR) deals with regulating grant of reconnaissance permits (RP), prospecting licenses(PL) and mining leases (ML) in respect of all minerals other than atomic minerals and minor minerals.
- The Mineral Conservation and Development Rules, 1988 (MCDR) deals with conservation and systematic development of all minerals except coal, atomic minerals and minor minerals.
- The Draft Mines and Minerals (Development and Regulation) Bill, 2011 has been approved by Cabinet on 30th September 2011.
- FDI up to 100 per cent is permitted under the automatic route to explore and exploit all non-

fuel and non-atomic minerals in India.

- FDI up to 100 per cent is permitted under the automatic route to process all metals as well as for metallurgy.
- Optimization of state's geological potential by scientific and detailed prospecting.
- Providing transparency in granting mining concessions.
- Notification of mineral based area to avoid clash of interest between mineral exploitation and other development activities.
- Promote indigenous utilization of minerals.
- Evaluate the mineral resources including the coastal and sea belt.
- Review mining areas granted to public/private companies to adhere to mining plan discourage unproductive holding.

(ii) Novel Projects / Programmes

A. Comprehensive Computerization of Mineral Administration

The Department has adopted a new system called Comprehensive Computerization of mineral Administration (CCOMA), which provides real time services to leaseholders and other stakeholders in the mining industry in Karnataka. The system consists of a centralized database containing information related to leaseholders, end users, payment transactions,

Table 9.33- Summary of Royalty Collections (Rs. in crore)

Year	Target	Achievement	Major Mineral (Ore and other industrial)	Minor Mineral (Building +Ornamental + Sand)
2011-12	1250	1326.59	867.45	459.14
2012-13	1500	1485.48	794.16	691.32 (as per MPR)
2013-14	1911	658.84	309.71	349.13 (upto Oct /2013) (as per MPR)

Source: Mining and Geology Department

updated mineral rates, issuance of e-permits, demand register information, weigh bridges etc. The system is designed keeping in view the framework of the mining industry and to widen the ambit of e-Governance. The project which has tremendous potential has extensively and effectively applied information and communication technologies for mineral administration.

The new system provides seamless service capturing data related to production at individual mines, e-auction transactions and payments from buyers who participate in e-auction and also dispatch and monitoring of mineral transport up to the destination. In other words, the system enables the tracking of mine wise and end user-wise sale/purchase and actual transport. The portal has also started e-services for lease owner registration, permit system (major/minor minerals), monthly /annual returns, rake permit system for rail transportation, online lease application and demand & collection system. The system has reduced the scope of using fake permits, and as made monitoring and tracking royalty convenient and accountable.

A major achievement through the application of this system relates to Sale of iron ore through e-auction. As per the orders of the Hon'ble Supreme Court dated 5/9/2011, about 58.85 million MT (inclusive of 411.11 LMT from NMDC mines) of iron ore has already been sold through e-auction till date for about Rs.13296 crore, FDT of Rs.1225.53 crore and

VAT/CST of Rs.632.32 crore for the State. It may be noted that e-auction has created a platform to realize the actual prices and also eliminated the chances of transaction in modes other than invoice value. This has automatically increased the revenue from royalty to the government from about Rs. 155 per ton in the year 2010-2011 to Rs.214 per ton during the e-auction period 2011-13. Details are provided in the Table 9.34 given below.

B. Curbing of illegal mining and transportation

The Government has notified the amended rules under Section 23-C of Mines and Minerals (Development and Regulation) Act, 1957, called The Karnataka (Prevention of illegal mining, transportation and storage of minerals) Rules, 2010 to curb illegal mining and transportation. End user registrations, proportionate validity of the tripsheets, establishment of checkpoints are some of the salient features.

C. Salient features

The government has adopted a new system of e-permitting online through Integrated Lease Management System (ILMS), in which (n) Code has offered integrated software development and portal application modules such as, e-Permit, e-return, Demand Collection & Assessment, M Pass through SMS for Non specified Minor Minerals, Weigh Bridge Integration and other related modules covered in a single portal for stakeholders of Geology &

Table 9.34 - Revenue from royalty to the Government

Sl. No	PARTICULARS	2011-12	2012-13	2013-14
1	Quantity e-auctioned	16.14 MMT	23.68 MMT	19.02 MMT
2	Material value of e-auctioned iron ore	4390 crore	5331 crore	3975 crore
3	Royalty @ 10% paid to DMG till date (in Rs.)	3638429486	5649754425	2940896086
4	FDT @ 12% paid to Forest department till date (in Rs.)	3600284974	5662337460	2992703538
5	Total Commercial Tax recovered & paid to Dept. till date (in Rs.)	1756786766	2973485005	1592939100
6	PWD Toll fee (in crore)	8.24 crore	81.51 crore	43.17 crore

Table 9.35- Stakeholders Coverage

Stake Holder	As on (Oct, 2013)
Lease Holders (Major Minerals)	572
Lease Holders (Minor Minerals)	10322 (including expired & surrendered blocks)
Weigh Bridge Owners/ Checkpost	542
Mineral Stockist/ Buyer	5382
Indian Bureau of Mines	1- Controlling Agency
District Deputy Director/ Senior Geologists	34- (Implementing Authority)
	250- Personal belong to Dy. Director/ Senior Geologist Office
Directorate of Mines & Geology	1- Overall Planning and Governing Body

Mining in Karnataka. The overall intention is to introduce a controllable mechanism and framework for transportation of minerals such as Iron Ore, Manganese Ore, and Granite etc.

9.6.4. Status of mining in the state

As on October, 2013 the State's mining sector included 3761 Quarry Leaseholders, 469 Mining Leaseholders using E-Permit, 5382 Mineral Stocklists, 542 Notified Weighbridge Owners (Registration only) and, 210 Weighbridges that are Integrated with Online E-Permit System for Iron Ore. Approximately, 26904 Bulk Permits, 50,76,681 Trip sheets, 7072 Rake Permits have been generated and about 6440 E>Returns submitted. A special paper has been developed to make the system foolproof against misuse. M-permits have been issued for leaseholders of non specified minor minerals who have inadequate IT infrastructure at their disposal, thereby promoting transparency.

A. Implementation of R&R Plan for mining-affected districts

As per the Hon'ble Supreme Court orders dated 5.8.2011 and 26.08.2011 in S.L.P (civil) No. 7366-67/2010, the State is committed to develop and implement suitable Reclamation and Rehabilitation (R&R) plans for mining affected districts of Bellary, Chitradurga and Tumkur. The State Government has assigned this task to the Indian Council of Forestry Research and Education (ICFRE). The main

objective of the project is to prepare R&R plan and to implement the plan after the clearance of mining leases by the Central Empowered Committee (CEC). Based on ICFRE's R&R plans, the Central Empowered Committee (CEC) has approved R&R plans for 70 mining leases. The Hon'ble Supreme Court in its order dated 20.4.2012, has directed the Ministry of Environment and Forests to re-visit the statutory clearances earlier granted by it in the light of R & R Plan and the Hon'ble Supreme Court in its order dated 03/09/2012 has allowed mining operations in category 'A' mines to resume after the clearance of the R&R plan by CEC and, after obtaining other statutory clearances from various organizations.

B. The broad objectives/parameters of R&R plan are as under.

- ▲ To carry out time bound R & R plan the area under illegal mining by way of mining pits, over burden/waste dumps etc. outside the sanctioned lease area.
- ▲ To ensure scientific and sustainable mining after taking into consideration the mining resources assessed to be available within the lease area.
- ▲ To ensure environment friendly mining and related activities and complying with the various standards stipulated under the various environmental /mining statues e.g. air quality, noise / vibration level, water quality, scientific

over burden/waste dumping, stabilization of slopes etc.

- ▲ For achieving 2 and 3 above, fixation of permissible annual production, and
- ▲ Regular and effective monitoring and evaluation.

It was planned, in the first phase, R&R plans for mining leases falling in Category A' and having lease area of 50 ha and above (about 20 leases) will be prepared. In the second phase, R&R plans for the leases falling in Category B and having lease area of more than 50 ha (about 29 leases) will be prepared. In the third phase, R&R plans for the balance leases (about 68 leases) falling under 'Category A' land 'B' will be prepared. The R&R Plan for 'Category-C' mining leases will be prepared in Phase IV, subject to clearance by CEC.

ICFRE has submitted 75 "R & R" reports on 75 mining leases till date. The permissible production for all 75 mining leases is 17.02MMTS per annum for iron and 0.3388 MMTS per annum for manganese. The production limit is going to be changed or enhanced as and when ICFRE submits its R & R for all the A,B,C categories of mines after due approval of CEC.

The Department has taken up a project to build a geo database on GIS application system on mapping mineralized zones, developing mineral atlas, data on existing leases which will be helpful to process the mining applications online. Under this project upto the end of October 2013 digitization of 6200 leases has been completed. The main objective of the project is to delineate the mineral belts on various potential zones in the State by adopting remote sensing techniques marking the free hold areas for the benefit of the entrepreneurs. The data will be fetches to the department website. The existing data displayed on the website will be utilized by industries for filing of online application for mining/ quarry lease from elsewhere.

C. Computerization of Mineral Administration

i. Check posts

Thirteen Integrated composite check posts have been established involving Forest, Police, Transport,

Commercial Tax, PWD and Department of Mines and Geology. It has been intended to computerize these composite check posts including already working 15 important check posts of the Department. Presently constructions of 5 modern checkposts have been completed at Malappanahatti & D.B.Kere Cross (Chitradurga district), Chowdlapura (Tumkur district), Bannihatti & Kallahally (Bellary district) and further construction work at Somanahalli (Tumkur district) is under progress. New proposal for construction work at 6 checkposts viz. Lakkihalli, 'D' Madakeripura (Chitradurga district), Ubbalagundi, Bandri & B.Gonal (Bellary district), Majali (Karwar district) are under progress.

ii. Procurement of advanced instruments

Advanced mineral exploration technology, is more beneficial in targeting the mineral deposits. In this connection, the department intends to use advanced equipments such as GPS mounted magnetometer and high-end computers with software for proving the exploration data. It is also proposed to establish mobile squads and to procure RFID & GPS instruments to curb illegal transportation of minerals.

9.6.5 Annual Plan - 2013-2014

The Department of Mines & Geology, being an important scientific and technical organization, has several prime functions in the field of mineral administration and mineral investigations. The objective of the Department, in the field of mineral administration is to regulate and control the mining and quarrying activities, keeping in view the need for mineral conservation and scientific mining/quarrying. The Departmental officers are engaged in periodical inspection of the leased areas to control the movement of minerals, regulating the areas by granting mining/quarrying leases as per rules and checking of unauthorized transportation of minerals. Royalty for the minerals is collected based on the amount of minerals utilized/transported. RPs/PLs/MLs & QLs are granted for extraction of major and minor minerals.

The Department supports mineral exploration and development by employing modern techniques and concepts for categorizing the resources in terms of grade and industrial utility. The department

implements policies for identification of mineral resources by surface geological mapping and drilling. Apart from this, the Department undertakes Mineral beneficiation studies to build up potential. Further, in co-ordination with other National Research Institutes and Universities, special geological studies have been undertaken to assess the impact of mining / quarrying activities on the environment so as to achieve the zero waste mining and achieve the optimum utilization of natural resources. The Plan Monitoring wing of the Department has 6 ongoing schemes and the details of these schemes are given in Table 9.36

9.7 CLIMATE CHANGE

9.7.1 Background

Climate change is considered the most serious global challenge of date. Changes in the atmosphere have been detected that could drastically alter the climate system and the balance of ecosystems. Atmospheric changes are linked to an increase in greenhouse gases (GHGs), chiefly on account of anthropogenic releases attributed to fossil fuel consumption, land use changes and deforestation, agriculture and animal husbandry. Research has established that carbon dioxide (CO₂) levels in the atmosphere have risen by 35% since the pre-industrial era. For South Asia, a decrease in the fresh-water availability in river basins is projected for the 2050s while flooding risks and diarrhoeal diseases are expected to rise.

India responded to the challenge of climate change in 2008 with the National Action Plan on Climate Change (NAPCC). It sets out the pursuit of development goals that offer growth with long-term “climate change co-benefits”. Through eight sectoral missions, the NAPCC focuses on key sectors impacted by or impacting climate change, including agriculture, water, forestry, energy and urban planning. In furthering its objectives, the states were asked to prepare State Action Plans on Climate Change (SAPCCs). These should keep in view the creation of an implementation framework for the

NAPCC and its alignment with specific development priorities by duly considering impacts, vulnerabilities and adaptation needs. In view of this, Government of Karnataka (GoK) formed a Coordination Committee as interdepartmental facilitator. The preparation of the Karnataka SAPCC was assigned to Environmental Management & Policy Research Institute (EMPRI), an autonomous body of Department of Forest, Ecology and Environment.

9.7.2 Climate trends

Karnataka's annual rainfall is 1,151 mm on an average. Around 80% of it is received during the southwest monsoon, 12% in the post monsoon period, 7% during summer and 1% in winter¹. As per the Final Report of the Karnataka Climate Change Action Plan there is a declining trend in rainfall during the southwest monsoon: -1 mm per day per 100 years or 6% in 50 years. India Meteorological Department (IMD) by contrast holds that its own data is indicative of a slight rise in annual precipitation.² Projections made for the period 2021 to 2050 under a SRES A1B scenario predict a decline in annual rainfall for the south-western and north-eastern regions of the state. A wide region from the north-western part of the state including the coastal districts to the south-east is projected to see significant increases.

A warming trend in Karnataka has been observed³ for the period June to September in northern interior Karnataka. Both minimum and maximum temperature was found to have risen by up to 0.6°C over the last 100 years. According to projections made⁴ (SRES A1B scenario), average temperatures may rise further by 1.7°C to 2.2°C by the 2030s. Projected increases are more pronounced in the northern districts.

As per the Final Report of the Karnataka Climate Change Action Plan, overall reduced precipitation and continuous warming is a possible, perhaps most probable, scenario for Karnataka. It is predicted that regions that already witness less rainfall and higher

1. http://wgbis.ces.iisc.ernet.in/energy/paper/TR109/tr109_std2.htm dated 19-12-2012

2. BCCI-K (2011). Karnataka Climate Change Action Plan; Final Report. BCCI-K (2011). Karnataka Climate Change Action Plan; Final Report

4. BCCI-K (2011). Karnataka Climate Change Action Plan; Final Report

Table 9.36 - On-going Schemes of the Plan Monitoring Wing of the Department of Mines & Geology
(Rs. lakhs)

Sl. No	Name of the Scheme & Sub scheme Head of Account	Budget outlay for 2011-12	Expenditure upto Mar, 2012	Budget outlay for 2012-13	Expenditure upto Mar, 2013	Budget outlay for 2013-14	Revised outlay for 2013-14	Expenditure upto Oct, 2013
1.	Composite Scheme	250.00	233.87	250.00	186.98	250.00	272.00	124.10
2.	Training of officers and staff of the Department	5.00	0.91	5.00	3.27	5.00	5.00	0.13
3.	Publication Wing in the Department	5.00	3.72	5.00	1.95	5.00	5.00	1.21
4.	Mineral Conservation cell in the Department	5.00	0.25	5.00	2.00	5.00	5.00	3.50
5.	Environmental Geological Wing of the Department	15.00	-	5.00	0	5.00	5.00	0
6.	Modernization	1600.00	1455.95	1500.00	889.26	1500.00	1395.56	130.85
	Total	1880.00	1694.70	1770.00	1083.46	1770.00	1687.56	259.79

temperatures, such as northern Karnataka, will further experience lesser rainfall and increases in average⁵ temperatures.

9.7.3 GHG emissions

Carbon dioxide (CO₂) is the major greenhouse gas (GHG). Other GHGs include methane (CH₄) and nitrous oxide (N₂O). The major sources of Carbon dioxide emissions are combustion of fossil fuels (coal, oil, gas) and, deforestation and forest degradation. Methane is emitted from ruminants (livestock) and paddy cultivation while nitrous oxide is emitted from soils having chemical fertilisers and agricultural soils.

For Karnataka, annual emissions of the major three greenhouse gases are estimated at 80 million tons of CO₂-equivalent (or 4.6% of India's emissions). In this, CO₂ accounts for 73% of GHG emissions,

methane for 23% and N₂O for 3.3%. In terms of sectoral distribution, electricity generation accounts for 35.9% of annual GHG emissions, industry for 22.6%, agriculture and allied sectors for 20.2%, transport for 10.4%, households (excluding electricity) for 7.3% and waste for 3.6%.

9.7.4 Agriculture and allied sectors

Agriculture in Karnataka is highly vulnerable to climate change because of its sensitivity to temperature, precipitation, pests and diseases. Though an overall increase in production and yield of major crops has been observed⁶ in 2010-11, unutilised portions of degraded land/arid land, introduction of high yield varieties, lack of mechanisms for shifting cropping patterns, loss of biological diversity, untapped minimisation potential in agro-chemicals, insecurity over theft of distribution pipes for sprinkler irrigation, vector

5. BCCI-K (2011). Karnataka Climate Change Action Plan; Final Report

6. Department of Planning, Programme Monitoring and Statistics (2010, 2011). Economic Survey 2009-10; 2010-11

borne diseases and heat stresses, insufficient promotion of indigenous climate tolerant cattle, erratic drought and floods have raised serious concern on sustainable agriculture development. Bangalore Climate Change Initiative-Karnataka (BCCI-K) has projected a net decline of 2.5% in agricultural production in Karnataka by 2035.

The National Mission on Sustainable Agriculture identifies agriculture as a major sector affected by climate change. To address the threats posed by climate change, a number of initiatives are already underway namely, National Agriculture Insurance Scheme (NAIS), Weather Based Crop Insurance Scheme (WBCIS), Bhoo Chetana, Sookshma Neeravari, Rashtriya Krishi Vikas Yojana, Rashtriya Krishi Bima Yojana, Mathsy Mahila Swavalambana Yojane, Mathsyashraya, Suvarna Gramodhya, Suvarna Bhoomi and Shramashakti. An allocation of Rs. 17,000 crore was made in 2011-12 and for implementation of the National Horticulture Mission.

9.7.5 Water resources

Karnataka has seven river basins and receives a total of 236 billion m³ of water every year, 92% of it through rainfall. Around 47% is 'lost' through evapotranspiration and another 46% flows into the Arabian Sea and neighboring states, and the remainder of about 7% combined with groundwater meets the state requirement. The major demand on water resources emerges from agriculture (irrigation) – 84% of utilizable water, industries (mainly chemical industries) – 3.6% of state water and the domestic sector (municipal water supply) – 4.4%. Increase in groundwater dependence, over-extraction of groundwater, unutilised potential for collection of rainwater use and groundwater recharge, scarce use of treated water, low priced irrigation water has caused a considerable scarcity of water resources.

The National Water Mission aims for conservation of water, minimizing wastage and ensuring equitable distribution across and within states through integrated water resources development and management. Mandatory use of rainwater harvesting

in residential and commercial buildings, enactment of the Karnataka Groundwater (Regulation and Control of Development and Management) Bill, 2011, Watershed development and construction of groundwater recharge structures, Jalasri, permanent water storage scheme, mandatory dual piping in new layouts for use of treated water, Bharat Nirman Policy, State Water Policy 2002 and National lake and river conservation are some of the undertakings that are in progress in Karnataka to protect against climate change threats.

9.7.6 Forestry, biodiversity and wildlife

About 20% of Karnataka's geographical area is under forest cover including biodiversity hotspots – Western Ghat. Forests declined by about 2.2% between 2001 and 2007⁷, especially dense forests were affected (-16%). A large number of species of fauna and flora in Karnataka are identified as rare, endemic or threatened. The factors which are posing serious threat to forest conservation and development and in-turn impacting carbon capture capacity are loss of capture source, insufficient protection of Western Ghats, unplanned extraction of firewood, fodder, non-timber forest produce, green manure, encroachments and forest fires.

The National Mission for a Green India (GIM) acknowledges that climate change will affect and alter the distribution, type and quality of natural resources and livelihoods of people. The Mission also acknowledges the impact that the forestry sector has on environmental amelioration through climate mitigation, food and water security, biodiversity conservation and livelihood security of communities dependent on forest. Approximately 80,000 ha of plantation were carried out by Karnataka Forest Department during 2010-11. Development of carbon sinks and potential, protection of forests, enhancement of resources productivity and growing of medicinal plants, establishment of Western Ghats Task Force are in the process by Govt. of Karnataka.

9.7.7 Coastal Zone

Karnataka has 320 kilometres of coastline. Within the agriculture sector, the share of fisheries is increasing

albeit marine fish production has witnessed considerable variation. The per-unit effort and return on investment in marine fishery is declining. Though the coastal hinterland has an average height of 70 to 75 meters, studies have estimated that, if the present trend continues sea levels could rise by 25 cm in 100 years, inundating around 461 km² of coastal wetlands which can be exacerbated by sand mining, erosion, encroachments and coastal pollution.

With limited knowledge about the link between climate change and its impact on fisheries, coastal pollution, unsustainable marine fishing and threat to mangrove ecosystem and coral reefs are hampering coastal sustainability.

9.7.8 Energy

Karnataka has an installed power generation capacity of 12217 MW as on September 2013, including public sector and private sector electricity generating stations. In that hydropower accounts for 36%, thermal power for 35% and wind power for 18%, solar power for 0.20%, diesel plants for 0.80% and co-generation and biomass for 10%. Karnataka Power Corporation Limited has 7,814 MW of generation capacity additions on the anvil, 45% of which is gas-based. This is commendable since gas power is less CO₂ intensive than coal or oil-based power and therefore considered an appropriate mid-term option while renewables are scaled up.

High transmission and distribution loss (22%), untapped renewables resources (90%), minimum use of bio-fuels, free electricity to farmers cause energy stress leading to inefficient utilization of energy resources.

The National Mission for Solar Energy is a major initiative promoted to harness vast potential of solar energy through solar thermal and solar photovoltaic projects. The National Mission for Enhanced Energy Efficiency seeks to address the challenge of sustaining rapid economic growth while at the same time coping with an energy deficit. Following are some of measures adopted by Government of Karnataka towards efficient energy management in Karnataka.

- Mandatory use of solar water heaters, CFLs, ISI marked motor pump sets and integration of energy efficiency and renewable energy in new buildings;
- Initiatives such as Belaku (Light) scheme, Nirantara Jyothi Scheme, Karnataka Renewable Energy Policy 2009-14, Solar Karnataka Programme, Dhabol-Bangalore natural gas deployment in Karnataka, establishment of Karnataka State Bio-fuel Development Board (KSBDA), inauguration of photovoltaic power plants;
- Decision to create a Green Energy Fund (Akshaya Shakti Nidhi),
- Decision to reserve 10 % of land in SEZ's for development of renewable energy.

9.7.9 Urbanization

37% of Karnataka's 61.1 million population lives in urban areas. The vehicular population rose by an alarming 70% in merely six years (2003-2009). Karnataka generates 9,000 tons solid waste per day across 218 urban local bodies (ULBs). Inadequacies in health, education, housing and employment, incompatible storm drains, solid waste management, sewage management, rail-bound public transport and water, sanitation and electricity unmet for urban poor are the challenges to be addressed to achieve urban sustainability and climate change preparedness.

The National Mission on Sustainable Habitat under the NAPCC states that in order to reduce risks of climate change, urban development in the country should target the promotion of energy efficiency, management of municipal solid waste and promotion of urban public transport. Some of the actions already underway pertaining to climate change are development of lung spaces, waste management, solar streetlights, Rajiv Awas Yojana, formation of 'green police', promotion of replacement of 2-stroke engine auto rickshaws with a 4-stroke ones, dedicated cycle lanes and traffic-free pedestrian-only zones in Bangalore, traffic and transit management centre at Yeshwanthpur and high speed rail connecting Bangalore International Airport.

9.7.10 Health

Though NAPCC does not provide a specific mission on health, it anticipates the threat to human health which climate change poses. Karnataka is ahead of India-average in respect of health indicators such as mortality, birth and death rates. Due to absence of a health status inventory, the link between human health and climate change is not well understood, regions most vulnerable to health risks remain to be identified and drinking water quality is often compromised.

9.7.11 Other vital areas

- The current level of knowledge on the spatial dimension, time scale and magnitude of climatic changes is extremely limited;
- There is no mechanism for sharing information on adaptation pilots, practices and experiences made across India. In absence of systematic communication, opportunities are lost for building on each other's experience;
- The climate change Action Plan should be regularly reviewed and updated.

The Expert Committee of Climate Change, Ministry of Environment and Forests (MoEF), GoI reviewed the action plan on September 18, 2012 and suggested

to the state Government to furnish an estimate of the incremental budget requirement for implementation of the KSAPCC. In pursuance of this, the Coordination Committee for Climate Change under the chairmanship of the Development Commissioner, GoK in its meeting held on October 9, 2012 resolved that the line departments concerned should prepare and furnish the necessary budget estimates pertaining to their departments against each actionable point in the format designed by the EMPRI. The budget estimates received from the line departments have been compiled against actionable points for a period of 5 years. The abstract of the budget requirement for a period of 5 years against each sector are given below -

9.8 Challenges and Problems faced by the Forest Department to protect conserve and develop forest wealth.

1. Filling the post of frontline staff

In order to protect conserve and develop the forest wealth it is quite essential to fill up the frontline staff. In recent years due to retirement/ death of protective staff majority of the posts are found vacant hence it is quite essential to fill up these vacant posts. The details of front line staff are as under. It may be seen that around 33.4% of sanctioned posts are vacant.

Sl. no	Sectors	Budget (in Rs. lakh)
1.	Agriculture and allied sector	295733
2.	Water resources	8325
3.	Forestry, biodiversity and wildlife	117224
4.	Coastal zone	5516
5.	Energy	203032
6.	Urbanization	62610
7.	Health	4450
8.	Other intervention area	300
	Total	697190

Action is being taken by the Department in phased manner. However in order to fill these posts in bulk the permission of the government is to be obtained.

2. Providing special allowance and amenities to the staff working in sensitive, border and naxal areas.

The front line staff of the department plays main role in protecting the forest wealth. These staff will work round the clock in sensitive, border and naxal affected areas to prevent forest wealth from smuggling, encroachments etc. Since the work of these staff is challenging, they are to be encouraged by providing incentive namely special allowance, quarters, vehicles, sophisticated weapons for security and safety.

3. Observing uniform method for selling of seedlings to Farmers/Public/Organizations raised under different schemes.

In order to increase the forest and tree cover to 33% of the geographical area as per national forest policy, all efforts are being made by the Department to take up afforestation in forest, government waste lands etc. in addition to this seedlings are also being distributed to the farmers/public/organizations to increase the tree cover to reach the target. But the seedlings raised under various schemes are being sold to them at different price. Hence in order to sell the seedlings at uniform rate to them it is essential to fix a standard price irrespective of the seedlings raised in different schemes. In this connection a uniform price policy is to be fixed by the government.

4. Prevention of encroachment, consolidation of forest lands by demarcating the forest, revenue lands by joint survey.

All efforts are being taken by the Department to raise

plantations in forest, Government, waste lands. It has come to the notice of the department that due to various reasons, the Forest lands are encroached. Hence it is felt necessary to get these lands surveyed jointly by forest–revenue surveyors to demarcate, fix boundary stones to distinguish between forests–revenue lands. After eviction the evicted areas are to be fenced, plantations are to be raised to avoid encroachment. Action is being taken by the department on the issue.

9.5.14. Challenges

I. KBJNL

- The height of Almatti Dam has to be raised from FRL 519.60 mtr to FRL 524.256 mtr.
- During the implementation of Upper Krishna Project Stage – III it is estimated that 20 villages and part of Bagalkot town will be getting submerged. Accordingly, 90,640 acres of land will be submerged in the back waters and about 37,000 acres of land is required for providing Rehabilitation and Infrastructure. Around 86,538 project displaced families both in urban and rural areas are to be shifted and resettled.
- As per present Land acquisition and Rehabilitation and Resettlement Act it is estimated that Rs. 4389.92 Crores is required. As per the right to fair compensation and transparency in LAQ and R&R Act 2013 it is estimated that Rs.10,901.38 crores is required for Land acquisition and Rehabilitation and Resettlement.
- Mobilization of funds for completing all ongoing and fresh works within the time frame of five years will require huge funds. Mobilizing funds for the schemes is a challenge.

Sl. No.	Designation	Sanctioned posts	Filled	Vacant
1	DRFO	2295	1496	799
2	F-Guard	3994	2853	1141
3	F-Watcher	1141	599	542
Total		7430	4948	2482

9.8 Issues and Challenges

9.8.1 Issues and Challenges faced by the Forest Department to protect conserve and develop forest wealth.

➤ **Filling the post of frontline staff** - In order to protect conserve and develop the forest wealth it is quite essential to fill up the frontline staff. In recent years due to retirement/death of protective staff majority of the posts are found vacant hence it is quite essential to fill up these vacant posts. The details of front line staff are as under. It may be seen that around 33.4% of sanctioned posts are vacant.

SL No.	Designation	Sanctioned posts	Filled	Vacant
1	DRFO	2295	1496	799
2	F-Guard	3994	2853	1141
3	F-Watcher	1141	599	542
Total		7430	4948	2482

Action is being taken by the Department in phased manner. However in order to fill these posts in bulk the permission of the government is to be obtained.

➤ **Providing special allowance and amenities to the staff working in sensitive, border and naxal areas** -The front line staff of the department plays main role in protecting the forest wealth. These staff will work round the clock in sensitive, border and naxal affected areas to prevent forest wealth from smuggling, encroachments etc. Since the work of these staff is challenging, they are to be encouraged by providing incentive namely special allowance, quarters, vehicles, sophisticated weapons for security and safety.

➤ **Observing uniform method for selling of seedlings to Farmers/Public/Organizations raised under different schemes** - In order to increase the forest and tree cover to 33% of the geographical area as per national forest policy, all efforts are being made by the Department to take up afforestation in forest, government waste lands etc. in addition to this seedlings are also being distributed to the farmers/public/organizations to increase the tree cover to reach the target. But the seedlings raised under various schemes are being

sold to them at different price. Hence in order to sell the seedlings at uniform rate to them it is essential to fix a standard price irrespective of the seedlings raised in different schemes. In this connection a uniform price policy is to be fixed by the government.

➤ **Prevention of encroachment, consolidation of forest lands by demarcating the forest, revenue lands by joint survey** - All efforts are being taken by the Department to raise plantations in forest, Government, waste lands. It has come to the notice of the department that due to various reasons, the Forest lands are encroached. Hence it

is felt necessary to get these lands surveyed jointly by forest–revenue surveyors to demarcate, fix boundary stones to distinguish between forests–revenue lands. After eviction the evicted areas are to be fenced, plantations are to be raised to avoid encroachment. Action is being taken by the department on the issue.

➤ **Loss of forests and natural habitats for wildlife**

(a) Diversion of forest land for mining and other developmental purposes - As part of many developmental schemes, forest area is often made available, there is diversion of forest land for mining, irrigation, mining and quarrying, power plants etc. The impact of diversion of forest lands for mining is more devastating than other purposes, as unsustainable mining leads to severe environmental degradation.

(b) Loss of habitat for wildlife leading to man-animal conflict - Conflict between wild animals and humans are becoming increasingly common due to the destruction of habitats. In Karnataka, there has been significant loss of lives, both for

animals (mainly elephants and tigers) and for humans. The degradation and destruction of natural habitats of these animals have led them to enter into the neighbouring villages and cause loss to lives and property. Other major reasons for the movement of animals to human settlements is the drying up of the water sources, forest fires and grazing by live stock in the natural habitats.

- **Environmental Challenges** – (i) Prevention and control of environment pollution, (ii) Conservation and judicious use of natural resources, (iii) Conservation of biodiversity and ensuring fair and equitable sharing of benefits arising out of the utilization of genetic resources in the State, (iv) Ensuring compliance to environmental legislations, (v) Tackling climate change and global warming issues, (vi) Prevention of ground water pollution and depletion, (vii) Promoting cleaner production mechanism, (viii) Promoting environment friendly way of life, (ix) Conservation of energy and reduction in burning of fossil fuel, (x) Reduction in the use of Ozone Depleting Substances, (xi) Promoting 4R formula (Reduce, Reuse, Recycle, Recover) in waste management and ensuring scientific disposal of wastes, (xii) Environmental capacity building amongst various stakeholders, (xiii) Ensuring adoption of environmentally sustainable developmental policies in various departments dealing with the subjects having bearing on environment, (xiv) Promoting research and development (R&D) with special emphasis to develop indigenous technology that can be adopted with the locally available resources.

9.8.2 Issues and Challenges in the Water Resources Sector

- **Decline of groundwater resources** - There is significant decline of groundwater resources in the State, due to the high dependence on groundwater for irrigation, lack of groundwater recharge structure and for the water requirements of urban centres. There was earlier lack of regulations governing groundwater extraction, a gap which is now being addressed by the Karnataka Groundwater Act, 2011.

- **Presence of impurities in groundwater beyond permissible levels** - In many parts of the State, there is presence of impurities higher than the permissible levels. While most of the impurities are of geo-genic origin, certain impurities like nitrates are introduced due to anthropogenic causes and owes its origin to fertiliser usage, open drainage and septic systems and livestock wastes. Presence of these impurities has rendered groundwater unfit for drinking purposes in many parts of the State. In some districts presence of arsenic has been found in groundwater, which can be attributed to sulphide mineralisation and the mining activity in the nearby areas.
- **Inability to optimally harvest rainwater** - The number of rainy days in the Northern and Southern plateaus are in the range of 46-48 days, while in the Coastal region and Western Ghats it is around 87-90 days. However, more than 50% of the rainfall is received in around 10-20 days, which results in intense rains spread over very few days. The current landscape in the State is not geared up to absorb such incessant rains, resulting in flash floods and significant degradation of the land through soil erosion and loss of vegetation. Since the rain water is not harvested in an optimal manner it results in droughts during the summer months.
- **Issues in major and medium irrigation** – Gap between irrigation potential created and potential utilised - Though considerable irrigation potential has been created under major & medium irrigation projects, there exists a gap between irrigation potential created to irrigation potential utilised. Many of the initiatives taken by the government to increase the area under irrigation through programmes (e.g. Command Area Development) and institutional changes (such as involvement of users association in operations & maintenance and participatory irrigation management), have brought down the gap in the recent years. However, a gap of 3.2 lakh ha corresponding to 12.8% of the irrigation potential created exists.
- **Command Area Development** – There is lack of commensurate investments in Command Area Development. The gap in utilisation can be attributed largely to farm factors such as to the

absence of field/distribution channels, levelling of land, poor maintenance of minor canals and channels, lack of farmer participation and poor management of the resource. Since the commencement of planning, the State's emphasis has been on the construction for both old and new projects, and not on increasing the utilisation of already commissioned projects. Action is to be taken for equitable distribution of water for every atchkatdars as a right and to use this scarce natural resource for optimum utilization to overcome food scarcity. Certain portion of the command area which is affected due to water-logging thus leading to alkalinity and salinity. Though there is no budgetary provision for the new projects, on pilot basis application of water through modern methods viz., drip & sprinkler, initiation of creating a digital data base for at least one project (kabini) is under consideration and it is aimed to identify the ayacut roads and mark on GIS platform which is a major challenge, as it is being implemented by several agencies i.e., Gram Panchyat, Taluk Panchyat, Irrigation Department and CADA. Such a pilot work is taken under Tungabhadra.

- **Degradation of traditional tanks** - The area under tank irrigation in the State has reduced significantly over the years. The reasons for the drastic reduction in the Net Irrigated Area under tanks include poor maintenance of traditional tanks, and drastic decline in the average command area under tank irrigation mainly due to siltation and inadequate maintenance of catchments and command areas. To address this, during the last two Plan periods, concerted efforts are underway for rejuvenation of tanks through community participation. The World Bank funded Community Based Tank Management project implemented through the Jala Samvardhane Yojane Sangha is a case in point.
- **Issues in water charges and water charge recovery** - Pricing of water is an important tool in ensuring economic and efficient use of water resources. This is true for all types of end use: irrigation, domestic and industrial water requirements. However, the existing water charges in the State are low and fails to reflect the true cost of water supply, which has led to two

related problems, one being poor financial recoveries and the other being the inefficiency in usage.

- **Common lands not put to productive use** - A significant percentage of land area in the State is not under cultivation, these lands can be put to productive use - especially the common lands, which include lands which are permanent pastures and grazing lands, revenue wastelands, canal banks, quarry sites of dams etc. Common lands act as a critical livelihood source for the rural poor. Apart from acting as grazing land for the livestock, it also contributes by way of fodder, timber, resource conservation and recharge of groundwater. Lack of empowerment of the Panchayati Raj institutions in managing the common lands has led to degradation of the common land and encroachments. A policy similar to the Joint Forest Management concept for forest lands could be developed in order to leverage the common lands to generate rural livelihoods and promote the rural economy. Canal banks and quarry sites of dams are also areas which need interventions. The lack of vegetation in the canal banks has led to erosion and siltation in the canals, reducing the capacity of canals significantly.
- **Krishna Bhagya Jala Nigam Ltd.** - The height of Almatti Dam has to be raised from FRL 519.60 mtr to FRL 524.256 mtr. During the implementation of Upper Krishna Project Stage – III it is estimated that 20 villages and part of Bagalkot town will be getting submerged. Accordingly, 90,640 acres of land will be submerged in the back waters and about 37,000 acres of land is required for providing Rehabilitation and Infrastructure. Around 86,538 project displaced families both in urban and rural areas are to be shifted and resettled. As per present Land acquisition and Rehabilitation and Resettlement Act it is estimated that Rs. 4389.92 Crores is required. As per the right to fair compensation and transparency in LAQ and R&R Act 2013 it is estimated that Rs.10,901.38 crores is required for Land acquisition and Rehabilitation and Resettlement. Mobilization of funds for completing all ongoing and fresh works within the time frame of five years will require huge funds. Mobilizing funds for the schemes is a challenge.

9.8.3 Issues and Challenges in Mining Sector

Environmental Impact of Mining activities - Unsustainable mining has significant effects on

environment. Some of the activities undertaken in mining areas and their environmental impact are summarised below.

Activities	Environmental Impacts
Mine water pumped out during drainage operations	Water Pollution
Spent water from handling plants, dust extraction and dust suppression systems	
Effluents from preparation and benefaction plants	
Wash-offs from waste/ tailing dumps	
Overburden and mine waste and tailing dump sites	Land degradation
High level of dust particulate matter due to mining and transport of ores	Air pollution
Mineral benefaction giving rise to emissions of flume gases	
Fragmentation of forest land	Loss of biodiversity
Diminished green cover	
Blasting, drilling, underground mine equipment, heavy earth moving machinery, drills, dumper s, crushing and cleaning equipment	Noise pollution

INDUSTRY



10.1 Introduction

Karnataka has been spearheading the growth of Indian industry, particularly in terms of high-technology industries in the areas of electrical and electronics, information & communication technology (ICT), biotechnology and, more recently, nanotechnology. The industrial structure of Karnataka presents a blend of modern high-tech capital goods and knowledge intensive industries on the one hand and traditional consumer goods industries on the other. Given this, this chapter throws light on the industrial growth of Karnataka in 2012-13 as well as the industrial policy initiatives taken by the Government, among others.

10.2 Trends in Industrial Production

Trends in industrial production can be analyzed by considering the changes in the index of industrial production (IIP). Towards calculating the index, the weights

of different sectors and sub-sectors are assigned based on their contribution to Gross Value Added (GVA) of industry in the base year. The manufacturing sector has the highest weight of about 81.1% followed by electricity sector (11.8%) and the mining sector (6.9%).

The general index of industrial production (IIP) of Karnataka covering mining, manufacturing and electricity sectors for 2012-13 stood at 171.93. The sector wise indices for the period from 2010-11 to 2012-13 with base year as 2004-05 are presented in Table 10.1. The overall organized industrial sector of Karnataka has registered 9.03% growth in 2012-13 as compared to 2011-12. Within the organized industry, Mining sector has boost up with highest growth of 46.30% followed by the manufacturing sector (8.56%) and electricity sectors (5.70%). When compared to 2011-12 the overall growth of General Index has substantially increased in 2012-13.

Table 10.1- Index of Industrial Production of Karnataka: 2010-11 to 2012-13 Base Year: 2004-05

Sector	Weight	2010-11	2011-12	2012-13
Mining	69.8321	118.29 (1.09)	49.79 (-57.90)	72.84 (46.30)
Manufacturing*	811.3591	161.18 (9.72)	165.05 (2.41)	179.19 (8.56)
Electricity	118.8089	147.96 (1.15)	170.85 (15.47)	180.59 (5.70)
General Index	1000.000	156.62 (7.96)	157.69 (0.69)	171.93 (9.03)

Note: 1) Figures in brackets indicate percentage changes over the previous year.

2) * Provisional figures. Source: Directorate of Economics & Statistics.

The average annual growth rates for the overall organized industry mainly for mining, manufacturing and electricity sectors for the period from 2005-06 to 2012-

13 with base year as 2004-05 are presented in Appendix 10.1. The compounded average growth rate (CAGR) for this period for the entire organized industry was about

7.0% whereas it was 7.6% for manufacturing and 7.7% for electricity. A decline of 3.9% was seen in the output of the State's mining sector.

The quarterly growth in IIP under major sectors for the first two quarters of 2011-12 to 2013-14 with base year 2004-05 is given in Table 10.2 along with the sector-wise weights. The State's industrial sector has experienced positive growth in the first two quarters of the current year. During first quarter of 2013-14, the mining sector has once again recorded negative growth rate of

68.29%. Where as in case of Manufacture (4.42%) and Electricity sector (5.91%) positive growth is observed due to which marginal positive growth of 3.56% is observed in the General Index. Similarly, in the second quarter the mining sector has once again observed negative growth of (57.97%) but there is double digit positive growth in electricity sector (15.83) and in manufacturing sector there is positive growth rate of 2.51%, due to which positive growth rate of 3.21% is observed in General Index .

Table 10.2 - Quarterly Growth in IIP: 2011-12 to 2013-14 (Quarters I and II) Base Year: 2004-05

Period/Sector	Mining	Manufacturing **	Electricity	General
Weight	69.83	811.36	118.81	1000.00
2011-12	75.30*	144.21	138.38	138.70
Q1 April 11- June 11	(-44.19)	(14.34)	(0.00)	(7.84)
Q2 July 11 – Sept. 11	43.11*	150.03	159.94	143.74
	(-55.84)	(16.81)	(30.70)	(14.35)
2012-13	32.64*	162.91	181.36	156.00
Q1 April 12- June 12	(-56.65)	(12.96)	(31.05)	(12.48)
Q2 July 12 – Sept. 12	31.79*	180.10	157.97	167.11
	(-26.26)	(20.04)	(-1.23)	(16.25)
2013-14	10.35**	170.11	192.07	161.57
Q1 April 13- June 13	(-68.29)	(4.42)	(5.91)	(3.56)
Q2 July 13 – Sept. 13	13.36**	184.63	182.98	172.47
	(-57.97)	(2.51)	(15.83)	(3.21)

1.* Revised as per IBM data. ** Provisional

2. Figures in the brackets indicate %age over the corresponding quarter during the previous year.

Source: Directorate of Economics & Statistics.

10.3 Industrial Growth by Use-Based Classification

Industrial growth in terms of use-based classification of industries is presented in Table 10.3 for four broad groups of organized manufacturing industries: (i) Basic goods, (ii) Capital goods, (iii) Intermediate goods, and (iv) Consumer goods consisting of durables and non-durables. Among the four broad groups, the consumer goods industry sector accounts for the highest weight followed by the basic

goods industry. Within the consumer goods industry sector, non-durables account for 24% and durables account for 3.7% of the total weight of 28.5%. These weights indicate relative importance of the different groups in the manufacturing industry of Karnataka.

Comparative growth rates of the four broad industrial groups and the two sub-groups of consumer goods from 2010-11 to 2012-13 with base 2004-05 are given in Table 10.3. For 2012-13, among the four broad groups,

Basic goods registered the highest growth of 15.86% followed by intermediate goods at 12.46% consumer goods at 4.05% & Capital goods 1.39%. Negative growth has been observed in case of consumer durable goods (36.63%). For the period 2005-06 to 2012-13, with the revised base year as 2004-05,

the CAGR for all the groups was 7.56% of which basic goods stood at 7.48%, Capital goods at 8.68%, intermediate goods at 9.79% and consumer goods at 5.49%. Details of the compounded growth rates are presented in Appendix 10.2.

Table 10.3 - Index of Industrial Production for Organized Manufacturing Industry in Karnataka – Use-based Classification: 2010-11 to 2012-13(Base Year: 2004-05)

Sl. No.	Industry Group	Weight	2010-11*	2011-12*	2012-13*
1.	Basic goods	219.8377	164.71	153.76	178.14
			(5.25)	(-6.64)	(15.86)
2.	Capital goods	132.8699	137.93	192.03	194.69
			(5.06)	(39.22)	(1.39)
3.	Intermediate goods	173.5747	146.16	187.68	211.07
			(9.48)	(28.40)	(12.46)
4.	Consumer goods	285.0769	165.59	147.40	153.37
			(10.31)	(-10.98)	(4.05)
	a) Consumer durables	37.4330	155.69	183.85	116.51
			(6.52)	(18.08)	(-36.63)
	b) Consumer non-durables	247.6439	163.62	141.89	156.70
			(8.43)	(-13.28)	(10.44)
Total (Manufacturing sector)		811.3591	161.18	165.05	179.19
			(9.72)	(2.40)	(8.57)

Note : 1. Figures in brackets indicate percentage change over the previous year.

2. * Provisional Figures.

Source: Directorate of Economics and Statistics.

10.4. Industrial Growth by Two Digit Industrial Classification

At the two digit NIC-04 level, manufacturing industry sector has been sub-divided into 22 major industry groups. The weights of each of these major industry groups in the IIP for manufacturing sector are given in Appendix 10.3. Among the major industry groups, Basic Metals have the highest weight of 119.93 followed by Chemical and chemical products (107.89) & Food products & beverages (71.90). These three groups contribute more than 1/3rd of total weight (811.36), under revised base year 2004-05.

In 2012-13, among the two digit level industries, highest index is observed for

group 22- Publishing & Printing Materials (307.06) followed by group 34- Motor vehicles, Trailers and semi – Trailers (232.42), group 20- Wood and Wood products (221.48), group 29- machinery equipment (213.73) and, group 31- Electrical Machinery & Apparatus (209.75). The indices for two-digit level industries from 2005-06 to 2012-13 with base year 2004-05 are given in Appendix 10.3.

10.5 Organised Manufacturing Sector

The Annual Survey of Industries (ASI) presents detailed statistics on the manufacturing sector of the organized industrial sector. Table 10.4 presents ASI statistics for registered factories in 2009-10 and 2010-11 for Karnataka and All-India.

Karnataka accounted for 5.07% of the total number of registered factories in 2010-11 in the country. The contribution of registered factories of Karnataka stood at 6.76% of total fixed capital, 6.10% of total output, and 5.86% of Gross Value Added (GVA) in the same year. The share of Karnataka in total registered factories has decreased whereas

total investment (fixed capital and working capital) has risen in 2010-11 as compared to 2009-10. However, the relative contribution of Karnataka's registered factories to the national industrial performance in terms of total output, gross and net value added and profits has declined marginally during the same period.

Table 10.4 - Selected Key indicators of Registered Factories: Karnataka & All-India (Rs. crore)

Particulars	2009-10			2010-11		
	Karnataka	India	% share	Karnataka	India	% share
Industries (No)	8,541	1,58,877	5.38	10,722	2,11,660	5.07
Fixed Capital	96,244	13,51,324	7.12	1,08,690	16,07,843	6.76
Working Capital	7,979	3,87,761	2.06	47,255	6,20,467	7.62
Total Output	2,34,127	37,22,777	6.29	2,85,959	46,85,212	6.10
Total Input	1,89,705	30,35,605	6.25	2,37,093	38,51,963	6.16
Gross value added	44,422	6,87,172	6.46	48,866	8,33,248	5.86
Net value added	37,586	5,82,024	6.46	40,793	7,12,640	5.72
Profit	20,693	3,22,834	6.41	19,310	3,98,002	4.85

Source: Central Statistical Organization (CSO), GOI

According to ASI-2010-11 with NIC-2008, the major industrial groups in the registered factory sector of Karnataka in terms of value of output are (i) Coke and Refined Petroleum products (14.49%), (ii) Food products (14.23%), (iii) Basic metals (12.65%), (iv) Other manufacturing materials (8.07%), (v) Motor vehicle, trailers and semi-trailers (6.53%), (vi) Machinery & equipment (5.83%) and (vii) Electrical equipment (5.60%). These seven industry groups together accounted for more than 67% of the total value of output of registered factories of Karnataka in 2010-11. The industry-wise composition of registered

factories in Karnataka 2010-11 (in terms of two-digit NIC-2008) for 2009-10 & 2010-11 are given in Appendix 10.4. The important indicators per registered factory based on ASI results for 2009-10 and 2010-11 are presented in Table 10.5. Karnataka compares favourably with all-India in terms of all the indicators – per factory investment, employment, output and gross value added. Though registered factories of Karnataka, on an average, are more capital intensive than that of all-India, they are also more employment-intensive and generated more value added as well as output.

Table 10.5 - Important Indicators per Factory

Indicator	Unit	2009-10		2010-11	
		Karnataka	India	Karnataka	India
Investment in fixed capital	Rs.Lakh	1126.8	850.5	1013.7	759.6
Employment	No.	104	74	73	60
Value of output	Rs. Lakh	2741.2	2343.2	2667.0	2213.5
Gross Value Added	Rs. Lakh	520.1	432.5	455.7	393.6

Source: Central Statistical Organization (CSO), GOI

The selected economic indicators per worker for Karnataka and All-India are given in Table 10.6. Net value added, total input per worker, total output per worker and annual

wages per worker reveal that Karnataka lagged behind the all-India average in terms of Labour productivity and total output per worker, while the State was at par with all

India for total input per worker but was better-off than all-India in terms of annual

wages per worker in 2010-11.

Table 10.6 - Selected Economic Indicators of Industries (2008-09 to 2010-11)

Year	Labour productivity (Net value added per rupee in wages)		Total input per worker (Rs.lakh)		Total output per worker (Rs. lakh)		Annual wages per worker (Rs.)	
	Karnataka	India	Karnataka	India	Karnataka	India	Karnataka	India
2008-09	9.9	8.8	29.6	30.3	37.8	37.3	71,120	68,103
2009-10	7.7	8.4	32.5	33.1	40.1	40.6	83,218	75,277
2010-11	6.8	8.3	38.9	38.8	46.9	47.2	97,406	86,449

Source: Central Statistical Organization (CSO), GoI

10.6 Unorganized Manufacturing Sector

The unregistered or unorganized manufacturing sector is an important component of Karnataka's manufacturing industry. The National Sample Survey Organization (NSSO), Ministry of Statistics & Programme Implementation, Government of India conducts periodic surveys covering unorganized sector at the national level and collect data. The previous survey (67th round) covering unorganized manufacturing

enterprise was conducted by NSSO in 2010-11. The highlights of the State wise results of 67th round of NSSO survey covering unorganized manufacturing enterprises are given in Table 9.7. Karnataka accounted for 4.37% of total number of unorganized manufacturing enterprises and 4.33% of the total unorganized manufacturing employment in the country in 2010-11. In terms of GVA per worker, at a value added of Rs.87299, Karnataka performed better than the all-India average.

Table 10.7- Unorganized Manufacturing Enterprises 2010-11

State	Number (lakh)		Annual Gross Value Added (Rs.)	
	Enterprises	Workers	Per Enterprise	Per worker
Andhra Pradesh	16.20	31.04	74012	38634
Bihar	4.48	7.51	68434	40816
Chhattisgarh	1.65	3.52	68379	32018
Gujarat	14.17	32.15	131406	57903
Karnataka	8.61	15.09	87299	49801
Madhya Pradesh	8.84	15.35	42714	24603
Maharashtra	13.85	32.19	146553	63069
Orissa	6.15	12.66	44786	21762
Rajasthan	6.27	12.20	110024	56590
Tamilnadu	16.52	35.14	117350	55178
Uttar Pradesh	23.41	52.26	64716	28992
All India	197.12	348.88	89900	44347

Source: National Sample Survey Organization, GOI.

In addition to the manufacturing sector, service sector enterprises play a crucial role in Karnataka's economy. The highlights of results of NSSO survey covering service sector enterprises (excluding trade) under the 63rd round in 2006-07 are presented in Table 10.8. The table gives figures for number of enterprises and number of workers as well as GVA per enterprise and

GVA per worker. Karnataka accounted for 4.9% of the total service sector enterprises and 4.8% of the total service sector enterprise workers in the Country. In terms of both GVA per enterprise and GVA per worker, Karnataka stood first in the country and accounted for more than twice as much as that of all-India average in terms of GVA per enterprise as well as GVA per worker.

Table 10.8- Service Sector Enterprises (excluding trade) 2006-07

State	Number (lakh)		Annual Gross value added (Rs.)	
	Enterprises	Workers	Per enterprise	Per worker
Andhra Pradesh	17.23	36.35	58,255	27,605
Bihar	8.72	13.09	33,079	22,031
Chhattisgarh	1.77	4.50	52,476	20,664
Gujarat	6.44	12.23	1,89,061	99,506
Karnataka	8.05	15.92	2,21,559	1,12,097
Madhya Pradesh	4.68	10.17	64,742	29,822
Maharashtra	14.89	31.60	1,89,679	89,400
Orissa	6.22	19.24	36,123	11,678
Rajasthan	6.00	11.88	93,738	47,350
Tamil Nadu	11.93	29.22	98,969	40,413
Uttar Pradesh	22.46	40.64	47,380	26,188
All India	165.12	328.80	92,633	46,519

Source: National Sample Survey Organization, GOI

10.7 Micro, Small & Medium Enterprises

Micro, Small & Medium Enterprises (MSMEs) form an important and growing segment of Karnataka's industrial sector. As

per the MSME Act 2006, MSME units have been categorized broadly into those engaged in manufacturing and those providing /rendering services. Under the Act, Micro, Small and Medium Enterprises (MSMEs) are classified as under-

Enterprises	Investment in Plant & Machinery (Manufacturing)	Investment in Equipment (Service)
Micro	Upto Rs. 25 lakh	Upto Rs. 10 lakh
Small	Above Rs.25 lakh upto Rs.5 crore	Above Rs.10 lakh upto Rs.2 crore
Medium	Above Rs.5 crore upto Rs.10 crore	Above Rs.2 crore upto Rs.5 crore

In 2012-13, 24206 MSME Units have been registered in the State with an investment of Rs.216851 lakh by providing employment to 1,55,551 persons. Details of year-wise

registration of MSMEs in the State, persons employed in the registered MSME enterprises and employment per unit during 2009-10 to 2013-14 are given in Table 10.9.

Table 10.9 - Micro, Small & Medium Enterprises: 2000-01 to 2013-14

Year	MSME units	Employment	Employment per unit
2009-10	17195	111164	6.46
2010-11	18434	111226	6.03
2011-12	21021	128387	6.10
2012-13	24206	155551	6.43
2013-14 (upto Oct 2013)	13051	88668	6.80

Source: Directorate of Industries and Commerce.

As compared to 2011-12, there is a 15.14% increase in the number of units registered, 35.84% increase in investment and 21.16% increase in number of persons employed during 2012-13. During the first seven months of the current year (April to Oct.2013), 13051 units have been registered with an investment of Rs.140796 lakh by providing employment to 88668 persons. When compared to previous year for the same period

(April to October 2012), there is an increase of 4.95% in the number of units register under MSME with 40.73% increase in investment and 18.50% increase in the employment generated. Details of the MSMEs registered in Karnataka are provided in Table 10.10. It can be seen from the table that the number of units registered every year in Karnataka has been increasing since 2007-08.

Table 10.10 - Details of MSMEs registered in Karnataka

Year	Micro			Small			Medium			Total		
	Units (Nos.)	Invt. (Rs. Lakh)	Empl. (Nos.)	Units (Nos.)	Invt. (Rs. Lakh)	Empl. (Nos.)	Units (Nos.)	Invt. (Rs. Lakh)	Empl. (Nos.)	Units (Nos.)	Invt. (Rs. Lakh)	Empl. (Nos.)
2007-08	13945	31352	77526	902	59801	38870	31	21174	6373	14984	112657	123402
2008-09	14812	28905	74726	869	56918	26815	24	15795	3493	15705	101618	105034
2009-10	16177	35110	76085	992	70404	31910	26	17302	3169	17195	122816	111164
2010-11	17408	36420	77567	998	65941	29701	28	18261	3958	18434	120623	111226
2011-12	19610	43650	86216	1370	91266	34400	41	24724	7771	21021	159641	128387
2012-13	22169	66019	105029	1981	116791	46029	56	34041	4493	24206	216851	155551
2013-14 (upto Oct.'13)	11662	38503	54403	1348	77525	27992	41	24768	6273	13051	140796	88668

Source: Directorate of Industries and Commerce

Of the 24206 units that were registered in Karnataka during 2012-13, about 22% (i.e. 5318 units) of the units were related to manufacturing of wearing apparel, dressing

and dyeing of for which occupied the top position followed by Publishing ,Printing and Reproduction of recorded Media with around 11% registration. Details of the top ten products in which units were established during 2012-13 are given in Table 10.11.

Table 10.11- Top-10 products (by number of units) registered in 2012-13

Sl. No	Products	NIC-2004	No.of Units	Investment (Rs. Lakhs)	Employment
1	Manufacturing of Wearing Apparel;dressing and Dyeing of Fur	18	5318	17845	24138
2	Publishing ,Printing and Reproduction of recorded Media	22	2780	47461	28674
3	Manufacturing of fabricated Metals Products, Except Machinery and Equipment	28	1989	21480	11605
4	Manufacturing of wood,products of Wood,Cork,Articles of Straw &Plating Materials,except furniture	20	1958	3180	5665
5	Manufacturing of Food Products and Beverages	15	1909	24147	15780
6	Manufacturing of Textiles	17	1829	10219	8463
7	Agriculture, Hunting and Related Service Activities	1	1404	15499	14011
8	Manufacturing of Furniture; and Equipment N.E.C	36	1043	2033	3862
9	Manufacturing of Machinery and Equipment N.E.C	29	931	17352	7465
10	Manufacturing of Other Non-Metallic Mineral Products	26	649	10046	5975
	Grand Total during 2012-13 (62 Classification)		24206	216851	155551

Source: Directorate of Industries and Commerce

In 2012-13 Publishing, Printing and Reproduction of recorded Media occupied the top position in terms of investment accounting for about 22% of the total investments followed by Manufacturing of

Food Products and Beverages with 11% investment. Details of the top ten products classified by investments are provided in Table 10.12.

Table 10.12- Top-10 products (by investment) of units registered in 2012-13

Sl.No	Products	NIC-2004	No.of Units	Investment (Rs. Lakhs)	Employment
1	Publishing ,Printing and Reproduction of recorded Media	22	2780	47461	28674
2	Manufacturing of Food Products & Beverages	15	1909	24147	15780
3	Manufacturing of fabricated Metals Products,ExceptMachinery and Equipment	28	1989	21480	11605
4	Manufacturing of Wearing Apparel;dressing and Dyeing of Fur	18	5318	17845	24138
5	Manufacturing of Machinery & Equipment N.E.C	29	931	17352	7465
6	Agriculture, Hunting & Related Service Activities	1	1404	15499	14011
7	Manufacturing of Textiles	17	1829	10219	8463
8	Manufacturing of Other Non-Metallic Mineral Products	26	649	10046	5975
9	Manufacturing of Rubber & Plastic Products	25	396	7435	3479
10	Manufacturing of Chemical &Chemicals Products	24	433	6948	3962
	Grand Total during 2012-13 (62Classification)		24206	216851	155551

Source: Directorate of Industries and Commerce

In terms of employment also, Publishing, Printing and Reproduction of recorded Media stood first by generating about 18% of the total employment closely followed by Manufacturing of Wearing Apparel;

dressing and Dyeing of Fur with about 16% employment. Details of employment generated in the units registered in 2012-13 are given in Table 10.13.

Table 10.13 - Top-10 products (by employment generated) of units registered in 2012-13

Sl.No	Products	NIC-2004	No.of Units	Investment (Rs. Lakhs)	Employment
1	Publishing ,Printing and Reproduction of recorded Media	22	2780	47461	28674
2	Manufacturing of Wearing Apparel;dressing and Dyeing of Fur	18	5318	17845	24138
3	Manufacturing of Food Products & Beverages	15	1909	24147	15780
4	Agriculture, Hunting and Related Service Activities	1	1404	15499	14011
5	Manufacturing of fabricated Metals Products,ExceptMachinery and Equipment	28	1989	21480	11605
6	Manufacturing of Textiles	17	1829	10219	8463
7	Manufacturing of Machinery & Equipment N.E.C	29	931	17352	7465
8	Manufacturing of Other Non-Metallic Mineral Products	26	649	10046	5975
9	Manufacturing of wood,products of Wood,Cork,Articles of Straw &Plating Materials,except furniture	20	1958	3180	5665
10	Manufacturing of Chemical &Chemicals Products	24	433	6948	3962
	Grand Total during 2012-13 (62Classification)		24206	216851	155551

Source: Directorate of Industries and Commerce

10.8 Selected Industrial Sectors

10.8.1 Status of Implementation of Food parks

I. Food Parks with the Ministry of Food Processing Industries, Govt. of India, under the 10th Five Year Plan, the Ministry of Food Processing Industries, Govt. of India had approved the establishment of food parks in Malur in Kolar District, Hiriya in Chitradurga District, Bagalkot in Bagalkot District and Jewargi in Gulbarga District. The status of implementation of these food parks are as detailed below:

1. M/s. Innova Agri Bio Tech Park Limited, Malur:

The Food Park is being developed in an area of 87 acres of land in Malur, Kolar District. Development of land including roads, drains etc., have been completed as well as common facilities like cold storage, ware house, sorting, grading, dal processing, packaging and the gamma radiation plant have been developed. Refrigerated Van/LCVs have been procured for collection & transporting of vegetables and fruits to transport processed produce to the market. 39.91 acres in the park has been allotted/earmarked to 10 food processing units. The balance land available for allotment is 10.57 acres. The company has started the operations on a commercial scale. The total project cost is Rs.1800 lakh. The Government of India and Government of Karnataka have sanctioned and disbursed grant of Rs. 400 lakh each respectively. The implementing agency has mobilized the balance amount including loans from banks and commenced its activities.

2. M/s. Green Food Park Limited, Bagalkot:

The Food Park is being developed in an area of 100 acres of land at Navnagar Industrial Area, Bagalkot. It has completed the land development including roads, drains, bore wells etc. as well as

developed cold storage facilities and installed weigh bridge facilities it is in operation. The civil works for the buildings (ware house, administrative block and R&D centre) are in an advanced stage of progress. The implementing agency has allotted 53 acres of land for 11 food processing units companies and the balance land available for allotment is 1.75 acres. The total project cost is Rs.1859 lakhs. The Government of Karnataka and Government of India have provided grants of Rs.300 lakh each as against the total sanctioned amount of Rs. 800 lakh. The implementing agency has mobilized the balance amount including the loan from banks and the project is under implementation.

3. M/s. Akshay Food Park Limited, Hiriya:

The Food Park is being developed in an area of 106 acres and 37 guntas of land at Huchavanahally village, Hiriya Taluk, Chitradurga District. It has completed the land development including roads, drains etc., as well as developed common facilities like cold storage, warehouse, sorting, grading, Dal processing, packaging and two lines of packaging machines for food-grains, oilseeds and spices with a total capacity of 16 MTs per hour. Refrigerated Vans have been procured for transporting the vegetables and fruits and to transport processed produce to the market. The implementing agency has allotted 18.35 acres of land for 6 companies and the balance land available for allotment is 38.65 acres. The total project cost is Rs.1639 lakh. The Governments of India and Karnataka have, each, sanctioned and disbursed grant/un-secured loan of Rs.400 lakh. The implementing agency has mobilized the balance amount including loans from banks and commenced operations.

4. M/s. Jewargi Agro Food Park Limited, Jewargi:

The Food Park is being developed in an area of 105 acres of land. It

has completed land development including roads, drains and dug 2 bore wells. It has completed the civil works for the site office, Security block, weigh bridge room etc. The warehouse is under construction. The project is under implementation. The total project cost is Rs.1972.25 lakh. The Government of Karnataka and Government of India have released grants of Rs.200 lakh each as against the sanctioned amount of Rs.400 lakh each. The balance amount has been mobilized by the implementing agency.

II. Food Parks under the State Scheme:

As part of the State Budget 2008-09, the Government of Karnataka had approved the establishment of food parks in six districts i.e., Bangalore (Rural), Tumkur, Shimoga, Davanagere, Bijapur and Belgaum. These parks are in various stages of development.

1. **Tumkur Food Park:** M/s. Ramky Infrastructure Limited has been selected for the development of Food Park at Tumkur. Allotment of land at Vasanthanarasapura industrial area, Tumkur is in progress.

2. **Shimoga Food Park:** M/s. LMJ International Limited has been selected as the developer for establishing the food park in an area of 100 acres of land at Sogane Village in NidhigeHobli, Shimoga District. KIADB is forming a connecting road from Nidhige industrial area to the food park site and the developer is yet to commence the development activities.

3. **Belgaum Food Park:** M/s. LMJ International Limited has been selected as the developer for establishing the food park at Belgaum. KIADB is yet to allot 100 acres of land for the development of the Food Park.

4. **Davanagere Food Park:** There was no response to the notification issued for selection of the private developer for implementing the food project at

Davanagere and, KIADB is yet to identify the land.

5. **Ramanagar Food Park (Harohally in Kanakapura Taluk):** The food park project at Harohally in Kanakapura Taluk of Ramanagar District would be taken up after allotment of land by KIADB along with the details of cost of land.

6. **Bijapur Food Park:** 75 acres of land acquired by the Deputy Commissioner, Bijapur at Ittangihala in Bijapur District has been allotted to Food Karnataka Limited for the proposed food park. The tendering process for selection of developer is to be taken up.

III. Spice Park at Byadagi Haveri District:

The State Government has approved the establishment of a Spice Park at Byadagi in Haveri district. No proposals were received for the two notifications issued for selection of developer for the development of Spice Park at Byadgi. In view of this, the board of FKL has decided to initiate the re-tendering process for selection of the developer, only after considering the prevailing cost of the land and verifying the viability of the project.

10.8.2 Textiles Industries

Karnataka Nuthana Javali Neethi 2013-18

- Karnataka is the first State in the Country to launch State Textile Policy.
- “Nuthana Javali Neethi 2013-18” has been announced vide G.O.No. Vakai 44 JaKaiYo 2012, Dated: 31-10-2013 is being implemented after completion of Suvarna Vastra Neethi 2008-13.
- Targets of the proposed policy are as under.
- ❖ Attraction of investments in Textile sector to the tune of Rs.10000 crores.

- ❖ New employment opportunities to 5 lakhs people.
- A budgetary provision of Rs.1000 crores has been proposed for Nuthana Javali Neethi 2013-18 for the policy period of 5 years.
- Nuthana Javali Neethi 2013-18 has got the following specialties compared to other States.
 - ❖ Maximum Financial Assistance is being provided to MSME sector, 15% to 20% of investments with a ceiling of Rs.2 crores.
 - ❖ Power subsidy at the rate of Re.1/- per unit to all the industries in the entire gamut of Textile value chain.
 - ❖ Existing industries are also assisted with subsidy of 15% to 20% with a ceiling of Rs.1.00 crore.
 - ❖ Sick co-operative spinning mills are assisted with subsidy of 20% with a ceiling of Rs.2 crores.
 - ❖ Textile industries are provided with capital subsidy as well as interest subsidy.
 - ❖ Financial assistance to the tune of 40% with a ceiling of Rs.20.00 crores is provided to Textile industries to facilitate themselves with infrastructural facilities under Textile parks in Green Field and Brown Field zones.
- ❖ Training will be provided to 3 lakhs unemployed people in skill development centres established by Government.
- ❖ More emphasis will be given for development of technical Textile sector.
- ❖ Financial assistance of Rs.10 crores will be provided for setting up of centre of excellence for the overall development of Textile sector in the State.
- These specialties of Nuthana Javali Neethi 2013-18 are not available in any of the other States.
- With this background, Nuthana Javali Neethi 2013-18 of Karnataka is expected to become a special and historical policy for the development of Textile sector in the State.

Details of handloom weavers and looms in the State are given in Table 10.14 while details of power-loom weavers and looms are given in Table 10.15. Details of production and employment in the cooperative power-loom and handloom sectors are given in Table 10.16.

Table 10.14 - Handloom Weavers and Looms in Karnataka

Sl.No	Particulars	Rural	Urban	Total
1	Total Weaver households	33854	3826	37680
2	Weaver Population			
	a) Male	61632	6447	68079
	b) Female	60056	6203	66259
	Total	121688	12650	134338
3	Weaving workforce			
	a) No. of adult weavers	35894	4038	39932
	b) No. of adult allied workers	33762	3125	36917
	Total	69686	7163	76849
4	Looms			
	a) Working	30394	4212	34606
	b) Idle	5268	614	5882
	Total	35662	4826	40486
5	Per capita income of weaver households (Rs.)	24840	25405	24897

Source: Handloom census conducted by Govt. of India, 2009-10

Table 10.15 - Power-loom Weavers and Looms in Karnataka

Sl. No.	Particulars	
1	No. of weaver households	30988
2	No. of weavers	127535
3	No. of looms	88566

Source: Power-loom census conducted by Govt. of India, 1995-96

**Table 10.16 (A) - Production and Employment in Handloom and Power-loom Industries
(In Co-operative sector only)**

Sl No	Item	Unit	Annual Plan 2011-12		Annual Plan 2012-13		Annual Plan 2013-14	
			Target	Achvt.	Target	Achvt.	Target	Achvt. (Upto Sept. end)
1	Handlooms a) Production	Million mtrs	50.00	43.15	45.00	46.09	50.00	24.90
	b)Employment	Lakh	0.95	0.88	0.95	0.82	0.95	0.82
2	Power-looms a) Production	Million. mtrs	300.00	312.76	315.00	328.99	330.00	178.38
	b)Employment	Lakh	2.35	2.59	2.60	2.56	2.60	2.51

Table 10.16 (B) - Production and Employment in Handloom and Power-loom Industries upto September end (In Co-operative sector only)

Sl No	Item	Unit	Annual Plan 2011-12		Annual Plan 2012-13		Annual Plan 2013-14	
			Target	Achvt. (Upto Sept. end)	Target	Achvt. (Upto Sept. end)	Target	Achvt. (Upto Sept. end)
1	Handlooms a) Production	Million mtrs	50.00	21.96	45.00	21.38	50.00	24.90
	b)Employment	Lakh	0.95	0.87	0.95	0.84	0.95	0.82
2	Power-looms a) Production	Million mtrs	300.00	158.24	315.00	164.32	330.00	178.38
	b)Employment	Lakh	2.35	2.42	2.60	2.61	2.60	2.51

In 2012-13, Rs.12982.81 lakh budget was released including central share of Rs.197.84 lakhs. Rs.412 lakhs was spent for providing living cum workshed for 430 handloom weavers. Rs.271.30 lakh was paid as interest subsidy for 3% interest loan to 5157 Handloom weavers. Rs.250 lakh was released to 41 weaver's co-operatives towards interest on Thrift Fund Scheme. Rs.490 lakh was released to 115 handloom weavers' co-operative societies towards 20% rebate on sale of handloom products. Power subsidy of Rs.2883.60 lakh was released to Electricity supply companies towards power subsidy of 24000 units. Rs.1000 lakh was released for providing Power-looms to 860 weavers at 50% subsidized rate. Under SCP & TSP Rs.561.50 lakh has been released. Under Suvarna Vastra Neethi scheme, Rs.1276.94

lakh was released for providing Garment training to 2020 SC, 3565 ST and 22771 other beneficiaries, Rs.978 lakh was released for establishment of 40 new Skill Development Centers; Rs.913.70 lakhs was released as incentives and concession to 168 Textile units. Rs.172.95 lakh was released for development of 13 Handloom clusters. Rs.2174.90 lakhs was released to KHDC for implementation of the various schemes.

In 2013-14, an amount of Rs.2170.45 lakh has been released upto September, 2013 out of the total allocation of Rs.23906.95 lakh. Rs.312 lakh has been spent for providing living cum workshed to 327 handloom weavers. Rs.300 lakh has been released to 94 handloom weavers' co-operative societies and Cauvery Handlooms towards 20% rebate on sale of handloom products.

Power subsidy of Rs.249.20 lakh has been released to Electricity supply companies towards 3483 power-loom units in backward taluks. Under Suvarna Vastra Neethi scheme, Rs.150 lakh has been released for providing Garment training to 1667 SC and 1667 ST beneficiaries, Rs.694.64 lakh has been released as incentives and concession to 123 Textile units. Rs.230 lakhs has been released to M/s. Shahi Exports towards establishment of a mega project at Shimoga. Rs.37.50 lakh has been released to KHDC for implementation of Distribution of Sari, Dhoti etc., and schemes.

10.8.3 Sericulture

Sericulture is one of the major employment generating sectors in the State and its growth has immense employment generation potential, particularly in rural Karnataka.

The area under mulberry cultivation in the State was about 77.89 thousand hectares at the end of September 2013, which is higher than the area under mulberry cultivation in 2012-13 (Table 10.17). The production of cocoons, quantity of cocoons marketed, raw silk production was high in 2013 compared to 2012 and total employment in industry was high in 2013 compared to 2012. Details of the State's production and imports of silk yarn are presented in Table 10.18. Table 10.19 provides details of expenditure incurred under various sericulture promotional programs while Table 10.20 presents details of financial assistance availed by reelers and Seri culturists. During 2012-13, the estimated mulberry silk production in India was about 18715 MTs of which Karnataka's share was 7063 MTs. Karnataka is the largest producer of raw silk in India.

Table 10.17- Sericulture industry in Karnataka 2010-11 to 2013-14 (up to September 2013)

Category	Unit	2010-11	2011-12	2012-13	April to September		% variation 2012 over 2011
					2012	2013	
Area under mulberry	'000 hectares	62.70	70.96	74.13	72.08	77.89	4.47
Production of cocoons	'000 MTs.	52.71	55.96	49.44	23.01	26.23	-11.65
Quantum of Cocoons marketed	'000 MTs.	50.04	55.03	48.95	22.84	22.57	-11.04
Raw silk production	'000 MTs.	7.34	7.79	7.06	3.20	3.65	-9.37
Employment in sericulture	Lakh	8.15	9.22	9.63	9.37	10.12	4.44

Note: MTs -Metric Tonnes

Source: Department of Sericulture.

Table 10.18 - Production of raw silk in Karnataka and import of raw silk in India (Qty: MT)

Year	Production of raw silk in Karnataka	Import of raw silk by India
2009-10	7360	7338
2010-11	7338	5820
2011-12	7796	5673 (P)
2012-13	7063	2588 (p)
2013-14*	6259(P)	1479*

P: Provisional Data * April to September period;

Source: DOS, Karnataka & DGCI&S, Kolkata

Table 10.19- Promotional Programs for Sericulture (2013-14)

Program	Amount sanctioned (Rs.Lakh)	Amount spent (Rs. Lakh)
Catalytic Development Program	5200.00	1181.65
SDP	1500.00	331.95
Special Component Plan	2127.39	63.00
Tribal sub-plan	1114.69	72.19
ReshmeVaradanaYojane	300.00	121.04
SCP	500.00	80.40
TSP	400.00	41.52
Development of silk rearing activities	450.00	270.25
SCP	404.00	173.07
New initiative for sericulture development	1133.64	1016.98
SCP	723.39	74.21
TSP	414.49	52.76
Bivoltine seed cocoons incentives	368.00	48.02
Hybrid chawki rearing expenses	200.00	113.94
Sericulture Cluster development	450.00	9.76
RKVY	1932.85	333.41

Source: Department of Sericulture.

Table 10.20 - Financial Assistance availed by Reelers and Seri culturists (2013-14)

	2011-12		2012-13		April – Dec2013-14	
A. Financial Assistance to Reelers						
Particulars	Beneficiaries	Amount (Rs. Lakh)	Beneficiaries	Amount Rs.Lakh)	Beneficiaries	Amount Rs.Lakh)
Charaka	4	3.600	-	-	-	-
Cottage Basin	-	-	-	-	-	-
Multi-end basin	-	-	-	-	-	-
Total	4	3.600			-	-
B. Financial Assistance to Seri culturists						
Mulberry Plantation	168	38.891	146	31.392	91	48.628
Purchase of equipment	110	32.563	39	8.444	68	27.39
Construction of Rearing House	169	410.968	80	206.835	109	353.03
Irrigation system	2	1.500	1	0.442	1	0.20
Total	449	483.922	266	247.113	269	429.248

Source: Department of Sericulture.

Karnataka had experienced severe drought since last 2 years and the mulberry area expansion was also not satisfactory. Also, the reduction of custom duty on raw silk from 30% to 5% during March 2011 has had a serious impact on the sericulture industry in Karnataka. It is to be noted that the raw silk price in the country is directly related to imported Chinese raw silk price. Reduction of customs duty has resulted in the drastic

fall in the silk and cocoon prices in the State resulting in distress sale and large scale agitation by the farmers and other stakeholders.

Considering the above-mentioned issues, the State Government had introduced a scheme of providing incentive to cocoons to farmers in 2011-12. The State Government had announced a package upto Rs.30/- per kg

cocoons as distress relief when the cocoon rates go below Rs.160/-. To encourage and motivate the farmers to continue in sericulture, the Govt. of Karnataka has introduced a scheme of providing incentive of Rs.10/- per kg to cross-breed cocoons and Rs.40/- per kg to bivoltine cocoons. Also, towards supporting reelers, a power subsidy of Rs.1.50/- per unit has also been introduced by the State Government. The State Government is also actively pursuing the issue of minimum support price for silk with the Government of India.

In the Union Budget of 2013-14 the duty on raw silk imports has been raised from 5% to 15% as against the request for 30% by State Government in the interest of stake holders with this average cocoon prices of cocoons/kg has gone up.

In 2013-14 many innovative programmes are under implementation for the development of Sericulture, like up-gradation of cocoon market, equipping cold storages, pledge loan, seed cocoon incentives etc., of automatic reeling machines, benefits to landless Sericulturists.

Karnataka Silk Marketing Board Ltd

The Karnataka Silk Marketing Board Ltd. promoted by the Government of Karnataka was established in 1979. This was done with the intention of stabilizing the prices of Silk yarn. In 2012-13 the Company has made a turnover of Rs.4647.40 lakh as against the turnover Rs.4320 lakh in the previous year. In 2013-14 upto September 2013 the turnover was Rs.1700.05lakh.

Table 10.21- Financial performance of Silk Marketing Board (Rs in Lakhs)

Particulars	2010-11	2011-12	2012-13	2013-14 (Upto Sept -2013)
1. Turnover	3443.90	4320.00	4647.40	1700.05
2.Profit after tax	(-)399.64	(-)368.70	(-)154.47	(-) 85.87

Source: Karnataka Silk Marketing Board

In 2013-14 upto September 2013, the transactions in the Silk Exchanges were almost similar when compared to the corresponding prices of previous year, whereas the average prices of silk yarn has gone up by 29.46% for Filature silk and 24

% for Charaka silk when, compared to the corresponding period of previous year. In 2012-13 the Company had purchased 118 tons of silk amounting Rs.26.96 crore and sold 209 tons valued at Rs.46.47 crore and the loss incurred was Rs.154.47 lakh.

Table 10.22 - Quantity of Silk Yarn transacted at Silk Exchange and average prices during

Year	Quantity	Average Price Rs. Per Kg.	
	(Tonnes)	Filature	Charka
2009-10	1084	1615	1479
2010-11	1037	2163	1962
2011-12	1310	1913	1655
2012-13	1238	2236	2182
2013-14 Upto Sept-13)	580	2739	2500

Source: Karnataka Silk Marketing Board

Table 10.23 - Details of Purchase & Sales and Profit/Loss of Silk Marketing Board from (Qty in tons & value in Rs. Lakh)

Year	Purchase		Sales		(+ Profit (-) Loss Rs.	Accumulated Loss Rs.(-)
	Quantity	Value	Quantity	Value		
2005-06	104	1220	104	1219	(-) 195.06	1097.22
2006-07	105	1215	95	1165	(-) 316.65	1413.87
2007-08	87	959	113	1324	(-) 405.86	1819.73
2008-09	127	1569	147	1898	(-) 361.88	2181.61
2009-10	171	2661	163	2653	(-) 258.79	2440.40
2010-11	201	4179	161	3444	(-) 399.63	2840.04
2011-12	270	5008	215	4320	(-)368.70	3208.74
2012-13	118	2696	209	4647	(-)154.47	3363.21
2013-14 Upto Sept-13)	45	1222	62	1700	(-) 85.87	3449.08

Source: Karnataka Silk Marketing Board

In 2012-13 the prices of imported silk in the domestic market was higher than the domestic silk price and the prices of domestic silk were on higher throughout the year, when Compared to previous year. The average price of filature silk during 2012-April, was Rs.1935 and increased to Rs.2457/- in March, 2013 and from Rs.2600/- in April, 2013 increased to Rs.3082/- in September, 2013. The Company had purchased the silk by offering day to day market price. Due to increase in prices

the Company was able to sell the carry forward stock of 112 tones in 2012-13. In 2013-14 in the beginning, the prices were prevailing high and hence purchase was low. However, the Govt offered a reasonable price to the silk, as a result there was neither pressure from the reelers to buy the silk nor any strike, boycott, from the farmers as they were getting a satisfactory price for their produces. Production of silk yarn and import of silk yarn in Karnataka 2008-09 to 2012-13 is given in Table 10.23

Table 10.24 - Production of silk yarn and import of silk yarn in Karnataka

Year	Karnataka Silk Production (in tons)	Import of Silk Yarn (in tons)
2008 - 2009	7238	8392
2009 - 2010	7360	7341
2010 - 2011	7338	5870
2011- 2012	7796	5673
2012-2013	7063	4951

Source: i) Karnataka Silk Marketing Board; ii) Central Silk Board

Company is primarily discharging the function of Price Stabilization of silk yarn which is generally a non-profitable proposition. Company is expected to protect the interest of reelers and farmers by continuously purchasing silk in all Silk Exchanges in Karnataka. The Company being the biggest Government licensed buyer of silk at Silk Exchanges of Karnataka

State has to strive to maintain price stability and to prevent formation of groups and cartels among traders and merchants, thereby to protect the interest of reelers. Company has to maintain sufficient buffer stock to meet the daily requirement of consumers spread over the states of Karnataka, Tamilnadu & Andhra Pradesh. It sells silk to artisans (i.e. weavers). When the

prices are continuously stable, the intervention of KSMB in the market may not be necessary. This will result in very low purchase and sales. This is in fact the role of any Price Stabilization Agency and **Central Silk Marketing Board Ltd**

Production of raw silk in Karnataka and Import of raw Silk by India is given in Table

Table 10.25 – Production of raw silk in Karnataka and Import of raw Silk in India (Qty. MT)

Year	Production of raw silk in Karnataka state	Import of raw silk in India
2009-10	7360	7338
2010-11	7338	5820
2011-12	7796	5685
2012-13	8219	4959
2013-14(Apr-Sep)	3648	1479*

P: Provisional Data * April to August period

Source : DOS, Karnataka & DGCI&S, Kolkata

In the context of liberalized economy, the Company may have to face increased hurdles and obstacles while performing its function of price stabilization in this Agro based, labour intensive sector requiring substantial capital. There are about two lakhs families directly and indirectly involved in sericulture in the state of Karnataka alone, apart from considerable number of weavers and traders in the states of Tamil Nadu and Andhra Pradesh, for whom the activities of KSMB are quite necessary if not essential. Karnataka's

KSMB is one among them. Maintenance of procurement and distribution points involves considerable overhead expenses such as rent for office and godown, insurance etc.

8.68. The value of silk goods export earnings from Karnataka is given in Table 8.69.

contribution for sericulture development is substantial. In various processes of sericulture and Silk Industry, over the years, the function of KSMB has become a vital link in a stage at which effort of the farmers get money value in real terms. The government of Karnataka has given a financial support by releasing Rs.1 Crore during this year, to meet the administrative expenses. Further to increase the turnover, Government has given a guarantee Canara Bank to avail loan upto Rs.15 crore.

Table 10.26 - Earning from exports of Silk Goods from Karnataka and India

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14 (April-August)(P)
Karnataka	700.32	712.62	693.47	674.92	233.35
India	2892.44	2863.76	2353.34	2303.53	882.36
Share of Karnataka%	24.21	24.88	29.47	29.30	26.67

P = Provisional; Source: Directorate General of Commercial Intelligence & Statistics, Kolkata

Note: 1. Figure includes silk yarn & silk waste.

2. Value of export of silk-goods figures from Karnataka reflects the exports consignments dispatched from ports viz., Bangalore Air and Bangalore, ICD.

3. Figures for the year 2013-14 was as on April to August period only

10.8.4 Karnataka Information Technology and Biotechnology Services

The IT Revolution in Karnataka began in 1984. A major landmark of this revolution was realized with the Software Technology Park of India establishing its first Earth station at Bangalore in 1992. This catalyzed the positive growth in the IT sector resulting in the State's software exports reaching Rs.82000 crore in the year 2012 through about 2250 companies. Karnataka continues to be the most preferred destination for all global IT & BT giants due to numerous favourable factors such as a Pro-active Government, Talent pool of highly trained professionals, Investor friendly opportunities, Industry friendly Labour Laws, Salubrious Climate, Excellent Law & Order situation, Absence of Natural Calamities and a cosmopolitan social life in the cities particularly in Bangalore. The IT Industry in the State has emerged as one of the largest job providing sector. The industry provides direct employment to over half a million and indirect employment to over 800000 persons.

Bangalore, a major Technology Hub, has emerged as a global brand in the IT space. Almost all the Fortune 500 Companies have a few or all of their operations outsourced in Bangalore. Many global brands have their R&D activities based in Bangalore. The cities of Mangalore, Mysore, and Hubli-Dharwad are also emerging as attractive destinations for IT/ITeS, BPO and Telecom services. Towards sustaining and accelerating the growth of the IT-BT sector in Karnataka, the State Government has formulated and implemented various policies.

1. Information and Communication Technologies Industry - The State Government announced the ICT Policy on

2nd February, 2011, which has the vision of (i) To position Bangalore as the IT R&D and product hub of India (ii) To maintain Karnataka's leadership in outsourced IT services (iii) To retain Karnataka's position as the state with largest skilled workforce in India for IT services, Products and R&D (iv) To enable Karnataka to be the most preferred destination for MSME (Micro, Small and Medium Enterprises) and (v) To be the disaster recovery/ Business continuity hotspot due to state's unique and secure geo-position. The ICT policy has the following salient features -

- Set up IT Investment Region (ITIR) near Bangalore International Airport Limited, Bangalore with excellent infrastructure and Investor-friendly Policy environment.
- Set up a Research Hub in Bangalore along with a prototype and testing laboratory, with State funding limited to 50% of the total cost of setting up the necessary infrastructure for the same. The balance of 50% of the cost would be from the industry or mobilized through PPP mode.
- Encourage partnership between educational institutes and industry to identify specific areas of research and provide incentives for students to take up doctoral and post-doctoral research in the areas of Information Technology and Software Product Development
- Set-up an Innovation Park on PPP mode for MSMEs at Bangalore, comprising of Plug and Play office space, simulation facilities connected over internet, etc., with State Government support of viability gap funding limited to 20% of the project cost.
- Encourage setting up of Special Economic Zones (SEZs) dedicated to MSMEs in Mysore, Mangalore, Hubli- Dharwad Gulbarga and Belgaum in the KIADB industrial areas.
- Support creation of clusters with MSME providers and a few large users of IT
- Self-certification of statutory compliances by the IT companies.

- Preference to MSMEs in Government procurement orders, encouraging the big companies to partner with MSMEs as front-end.
- Promote Green IT initiatives and organize Seminars/Conferences to disseminate knowledge on these initiatives and related technologies.
- Encourage companies to donate 3-year-old computers to Government schools and also provide free broadband access to schools.
- Initiate, enable and encourage “Buy Local” program for Karnataka-based Defense, Nuclear energy, Satellite programs and Public sector enterprises and state departments to source from local IT/BPO/Telecom companies
- Initiate an online web portal to act as a networking platform/market place and as an e-procurement mechanism, specific to software products and services for entrepreneurs, start-ups, product companies, investors, academia, customers and government.
- Augment KITVEN Fund by Rs.25 Crores, being State’s share of 26% in the fund. The balance of 74% of the fund will be mobilized from different subscribers. Government will encourage industry stakeholders to subscribe to the professionally managed VC fund for supporting investment purely in technology startups, R&D units and domestic BPOs.
- Satellite townships would be developed to decongest Bangalore city. Government will promote Green satellite townships at Ramanagaram, Devanahalli, Hoskote and Bidadi.
- Set up an Institute of Information Technology in North Karnataka,
- School and College curriculum will include soft skills like communication skills and personality development.
- Promote Centers of Excellence across atleast 100 Engineering and Degree colleges in Bellary, Gulbarga and Shimoga districts.
- Enable inclusion of physically and economically challenged persons in IT Industry employment and to bridge the digital urban rural gap
- Set up and promote e-learning centers in the semi urban and rural areas.
- Create Cyber halls in clusters to facilitate students/public to use internet easily and freely, along with distance learning/e-learning centers.
- Collaborate with industry and strive to increase public awareness about the importance of respecting creativity and risks associated with using pirated software thereby encouraging them to buy licensed software.
- Put online Kannada encyclopedia and textbooks on science, mathematics, literature, history and geography online at Government schools.
- Enforce intellectual property laws through creation of specialized enforcement units with dedicated resources to investigate and prosecute intellectual theft.
- Emphasize on providing IT literacy to young men and women in all semi-urban and rural areas of Karnataka
- Simplify filing of returns and maintenance of registers and records, annual returns and combined registers etc. by IT companies. Registers/records can also be maintained in digital format.

2. Electronic Hardware Industry - The Global Electronics Hardware manufacturing market is estimated to be 1500 Billion USD, over 45% of which is in the Asia Pacific region. India’s share in the Asia Pacific region is just 1.5% while, Karnataka’s contribution to India’s Electronic hardware market is just 6%. Considering the State’s advantages of being home to a large hub of IT-based R & D activities, a booming software industry, large resource base of skilled and semi-skilled technical manpower, competitive managerial excellence and, recognizing the complementary role of the Electronic Hardware Industry in the development of the ICT sector, the Government of Karnataka announced the Karnataka Electronic Hardware Policy on 29 January 2011. This policy has the objective of facilitating, promoting and developing the Electronics

Hardware Manufacturing Sector in the State of Karnataka so as to make the State (i) competitive in the Domestic and International markets (ii) the world's preferred new destination for investments in high-value-added Electronics Manufacturing, and (iii) the leader in India and Asia in this sector.

The policy has the following salient features -

1. Set up Karnataka Electronics Innovation Fund with an initial corpus of Rs. 25 Crore, which will provide funding to entrepreneurs for developing vendor resources with a focus on indigenization of quality tooling for electronic products
2. Grants to encourage Research and Development (R&D) activities
3. Research grant for innovative electronic hardware products.
4. "Destination Karnataka Team" shall be set up, consisting of members from the Government and Industry, to make efforts to proactively market Karnataka as the preferred destination in the region for investments in manufacturing of Electronic Hardware products.
5. The Electronics Hardware Manufacturing Hubs (EHMH) shall be set up in the following corridors identified, which shall be operated in line with the Special Economic Zone policy
 - Bangalore-Tumkur: for semiconductors, alternative/solar energy, aerospace, medical electronics, and embedded systems
 - West Karnataka: Shimoga-Hassan, for manufacture of electronics components, plastics, metal- fabrication, and for electronics manufacturing services
 - North Karnataka: Hubli-Dharwad, for automotive electronics, high-tech machining, and high-tech tooling

- Mysore-Nanjangud: existing electronics hardware manufacturing base for medical electronics and computer peripherals

6. Each EHM Hub shall feature-500 acres of land at each of the Electronics Hardware Manufacturing Hubs, 200 acres at each EHMH shall be reserved for a few large units on a ready-to-install basis, 50 acres at each EHMH shall be reserved for testing labs, warehouses, Customs/Excise/Sales Tax and other regulatory authority offices, and privately-run public amenities such as crèches, transport.

7. Set up a 'Mobile Hand Set Manufacturing Cum Assembly Hub' in 100 Acres of land in the IT Investment Region, proposed to be developed near BIAL at Bangalore

8. Encourage the Research and Development activities and facilitate setting up of full-fledged Testing Centres and Laboratories

3. Biotechnology Industry - Karnataka, India's biotech hub is the first stop for global and domestic biotech investment in the country. The state has the first mover advantage, with strong research capabilities, resource base, skilled manpower and government support creating an enabling environment for high growth. Over 60% of all biotechnology companies in India having a base in Bangalore, driving 50% of the total revenues in the national biotechnology sector. Karnataka's pharmaceutical sector exports 40% of the total pharma produce and accounts for 8% of the country's total pharma revenue. The State ranks 10th in the number of pharma manufacturing units in the country. The State is home to exclusive, Biotechnology-focused SEZs and India's largest biotech industry cluster. Dedicated Biotechnology parks and centers such as Nutri/Nutraceutical and Phyto-Pharmaceutical Park (N2P2) at Mysore, Marine Biotech Park at Mangalore, Agri Biotech Park at Dharwad and Vivarium

(Animal House) at Bidar are also on the anvil.

Towards furthering the growth of the State's biotechnology industries, the Government of Karnataka has announced the Karnataka Biotechnology Policy II in July, 2009 with the objective of increasing the quality of human resources in the state, providing general infrastructure, and encouraging sector-specific infrastructure in the biotech sector. The policy has the following salient features -

- i. Increase the quality of human resources by supporting specific educational and research institutions such as the Institute of Agri-biotechnology (IABT), the Institute of Bioinformatics and Applied Biotechnology (IBAB), the Centre for Human Genetics (CHG), and BT Finishing Schools.
- ii. Provide general infrastructure such as high-quality roads, a mass transit system, better power supply, and airports.
- iii. Create specific infrastructure such as focused biotech parks in the areas of agriculture, marine biotech and animal husbandry.
- iv. Provide specific fiscal incentives.
- v. Simplify administrative procedures.
- vi. To spread awareness about investment opportunities in biotechnology, genomics, bioinformatics, biofuels, contract research, etc., among the entrepreneurial community.
- vii. To sustain and maintain the present pre-eminent position of Karnataka and Bangalore in the field of biotechnology.
- viii. To outline a set of incentives and concessions for the biotechnology industry to attract investments to the State.
- ix. To provide specific infrastructure as well as enhance human resources for the development of biotechnology.
- x. To encourage the growth of bioinformatics in Karnataka.
- xi. To provide an appropriate institutional framework to achieve all these objectives.

4. Animation, Visual Effects, Gaming and Comics (KAVGC) industry - Still in its developmental phase, the Karnataka Animation, Visual Effects, Gaming and Comics (KAVGC) sector is striving to attain recognition with collective efforts from within the Industry to take it to higher level of creativity, productivity and efficiency. Karnataka currently has more than 20 training institutes imparting AVGC related training through more than 60 campuses across the state. Currently, more than 10,000 students are undergoing training in the areas of Animation, Visual Effects, Gaming and Comics with this number likely to increase. More than 2000 professionals are employed in the education and animation production units in the state apart from web and content development.

Recognizing the growth potential of the AVGC industry in the State the Government of Karnataka has developed and implemented the Karnataka Animation, Visual Effects, Gaming and Comics (KAVGC) Policy with the objectives of (i) making Karnataka the most favoured destination for Investment in Animation, Visual Effects Gaming and Comics (ii) encouraging and supporting appropriate manpower development, infrastructure development and business development (iii) spreading awareness and providing multifaceted employment for people in the AVGC sector (iv) Bridging the demand and supply gap of human resources in AVGC sector (v) attracting top global companies in the field of AVGC to Karnataka (vi) capturing a larger share of outsourced international AVGC work for Karnataka (vii) facilitating a legal framework for 'IP' creation and its protection (viii) promoting growth of indigenous 'digital content' education and entertainment for the masses (ix) setting up a "Center of Excellence" with state-of-the art facilities to act as a catalyst

for the AVGC industry and, (x) setting up multiple AVGC parks on the SEZ model. The KAVGC Policy, announced on in January, 2002 which has the following salient features -

- Creation of VC Fund for the KAVGC Sector with an initial fund of Rs.50 Crore which would be funded jointly by the Government of Karnataka with Private Venture Capitalists with Government contribution of 26%, to meet the needs of the Entrepreneurs in the State of Karnataka.
- Centre of AVGC Excellence would be set up on Public Private Partnership (PPP) Mode in Bangalore, for which Government will provide financial assistance towards capital expenditure and purchase of equipment. The investment in the Centre of excellence would be in the proportion of 20% by State Government, 30% by Central Government and 50% by Industry/private partners.
- The Centre of Excellence will have a Finishing Academy cum Incubation Centre at an estimated to cost about Rs.50 crore and a Post Production and Digital Intermediary Facility, would be set up estimated to cost Rs. 30 crores
- Promotion of AVGC Public and Private Parks on the SEZ identified locations / facilities where infrastructure and land would be made available to entrepreneurs.
- Set up multiple AVGC parks on the SEZ mode
- Adequate extent of land to be earmarked for the AVGC sector in the proposed ITIR near Bangalore International Airport
- Setting up of an AVGC expert panel (AVGC-EP) comprising of experienced AVGC industry professionals from India and abroad, to study, research and report on the current trends and future requirements of the industry with respect to standardization of training, internships and mentoring programs to be initiated.
- Conducting Vocational trainings for increased employment opportunities in the Sector
- Conducting Annual AVGC fests in Bangalore and other parts of the state to

encourage students to take up careers in the AVGC Sector.

- 10 fine art colleges across Karnataka would be identified as Digital Art Centres (DAC) to implement digital art and animation curriculum
- Capture a larger share of outsourced international AVGC work for Karnataka.
- Facilitate a legal framework for 'IP' creation and its protection.
- Promote growth of indigenous 'digital content' education and entertainment for the masses.
- Delegations to Animation Seminars/Conferences
- Financial Assistance towards Training workshops and sessions for skilled artisans, students and graduates at different levels
- Financial Assistance for setting up Digital Art Centers
- Provide an amount of Rs.10 lakh to each of the identified 10 Art Schools in the districts of Gulbarga, Bidar, Belgaum, Dharwad, Gadag, Raichur, Bellary, Chitradurga, Chamarajanagar and Tumkur for procurement of computer systems and related software/instruments to digitize the Art teaching process.

5. Semiconductor Industry - Bangalore is the largest hub of semiconductor design Companies, outside the Bay Area in California. Nearly 70% of the country's chip designers work here and around 80% of the sector's revenues in design are from this city alone. The State Government has supported this sector by (i) promoting Karnataka as a semiconductor design hub (ii) attracting investments in high-tech semiconductor manufacturing (iii) promoting generation and use of green energy—specifically solar energy and (iv) Focusing on manpower development.

The State Government has provided specific incentives to design service startups. Apart from Bangalore, the other emerging destinations for the design sector are

Mysore, Mangalore and Hubli. These secondary centres have achieved software export revenues of Rs. 760 crores and emerged as an alternative destination to Bangalore in service and tourism sectors. 49 firms are registered with the STPI in Mysore. Recognizing the growth potential of the semiconductor industry in Karnataka, the State Government has announced a Semiconductor Policy in February 2010 with the following salient features -

a) As a policy support to encourage Innovation and R & D in Chip Design, Product Development, Telecom etc., Government will set up a fund known as 'Karnataka Fund for Semi-Conductor Excellence' of Rs.10 crore.

b) Government of Karnataka would provide additional amount of Rs.25 crore, towards 26% contribution to the KITVEN -IT Fund for raising funds from the market to assist start up semiconductor units engaged in design and embedded software.

c) To encourage setting up of ATMPs in the State, Government of Karnataka would provide incentives set up in the State by lowering the threshold investment for ATMPs./ eco-system units with investment above Rs.400 crore and upto Rs.1000 Crore. Incentives would be

provided on a case-to-case basis approach based on specific employment potential.

d) Government of Karnataka will provide assistance of 50% of the total cost towards purchase of proposed equipment, for augmenting the Orchid Tech Space in STPI to a Characterisation Lab. The remaining funds would come from the industry or mobilized through PPP business model. This Lab will be a one-stop solution for hi-tech facilities and will spur the growth of R & D in future technology without financial burden to budding entrepreneurs.

e) Government of Karnataka would provide financial assistance to firms for filing IP in accordance with the incentives provided in the Industrial Policy 2009-2014.

f) To encourage setting up of semiconductor units in Tier-2 cities other than Mysore, Mangalore, Hubli an incentive of Investment Promotion Subsidy would be provided in accordance with the Karnataka Industrial Policy 2009-14.

g) Government to set-up a focused school under IIIT at a cost of Rs. 10 crore and strengthen the Research Labs in the institute at a cost of Rs. 5 crore, with a contribution of 25% from the industry.

Table 10.27 - Achievements in IT&BT Sector for the year

Sl.No	Particulars	Units	2011-12	2012-13	2013-14(Apr-Sep'13)
1	Software Exports	Rs.in crores	82110	95048	44060
2	No STP Units Approved	No.s.	26	16	11
3	Investment from STP Units Approved	Rs.in crores	62.71	17.09	45.4
4	Nos. of Foreign Equity Companies	Nos.	19	14	8
5	Investment from Foreign Equity	Rs.in crores	21.35	1.3	5.14
6	Hardware Exports	Rs.in crores	3021	3250	1347
7	No of Electronic Hardware Companies	Nos.	1	2	3
8	Investment from Hardware Units	Rs.in crores	0.1	0.11	182.01
9	No of Major India Companies	Nos.	0	1	1
10	Investment from Major Indian Companies	Rs.in crores	0	15.2	40
11	No of SME's Companies	Nos	8	3	5
12	Investment from SME's Companies	Rs.in crores	41.46	0.79	182.27
13	No of BPO Companies	Nos	3	0	0
14	BPO Exports	Rs.in crores	17775	20392	NA
15	Investment from BPO Units Approved	Rs.in crores	1.02	0.6	NA

Initiatives of e-Governance

Karnataka has an exclusive e-Governance Division in the Department of Personnel & Administrative Reforms. This was set up in the year 2003 with a view to accelerate the process of IT enabling of Government processes for the benefit of citizens and to improve transparency and efficiency in administration.

The Department of Personnel & Administration Reforms (e-Governance) has created the necessary infrastructure for implementing e-Governance initiatives in the state. It includes, among others, e-procurement project. This project has been extended to 246 Departments/Organizations as of October 2013. Procurement valued at more than 1,88,626 crore have been made through this platform. This platform has enabled competition among the bidders and more bidders are participating in the tendering process, resulting in reduction of approximately 10% in bid amount vis-à-vis the estimated expenditure. More than 40,088 suppliers/bidders are registered on the platform.

- Karnataka State Wide Area Network (KSWAN) project has covered 3000 Government offices comprising 64 departments and I.P phones provided to more than 2235 offices. Government Programmes are conducted between headquarters and district headquarters using KSWAN network and thereby minimizing the visit of district officers to the state headquarters.
- Human Resource Management System: During the current year, 12000 employees of judicial department and 25000 employees from Sarva Shikshana Abhiyan have been brought under HRMS. Apart from 68,199 employees of fully aided private education institutions some Boards and corporations like Govt. Soap Factory, Karnataka Pollution Control Board, KPTCL have been brought under HRMS. Karnataka has been a pioneer

in implementing a comprehensive HRMS. Many Indian states are evincing interest in this HRMS and visiting Karnataka to study the system.

- A new State Data Center (SDC) has been established in Vikas Soudha since 09.06.2011. The old SDC has 54 applications and the new SDC has 36 applications hosted for 39 departments. Data Center-assisted common Entrance Examination conducted by CET & Industry Training Institute Entrance Examination was held.
- Bangalore One centers, started to provide G2C and B2C services under a single roof as a one stop shop, is proposed to be established in each ward of the city. There are now 91 Bangalore One centers. The numbers of transactions, upto October 2013 was more than 7.87 crore.
- 39 Karnataka One centers have been established (similar to Bangalore One) in tier two cities, namely Hubli-Dharwar, Shimoga, Belgaum, Bellary, Mysore, Mangalore, Davangere, Gulbarga and Tumkur.
- File Monitoring System (FMS) and Letter Monitoring System (LMS) have been operationalized in the Karnataka Government Secretariat. Another package called document management system and court monitoring system has also been operationalized. The upgraded Sachivalaya-2 package has been implemented.
- Wireless LAN connecting 5100 nodes is in place in the Secretariat.
- 1st Phase of Aadhaar scheme was completed on 10.02.2012. By then, 140 lakhs residents have been registered and 139 lakhs residents have received Aadhaar cards. Residents of 22 districts have been enrolled during 2nd Phase of Aadhaar that started in 1st week of December 2012. 2nd Phase is in progress and 430 lakhs enrollment has been completed out of which 340 lakhs UIDs are generated as of Oct 2013.
- The officers and staff of various department of Government of Karnataka have been trained in operating the e-Procurement platform.
- State Web Portal: This project is in its final stage.

- MIS system for the Planning Department to enable web based collection and collation for information about the implementation of various plan schemes of different departments in under implementation. At present Horticulture, Fisheries, Animal Husbandry Departments are using this system.
- Karnataka Resident Data Hub: The State Government is implementing citizen friendly schemes like Nemmadi, Bhoomi, Bangalore One etc. The intention of this project is to have consolidated information relating to all the citizens availing benefits with linkages established between the different data base.

As of now, 12 Departments has been integrated with this platform.

10.8.5 Mining and Minerals Industries

The State has a rich deposit of ores and minerals and as such, the State's mining industry has earned a recognizable position in the National geological map. The Department of Mines & Geology has collected Rs.1485.48 crore as royalty during 2012-13 as compared to Rs.1326 crore during 2011-12 .

Table 10.28 - Royalty collected by Dept of Mines &Geology

Year	Target	Achievement (Rs.crore)
2009-10	719	860.29
2010-11	1125	1184.14
2011-12	1250	1326.59
2012-13	1500	1485.48
2013-14	1911	658.84 (upto Oct,2013)

In 2012-13, a total of 9 Quarry leases (17 in 2011-12) for ornamental stone and 12 leases (43 in 2011-12) for building stone have been granted and 1 mining lease (nil in 2011-12) have been sanctioned. The annual plan & non-plan budget and actual expenditure incurred in 2012-13 is given in Appendix. The Karnataka Mineral Policy, 2008 has been launched on par with National Mineral Policy 2008. Also, in order to curb illegal mining and transportation, the State has framed the rules entitled Karnataka (Prevention of Illegal Mining, Transportation and Storage of Minerals) Rules 2011 under the provisions of Section 23(C) of MMRD Act 1957. The Government of Karnataka has issued a ban order on the issue of minerals dispatch permits for exporting iron ore. Further, the stock yard permissions are accorded only for mine owners and also to those who have mineral beneficiation plant.

E –GOVERNANCE – Mining Sector

Evolving robust procedures and their effective implementation was the expediency to curb illegal mining. It is at this juncture the Government of Karnataka introduced the project 'Transformation of Mineral Administration through e-Governance' to plug the loopholes in the entire mining value chain. The project has extensively & effectively used the Information & Communication Technology (ICT). The new system is called the Comprehensive Computerization of Mineral Administration (CCOMA). This system provides real time services to lease holders and other stakeholders in the mining industry in Karnataka. The system consists of a centralized database containing information related to lease holders, end-users, payment transactions, updated mineral rates, issuance of e-permits and m-permits, demand register information, weighbridges,

e-Payment, Digital Signature Certificate (DSC) etc. It is also proposed to introduce Light Detection & Ranging (LIDAR) and Radio Frequency Identification Device (RFID) in the system i) To calculate the quantity of mineral extracted from the mine head using laser technology & ii) for identification & tracking the movement of vehicles carrying the mineral. The system is designed keeping in view the framework of the mining industry and to widen the ambit of e-Governance. In just one year, the new system has achieved a 33% increase in government revenue through royalty and other taxes. It is noteworthy that this achievement has been in a phase of suppressed mineral extraction (owing to the temporary ban on iron ore extraction by the Hon'ble Supreme Court). It is therefore reasonable to expect much higher revenue that can be realized when the mineral extraction happens at its normal pace. The new system has won the appreciation of the Hon'ble Supreme Court of India and is being replicated in the States of Andhra Pradesh and Orissa.

The State Government is currently implementing the new sand policy to prevent illegal sand mining. The State Government has also formulated "The Karnataka Regulation of Stone Crushers

Ordinance 2011' for regulating the stone crushing business. The Department of Mines & Geology is also encouraging the M-sand as an alternative to the river sand to meet the supply/ demand ratio proportionately in order to control the rampant illegal sand mining in the State.

10.9 Status of Public Enterprises in Karnataka

10.9.1 Karnataka State Small Industries Development Corporation

Karnataka State Small Industries Development Corporation Limited (KSSIDC) promotes the development of small scale industry (SSI) sector by providing industrial sheds, channels for procurement and distribution of raw materials and management guidance to SSI entrepreneurs. The corporation has a network of 17 depots for raw material distribution in the State. It has also acquired land in and around Bangalore and in other districts for the construction of sheds and plots for development as per the SSI units' demand. The details of raw materials sold, sheds constructed and plots developed by the corporation are given in Table-10.30. The financial performance of KSSIDC is shown in Table-10.31.

Table-10.29- Performance of Karnataka State Small Industries Development Corporation

Particulars	Unit	2009 -10	2010 -11	2011 -12	2012 -13	2013-14 (April 13 – Oct 13)
Depots for distribution of raw material	Number	24	24	23	23	17
Raw material sold (Iron & Steel)	Rs. Crore	67.23	85.12	86.71	36.74	33.25
Industrial sheds constructed (Incl. Sheds / Godowns/ Flats/ Shops)	Number	6214	6214	6163	6163	6163
Industrial Plots developed (cumulative)	Number	6301	7036	7010	7010	7383

Source: Karnataka State Small Industries Development Corporation (KSSIDC)

Table – 10.30 - Financial Performance of Karnataka State Small Industries Development Corporation Limited (Rs. Lakh)

Year	Total income	Total Expenditure	Net Profit after tax
2009-10	12851.46	10916.65	1454.78
2010-11	17488.54	14106.98	2679.66
2011-12	15660.91	13370.06	1699.50
2012-13	13058.41	11290.88	1254.10
2013-14 (up to Sept-13 prevision as per Budget)	15105.97	14735.92	370.05

Source: (KSSDIC)

Table 10.31 - Financial Projections for the period 01.04.2013 to 2018 (Rs. Lakh)

Sl.No	Year	Total income	Total Expenditure	Net Profit
1	2013-14	32476.40	31365.79	1110.60
2	2014-15	34100.22	32934.08	1166.13
3	2015-16	35805.23	34580.79	1224.44
4	2016-17	37595.49	36309.83	1285.66
5	2017-18	39475.26	38125.32	1349.95

Source: (KSSDIC)

The details of 11th Five Year Plan target & achievement of the corresponding department are given in annexure 10.14. The Corporation's principal objective is promotion and development of Small Scale Industries in the State. Construction and utilization of infrastructure especially in the backward areas, procurement and marketing industrial raw-materials and extending technical support and assistance are the means to achieve the above goals. In the last few years, the Corporation is playing a key role in the development of MSME Sector in terms of establishment of new Industrial Estates, Up-gradation of basic infrastructure in the existing Industrial Estates by introducing various entrepreneur friendly measures both in Industrial Estate and Commercial activities. KSSIDC's policy initiatives and strategies include -

- To pursue with the Govt., for allotment of minimum 25% of the lands to the Corporation for development of the Industrial estates exclusively for MSME sector whenever huge extent of lands are

acquired by KIADB for the purpose of LAND BANK. Also, pursue with the Govt. for reservation and allotment of minimum 25 to 50 acres of land for KSSIDC whenever large extent of lands are allotted to Mega Investors in the proposed "Global Investors Meet" by HLSWC.

- Monitoring of the lands allotted by way of introducing strict time limit on utilisation of plots.
- Initiating participative policy in which land owners are made partners in the benefits of the Industrial Estates to be developed.
- To form new industrial clusters in about 16 places based on the availability of local skill & demand from the industry side in various districts of the State.
- Policy to develop Functional Industrial Estates / Parks on PPP Model on privately owned to avoid land acquisition and thereby, avoid blockage of funds.
- Proposals to develop new Industrial Estates keeping in mind the modern infrastructure, utility and service requirements.
- To upgrade the existing Infrastructure and to take up Critical infrastructure works in the Indl. Estates, by seeking separate funds in the State Budgets and also by bringing

them under the ambit of Industrial Township Act so that the concerned Industries Associations of the Estates collect taxes and other levies and maintain the Estates themselves efficiently.

- With a view to assist the SSI Sector in marketing their products, Marketing

Assistance Scheme is being implemented which goes a long way for the SSI sector in catering to the requirements of Public Sector Undertakings / Boards and Corporations and other Agencies.

Table 10.32 - Sales Performance of KSSIDC (2013-14)

Items	Target for 2012-13		Target for 2013-14		Sales performance up to Oct-2012		Sales performance up to Oct-2013	
	Qty in Mts	Value in Rs. lakhs	Qty in Mts	Value in Rs. lakhs	Qty in Mts	Value in Rs. lakhs	Qty in Mts	Value in Rs. lakhs
Iron & Steel	18500	6452	15,000	7,283	7,484	3673.84	7060	3325.36
Coal	40,000	1208	40,000	1,200	14,775	379	15,120	403.00
Wax	200	200	200	200	74	75	62	68.00
Cement	500	30	1,500	90	425	24	550	33.00
Bitumen handling commission	500	10	500	10	0	0	33	0.06

Source: (KSSIDC)

KSSIDC has been continuing to serve the SSI units in the State by procuring and distributing various Industrial Raw materials required by them like Iron & Steel, Coal, Cement, Paraffin Wax etc. through its 17 raw material depots throughout the State. Since KSSIDC is procuring & distributing various industrial raw materials, this has helped the SSI units in getting quality raw materials at reasonable prices. This has acted as a deterrent to the Private Traders from exploiting the SSI units. KSSIDC has been extending 30 days interest free credit facility to the SSI units for purchase of raw materials through KSSIDC raw material depots against Bank Guarantee. Also under the provisions of MoU executed between KSFC and KSSIDC, M/s. KSFC is extending Rs. 100.00 lakhs financial Assistance per unit / per year to the SSI Sector for purchase of Industrial Raw Materials under line of credit. This has helped the SSI units to meet their raw material requirements without immediately arranging the funds.

In view of the economic slowdown that was observed during the First part 2012-13, the

prospects of improving the sales of raw materials through KSSIDC are not encouraging. KSSIDC may find it difficult to achieve the sales target for 2012-13. However, efforts will be made to achieve maximum possible sales target through KSSIDC raw material depots.

10.9.2 Karnataka State Industrial Area Development Board (KIADB)

Karnataka Industrial Areas Development Board (KIADB) is a statutory body, playing an important role in development of industries in the state. Since inception, the KIADB has developed 136 Industrial Areas in 28 districts of the state covering an area of about 41983.95 acres. In all the industrial areas developed by KIADB, basic infrastructural facilities like internal roads, water supply, power supply, street lights, common facilities centers, buildings, housing and offsite infrastructure like widening & improvement of approach roads etc are provided.

KIADB, to facilitate its land acquisition activities for industrial development, has

introduced a land-sharing scheme wherein about 9800 sq.ft. of developed land would be provided to the person who loses one acre of land in addition to the regular land

compensation for one acre. The statistics on the performance of KIADB for the last four years are given in Table 10.33.

Table 10.33 - Performance of Karnataka State Industrial Areas Development Board

Sl. No.	Particulars	Unit	2009-10	2010-11	2011-12	2012-13	2013-14 (April to Nov.13)
1.	Area acquired	Acres	3778.08	25058.50	7723.25	10012.20	4199.21
2.	Area allotted	Acres	1985.26	2127.88	1004.86	1006.37	418.20
	(a) SSI, L & M	Acres	262.16	160.23	5145.44	7604.72	239.86
	(b) Single Unit Complex						
	Total	Acres	2247.42	2288.11	6150.30	8611.09	658.06
3.	Expenditure incurred for acquisition	Rs. in lakhs	1,37,500.00	17,4900.00	98,210.00	173,100.00	97,276.00
4.	Expenditure incurred for development	Rs. in Lakhs	15,670.00	28,625.00	15,575.00	31,260.00	27,221.00
5.	Total Expenditure incurred	Rs. in Lakhs	1,53,170.00	2,03,525.00	113,785.00	204,360.00	124,497.00
6.	No. of Entrepreneurs	No.	1072	997	438	452	344
	(a) SSI units, L & M	No.	8	12	20	29	5
	(b) Single Unit Complex	Total	1080	1009	458	481	349

Source: Karnataka State Industrial Areas Development Board, Bangalore

10.9.3 Karnataka State Electronics Development Corporation Limited (KEONICS)

Karnataka, specifically, Bangalore is a preferred destination for companies looking to offshore their information technology (IT) and back-office functions, due to the metropolis' natural and strategic advantages coupled with the support extended by the Government of Karnataka to the IT industry in the form of allotment of land at concessional rates, IT infrastructure and other tax incentives to the IT Entrepreneurs. Further, the industry has its low-cost advantage and is a financially attractive location when viewed in combination with the business environment which the State offers, and the availability of skilled people. Further, a number of India's top technology firms have their strong base in the Silicon valley of India, i.e. in Electronic City,

Bangalore. These IT majors have a decisive role in IT Exports and instrumental in regularly achieving and sustaining a growth rate of over 20% indicating a robust growth ahead. Reports suggest that the IT industry in the State has offered direct employment to almost 8 lakh people, which is expected to grow by atleast 15 % in the year ahead.

In order to ensure that the fruits of the IT revolution are obtained in all regions of the State and to encourage the local entrepreneurs to set up their business units, the Government of Karnataka has taken a series of measures to establish IT Infrastructure/IT Parks in the Tier-II cities. To supplement the measures taken in this direction, the Government entrusted the Karnataka State Electronics Development Corporation Limited (KEONICS) with the responsibility of setting up IT Parks in Tier-II Cities in the State and don the role of a nodal agency to provide necessary IT

Infrastructure and support to the IT Industry & the entrepreneurs in the State. The activities that are presently being undertaken by KEONICS can be broadly categorized as (i) IT Infrastructure Facility Services (ii) Commercial & Marketing Services (iii) Training Services (iv) Information Technology Enabled Services (ITES) and Allied Services (v) Consultancy Services and (vi) Human Resources & Manpower Consultancy Services. KEONICS is actively involved in establishing IT Parks in Tier - 2 Cities in the State such as Hubli, Gulbarga, Shimoga, Mysore & Mangalore. The progress made in this direction is as follows -

IT Park, Hubli: The Government of Karnataka has initiated several measures to establish IT park in Hubli with state-of-the-art infrastructure. The first step in this direction was taken way back in 1999-2000 by setting up an IT park with 2,75,000 sq. ft. built up area in a sprawling IT complex at Hubli with a total investment of Rs 42.36 crore. The Government has offered additional incentives including providing work space at concessional lease rentals to prospective entrepreneurs to utilize the space available for establishing IT and IT enabled businesses in the complex. KEONICS has been entrusted with the responsibility of maintaining the IT Park Complex at Hubli.

IT Park, SEZ, Shimoga: The Government of Karnataka has announced the establishment of IT SEZ and IT PARK in Non-SEZ areas in Shimoga. KEONICS has been mandated to establish and develop IT-SEZ and IT park in KIADB Industrial Estate, off Shimoga Bhadravathi Highway. Developmental works have been undertaken to create 1 million sq.ft built up area in 25

acres of land allotted for developing the IT SEZ with an estimated investment of Rs. 250 crore on PPP model. Co-developers have been identified and the work is in progress in the first phase in an area of 6 acres. All necessary approvals have been obtained from the Government of India and other Agencies

IT Park Non- SEZ Shimoga: The first phase of construction for setting up of IT Park in the non-SEZ at Shimoga for a built-up area of 67599 sq.ft out of a total area of 100000 sq.ft. has been completed and inaugurated in November, 2012. The project cost is Rs. 1546 lakh (approx).

IT Park, Gulbarga: KEONICS has taken up IT Park project in Gulbarga in an area of 2 acres of land with a built-up area of 150000 sq.ft. in 3 phases with an estimated cost of Rs. 23.90 crore. The construction of the IT Park complex 1st Phase has been completed and inaugurated in October, 2012. Several incentives are offered to the local entrepreneurs including allotting workspace at very nominal rates.

IT Park at Mangalore & Mysore: The Government of Karnataka has approved the proposal for establishing IT parks at Mysore and Mangalore under the Public Private Partnership (PPP) mode. The tendering process for identifying the private partner has been initiated and the implementation of the project is expected to take off during 2013.

Along with the implementation of activities related to establishment of IT Parks, KEONICS is also involved in other activities as indicated above. The financial performance of KEONICS is given in Table 10.34.

Table 10.34 - Financial Performance

	2009-10	2010-11	2011-12	2012-13	2013-14 Upto Sept.13
Sales and Service Turnover	113.64	113.64	137.90	208.97	80.01
Other Income	5.36	4.06	5.81	6.62	3.84
Total Turnover	119.00	117.70	143.71	215.59	83.85
Profit before Tax	5.92	7.01	7.59	38.08	3.35
Profit after Tax	4.53	4.57	4.51	24.66	2.04

Source: KEONICS

KEONICS is poised to play a vital role in the upcoming Information Technology Investment Region (ITIR) project conceived and being developed by the Government of India and Government of Karnataka near the international airport, Bangalore with an initial investment of Rs. 1600 crore in an area spreading over 2100 acres in the first phase. The Project is aimed at housing IT SEZ, Electronic Hardware park among other ancillary industries with an integrated township.

KEONICS has established a cyber-lab at Mangalore with the support of the department of information technology, Government of Karnataka, to develop capacity building unit for law enforcement agencies, legal fraternity, Government departments, banking, corporate, students and citizens on the fast growing cyber security risks, cybercrime investigating skills, cyber laws of India and other countries, cybercrime mitigation measures, cyber security policies and framework etc.

The mission of the KEONICS cyber lab is to provide training and investigation support to agencies and entities involved in prevention, investigation and prosecution of economic and high tech crime. The vision of the KEONICS cyber lab is (i) Training of law enforcement, prosecution, judiciary in Cyber

Crime Investigation (Tools and Techniques), Cyber Forensics Process & procedures and Cyber Laws for their respective roles in dealing with cybercrimes/ cyber threat incidents (ii) Training Banking & Financial Institutions and Education Segment on Cyber Security to prevent security breaches (iii) Conducting cyber safety sensitization programs for all Government Department (iv) To act as a resource center for guiding law enforcement authorities of cybercrime cases and (v) Knowledge enhancement for the core departments handling cybercrime issues.

10.9.4 Department of Factories, Boilers, Industrial Safety and Health

The Department of Factories, Boilers, Industrial Safety and Health is a regulatory department enforcing various labour laws related to workplace safety, health and welfare measures which include the factories Act, the payment of wages Act and the maternity benefit Act. The State has 13890 registered factories with about 13.7 lakh workmen working in such industries. The State also has 1072 hazardous industries of which 74 are major accident hazard units. The details of newly registered units under various production categories are given in Table 10.35.

Table 10.35: Registration of New Industrial Units in Karnataka

Sl. No	Industrial Units	2009-10	2010-11	2011-12	2012 (Jan- Dec)	2013 (Jan - Nov)
1	Food Products	97	75	30	90	107
2	Paper & paper products	24	31	12	30	54
3	Metals & Alloys	49	65	43	82	118
4	Chemical manufacturing & Chemical using industries	48	30	11	30	44
5	Transports & Equipment	54	57	10	54	79
6	Textiles	28	82	28	69	104
7	Wood & wood Products	19	18	13	20	36
8	Other	668	653	647	496	307
	Total	987	1011	794	871	849

Source: Department of Factories, Boilers, Industrial Safety and Health

10.9.5 Karnataka State Financial Corporation (KSFC)

Karnataka State Financial Corporation is a State Level Financial Institution established by the State Government in the year 1959 under the provisions of SFCs Act, 1951 to cater to the long term financial needs of Micro, Small & Medium Enterprises (MSMEs) in the State of Karnataka. The Corporation has extended sizeable assistance to Manufacturing, Textiles, Infrastructure and other service sectors like Hospitals, Hotels, Transport, etc., Over the last 54 years, KSFC has been playing a pivotal role in the promotion of MSMEs, development of backward areas and first generation Entrepreneurs, etc., in the State of Karnataka.

Major Initiatives

To achieve better operational efficiency and to ensure the creation of Standard Assets portfolio the following major initiatives were taken by the Corporation:

- Re-organization and Decentralization to take products of KSFC to the doorsteps of the customers.
- Business Meets were conducted at District level to serve the customers at their

place and to take feedback from the grass root level.

- The Risk Management Department was established to evaluate credit risk independently and to facilitate better credit decision.
- The Modified Chronic Assets Resolution (MCAR) Scheme was amended to reduce the non-performing assets and realize the amount locked up in non-performing assets for better management of liquidity and to make the scheme more pragmatic.

Major Achievements during 2012-13

- In 2012-13, the Corporation recorded sanctions to the amount of Rs.94406 lakhs, Disbursement of Rs.73470 lakh & Recovery of Rs.79289 lakh. This is the highest ever performance in the key areas of operations in the history of the Corporation.
- The cumulative gross sanctions of the Corporation reached Rs.12,22,627 lakhs covering 166726 cases upto March 2013.
- The cumulative Disbursements reached Rs. 9,56,003 lakhs upto March 2013.
- The Standard Assets portfolio of the Corporation crossed the Rs.1,60,000 lakh mark and reached Rs.1,60,726 lakh upto March 2013 which is also the highest in the history of the Corporation.
- The State Government infused an additional share capital of Rs.5000 lakh to augment the financials of the Corporation.

- The Government of Karnataka provided guarantee support of Rs.40,000 lakh for resource mobilization.
- The State Government continued the One Time Settlement (OTS) scheme and provided equity support of Rs. 36,600 lakhs in 2012-13 to help the small borrowers of the Corporation to come out of the debt trap.
- The Government of Karnataka approved amendments to the Chronic Assets Resolution Scheme to make it more pragmatic and help the Corporation to resolve the non-performing assets.

- The State Government extended the Interest Subsidy Scheme for the SC/ST Entrepreneurs.
- The Net Profit of the Corporation in 2012-13 was Rs.1,70,249 lakh as against Rs.1,10,902 lakh in 2011-12.
- The Net Non-Performing Assets of the Corporation stood at 2.78% in 2012-13 compared to 24% in 2007-08.

The performance of the Corporation in the key areas of operations is summarized in Table-10.36.

Table 10.36 - Performance of KSFC

	FY 2010-11		April '10 to		FY 2011-12		April '11 to		FY 2012-13		FY 2013-14	
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
			Sept.'10				Sept.'11		April - Sept.'12		April-Sept 13	
Sanctions	1537	73163	725	35620	1485	81732	657	35921	708	37237	632	38096
Disbursement	-	58041	-	26843	-	59708	-	24833	-	31205	-	30367
Recovery	-	58671	-	27249	-	66090	-	29558	-	34235	-	41070

Source: Karnataka State Financial corporation

10.9.6 Karnataka State Industrial Investment & Development Corporation (KSIIDC)

KSSIDC, established in 1964, has been greatly instrumental in the industrialization of the State, especially in the large and medium sector. KSIIDC has stopped financial lending activity since October 2002 onwards. At present, recovery of the past lending/advances and loans and disinvestment of Equity are the main activity. However, certain investments as per the directions of Government of Karnataka are being made from time to time.

KSIIDC continues proactive role in the promotion of infrastructure projects on Public Private Partnership model and its role as nodal agency for Bangalore International Airport Project. Duly noting the initiatives

taken up by KSIIDC in the infrastructure sector, the name was changed to “Karnataka State Industrial and Infrastructure Development Corporation Limited” with effect from November 22,2010.

As the nodal agency of the State Government, KSIIDC has initiated activities for the development of the following projects which will be pursued for completion during 12th five year plan.

- a) Expansion of the Bengaluru International Airport.
- b) Bengaluru International Convention Centre Complex adjacent to the Bengaluru International Airport.
- c) Development of Devanahalli Business Park.
- d) Tadadi Port.
- e) Dabhol-Bangalore (Bidadi) Gas Pipeline.
- f) City Gas Distribution Project

Also, KSIID will continue to act as Nodal Agency of the State Government in respect of the specified projects assigned from time to time by the State Government. In addition to the above activities in the infrastructure sector, the following existing activities will be pursued.

- Thrust on recovery from advances
- Settlement of remaining loan accounts under OTS
- Sale of primary assets taken over under section 29.
- Recovery of advances through legal recourse under SFC & other Acts.

Besides KSIIDC through its Joint Venture Company with IL&FS, viz KSIIDC would extend advisory services for project development to the Agencies for development of their projects on PPP model. KSIIDC has stopped financial lending activity since October 2002 onwards. At present, recovery of the past lending/advances and loans and disinvestment of Equity are the main activities. Recovery from 2010-11 upto September, 2013 is given in Table 10.37.

Table 10.37 - Performance of KSIIDC Ltd (In Rs. Crores)

	2010-11	2011-12	2011	2012(P)	2013(P) April To Sep
Recovery	22.21	26.15	20.06	7.64	36.10

10.9.7 Department of Public Enterprises

The Government of Karnataka had established the Karnataka State Bureau of Public Enterprises in the year 1981. Later on in the year 2002 this Bureau was converted as the Department of Disinvestment and Public Enterprises Reforms. The main aim/object of this department is to take decisions in matters relating to

disinvestment, restructuring, amalgamation etc. In 2005 Government had accorded independent status to this department and re-named it as the Department of Public Enterprises. This department is vested with the responsibility of monitoring, regulatory, evaluatory and advisory functions for the betterment of the enterprises. Out of the 60 operating units, details of the profit-making top 7 State-level Public Enterprises in Karnataka are given in Table 10.38.

Table 10.38 - Performance of top 7 State Level Public Enterprises in Karnataka

Sl. No	Name of the Enterprise	Enterprise status as on 31-03-2013			Enterprise status as on 31-09-2013		
		Investment (Rs. in Lakh)	Employment (in Numbers)	Profit (Rs. in Lakh)	Investment (Rs. in Lakh)	Employment (in Numbers)	Profit (Rs. in Lakh)
1	Mysore Paints & Varnish Ltd	103.65	61	222.95	103.65	60	437.30
2	Karnataka Vidyuth Karkane Ltd	561.92	193	349.88	561.92	191	195.10
3	Karnataka Soaps & Detergent Ltd	3182.21	728	2174.20	3182.21	692	1083.25
4	Karnataka Silk Industries Corporation Ltd	5800.00	725	1160.11	5800.00	701	425.00
5	Karnataka State Road Transport Corporation	29188.70	36249	174.20	29188.70	38671	-
6	Mysore Minerals Ltd	600.00	1037	4002.34	600.00	1006	23784.00
7	Hutti Gold Mines Ltd.	21969.45	3842	16949.66	22748.19	4343	4830.00

Sixty State Level Public Enterprises in Karnataka are grouped into various sectors like Agriculture, Horticulture, Animal Husbandry, Energy, Housing, Transport, Co-operation etc. While more than 40 Enterprises are profit making ones, rest are experiencing loss. In order to identify the deep root cause for the sickness and non-viability of the enterprises, the Department of Public Enterprises through Professionalized External Institutions has taken up evaluation studies to identify and to focus on such detrimental areas and to work out on the remedial measures which will make the enterprises to come out of the clutches of loss making status and achieve profitability. In order to update knowledge and skill, the Department also conducts Management Development and Training programmes to the officers and officials working in the PSEs which aim at improving the performance in the areas of productivity, marketing, finance, Human resources, administration, industrial regulations, environment and ecology, industrial safety etc., through various recognized institutions. Further, in order to recognize, motivate and appreciate the best performing Public Sector Enterprise, this Department gives Annual 'Chief Minister's Ratna Award' for the three best performing Public Enterprises.

10.10 Industrial Policy Initiatives and Industrial Investment

Karnataka has been pursuing a pro-active industrial policy to facilitate and promote a favorable investment climate both for existing and prospective investors. The State's current industrial policy (2009-2014) has been introduced for a period of five years with effect from 1st April 2009. The policy has the major objectives of (i) building a prosperous Karnataka by developing human and natural resources in a systematic, scientific and sustainable manner (ii) creating an additional employment of 1 million with an investment of Rs.30000 crore in the industrial sector by the end of 2014 (iii) creating enabling investment for robust industrial growth and achieving inclusive industrial development in the State and (iv) enhancing the contribution of manufacturing sector to the State GDP from the present 17% to 20% by the end of March 2014.

Industrial investments proposed through filing of industrial entrepreneurs' memorandum (IEM) and issuing of industrial licenses (IL) are presented in Table 10.39. The number of investment proposals and amount of proposed investment has decreased in 2013 when compared to 2012.

Table 10.39 - Details of Industrial Approvals in Karnataka

Particulars	2010	2011	2012	January – September	
				2012	2013
Industrial Entrepreneurs Memorandum filed (Nos.)	261	214	169	127	70
Proposed investment (Rs. crores)	1,39,218	94,082	47,967	28,179	7,334
Proposed to employment (Nos.)	1,12,761	Not available	Not available	Not available	Not available
Letter of Intent & Direct Industrial Licences issued	8	3	-	-	9
Proposed Investment (Rs. crores)	1,071	65	-	-	31
Proposed to employment (Nos.)	6,385	Not available	-	-	Not available

Source: Department of Industrial Policy & Promotion, GoI.

10.10.1 Foreign Direct Investment (FDI)

Details of State-wise FDI inflows from 2010-11 upto 2013-14 (upto Aug' 2013) as well as cumulative FDI inflows from April 2000 till Aug 2013 are given in Table 10.40.

The total FDI inflows to the State in the last decade accounted for 6% of the total FDI inflows to India and Karnataka stands third among Indian States, in terms of quantum of FDI inflows.

Table 10.40- State-wise FDI Inflows¹

(US \$ in Million)

Sl. No	RBI – Regional Office ²	States Covered	2010-11	2011-12	2012-13	2013-14 (upto Aug. 2013)	Cumulative Inflows (April'00-Aug. 13)	% to Total Inflows
1	2	3	4	5	6	7	8	9
1	Mumbai	Maharashtra Dadra & Nagar Haveli Daman & Diu	6,097	9,553	8,716	1,580	64,917	32
2	New Delhi	Delhi, Part of UP & Haryana	2,677	7,983	3,222	1,075	37,369	18
3	Bangalore	Karnataka	1,332	1,533	1,023	738	11,523	6
4	Ahmedabad	Gujarat	724	1,001	493	382	9,032	4
5	Chennai	Tamil Nadu Pondicherry	1,352	1,422	2,807	1,078	12,158	6
6	Hyderabad	Andhra Pradesh	1,262	848	1,159	358	8,325	4
7	Kolkata	West Bengal Sikkim Andaman & Nicobar Islands	95	394	424	124	2430	1
8	Chandigarh	Chandigarh Punjab Haryana Himachal Pradesh	416	130	47	22	1223	1
9	Panaji	Goa	302	38	9	12	783	0.4
10	Bhopal	Madhya Pradesh, Chattisgarh	451	123	220	116	1,113	0.6
11	Jaipur	Rajasthan	51	33	132	7	692	0.4
12	Kochi	Kerala Lakshadweep	37	471	72	48	959	0.5
13	Bhubaneshwar	Orissa	15	28	52	11	352	0.2
14	Kanpur	Uttar Pradesh, Uttaranchal	112	140	31	13	360	0.2
15	Guwahati	Assam Arunachal Pradesh Manipur Meghalaya Mizoram Nagaland Tripura	8	1	5	-	78	-
16	Patna	Bihar Jharkhand	5	24	8	-	38	-
17	Region Not Indicated ³		4,491	11,399	4,004	2,897	50,391	25
	Total		19,427	35,121	22,424	8,461	2,01,743	100
18	RBI's NRI Schemes (from 2000 to 2002)		-	-	-	-	121	-
	Grand Total⁴		19,427	35,121	22,424	8,461	2,01,864	-

Source: Department of Industrial Policy & Promotion, GoI

Notes – (i) Includes equity capital components only, (ii) The regional-wise FDI inflows are classified as per RBIs – Regional Office received FDI inflows, furnished by RBI, Mumbai, (iii) Represents, FDI inflows through acquisition of existing shares by transfer from residents to non residents. For this RBI Regional wise information is not provided by Reserve Bank of India, (iv) On the basis of clarification received from RBI, the amount of stock swap & advance pending for issue of shares has been deleted from FDI data.

10.10.2 Karnataka Udyog Mitra (KUM)

Karnataka Udyog Mitra (KUM) is a single contact point for all investors who are looking at setting up enterprises / business in Karnataka. As a nodal agency, its role is to facilitate investments & execute initiatives to enable a smooth transition, from receiving an investment proposal to the eventual implementation of the project. It acts as a Secretariat for State High Level Clearance

Committee (SHLCC) for projects above Rs. 50 crores & State Level Single Window Clearance Committee (SLSWCC) for projects between Rs. 3 to 50 crores. The details of projects cleared indicating the investment & employment to be generated by the projects cleared by the State Level Single Window Clearance Committee (SLSWCC) & State High Level Clearance Committee (SHLCC) from 2009-10 to 2013-14 are indicated in Table 10.41 & Table 10.42 respectively.

Table 10.41 - Projects approved by SLSWCC

Year	Approved Projects	Investments (Rs. In crores)	Employment (In Nos.)
2009-10	359	7749.88	115932
2010-11	439	6879.64	110505
2011-12	410	5328.50	65549
2012-13	675	9350.79	141821
2013-14 (upto Sept. 2013)	158	2485.44	32833
Total	3949	58754.23	1563898

Table 10.42 - Projects approved by State High Level Clearance Committee (SHLCC)

Year	Approved Projects	Investments (Rs. In crores)	Employment (In Nos.)
2009-10	110	288548.57	284934
2010-11	186	187185.70	580161
2011-12	60	34188.8	165165
2012-13	100	133109.77	1158001
2013-14 (upto Aug. 2013)	18	14522.37	69698
Total	698	1015400.07	5447271

Source: Karnataka Udyog Mitra, Bangalore

Global Investors Meet 2010

Government of Karnataka organized Global Investors Meet 2010 on 3rd & 4th June 2010 at Palace Grounds, Bangalore. During the Global Investors Meet 2010; Government entered into MOUs with 389 companies

with an investment of Rs. 3.92 lakh crores which would create an employment opportunities to more than 7 lakh people. As a result of constant follow up and review, 61 projects were implemented with an investment of Rs.32178 crores. 216 projects are in the various stages of implementation

with an investment of Rs.2.36 lakh crores and which will generate an employment to more than 4.30 lakh people in coming years.

Global Investors Meet 2012

Global Investors Meet 2012 was held at Bangalore International Exhibition Centre (BIEC), Bangalore on 6th, 7th & 8th of June, 2012. It attracted an investment of Rs.6.78 lakh crores from 751 projects who have signed MOU/EOI/ROI with Government. Further, as a part of Global Investors Meet, MoUs in MSME and other sectors involving investment of Rs.42364 crore have been entered. This event provided investors an excellent opportunity to explore the potential of the state & network with global investors. Several sectoral sessions were held and eminent speakers participated. An exhibition was also held as a part of the event. As a result of constant follow up and review, 38 projects were implemented with an investment of Rs.9561crores. 245 projects are in the various stages of implementation which will generate an employment to more than 5 lakh people in next 3-4 years.

10.10.3 Major Industrial Policy Initiatives

i. Agribusiness sector

A. Integrated Agribusiness Development Policy 2011: The policy provides exemption from Stamp Duty & Concessional Registration for MSME, Large and Mega agro based industries and agri-infrastructure. Export oriented units in the agribusiness sector benefit from exemption from Entry Tax, Exemption of APMC cess/fees and Incentives. The policy facilitates the provision of Interest Free Loan on VAT for Large and Mega agro based industries and exempts agro units & agri-infrastructure

from electricity duty. The policy also enables the provision of special incentives in selected zones.

B. Karnataka Grape Processing and Wine Policy, 2007: The policy has declared Wineries as “Horticultural & Food Processing Industries” and enabled the simplification of rules for getting lands for production of grape wine varieties. The policy envisages the production of wine and for issuing License and Permit to the Wineries. Capital Investment Subsidy and Subsidy for Grape Processing, Incentives for marketing and distribution of wines and establishment of wine Parks have been proposed as part of the policy.

C. Karnataka State Policy on Organic Farming, 2004: This policy promotes the integrated and sustainable management of natural resources for achieving food, nutritional, environmental and livelihood security. The policy envisages improvement in soil fertility & productivity through safe farming and the use of efficient, economic, eco-friendly and sustainable crop production and protection technologies. Other related policies in the State’s agribusiness sector include Karnataka Agriculture policy, Karnataka Horticulture Policy and Karnataka Industrial Policy 2009-14.

Foreign Direct Investment in the agribusiness sector: 100% FDI under automatic route is permissible for the following agricultural subsectors under Agriculture:

- Floriculture, Horticulture, Apiculture and
- Cultivation of Vegetables & Mushrooms under controlled conditions.
- Development and production of Seeds and
- Planting material.
- Animal Husbandry (including breeding of
- Dogs),

- Pisciculture, Aquaculture, under
- controlled conditions and
- services related to agro and allied sectors.

Other than the above-mentioned subsectors, ➤ FDI is not allowed in any other agricultural sector/activity. Any import of genetically modified materials, if required, shall be subject to the conditions laid down vide Notifications issued under Foreign Trade (Development and Regulation) Act, 1992.

ii. Aviation/Aerospace industry

Karnataka produces more than a quarter of India's aircraft and spacecraft and, the State is the base for most global players in India. The State is home to some of India's first and top R&D centres in Aerospace & Defence such as Indian Space Research Organization (ISRO), Defence Research and Development Organization (DRDO), etc. Boeing Research & Technology centre, Airbus Engineering Centre, and DRDO's Gas Turbine Research Establishment (GTRE) are located in Bangalore. The State has extensive experience and inherent competencies in aerospace with India's first private aircraft factory, Hindustan Aircraft Ltd, having been established here in 1940. The State has strong backward linkages in the sector with the Society of Indian Aerospace Industries and Technologies (SIATI) recording membership of approximately 300 small and medium-scale industries. 984 acres have been allocated for an exclusive industrial area and sector specific SEZ for Aerospace industries near Bangalore International Airport.

An FDI of 100% is allowed under the automatic route in this industry. In the defence sector, 100% private sector participation and 26% FDI permitted in the

Defence production Sector with prior Govt approval and industrial licensing (if applicable). Defence Procurement Procedure (DPP) provides for a uniform offset of at least 30% in case of foreign contracts valued over US\$ 62.5 million (INR 300 crores).

In the civil aviation sector, 100% FDI is allowed under automatic route for green field airport projects and for existing projects 74% can be under automatic and remaining under Government route. 74% FDI is permissible (Automatic up to 49%; Government route beyond 49% and up to 74%) for Ground Handling Services subject to sectoral regulations and security clearance. 100% FDI is permissible under automatic route for Maintenance and Repair organizations; flying training institutes and technical training institutions.

iii. Industrial Infrastructure

The State is currently home to 58 Special Economic Zones that provide a Duty-free Enclave for driving FDI and Exports.

Karnataka State Policy for Special Economic Zones Act, 2009 allows for the single point clearance by unit approval committee headed by the Development Commissioner, SEZ. All industrial units and other establishments in the SEZs are declared as Public Utility Service under the provisions of the Industrial Dispute Act, 1947. Units in SEZs are eligible for 50% exemption of Stamp Duty and Registration fees, exemption of Electricity Duty or Taxes, exemption of 1% Labour Welfare Cess on construction cost and, Exemption from any other State taxes, cess, duties or levies as may be notified by the State Government.

The units are also eligible for Duty-free import/domestic procurement of goods and,

100% Income Tax exemption on Export Income for SEZ units for first 5 years, 50% for next 5 years thereafter and 50% of the ploughed back export profit for next 5 years. The SEZ units benefit from exemptions from taxes such as minimum alternate tax, Central sales tax, State sales tax and other State Government levies. External Commercial borrowing by SEZ units upto US\$ 500 million (Rs.2,400 Crore) in a year is permitted without any maturity restriction through recognized channels.

iv. Energy Sector

A. Karnataka Renewable Energy Policy 2009-14: The policy lays emphasis on Energy Conservation and Energy Efficiency by a saving of 1,500 MU per year (900 MW by 2014). The policy proposes the sublease of the developed lands to the Renewable Energy developers for a period of 30 years and renewed for a period of 5 years at a time after the lease period subject to fulfilment of conditions stipulated by the Government. The State Government will assign the Power Purchase Agreements to the ESCOMs at the time of allotment. The policy proposes the establishment of an Akshaya Shakthi Nidhi (Green Energy Fund) to facilitate Renewable Energy project financing and Energy Conservation and Efficiency measures. "Green Energy Cess" of INR 0.05 (five paise) per unit would be levied on the electricity supplied to commercial and industrial consumers.

Land Policy for Renewable Energy Projects: The availability of suitable land and making the land available expeditiously is a major issue for RE development. Renewable Energy Special Economic Zone (SEZ) (under Industrial Policy 2009) proposes that 10% portion of the lands to be at the disposal of KREDL to develop Renewable Energy projects and allied Renewable

Energy industries (in proposed and future SEZs).

The State's renewable energy policy promotes the development of (i) Sugar and co-gen power in Bidar, Belgaum, Bagalkot, Shimoga and Mandya Districts.(ii) Power Generation sector specific industrial zones in Raichur, Bellary, and Bijapur&Chitradurga Districts and (iii) Renewable energy SEZs at Shimoga, Hassan, Bangalore, Udupi, Mysore and Bellary.

Clearance of Renewable Energy projects: The concerned department will give necessary approval and clearance within 90 days of the application submitted. KREDL will monitor with the concerned departments. Wheeling charges at 5% will be applicable subject to the KERC norms and, grant of incentives available to industries would be guided by the Industrial Policy 2009.

B. Karnataka Solar Policy 2011-16: A major feature of the policy is that it envisages a purchase obligation that the Quantum of power that is to be procured by ESCOMs from solar resources will be 0.25% of the total consumption.

10.10.4 Special Economic Zones (SEZs)

In order to support the effort of Govt. of India in development and promotion of SEZs in the State, the Government of Karnataka has formulated a State policy for SEZs as per the Central SEZ Act 2005 & Rules 2006, to provide a hassle-free environment for manufacturing & service sectors and to attract FDI. Salient features of the State Policy for SEZs are as below:

- Single point clearance to SEZ developers & units.
- Acquisition of land on consent basis.

- To set up SEZs on waste, dry and single crop land.
- Delegation of labour commissioner's powers to development commissioner – SEZ.
- Monitoring and review committee is constituted to monitor and review the implementation of SEZs under the chairmanship of Chief Secretary, Govt. of Karnataka.

The fiscal package of incentives & concession extended to SEZ developers and SEZ units includes:

- Exemption from State taxes for all purchases from domestic tariff area excluding petroleum products.
- Exemption from stamp duty and electricity duty.
- Capital subsidy for common effluent treatment plant.

The Board of approval of SEZ constituted under SEZ Act 2005 has granted formal approvals for 60 SEZs and in-principle approval for 1 SEZ in the State. 24 SEZs are operational in the State. The investment in these SEZs is Rs. 37,272 crores and generating employment for 11, 65, 560 persons. 168 SEZ units are functioning in these SEZs. The value of exports from these SEZs during the year 2012-13 is Rs.39, 363 crores.

10.11 KARNATAKA TOURISM

Karnataka with its great Heritage and Cultural Background has vast potential for the sustainable development of tourism industry. State Government has declared 'Tourism as an industry' since 1988. The Department has brought out a series of Tourism Policies with the package of incentives, concessions and subsidies for development of Tourist Infrastructure in the State through the private investment. Tourism has been given priority and it is

instrumental for Socio-Economic growth of the State as well as providing lot of employment opportunities for both skilled and unskilled man power. Human Resource Development has also given importance and initiatives have been taken to impart short term courses in hospitality sector to the younger generation. With the development of Tourism, other related sectors such as, Transport, Hospitality, Horticulture and other small scale industries have also been developed.

The Economic benefits of Tourism are far-reaching. In addition to enhancing revenues within the segment, tourism has the potential to create employment and generate wealth in a sort of "ripple effect" across industries throughout an entire geographical region. By boosting local spending and generating direct as well as indirect job opportunities, tourism provides socio-economic benefits that, far out weight the costs. Rural areas, in particular, stand to gain the most from the improved regional infrastructure and enhanced revenue circulation engendered by tourism-related development projects.

The growth of Tourism is directly proportional to the arrivals of tourists to a particular destination. More number of arrivals will make more economic activities and generates employment and other social facilities.

The impact is measurable at a particular destination comparing with its previous position. The Road connectivity, Electrical Connection, Water Supply, Poultry, Handicrafts and various other related sectors are also improved in that particular destination. Totally, growth of community Development in that particular area is because of growth of Tourism.

Karnataka is a veritable Treasure Trove of Tourism Towering hills, bewitching white sand beaches, magnificent monuments, temples and palaces, exciting wild life, exquisite handicrafts, salubrious and eco-friendly climate, endless varieties of mouth-watering cuisines, hospitality of the people, rich heritage and a glorious culture make the whole state a tourist's paradise. The exclusive perfume of sandalwood and agarbathis, the aroma of fresh blooming coffee flowers, the heady fragrance of the Mysore jasmine and the thousand varieties of roses blossoming make Karnataka a land of fragrance. The State has all the ingredients for great holiday-the relaxed length of the Arabian Sea coast line, the majestic rocks of the Deccan, thick lush green tropical forests, an unimaginable variety of trees, plants, flowers, animals and birds and an all-pervasive sense of history and culture. Karnataka is probably the only state in India where you can take an elephant ride; hike across an excitingly rugged terrains swim and surf in a green blue sea; wander through the forts and ruins; pay a devotional visit to magnificent Temples, Churches, Mosques, Gurudwaras and Jain Basadis relax in an unpolluted and peaceful natural environments or simply watch the monsoon rains batter the earth, transforming the land into a variegated form of productivity. Yet, Karnataka is a State of charming contrasts with the modern blending harmoniously with the ancient. Even in the thick of the bustling life of the modern cities, one can discern an easy-going, relaxed way of life. All these and many more make the state an enigmatic, unforgettable and ecstatic experience for all tourists. Hence, Karnataka is aptly called "ONE STATE, MANY WORLDS".

The Directorate of Tourism at Bangalore is looking after the administration of Tourism Department along with promotional and

developmental activities. It is supported by two other Government undertaking agencies namely, Karnataka State Tourism Development Corporation Ltd and Jungle Lodges and Resorts Ltd. Every district has a District Tourism Promotional Council headed by the Deputy Commissioners of the concerned districts. This Committee will look after the tourism activities and also monitor the progress of Tourism Works. The KSTDC undertakes commercial activities like operation and maintenance of infrastructure facilities created by the Department and running of Hotels, restaurants, and organizing package tours in and outside the State. It is also looking after the operation of Golden Chariot (Luxury Tourist Train). The responsibilities of Jungle Lodges and Resorts is to manage the Eco-Tourism units in the State, currently it is managing 17 such Eco-Tourism units across the State, which are the best of its kind in the country. For development of Golf Tourism in the State, the Department is supporting by creating tourist infrastructure facilities at various golf clubs in the State. A golf course is proposed to commission at Thannirbhavi near Mangalore on PPP model. Jungle camps and Trials have been developed at 8 different forest locations in the state.

Karnataka Tourism is actively participating every year in the Tourism Marts such as ATM Dubai, WTM London & ITB Berlin etc. In the last year department has actively participated in the International events like ITLTM (Asia)-China, TOPRESA-Paris, WTM-London, ITLTM- Cannes, FITTUR-2012-Madrid, International Travel Brouse-Berlin. Along with these events department participated in domestic exhibitions like Tourism Trade Fair-Kolkata, Hyderabad, Ahmedabad, Surat, Chennai, Bengaluru and IITM events held in-Chennai, Bengaluru, Mumbai, Delhi, Pune, Hyderabad,

Lucknow, Cochin. Tourism publicity has given widely by the department through participating in the Domestic Road shows held in Ahmedabad, Kolkata, Amritsar, and Chandigarh. During the current year Department has extended its travel trade with other countries by participating in the International events held at ATM-Dubai, ITB-Asia-Singapore, PATA event China, JATA at Japan, TOPRESA-Paris, WTM-London in domestic circuit department participated in Tourism Trade Fair-Kolkata, Hyderabad, Ahmedabad, Surat, Mumbai, Pune.

Karnataka Tourism has got so many rewards for providing excellent tourist service. In the last year department got Big Bang award, Pepper award for printing excellent quality tourist promotion materials. In ITB Berlin 2013 event department stall has chosen as best stall out of 11,500 stalls. And in various domestic exhibition department stalls have been chosen as best pavilion.

Candanas Travel magazine has identified Kodagu district has most promising tourist destinations in the year 2012. In the current year the Associated Chamber of Commerce and Industry, Gujarat has given **Excellent Printing Material Award – 2013** to Karnataka Tourism. **World Heritage Site Hampi** was selected for prestigious **CNBC 2013 award as Best Tourist Destination.**

Karnataka Tourism considered infrastructure development as its top priority, and has taken several concrete steps to enhance facilities at tourist destinations. Department has also made all possible efforts and took all possible steps for aggressive marketing and publicity campaigns both at National and International levels. As a result of this, Karnataka has a considerable growth in tourist arrivals, the flow of tourists registered a considerable increase compared to the past few years. The figures of arrivals are given in Table 10.43.

Table 10.43- Tourists' Arrival from 2006 to end of 2013

Sl. No.	Year	Indians	Foreigners	Total
1	2006	3,61,95,907	5,05,524	3,67,01,431
2	2007	3,78,25,953	5,34,563	3,83,60,516
3	2008	3,70,10,928	5,20,041	3,75,30,969
4	2009	3,27,29,679	5,29,847	3,32,59,526
5	2010	3,82,02,077	5,24,573	3,87,26,650
6	2011	8,41,07,390	5,74,005	8,46,81,395
7	2012	9,40,52,729	5,95,359	9,46,48,088
8	2013(Aug)	6,69,46,930	4,00,407	6,73,47,337
	Total	42,70,71,593	45,84,726	43,12,55,912

The tourist flow in to the State has continuously been increasing steadily from 3.67 crores in 2006 to 9.46 crores in 2012, which indicates comprehensive increase in arrivals. The tourist inflow to the State is steadily increasing.

10.11.1 Accommodation Facilities

As a result of sustained promotional activity of the Department, the tourist inflow is expected to increase substantially in the coming years. As a result, the demand for

hotel rooms is expected to go up sharply and supply would fall short. In order to meet the demand Department has taken initiatives to encourage private stake holders through the Tourism Policy to construct more number of Hotels and Accommodation facilities, which are more affordable.

Besides, a new venture called 'Athithi'-Home Stay scheme has been introduced in the State. Many families are coming forward to share their homes with tourists as Home stays and there are some excellent Home Stays offered to the tourists in the State. Separate guidelines have been issued to encourage Home Stays in the state. So far around 249 Home Stay projects have been given approval by the department and around 230 new applications have been received from public for consideration of department approval.

Initiatives have also been taken to construct International standard hotels in major tourist places to facilitate the high end tourists. It is also supported by the Eco-Tourism units managing by Jungle Lodges and Resorts across the State. Department has also enhancing the Budget Class Accommodation facilities at various tourist places by way of construction of Yatrivas, Dormitory Accommodation. As a result of Tourism Policy and Athithi Home Stay Scheme, the demand gap of hotel rooms has been minimized particularly in peak season.

10.11.2 Tourism as an Economic Activity

There are a significant proportion of workers in the Tourism Economy, as many as 20 percent, in administrative roles and managerial occupations and with good salaries. Business tourism is also a high value-added market in some areas with luxury hotels that offer additional services to

business delegates. This requires high staffing rates as well as specific skills related, for instance, to kitchen activities and the management of events.

In view of integrated development of tourism in the state government has announced new tourism policy for 2009-14. In the overall period of this policy (5 years), it is estimated that Rs.25000/- Crores of private investment will be made in tourism sector. And in the same period 29 to 41 lakhs of employment opportunities will be generated. To minimize the financial burden to state PPP scheme has been introduced to attract more number of mega investors.

Analysis of work patterns of tourist related employees' highlights that it will provide employment to not only skilled man power but also for unskilled man power. It is estimated that about 8 to 11% of the population are working for Tourism either directly or indirectly. Moreover, Tourism attractions, monuments etc. are fall in the rural area and there is a good opportunity for the regional people to get employment.

Income from Revenue Earnings

Tourism earns a handful foreign exchange compare to other products. The revenue generated by the Tourism is from various sources both by direct and indirect incomes. One of the reports issued by National Tourism Development Council (NTDC) says that the foreign exchange earnings share of the Karnataka would be 9% of the total foreign exchange earned by the country that will come to Rs.1170.00 crores (2008). The revenue generated in the public sector during the last 5 years is summarized as under.

Table 10.44 - Revenue Realized by the Tourism(Rs. in lakhs)

Name of the Organization	2009-10	2010-11	2011-12	2012-13	2013-14 (Sept)
Directorate of Tourism	92.43	119.70	35.61	89.21	13.95
Jungle Lodges & Resorts Ltd	2785.46	3298.74	4268.21	4093.72	1954.00
Karnataka Tourism Development Corporation	4020.02	5240.00	6256.00	6684.20	3967.83
Total	6897.91	8658.44	10559.82	10867.13	5935.78

Table 10.45 - Details of Budget allocation & Expenditure (2010-11 to 2013-14) (Rs. In Lakhs)

Sl. No.	Head of Account	Financial Year							
		2010-11		2011-12		2012-13		2013-14(Oct)	
		Budget	Expd.	Budget	Expd.	Budget	Expd.	Budget	Expd.
1	3452-Plan	10117.58	10030.44	8552.05	5721.34	8774.00	8647.79	10700.00	542.74
2	3452-Non-Plan	288.68	281.76	326.80	187.60	343.43	339.63	372.14	185.86
3	5452-Capital Outlay	12430.00	10598.11	13660.00	7760.59	13205.00	13071.83	23600.00	1806.24
	Total	22836.26	20910.31	22538.85	13669.53	22322.43	22059.25	34672.14	2534.84

Other Initiatives taken by the Department

In order to maximize impact, Karnataka Tourism has devised and implemented a four-pronged strategy for the development of tourism in Karnataka. The department has focused its efforts on four separate areas-policy and implementation, infrastructure development, marketing and preservation and sustenance. It is hoped that progress made on these four fronts will help to achieve the ambitious development and revenue goals that have been set. Perhaps the single biggest achievement of Karnataka Tourism has been the creation of a cohesive, comprehensive, and seamless and tourism development.

- District Tourism Promotion Councils have been created for all the 30 districts which are headed by Deputy Commissioners of the concerned district. This committee will be functioning by focusing on development of identified areas in their region and will also monitoring the progress. In order to strengthen the council opportunity has been provided to stakeholders to be the part of the council.

- Under the Chairmanship of Principal Secretary Tourism Department. A State Level Monitoring Committee is also been created for monitoring the overall developments and progress of Centrally Financial Assistance projects.
- Master plans for all the districts have been prepared.
- Tourist facilities are being developed near two World Heritage Sites under mega project, namely, Hampi and Pattadakal. The integrated development of the Hampi site is in progress with an estimated cost of Rs.81.77 Crores. The detail project report for the development of circuits – Badami-Pattadakal-Aihole has been submitted to Central Government and the estimated cost of this mega project is Rs.143.00 Crores. Action has been taken to establish tourist plazas at World Heritage Sites Hampi and Pattadakal to provide all tourist services under single roof.
- Development of tourist facilities at Almatti Dam has been taken by providing tourist infrastructure near this dam.
- In addition to the existing Eco-tourism units, initiatives have been taken for the development of more Eco-tourism resorts centers under central financially assistance namely, Talakale near Jog, Vilaspur tank in Bidar, Daroji near Hampi, Khanapur near Belgaum, Pilikula near Mangalore.

- A separate Budget head has been provided by NABARD for development of Last mile connectivity roads leading to monuments from the main road. The works are under progress.
- Steps have been taken to erect signages and Hoardings across the state in the important locations.
- A systematic approach has been followed to increase the tourism man power specifically in Hospitality sector by imparting tourism training through Institute of Hotel Management & Food craft institutes under the funds of Hunar Se Rozgar Tak scheme of central government.
- Food craft Institute at Belur has been started to give training to the local young educated youths in various hospitality courses.
- Under the Rural Tourism Project, Anegundi, Kokkre Bellur, Banavasi and Attivari Bird Sanctuary have been developed. Schemes will be prepared to develop Rural Tourism at other places also to showcase rural life, art and culture and heritage.
- Works are under progress for providing tourist facilities at Hill stations namely Kemmanagundi and Nandi hills.
- A separate Budget Head has been provided for the development of Scheduled Caste and Tribes under Special Component Plan and Tribal Sub Plan, under which tourists taxis have been provided to the eligible SC & ST candidates with subsidy. Apart from this supply of musical instruments, training under green police programme, short term courses in hospitality sector have been providing to the Youths of these community. Karnataka Darshan Programme is being arranged for the student's studying in 8th, 9th & 10th std in government schools.
- On the lines of SCP/TSP programmes Karnataka Darshan Tour programmes are being organized to the students of all communities studying in 8th, 9th & 10th std in government schools.

Cruise Tourism

It is proposed to develop Cruise tourism along its pristine coastal line with a view to providing and enriching, exciting and memorable experience to tourists in the state. Feasibility study will be carried out shortly.

Wellness Tourism

Bangalore is a cosmopolitan City, known to the world over as the silicon valley of India, offers a wide range of healthcare options like ultra-modern allopathy, time-tested ayurveda, holistic naturopathy and spa-based rejuvenation. In fact, Bangalore has the distinction of having the largest number of systems of medicine approved by the World Health Organization in a Single City. Utilizing this opportunity, department would like to develop Wellness Tourism in the State. More than 10000 patients from different parts of the globe are visiting to Karnataka for availing treatment in the multi-specialty Hospitals.

Adventure Tourism

There is ample opportunity for adventure tourism in the state. River rafting, Parasailing, Rock climbing, Hard Trekking etc. areas are focused for development. River rafting facilities are added to Kali Adventure Camp, Dandeli & River rafting in Bhadra near Magundi (Balehonnur) besides to water sports centre at Yagachi near Belur, Velaspur tank in Bidar District and Kere Thonnur Tank in Mandya District.

Caravan Tourism

The concept of Caravan Tourism has gained immense popularity across the globe owing to the freedom and flexibility it provides, while holidays vis-à-vis itineraries and accommodation. Department of Tourism has taken steps to develop Caravan Tourism

in the State and Deputy Commissioners are requested to provide suitable lands for development of Caravan Camping Parks. Some of the Caravan Operators have shown their interest to run the Caravans in some of the selected tourism places in the State. If this scheme is conceived under PPP, the scales of operations can be much larger. The Caravan Parks can be designed to provide camp site, low cost Hotels with some recreational facilities.

Execution of 7 point strategy in tourist destinations

- 1) Development of Last Mile Connectivity.

- 2) Development of Accommodation.
- 3) Supply of Publicity Material.
- 4) Hygiene & Sanitation.
- 5) Safety and Security of tourists.
- 6) Drinking Water Facility.
- 7) Signages and Hoardings.

Investment Plans

The investment for creation of infrastructure and promotional activities mainly come from State Budget, Central Financial Assistance. In the year 2013-14 central government has prioritized 12 projects of Karnataka State for central finance assistance.

Table 10.46 - Twelve Projects prioritized by GOI in 2013-14.

List of Projects Prioritised by the Ministry of Tourism, Government of India for the Year 2013-14 (Rs. in Lakhs)

1		Mega Circuit	
	1	Costal Circuit Development	5000.00
2		Large Revenue Generating Projects	
	ii	Establishing craft village at Hampi on the lines of Surajkund art & Craft Mela	2500.00
3		Destination Development	
	iii	Tourism Infrastructure works at Mysore Palace	525.00
	iv	Devt of Tourism Infrastructure at Gulbarga Fort & Khaza Bande Navaz Darga	500.00
	v	Devt of Infrastructure Bhadra Phase-2 (Northern Circuit)	702.00
	vi	Devt of Tourism Facilities at Apsara Konda, Honnavara Taluk, Uttara Kannada	662.76
	vii	Devt of Sri kshethra Kanakagiri Chamarajnar District	799.31
	viii	Devt of Manjarabad Fort, Sakleshpur, Hassan District	500.00
4		Circuit	
	ix	Devt of Mysore Circuit Eco tourism Rejuvenation of Brindavan Gardens etc	800.00
	x	Devt of Chikkaballapur Region (including Devanahalli, Shivagange, Ghati Subramanya, Gummanayakanapalya and Gudibande)	800.00
5		Wayside Amenities	
	xi	Devt of Roadside amenities between Chikmagalur-Sringeri in Malnad Region	300.00
	xii	Devt of Roadside amenities at Vanivilas Sagar Chitradurga District.	300.00
		Total	13389.07

(Rs. in Lakhs)

		Other Projects	
1		Introducing Surfing as an Adventure Tourism Activity at Murudeshwar Beach, Karwar Tagore Beach, Gokarna Beach, Panambur Beach and Maravanthe Beach.	849.00
2		Setting up of Netrani Island Tourism Interpretation Centre near Murudeshwar Uttarakannada Dist	187.00
		Total	1036.00

Table 10.47 - Tourism Roads taken up with NABARD Assistance

RIDF No	Number of Roads	Length (KM)	Total Project Cost	Total Amount Released	Balance Amount to be released
RIDF – XIV	8	94.80	1704.78	1621.78	83.00
RIDF – XV	2	13.50	460.00	387.25	72.75
RIDF – XVI	7	38.85	1240.66	679.69	560.97
RIDF – XVII	11	59.83	2080.00	1203.71	876.29
RIDF – XVIII	12	16.98	1296.00	400.00	890.00
Total	40	223.96	6781.44	4292.43	2483.01

a. **JN-NURM Scheme**

The Urban Development Department, Government of India, under the JNNURM scheme has sanctioned an amount of Rs.39.45 crores for development of Heritage path around Mysore Palace in Mysore. The work is implementing through City Corporation of Mysore.

b. **Mega Tourism Projects**

In addition to the mega tourism project at Hampi, a proposal has been submitted for development of circuit, namely Badami-Pattadakal-Aihole. The estimated cost of this mega project is Rs.143 crore.

c. **Other initiatives**

- A Biological park has been developed in the Bannerghatta National Park, which is about 22 kms away from the City. Action has been taken to set up food craft institute at Gulbarga to increase the skilled man power in hospitality sector.

- To implement Tourism Infrastructure Development projects effectively it is proposed to establish Karnataka Tourism Infrastructure Limited, its formation is under progress.

- To give wide publicity to Karnataka tourist destinations and in order to attract more tourists to Karnataka it is proposed to establish Karnataka Tourism Promotion Board for the first time. Its formation is under progress. For taking assistance and advice of the experts of various fields and also the stakeholders involved in tourism industry a vision group community has been formed by the government. The said Committee has met three times so far and its recommendations are awaited.

Table 10.48- Physical Targets and Achievements during 11th Five Year Plan

Sl. No	Items	Unit	11 th FYP Target	Achievement
1	International Tourist Arrival	Lakhs	12	16
2	Domestic Tourist Arrival	Lakhs	1250	1027
3	Tourist Accommodation			
	a) Rooms (Dormitories)	Nos.	200	180
	b) Restaurants and Yatrivas	Nos.	20	14
	c) Wayside facilities	Nos.	6	3
	d) Up market classes	Nos.	5	10
	e) Public Conveniences	Nos.	105	60

10.12 Challenges in the Industrial Sector

1. **Low Growth in Manufacturing** - Contribution of Manufacturing to GSDP in Karnataka has remained stagnant since 2007-08 ranging between 29% to 30.7%. Stagnation in the growth of manufacturing is a cause of concern as this indicates that additional employment opportunity creation in manufacturing sector is limited.

2. **Regional Imbalance in Growth** - The distribution of income generated from industry sector is largely concentrated in a few districts in the state. Of the total income generated from manufacturing 59.6% is generated from Bangalore Urban and Rural districts alone. About 81% of the total income from manufacturing in Karnataka is generated in just 9 districts and the remaining 19% is from 21 districts. This indicates a lop-sided growth in manufacturing in the state which has repercussions on inclusive growth as well.

3. **Inadequate Industrial Infrastructure** – Roads - An efficient transport system is a pre-requisite for sustained economic development.

It is not only the key infrastructural input for the growth process but also plays an important role of promoting the development of the backward regions and integrating them with the mainstream economy by opening them to trade and investment. Of the various modes of transport that connect the cities and villages of the country, road transport constitutes the crucial link. In addition, the road system also provides the last-mile connection for other modes of transport such as railways, airports, ports and inland waterway transport. In the State, road density (road length per 100 sq. Km.) works out to 39.34 Kms There is district disparity in the road density which adversely affects the industrial growth in the regions. For development to be equitable, it is imperative that the road infrastructure needs to be improved.

EMPLOYMENT AND LABOUR WELFARE



11.1 Introduction

Achieving high rate of growth along with commensurate generation of productive and quality employment opportunities for the rising labour force continues to be a major challenge for both the central and the state governments. Low growth in employment, prevalence of low productive and low quality employment especially in the unorganized sector and high unemployment rate among the youth and educated indicate that the State's achievements on employment front are not quite impressive. Therefore, expansion of productive, quality and decent employment has been the principal concern of the state government's policy in recent years to reduce poverty and to make growth process more inclusive. In Karnataka, agriculture is the predominant source of livelihood for the majority of the population and employment is largely unorganized, rural and non-industrial in nature.

11.2 Key Labour Market Indicators

11.2.1 Labour Force and Work Force Participation Rate

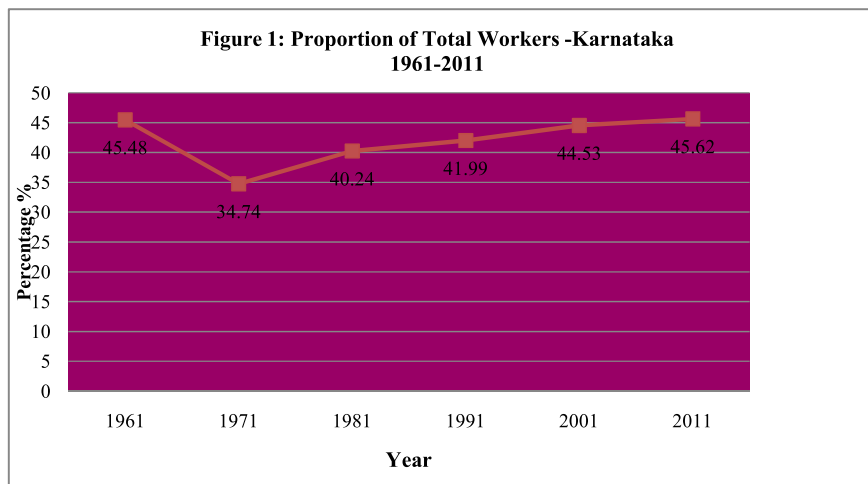
Work Force Participation rate (WPR)

According to Census 2011, the Work Participation Rate (WPR) is defined as the proportion of total workers (i.e. main and marginal workers) to total population. In the State, 2,78,72,597 persons constituting 45.62% of the total population have enumerated themselves as workers. Among them, 1,82,70,116 are males and 96,02,481 are females. In other words, 59% of the total male population and 31.87% of the total female population are workers. In 2001 Census the WPR in the State was 44.53% comprising 56.64% male workers and 31.98% female workers. On the whole WPR in 2011 has increased in general irrespective of gender and more significantly in urban areas (4%) compared to 2001. It is noted that female WPR has marginally declined in rural Karnataka (Table 11.1). The proportion of total workers over the period of time from 1961- 2011 is given in Figure. 1

Table-11.1: Work force Participation Rate

	Total			Rural			Urban		
	2001	2011	change	2001	2011	change	2001	2011	change
Persons	44.53	45.62	1.09	49.04	49.38	0.34	35.67	39.66	3.99
Male	56.64	59.00	2.36	58.10	59.76	1.66	53.85	57.81	3.96
Female	31.98	31.87	-0.11	39.87	38.79	-1.08	16.37	20.81	4.44

Source: Census, 2011



Source: Census, 2011

Table-11.2 - WPR by Districts, (Male and Female) 2011

Top 5 Districts				Bottom 5 Districts			
District	Total	Rural	Urban	District	Total	Rural	Urban
Chitradurga	51.62	55.13	37.43	Bijapur	42.61	45.40	33.30
Chikkaballapura	50.97	54.34	39.32	Dharwad	42.49	51.06	35.98
Hassan	50.87	54.55	37.17	Gulbarga	42.36	46.64	33.49
Tumkur	50.57	53.86	39.13	Uttara Kannada	42.34	45.50	34.66
Kodagu	50.30	51.96	40.62	Bidar	41.25	44.33	32.00

Source: Census, 2011

Table-11.3 - WPR by Districts, Males, 2011

Top 5 Districts				Bottom 5 Districts			
District	Total	Rural	Urban	District	Total	Rural	Urban
Mandya	63.55	64.47	59.09	Bagalkot	53.84	54.02	53.45
Hassan	63.42	64.94	57.82	Yadgir	53.72	54.52	50.30
Chamarajanagar	63.32	64.36	58.25	Bidar	52.72	54.32	47.98
Chikmagalur	63.16	64.28	58.95	Gulbarga	52.24	53.69	49.25
Ramanagara	62.84	64.52	57.73	Bijapur	52.21	52.94	49.75

Source: Census, 2011

Table-11.4 - WPR by Districts, Females 2011(Source: Census, 2011)

Top 5 Districts				Bottom 5 Districts			
District	Total	Rural	Urban	District	Total	Rural	Urban
Chitradurga	41.93	47.78	18.65	Shimoga	28.12	35.35	15.07
Chikkaballapura	41.27	46.99	21.55	Dharwad	26.50	40.35	16.19
Yadgir	39.48	43.60	21.63	Mysore	26.35	32.22	18.14
Tumkur	38.93	44.14	20.85	Uttara Kannada	25.03	29.37	14.52
Raichur	38.69	45.24	19.32	Bangalore	24.61	28.02	24.27

When compared with the State average of WPR, Bidar (41.25%) Gulbarga (42.36%) and Bellary (45.54%) districts recorded less than State average of 45.62%. The rest of the other districts in Hyderabad Karnataka region have recorded above State average

(Table 11.5). Though the WPR of the districts are above the State average, employment is mainly in dry land agriculture, which is both insecure and less remunerative. Among Divisions, Mysore Division has highest WPR (47%).

Table 11.5- Division Wise Work Participation Rate WPR, 2011

Sl. No.	Districts	Total Population	Total Workers	WPR (%)
1	Bidar	1703300	702608	41.25
2	Bellary	2452595	1116880	45.54
3	Gulbarga	2566326	1087028	42.36
4	Koppal	1389920	654766	47.11
5	Raichur	1928812	903413	46.84
6	Yadgiri	1174271	547696	46.64
	Gulbarga Division	11215224	5012391	44.69
	Bangalore Division	22523301	10462965	46.45
	Mysore Division	12563598	5926623	47.17
	Belgaum Division	14793174	6470618	43.74
	State	61095297	27872597	45.62

Source - Census, 2011

11.2.2 Main and Marginal Workers

Of the total 2,78,72,597 workers in the State, 2,33,97,181 persons, constituting 83.94% of the total workers, are main workers and 44,75,416 persons, constituting 16.06% are marginal workers. The proportion of main workers has marginally increased from 82.28% in 2001 to 83.94% in 2011 (Table 11.6). On the contrary, the proportion of marginal workers has slightly decreased from 17.72% in 2001 to 16.06% in 2011 (Table 11.7). The proportion of male

main workers has decreased from 91.21% in 2001 to 89.49% in 2011, whereas, the female main workers has increased from 65.88% to 73.39%. In respect of marginal workers, the proportion of male marginal workers has recorded a marginal increase from 8.79% in 2001 to 10.51% in 2011. On the other hand, the proportion of female marginal workers has registered a sharp decrease from 34.12% in 2001 to 26.61% in 2011 (Table 11.8). The district wise main and marginal workers are given in Appendix 11.2 & 11.3.

Table 11.6 - Main workers, 2011

	Total			Rural			Urban		
	2001	2011	Change	2001	2011	Change	2001	2011	Change
Persons	82.28	83.94	1.66	78.60	81.40	2.8	92.12	88.96	(-) 3.16
Male	91.21	89.49	(-) 1.72	89.67	84.43	(-) 5.24	94.40	91.21	(-) 3.19
Female	65.88	73.39	7.51	62.09	70.34	8.25	84.17	82.49	(-) 1.68

Source: Census, 2011

Table 11.7 - Marginal workers

	Total			Rural			Urban		
	2001	2011	Change	2001	2011	Change	2001	2011	Change
Persons	17.72	16.06	(-) 1.66	21.4	18.6	(-) 2.8	7.88	11.04	3.16
Male	8.79	10.51	1.72	10.33	11.57	1.24	5.6	8.79	3.19
Female	34.12	26.61	(-) 7.51	37.91	29.66	(-) 8.25	15.83	17.51	1.68

Source: Census, 2011

11.2.3. Composition of Workers

Total workers (main+marginal) have been further classified into four broad categories viz., cultivators,

agricultural labourers, and workers in household industry and other workers. The details of category of workers are given in Table 11.8 and Figure 2.

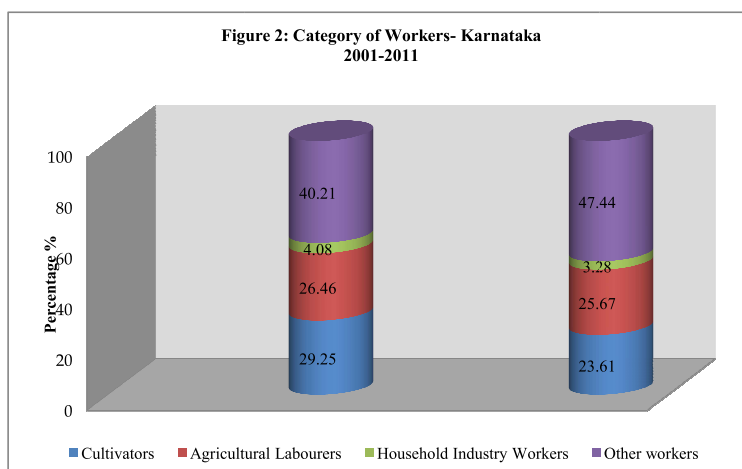
Table 11.8 - Percentage Distribution of Category of Workers by Location, 2011

Category of Workers	Persons						Males					
	2001			2011			2001			2011		
	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban
Agriculture Labourers	26.46	34.46	5.07	25.67	36.41	4.47	17.20	23.94	3.33	17.97	26.94	3.39
Cultivators	29.25	39.03	3.11	23.61	34.27	2.56	31.72	45.57	3.22	26.02	40.36	2.70
Household Industry	4.08	3.48	5.67	3.28	2.82	4.17	2.66	2.43	3.13	2.40	2.04	3.00
Other Workers	40.21	23.03	86.14	47.44	26.49	88.80	48.42	28.06	90.32	53.61	30.66	90.91

Category of Workers	Females					
	2001			2011		
	Total	Rural	Urban	Total	Rural	Urban
Agriculture Labourers	43.45	50.15	11.16	40.33	51.32	7.57
Cultivators	24.71	29.27	2.75	19.03	24.69	2.14
Household Industry	6.68	5.05	14.55	4.94	4.06	7.55
Other Workers	25.16	15.53	71.55	35.71	19.93	82.73

Table 11.8 (contd.)

Source: Census, 2011



Source: Census, 2011

Agricultural Labourers: Though the number of agricultural labourers has increased in the State by 14.92% in 2001-11, their proportion to total workers has marginally declined from 26.46% in 2001 to 25.67% in 2011. The proportion of male agricultural labourers has increased by a nominal 0.77%, their female counterparts have registered a decline of 3.12%. Among the districts, the proportion of agricultural labourers varies from 2.31% in Bangalore District to 44.49% in Chamarajanagar District. In 19 out of 30 districts, the proportion of

agricultural labourers is higher than the State average of 25.67% with 16 districts reporting more than 30%. In 3 out of the remaining 11 districts, where the proportion is below the State average, the proportion of agricultural labourers is less than 6%. The district wise information is provided in Appendix 11.5. When compared with State average of agricultural laborers, all the districts of Hyderabad Karnataka region recorded higher than State average of 25.7% but employment is mainly in dry land agriculture, which is both insecure and less remunerative.

Table 11.9 - Percentage Distribution of Category of Workers by Division, 2011

Districts	Agricultural Labourers	Cultivators	Household Industry workers	Other Workers
Bidar	39.90	20.11	2.58	37.45
Bellary	36.40	23.11	2.04	38.49
Gulbarga	38.20	20.26	2.38	39.16
Koppal	41.70	24.96	2.87	30.48
Raichur	42.50	27.15	2.11	28.28
Yadgir	42.80	29.09	2.41	25.66
Gulbarga Division	39.80	23.69	2.35	34.20
Bangalore Division	18.00	19.63	3.04	59.34
Mysore Division	19.30	26.36	4.81	49.56
Belgaum Division	33.10	27.46	2.97	36.50
State	25.70	23.61	3.28	47.44

Source: Census, 2011

Cultivators - The number of cultivators has decreased from 68,83,856 in 2001 to 65,80,649 in 2011. Of the total decrease of 3,03,207, the decrease in the number of female cultivators (2,24,075) is more than the decrease in the number of male cultivators (79,132). The proportion of cultivators to total workers has decreased by 5.64% and the decrease in the proportion in male cultivators is by 5.7%, whereas the decrease in the proportion of female cultivators is at 5.68%. Among the districts, the decrease in the proportion of cultivators is more than 5% in 11 districts with Bangalore Rural District registering the highest decrease of 9.55% followed closely by Mysore District, i.e. by 9.26%. In the remaining 19 districts, the decrease is less than 5% with the least decrease of 0.31% recorded in Kodagu preceded by Raichur a decrease by 1.05%. Even though all the districts have registered decline in the proportion of cultivators in their work force, the proportion of cultivators is more than 45% in Hassan (48.37%) followed by Mandya (44.64%). The least proportion of cultivators is recorded in Bangalore District (2.25%) preceded by Dakshina Kannada (3.39%). The details are given in Appendix 11.4.

Household Industry Workers - The proportion of workers engaged in Household Industry, which was 4.08% in 2001 has declined to 3.28% in 2011. Among the districts, Dakshina Kannada with a proportion of 18.86% of household industry workers tops the ranking, followed by Bagalkot with 5.48%. In the remaining districts the proportion of workers engaged in household industry is less than 5% and the least proportion of 0.56% is recorded in Kodagu. The district wise information is provided in Appendix 11.6. Among the total 9,13,227 persons enumerated as workers engaged in household industry in the State, nearly 3 lakh workers are accounted in only Dakshina Kannada and Bangalore districts. Both these districts together accounts for more than 30% of the total workers engaged in household industry.

Other Workers

All workers engaged in any category of economic activity other than cultivation, agricultural labour or household industry are treated as 'Other Workers'. This category accounts for the highest number of workers i.e. 1,32,22,758 or 47.44% of total workers at the State level. In comparison to 2001 Census, the

proportion of Other Workers has increased by 7.23% in 2011 Census. The proportion of male Other Workers has increased from 48.42% to 53.61% and the proportion of female Other Workers has increased from 25.16% to 35.71%. Among the districts, the proportion varies from a very high of 92.88% in Bangalore District to a low of 25.66% in Yadgir. The proportion of Other Workers to total workers is more than 50% in 6 districts, whereas it is below 30% in 6 districts. In the remaining 18 districts, the proportion of Other Workers is between 30 to 50% Appendix 11.7.

11.2.4 Labour Force Participation Rate/Worker Population Ratio

According to National Sample Survey (NSS), the worker population ratio refers to the number of persons actually employed as a proportion of the population, whereas the labour force participation rate (LFPR) refers to the ratio of both the employed and the unemployed to the total population. The key findings presented here are based on the 68th round survey on employment and unemployment conducted by NSSO during July 2011 to June 2012.

The critical issues in the context of labour force enquiries pertain to defining the labour force and measuring participation of labour force in different economic activities. The activity participation of the people is not only dynamic but also multidimensional – it varies over regions, age, education, gender, industry and occupational categories. In NSS surveys, persons are classified into various activity categories on the basis of activities pursued by them during certain specified reference periods. Three reference periods are used in NSS surveys, viz. (i) one year, (ii) one week and (iii) each day of the reference week. Based on these three periods, three different measures of activity status are arrived at. The activity status determined on the basis of the reference period of one year is known as the usual activity status (US) of a person, that determined on the basis of a reference period of one week is known as the current weekly status (CWS) of the person and the activity status determined on the basis of the engagement on each day during the reference week is known as the current daily status (CDS) of the person. Table 11.10 presents LFPRs (per 1000) according to usual status (ps+ss) for different categories of persons of all ages which is analogous to that of census definition.

According to NSSO, 43% of population belonged to the labour force in Karnataka, which is higher than all India, Kerala and Gujarat. The LFPR is 45.4% in rural areas and 38.8% in urban areas of Karnataka. LFPR was significantly lower for females than for males in both rural and urban areas. It was about 62% for rural males and about 59.4% for urban males. For females,

LFPR was about 28.9% in rural areas and about 17.1% in urban areas. The males LFPR is higher in Karnataka compared to select states and all India. As shown in Table 11.11 and Figure 3, the puzzling result is female labour force participation rate is declining in rural areas and almost stagnant in urban areas of Karnataka and as well as in India.

Table 11.10: Labour Force Participation (UPSS), all ages, 2011-12

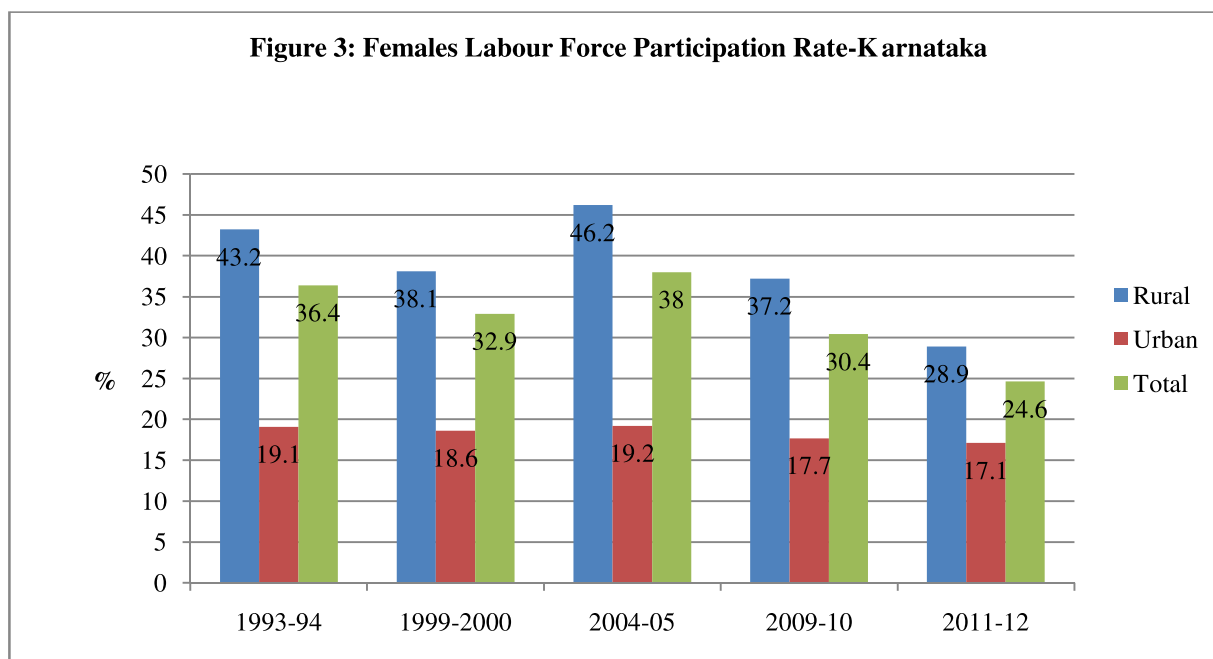
State	Labour Force Participation Rate								
	Rural			Urban			Total		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
Karnataka	62.0	28.9	45.4	59.4	17.1	38.8	61.0	24.6	43.0
Andhra Pradesh	61.2	44.8	52.8	57.6	18.0	38.0	60.0	36.1	47.9
Kerala	58.3	25.8	41.0	56.7	22.2	38.6	57.9	24.8	40.3
Tamil Nadu	60.7	38.6	49.5	59.9	21.1	40.3	60.4	30.8	45.4
Gujarat	60.2	27.9	44.8	60.7	13.5	38.7	60.4	22.2	42.4
Maharashtra	58.2	38.9	49.0	56.0	17.2	37.4	57.2	29.0	43.7
All India	55.3	25.3	40.6	56.3	15.5	36.37	55.6	22.5	39.5

Source: Employment and Unemployment 68th Round, 2011-12, NSSO

Table 11.11: LFPR (UPSS) from 1993-94 to 2011-12

Area	Gender	Karnataka					India				
		1993-94	1999-2000	2004-05	2009-10	2011-12	1993-94	1999-2000	2004-05	2009-10	2011-12
Rural	Female	43.2	38.1	46.2	37.2	28.9	33	30.2	33	26.5	25.3
	Male	60.9	60.1	62.8	62.7	62.0	56.1	54	55.4	55.6	55.3
	Persons	52.1	49.1	54.6	49.9	45.4	44.9	42.3	44.5	41.4	40.6
Urban	Female	19.1	18.6	19.2	17.7	17.1	16.5	14.7	17.8	14.6	15.5
	Male	55.8	56.2	58.7	59	59.4	54.3	54.2	57	55.9	56.3
	Persons	37.9	37.8	39.7	39.3	38.8	36.3	35.4	38.7	36.2	46.7
Total	Female	36.4	32.9	38	30.4	24.6	29	26.3	28.8	23.3	22.5
	Male	59.4	59	61.5	61.4	61.0	55.6	54	55.8	55.7	55.6
	Persons	48	46	49.9	46.1	43.0	42.8	40.6	42.8	40	39.5

Source: Various rounds of Employment and Unemployment, NSSO



Source: Various rounds of Employment and Unemployment, NSSO

The declining female LFPR in Karnataka and India has been a puzzle for policy makers. Karnataka and India's economy has grown fast over the past two decades, with the services sector accounting for a large share of growth. Karnataka and India has also experienced a sizable fertility decline, a rapid education expansion and a decline in the education gender gap, while the labour market returns to education increased. Against this background, it is puzzling to see that the reported female LFPR in urban has stagnated at around 17-19% since the 1980s. Moreover, one would have expected a rising share of women to enter the labour force, especially in urban India where women are much more educated, where fertility decline was most pronounced, and where white-collar jobs are concentrated.

Recent studies have focused on four explanations – increased educational enrolment, income effect (as household incomes rise, women are withdrawing from agricultural activities), lack of job opportunities, and

measurement. It is difficult to measure the participation of women in work, because of the nature of the jobs they do (home-based work, agricultural labour, etc.). For this reason, addressing the challenge requires a comprehensive approach.

The primary focus should, therefore, be to create jobs that enable women to join the labour force. This will involve promoting economic growth that generates jobs in sectors that women can access like manufacturing and services, improving work-life balance, maternity protection, flexible working arrangements, better access to credit and skill development. There is a clear segregation of women in sectors that are characterized by low pay, long hours and, often, informal working arrangements. Even within the sectors where women dominate, they rarely hold upper managerial jobs. Beyond just the policy environment, the segregation of women is the reflection of a complex interaction between economic and social factors such as gender discrimination and biases, which lead

young women to focus on a narrow range of occupations. Promoting opportunities for wider participation of women in the labour force requires a comprehensive approach. Ultimately, the goal is not merely to increase female labour force participation, but to provide opportunities for decent work that will, in turn, contribute to the economic empowerment of women.

WPR according to usual status (ps+ss) was 42.3%. WPR in rural areas (45%) was higher than that in

urban areas (38.2%). In both rural and urban areas, WPR for females were considerably lower than the WPR for males (Table 11.12). In the rural areas, WPR for males and females were nearly 61.2% and 28.7%, respectively while in the urban areas, WPR for males and females were nearly 57.9% and 16.3%, respectively. Further it can be observed from the table that the decline in the WPR is much higher among rural females both in Karnataka and at all-India level compared to their urban counterparts and compared to the male WPR, which is almost stagnant over the period of time.

Table 11.12 - Worker Population Ratios (in percent), UPSS

Area	Gender	Karnataka					India				
		1993-94	1999-00	2004-05	2009-10	2011-12	1993-94	1999-00	2004-05	2009-10	2011-12
Rural	Female	43	38	45.9	37	28.7	32.8	29.8	32.7	26.1	24.8
	Male	60.4	59.5	62.3	62.4	61.2	55.3	53.1	54.6	54.7	54.3
	Persons	51.7	48.7	54.2	49.7	45	44.4	41.7	43.9	40.8	39.9
Urban	Female	18.1	17.8	18.1	17	16.3	15.4	13.9	16.6	13.8	14.7
	Male	54.2	54.5	57.6	57.6	57.9	52	51.8	54.9	54.3	54.6
	Persons	36.6	36.6	38.6	38.2	37.6	34.7	33.7	36.5	35	35.5
Total	Female	36	32.6	37.4	30.1	24.3	28.6	25.9	28.7	22.8	21.9
	Male	58.6	58.1	60.8	60.7	60	54.5	52.7	54.7	54.6	54.4
	Persons	47.4	45.4	49.3	45.6	42.3	42	39.7	42	39.2	38.6

Source: Various rounds of Employment and Unemployment, NSSO

Much of the decline in worker population ratio has been among self-employed workers, including (but not only) those involved in agriculture. The growing mechanization of agriculture has played a role in reducing demand for women's work. In addition, the change in ecology has led to a decline in many rural activities earlier performed by women, such as the collection of minor forest produce, while other changes (such as the growing difficulties of collecting fuel wood and water) have increased the time that has to be devoted to unpaid labour. Indeed, the time that has to be allocated to unpaid labour—in the form of not just various economic but unrecognized activities like provisioning essential items for household consumption but also the care economy generally—is likely to be

an important reason for the withdrawal of women from the labour force. It is clear that in addition to broader socio-economic processes, state action has a critical role to play in changing this.

11.2.5 Unemployment Rate

Unemployment Rate (UR) is the ratio of number of unemployed persons/person-days to the number of persons/person-days in labour force. Three sets of estimates of URs are obtained based on the estimates of unemployment obtained by the three different approaches used for classification of the activity statuses of persons. The different estimates of unemployment are: i) number of persons usually

unemployed based on 'usual status' approach, ii) number of persons unemployed on an average in a week, based on the current weekly status (CWS) approach, and iii) number of person-days unemployed on an average during the reference period of seven days preceding the date of survey, based on the current daily status (CDS) approach. Table 11.13 presents the CDS UR and Table 11.12 present UPSS UR.

The UR in Karnataka of all persons as per the current daily status shows that at the overall level

on an average 3.6% persons in the labour force remained unemployed on a daily basis during 2011-12 which is lower than the all India average of 5.6%. The CDS UR in Karnataka is found to be higher in urban areas (4.1%) compared to rural areas (3.4%). However the situation at the all-India level is just opposite wherein unemployment rate is higher in rural (5.7%) compared to urban areas (5.5%). Nonetheless, rural and urban unemployment in Karnataka are relatively lower than the all-India average.

Table 11.13: Unemployment rate (in percent) in Karnataka and India, Current Daily Status (CDS)

Area	Gender	Karnataka					India				
		1993-94	1999-00	2004-05	2009-10	2011-12	1993-94	1999-00	2004-05	2009-10	2011-12
Rural	Female	3.9	4	7.2	4.1	3.1	5.6	7	8.7	8	6.2
	Male	4.7	4.4	6.3	3.9	3.6	5.6	7.2	8	6.4	5.5
	Persons	4.4	4.3	6.7	4	3.4	5.6	7.1	8.2	6.8	5.7
Urban	Female	8.9	5.9	9.4	6	5.6	10.5	9.4	11.6	9.1	8
	Male	5.6	5.3	5.1	4.4	3.7	6.7	7.3	7.5	5.1	4.9
	Persons	6.3	5.4	6	4.7	4.1	7.4	7.7	8.3	5.8	5.5

Source: Various rounds of Employment and Unemployment, NSSO

Table 11.14- Unemployment Rate by Location for All Age Groups according to UPSS 2011-12 (All Ages)

State	Unemployment Rate by Location for All Age Groups according to UPSS 2011-12 (All Ages)								
	Rural			Urban			Total		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
Karnataka	1.2	0.4	0.9	2.4	4.4	2.9	1.6	1.4	1.6
Andhra Pradesh	1.7	0.5	1.2	3.9	5.4	4.3	2.4	1.3	2.0
Kerala	3.1	14.2	6.8	2.7	13.9	6.1	3.0	14.1	6.6
Tamil Nadu	2.1	1.9	2.0	2.1	4.5	2.7	2.1	2.7	2.3
Gujarat	0.4	0.2	0.3	0.6	1.7	0.8	0.5	0.6	0.5
Maharashtra	0.9	0.3	0.7	1.8	3.8	2.3	1.3	1.2	1.3
All India	1.7	1.7	1.7	3.0	5.2	3.4	2.1	2.4	2.2

Source: Employment and Unemployment 68th Round, 2011-12, NSSO

The gender differential in unemployment rate is observed in both rural and urban areas of Karnataka. The UR among females in both rural and urban areas of the state is higher than those of the males. The urban female UR at 5.6% is higher as compared to 3.7% for urban males. At the all-India level also female UR in both rural and urban areas are higher than that of the males. Among the entire population category, UR is highest among urban females both at the state and all-India level. Lastly, both the female and male UR in rural and urban areas of the country is higher than that of their counterparts in Karnataka. Table 11.14 presents UPSS UR for Karnataka vis-à-vis select states. Among the Southern states, Karnataka's total UR is 1.6%, rural UR is 0.9% and Urban UR is 2.9%, which is lower than rest of the southern states.

Irrespective of the State and all India level, unemployment tends to be higher among youth. In this regard, the open unemployment rate particularly in the age brackets 15-29, is extremely high among both males and females

(Table 11.15). However, Karnataka's youth unemployment rate is low as compared to other southern states. It is also worth noting that urban youth unemployment rate; particularly urban female youth unemployment is very high. Such high unemployment rates reflect, at least partly, the mismatches between skills demand and supply. The skill levels of those who join the labour market early are low as they are often school drop-outs and haven't had the opportunity to undergo vocational training. Thus, it becomes difficult for them to find suitable employment, particularly in the early stages of their career when they lack adequate experience as well. However, with the dependency ratio expected to rise from 2040, India faces a pressing challenge to increase education and skill levels amongst its population to take advantage of this unique moment in its history. The scale of this challenge to improve the skills of its burgeoning labour force is significant. Employment strategies in Karnataka as well as in India, therefore, need to prioritize youth employment issues.

Table 11.15 - Youth unemployment Rates (Age 15-29) -UPSS: 2011-12

State	Youth unemployment Rates (UPSS): 2011-12								
	Rural			Urban			Total		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
Karnataka	2.7	1.8	2.4	6.7	11.9	7.9	4.1	5.0	4.4
Andhra Pradesh	5.2	1.6	3.6	11.2	13.7	11.7	7.3	3.7	5.9
Kerala	9.7	47.4	21.6	8.4	37.1	17.9	9.4	44.5	20.6
Tamil Nadu	7.6	6.4	7.2	6.6	13.9	8.7	7.2	9.0	7.8
Gujarat	1.0	0.5	0.9	1.6	4.9	2.1	1.3	1.6	1.3
Maharashtra	2.7	1.3	2.3	4.9	8.4	5.7	3.7	3.9	3.8
All India	5.0	4.8	4.9	8.1	13.1	9.2	5.9	6.6	6.1

Source: Employment and Unemployment 68th Round, 2011-12, NSSO

Further, due to the rise in life expectancy, many elderly persons from low-income households have been compelled to participate in the labour market in search of a livelihood. This has resulted in stiff competition between the new entrants to the labour market and the elderly workers. In a desperate attempt to acquire experience, the younger workers have reduced their reservation wage which, in turn, has forced the incomes of the elderly workers also to decline. The insurgency issue is very much in the limelight, which is indeed related to the challenges of youth unemployment and under-employment. Regions with inadequate employment opportunities have witnessed serious problems. Skills formation and job creation both have to be addressed

simultaneously to contribute to the reduction in the intensity of the problem.

As witnessed in many developing countries, the unemployment rate increases with the level of education, which substantiates the fact that youth without education often belong to low income households and hence, cannot afford to remain unemployed for long. However, a high unemployment rate among educated youth may result in problems relating to insurgency, as mentioned above. Among all the southern states, Karnataka's educated unemployment rate is (7.6%) low and the same pattern can be observed in rural and urban areas (Table 11.16). However, Karnataka as whole without comparison, educated unemployment rate is very high in Karnataka.

Table 11.16 - Educated (Secondary and above) Unemployment Rate (15-29 Age Group), UPSS, 2011-12

State	Youth unemployment Rates (UPSS): 2011-12								
	Rural			Urban			Total		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
Karnataka	5.0	5.7	5.2	8.4	15.5	10.4	6.5	11.3	7.6
Andhra Pradesh	9.1	6.6	8.3	17.0	24.1	18.4	12.8	12.1	12.6
Kerala	15.0	52.0	29.5	13.9	42.5	26.2	14.7	49.1	28.5
Tamil Nadu	12.4	13.1	12.7	8.7	19.1	11.6	10.4	16.2	12.1
Gujarat	3.0	0.0	2.6	2.6	2.4	2.6	2.8	1.5	2.6
Maharashtra	4.5	4.6	4.5	4.7	13.2	6.8	4.6	9.3	5.7
All India	8.2	15.5	9.8	11.6	20.0	13.5	9.5	17.4	11.3

Source: Employment and Unemployment 68th Round, 2011-12, NSSO

11.2.6 Employment Growth

During the period 2005-2012, the available estimates indicate a steep decline in the growth of employment (Table 11.17). But the pattern of employment growth has an important gender dimension; there was an absolute decline in employment for rural females. In this period, for males, in both rural and urban areas a slowdown in employment growth has occurred, but the sharp absolute declines for rural female warrant further investigation. India and the State have the

lowest participation rate for women in the workforce when compared to all its South Asian neighbours except Pakistan. A number of experts and commenter's have attributed it to the marginalization of women in the labour market because of the absence of suitable jobs for them. Others have termed it as a healthy development indicating rising enrolment of women in schools and colleges as well as withdrawal of a large number of women from work due to rising income (called income effect in economic discourse).

Table 11.17- Employment Growth 2004-05 to 2011-12

State	Employment Growth (UPSS) 2004-05 to 2011-12 (All Ages)								
	Rural			Urban			Total		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
Karnataka	0.5	-5.8	-1.8	2.8	1.3	2.4	1.3	-4.3	-0.5
Andhra Pradesh	0.0	-0.9	-0.4	2.9	-0.7	2.0	0.9	-0.9	0.2
Kerala	-2.9	-4.9	-3.5	6.8	6.2	6.6	0.9	-0.9	0.4
Tamil Nadu	0.6	-2.2	-0.6	2.2	-0.1	1.6	1.3	-1.5	0.3
Gujarat	1.0	-5.1	-1.2	3.7	1.3	3.3	2.2	-3.7	0.4
Maharashtra	1.3	-1.9	-0.1	1.7	0.3	1.4	1.5	-1.4	0.5
All India	1.1	-2.8	-0.2	2.5	1.1	2.3	1.5	-2.0	0.4

Source: *Employment and Unemployment, 61st and 68th Round, 2011-12, NSSO*

Table 11.18 - Percentage Distribution of Employment Status-(UPSS)

Area	Category	Karnataka					India				
		1993-94	1999-00	2004-05	2009-10	2011-12	1993-94	1999-00	2004-05	2009-10	2011-12
Rural	Self-employed	55.9	50.2	49.3	46.3	51.9	58.1	56	60.2	54.2	55.9
	Regular Employed	4.8	5.3	5.1	6.4	11.8	6.4	6.7	7.1	7.3	8.7
	Casual Labour	39.3	44.5	45.7	47.3	36.3	35.6	37.3	32.8	38.6	35.4
Urban	Self-employed	41.3	38.8	42.1	38.3	39.2	42.4	42.2	45.4	41.1	41.9
	Regular Employed	36.9	39.6	38.6	39.4	44.9	39.5	40	39.5	41.4	43.3
	Casual Labour	21.8	21.6	19.3	22.2	15.9	18.3	17.8	15	17.5	14.8

Source: *Various rounds of Employment and Unemployment, NSSO*

11.2.7. Status of Employment

The qualitative dimensions of the employment in the state have been analyzed in terms of employment status of the workforce and wages and earning levels of regular workers and casual workers in public and non-public work. An important qualitative dimension of employment is the composition of the workforce in terms of their status of employment: self-employment, regular/salaried employment and casual employment. While regular paid employment is generally considered secure in terms of income, duration of work and other benefits, for the typical casual workers, neither the duration of employment nor income is certain. The self-employment though fairly secure, but income from certain types of self-employment activities might be highly irregular, inadequate and even uncertain.

It has been observed that over the years self-employment base is gradually increasing and that of the casual employment share gradually decreasing. The proportion of workers in regular employment is gradually increasing (Table 11.18). Like at the all-India level, in Karnataka as well, self-employment is the predominant form of employment. At the overall state level, the self-employed accounted for about 47.8% of the total employment followed by that of casual (29.7%) and regular workers (22.5%). In the rural areas, both the self-employment and casual work has 51.9 percent and 36.3 percent respectively, whereas in urban areas, self-employment and regular wage work has a share of 39% and 44.9% respectively.

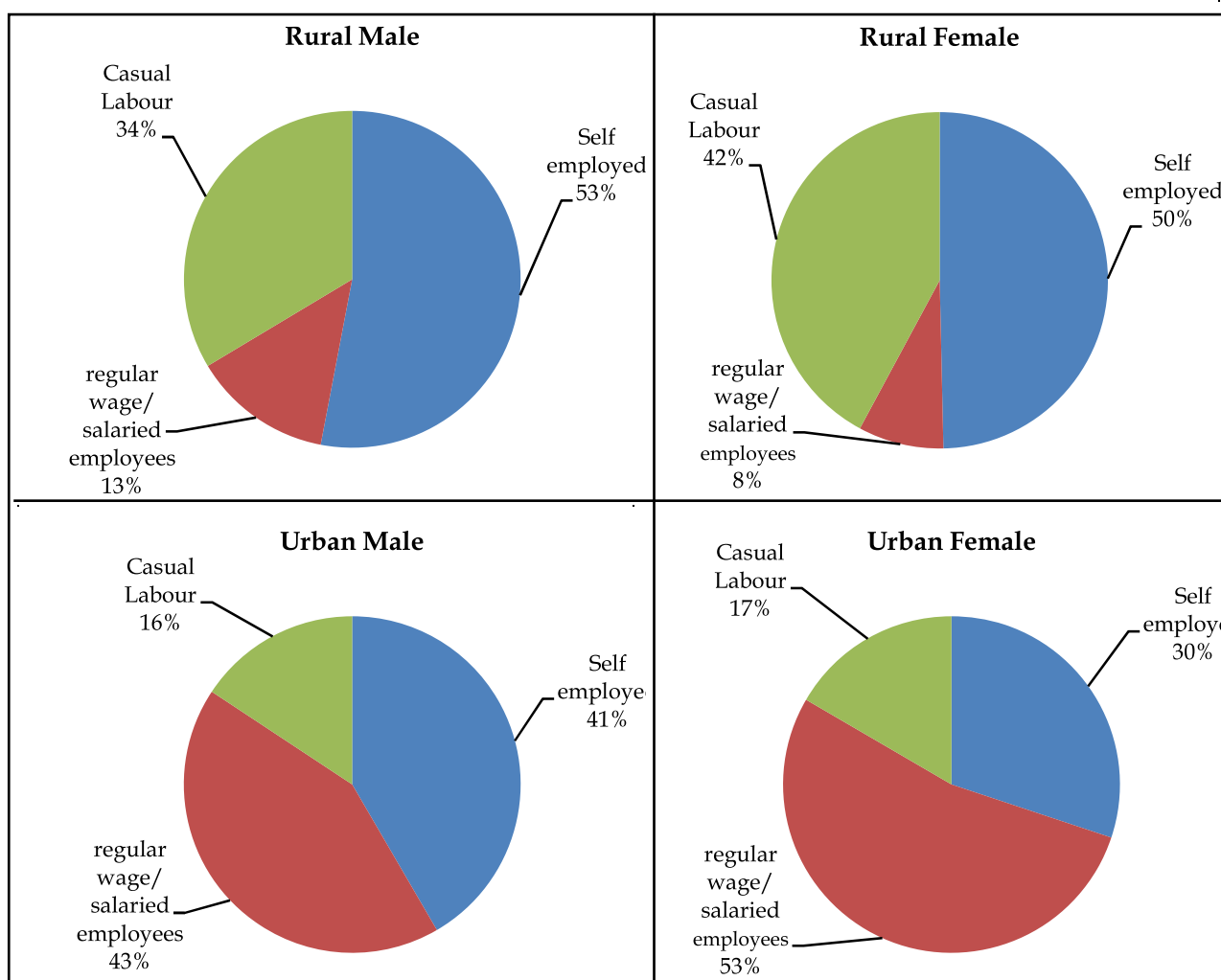
Across gender it is quite evident that in rural Karnataka females had a higher share in casual work (42.1%) followed by self-employment (49.6%), while for males has the same trend. In case of regular job, the share of females (8.2%) is lower than that of males (11.8%) in rural areas. In contrast in urban areas, regular job is the predominant form of employment for females (53.3%) followed by self-employment (30.1%) whereas in case of males the share of regular employment (42.7%) is little higher than that of self-employment (41.6%). This inter alia

suggests that in urban Karnataka, the share of regular salaried among female workforce is higher than that of male workforce which is a great achievement in itself. However, in Karnataka, for both males and females, majority of the workers were engaged in self-employment.

11.2.8. Industrial distribution of workers

The distribution of usual status (ps+ss) workers by broad industry of work viz. agricultural sector, secondary sector including 'mining and quarrying' and tertiary sector1 are discussed here. Table 11.19

Figure 4: Percentage share of different broad statuses of employment by Location and Gender according to UPSS, Karnataka, 2011-12



presents percentage distribution of all usual status (ps+ss) workers at the all- by industry of work. In Karnataka, among the workers in the usual status (ps+ss), about 50%, 19% and 30% were engaged in agricultural sector, secondary sector and tertiary sector respectively. Among the female workers, about 62% were engaged in agricultural sector while about 55% of the male workers were engaged either in secondary sector and tertiary sector (Table 11.19). In rural areas, nearly 66% of the usual status (ps+ss) male workers and nearly 79% of the female workers were engaged in the agricultural sector. Among the male workers, 15.61% and 18.48% were engaged in secondary and tertiary sectors. The corresponding proportions for female workers were 11.4% and 9.24% respectively.

The industrial distribution of the usual status (ps+ss) workers in the urban areas was distinctly different from that of rural areas. In urban areas, the share of the tertiary sector was dominant followed by that of secondary sector while agricultural sector engaged only a small proportion of total workers for both male and females. In urban areas, nearly 63.66% of male

workers and 60% of the female workers were engaged in the tertiary sector. The secondary sector employed nearly 29% of the male and 31% of the female workers. The share of urban workforce in agricultural sector was nearly 7.68% for male workers and 8.1% for female workers. The detail information is given in Figure 5.

11.2.9 Sectoral Distribution of workers and Labour Productivity

The sectoral distribution of workers across industry shows that agriculture and allied sector is the most important sector wherein about 49% of the workers in Karnataka and 53.8% of workers at all India level are engaged for their livelihood during 2011-12 (Table 11.20). The corresponding share in the Karnataka and India was 61% and 58.17% respectively in 2004-05. This shows that the share of agricultural employment in Karnataka and all-India level has declined between 2005 and 2011-12, which is a positive trend towards structural transformation. There is an urgent need to devise appropriate policies to ensure rapid structural transformation process in coming years.

Table 11.19- Percentage Distribution of UPSS workers of all ages by Industry of Work, 2011-12

Category of Persons		Karnataka			India		
		Agriculture	Secondary	Tertiary	Agriculture	Secondary	Tertiary
Rural	Male	65.92	15.61	18.48	59.4	22.0	18.7
	Female	79.37	11.4	9.24	74.9	16.7	8.3
	Person	70.21	14.26	15.46	64.1	20.4	15.5
Urban	Male	7.68	28.66	63.66	5.6	35.3	59.1
	Female	8.1	31.29	60.62	10.9	34	55.1
	Person	7.77	29.2	63.02	6.7	35	58.3
Rural + Urban	Male	45.09	20.27	34.66	43.6	25.9	30.5
	Female	62.15	16.2	21.65	62.8	20	17.2
	Person	49.94	19.11	30.95	48.9	24.3	26.8

Source: Employment and Un-employment, 68th Round, 2011-12, NSSO

Figure 5: Percentage share of 3 broad industrial sectors in total workforce in usual status (ps+ss), Karnataka, 2011-12



Source: Employment and Unemployment, 68th Round, 2011-12, NSSO

The overall labour productivity in Karnataka is Rs.1,63,340/- for 2011-12. However, given the sectoral composition of employment, there are wide variations in the labour productivity across the sectors of the economy. Labour productivity in services is Rs.2,88,176/- per worker which is almost 5 times that in agriculture (Rs.54,028 per worker). At the same time, labour productivity in industry (Rs. 2,35,843/- per worker) is more than 4 times that of agriculture. Across the sub-sectors of the economy, labour productivity is the lowest for agriculture and

highest for financial intermediaries and business services. Electricity and water supply utilities is the most productive with labour productivity of Rs.8,14,274/-.

11.2.10. Wages

Apart from employment status and level of education, wages and earnings is yet another indicator to judge the quality of employment in the state. Wage and earnings is an important determinant

Table 11.20 - Sectoral distribution of Workers (in%) and Labour Productivity (Rs.) of Karnataka and India - 2011-12

Distribution of Workers (in %)								
Sectors	Karnataka			India			Labour Productivity (in Rs.)	
	Rural	Urban	Total	Rural	Urban	Total	Karnataka	India
Agriculture & Allied	70.2	7.8	49.0	64.1	6.7	53.8	54028	49875
Mining & Quarrying	0.3	0.3	0.3	0.5	0.7	0.5	400911	706804
Manufacturing	9.4	18.4	12.4	8.6	23.6	11.3	203593	193958
Construction	4.3	9.7	6.1	11.1	9.3	10.7	251739	116728
Electricity, Gas & Water supply	0.2	0.8	0.4	0.2	1.3	0.4	814274	626747
Transport, Storage & Communication	3.3	13.8	6.9	3.0	9.9	4.2	149567	256700
Industries	14.3	29.2	19.3	20.4	35.0	23.0	235843	177472
Trade, Hotels & Restaurants	6.2	24.5	12.4	6.5	23.4	9.5	182914	289444
Finance, Business Real estate, etc.	1.0	8.3	3.5	0.8	6.5	1.8	1109350	1387406
Public Admn., Health, Education etc.	5.1	16.4	8.9	5.3	18.4	7.6	222670	280027
Services	15.5	63.0	31.7	15.5	58.3	23.2	288176	366681
Total	100.0 (18.6)	100.0 (9.6)	100.0 (28.2)	100.0 (448)	100.0 (98)	100.0 (546)	163340	152812

Source: Employment from the results of 68th NSSO round data (UPSS) and First Revised Estimates GSDP & GDP for 2011-12 from DES Karnataka and CSO, New Delhi. Figures in parenthesis are employment in millions.

that has profound implications for bettering employment and productivity of the workers. It is well known that regular employment is considered better, secure and durable and returns associated are usually higher than casual and intermittent nature of employment. At the overall level, the average wages and earnings per day received by the regular workers are noticeably higher in the state compared to that of other southern states (Appendix 11.12). The average wage of regular workers (Rs.247/-) in rural Karnataka are lower than that of rural India (Rs. 298.96/-), while in urban Karnataka average wage of regular workers (Rs.486/-) is higher compared to urban India (Rs.449.65/-). Similarly, average wages of male regular workers in Karnataka are almost same

like at all-India (Rs.417.08/-), whereas in case of female regular workers average wage (Rs.312/-) is higher as compared to their counterparts at all-India level (Rs.307.72/-)

11.3 Employment in Public and Private Sector

Organized sector employment in the State has decreased by 0.1% from 23.49 lakh in March, 2013 to 23.46 lakh in June, 2013. Public Sector employment account for 10.56 lakh (45%) and Private Sector for 12.90 lakh (55%), while the former has decreased by 0.3%, the latter has increased by 0.1% between March, 2013 and June 2013. Branch-wise comparison shows that employment in Central Government and State Government (Quasi) has

increased from 0.953 to 0.961 lakh, 1.554 to 1.563 lakh respectively from March, 2013 to June, 2013. State Government, Central Quasi Government and Local Bodies employment has decreased from March, 2013 to June, 2013. Table-11.22 gives branch-wise details of the organized sector employment upto June, 2013.

Financial & Insurance activities, Professional, Scientific and Technical activities, Public administration, Defence and Compulsory Social security, Education, Human health & Social work activities sector employment has decreased from March, 2013 to June, 2013. Organized sector

Table 11.21 - Average Daily Wages (in Rupees), 2011-12

Category of Persons		Karnataka	
		Regular wage/ salaried employees (31, 71,72)	Casual Labour in works other than public works
Rural	Male	237.53	162.94
	Female	151.85	99.86
	Person	247.07	142.40
Urban	Male	518.58	192.24
	Female	391.97	101.77
	Person	486.92	174.05
Rural + Urban	Male	416.69	170.00
	Female	312.17	99.00
	Person	391.45	148.00

Source: *Employment and Unemployment, 68th Round, 2011-12, NSSO*

(a) Employment in Public and Private Sectors (Industry group-wise)

An analysis of the organized sector employment by Industry group reveals an increase in the employment in transportation and storage sector from 1.55 lakh in March to 1.565 lakh in June, 2013, an addition of about 1500 workers employed. In Information and Communication sector and Wholesale & Retail trade, repair of motor vehicles and motor cycles sector employment increased from 4.202 lakh in March, 2013 to 4.217 lakh in June, 2013 and 0.332 lakh in March, 2013 to 0.335 lakh in June, 2013 respectively, an addition of about 1500 and 300 workers employed. In accommodation and food service activities & Administrative support services and activities sectors employment has increased slightly. Agriculture, Forestry and Fishing, Manufacturing, Construction,

employment has remained constant in Mining and Quarrying, Electricity, Gas, Steam and Air-conditioning supply, Arts, entertainment and recreation and other service activities (Table 11.23).

11.4 Employment Exchange Statistics

The number of job seekers as per the live register figures of employment exchanges was 4.02 lakh in September, 2013 as compared to 4.21 lakh in March, 2013, a decrease by 4.42%. As compared to previous year, there is slight decrease in Diploma Holders. There has been 4.96% decline in the registrants of Matriculations and Stenographers followed by Below Matriculation (-5.48%), I.T.I. Apprenticeship, Other Certificate Holders (-5.07%), Graduates (+0.21%) and Post-Graduates (+3.06%). Registrants on the live registers of Employment Exchanges in Karnataka are given in Table 11.24.

11.5 Placements and Vacancies

Between April and September, 2013, only 9,452 placements were made (1,575 on an average every month). During the corresponding period of the previous year this number was about 7,407 (823 on an average per month). The number of placements was

2.34% of the total registrations by September, 2013. In 2012-13, 15,069 placements were made (1,255 on an average every month). 1,232 vacancies have been notified in 2013 up to September, 2013 (205 on an average every month) compared to 1,822 during the corresponding period the previous year (202 on an average every month).

Table – 11.22 - Employment in Public and Private Sector (in Thousands)

Branch	March, 2012	March, 2013	June, 2013	Percentage variation June-2013/ March,2013
1. Central Government	95.5	95.3	96.1	0.8
2. State Government	580.3	579.4	576.6	-0.5
3. Central Government (Quasi)	164.6	164.8	163.3	-0.9
4. State Government (Quasi).	158.2	155.4	156.3	0.6
5. Local Bodies	67.2	65.0	64.2	-1.2
6. Private Sector- Act.	1217.0	1227.4	1228.6	0.1
7. Private Sector - Non-Act.	65.4	61.6	61.3	-0.5
Public Sector	1065.8	1059.9	1056.5	-0.3
Private Sector.	1282.4	1289.0	1289.9	0.1
Total	2348.2	2348.9	2346.4	-0.1

Source: Department of Labour, Gok

The number of vacancies notified has increased by 1.48% of registrations by September-2013. In 2012-13, 3,271 vacancies have been notified (272 on an average every month). (Table 11.25).

11.6. Additional Employment

Employment generation has been estimated based on three factors viz. income, employment elasticity over a period of years and anticipated estimates of gross domestic product for 2013-14. In 2013-14, it is 297.84 lakh person-days compared to 292.57 lakh person-days in the previous year.

Table – 11.23- Employment in Public and Private Sector (Industry Group-wise) (In Lakhs)

Sl. No.	INDUSTRY	Employment as on 31-3-2012.			Employment as on 31-3-2013			Employment as on 30-6-2013.		
		Pub	Pvt	Total	Pub	Pvt	Total	Pub	Pvt	Total
1.	Agriculture, forestry & fishing	0.278	0.124	0.402	0.278	0.126	0.404	0.276	0.125	0.401
2.	Mining & quarrying.	0.077	0.072	0.149	0.075	0.071	0.146	0.075	0.071	0.146
3.	Manufacturing.	0.609	6.318	6.927	0.599	5.664	6.263	0.597	5.657	6.254
4.	Electricity, gas, steam and air conditioning supply.	0.346	0.005	0.351	0.344	0.009	0.353	0.343	0.010	0.353
5.	Water supply; sewerage, waste management & remediation activities	0.058	0.001	0.059	0.056	0.001	0.057	0.056	0.001	0.057
6.	Construction.	0.306	0.013	0.319	0.314	0.013	0.327	0.312	0.013	0.325
7.	Wholesale, retail trade, repair of motor vehicles, & motor cycles	0.090	0.233	0.323	0.083	0.249	0.332	0.083	0.252	0.335
8.	Transportation and storage	1.334	0.189	1.523	1.349	0.201	1.550	1.366	0.199	1.565
9.	Accommodation and food service activities	0.005	0.232	0.237	0.006	0.239	0.245	0.006	0.240	0.246
10.	Information and communication	0.244	3.300	3.544	0.236	3.966	4.202	0.235	3.982	4.217
11.	Financial and insurance activities	0.869	0.218	1.087	0.887	0.222	1.109	0.875	0.222	1.097
12.	Real estate activities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
13.	Professional, scientific, and technical activities	0.332	0.074	0.406	0.332	0.082	0.414	0.331	0.082	0.413
14.	Administrative & support service activities	0.010	0.515	0.525	0.010	0.525	0.535	0.010	0.526	0.536
15.	Public administration & defence; compulsory social security.	3.002	0.000	3.002	3.166	0.000	3.166	3.150	0.000	3.150
16.	Education	2.036	1.159	3.195	1.916	1.135	3.051	1.918	1.131	3.049
17.	Human health & social work activities.	1.029	0.343	1.372	0.915	0.358	1.273	0.899	0.359	1.258
18.	Arts, entertainment & recreation	0.021	0.022	0.043	0.022	0.023	0.045	0.022	0.023	0.045
19.	Other service activities	0.012	0.006	0.018	0.011	0.006	0.017	0.011	0.006	0.017
	Total	10.658	12.824	23.482	10.599	12.890	23.489	10.565	12.899	23.464

Source: Department of Labour, Gok

Table 11.24 - Registrants on the Live Registers of Employment Exchanges in Karnataka

Sl. No.	Registrants.	At the end of			Variation (Sept-13 / March-13) %.
		March-12	March-13	Sept-13	
1.	Post-Graduates.	4813	4834	4982	3.06%
2.	Graduates.	52652	50216	50321	0.21%
3.	Diploma Holders.	23279	20901	19558	-6.43%
4.	I.T.I. Apprenticeship, Other Certificate Holders.	57798	55481	52664	-5.07%
5.	Matriculates and Stenographers.	252061	223076	211994	-4.96%
6.	Below Matriculation.	76697	66707	63046	-5.48%
	Total	467300	421215	402565	-4.42%

11.7. Wage Employment Programmes

a. Mahatma Gandhi National Rural Employment Guarantee Scheme

The National Rural Employment Guarantee Act came into operation in five districts viz., Bidar, Gulbarga, Raichur, Davangere & Chitradurga w.e.f. 02-02-2006 for implementation under Phase-1. Subsequently, the scheme has been extended to 6 more districts namely Belgaum, Bellary, Chikmagalur, Hassan, Shimoga and Kodagu under II phase with effect from 1st April 2007. The Scheme was further extended to cover the remaining districts of the State from 1st April 2008. The primary object of the Act is to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work. If work is not provided within 15 days of the demand for work by the applicant, then un-employment allowance has to be paid. Under the scheme, related objectives such as generation of productive assets, environmental protection, empowerment of rural women, reduction of rural-urban migration etc. are also sought to be achieved. The scheme is being implemented as Centrally Sponsored Scheme on cost sharing basis between Centre and State as wage component is fully borne by the Government of India and material

component is borne by Central and State Governments in the ratio of 75:25. The fund allocated for the scheme in 2013-14 is Rs.1252.55 crore of which, Rs. 852.36 crore has been spent upto October 2013 and 125.97 lakh person days of employment has been generated benefitting 3.8 lakh households. The cumulative picture is given Table 11.26 and 11.27. District wise information is given in Appendix 11.11.

b. Wage Employment Generation under Major Programmes

Wage employment generated under various state government programmes was 7.95 crore mandays between April and September 2013. During the corresponding period of the preceding year 6.41 crore mandays were generated. The breakup is—Major medium irrigation and Flood control generated 2.89 crore mandays, (36.36%), Roads and Bridges 1.71 crore mandays (21.47%), Minor Irrigation 0.90 crore mandays (11.27%) followed by Watershed development 0.59 crore mandays (31.96%), Buildings 0.34 crore mandays (4.30%), CADA 0.01 crore mandays (0.09%) and MGNREGS 1.00 crore mandays. The wage employment generated as a proportion of the annual target was the highest in respect of Watershed development 1.11 crore mandays (55.52%) followed by Minor Irrigation 0.90 crore mandays (40.93%), Roads and Bridges 1.71 crore mandays (38.61%), Buildings 0.34 crore

mandays (35.51%), Major medium irrigation and Flood control generated 2.89 crore mandays, (25.08%), CADA 0.01 crore mandays (3.32%) and MGNREGS 1.00 crore mandays. During the corresponding period of the previous year 55.92% of the annual target was achieved in Roads and Bridges

followed by Minor Irrigation (50.07 %) and Buildings (29.85%). (Table 11.28)

11.8 Self Employment Programmes

11.8.1 Swarna Jayanthi Grama Swarojgar Yojana- (SGSY)

Table 11.25 - Number of vacancies notified & placements made in 2010-11 to 2013-14

Year.	Vacancies notified	Placements made
2010-11	7421	5936
2011-12	3202	8694
2012-13	3271	15069
2013-14 (upto Sept-2013)	1232	9452

Table 11.26 - Progress achieved under MGNREGA

Year	Available funds (lakh)	Expenditure (Rs. In Lakhs)	Person days (Lakh)	Employment provided (Households No.)	Works		
					Under taken (Nos)	Completed (Nos)	Under progress (Nos)
2012-13 (30 districts)	177383.85	143233.93	621.93	1337882	311898	78359	233539
2013-14 (upto Oct 2013)	*125255.29	*85236.11	125.97	385061	289953	8485	281468

*includes state available fund & state level expenditure

Source: RDPR, Gok Source: RDPR, Gok

Table 11.27 - Physical progress under MGNREGS in the FY 2013-14

SI No	Details	Unit	Progress
1	Job card issued (since inception)	No	5268396
2	House hold demanded employment	No.	624279
3	House hold provided with employment	No.	385061
4	Employment generated (person days)	Lakh	125.9
5	House hold provided with 100 days of employment	Lakh	.09
6	Average no of person days provided per household	No	3.05

Source: RDPR, Gok

SGSY aims at alleviating the poverty among the rural poor. The programme has been launched by the Government of India, by restructuring several existing self-employment programmes like IRDP, DWCRA, TRYSEM, SITRA, Ganga Kalyana Yojana and Million Wells Scheme from 01-04-1999. SGSY is a holistic programme covering all aspects of self-employment like organization of the poor into self-help groups, Training, Credit Linkage, Technology, Infrastructure and Marketing facilities. SGSY is being funded by the Centre and State in the ratio of 75:25. The main emphasis is on cluster approach. Some of the important identified areas are providing training of beneficiaries in RUDSETI/R-SETIs and providing skill training in ATDCs. Physical &

Financial Achievements from 2008-09 to 2013-14 (upto September, 2013) are shown in Tables 11.29, 11.30 and 11.31. The state government is also providing benefits through various programmes which are shown in Tables 11.32 and 11.33.

11.8.2 Karnataka State Rural Livelihood Promotional Society (KSRLPS): SGSY scheme has been restructured as National Rural Livelihood Mission. The Scheme will be implemented in the name of "Aajeevika". Every State has to establish State Mission to implement this scheme. Accordingly KSRLPS has been established in the State. The Scheme will be implemented in the name of "Sanjeevini" in the State from 1st April 2013.

Table 11.28 - Wage Employment Generation under Major Programmes (2013-14)(Mandays in lakhs)

Programmes	Annual target		Target for 2013-14 (Sept.2013)	Achievement	
	2012-13	2013-14		2012-13 (upto Sept.12)	2013-14 (up to Sept. 13)
1.Major and Medium Irrigation & Flood Control	976.89	1151.75	479.16	239.37 (24.50)	288.91 (25.08)
2.Minor Irrigation	133.27	218.93	74.12	66.73 (50.07)	89.60 (40.93)
3.CADA	28.94	20.48	4.21	6.24 (21.56)	0.68 (3.32)
4.Watershed Development	149.75	199.60	79.84	35.66 (23.81)	110.81 (55.52)
5.Roads & Bridges	366.16	441.78	203.59	204.74 (55.92)	170.58 (38.61)
6.Buildings	94.36	96.35	51.83	28.17 (29.85)	34.21 (35.51)
Total Programmes (Targeted)	1749.37	2128.89	892.75	580.91 (33.21)	694.79 (32.64)
N.R.E.G.S	*	*	*	59.74	99.89
Total Programmes	21749.37	2128.89	891.75	640.65	794.68

Figures in brackets indicate percentage to annual target.

* Demand driven programme - no target

Recruitment of Officers and Staff for the Mission is in progress. The State Government has decided to implement the programme in phases from 2011-12. During the 1st Phase, 20 taluks of 5 districts have been

selected for implementation viz., Belgaum (Athani, Gokak, Soudati, Hukkeri), Dharwad (Khalghatagi, Kundagol, Navalagund), Gulbarga (Gulbarga, Jevargi, Sedam, Alanda), Mysore (HD Kote, Hunsur,

Table: 11. 29 - SGSY- Sanctions & Disbursements of Loan & Subsidy (Rs. crore)

Category	Year	Sanctions		Disbursements		Subsidy	
		No.	Amount	No	Amount	No	Amount
Individuals	2008-09	709	2.69	570	2.16	570	0.86
	2009-10	1607	4.58	1435	4.58	1435	1.73
	2010-11	2616	7.93	2335	7.08	2335	2.51
	2011-12	2491	8.51	2007	6.91	2007	2.35
	2012-13	2317	8.58	1587	5.88	1587	3.12
	2013-14 *	647	2.07	434	1.39	434	0.44
Groups	2008-09	6325	203.79	5774	186.08	5774	71.47
	2009-10	6131	213.53	5497	191.45	5497	76.25
	2010-11	7068	254.41	6222	223.96	6222	79.55
	2011-12	6737	229.04	6018	204.60	6018	72.62
	2012-13	5939	232.84	4296	168.43	4296	55.34
	2013-14 *	1840	36.98	1612	32.40	1612	11.49
Total	2008-09	7034	206.48	6344	188.24	6344	72.33
	2009-10	7738	218.11	6932	196.03	6932	77.98
	2010-11	9684	262.34	8557	231.04	8557	82.06
	2011-12	9228	237.55	8025	211.51	8025	74.97
	2012-13	8256	241.42	5883	174.31	5883	58.46
	2013-14 *	2487	39.05	2046	33.79	2046	11.93

* Upto September, 2013

Table 11.30- Beneficiaries under SGSY under Self Employment Schemes

2008-09		2009-10		2010-11		2011-12		2012-13		2013-14 (upto Sep-13)	
Target	Ach.	Target	Ach.	Target	Ach.	Target	Ach.	Target	Ach.	Target	Ach.
76834	88794	63216	91366	90420	104527	82610	82509	76760	71092	*	17053

Table 11.31 - Advances disbursed under SGSY

Indicator	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (upto Sep-13)
1. Swarojgaries (in thousands)	88.79	91.37	104.53	82.51	71.09	17.05
2. Of which SCs/STs (in thousands)	42.34	40.87	47.26	38.53	34.39	7.77
3. Loan Component (Rs crore)	188.24	196.03	231.04	211.51	174.31	33.78
4. Grant in Aid (Rs crore)	72.33	77.98	82.06	74.97	58.47	11.74

Table 11.32 - Beneficiaries under Self Employment Schemes 2011-12 to 2013-14

Karnataka State Finance Corporation					
Programme/Scheme	Unit	Achievement		Target	Achievement
		2011-12	2012-13	2013-14	(up to Sept.2013)
a) Single Window	Nos	213	253	-	82
	Rs lakh	4036.05	7090.00	-	1940.75
b) Hospitals/Nursing Homes	Nos	40	50	-	10
	Rs lakh	3127.50	4377.00	-	615.50
c) Assistance to SCs and STs	Nos	272	286	-	128
	Rs lakh	8589.48	10602.20	-	4712.74
d) Minority Community	Nos	180	170	-	77
	Rs lakh	7107.90	8665.20	-	4922.10
e) Women Entrepreneurs	Nos	331	429	-	140
	Rs lakh	24840.15	31945.80	-	9797.90
f) Credit Linked Capital Subsidy	Nos	38	23	-	10
	Rs lakh	2065.30	1283.00	-	1414.00
g) Privileged Entrepreneurs	Nos	298	340	-	155
	Rs lakh	9593.60	12170.62	-	4888.25
Dr. Devaraj Urs Backward Classes Development Corp. Ltd					
i. Chaitanya Subsidies Cum Margin Money Scheme	No. of beneficiary	3455	2649	6000	601
	Rs lakh	754.17	670.07	1500.00	143.89
ii. Chaitanya Self-employment direct loan Scheme	No. of beneficiary	11388	9435	7000	421
	Rs lakh	2446.45	2507.93	2400.00	101.62
iii. Micro Credit Scheme	No. of beneficiary	4602	2939	4000	887
	Rs lakh	460.20	293.90	600.00	88.70
iv. Arivu-Education loan Scheme	No. of beneficiary	176	132	200	55
	Rs lakh	17.60	13.60	100.00	5.50
v. Ganga Kalyana Irrigation Scheme	No. of beneficiary	6410	4665	4442	699
	Rs lakh	5508.69	4111.63	6500.00	814.32
vi. Assistance to Traditional Artisans and Occupational groups	No. of beneficiary	22899	20755	10528	765
	Rs lakh	5155.45	5070.99	4931.00	184.10
vii. Interest Free Loan to Students for higher Studies in Foreign Universities	No. of beneficiary	3	2	10	6
	Rs lakh	10.00	7.00	35.00	21.00
viii. NBCFDC Loan Schemes	No. of beneficiary	14758	7683	9332	1512
	Rs lakh	2393.26	1578.59	2600.00	320.10

KSIDC					
a) Loan	Nos.				
	Rs. crore	-	-	-	-
b) Equity	Nos.	-	-	-	-
	Rs. crore	-	-	-	-
Disbursements					
a) Loans	(Rs.crore)	-	-	-	-
b) Equity	“-“	-	-	-	-
c) Recovery	“-“	26.15	6.32	20.25	36.10
Stree Shakti Programme					
a) No.of Groups taken loans from Bank	No. Cum	2883	1882	16710	1200
b) Loan amount	Rs. crore	114.47	50.82	-	47.14
c) Revolving Fund Released by Govt.	Rs. Lakh	-	304.15	3917	195.85
Dr.B.R.Ambedkar Development Corporation Ltd. Self-Employment Programme					
Programme/Scheme	Unit	Achievement		Target	Achievement
		2011-12	2012-13	2013-14	(upto Oct.-2013)
SC	No.	9663	9834	10902	2221
ST	No.	-	-	-	-
PMEGP					
Programme/Scheme	Unit	Achievement		Target	Achievement
		2011-12	2012-13	2013-14	(upto Sept.-2013)
a) Projects	Projects	884	533	1687	215
b) Persons trained	No.	-	-	-	-
c) Total amount spent	Rs. Lakh	1555.41	1318.8	2118.17	440.86

Table 11.33 - Number of persons trained for self-employment 2011-12 to 2013-14 (Nos.)

Programme/Scheme	Achievement		Target	Achievement (upto Dec 2013)
	2011-12	2012-13	2013-14	
1.SCs and STs				
a) Assistance to Law Graduates				
b) (Stipend) (Rs.in Lakhs)	106.50	212.84	333.91	144.01
b)Training to Law Graduates	853	1728	2353	1162
2Entrepreneurship Development Programme Sponsored by CEDOK				
a) Person's Trained	7124	12423	10095	22349
b)Programmes	174	213	341	179
3.I.EntrepreneurshipDevelopmentProgramme(SISI)-Plan Scheme				
i. Entrepreneurship Skill Development Programme(ESDPS)				
a)Persons Trained	2057	2320	0	309
b)Programme Conducted	97	100	83	14
ii.Entrepreneurship Development programmes(EDPs)				
a)Persons Trained	395	574	0	65
b)Programme conducted	17	25	30	3
iii.Management Development Programmes ((MDPs)				
a)Persons Trained	532	476	-	63
b)Programme conducted	21	19	21	2
iv.Business Skill Development Programmes(BSDP)				
a)Persons Trained	129	-	-	-
b)Programme conducted	4	-	-	-
v.Industrial Motivation Campaign IMC				
a)Persons Trained	5889	10405	-	1646
b)Programme Conducted	95	90	98	28
II.Non-Plan Scheme				
1.Skilled Development Programme				
a)Persons Trained	439	641	-	124
b)Programme Conducted	27	29	-	6
2.CAD Training				
a)Persons Trained	-	-	-	-
b)Programme conducted	-	-	-	-
3.CAMTraining				
a)Persons Trained	12	0	0	12
b)Programmes conducted	3	-	-	2

Nanjanagudu, T.Narasipura), Tumkur (Gubi, Kunigal, Madhugiri, Pavagada, Koratagere). Other than the above intensive blocks of 5 districts, NRLM will be implemented as Aajeevika (Sanjeevini) non intensive blocks in all other districts of the State. The implementation of NRLM has commenced from

2013-14. The Empowered Committee of Ministry of Rural Development has approved an Annual Action Plan under NRLP for Rs.31.15 crore and Under NRLM for Rs.58.02 crore. Implementation of the Scheme has commenced from 2013-14. In 2013-14 the State has revised the intensive Districts and

Table 11.34 - Releases and Expenditure Details of NRLM and NRLP 2013-14 (Rs. in crore)

Particulars	NRLM	NRLP	Total
Allocation	58.02	31.15	89.17
Releases	50.04	12.73	62.77
Expenditure	0.55	1.75	2.30

Taluks as follows where NRLP implementation is in progress. Mysore (HD Kote, Hunsur, Nanjanagudu, T.Narasipura), Tumkur (Pavagada, TN Halli, Madhugiri, Sira), Uttara Kannada (Ankola, Joida, Kumta, Yallapura), Koppal (Kushtagi, Koppala, Yalaburga), Gadag (Shirahatti, Naragunda, Gadaga, Rona, Mundaragi). In other Taluks NRLM Scheme is being implemented.

11.9. Government Initiatives - Social Security Schemes

a) Social Security and Pension

The Directorate of Social Security and Pension, Revenue Department of the Government is providing social security benefits to the old, widows and physically challenged. Under old age pension scheme any person aged above 60 years and below 65 years and belonging to BPL household is eligible to avail the pension of Rs. 200/- per month and aged above 65 years and belonging to BPL household is eligible to avail the pension of Rs. 500/- per month. Widows aged between 18 to 65 years belonging to BPL households are eligible to avail pension under Destitute Widow Pension Scheme of Rs. 500/- per month. Under State's non-Plan a pension amount of Rs. 500/- per month is given as pension for Disabled person having disability above 40% and below 75% and Rs.1200 per month for those having disability above 75%. Sandhya SurakshaYojane is the programme initiated by the government in 2007 to provide social security benefits to small and marginal farmers, agricultural labourers, weavers, fisher men

and other labourers from unorganized sector excluding construction workers. Under this programme workers in the age group of 65 years and above having income Rs. 20,000/- per annum are eligible and they are paid Rs. 500/- per month. The pension amount increased to Rs. 500/- in case of DWP & PHP with effect from September, 2013. New Schemes "Manaswini" for unmarried women of age 40 to 64 and "Mythri" for Transgender implemented w.e.f .1.08.2013 beneficiaries under these schemes are paid pension amount of Rs.500/- per month. The information about number of beneficiaries and expenditure details of these programmes are given in the Table 11.35.

b) ESIS Medical Services

The E.S.I Scheme is a premier social security scheme implemented in accordance with the E.S.I. ACT, 1948 and rules framed there under. The scheme was launched in February, 1952 in the Industrial Town of Kanpur and Delhi. The scheme provides two types of services, namely Medical and Non-Medical. Medical services are rendered by ESIS (M) Services, which is under the control of State Government, Labour Secretariat. The Non-Medical services are rendered through ESI Corporation, which is under the control of Central Government. The Scheme made a humble beginning with 12 ESI Dispensaries and one 100 bedded ESI Hospital in Karnataka as on 27.07.1958 at Bangalore, catering to 48,000 beneficiaries with a wage limit of Rs.400/-pm. The ESI Act, 1948 envisages six benefits to the Insured Persons and their

families. Further the Act has been amended to cover other sectors of employment with ten or more persons working using power/without power, shops commercial establishments, hotel preview theaters, newspapers and transport establishment are also covered under the scheme further the Government of

Karnataka have issued notification to cover the employees of educational institutions (including private, aided or partially aided) and medical institutions under the ambit of ESI Scheme. In Karnataka full medical care has been extended to about 20.80 lakhs Insured Persons and about 100

Table 11.35 - Progress of Social Security Schemes

Year	Old age pension		Financial assistance to Physically handicapped		Pension to destitute Widows		Sandhya SurakshaYojane	
	Exp. (Rs. Lakhs)	Beneficiaries (000's)	Exp. (Rs. Lakhs)	Beneficiaries (000's)	Exp. (Rs. Lakhs)	Beneficiaries (000's)	Exp. (Rs. Lakhs)	Beneficiaries (000's)
1991-92	3617	552	1490	266	2300	469	-	-
1992-93	3637	509	1212	276	2631	482	-	-
1993-94	3530	503	1531	280	2336	485	-	-
1994-95	3503	496	1913	289	2237	495	-	-
1995-96	3979	496	2614	300	4181	508	-	-
1996-97	3753	492	2421	304	4040	523	-	-
1997-98	3635	493	2431	311	4190	528	-	-
1998-99	4946	491	3486	318	5876	546	-	-
1999-00	4666	487	3687	319	6085	545	-	-
2000-01	4830	420	3938	301	6448	531	-	-
2001-02	5154	436	4049	314	6856	567	-	-
2002-03	5657	437	4716	318	6747	578	-	-
2003-04	5517	458	5481	345	7688	604	-	-
2004-05	6070	469	5790	352	8365	613	-	-
2005-06	6570	495	6619	373	8237	634	-	-
2006-07	12777	550	9817	407	16504	690	-	-
2007-08	27841	686	22491	464	32874	771	87689	262
2008-09	26253	791	17802	530	38674	865	119848	539
2009-10	41758	818	35261	636	45408	1023	166936	1018
2010-11	36936	783	42133	686	52826	1125	197213	1405
2011-12	40123	572	51434	553	59747	936	73040	1130
2012-13	30455	581	43290.00	605	49883.00	1040	71543.00	1257
2013-14 (up to Nov. 2013)	21968	578	35643.37	642	40759.92	1137	57732.11	1419

Table 11.36: Details of Expenditure under ESI by State Government

Sl. No	Year	Allocation under plan scheme	Expenditure	Surrender	Achievement Rs. In lakhs (%)
1	2007-08	1673.14	1262.01	4011.13	75.42
2	2008-09	1821.32	1709.04	112.28	93.83
3	2009-10	1941.62	1762.70	178.92	90.78
4	2010-11	1760.00	1665.26	79.74	94.61
5	2011-12	5000.00 surrender-3000.00 2000.00	1552.51	447.49	77.62%
6	2012-13	5200.00	4822.75	377.25	92.74%
7	2013-14 (up to October, 2013)	5200.00	3318.92	-	63.82%

Table 11.37- Number of Persons Insured in the State

Sl. No	Year	Insured Persons in Lakhs
1	2007-2008	9.86
2	2008-2009	14.09
3	2009-2010	15.55
4	2010-2011	15.55
5	2011-2012	16.00
6	2012-2013	18.52
7	2013-14	20.80

Table 11.38 - Enrollment in RSBY

Sl No	Insurance Company	Premium Amount	Total Enrolled
1	IFFCO Tokyo General Insurance Company	Rs 360/-	742627
2	TATA AIG General Insurance Company	Rs 360/-	217626
		Rs 403/-(in 6 Districts)	391942
3	United India Insurance Company	Rs 360/-	393266
		Total	1745461

lakhs of their families through a network of 9 ESI Hospital (Including ESIC Model Hospital, Rajajinagar and Peenya in Bangalore) 106 full time ESI dispensaries, 11 I.M.P systems dispensaries and 1 Diagnostic Centre. The details of expenditure made by the Department from 2007-08 to 2013-14 (upto October 2013) are given in Table 11.36 and details of numbers of persons insured are given in Table 11.37.

c) Karnataka State Unorganized Workers Social Security Board

To ameliorate the living conditions of the unorganized workers and to bring them under the

social security net, the State Government has constituted the Karnataka State Unorganized Workers' Social Security Board under the provisions of unorganized workers Social Security Act, 2008. The State Government has identified 43 categories of unorganized workers for extending social security benefits. At present the Board is implementing following social security schemes namely – (i) NPS Lite – Swavalamban Scheme, (ii) Karnataka State Private Commercial Vehicle Drivers Accident benefit Scheme. Upto November, 2013, 15,302 subscribers have been registered under the NPS Lite-Swavalamban Scheme.

Table 11.39 - No. of Construction Workers Registered with Construction Welfare Board in 2012-13 as on 10.12.2012

Registration Fee	Monthly Subscription	Total no. of registered workers		
		Male	Female	Total
Rs. 150+25	150 (3 years)	266563	77312	343,875

Table 11.40 - Cess Collected by Construction Workers Welfare Board

Year	Amount of Cess Collected (in Rs.)
2008-09	154,61,10,473
2009-10	227,46,03,831
2010-11	325,20,20,674
2011-12	360,61,68,040
2012-13	467,58,87,733
2013-14 (up to October 2013)	255,79,47,038
Total	1835,44,84,706

d) Karnataka State Private Commercial Vehicle Drivers Accident Benefit Scheme

To safeguard the interest of the drivers engaged in private commercial vehicles, such as Auto, Taxi, Maxi cab, Lorry and Private Bus who meet with the accident resulting in either death or suffer permanent total or permanent partial disablement, an accident compensation through insurance coverage called “Karnataka State Private Commercial Vehicle Drivers Accident Benefit Scheme” is implemented by the Board from June 2012. From August, 2013 the benefit of reimbursement of hospitalization charges in case of Temporary Disablement has also been extended. Upto June, 2013, 1,34,075 drivers have been registered under this scheme and in 2013-14

another 2.5 lakh drivers are expected to be registered. Upto November, 2013 29 Accidental Death & Disability cases have been settled and Rs.56.60 lakhs have been paid by the Board.

e) Rastriya Swasthya Bima Yojana

Rastriya Swasthya Bima Yojana is a prestigious health insurance scheme, implemented for the labourers of unorganized sector. A health insurance provision is provided to the family of the Beneficiary which is duly recognized by the Central and the State Governments along with the cooperation of Insurance Companies and Third Party Administrators. For the State Urban and Rural BPL families in 2011-12 and 2012-13, for those

MGNREGA labour families who worked for 15 and more than 15 days in the last financial year, the scheme was implemented. A total number of

17,45,461 beneficiary families were enrolled and for this task three Insurance Companies were selected (Table 11.38)

Table 11.41 - Number of Child Labourers Rehabilitated

Sl. No.	Year	No. of child labourers rehabilitated
1.	2010-11	2059
2.	2011-12	3902
3.	2012-13	7582

f) Building and Other Construction Workers Welfare Board

District wise meetings were conducted in the office of the Deputy Commissioners of each district wherein the representatives of the development departments like PWD, Irrigation, Z.P., City Corporations, Local Bodies were invited. They have been apprised of the obligation to collect cess on the cost of the building and other construction works undertaken by them and to collect cess from the permission seekers for construction of building. This has facilitated a great deal in augmenting the cess collection. With the help of Legal Services Authorities in various districts meetings with construction workers are being held to educate them regarding registration as beneficiary and the welfare benefits available to them. Doordarshan/Akashwani programmes have been conducted to create awareness about the Boards' activities. The number of construction workers registered with construction welfare board is 343875 workers, of which 266563 and 77312 are male and female workers respectively (Table 11.39). The cumulative figure of cess collected so far is Rs. 1835.44 crore. The detailed information is given in Table 11.40.

g) Karnataka State Child Labour Eradication

Child labour survey was conducted in all the 30 districts of state in 2011-12. 24,103 child labourers were identified in hazardous works and 27,140 child labourers in non-hazardous sector. However, all Deputy Commissioners are informed to review the survey report to arrive at real figures. In Karnataka State, National Child Labour Project (NCLP) of Central Government and State Child Labour Project

(SCLP) are being implemented. At present, in 17 districts National Child Labour Project (NCLP) and in 13 districts State Child Labour projects are implemented. Under NCLP scheme 185 day bridge centres are functioning. Out of 185 day bridge centres, 132 centres are converted into special residential schools. Additional expenditure is met by the State Government. Schools functioning under SCLP are all special residential schools. Child labourers released from work are being enrolled into special residential schools. Children are admitted into mainstream of education, based on their learning capacity, in the special residential schools.

Special study material called 'Aralu Mallige' has been developed with assistance of International Labour Organisation. Life skills are also being taught to the children learning in special residential schools. In order to monitor the rescued and rehabilitated child labourers a web based child labour tracking system has been developed and installed in all the 30 districts. The special residential schools are functioning under the supervision of respective Deputy Commissioners. Details of the rescued and rehabilitated child labourers during the last 3 years are given Table 11.41. The number of child labourers have come down considerably due to legal knowledge, awareness and implementation of laws related to child labour.

11.10. Skill Development

The challenge of skill development is of utmost importance in the economic development of nation today. The lack of an adequately skilled workforce is now regarded as a main obstacle to sustain the current rate of growth. The concern over skills development

is also of social importance. A majority of the workforce has been left behind, untouched by the benefits of the current economic boom because their poor education and skill level prevents them from seizing gainful employment opportunities. The challenge for skill development in India is broad, complex and multidimensional, covering both quantitative and qualitative aspects. It is complicated because of the size of the population, combined with vast geographical, cultural and social diversities. The requirement of training is not just to those entering the labour force for the first time, or to those currently unemployed to help build their employability, it also needs to be available to the existing workforce in order to maintain their employability, build productivity. Very few opportunities for skill development are available for young people who have dropped out of school or are workers in the unorganized sector. The problem is most severe for women and vulnerable groups such as people with disabilities, ST/SC/OBC, minority communities.

Most formal training requires a minimum of 10th standard as an entry requirement, which precludes a large number of school drop-outs and other people with no or limited education, from receiving formal training. The duration of the training is too long, often 2-3 years, and requires full-time attendance, which workers cannot afford.

11.11 State Government Initiatives

The State Government has taken up skill development as a major development policy since 2008-09. The State established its own Skill Commission with representatives from trade and industry. It also developed Skill Development Policy in line with National Skill Development Policy. Government of Karnataka adapted a state policy on skill development in the year 2008. To accomplish the desired objectives of State skill policy, the State established Karnataka Vocational Training and Skill Development Corporation (KVTSDC) under the companies Act'1956, with a target of imparting skills and employment to 10 lakh persons in the succeeding

Table 11.42 Details of activities carried out in HRDCs

Mangalore	4394	-	160	132	1137
Bijapur	4135	253	357	126	1802
Kolar	4845	684	216	97	1379
Chamarajnagar	2017	455	180	64	1056
Hubli	9405	282	289	81	1884
Mandya	3414	135	208	42	1154
Bellary	3688	289	322	81	1080
Total	31898	2098	1732	623	9492
01.04.2013 To 31.08.2013					
Mangalore	2200	0	0	22	220
Bijapur	2317	130	180	53	983
Kolar	3894	0	108	82	1218
Chamarajnagar	878	223	51	23	1331
Hubli	4653	382	140	25	670
Mandya	1048	50	1786	16	1320
Bellary	1860	61	105	20	247
Total	16850	846	2370	241	5989
GRAND TOTAL	94503	17021	5241	2026	25742

five years from inception. KVTSDC has been proactively following the agenda of skill development in the State.

a. Human Resource Development Centre (HRDC)

Establishment of HRDCs is one of the activities of KVTSDC, through which value added services will be provided to both employers and job seekers. The mismatch between the job market demand on one hand, and the supply provided by our education

system on the other is a matter of serious concern. Large number of people are added to the work force each year and their under preparedness to avail the emerging job opportunities addresses the issue of skill development on priority. In this background, Government of Karnataka has taken the steps to convert the Employment Exchanges, which are first contact point for job seekers, into "Human Resource Development Centres" to improve the employability and to make Employment Exchanges more relevant to the job seekers.

Table 11.43- Training details Consolidated Skill Development Training Provided

Sl No	Skill Training Through	2008-09	2009-10	2010-11	2011-12	2012-13	Total
1	Mes Training Through Atps	9698	35088	26577	4563	306	76232
2	Sahayog Programe 219 Colleges	-	-	14675	-	-	14675
3	E-Learning Lab- 50 Hostels	-	1600	6812	8340	-	16752
4	Human Resources Development Centre	-	-	1037	645	2276	3958
5	Karnataka Employment Centre	-	-	1130	1380	473	2983
6	Through Minor ity Department	-	-	1440	10820	-	12260
7	Elip Training At Govt ITIs	-	-	13887	12884	11906	38677
8	Training For Engineering Candidates	-	-	3347	6055	-	9402
9	Training - SDP	-	-	439	15380	-	15819
10	Pre Training For Airman Selection	-	-	793	-	-	793
11	Special Category Training (For Disabled)	-	-	-	887	-	887
12	Sabala Program	-	-	-	4390	-	4390
13	Through Bharathi Walmart	-	-	-	-	1277	1277
14	Ncvt & Scvt (Cts And Mdt)	68438	74676	71275	58675	86821	359885
15	Apprenticeship Training-(Atp)	8776	8567	9415	8752	20865	56375
16	MsdC	-	-	-	510	990	1500
17	Urban Development-Det	-	-	4100	-	-	4100
18	Other Line Department	29089	25660	-	-	124858	179607
19	Through Vtps_(MES)	13402	20374	4425	22179	57215	117595
	Total	129403	165965	159352	155460	306987	917167

The consolidated placement details of various training programmes conducted through different organizations/Institutions/Departments/ NGOs are shown in Table 11.44.

Table 11.44 - Placement details

Sl No		2008-09	2009-10	2010-11	2011-12	2012-13	Grand Total
1	Skill N Job Fairs & Mini Job Fairs	21820	43658	24407	16596	1977	108458
2	Postal Training	1896	11938	19774	7658	32	41298
3	Employment Exchanges	2232	13142	6042	-	-	21416
4	HRD Mangalore	-	-	2027	2426	1249	5702
5	HRD Bijapur	-	-	-	1411	2275	3686
6	HRD Kolar	-	-	-	1370	1079	2449
7	HRD Chamrajnagar	-	-	-	633	974	1607
8	HRD Mandya	-	-	-	224	1641	1865
9	HRD Hubli	-	-	-	302	1791	2093
10	HRD Bellary	-	-	-	124	987	1111
11	KEC	-	-	1083	3563	2714	7360
12	CPC	-	-	1824	4313	1853	7990
13	Retail Training By Bharathi Walmart-	-	-	-	-	257	257
14	Udyogasiri	-	-	-	-	122	122
15	ITI Placement Centers - DET	30121	29570	36836	43966	-	140493
16	Other Line Departments	-	4358	5000	-	-	9358
17	Apprentice Central And State	16472	13321	15000	8752	-	53545
18	BESCOM_INFOSYS	3703	-	3000	-	-	6703
19	SAHA YOG Placement	-	-	76	899	-	975
20	Helpline	-	-	1784	883	-	2667
Total		76244	115987	116853	93120	16951	419155

At present, 8 HRDCs have already been established in 8 Districts, namely, Mangalore, Bijapur, Mandya, Chamarajanagar, Hubli, Kolar, Bellary and Gulbarga. In addition to 8 HRDCs, 6 more employment exchanges are being taken up for up-gradation. They are located at Chitradurga, Haveri, Bagalkot, Ramanagara, Koppala and Shimoga. The amount of Rs.30 lakhs will be spent through KVTSDC to each HRDC based on the status of existing building. The HRDCs have facilities like Reception Hall, Registration room, Assessment room, counseling rooms, Training/class room, Computer Lab, Discussion room, Record room, Pantry, Server room, Candidate Interview room, Centre Head/ Employment Officer Room, Toilets and other amenities. The HRDCs possesses State-of-the-art infrastructure and would function under public Private Partnership model. The ideal space requirement would be about 300 sq. metres to be able to provide value added services to job seekers effectively. In 2013-14, it is planned to convert 10

DEEs, namely Mysore, Belgaum, Davangere, Udupi, Hassan, Tumkur, Chikkaballapur, Gadag, Madikeri and Karwar, into HRDCs. It has been planned to set up 2 HRDCs in Bangalore.

b. Migrant Resource Centre (MRC)

MRC would be established through KVTSDC in the new building which is under construction at Koushalya Bhavan, MRC will act as an instrument to build institutional capacity to assist potential and actual migrants in the State with regard to migration and decision making process. MRCs enable providing authentic and reliable information on options, procedures and reliable contacts for international migration. It also works as a grievance redressal mechanism for the migrants in distress within the State. MRC provides overseas employment information to the migration aspirants in the State. MRC also conduct pre-departure training for the State Government Official in understanding the migration and related issues. Table 11.42, shows

Table 11.45 - Skill Target

Sl. No	Five Year	National Target in Lakhs	State Target In Lakhs	% of Total target
1	2012-13	85	4.3	11
2	2013-14	120	6.1	15
3	2014-15	160	7.9	20
4	2015-16	200	9.8	24
5	2016-17	235	12.2	30
		800	40.4	100

Table 11.46 - Action Plan to achieve the State Skill Target

Sl No	Training Particulars	Target for 2012-13	Achieved 2012-13	shortfall	Target for 2013-14
1.	Modular Employable Skills (MES) training through DET	1,00,000	57,215	42,785	1,75,000
2.	Skills Training through other Line Depts.	1,00,000	1,24,858	(+24858)	1,40,000
3.	Apprentices Training Scheme (ATS)	20,000	20,865	(+865)	65,000
4	Craftsmen Training / Centre of Excellence (COE) Training	1,62,000	84,821	75,179	88,000
5	Skill Training through HRD Centres	15,000	2,276	12,724	30,000
6	Skill / Orientation training for Overseas Job Seekers	5,000	nil	5,000	10,000
7	Hi-Tech Training Programme through Multi Skill Development Centre including special training programme for SC, ST and Minority group candidates.	10,000	990	9,010	10,000
8	Special Training Programme to the Candidates of Backward, More Backward and Most Backward Talukas	16,000	11,906	4,094	30,000
9	Training through proposed 100 Skill Development Centers (SDCs) in Construction and other areas	10,000	nil	10,000	40,000
10	Special Need Based Training Programme for SC/ST/Minority/others through VTPs by KVTSDC	6,000	2,056	3,944	16,000
11	Motor Driving Training Programme	6,000	2,000	4,000	6,000
TOTAL		4,50,000	3,06,987	1,43,013	6,10,000

Table 11.47 Financial Target of KVTSDC for 2013 - 14

Sl.No	Particulars	Amount in lakhs
01	Modular Skill Development Training For SC, ST ,Minorities ,SDP and others,50,000 candidates * Rs.15 per hr *180 Hrs (approx.)	1350.00
02	Mega Job fairs 6 Nos * 100000	6.00
03	Mini Job fair 24 Nos *10000*14centers (HRDCs)	33.6
04	HRDCenters (Existing) 8 Nos * 150000 per month * 12 months	144.00
05	Establishing New 10 HRDCenters at 10 districts 10*30,00,000 Establishing New 4 HRDCenters in Bangalore 4*30,00,000	300.00 120.00
06	Central Placement Cell: 1,00,000 *12 months	12.00
07	HRDCenters (under construction) 6 Nos – Establishment and running cost 30,00,000*6 +1,50,000 per month *12 months	198.00
08	KVTSDC Administration Expenditures 4,00,000*12 months (Salary, Travelling allowances and other Expenses)	48.00
09	“Udyogasiri” Smarter Employable Platform Project –recurring cost.	18.00
10	Development of Integrated Software/ creation of websites/Biometric system/	600.00
11	Construction of KVTSDC building with interiors for HRDC, MRC and Office	300.00
12	Establishment of computer labs at Most backward Talukas-20*15,00,000	300.00
13	Computer lab equipments (20 PCs, Xerox, printer, UPS, EPBX etc)to 7+4+10 =21*10,00,000 new HRDCs	210.00
14	NIMI Books for 1 st year COE of 36 Institutes	18.00
15	Establishment of Solar PV panel with accessories and training material for training Renewal energy system at 30 district ITIs*2,00,000	60.00
Grand Total -Rs. 37.18 Crores		3717.60

the details of various activities carried out in the existing HRDCs.

c. Skill and Job Fairs

In order to enhance the Employability of unemployed/un-trained professionals through proper Skill Training followed by placement being done through “Skill n Job Fair” by creating common platform for Employers & Job Seekers. Skill N Job Fairs are being organized since October 2008, in a larger scale at State level and mini job fairs will be conducted at district level. The consolidated training details of various training programmes conducted through different organizations /Institutions/ Departments/ NGOs are shown in Table 11.43.

d. Karnataka Vocational Education & Training (KVET) - The KVET Society has been established under the Department of Employment & Training.

Registration of VTPs through on-line, Inspection of VTPs and implementation of Modular Employable Skills (MES) training through VTPs will be carried out through VTPs. In Karnataka about 886 training centers have been registered as VTPs. About 66000 candidates have been trained under MES. Integrated software is proposed to be developed in association with IBM and KEONICS, so as to maintain a record towards on-going training, passed out and placed details of candidates who are undergoing/have undergone training at Government and Private Institutions/VTPs. The software will also have the provision to access on real time basis the student information, attendance etc., The special feature of software would enable quality oriented monitoring mechanism of all skill training programmes both in Government and Private sectors. Acquisition of data pertaining to job seekers- job providers – placements etc. in respect of all training and placement activities

Table 11.48 - Progress of various labour laws enacted by labour department (January to August 2013)

Sl. No.	Name of the Acts	No. of Cases Inspected	No. of Cases filed against the Petitioner	No. of Punishable Cases	Total Penalty Amount
1	KS & CE ACT	14427	2046	1467	2917447
2	KS & CE U/S 24	1353	17	20	111500
3	M.M. Wages Act	10039	1568	923	2063425
4	Payment Of Wages	4459	721	457	1766900
5	Equal Remuneration	1907	250	123	958250
6	Motor Transport	59	4	1	3000
7	Child Labour	10152	147	193	1010950
8	Contract Labour	765	85	61	492500
9	ISMWA	85	25	9	177000
10	Sales Promotion Act	17	1	1	9000
11	Trade Union	60	0	0	0
12	PGA	813	14	4	25750
13	B & C	71	15	3	750
14	N F H	147	0	0	0
15	K L W F	369	16	1	1000
16	Meternity Benefit	44	3	0	0
17	P L A	67	0	0	0
18	Building	94	32	1	2000
19	Bonus	182	20	6	17500
20	Standing Order	26	0	0	0
21	Agriculture Min Wages	11755	0	0	0
22	Non- Agriculture Min Wages	12227	1719	754	1988641

Table 11.49 - Progress of various Labour Laws enacted in the Karnataka by Factories & Boilers

Sl. No.	Name of Act	2012 (January - December)		
		No of Cases filed against Employer	No of punishable cases	Total Penalty Amount
1	Factories Act 1948	-	112	3896900
2	The maternity Benefit Act 1961	-	03	45007
3	The Payment of wages Act 1936	-	-	-
4	The Building Construction Act 1996	212	01	2000

Sl. No.	Name of Act	2013 (January - September)		
		No of Cases filed against Employer	No of punishable cases	Total Penalty Amount
1	Factories Act 1948	127	87	2519750/-
2	The maternity Benefit Act 1961	-	-	-
3	The Payment of wages Act 1936	10	03	3000/-
4	The Building Construction Act 1996	13	04	44000/-

Industrial Disputes Act		
Sl. No.	Particular	No. of Cases
1	No. of Cases Pending at the Beginning of the Year	800
2	No. of Cases Received	2028
3	Total No. of Cases	2828
4	No. of Cases Compromised	164
5	No. of Cases Failed	1520
6	No. of Cases Withdrawn	129
7	Total	1813
8	Pending Cases as on August 2013	1015

of KVTSDC, DET, HRDC, KGMSDCs, all other line Departments, Udyog Melas etc., would be done through proposed software. The proposed project would enable easy accessibility & help maintain authenticity of data; as there would be a single source of unique ID number per candidate to be obtained from DET. All training activities need to be converged through DET to have effective data capturing and monitoring mechanism.

e. State Skill Target and Action Plan

Table 11.45 shows the nationally entrusted state target for 12th Five year Plan with respect to Karnataka State is given below. Table 11.46 shows the action plan made to achieve the State target of training 6.1 Lakhs candidates in 2013-14. Table 11.47 shows the KVTSDC Financial target for 2013-14.

Table 11.50- The number of strikes, lockouts and layoffs and the consequent man days lost

Sl. No.		Strikes	Lockouts	Lay Off
1	Number of Strike/Lockout/layoff	3	2	19
2	Workers Involved	1076	425	1132
3	Mandays Lost	3960	3112	3701

Table 11.51 - Absenteeism of plantation labour

Absenteeism (Jan-2013 to Aug-2013)			
Particulars	No. of Mandays Schedule to Work	No. of Mandays Absent	Percentage of Absent
Industry	1014583	142556	14.05%
Plantation	92284	21069	22.83%

11.12 Progress of various Labour Laws enacted in Karnataka

A major issue in the area of labour reforms is how to ensure minimum conditions of decent work and livelihood in the unorganized or informal sector of the economy. The limited applicability of important laws and the application of number filters have led to the emergency of a dual labour market with the attendant implication of the overwhelmingly larger sections of the unorganized/information sector labour being deprived of protection from laws in many spheres. Labour is a concurrent subject in the Constitution of India, on which both the Centre and the States can legislate in their respective spheres. Labour regulations can be broadly grouped into four broad area based on the aspects of employment covered by them: conditions of work, wages and remuneration, employment security and industrial

relations and social security and welfare of workers. The statistics regarding the progress of Labour laws enacted in Karnataka State is provided in Table 11.48. The Table illustrates the remarkable achievements in the matter of enforcement of various Acts in terms of prosecution and imposition of fine by the Department. Table 11.49 illustrates the progress of various Labour laws enacted by Karnataka Factories and Boiler Department.

11.13. Industrial Relations

a. Strikes and Lockouts - The number of strikes and lockouts indicate the level of industrial peace in a State. Karnataka is by and large, a peaceful State as far as industrial environment is concerned. The number of strikes, lockouts and layoffs and the consequent man days are shown in Table 11.50. There were two strikes and just two lockouts and 19 layoff

Table 11.52- Factories Details by Factories and Boiler Department

Sl. No.	Particulars	2010 - 11	2011 - 12	2012 - 13	2013 (Apr - sep)
1	No. of Factories registered	1118	858	949	284
2	Total No. of factories	13333	13823	13906	14190
3	No. of persons employed	13.5 Lakh	13.7 Lakh	13.67 Lakh	13.92 Lakh
4	No. of Inspections conducted	7524	8489	8543	3358
5	No. of Prosecutions filed	204	217	235	93
6	No. of convictions	131	127	103	69
7	No. of Complaints received	57	59	62	27
8	No. of Boilers registered	218	205	254	137
9	Total No. of Boilers	339	3601	4051	4188
10	Total No. of Boilers Inspections	2229	2354	2613	1306

Table 11.53 - Achievements of Occupational Safety Department

Sl. No.	Particulars	2010 - 11	2011 - 12	2012 - 13	2013 (Apr - Sep)
1	Total No. of Training programmes conducted	144	156	187	66
2	No. of beneficiaries	4442	4780	5834	2130
3	Major Programmes conducted	8	9	13	12
4	No. of persons participated	1485	1348	1484	212

Table 11.54 - Details of Training Programme for SC/ST under SCSP

Sl. No.	Particulars	2010-11	2011-12	2012-13	2013 (Apr - Sep)
1	Special Components Programme	-	9	96	28
	No. of beneficiaries	-	488	4754	1464
2	Tribal Special Programme	-	5	29	3
	No. of Beneficiaries	-	267	1468	154

incidents in the current year. The number of man days lost due to strikes was so far less in the current year compared to the previous two years.

b. Absenteeism - In the first 8th months of 2013-14 (upto August 2013), the proportion of absenteeism of industrial workers was 14.05% which was 11.69% in the previous year. Absenteeism of plantation labour was 22.83%. Details are given in Table 11.51.

c. Occupational Safety and Health

Department of Factories, Boilers, Industrial Safety and Health is associated with the responsibility of ensuring Occupational Safety and Health of the persons employed in registered factories. The State of Karnataka is having 14190 registered factories having employment potential of around 13.92 lakh persons (Table 11.52). 4188 registered boilers are functioning in the State. 74 Factories located in 16 districts have been identified as Major Accident Hazard Units considering the threshold of quantity of hazardous chemicals stored and handled at the worksite. 1050 factories have been identified as factories having hazardous processes. Special provisions are in place for Major accident hazard and hazardous are in respect of these categories of factories. Department provides more thrust in overseeing the compliance to the applicable provisions of rules in force to prevent the hazards in the workplace. The vision of the department is to ensure safety, health and welfare facilities to the working class. Basically the department is a regulatory department. Over the years the department has become proactive in its sphere of work and is making its constant endeavor in providing required services to meet the present day demand of the industrial captains in the changed industrial scenario. While doing so, the department has not compromised

in ensuring the aim and objectives of the laws being enforced. Statements showing the synopsis of important works carried out during last 3 years are given in Table 11.53. In addition to the regular training programme, the department is associated with conducting awareness programme for the SC and ST personnel working in the industrial domain by organizing Special Component programmes and Tribal Special programme (Table 11.54).

11.14 Outcomes and Challenges

As the employment challenge that Karnataka a faces consists both of creating of new jobs and improving the quality of existing jobs, a faster economic growth is the key to meet this challenge. A faster growth even with relatively low employment elasticity can generate reasonably high employment growth with significant increase in productivity. With a view to making employment growth faster, sectors and activities with relatively higher employment elasticity could be targeted for particularly high economic growth. But the compulsion of raising productivity with a view to improving employment quality in major part of the economy makes it imperative that economy grows at a high rate to generate the required number of new employment opportunities. Thus the strategy for creating quality employment essentially consists of a strategy for a rapid and diversified economic growth.

A faster growth of agriculture derived from geographically and crop wise diversification is an essential element of such a strategy. Agricultural growth is to be achieved not for a quantitative increase in employment but for a qualitative improvement in employment of those working in the farm sector, through increase in productivity and income. So far as the numbers of workers in

agriculture are concerned one should expect them to decline as more and more of them move out to other sectors. Manufacturing offers itself as the best candidate for absorbing those moving out of agriculture as also other job seekers in relatively good quality employment and, therefore, must be the another major sector to be targeted for higher growth. Transport and trade are other sectors with significant potential for generating productive employment.

While growth of employment in the organized sector is very important, widespread improvement in the quality of employment cannot be achieved without at the same time raising the productivity in informal sector enterprises including agriculture, as a large majority of workers work and will continue to be in these sectors. Agriculture particularly requires special focus specially for improving productivity in rain-fed areas and on the small and marginal farms. Rural non-farm sector has shown positive trends towards generating productive employment that need to be strengthened. In the case of urban informal sector increase in the access and provision of inputs and credit and policy initiatives to forge links between informal enterprises and larger organizations operating in wider, national and international markets need to be ensured to achieve improvement in their productivity.

A major proportion of workers in non-agricultural economic activities work in the informal sector where they suffer from a large quality deficit in employment, in terms of low productivity, low earnings, poor conditions of work and lack of social protection. A number of measures to improve the quality of employment—of both self-employed and

wage earners— in the informal sector have been suggested sometime back by the government-appointed National Commission for Enterprises in the unorganized Sector (NCEUS, 2009). Those which relate to productivity enhancement, such as provision of technology support, input supply, access to credit and marketing need to be adopted on a priority basis. At the same time, it seems, necessary to bring in changes in the labour law regime to ensure expansion of and improvement in overall quality of employment.

In addition to the foregoing demand side measures, an important initiative relating to the supply side of the labour market that needs special attention is development of adequate quantity and quality of skills. Most workers – employed and looking for work – have not had any vocational training for acquiring skills. Institutional capacity needs to be vastly expanded for training of young entrants to the labour market and realization of the 'demographic dividend'. It also needs to be oriented towards greater flexibility in timing and regularity to suit the requirements of the employed, especially those in the informal sector, to enable them to upgrade their skills. Training requires to be made demand – induced for which it would be necessary to have an important role for industry in its planning and execution. A public private partnership mode is necessary for this purpose as well as for sharing the financial cost by the users. It is hoped that the nationally launched Skill Development Mission, establishment of the Skill Development Corporation and formation will place the subject on the high enough priority to give effect to adequate expansion in the skill base of the Karnataka workforce and better matching of skill supplies and demand, both in quantity and quality.

ECONOMIC INFRASTRUCTURE



12

12.1 POWER SECTOR

Karnataka State has been experiencing conditions of power shortage because of the ever-growing demand for power influenced by the rapid economic progress. The State Government has been taking various initiatives to implement projects in the public as well as private sectors for adding new installed capacities for power generation. Recognizing the crucial role of power in achieving economic progress, Karnataka was one of the first Indian States to implement power sector reforms. The institutional setup for undertaking the reforms was strengthened with the enactment of the Karnataka Electricity Reforms Act in 1999. The Karnataka Electricity Regulatory Commission (KERC) was established as a regulatory authority of the State's power sector. Among other functions of the KERC, it regulates the tariff for supply of power to different categories of consumers. Four Electricity Supply Companies (ESCOMs), Bangalore Electricity Supply Company Ltd. (BESCOM), Mangalore Electricity Supply Company Ltd. (MESCOM), Hubli Electricity Supply Company Ltd. (HESCOM), and Gulbarga Electricity Supply Company Ltd. (GESCOM) were established during 2002 and another ESCOM, Chamundeshwari Electricity Supply Corporation Ltd. (CESC) was established in 2005. These five distribution companies are engaged in retail supply of electricity to the end consumers.

Power generation in the public sector is managed by the Karnataka Power Corporation Limited (KPCL) whereas the Karnataka Power Transmission Corporation Limited (KPTCL) deals with transmission of power and load despatch functions. As part of the restructuring of the power sector in the State, the erstwhile Karnataka Electricity Board (KEB) was restructured as KPTCL in 1999 by giving it a corporate status. As per the Electricity Act 2003,

KPTCL, being the State's transmission utility, is not empowered to engage in trading in electricity. Therefore, the distribution companies directly procure power from power generators, both public and private and ESCOMS own distribution network, and use KPTCL's transmission network to distribute electricity.

Government of Karnataka accorded approval in April, 2007 for setting up of a Special Purpose Vehicle (SPV) viz., Power Company of Karnataka Limited (PCKL) to supplement the efforts of KPCL in capacity addition. PCKL was incorporated on 20th August, 2007 under the Companies Act 1956. PCKL is responsible for capacity addition by way of setting up of new powers projects through bidding process, under Case-II bidding guidelines issued by Ministry of Power, GOI and long term procurement of power under Case-I bidding guidelines of MoP, GoI. In order to bridge the demand and supply gap, PCKL has been procuring power on behalf of the ESCOMS from various sources including purchase of power through Energy Exchange, Banking (SWAP) as well bilateral transactions. PCKL also co-ordinates with other States and Central Government agencies on power related issues as well as through the forum of SRPC (Southern Regional Power Committee).

12.1.1 Demand and Supply Status

The core issue in power supply in Karnataka is the status of demand & supply to ensure that there is no shortage in supply in the State. The State of Karnataka has been facing power shortage as it is a progressive State and there is ever growing demand for power. The State Government has been planning through various means for capacity addition for adding more power to the grid to meet the growing demand.

Apart from augmenting its generation, the State has been importing power from central power-generating stations, from neighbouring States, and also through energy exchanges for minimising power shortages. In addition, the State Government is taking steps for conservation of energy through demand side management programmes. In cases where it is highly difficult to bridge the supply-demand gap, load shedding is imposed.

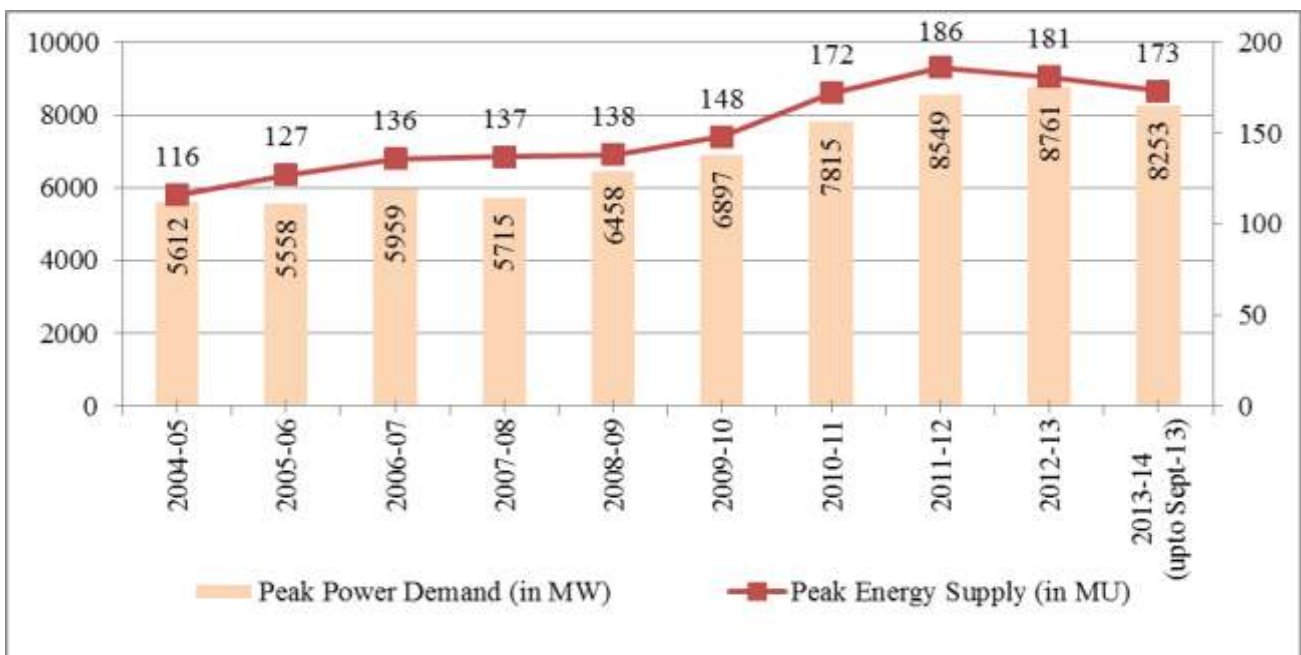
Trends in peak demand for power and peak energy supply per day during the years 2004-05 to 2013-14 (Upto September-2013) are given in Figure 12.1. It may be observed that both the peak demand and peak energy supply per day are showing increasing trends since 2007-08. The peak demand recorded during 2011-12 was 8549 MW, which is an increase of about 9.4% from 7815 MW in 2010-11. The peak demand recorded in 2012-13 was 8761 MW. The anticipated peak demand during 2013-14 is likely to be above 9200 MW.

Figures 12.2 and 12.3 highlights the trends in estimated gaps in demand and supply for both power and energy. From the figures, it is observed that the shortages in power supply are more critical compared to that in energy supply. The power supply shortage was highest at 1296 MW in 2007-08 and has since been reduced to 789 MW in 2012-13. This suggests a substantial improvement in power supply situation in the State since 2007-08 mainly due to the government's initiatives in expanding power infrastructure.

12.1.2 Power Generation

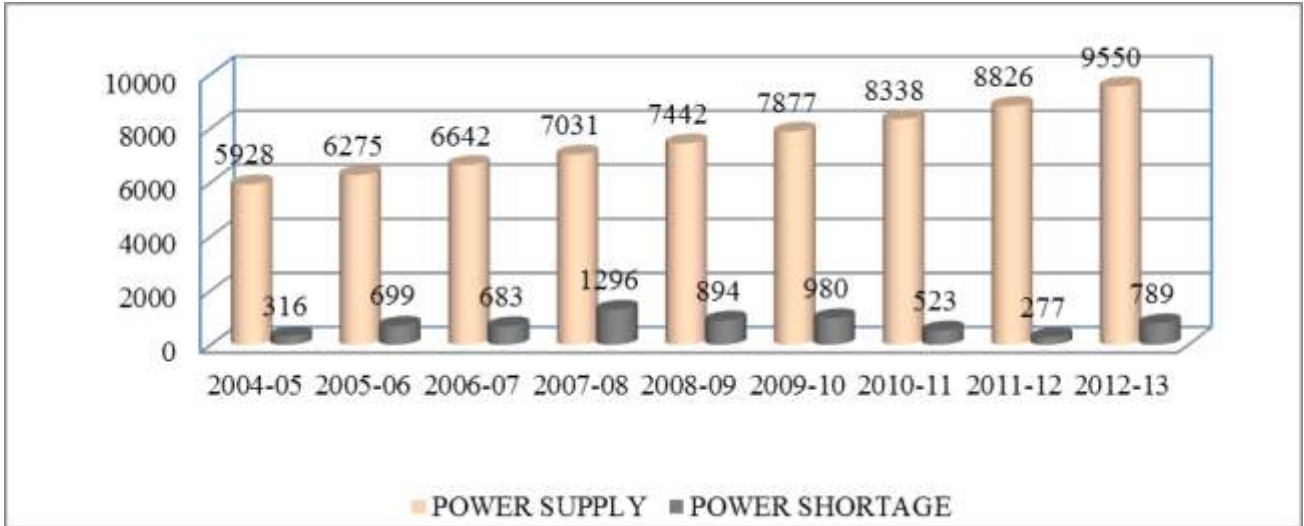
The state of Karnataka depends on several sources of supply for meeting its power requirements. The state has power generation infrastructure within the state belonging to both public and private sectors. In addition, it has guaranteed allocations from the central power generating stations, and finally relies on imports from other states for bridging the demand-

Figure 12.1: Trends in Peak Power Demand and Peak Energy Supply



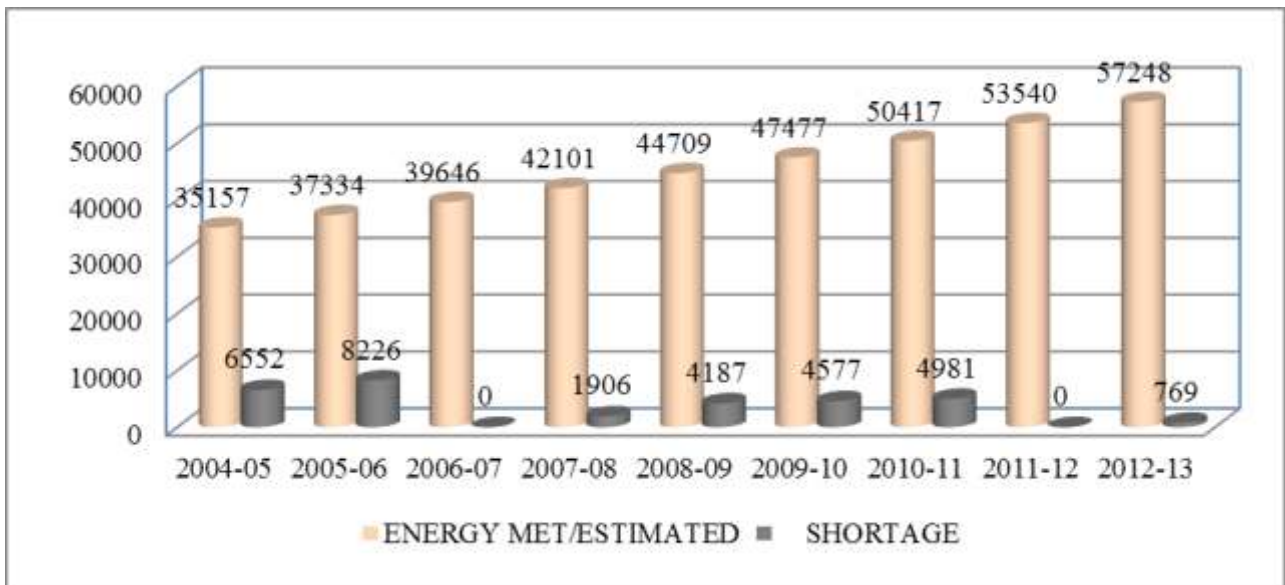
Source: KPTCL

Figure 12.2 - Power Supply & Demand Gap (in MW)



Source: KPTCL

Figure 12.3: Energy Supply and Demand Gap (in Million Units)



Source: KPTCL

supply gap. Thus, the main sources of power supply in Karnataka are:

- a. Generating Stations of KPCL
- b. Independent Power Producers (IPP's) (Conventional and Non-conventional)
- c. States share from Central Generating Stations
- d. Procurement from other States through bilateral trade, purchase and energy exchanges
- e. Barter arrangement (power banking)

12.1.2.1 Installed capacity and capacity additions

KPCL has been pioneering the capacity addition for power generation in the public sector in the State. Benefiting from the reform processes, various private generators have also established power plants in Karnataka. Further, the State Government has established the Karnataka Renewable Energy Development Ltd (KREDL) to harness renewable sources of energy.

The total installed generation capacity both in the public sector and private sector including the State's share in the central generation stations (CGS) as on 30.09.2013 was 13934 MW. The installed capacity in the public sector was 8404 MW (including CGS allocation) and the private sector's share was 5718 MW. The private sector capacity includes mainly the renewable energy sources of power generation with a share of nearly 60%. The status of power sector in terms of both installed capacity and electricity generation for Karnataka is provided in Table 12.1.

The status of the installed capacity of hydel power generation as on 30-09-2013 includes share of 26% in total installed capacity (Figure 12.4). This share increases to 31% if mini-hydel is included. The contribution from wind power is the third highest at 2228 MW after hydro and coal thermal.

It may be observed from Table 12.1, out of the total installed capacity of 14122 MW as on 30-09-2013, the renewable energy accounts for 3468MW with a share of 24.6%, The Hydro: Thermal mix in the State generation in public sector is in the ratio of about 57:43.

The total power generation in 2012-13 of 39884 MU was substantially lower than 43726 MU in 2011-12 due to failure of Monsoon. The availability factors of most of the generating plants have been found to be relatively high suggesting an efficient preventive maintenance system being in place.

The anticipated capacity addition during 2013-14 is 1549 MW (if CGS of 530 MW is included). There are a few major Independent Private Power Producers (IPPs) whose contribution in the near term is about 1200 MW and in that, it is expected to add about 1213 MW during 2013-14 (Table 12.2 & Table 12.3)

12.1.2.2 Plant Load Factors (Capacity Utilisation)

The details of the Plant Load Factors (PLF) and availability factors of the KPCL, Thermal and Hydel Plants are provided in Table 12.4.

As can be observed from Table 12.5, the average cost of power generation is higher in thermal plants as compared to hydel plants and the State's reliance on thermal plants for power generation has increased over the years. As a result, the average cost of power generated (paise/kWh) has been increasing.

12.1.2.3 Generation of power by KPCL

KPCL has been establishing power plants to maximise power generation by identifying and utilizing the hydro resources available in the State as well as by procuring coal from outside. Since Karnataka does not have coal reserves within the state, it relies on other states for coal supplies. The quantities and cost of coal purchased by RTPS and BTPS are given in Table 12.6.

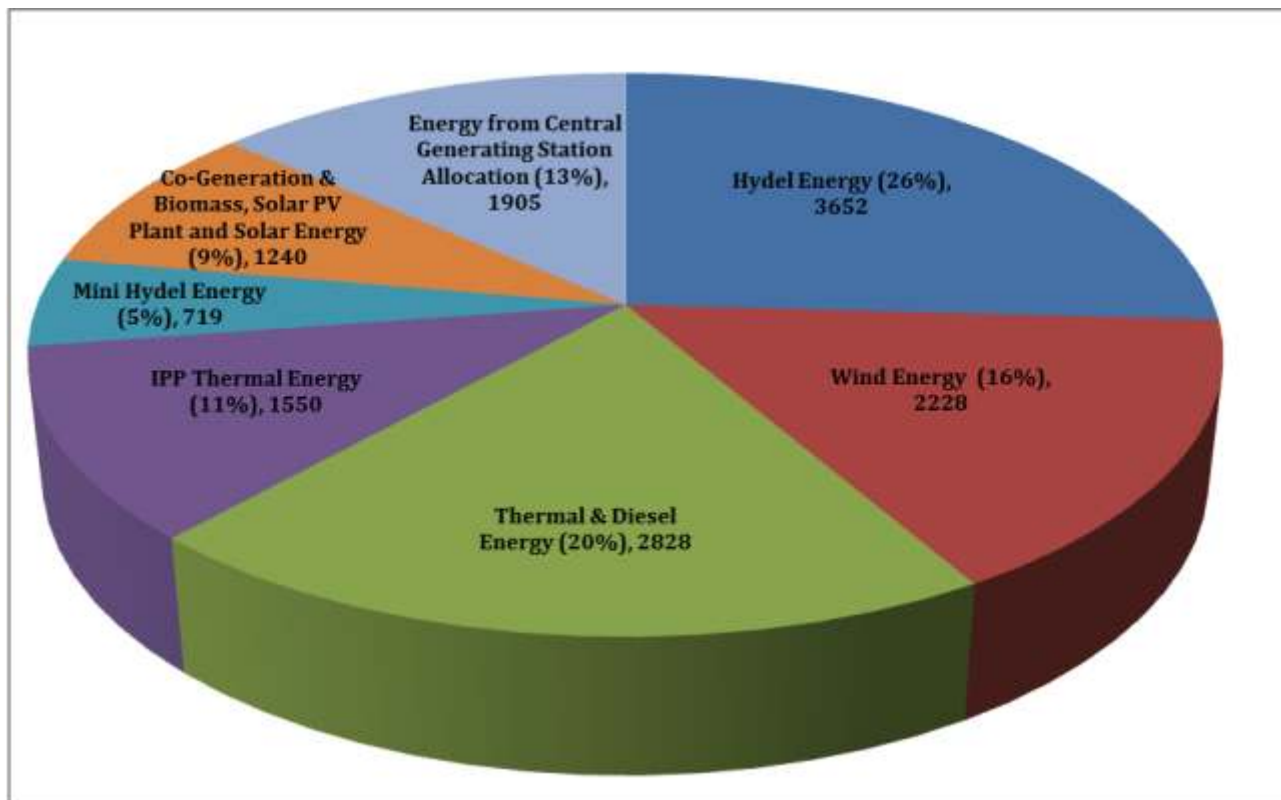
The energy generation in million units from the years 2009-10 to 2012-13 and upto September 2013 is shown in Table 12.7. It appears from the data for the past five years that the power generations by KPCL plants show an increasing trend except during the years 2010-11 and 2012-13. The highest electricity generated by KPCL is 26824 MU during 2011-12.

Table 12.7 shows that total generation from hydel power stations during 2010-11 was lower by 1706 MU as compared to 2009-10 due to lower total inflows to the major three hydel reservoirs and restriction in generation to conserve water for

Table 12.1: Progress in Power Sector

Source	Units	2009-10	2010-11	2011-12	2012-13	2013-14 (upto 30th Sept.2013)
A. Installed capacity (cumulative)						
1. Public Sector(KPCL)						
a) Hydel	MW	3637	3652	3652	3652	3652
b) Wind energy	MW	5	5	5	5	5
c) Thermal	MW	1970	2220	2240	2720	2720
d) Diesel plants	MW	108	108	108	108	108
e) Solar PV plant	MW	6	6	9	14	14
Total		5726	5991	6014	6499	6499
2. Private Sector						
f) IPP Thermal	MW	109	709	709	1550	1550
g) Mini Hydel	MW	572	656	656	701	719
h) Wind energy	MW	1513	1670	1976	2177	2223
i) Co-generation & Biomass	MW	766	744	1001	1171	1216
j) Solar	MW					10
Total	MW	2960	3779	4342	5599	5718
3. Central Generating Station Allocation	MW		1596	1700	1836	1905
Total installed capacity	MW	8686	11366	12056	13934	14122
B. 1. Electricity generation						
k) Hydel (KPCL)	MU	12249	10543	13989	10022	4552
l) Thermal (KPCL)	MU	13263	10434	12813	12723	5329
m) Diesel (KPCL)	MU	494	490		189	14
n) Private sector	MU	5546	8984	16903	16914	6491
o) Wind (KPCL)	MU	13	16	13	13	7
p) Solar PV plant	MU	3	7	8	23	8
Total		31566	30474	43726	39884	16401
2. Electricity imports						
a) Central projects	MU	10974	11041	11575	11619	4690
b) Other States	MU	35	5757	1627	5870	1505
Total	MU	11009	16798	13202	17489	6195
Total Electricity supply	MU	42575	47272	56928	57373	22596

Source: KPTCL

Figure 12.4: Installed capacity of Power generation in 2013-14 (Sept. 2013)

Source: KPTCL

meeting the peak demand during summer months & upto onset of next monsoon. Improvement in monsoon situation in 2011-12 resulted in enhanced hydro power generation in 2011-12. The electricity generated from the KPTCL power plants through its hydro, thermal and other sources are given in Table 12.7.

The State's shares from various power generation plants owned by the Centre are given in Table 12.8. Except for Kaiga nuclear power generation plant; all other plants are located outside the state of Karnataka.

12.1.2.4 Generation of power by independent power producers (conventional)

As per Karnataka's Independent Power Producers (IPP) Policy enacted in January 2001, three IPPs have been established in the State. These IPPs are contributing power to the State Grid (Table 12.9).

12.1.2.5 Generation of power by Independent Power Producers (Non Conventional)

Karnataka has successfully encouraged private sector investments in power generation from non-conventional or renewable energy sources of generation. The details of power generation by IPPs using non-conventional sources are given in Table 12.10.

12.1.2.6 Purchase of power from other States and energy exchanges

Towards meeting shortages in electricity supply, Karnataka buys power from neighbouring States, other States and from energy exchanges. The details of such purchases during 2008-09 to 2012-13 & in 2013-14 (Up to Sept.2013) are given in Table 12.11. There is an increase in this source of purchase of energy in the recent years mainly due to growing demand for power influenced by economic

Table 12.2: The capacity added from all sources during 2013-14

Projects	Utility	% Allocation	State Share (MW)	Status	Sector	Peak Availability (MW) *
2	3	4	5	6	7	8
Simhadri Stage II (Unit-2) (1X500)	NTPC	17.60	88	Commercial operation on 30-09-2012, Source: Minutes of 20 th Meeting of SRPC held on 28-09-2012	CGS	69
BTPS Unit-2 (500)	KPCL	100.00	500	Commissioned	State	393
Vallur (Unit-1&2) (2X500) (JV with TNEB)	NTPC	U-1: 8.04	77	Unit-1 (500 MW) was declared under commercial operation with effect from 00.00 Hrs of 29-11-2012. Unit-2 with effect from 00.00 Hrs of 25-08-2013. Source: NTECL letter dated: 26-11-2012 and 23-08-2013	CGS	61
Solar PV Power Plant at Yapaladinni village, Raichur Dist	KPCL	100	3	Commissioned	State	0.57
Solar PV Power Plant at Shivanasamudram, Mandya Dist	KPCL	100	5	Commissioned	State	0.95
UPCL Unit-2 (1X600)	IPP	90	540	Commissioned: August 2012	IPP	425
NCE (Non Conventional Energy Source)	KREDL		NA			NA
Total			1213			949.52

*The Peak availability is calculated based on norms specified in the National Electricity Plan. Source: KPCL

development as well as because of rate of new capacity additions lagging behind the growth in electricity demand. Other reason could be unpredictability of monsoon rainfall because the

State depends on hydel plants for most of its power generation. Another trend that could be observed is the reduced average cost of electricity with the increase in the quantum of power purchase.

Table 12.3: The anticipated capacity addition from all sources during 2013-14

Projects	Utility	% Allocation	State Share (MW)	Status	Sector	Peak Availability (MW) *
NLC Expansion Stage-II (Unit-1&2) (2X250)	NLC	22	110	In its submission before Hon'ble CERC NLC had stated that they were hopeful of declaring COD by January 2014. However some element of delay is anticipated since the design was yet to be tested. NLC had also sought maintain status quo in the injection of infirm power under UI mechanism till 31 st March 2014 or declaration of COD, whichever is earlier. Source: 23 rd SRPC Meeting Agenda.	CGS	80
Tuticorin (Unit-1 & 2) (2x500) (JV with TNEB)	NLC	16	158	NLC had informed that the likely CoD of the first unit would be in December 2013 and another unit in March 2014. There was about 15 months delay in the project. M/s. BHEL had committed to maintain the commissioning schedule of December 2013 & March 2014 for Unit I & Unit II respectively. Source: 23 rd SRPC Meeting Agenda & NLC letter dated: 03-07-2013.	CGS	124
Kudamkulam Unit-I (1X1000MW)	NPCIL	22	221	Physical Progress: 99.77 % as on October 2013; Expected CoD of UI: December 2013. Source: As per information uploaded on NPCIL Website.	CGS	139
Jurala (Unit-1 to 6) (6x39)	JV	50	117	The MOA for sharing of power generated from the project is signed between the Government of Andhra Pradesh and the Government of Karnataka at Hyderabad on 02-04-2013. Karnataka's share of power block cost of Rs 70 crores has been paid to APGENCO on 06-04-2013. CoD achieved; PPA to be entered between APGENCO and ESCOMs.	IPP	102
NCE	KREDL	100	413*	*Taking around 26% of Total Wind Capacity and remaining capacities from other sources as it is, as per Karnataka Renewable Energy Policy 2009-14.	State	52
Total			1019			497

*The peak availability is calculated based on norms specified in the National Electricity Plan.

12.1.3 Transmission and Distribution

12.1.3.1 KPTCL - State Transmission Utility

Karnataka Power Transmission Company Ltd. (KPTCL) is the State Transmission Utility engaged in the business of transmission of electricity in the State. It is the responsibility of the KPTCL to construct

power stations & lines, and strengthen the system for easing network congestion, power evacuation etc. The status of transmission infrastructure as at the end of Sept 2013 is given in Table 12.12.

The transmission lines of different voltage classes, new substations and capacity augmentation in the existing substations added during the period 2009-10

Table 12.4: Plant load Factors (PLF) & availability Factors of KPCL, Thermal & Hydel plants

Sl. No	Station	2011-12			2012-13			2013-14 (Upto Sept. 2013)		
		Installed Capacity	PLF	(%) Av. Factor	Installed Capacity	PLF	(%) Av. Factor	Installed Capacity	PLF	(%) Av. Factor
1	Raichur Thermal Power Station(1-7)	1470	74.19	84.57	1470	73.37	85.71	1470	65.36	82.22
2	Raichur Thermal Power Station (u-	250	43.32	58.31	250	28.79	39.26	250	32.58	59.37
3	Bellary Thermal Power Station (u-1)	500	70.29	76.91	500	68.28	83.71	500	59.14	77.04
	Bellary Thermal Power Station (u-1)	-	-	-	500	-	28.98	500	58.09	75.73
Thermal Total		2220	-	-	2220	-	-	2720	-	-
4	Sharavathi Generating Station	1035	62.20	94.53	1035	51.50	95.33	1035	48.90	89.46
5	Gerusoppa Dam Power House	240	27.36	99.46	240	21.70	99.70	240	28.33	99.05
6	Linganamakki Dam Power House	55	62.92	99.06	55	41.43	96.84	55	36.32	80.23
7	Nagjhari Power House	885	46.76	95.11	885	25.27	86.75	885	25.70	92.91
8	Supa Dam Power House	100	62.22	98.44	100	37.76	86.00	100	30.67	93.91
9	Kadra Dam Power House	150	36.80	96.49	150	19.56	99.01	150	32.95	99.63
10	Kodasalli Dam Power House	120	42.79	93.36	120	20.71	96.74	120	31.66	98.92
11	Varahi Under Ground PH	460	27.84	84.72	460	25.55	97.77	460	32.52	99.35
12	Mani Dam Power House	9	26.14	63.22	9	27.58	79.30	9	17.76	98.16
13	Alamatti Dam Power House	290	20.26	86.18	290	16.47	91.00	290	26.34	92.29
14	Ghataprabha Dam Power House	32	35.59	78.57	32	17.49	73.48	32	22.48	80.07
15	Bhadra Dam Power House	39.20	20.96	57.58	39.20	13.70	59.44	39.20	12.38	57.56
16	Kalmala, Sirwar, Ganekal & Mallapur	10.75	0	0	10.75	0	0	10.75	0	0
17	Shivasamudram	42	90.02	89.88	42	64.74	94.24	42	56.47	99.29
18	Shimsha Hydro Electric Station	17.20	27.25	84.21	17.20	33.56	96.33	17.20	34.65	90.28
19	Mahatma Gandhi H E Station	139.20	19.18	52.92	139.20	11.51	77.38	139.20	18.95	59.87
20	Munirabad Power House	28	39.35	93.90	28	26.88	67.29	28	42.97	51.17
Hydro Total		3652.35			3652.35			3652.35		
21	Yelahanka DG Plant	108	42.58	92.39	108	23.15	97.77	108	4.82	95.66
22	Kappatagudda Wind Farm	4.56	34.12	93.58	4.56	34.05	95.06	4.56	45.57	96.71
23	Solar PV Plant	9	-	-	14	-	-	14	-	-
Others Total		121.56	-	-	126.56	-	-	126.56	-	-
GRAND TOTAL		5993.91	-	-	5998.91	-	-	5998.91	-	-

Table 12.5: Plant Load Factor, Unit Cost of Power and Selected Power Stations

Sl. No.	Power Station	Plant Load Factor (%)			Unit Cost *2012-13 Paise/kwh
		2011-12	2012-13	2013-14(upto Sept.2013)	
1	Sharavathi	62.20	51.50	48.90	27.32
2	Nagjhari	46.76	25.27	25.70	62.81
3	Supa	62.22	37.76	30.67	62.81
4	Varahi	27.84	25.55	32.52	126.00
5	RTPS Unit-1	73.37	63.68	33.60	354.27
6	RTPS Unit-2	63.21	53.63	60.55	354.27
7	RTPS Unit-3	70.77	79.05	73.44	354.27
8	RTPS Unit-4	81.08	82.90	70.05	354.27
9	RTPS Unit-5	76.01	79.24	73.17	354.27
10	RTPS Unit-6	80.58	76.77	71.44	354.27
11	RTPS Unit-7	74.46	78.31	59.73	354.27
12	RTPS Unit-8	-	28.79	30.58	525.44
13	BTPS Unit-1	70.29	68.28	59.14	347.49
14	BTPS Unit-2	-	-	58.09	416.21

* Before accounting for T and D losses

Source: KPTCL

Table 12.6: Quantities and Cost of Coal Purchased by RTPS and BTPS Source: KPCL

Year	Raichur Thermal Power Station			Bellary Thermal Power Station		
	Quantity Received (MT.s)	Amount (Rs.in Lakhs)	Rate (Rs/MT)	Quantity Received (MT.s)	Amount (Rs. in Lakhs)	Rate (Rs./MT)
2010-11	6,749,381	176,270	2611.65	1,684,306	40,835	2424.47
2011-12	7,524,458	220,302	2927.81	2,144,729	51,968	2423.07
2012-13	7,738,774	264,276	3463.01	2,902,976	88,941	3063.80
2013-14 (upto 30 th Sept.2013)	3,671,848	126,499	3487.30	1,718,059	60,599	3593.76
TOTAL	25,684,461	787,347	9878.12	8,450,070	242,343	11505.10

Table 12.7: Electricity Generation from KPCL Power Plants

Year	Hydro (MU)	Thermal (MU)	Diesel (MU)	Wind (MU)	Solar (MU)	Total Generation (All sources in MU)
2009-10	12249	13263	494	13	3	26022
2010-11	10543	10434	490	13	7	21487
2011-12	13989	12813		14	8	26824
2012-13	10022	12723	189	13	23	22970
2013-14 (Upto Sept. 2013)	4552	5329	14	9	8	9912

Source: KPTCL

Table 12.8: Karnataka's share of Power Generation capacity from CGS (in MW)

Sl.No	Source	Allocation to Karnataka share
1	Ramagundam Stage I & II (Units 1 to 6)	418
2	Ramagundam Stage III (Unit 7)	15
3	MAPS	33
4	NLC TPS II Stage I	130
5	NLC TPS II Stage II	176
6	NLC TPS I (Expansion)	108
7	Kaiga (1&2)	121
8	Kaiga 3 rd & 4 th Unit	132
9	Simhadri Unit	210
10	Talcher Stage II	383
11	Vallur I & II	89
	Total	1905

Source: KPTCL

Table 12.9: Power Generation capacity and electricity generation from IPPs

Name of the firm	Installed Capacity (MW)	Generation/day (MU)
TATA	81.30	0
Rayalaseema	27.80	0
UPCL Unit-1 & Unit - II	1200.00	24.00

Source: KPTCL

Table 12.10: Power Generation capacity from non-conventional energy source by IPP's (in MW)

Sl. No.	Source of Renewable Energy	2012-13		2013-14 (Till Sept. 2013)	
		Capacity added	Cumulative capacity added	Capacity added	Cumulative capacity added
1	Wind	201.65	2176.60	46.40	2223.00
2	Mini Hydel	51.01	692.60	26.40	719.00
3	Solar	5.00	14.00	10.00	24.00
4	Biomass	2.50	90.50	0	90.50
5	Co-gen	180.00	1067.50	58.00	1125.50
Total in MW		440.16	4041.20	140.80	4182.00

Source: KREDL

Table 12.11: Procurement from other States through bilateral trade & purchase through Energy exchanges

Year	Energy in MUs	Amount (Rs.in crore)	average rate Rs/ kWh
2008-09	1963.49	1327.43	6.76
2009-10	1798.64	1041.06	5.79
2010-11	7815.36	3898.30	4.99
2011-12	6298.41	3024.07	4.80
2012-13	11046.36	4839.27	4.38
2013-14 (upto Sept.2013)	2932.84	1313.37	4.47

Source: Power Company of Karnataka Limited

to 2012-13 and proposal for new additions during the 12th Five Year Plan period are shown in Tables 12.13 and 12.14.

12.1.3.2 Transmission and Distribution losses (T&D Losses)

Karnataka's power sector has reduced its T&D losses from 29.6% in 2005-06 to 20% in 2012-13. (Figure 12.5). It is expected to bring down T&D losses to

about 19% by March 2014. The utilities in the sector are making planned investment for strengthening and augmenting the network for reduction of technical losses. The Figure also shows the trends in Aggregate Technical & Commercial (AT&C) losses during 2004-05 to 2012-13.

The vigilance efforts undertaken by the utilities have contributed to the reduction in AT&C losses (Table 12.15).

Table 12.12: Power stations & transmission lines of KPTCL (as on 30.09.2013)

Voltage Level	No. of stations	Transmission Line in CKMs
400 kV	4	2650.022
220 kV	92	10045.355
110 kV	349	9466.213
66 kV	559	9961.346
33 kV	355	8623.240
Total	1359	40746.176

Source: KPTCL

Table 12.13: Transmission lines of different voltage class added during last 4 years and proposal For 12th Plan period (Transmission line length in Ckms)

Voltage Class in KV	2009-10	2010-11	2011-12	2012-13	12 th Plan 2012-17
400	-	-	-	-	580.00
220	69.25	329.50	318.00	91.77	780.00
110	262.33	131.98	267.00	115.49	1905.00
66	179.46	227.69	170.00	52.83	1800.00
TOTAL	511.04	689.17	755.00	260.09	5065.00

Source: KPTCL

12.1.3.3 Re-structured Accelerated Power Development Reforms Programme

Re-structured Accelerated Power Development Reforms Programme (RAPDRP) is a major programme of the Government of India under XI plan. The aim of the programme is to strengthen the power distribution network and reduce overall AT&C losses. The scheme is implemented in two stages - Part-A and Part-B. Part-A includes implementation of IT applications / energy auditing and establishment of IT based consumer service centres while, Part-B consists of implementation of regular distribution network strengthening projects such as strengthening 11kV distribution system, re-conductoring of 11kV

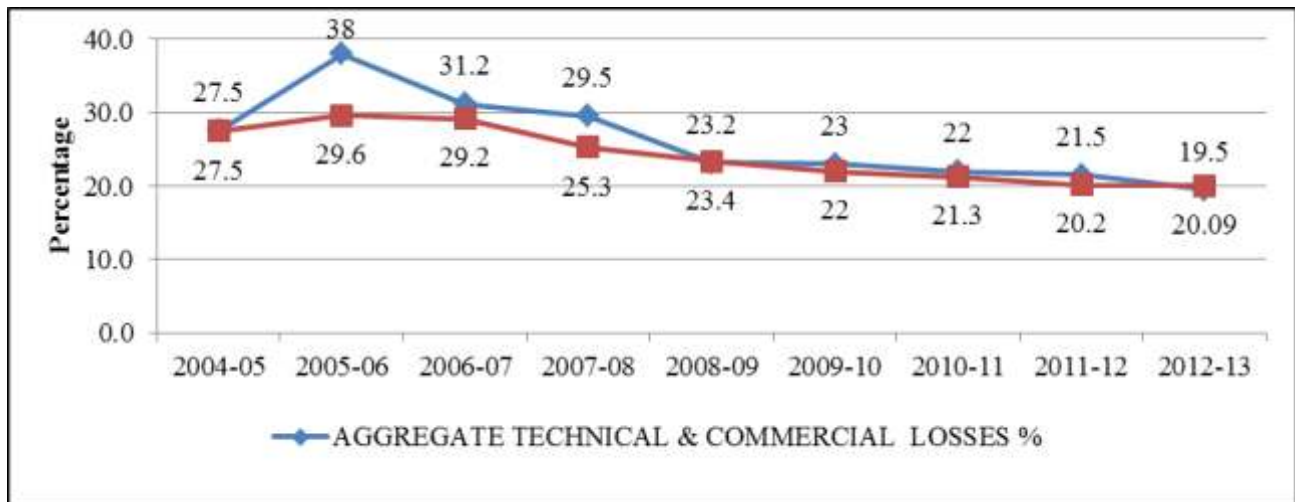
lines and below, and strengthening, renovation & modernization of 11kV substations, transformers / transformer centres.

In Karnataka state, under Part-A, 98 towns have been covered with a total project cost of Rs. 469 crore of which Government of India has sanctioned Rs. 391.2 crore as a loan. The remaining amount is being provided by ESCOMs. Subject to the implementation of Part-A programme within the stipulated time, the total sanctioned loan amount of Rs. 391.2 crore can be converted into a grant. The implementation of part-A is expected to be completed by Sept, 2014. Part-B covers 81 towns with a total project cost of Rs. 786.59 crore of which Government of India has

Table 12.14: Details of new sub stations added and capacity augmented during the period 2009-10 to 2012-13 and proposal for 12th Plan period

Voltage Class (KVA)	Substations added					Substations capacity augmented				
	2009-10	10-11	11-12	12-13	12 th Plan 2012-17 proposal	2009-10	10-11	11-12	12-13	12 th Plan 2012-17 proposal
400	-	-	-	-	2	-	1	-	-	2
220	3	6	1	3	25	4	-	1	2	7
110	15	5	17	13	86	19	16	26	15	70
66	12	25	8	17	72	22	12	29	34	111
TOTAL	30	36	26	33	185	45	29	56	51	190

Source: EMC

Figure 12.5 - Trends in Transmission & Distribution losses & Aggregate Technical & Commercial Losses

Source: EMC

sanctioned Rs. 196.65 crore as a loan. Upon reduction of AT&C losses in the selected towns to 15% over a period of 5 years, the 50% of the sanctioned loan would be converted in to a grant. Of the sanctioned amounts, by October 2013, Rs. 185.58 crore has been released under part-A and an expenditure of Rs. 133.92 crore has been incurred. Further, Rs. 117.98 crore has been released under part-B and an expenditure of Rs.281.58 crores has been incurred.

Due to non-eligibility of 5 towns as baseline AT&C Loss as finalised by TPIEA is less than 15% for R-APDRP Part-B of HESCOM, Rs 24.36 crores returned back to PFC against the released amount of Rs.41.75 crores. Steering Committee approved the cancellation of Part-B Projects for 5 towns of HESCOM, total project cost is reduced from Rs. 948.99 crores to Rs. 786.59 crore. The Progress achieved as of October-2013 is as follows:

Table 12.15- Vigilance efforts in reducing theft and pilferages

Year	No of Installations Inspected	No. of Cases Detected	Penalty Imposed (Rs. cr.)
2003-04	105458	10967	16.68
2004-05	106896	19379	19.41
2005-06	110615	21477	20.95
2006-07	91099	18570	24.02
2007-08	95066	20071	36.14
2008-09	304542	39889	55.53
2009-10	683966	105747	139.36
2010-11	615101	115687	150.44
2011-12	436798	89288	111.46
2012-13	412368	85955	129.41
2013-14 (upto Sept.2013)	230718	42749	72.34

Source: EMC

In Part-A,

1. MBC (Meter, Billing, and Collection) Module: 98 out of 98 towns have been completed.
2. Full Stack Go-Live Module: 46 out of 98 towns have been completed.
3. GIS Consumer Indexing is completed in 92 towns and Sign-Off received for 91 towns.
4. GIS Asset Mapping is completed in 92 towns and Sign-Off received for 92 towns.

In Part-B, replacement of 1Ph and 3 Ph meters, new lines, reconducting work, DTC work and replacement of 11KV lines by AB cables and LT lines by AB cables is under progress in BESCO, CESCO, HESCO & GESCOM.

12.1.4 Electricity consumption pattern in the State

As shown in Table 12.16, in 2012-13, the agricultural sector (water pumping through irrigation pumpsets) accounted for highest share of electricity consumed

with a share of 37.22% with domestic occupying a distant second position with a share of 19.94%. However, in terms of paying for the electricity, the agricultural sector pays the least whereas the commercial consumers pay the highest tariff.

The details of the quantity and cost of power supplied by the ESCOMS during 2012-13 and 2013-14 (upto September 2013) are shown in Table 12.17.

The ESCOMS supply electricity to various categories of customers at different price slabs. Details of revenue realized from the different categories of customers are given in Table 12.17. This shows that nearly 61% of the ESCOMS revenue arises from LT category customers even though they account for about 71% of the electricity consumption. The HT industrial sector while accounting for only 29% of the electricity sales contributes 39% of the total revenue earned in 2012-13. Electricity supplied for lift irrigation fetches the lowest average revenue of Rs. 1.89/kWh where as the LT commercial category provides highest revenue realisation of Rs. 7.44/kWh. Other than temporary installations,

Table 12.16 - Electricity Consumption Pattern

Category of Consumers	Consumption (MU)		% of Sales		Demand (Rs. Crore)		ARR Ps / kWh	
	2012-13	2013-14 Up to Sept.13	2012-13	2013-14 Up to Sept.13	2012-13	2013-14 Up to Sept.13	2012-13 *	2013-14 Up to Sept.13
Industries	7,609	4,018	16.66	17.56	4510.80	2432.08	592.84	605.30
IP Sets	16,995	7,940	37.22	34.69	5079.05	2463.90	298.86	310.33
Domestic	9,105	4,795	19.94	20.95	3713.31	2026.29	407.81	422.63
LT Industries	2,541	1,210	5.56	5.28	1466.72	714.63	577.32	590.84
Water Works & Sewage pumping	2,172	1,151	4.76	5.03	1014.24	541.16	466.94	470.35
Commercial Lighting	5,778	2,990	12.65	13.06	4369.69	2291.77	756.28	766.48
Public Lighting	801	389	1.76	1.70	433.47	230.53	540.91	592.08
Others	656	395	1.45	1.73	452.04	277.33	688.61	702.70
TOTAL	45,657	22,888	100.00	100.00	21039.32	10977.69	460.81	479.67

Source: ESCOMs

* After T & D losses as on 31.03.2013

commercial LT customers and HT industrial and commercial customers pay higher prices for electricity consumed.

The energy sales, average tariff and average cost of power supplied by ESCOMs during 2012-13 and 2013-14 (up to September 2013) is presented in Table 12.18.

There are a total of 2725145 Bhagya Jyothi/Kutira Jyothi (BJ/KJ) connections and 2075856 irrigation pumpsets in the State as of September 2013. The power supply to IP sets and BJ/KJ consumers has been made free with effect from 01.08.2008. The entire cost of supply of free power to agricultural sector has been made good by the State Government through subsidy. The subsidy provided by the State Government during the last 6 years and in 2013-14 (Upto September 2013) is provided in Table 12.19.

12.1.5 Demand Side Management (DSM)

The Government of Karnataka has implemented and in few cases proposes to implement new programmes to conserve energy as part of its demand side management (DSM) initiatives. Some of the important programmes are-

1. Making the currently optional Time of Day Tariff compulsory for industrial consumers and especially for HT consumers having sanction load of 500 KVA and above.
2. Installing Energy efficient street lighting systems and Electronic Time Switches for street light installations for switching "ON" and "OFF".
3. Segregating agricultural loads from the existing 11kV feeders through Niranthara

Table 12.17 - Electricity sales and revenue realization by categories of customers

Category	Description	Sales (MU)		Revenue (Rs. Lakh)		Average revenue realization (Rs./kWh)*	
		2012-13	2013-14 Up to Sept.13	2012-13	2013-14 Up to Sept.13	2012-13	2013-14 Up to Sept.13
LT1	BJ/KJ	487	267	233.08	130.65	4.79	4.89
LT2	AEH	8716	4592	3519.97	1923.08	4.04	4.19
LT3	Commercial	2538	1319	1888.00	1003.88	7.44	7.61
LT4	Irrigation Pump sets	16849	7900	5054.86	2449.94	3.00	3.10
LT5	Industries	1844	902	1051.33	525.00	5.70	5.82
LT6	Street lights and water supply	1802	893	942.53	495.96		
LT7	Temporary Installations	210	102	242.94	121.64	11.57	11.93
Total LT		32446	15975	12932.71	6650.15	3.99	4.16
HT1	Water supply installations	1172	643	505.19	275.63	4.31	4.29
HT2	HT Industrial & Commercial	11545	6056	7407.98	3938.55	6.42	6.50
HT3	Lift Irrigation	266	84	50.39	26.81	1.89	3.19
HT4	HT Residential	181	91	93.22	47.86	5.15	5.26
HT5	HT Temporary	48	37	49.53	38.03	10.32	10.28
Total HT		13212	6911	8106.31	4326.88	6.14	6.26
Others / Misc. Income							
Grand Total		45658	22886	21039.02	10977.03	4.61	4.80

Source: ESCOMs.

4. Adoption of High Voltage Distribution System (HVDS) for agricultural loads.
5. Encouraging consumers to use solar water heaters.
6. Adoption of Bachat Lamp Yojana launched by Bureau of Energy Efficiency (BEE), Ministry of Power, Government of India.

Table 12.18: Energy sales, average tariff and average cost of power supplied by ESCOMs

ESCOMS	Energy sales(MU)		Average tariff (Rs./ kWh)		Average cost (Rs./kWh)	
	2012-13	2013-14 as approved by KERC	2012-13	2013-14 as approved by KERC	2012-13	2013-14 as approved by KERC
BESCOM	22796.00	24977.60	4.70	5.04	5.06	5.04
MESCOM	3771.89	4128.17	4.53	4.92	5.19	4.92
HESCOM	8388.60	8724.26	4.55	4.96	5.49	4.96
GESCOM	5724.30	6202.26	4.38	4.81	5.45	4.81
CESC	4974.92	5234.42	4.31	4.86	5.15	4.86

Source: ESCOMs.

Table 12.19: Subsidy Released by the Government

Year	Subsidy released (Rs . in crore)	Remarks
2007 -08	1650.00	
2008 -09	1742.70	
2009 -10	2091.10	
2010 -11	3776.30	
2011 -12	4851.28	(including arrears)
2012 -13	6500.00	(including arrears)
2013 -14 (upto Sep-2013)	2250.00	(including arrears)

Source: Energy Dept

7. Mandatory use of solar water heating systems for all residential buildings with a built up area of 600Sq. feet and above falling within the limits of Municipalities / Corporations and Bangalore Development Authority, etc.
 8. Mandatory use of CFLs in Government buildings/Aided institutions/Boards/Corporations.
 9. Mandatory use of energy efficient irrigation pumpsets that conform to standards prescribed by the Bureau of Energy Efficiency.
 10. Promotion of energy efficient building designs.
 11. Mandatory use of electronic ballasts (Choke) instead of conventional copper chokes in fluorescent tube lights.
- BESCOM is currently implementing a smart grid pilot project and a project for implementation of smart meter technologies for online recording of energy consumption and provision of post-paid/pre-paid options to consumers of electricity.

12.1.6 Rural Electrification

Towards meeting the targets stipulated by the National Electricity Policy (NEP), the State Government has planned initiatives for energisation of villages, hamlets, Harijan bastis and thandas. In Karnataka, almost all the villages have been electrified except a few for which extending the grid is extremely difficult. Electrification of such villages is being taken up by concerned ESCOMs making efforts to provide alternative sources of power like Solar, DDG etc., through Decentralised Distributed Generation (DDG) under RGGVY scheme.

The ESCOMs have planned to energise hamlets and thandas in a phased manner. The details of electrification status in hamlets, Harijan bastis, thandas and IP sets during the last five years and in the current financial year are provided in Table 12.20.

12.1.7 Flagship programmes of State and Central Governments for Rural Electrification

12.1.7.1 State Government flagship programme: Niranthara Jyothi Yojane (NJY)

Niranthara Jyothi Yojane is a major project that aims to segregate the rural area loads into agricultural and non-agricultural loads so as to provide 24 hours of quality power supply to rural households, drinking water supply, rural industries and fixed hours of power supply to the irrigation pumpsets. The Niranthara Jyothi scheme is being implemented in

two phases covering 126 taluks (Table 12.21) with 70 taluks and 56 taluks being covered in the first and second phases respectively. The cost of implementation of Phase-1 is Rs. 1203 crore and Phase-2 implementation cost is Rs. 920 crore. Thus, the Government of Karnataka has approved the implementation of the Niranthara Jyothi scheme at a total cost of Rs. 2123 crore with 40% equity contribution from the State. The ESCOMs are expected to borrow the remaining 60% of the project cost as a loan. The implementation of Niranthara Jyothi phase-1 is under progress. As per the latest status, 771 Niranthara Jyothi feeder works (573 feeders in phase1 and 198 feeders in phase 2) are completed of which 495 feeders have been commissioned as of October 2013. It is aimed to complete the implementation by March-2014. The State Government has released Rs. 473.62 crore as equity and an expenditure of Rs. 390.70 crore has been incurred till now.

12.1.7.2 Central Government flagship programme

Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)

RGGVY, a programme for developing rural electricity infrastructure and expanding household electrification was launched in 2005 by the Central Government with the objective of providing access to electricity to all rural households. At the time of

Table 12.20: Progress in Rural Electrification

Year	Irrigation Pump sets Electrified Cumulative No.(in lakhs)	Hamlets/Harijan Bastis Thandas Electrified (Nos)
2009 -10	17.91	408
2010 -11	18.66	621
2011 -12	19.49	272
2012 -13	20.52	741
2013 -14 (Upto Sep-2013)	20.59	0.00

Source: EMC

Table 12.21: Details of Niranthara Jyothi implementation

Name of the Company	Phase I				Phase II		
	No of Taluks	No of Villages Covered	Phase I No of proposed 11Kv NJ feeders	Project Cost (Rs Crs)	No of Taluks	Phase II No of Feeders	Estimate Cost (Rs Crs)
BESCOM	20	4750	269	382	20	280	353
CESCOM	10	3358	161	246	14	180	250
HESCOM	20	1891	248	288	14	210	216
GESCOM	20	2765	227	287	8	80	101
Total	70	12764	905	1203	56	750	920

Source: EMC

Table 12.22 - Electrification during XIth plan period (as on 31.10.2013)

Total Villages Identified (No.)	16
Total Villages Electrified (No.)	16
Total BPL Houses identified (No.)	276890
Total BPL Houses Electrified (No.)	232619 Crores
Total Amount Sanctioned (Rs. crore)	Rs 440.09 Crores
Total Amount Released (Rs. crore)	Rs 303.78 Crores
Total Amount Spent (Rs. crore)	Rs 319.12 Crores

Source: EMC

inception, the scheme aimed at electrification of over 100,000 un-electrified villages and free electricity connections to 23.4 million rural below poverty line (BPL) households in India. Under this scheme, the Government of India provides the required financial support with 90% as grant and the remaining 10% as a loan by Rural Electrification Corporation Limited. In Karnataka, the scheme is being implemented in 2

phases, X Five Year Plan phase covering 17 districts and the XI Five Year Plan phase covering 9 districts and 1 Taluk under Hukkeri Rural Electric Co-Operative Society. Works under X Five Year Plan phase are completed, and the works of XI plan phase are under progress. Under X Five Year Plan, electricity connections were provided to 631359 BPL households and 46 villages were electrified. Under

XI Five Year Plan, electricity connections were provided to 232619 BPL households and 16 villages up to October 2013 (Table 12.22). Under XI plan, Rs. 303.78 crore has been released and an expenditure of Rs. 319.12 crore has been incurred as of October 2013.

12.1.8 Karnataka Renewable Energy Development Limited (KREDL)

KREDL is the nodal agency for the development of renewable energy sources in Karnataka. To harness green and clean renewable energy sources in the State for environmental benefits and energy security, and to initiate energy conservation & efficiency measures in all the sectors for sustainable development, the Government of Karnataka enacted a policy on renewable energy (for the period 2009-14) on 19.01.2010. The State Government has also published its Solar Policy for 2011-16 for giving impetus to exploitation of solar energy. KREDL is at the forefront of initiation of renewable energy projects and it envisages private sector investment for renewable energy development in the State. The latest data suggests that the renewable energy-based power generation capacity of 436.90 MW was added during 2011-12, and 440.16 MW was added during 2012-13 and 140.80 MW has been added during 2013-14 (upto September 2013) (Table 12.23).

The cumulative achievements in installed capacity additions in the renewable energy sector in the State as on 30-09-2013 are shown in Table 12.24. Wind energy accounts for major share in the capacity.

12.1.9 New power projects planned by KPCL

KPCL has planned various projects to augment the generation capacity in the State during the 12th Five Year Plan period (2012-17). The total planned capacity addition from these projects is expected to be about 8990 MW in the next five years. Various projects planned for implementation during 12th Five Year Plan period is shown in Table 12.25.

KPCL has adopted a strategy of forming joint ventures with reputed technical firms in the Country. Some of the joint ventures & collaborative programmes of KPCL are with: Raichur Power Corporation Ltd (RPCL), Larsen & Toubro, Bidadi Power Corporation etc. These joint ventures have resulted in new power projects which are listed below.

- i) 1320 MW Coal based Thermal Power Project at Gulbarga
- ii) 1320 MW Coal Based Thermal Power project at Ghataprabha.

Table 12.23 - Capacity additions under Renewable Energy

Sources	Capacity addition during 2011-12 (MW)	Capacity addition during 2012-13 (MW)	Capacity addition during 2013-14 (MW) (upto 30th Sept.2013)
Wind Power	215.05	201.65	46.40
Small/Mini Hydro	34.85	51.01	26.40
Co-generation	184.00	180.00	58.00
Solar	3.00	5.00	10.00
Biomass	0	2.50	0
Total	436.90	440.16	140.80

Source: KREDL & (EMC)

Table 12.24- Cumulative Progress in Renewable Energy

Source	Potential Available(MW)	Allotted capacity(MW)	Installed Capacity (MW)
Wind	13236.00	12290.62	2228.74
Mini Hydro	3000.00	1772.44	727.81
Co-Generation	1500.00	1551.91	1157.10
Bio mass Energy	1000.00	440.80	90.50
Solar	10000.00	104.00	24.00
Total	28736.00	16159.77	4228.15

Source: KREDL

Table 12.25 - New Power Projects in 12th Five Year Plan (2012-17)

Details	Target (MW)
Bellary TPS-Unit III	700.00
Yeramarus TPS (2X800)	1600.00
Etlapur TPS	800.00
RM&U of NPH Unit-6	15.00
Godhna TPS (Chattisgarh) (2X800)	1600.00
Bidadi CCPP- Block-1	700.00
Bidadi CCPP- Block-2	700.00
Tadadi CCPP	2100.00
Gundia Hydro Electric Project	400.00
Shiva Seasonal Scheme	345.00
Additional Unit at Munirabad	10.00
Ghataprabha	20.00
TOTAL	8990.00

- | | |
|---|---|
| <p>iii) 1200 MW coal based thermal power project of M/s. Udipi Power Corporation Ltd (UPCL).</p> <p>iv) Jurala Hydro Electric Project (Interstate Project)(6X39.1 MW)</p> | <p>v) Establishing 500 MW Coal based thermal power project at Hassan by M/s.Hassan Thermal Power Pvt. Limited(HTPPL).</p> <p>vi) Kudigi Regional Thermal Power Plant.</p> |
|---|---|

- vii) Enhancement of Units 5 & 6 from 2X220 MW to 2X700 MW at Kaiga

In addition, many new projects are being developed by Central and, State Govt under Ultra Mega Power Project (UMPP), through Non Conventional Energy (NCE), IPPs and through competitive bidding routes (Table 12.26).

Further, in the renewable energy sector about 140 MW of new installed capacity is expected to be added during 2013-14 up to Sept.13(Table 12.27).

Initiatives taken up in 2013-14

1) Implementation of High Voltage Distribution System in ESCOMs.

- As per the directions of Karnataka Electricity Regulatory Commission and the budget announcement for 2013-14 by the State Govt., the High Voltage Distribution System is to be implemented on a pilot basis in one sub division of each ESCOM during 2013-14.

Table 12.26 - Projects developed by Central, State Sector, UMPPs, under Competitive Bidding Route, NCE, and IPPs

	2012-13	2013-14	2014-15	2015-16	2016-17	Total
Central Sector	195	0	71	1064	932	2262
State Sector	0	1430	800	2080	480	4790
UMPP	0	399	266	133	58	856
Competitive Bidding	0	0	1010	1010	0	2020
IPP	0	0	500	0	0	500
NCE	300	346	283	283	283	1494
Total	495	2175	2930	4570	1753	11922

Source: KPCL

Table 12.27: Capacity addition of Renewable Energy sources during 2013-14

Sources	Capacity addition (MW) up to Sept.13
Wind Power	46.40
Small/Mini Hydro	26.40
Co-generation	58.00
Biomass/Bio-gas	-
Waste to Energy	-
Solar	10.00
Total	140.80

Source: KREDL

- The implementation of HVDS scheme results in achieving the following benefits in the distribution network.
- The high levels of technical and commercial losses in distribution can be reduced by implementing High Voltage Distribution System (HVDS) to replace a major part of the present LT distribution network.
- Upgrading the network into 11 kV HVDS by installing appropriately rated transformers, etc., will reduce the network losses substantially from the present level.
- The quality of power supplied to consumers will also see a substantial improvement.
- The Commercial losses in the distribution network will also be reduced by bringing down theft of power as the HVDS is difficult to tamper with.
- The failure rate of distribution transformer due to LT line short circuits and unauthorised IP Sets connections will be reduced.
- Facilitates prevention of unauthorised IP Set connections and their easy identification if connected.
- The fatal non departmental accidents occurring in rural areas due to snapping of LT line conductors will be completely prevented.
- The State government has proposed to implement solar energy projects through Karnataka Renewable Energy Development Limited (KREDL). It is proposed to implement the following solar energy projects during 2013-14.

- i) Providing Solar Water Pumps.
- ii) Providing Rooftop Solar PV Systems.
- iii) Providing Solar Lantern.

12.1.10 National Project on Biogas Development

National Project on Biogas Programme is a centrally sponsored scheme being implemented in the State since 1982-83. During 2012-13, the Government of Karnataka had provided the State's share of Rs. 290.05 lakh and Central share of Rs.1205.15 lakh as part of the budgetary provisions.

Based on the cattle population in the State, it is estimated that about 6.80 lakh biogas plants could be constructed, of which, upto March 2013, about 4.19 lakh biogas plants have already been constructed. Government of India has already allocated 10,300 biogas plants as a physical target to the State for 2013-14. By September 2013, 854 plants have been completed under the programme (Table 12.28).

12.1.11 Outcome

- The implementation of HVDS scheme results in reducing high levels of technical and commercial losses in power distribution. Upgrading the network into 11 kV HVDS by installing appropriately rated transformers, etc., will reduce the network losses substantially from the present level. The quality of power supplied to consumers will also see a substantial improvement. The failure rate of distribution transformer due to LT line short circuits and unauthorised IP Sets connections will be reduced. The fatal non departmental accidents occurring in rural areas due to snapping of LT line conductors will be completely prevented.

Table 12.28- Installations of Biogas Plants

Source of Energy	2011-12	2012-13	2013-14(up to 30 th Sept. 2013)
Biogas Plants	10531	11985	854

Source: Rural Energy Cell, RD & PR Department

- Benefiting from the reform processes, various private generators have also established power plants in the State. Further, the State Government has established the Karnataka Renewable Energy Development Ltd (KREDL) to harness renewable sources of energy.
- Karnataka's power sector has reduced its T&D losses from 38% (in 1999-2000) to 20% in 2012-13. It is expected to bring down T&D losses to about 19% by March 2014. The utilities in the sector are making planned investment for strengthening and augmenting the network for reduction of technical losses.
- Energy conservation as part of its demand side management (DSM) initiatives some of the important outcomes are:
 - Making the currently optional Time of Day Tariff compulsory for industrial consumers and especially for HT consumers having sanction load of 500 KVA and above
 - Installing Energy efficient street lighting systems and Electronic Time Switches for street lights
 - Segregating agricultural loads from the existing 11kV feeders through Niranthara Jyothi scheme to provide 24X7 uninterrupted power supply to non-agricultural loads in rural areas.
 - Encouraging consumers to use solar water heaters.
- Mandatory use of energy efficient irrigation pumpsets that conform to standards prescribed by the Bureau of Energy Efficiency.
- Mandatory use of electronic ballasts (Choke) instead of conventional copper chokes in fluorescent tube lights.

12.2 INFRASTRUCTURE

Vision 2020 for Karnataka seeks to propel a holistic growth by promoting equitable development of sectors and districts, by providing employment to all sections of people and regions of the State. Karnataka aims to grow its State GDP at 9%, which requires infrastructure investment of 9% year every year. Since the public funds may not be adequate, Planning Commission has articulated 50% of the fund requirement to come from the private sector in the 12th Five Year Plan.

Number of PPP projects under pipeline/project development in Karnataka has grown from 40(2008) to little over 190 by 2013. There is a need to generate more project ideas which can be taken up on PPP. While studying the State Project Development Machinery, several constraints for developing PPP projects by State Dept/ agencies were noticed. Karnataka has identified that to bring in investment in Infrastructure through PPP route, the State has to adopt a program based approach, given the huge demand for infra projects in various sectors. To overcome the project development issues and to build sustainability in Infra Project Development in the State, Infrastructure Development Department has designed Karnataka Infrastructure Transformation-1 (KIT-1) with project shelf development, PPP

Table 12.29 Details showing the Infrastructure projects proposals.

Sl.No.	Details	No. of Projects
1	Completed Projects	18
2.	Projects under Implementation	18
3.	Projects under Pipeline/ Planning	191

Before deciding to undertake any project on PPP, a pre-feasibility is prepared.

institutionalization, initial capacity building, MIS updating and sector inventory and profile preparation.

Karnataka Infrastructure Transformation (KIT-1) is multi-sector and multi-program initiative which in addition to developing a project portfolio, also helps in institutionalization, capacity building and MIS.

Some of the important projects proposed for development under PPP:

- High Speed Rail Project
- Light Rail Train systems in Bangalore
- International Convention Centre, Bangalore
- Port at Tadadi under PPP framework
- Road Projects under PPP framework
- Airports at Bellary, Bijapur, Gulbarga, Shimoga, Hassan
- Gas based Power Projects
- Devanahally Business Park
- Logistics Parks
- TTMCS in Bangalore
- APMC Market at Bytarayanapura

Under the normal PPP mode a number of Infrastructure Projects proposals have been developed; a portfolio of 191 projects costing around Rs.1.56 lakh crore. These are identified projects and are in different stages as hereunder. (Table 12.29)

12.2.1 ROADS

The State's road network consists of National Highways (NH), State Highways (SH), Major District Roads (MDR), Municipal roads and other roads including village connectivity roads. The road development works in the State are carried out by multiple agencies, which include Public Works Department (PWD) of the State Government, local Governments such as Zilla Panchayat and its wings & in urban areas, the City Corporations, City Municipal Corporations (CMC) etc.

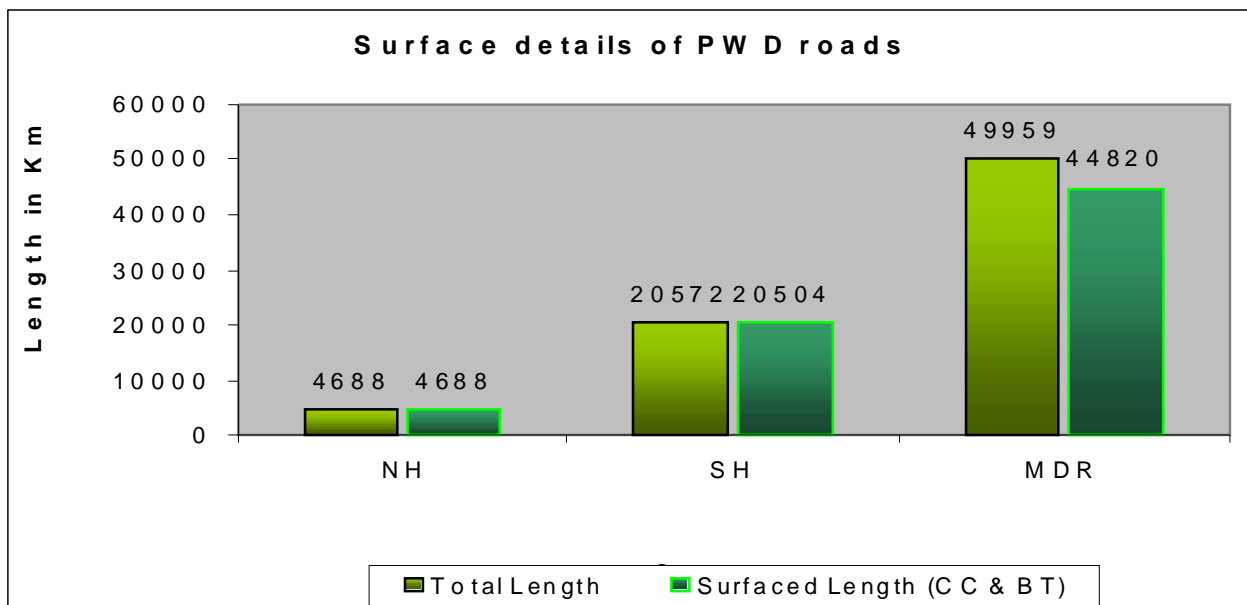
In the State, the average length of the PWD roads (viz; NH, SH & MDR) per 100 sq.km area is 39.34 km. Among the districts, the road length per 100 sq.km in Mandya district has the highest road length of 70.36 km. and Gulbarga district has the lowest length of 24.58 km. Further, the road length per 100 sq.km in Chamarajanagar, Raichur, Bidar, Chikkaballapura, Bijapur, D.Kannada, Yadgir, Chickmagalur, Kodagu, Chitradurga, U.Kannada, Bellary, Shimoga, Kolar, Koppal & Udupi districts are below the State average. In 2013-14 there has been marginal increase in the length of National

Table 12.30 - Road length in Karnataka (In km.)

Type of Road	Year	
	2012-13	2013-14 (Sept-13)
National Highways	4490	4688
State Highways	20770	20572
Major District Roads	49959	49959
Municipal Roads	8366	8366
Other Roads	148412	148412
All Roads	231997	231997

Source: Public Works Ports and Inland Water Transport Department.

Figure 12.6 Length of Black Top & Cement Concrete surface



Source: Public Works Ports and Inland Water Transport Department.

Highways and reduction in length of State Highways and there is no change in the length of Major District Roads. (Table 12.30)

All the National Highways and large extent of State Highways (98.7%) are covered with black top and 90% of Major District Roads are covered with black top (Figure 12.6).

The carriage width details of the roads show that about 19% of National Highways, 1% of State Highways and 2% of Major District Roads have four lane widths. Similarly, 67% of NH, 16% of SH and 1% of MDRs have two lane width.

12.2.1.1 Karnataka State Highways Improvement Project (KSHIP)

Under KSHIP-II Phase-I, it is proposed to develop 1846 km of roads with the assistance of World Bank and Asian Development Banks. Under the World Bank component, 269 km length is taken up under Engineering Procurement Contract (EPC) in five packages, a length of 104 km of State Highways is developed and the balance works are in progress. About 562 km is proposed to be developed under Annuity Contract and the bids received for the four

packages were rejected in May-13 since quotes of the bidders did not yield value for money for the Government and from the World Bank, no objection for cancellation of Annuity bids is awaited. Fresh EPC contracts to be procured with the approval of World Bank. Further, development of 400 km length is being taken up under Co-financing. Under the Asian Development Bank component, 615 km road length is proposed to be developed in 9 packages and all the packages are awarded and are in progress. Road length of 76 km has been developed.

12.2.1.2 NABARD-assisted Rural Infrastructure Development Fund (RIDF) scheme

The improvement of rural roads and construction of bridges are being taken up through NABARD assisted Rural Infrastructure Development Fund since 1996-97 (RIDF-II). The tranches from RIDF-II to RIDF-XV are completed and RIDF-XVI to XVIII is under progress. Further in 2013-14, 341 roads and bridges have been identified under NABARD RIDF-XIX at an amount of Rs.305 crore and DPRs are being forwarded to NABARD seeking sanction. The detail of the progress achieved under these ongoing schemes to end of September-2013 is furnished in Table 12.31.

Table 12.31 Progress under RIDF (Rs in crore)

Scheme	Details	Works taken up	Works completed (%)	Length (Km)	Estimate amount	Expenditure upto Sept-13 (%)	Length improved (Km)
RIDF-XVI	Roads and Bridges	447	421 (94.18%)	831	323.07	275.88 (85.39%)	752
RIDF-XVII	Roads and Bridges	362	262 (72.37%)	1070	280.53	178.77 (63.72%)	695
RIDF-XVIII	Roads and Bridges	354	13(3.67%)	730	319.20	11.67(3.65%)	28
RIDF-XIX	Roads and Bridges	DPR's for 341 Roads and bridges amounting to Rs. 305.00 crore are being forwarded to NABARD seeking sanction.					

Source: Public Works Ports and Inland Water Transport Department

12.2.1.3 Karnataka Road Development Corporation Ltd (KRDC)

In 1999, KRDC was created as a State-owned enterprise for the development of road infrastructure facilities in the State. Through this agency, the

construction of 635 bridges and development of 1041 km length of roads has been completed. Further, the development of 10 State highways for a length of 253 km are taken up at an amount of Rs.793 crore and these works under various stages of progress.

PPP Initiatives through Karnataka Road Development Corporation Limited

- Development of 4 SHs of length 359 km are taken up at an estimated amount of Rs 913 crores on BOT-VGF (Toll) basis and development of about 200 km length is already completed. Further, in principal approval has been received from the GOI to take up another 759 km of SHs at an amount of Rs.2327 crore.
- 43 km of SH is developed under BOT Annuity basis.(Hubli-Lakshmeshwar SH)
- Widening of Bellary-Moka SH-132 to 2 lane/4 lane divided highway for length of 26 km is taken up under PPP-Annuity at an estimated amount of Rs.158.00 crore. The work is completed during March-2013.

12.2.1.4 State Highways Development Programme (SHDP)

State Highways Development Programme is initiated for the improvement and strengthening of the existing State Highways (SH) based on the following criteria.

- District HQ to District HQ connectivity.
- District HQ to Taluk HQ connectivity.
- Taluk HQ to Taluk HQ connectivity.

Based on the above norms, 3710 km of SHs in 65 packages under phase-1 has been taken up in 2012-13 at an estimated cost of Rs. 1423 crore. 63 packages are in progress. So far, 1206 km of SH improvement and 963 km of SH renewal has been completed incurring an expenditure of Rs.860 crore. Further, administrative approval has been accorded to take up 3745 km length of SH improvements/ renewal in March 2013 in 70 packages and the tenders are under various stages of approval. The project is being implemented through PIU SHDP headed by Chief Project Officer with technical and administrative wings.

The Department has prepared "Result Framework Document" since 2011-12 wherein the Vision, Mission, Objectives, Functions of the Department are defined. This document consists of 6 sections and the various objectives have been assigned weightages based on priority by the Department itself with the approval of the Task Force Committee. The

Department score stands at 89 and 73.5 respectively for 2011-12 & 2012-13 RFD.

12.2.1.5 Pradhan Mantri Gram Sadak Yojana (PMGSY)

The status of rural connectivity in the state is given in Table 12.32. PMGSY was launched in the State during December, 2000 with the objective of providing rural connectivity by way of all-weather roads to eligible habitations having a population of 500 and above by the end of 2007. Under this programme, Rs.3642.12 crore has been spent and 16049.60 km of road length has been asphalted up to September 2013. In order to implement the scheme more effectively, Karnataka Rural Road Development Agency has been formed during October 2005. The agency is involved in preparation of detailed project reports in each stage, implementation of the works as approved by Government of India as per the required standards and release of grants provided by Government of India. As on date, the State has 2235 unconnected habitations.

12.2.1.6 Outcomes

- Under State Highway Development Programme (SHDP) existing roads which have connectivity between District Headquarter to District Headquarter, District Headquarter to Taluk Headquarter and Taluk Headquarter to Taluk Headquarter will be improved by spending Rs.1423 crores.

Table 12.32 - Rural Connectivity

(Road length in Km.)

Year	All weather Roads(Km.)	Good Roads (Km.)	Earthen Roads (Km.)	Villages not connected by Road (Nos.)
2009-2010	65904	26450	54858	2235*
2010-2011	66791	25863	54558	2235*
2011-2012	68649	24748	53815	2235*
2012-2013	70791	24478	51943	2235*

* Denote habitations

Source: RD&PR Department

- (2) Road widening projects taken up by PWD have resulted in widening of carriage way width of State Highways and National Highways to reduce traffic congestion.
- (3) Under Prime Minister's Grameen Sadak Yojana Programme Rs 3642.12 crores has been spent and 16049.60 km of road length has been asphalted as on September, 2013.

12.2.2 TRANSPORT

Karnataka provides efficient public transport to people of different income groups across the State as well as in neighbouring States.

12.2.2.1 Karnataka State Road Transport Corporation (KSRTC)

KSRTC was established in 1961 to provide efficient, adequate, economic and well coordinated transport services to the commuters. The Govt. of Karnataka decided to bifurcate the Corporation into four separate Corporations to achieve the diverse needs of commuters through an effective and efficient distribution of areas of control. Accordingly KSRTC has bifurcated into BMTC on 15-08-1997 (at

Bangalore city), NWKRTC on 01-11-1999 (At Hubli) and NEKRTC on 01-10-2000 (At Gulbarga). KSRTC became Independent Corporation with effect from October, 2000.

The progress achieved by each of the corporations during the last two financial years is presented in Table 12.33. A number of new buses are being regularly added in all the four corporations. With the addition of new buses, over-aged buses have been withdrawn to some extent in all the corporations.

The average age of KSRTC fleet is 3.7 years and is one among the only three SRTUs in India having average age of fleet less than four years. KSRTC having Corporate office at Bangalore, is operating in 17 southern districts of Karnataka, with 15 divisions, 77 maintenance and service depots, two Regional Workshops, one Central and two Regional Training Institutes, Printing Press and Hospital. With a workforce of 38849 and 8398 fleet, KSRTC is operating 26.96 lakh kms, earning daily Rs.7.06 crores, carrying 25.25 lakh commuters and also providing services to 13330 villages out of 20196 villages. In 2012-13 the kilometers operated increased by 1.9% and the fleet utilization increased

Table 12.33: Passenger fleet strength and utilisation by different corporations

Item	2012-13				2013-14 (Upto September 2013)			
	KSRTC	BMTC	NWKRTC	NEKRTC	KSRTC	BMTC	NWKRTC	NEKRTC
No. of Buses at the end of the year	7902	6699	4718	4642	8196	7197	4744	4394
Percentage of over-aged buses	11.6	4.6	21.5	12.3	14.8	3.5	18.3	14
Fleet utilisation (Percentage)	91.9	90.6	95.1	89.6	91.1	91.3	92.9	90.1

Source: State Transport Undertakings (STUs)/Transport Department.

to 92.2% from 91.9% which was in the year 2011-12 and inducted 946 new buses and replaced 736 old vehicles. The percentage of vehicles scrapped was in the order of 11.97%. In 2012-13 KSRTC has completed the construction work of Inter Model Transit Centre (IMTC) at Sathagalli, in Mysore City (under Infrastructure Projects under JnNURM) and it was inaugurated on 24-06-2012. In 2013-14, the Corporation has prepared Rs. 15 crore plan under Special Development Programme to provide infrastructure facilities. In this, 27 various civil works which include 2 Bus station, one Bus Depot, 4 Bus station upgradation and 20 Miscellaneous works. As at the end of September, 2013 it has completed bus depot construction work at Honnali and other six miscellaneous works at the cost of Rs.623 lakh.

KSRTC had an accumulated loss of Rs. 328.45 crores till 2000-01. Wiping out all that accumulated loss KSRTC currently has a surplus of Rs. 64.30 crores. In 2012-13 it has made a profit of Rs.1.74 crore. Further, in 2013-14 for the period from April to September, 2013 it has operated 7725 Schedules utilizing 8196 vehicles earned gross revenue of Rs.1394.80 crore by operating 48.69 lakh kms.per day having a work force of 38671. During the period the Corporation has sustained losses of Rs.44.05 crore. This is mainly due to wage revision of employees of the Corporation, increase in dearness allowances (DA) and increase in diesel price etc. The year wise data of operational statistics of KSRTC (upto September, 2013) is furnished in Appendix

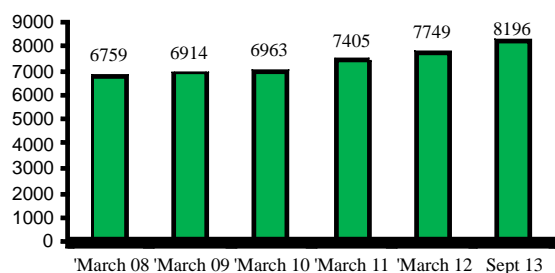
12.11. The Corporation running under financial loss for many years had a turn around and started making profit since 2001-02.

KSRTC has been issuing free pass for the Students till 7th standard. 25% concession to girl students studying in High schools, 50% Concessional Travel Facility to the Drama Troupes/Yakshagana Troupes sponsored by the Karnataka Sangeetha Nataka Academy, Free passes to Olympians, Para Olympians and Arjuna awardees, Free bus passes issued to National Showrya Prashasti award winning children upto the age of 18 years, Free Travel Facility to all Freedom Fighters in Rajahansa Buses also, within and outside the State. For Freedom Fighters aged 75 years and above, free travel is allowed. KSRTC has been issuing free pass for the Students till 7th Standard. 25% concession to girl students studying in High schools, 50% concessional Travel Facility to the Drama Troupes/ Yakshagana Troupes sponsored by the Karnataka Sangeetha Nataka Academy, Free Passes to Olympians, Para Olympians and Arjun Awardees, Free bus passes issued to National Showrya Prashashti Award winning children upto the age of 18 years, Free travel facility to Freedom Fighters in Rajahansa Buses also, within and outside the State. For Freedom Fighters aged 75 years and above, free travel is allowed along with a Companion, Concessional Travel Facility has been extended to all the Physically Handicapped persons (for all four Corporations) within the State with a restricted travel upto 100 kms from the address given by them, Free Travelling coupons of Rs.2000/- will be given to

The year wise fleet held and new vehicles inducted are depicted in the following Charts.

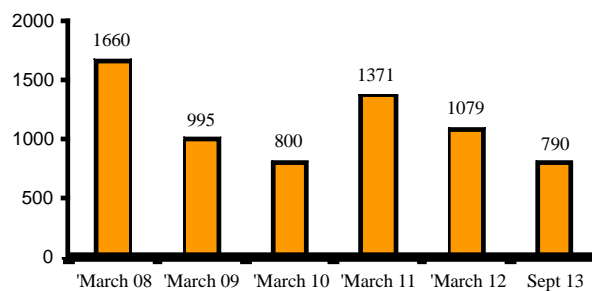
Vehicle held as on last day

Chart-12.1



New vehicles added

Chart-12.2

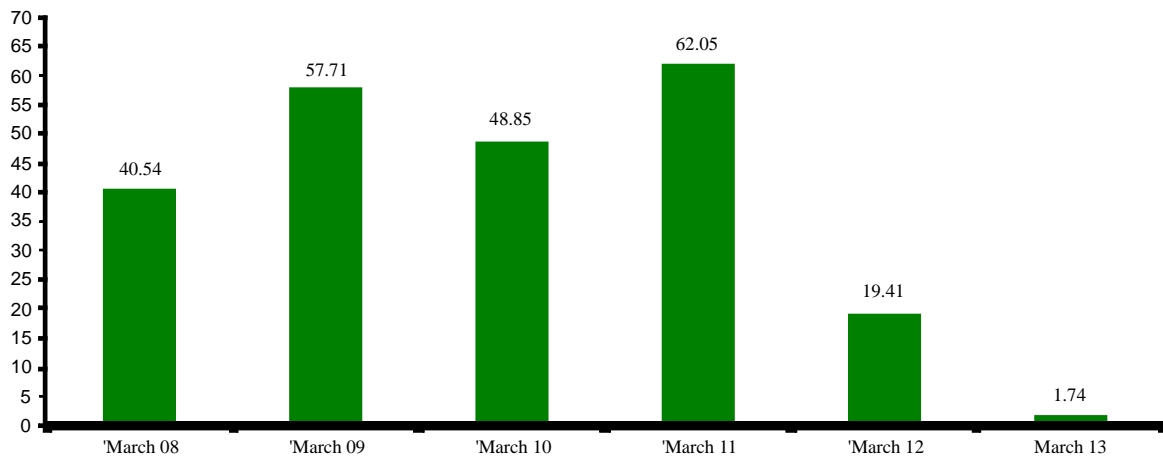


Wife/ Widows of Freedom Fighters to travel with in and out side the State, 25% Concession in Fare for Senior Citizen of age 60 years and above, Free Travel facility to the totally Blind persons to travel within the State of Karnataka, Free Traveling Facility to Ex-MLAs & MLCs to travel within and outside Karnataka in any Bus along with a Companion, .Free Traveling Facility to sitting MLAs & MLCs to travel within the State of Karnataka and they are issued with a Gold Card on production of which they can travel in any type of Bus within the State, Free passes given to Accredited Journalists working in their district and Bangalore based Journalists are permitted to travel throughout the state in all type of buses including Volvo and Home Guards (in uniform) are allowed to travel free in City Services while on duty.

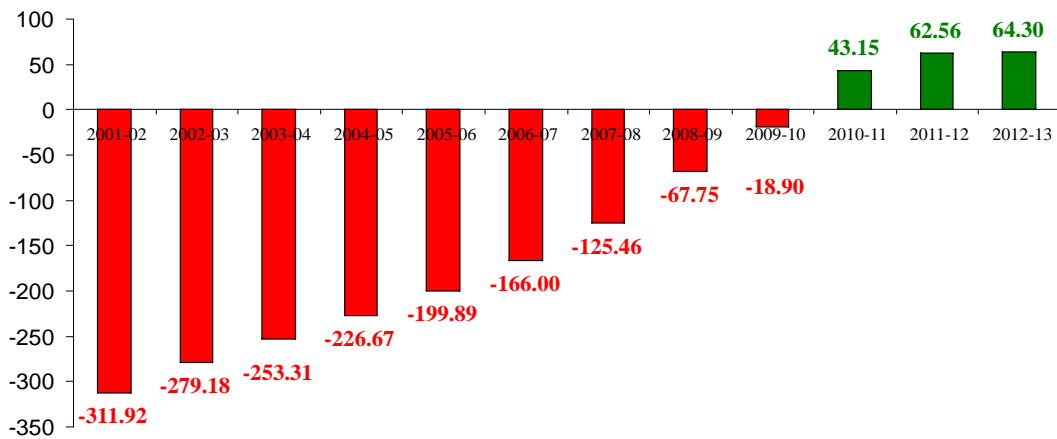
KSRTC is paying 5.5% of Motor vehicle tax on traffic revenue, during the year 2012-13 it has paid Motor vehicle tax of Rs.128.13 crore. The profit earned upto September, 2013 given in Appendix 12.12.

The Corporation has inducted totally 12357 buses of various type World Class buses like Karnataka sarige, Sheetal, Volvo, Volvo Multi Axle, Mercedes Benz, Mercedes Benz Multi Axle, Carona, Carona Sleeper and City/Suburban (from 2001-02 to 2012-13) and scrapped 7772 old buses which are not fit for operation. To reward the frequent traveller “Prayanotsava-Travel More Save More” scheme is introduced, which offers 30% discount for the 4th travel with KSRTC. For the benefit of commuters to avoid the weekend rush KSRTC has introduced

Chart-12.3 Year-wise profit made and accumulated loss



Social Obligations:



“Prayanothsava-beat the weekend rush” scheme, which offers 10% discount on ticket fare for the Commuters who travel from Tuesday to Thursday. The offer is initiated for honouring frequent commuters through this friendly measure.

KSRTC has introduced “AWATAR Mobile Booking” to increase the popularity and image of KSRTC to the commuters by considering the fact of Mobile users in current generation. Within a small span of time its popularity among Mobile Booking users has been increased drastically, on an average 250+ transactions are happening daily through this mode of booking. Passengers can access the AWATAR mobile booking @ m.ksrtc.in on any GPRS enabled mobile. Passengers can board the bus without any paper based ticket. Confirmed SMS in mobile can be used to board the bus.

KSRTC is operating city buses in the cities of Tumkur, Kolar, Mysore (U), Hassan, Mangalore and Davanagere. As at the end of September 2013 Totally 522 Schedules are being operated by utilizing 600 vehicles. This would herald a new and modern way of urban transportation for smaller cities in Karnataka.

KSRTC’s ITS project in the city of Mysore is the first kind of Project in India. This project implemented under the Sustainable Urban Transport Programme with financial assistance from World Bank’s Global Environment Fund, Government of India’s JNNURM Fund of Ministry of Urban Development, Government of Karnataka and KSRTC. This project was implemented on 17-11-2012 at an estimated cost of Rs.20.13 crore.

The advantages of this project are as under -

- Real Time Information for Passengers about Bus Arrival and departure
- Reduction in waiting time for Passengers
- Increase in patronage to Public Transport System
- Reduction in traffic congestion
- Improvement in efficiency of traffic operations
- Improvement in environmental quality

- Reduction in fuel consumption
- Improvement in economic activity

As per Karnataka Guarantee of Services to Citizen’s Act, 2011, all the services related to KSRTC viz., Issue of bus passes to school children, Accident Relief Fund, Issue of bus passes to Physically challenged, Issue of free bus passes to freedom fighters, Issue of Free bus pass to blind person, Issue of Rs. 2000/- worth of Free Bus Coupons to wives/widows of Freedom Fighters are implemented under **SAKAL** portal. Information Technology Department has provided all the technical support towards Implementation of SAKAL.

12.2.2.2 Bangalore Metropolitan Transport Corporation (BMTc)

BMTc provides bus transport facilities in Bangalore. BMTc consists of five divisions viz, East, West, North, South and Volvo Divisions. As on 30-09-2013, the Corporation operated 2430 routes covering 31.10 lakh kms per day. The average number of passengers carried per day is 49 lakhs. The increase is by 8.17% to the average number of passengers carried per day as on 30.09.2013. The detailed operational statistics of BMTc is shown in Appendix 12.13. BMTc’s traffic revenue has increased by 14.86 % by September, 2013 as compared to September 2012. Details of financial position of BMTc are depicted in Appendix 12.14.

12.2.2.3 Social Obligations

- For the benefit of student community, BMTc has issued concessional Student Passes.
- Free passes are issued for the students till 7th Standard.
- 25% concession to girl students studying in High school.
- Concessional travel facility has been extended to Physically Challenged Persons.
- 25% concession on Tickets of all services (except Vayu Vajra) to Senior citizens.
- 10% concession on Monthly Pass to Senior Citizens.

- Concessional passes to fire force personnel, Police duty personnel and summon issued police personnel.
- Concessional Pass facility to Journalist (with accreditation card)
- Concessional Pass facility to Journalist (without accreditation card).
- Free travel facility to Police personnel (with uniform)
- Free travel facility to Gunman's.
- Free pass to home guards (with uniform).

Details of passes issued by KSRTC and which are honoured by BMTC

- Free pass facility to widow of freedom fighters.
- Free pass facility to freedom fighters.
- Free pass facility to dependents of Martyrs.
- Free pass facility to Athletes and Cultural Artists.

12.2.2.4 New initiatives

1. **User friendly integrated web portal:** BMTC has recently launched newly designed web based portal. The website has a Trip Planner which facilitates users to plan their trip through search based on origin/destination, route number, type of service and fare. Accurate information on the aerial distance between the destination and origin with approximate journey time is provided besides a printable time-table with map and enroute bus stop details. The website also provides for feedback/suggestion from the public besides registering the complaints received by way of complaint id number wherein a sms is sent to the complainant on registering the complaint and subsequent to action taken as well.
2. **Passenger Information Kiosks:** BMTC has installed Passenger Information kiosks in 10 major Bus Stations with the objective of disseminating information about the

Corporation to the commuters. All the information contained in the website is accessible through the kiosk. Any updation in the website is automatically reflected in the Passenger Information System.

3. **Introduction of Closed Circuit Cameras in buses and Bus Stations:** BMTC has adopted Closed Circuit Camera Surveillance system along with Digital Video Recorder (Mobile) as per the safety policy of the Government keeping in view the safety of ladies and child passengers from miscreants travelling in the buses. The CC Camera Surveillance system will cover all locations of the bus saloon area and have minimum 48 hours continuous recording (Video) facility, providing high picture quality through Digital signal processing and real colour picture.
4. As per **Karnataka Guarantee of Services to Citizen's Act, 2011**, the services related to "BMTC viz., issue of bus passes to school children and issue of bus passes to physically challenged have been implemented under SAKAL portal. Information Technology Department has provided all the technical support and logistics towards Implementation of SAKAL.

12.2.2.5 North West Karnataka Road Transport Corporation (NWKRTC)

NWKRTC was established in the year 1997, has been providing efficient, adequate, economic and well coordinated Transport Services to the Commuters. It has its Corporate Office at Hubli and covers six districts in the State. In 2013-14 the Corporation has a workforce of about 21946 employees, operated 14.29 lakh kms daily by utilizing Fleet strength of 4635, catering to 22 lakh passengers on an average and earns Rs. 397 lakh daily. NWKRTC has extended services to 4428 villages out of 4596 villages (96.3%) which are in the nationalized routes in NWKRTC operational performance of the Corporation is given in Appendix 12.15. The total loss incurred by NWKRTC in 2012-13 has decreased to Rs. 63.32 crore from Rs. 23.43 crore in 2011-12 (Appendix 12.16).

NWKRTC is operating both city and mofussil services apart from premier services such as Rajhamsa, Meghdhoot, sleeper coach and Volvo buses. It has implemented Electronic Ticket Machines (ETM) on all routes.

12.2.3.6 North Eastern Karnataka Road Transport Corporation (NEKRTC)

Public Road Transport System plays a major role in the economic development of the State. Economical and Co-ordinated services are provided by the public Transport System making it the most favourite transport option for the commuters. In Karnataka, NEKRTC, headquartered in Gulbarga, provides transport adequate facilities to Hyderabad-Karnataka region. Bijapur division was transferred to NEKRTC w.e.f 19-11-2009, including Bijapur Division. The Corporation operates 3435 routes as on September 2013. The Corporation operates 12.64 lakh kms per day with average daily passengers carried at 13.30 lakh. The detailed operational statistics are given in Appendix 12.17. The increase is by 1.7 % over the previous year. The detailed financial position of NEKRTC is given in Appendix 12.18.

12.2.3.7 Devaraj Urs Truck Terminal Ltd.,

The Government of Karnataka has established Devaraj Urs Truck Terminals Ltd. Company under the Companies Act, 1956 with the primary objective of establishing truck terminals for the benefit of lorry/truck transporters at National highways in Bangalore and other cities of the State. The company has made significant progress towards achieving the above objective at different cities in the State. The company has constructed two truck terminals at Mysore and Dharwad, which are operational. The company has initiated one more truck terminal at Dasanapura, Bangalore North (NH-4) at a cost of Rs.20.48 crore. Terminal is expected to be completed by 2013-14. Further action is being taken to construct the truck terminal at Anchatgeri at Hubli Taluk and Amaravathi village of Hospet Taluk. It is also proposed to take up the construction of truck terminals in major cities such as Hassan, Karwar, Raichur, Mangalore, Gadag and Bidar. The activities of the project are mainly depends on availability of land.

12.2.3.8 Bus Rapid Transit System (BRTS)

The Bus Rapid Transit System (BRTS) for Bangalore has been recommended in comprehensive traffic and transport plan (CTTP) for a total length of 279.6 kms at a cost of Rs. 3914.4 crore in two phases in 12 corridors. The State is considering implementing in 1st phase corridor of 30 kms length from Central Silk Board to Hebbal along the eastern stretch of the Outer Ring Road. The estimated cost of this project is Rs. 542 crore and this project is a closed system having design capacity of 15000 trips. It has 37 bus stops along the corridor and the other components of the projects are 2 terminals, off board ticketing and use of ITS. This system having dedicated corridor operates new technology buses designed for urban environment. Bangalore needs such a system to reduce the congestion and reduce travel time as BRTS with the use of ITS, would give a leading edge as the transporter is always in control and passenger will be in focus in real time. The State is already implementing BRTS in between Hubli-Dharwad for a distance of 22.25 kms. and the project cost is Rs. 692 crore. This project has 33 bus stops along the corridor with depots, terminals and area traffic control system. Further the last mile connectivity has also been addressed through an NMT plan, i.e. improvements to sidewalks and provision of bicycle lanes. Some of the salient features of BRTS include:

- Closed BRT system with central/median bus lanes.
- Median bus stations with level boarding (platform and bus are at same level) and off board ticketing.
- Integration of trunk and feeder services.
- Signal synchronization with priority to BRTS buses.
- Physical segregation of bus lanes and mixed traffic lanes.
- Bus stations located as per the demand and ease for commuter access.
- Redesign of road cross-section by utilising additional median width and undeveloped shoulders.

- Pedestrian crossing facilities through at-grade/ signalled crossings /FOBs.
- Existing service roads retained.
- Integration with existing infrastructure projects viz. flyovers, underpasses etc.
- On- Street parking not desirable on any part of ROW.

12.2.3.9 Vehicle population

Details of motor vehicles under different categories from 2010-11 to 2013-14 (upto September 2013) are presented in Table 12.34. It may be observed that a large number of vehicles are added in the private sector, with the highest addition of two wheelers,

followed by motor cars. This year, Karnataka, on an average added 37833 motorcycles every month compared to 69833 per month during the previous year. In 2013-14, the additions of vehicles are expected to be higher considering that from April to September 2013 total 613000 new transport vehicles have been added.

12.2.2.10 Outcomes

- (1) In 2013-14 for the period April to September, 2013 KSRTC has operated 7725 schedules utilizing 8196 vehicles and earned gross revenue of Rs. 1394 crore. The Corporation has been running under financial loss for many years had a turn around and started making profits.

Table 12.34: Number of Motor Vehicles under different categories ('000s)

Sl.No	Item	2010-11	2011-12	2012-13	(Upto Sept 2013)
1	Motor cycles	7033	7737	8575	9029
2	Motor cars	1131	1269	1420	1494
3	Jeeps	42	42	43	44
4	Auto rickshaws	228	251	285	301
5	Omnibuses	109	113	116	118
6	Motor cabs	76	83	94	99
7	KSRTC buses	31	32	35	37
8	Private buses	10	11	12	13
9	Goods carriages	415	454	506	531
10	Tractors	342	364	386	398
11	Trailers	233	252	267	275
12	Others	280	301	324	337
	Total	9930	10909	12063	12676

Source: Transport Department

- (2) BMTC inducted 513 new Buses and replaced 268 old vehicles. to meet increasing passenger demand

12.2.3 RAILWAYS

The Rail density in State is 16 kms per 1000 kms. The State Government with a view to increase the Rail density and increase the pace of implementation and rail projects decided to implement new railway projects on 50:50 cost-sharing basis. Since 2002 the State Government has released Rs.1800 crore of State share. The details of railway project are as flows:

- Kottur – Harihar (67 KMs)
- Munirabad – Mehaboobnagar (170 KMs)
- Shimoga – Talaguppa (97 KMs)
- Bangalore – Hassan (167 KMs)
- Kadur – Chickmagalore (via Sakaleshpur) (93 KMs)
- Kolar – Chickballapur (93 KMs)
- Kudachi – Bagalkot (142 KMs)
- Tumkur – Rayadurga (102 KMs)
- Shimoga – Harihara (80 KMs)
- Whitefield – Kolar (53 KMs)
- Davanagere – Tumkur (200 KMs)

The current status of some the the key projects are given below:

Ramanagaram – Mysore Doubling Railway Line Project - Total length of the project is 92 Kms. This project was approved by Ministry of Railway during 2001 and taken up on 1/3rd:2/3rd cost sharing basis between Government of Karnataka & Ministry of Railway. Original Estimated Cost is Rs.126.69 crore and Revised Estimated Cost is Rs.526 crore (including cost of electrification Rs.145.09 crore). The State Government has agreed to share 50% of the cost of Electrification from Kengeri to Mysore section. Railways have submitted the revised estimate of Rs.874.57 crore including cost of

electrification Rs. 208.72 crore. The section wise progress is as follows-

- Bangalore – Shettihalli Section 65 km completed & commissioned
- Mysore-Naganahalli section 9 km completed & commissioned
- Maddur – Hanakere 10 Km completed
- Hanakere – Mandya 9 Km completed
- Mandya-Yeliyur 7 Km completed
- Shettihalli – Maddur sections Good progress

So far, Government of Karnataka has released Rs.319.14 crore for this project.

Bangalore – Hassan New Railway Line Project - Total length 166 Kms. This project was approved by Ministry of Railways during 1996-97. Before 2010 South Western Railways had taken up project and completed the work between Hassan-Shravanabelagola at the cost of Rs.355 crore. 2010 onwards, the remaining works of the project has been taken up on 50:50 cost sharing basis between Government of Karnataka & Ministry of Railway for balance work of Rs. 572 crore. Now the South Western Railways have informed that the revised estimated cost is Rs. 1295.17 crore.

So far, Government of Karnataka released Rs.231.17 crore for this project.

- Hassan-Shravanabelagola-42 Km completed
- Shravanbelagola – Hirisave – 16 km completed
- Chikkabanavara-Nelamangala-14 Km completed
- Nelamangala – Hirisave is in progress

Bidar - Gulbarga New Railway Line Project - Total length 107 Kms. This project was approved by Ministry of Railways during 2007 and has been taken up on 50:50 cost sharing basis between Government of Karnataka & Ministry of Railways. The Original Estimated Cost is Rs.369 crore. Railways have

submitted revised estimate of Rs. 843 crore. The progress of this project is as follows:

- Khanapur-Hallikhed section – 50 km track completed
- Hallikhed – Gulbarga – 10 km completed

So far, the State Government has released Rs.211 crore for this project.

Kadur – Chickmagalur New Railway Line Project

- Total length 46 Kms. This project was approved by Ministry of Railway in 1996-97. Railways have incurred an expenditure of Rs.82.28 crore upto 2010. In 2010 the balance work for Rs. 206.22 crore has been taken up on 50:50 cost sharing basis between Government of Karnataka & Ministry of Railways. The Government of Karnataka released its share fully well in advance i.e., Rs.103.11 crore. This line has been commissioned during November, 2013.

Kottur-Harihara New Railway Line Project -

Total length 65 Kms. This project was approved by Ministry of Railway in 1999. This project has been taken up on 2/3rd:1/3rd cost sharing basis between Government of Karnataka & Ministry of Railway. The Original Estimated Cost is Rs.124.13 crore and revised estimated cost is Rs.326 crore. This project has been completed during 2011. This line is not opened for traffic due to cases pending before Civil Court for land acquisition.

The Government of Karnataka's share Rs.218.33 crore has already been released for this project.

Kolar-Chikballapur Guage Conversion Railway Project

- Total length 93 Kms. This project was approved by Ministry of Railway in 2006-07. From 2010 onwards, balance work for Rs. 180.10 crore has been taken up on 50:50 cost sharing basis between Government of Karnataka & Ministry of Railway. The cost has been revised to Rs. 438.91 crore, cost to be shared is 50% of balance cost Rs. 316.08 crore that is Rs.158.04 crore. The Government of Karnataka has released its share of Rs.158 crore. This line has not yet commissioned due to public demanding RoB at Shidlaghatta and rehabilitation to be provided for 191 families. GoK has given consent to take up this RoB on deposit term basis. The estimate has to be submitted by the Railways. Towards Rehabilitation

the Deputy Commissioner Chikballapur has submitted a proposal at the cost of Rs.23,12,76,000/- and requested to accord approval and release of grant under STP/TSP plan. The proposal has been sent to Social Welfare Department to take further action in this regard.

Bagalkot-Kudachi New Railway Line Project -

Total length 142 Kms. This project was approved by Ministry of Railway in 2010-11 and has been taken up on 50:50 cost sharing basis between Government of Karnataka & Ministry of Railways and free of land. The Original Estimated Cost is Rs.816.14 crore. Land acquisition process is in progress. So far Government of Karnataka Rs.119.85 crore has released for this project.

Tumkur-Davanagere New Railway Line Project -

Total length 200 Kms. This project was approved by Ministry of Railways in 2011-12 and has been taken up on 50:50 cost sharing basis between Government of Karnataka & Ministry of Railway and free of land. Process of land acquisition is in progress.

Bangalore Metro Rail Project (Namma Metro)

Bangalore Metro Rail, also known as Namma Metro (Our Metro), is a Mass-Transit Rail System for the city of Bangalore. The agency responsible for its implementation is the Bangalore Metro Rail Corporation Ltd. (BMRCL)

The Bangalore Metro Rail project- Phase 1 consists of Standard gauge double line, 750v DC electrified North-South and East-West Corridors weaving through the bustling commercial and residential areas of the city.

The East-West corridor is 18.10 km. long, starting from Baiyyappanahalli and terminating at Mysore Road terminal, going via Old Madras Road, Indira Nagar, Ulsoor, Trinity Circle, M.G. Road, Cricket Stadium, Vidhana Soudha, Majestic, City Railway Station, Magadi Road, Hosahalli, Vijayanagar and Deepanjali Nagar.

The North-South Corridor is 24.20 Kms. long starting from Hessarghatta Cross terminal and goes upto Puttenhalli cross via Jalahalli, Peenya Industrial Area, and Peenya Village. Yeswantpur Industrial Area, Yeswantpur, Soap factory, Mahalakshmi Lay-

out, Rajajinagar, Kuvempu Road, Malleshwaram, Swastick, Majestic, Chikpet, City Market, K.R. Road, Lalbagh, South End Circle, Jayanagar, RV Road, Banashankari and Jayprakash Nagar.

Out of the 42.3km., 8.8 km. is underground near City Railway Station, Vidhana Soudha, Majestic, Chikpet, and City Market and the rest 33.5 km. will be elevated. The total completion cost of the project is Rs.11609 crore. The funding pattern is, 14.1% equity would be from each of the Governments GOI and GOK. Subordinate debt would be 9.4% from GOI and 19.1% from GOK. Remaining 43.3% would be from borrowings from JICA, AFD, HUDCO and ADB. The work on the project started from utility diversion works in October, 2006 on MG Road and the first civil construction work was in Eastern corridor i.e., Reach 1 (Baiyappanahalli to MG road - 6.7 Kms) and it started in April 2007. The Reach 1 (Baiyappanahalli to MG road – 6.7 Kms) was commissioned on 20th Oct. 2011 for public and the cumulative ridership by October 2013 is approximately 147 lakhs. The major gaps in the project were in the preparation of DPR in the short time made available to the contractor. Improper estimation, lack of appreciation of local conditions, constraints, geological conditions and not taking into consideration of a few operational requirements and few components which are required for operation such as pocket track, sufficient escalators and a few essential passenger amenities have also added to it.

12.2.4 Airports

Bangalore International Airport was the country's first Greenfield international airport conceived under the Public Private Partnership (PPP) mode with 26% shareholding by State promoters (13% each by Government of India and Government of Karnataka) and the balance 74% by private promoters. The airport has been developed at a cost of Rs.2470 crore at Devanahalli near Bangalore.

The airport began operations in May 2008 and handled 8.7 million passengers in the first year. Presently, it is handling around 12 million passengers annually. With the aim of establishing Bangalore International Airport as India's leading airport in terms of quality and efficiency and to set a benchmark for the future amongst Indian airports, it is built and

operated to the best international standards and is a new start in Indian aviation with regard to the passenger experience on ground.

The airport has won several awards and accolades including the 'Best Airport India' award by Skytrax World Airport Awards in 2011. The 'Best Emerging Airport-Indian Subcontinent' award in 2010 and 2011, the 'Best Managed Airport' in CNBC Awaz Travel Award 2010.

Presently, Bangalore International Airport is the 3rd largest airport in the country in terms of passenger traffic. The traffic at the airport is growing at a pace higher than national average. Expansion of the existing terminal building, apron area and other related facilities has been completed to cater to the growing demand.

Preparatory work for construction of second parallel runway and terminal T2 has been taken up which are planned to be commissioned in 2015-16. With this, the airport would have capacity to handle 35 million passengers per annum.

The existing airport at Mysore has been operationalised. The existing airport at Hubli is being upgraded to international standards. The requirement of land by Airports Authority of India (AAI) is 615 acres. The same has been handed over to AAI. Additional land of 370 acres for Belgaum Airport has been acquired and handed over to AAI. Memorandum of Understanding has been signed on 18-01-2012 for development of the Belgaum Airport and on 21-01-2013 for development of Hubli Airport. The airport at Mangalore has been upgraded. The second runway and new terminal building complex have been constructed. This airport is maintained by Airports Authority of India (AAI).

Minor airports at Shimoga, Gulbarga, Bijapur and Hassan are being developed on PPP basis through private operators. In-principle approval of Ministry of Civil Aviation, Government of India has been obtained. Necessary land for the Shimoga and Gulbarga airports has been acquired and agreements have been signed with the developer for development of airports. Project works are in progress.

The development of Hassan Airport is being taken up on PPP basis. Out of the total land of 960 acres

required for the Airport, 536.24 acres of land was acquired and transferred to the developer. The requirement of balance land has been reduced from 424 acres to 225 acres totalling to 761 acres of land. Project development agreement was signed with the developers and in-principle approval has been obtained from the Ministry of Civil Aviation. Environmental clearance has been obtained from the Ministry of Environment and Forests.

The existing defence airports at Bidar and Karwar are also being developed for civil operations. The government is pursuing the matter of starting the civilian operations with AAI and Ministry of Defence.

Air Strips

The Construction of Airstrips in the Districts where there are no Airports within 150 kms is being examined and a Minor Airport Policy for the same is also being framed.

Regional Air Connectivity

- The basic infrastructure for undertaking airline operations within the State is in place.
- It is proposed to identify a private airline operator for commencing flight operations on select routes, through a transparent bidding process.
- Newer structures need to be looked at
 - GoK to underwrite seats/ offer concessions on flying miles.
 - Abolish taxes on ATF.
 - Smaller ATRs could be considered, viz CESSNA.
 - Permit Group B officials for air travel.

High Speed Rail Link (HSRL) for BIAL

The Government of India has communicated that the HSRL project would be taken up as a Central Sector Project through BMRCL.

Outcome

Some of the important projects proposed by the infrastructure department under PPP mode are as follows:

- High Speed Rail Project
- Light Rail Train systems in Bangalore
- International Convention Centre, Bangalore
- Port at Tadadi under PPP framework
- Road Projects under PPP framework
- Airports at Bellary, Bijapur, Gulbarga, Shimoga, Hassan
- Gas based Power Projects
- Devanahally Business Park
- Logistics Parks
- TTMCS in Bangalore
- APMC Market at Bytarayanapura

Bangalore International Airport was the country's first Greenfield international airport conceived under the Public-Private-Partnership (PPP) mode with 26% shareholding by State promoters (13% each by Government of India and Government of Karnataka) and the balance 74% by private promoters. The airport has been developed at a cost of Rs.2470 crore at Devanahalli near Bangalore. Since 2002 the State Government has released Rs.1800 crore of State share to take up following railway projects:

- Kottur – Harihar (67 KMs)
- Munirabad – Mehaboobnagar (170 KMs)
- Shimoga – Talaguppa (97 KMs)
- Bangalore – Hassan (167 KMs)
- Kadur – Chickmagalore (via Sakaleshpur) (93 KMs)
- Kolar – Chickballapur (93 KMs)
- Kudachi – Bagalkot (142 KMs)

- Tumkur – Rayadurga (102 KMs)
- Shimoga – Harihara (80 KMs)
- Whitefield – Kolar (53 KMs)
- Davanagere – Tumkur (200 KMs)

The Bus Rapid Transit System (BRTS) for Bangalore has been recommended in Comprehensive Traffic and Transport Plan (CTTP) for a total length of 279.6 kms at a cost of Rs. 3914.4 crore in two phases in 12 corridors. The State is considering implementing in 1st phase corridor of 30 kms length from Central Silk Board to Hebbal along the eastern stretch of the Outer Ring Road.

12.2.5 Ports and Inland Water Transport

Karnataka has a coastline of 300 km with one major port and 10 minor ports. While the New Mangalore major port is under the control of the Government of India, 10 minor ports come under the control of the State Government. Among the minor ports Karwar, Belikeri, Malpe and Old Mangalore ports have handled significant volumes of cargo (Table 12.35). The considerable drop in cargo handled during last two years (upto Sept-13) is due to ban on iron ore extraction.

Towards improving the infrastructure of the minor ports, an investment of Rs. 3 crore has been made by September 2013. The construction of 2nd stage of Karwar port is proposed to be taken up through PPP mode and M/s Price Waterhouse Cooper is appointed as Transaction Advisor and tender bids are under preparation. Anti-sea erosion works and flood control

works have been taken up and an expenditure of Rs 3.51 crore has been incurred upto September, 2013.

The Ports and Inland Water Transport Department is also implementing the Sustainable Coastal Protection Project with assistance from Asian Development Bank at Ullal in Dakshina Kannada District at an estimated cost of Rs. 223 crore. The loan agreement has already been signed, the Project Management and Design Consultant are appointed and first tranche work is under progress. Detailed survey for finalisation of sites under 2nd tranche by the consultant is in progress.

12.2.6 TELECOMMUNICATION

12.2.6.1 Telephone network

The telecommunication system in the State is operated by both private and public sector undertakings. Apart from BSNL, a number of private companies are like Vodafone, Reliance, Spice, Bharati, BSNL, TATA, MNTL etc. are providing the wireless phones. The number of Wireless Subscribers in Southern States is presented in Table 12.36.

The tele density (both BSNL and private cellular operators) in the southern States is presented in Table 12.37. Urban teledensity in Karnataka (170.38) is above all India teledensity (146.96). However, Karnataka stands in 2nd position among the southern States in Urban teledensity and 4th in rural teledensity.

The number of telephone exchanges has increased over the years. In the last 7 years 153 new exchanges

Table 12.35- Cargo handled by Ports ('000 MTs)

Ports	2009-10	2010-11	2011-12	2012-13	2013-14 (Upto Sept -13)
Old Mangalore	75.10	124.90	87.80	165.93	26.32
Karwar	2237.60	1126.60	497.20	441.19	179.47
Belikeri	6273.80	1830.60	-	-	-
Malpe	2.08	1.37	2.74	2.90	0.41

Source: Public Works, Ports and Inland Water Transport

Table 12.36 Number of Wireless Subscribers in Southern States (subscribers in Millions)

States	Subscribers	Percentage
Tamil Nadu	72.41	25.0
Kerala	30.69	10.6
Maharashtra	68.40	23.7
Karnataka	52.91	18.3
Andhra Pradesh	64.36	22.4
Total	288.77	100.00

Source: Indian Telecom Services Performance Indicator Report for Quarter ending March, 2013

Table 12.37 Southern States Teledensity (as on 31st March, 2013)

Service Area	Rural Teledensity	Urban Teledensity	Total Teledensity
Tamil Nadu	66.33	139.94	108.17
Kerala	61.93	196.11	96.09
Maharashtra	52.64	128.64	88.56
Karnataka	43.00	170.38	91.24
Andhra Pradesh	41.83	169.00	77.19
All India	41.02	146.96	73.32

Source: Indian Telecom Services Performance Indicator Report for Quarter ending March, 2013

were added in the State. Though the number of exchanges has increased, the number of landline connections has declined significantly. The decline in landlines can be partly attributed due to increased private participation in the mobile telephony sector and switchover to mobile phones. The trends in postal services suggest that there is a slight decline in the total number of post offices over the years. This may be due to merger of post offices in urban areas. The details of number of post offices, telephone exchanges and number of telephones are presented in Table 12.38.

12.3 BANKING AND FINANCE INCLUDING COOPERATIVES

12.3.1 Introduction

Karnataka State has a fairly well developed financial infrastructure. The State has pioneered in establishment of many leading commercial banks and is home to a wide network of commercial bank branches in the Country. The banking business is predominantly contributed by seven commercial banks constituting almost three-fourths of the banking business. Currently, twenty six public sector banks, sixteen private commercial banks and three regional rural banks are operating in the State.

Table 12.38 Number of Post Offices, Exchanges and Telephones

Year	Post offices	Telephone Exchanges	Telephones
2006-07	9835	2649	2381331
2007-08	9826	2626	2610353
2008-09	9862	2651	2326532
2009-10	9820	2694	2187802
2010-11	9772	2789	2040456
2011-12	9703	2884	1951878
2012-13	9686	2802	1670378

Source: Chief General Manager Telecom Office, Karnataka Circle, Bangalore.
Chief Post Master General office, Karnataka Circle, Bangalore.

Disbursement of credit in rural areas takes place through co-operatives, commercial banks and regional rural banks. Credit for industry and service sectors flow from a major State-run lending institution, the Karnataka State Financial Corporation (KSFC), which undertakes promotion and development of industries in the State. The Karnataka State Industrial Investment and Development Corporation (KSIIDC) is another financial institution which acts as a nodal agency to formulate proposals for implementation of infrastructure projects.

National Bank for Agriculture and Rural Development (NABARD), as an apex level financial institution, plays a lead role in the promotion of agriculture and rural development, by preparing Potential Linked Credit Plans (PLPs) and annual action plans at the grass root level.

The ever growing demand for institutional finance in the state has resulted in expansion of banking network and credit flow. There were 755 bank branches at the time of nationalization in 1969. Since then, 7675 bank branches have been added by March 2013 thus taking the total number of branches to 8430. The branch expansion pattern depicted in Table 12.39 and Table 12.40 reveal that the branch network

has significantly increased over the years. The branch network is providing better access of financial services to people in urban as well as in rural areas. Nevertheless, in last couple of years there is increase branch network at Semi-urban and Metro level compared to Rural and Urban areas.

The population per branch in Karnataka is 7748 which is less than national average and also many states. In aggregate deposits and Gross credit the state holds 4th and 5th rank respectively. Thus, Karnataka state is moderate in its banking network as well deposit mobilization and in gross credit flow (Table 12.41).

12.3.1 Deposits and Advances

The aggregate deposits of all the banks (commercial, RRBs and cooperative) stood at Rs. 458925 crore by March 2013, an increase of Rs.56767 crore as compared to March 2012, registering a growth of 14.12%. Similarly, the total outstanding advances of all the banks in the state stood at Rs. 344870 crore as against the level of advances of Rs.299888 crore recorded a year ago indicating a growth rate of 15%. The credit-deposit ratio (C-D ratio) of the state as on March 2013 is 75.15%, which is higher compared to last year (Table 12.42).

Table 12.39: Branch net work

Sl. No.	Branch Network	March 2011	March 2012	March 2013	Average Increase in 2012-2013
1	Rural	2806	3057	3295	238
2	Semi-Urban	1495	1668	1828	160
3	Urban	1549	1649	1699	50
4	Metro/PT	1418	1511	1608	97
	Total Branches	7268	7885	8430	545

Source: SLBC, Karnataka

Table 12.40: Category wise Bank Branch network - year ending

Sl. No	Banks	March 2011	March 2012	March 2013
1	Commercial Banks	5122	5610	6052
2	Regional Rural Banks	1256	1374	1460
3	Karnataka State Co-operative Apex Banks	38	40	40
5	KASCARD	177	177	178
6	DCC Bank	608	615	630
7	Karnataka Industrial Co-operative Bank	38	38	38
8	KSFC	29	31	32
	Total	7268	7885	8430

Source: SLBC, Karnataka

12.3.2 Priority Sector Advances

Domestic banks are required to provide 40% of their net bank credit to the Priority Sector. The Priority sector advances of all banks in the State amounted to Rs 139283 crore in March 2013 as against Rs. 120981 crore as on March 2012 showing an increase of Rs. 18302 crore recording a growth of 15.13% with contributing to 40.39% in total advances made by

them, thus exceeding the norms fixed by the RBI. Direct advances to agricultural sector by Scheduled Commercial Banks (SCBs) in March 2013 stood at Rs. 63724 crore as against Rs 54764 crore recorded in March 2012 contributing to 18.48% of total advances made by SCBs.

Weaker section advances stood at Rs 49704 crore constituting 14.41% of the total advances with an

Table 12.41: Aggregate bank deposits and Gross credit in selected states (Rs. in Crore)

State	Total				
	Offices	Aggregate Deposits	Rank	Gross Credit	Rank
Maharashtra	9,911	17,74,723	1	15,74,684	1
Delhi	2,895	7,46,465	2	6,99,386	2
Uttar Pradesh	12,870	5,14,469	3	2,17,861	8
Karnataka	7,486	4,73,879	4	3,23,219	5
Tamil Nadu	7,966	4,47,006	5	5,41,047	3
West Bengal	6,236	4,46,629	6	2,60,326	6
Andhra Pradesh	8,871	3,96,216	7	4,37,085	4
Gujarat	5,933	3,62,768	8	2,54,131	7
Kerala	5,262	2,39,745	9	1,67,053	9
Punjab	4,731	2,03,386	10	1,58,916	11
Rajasthan	5,261	1,76,908	11	1,61,368	10
ALL-INDIA	106389	7060182		5402849	

Source: Quarterly statistics issued by R.B. I. – June 2013,

increase of Rs.12577 crore over the corresponding previous year. The advances paid to Minority communities amounted to Rs 14971crore, marking an increase of Rs 1234 crore against the advances paid as on March 2012. Credit disbursed by banks to MSME sectors in the state in March 2013 increased to Rs.65953 crore from Rs.51605 crore recorded in the previous year. Advances to SCs/STs accelerated to Rs.9676 crore in March 2013 as against Rs. 8328 crore recorded in March 2012. Similarly, advances to women stood at Rs.27590 crore in March 2013 as against Rs. 23872 crore made in the corresponding period of 2012 recording a good growth during the period. Details of advances to priority sector by banks in Karnataka from 2011 to 2013 are given in Table 12.43.

12.3.3 Financial Inclusion

There is significant strengthening of the policy and regulatory frameworks for the financial inclusion in recent years by Government of India and RBI. The launch and extension of Swabhiman campaign to provide banking services to all villages with population of above 1600, use of banking correspondents to extend the reach of the services, adoption of 'one-district many-banks one-leader' approach, shift to inter-agency operable technology are all some of the initiatives at the policy level. The State Government is providing the required support for ensuring comprehensive Financial Inclusion. In the State EBT scheme is being implemented in respect of Social Security Pension (SSP) and

Table 12. 42: Performance of Scheduled Commercial Banks

Sl. No	Indicator	UNIT	2010-11	2011-12	2012-13
1	Branch network				
	a) Commercial Banks	NO.	5122	5610	6052
	b) Regional Rural Banks	NO.	1256	1374	1460
	c) Co-operative Banks etc	NO.	890	901	918
	Total	NO.	7268	7885	8430
2	Deposits				
	A) Commercial Banks	Rs. in Crore	309949.84	371625.70	422145.50
	B) Regional Rural Banks	Rs.in Crore	14280.68	15821.80	17727.60
	C) Co-operative Banks etc.	Rs.in Crore	12452.06	14710.47	19051.90
	Total	Rs.in Crore	336682.6	402158.0	458925.00
3	Advances				
	A) Commercial Banks	Rs.in Crore	227507.96	265964.25	296123.90
	B) Regional Rural Banks	Rs.in Crore	11301.31	13024.72	15143.10
	C) Co-operative Banks etc.	Rs.in Crore	17173.70	20899.09	33603.00
	Total	Rs. in Crore	255983.0	299888.1	344870 .00
4	Credit-Deposit Ratio				
	A) Commercial Banks	%	73.4	71.57	70.15
	B) Regional Rural Banks	%	79.14	82.32	85.42
	C) Co-operative Banks etc.	%	137.92	142.07	176.38
	Total	%	76.03	74.57	75.15

Source: State Level Bankers' Committee, Karnataka & RBI, Quarterly Statistics

MGNERGS on a pilot basis in Bellary (Syndicate Bank), Chitradurga (Canara Bank), Gulbarga (State Bank of India) & Yadgir (State Bank of India)

Districts under One District-Many Banks model as per Service Area Approach under Lead Bank Scheme. In another 3 Districts, viz., Chamarajanagar

Table 12.43: Distribution of priority sector advances(In Rs. crore)

Sl. No.	Indicator	March 2011		March 2012		March 2013	
		Advances	% to Total Advances	Advances	% to Total Advances	Advances	% to Total Advances
1	Total Advances	255983	-	299888	-	344870	-
2	Total Priority Sector Advances (PSA)	105746	41.31	120981	40.34	139283	40.39
3	Agriculture	47071	18.39	54764	18.26	63724	18.48
4	MSME	40532	15.83	51605	17.21	65953	19.12
5	Weaker sections	27352	10.69	37127	12.38	49704	14.41
6	SCs/STs	7878	3.08	8328	2.78	9676	2.81
7	Women	20686	8.08	23872	7.96	27590	8.00
8	Minorities	10686	10.11	13737	11.35	14971	10.75

Source: State Level Bankers Committee, Karnataka

(State Bank of Mysore), Mandya (Vijaya Bank), Dharwad (Axis Bank), EBT is implemented under 'One District-One Bank' model. The progress in implementation of EBT is given in Table 12.44.

In all the seven districts, enrolment/opening of accounts/issue of smart cards have to be completed immediately so as to enable the State Govt. to route the benefits like SSP, MGNREGA etc., through the accounts.

Banking facilities to villages in Karnataka

Provision of banking outlets in all villages with population above 2000, so far all the identified 3395 unbanked villages have been provided with banking outlets as below by the banks, with 100% coverage.

SL. No	Bank outlets	No.
1	BCAs (including USBs)	2981
2	B & M branches	388
3	Mobile Vans	26
Total		3395

Provision of banking outlets in all villages with population of 1600 to 2000 as per 2001 census, 1562 villages have been identified and allocated to the banks based on Gram Panchayat model for providing banking outlets. As on March 2013, 966 villages have been covered. RBI has advised that at least 5% of the villages allotted under this category shall be provided with banking outlets in the form of Brick & Mortar branches. As per the guidelines issued by Department of Financial Services, Ministry of Finance, Govt. of India for opening of bank branches the following are under banked districts in Karnataka

1. Bidar
2. Chamarajanagar
3. Gulbarga
4. Bangalore (rural)
5. Koppal
6. Raichur

Commercial banks are taking action to provide banking service in these districts.

Table 12.44 Progress of Electronic Benefit Transfer (EBT) as on 15.12.2013

Sl. No.	District	NREGA			SSP		
		Total Enrolment	Accounts Opened	Cards Issued	Total Enrolment	Accounts Opened	Cards Issued
One District Many Bank Model Total		386407	359506	349934	200428	141922	139289
1	Bellary	293655	270929	263239	84286	48777	47958
2	Chitradurga	73334	72284	70788	75380	69140	67375
3	Gulbarga	7386	5263	5204	30656	17770	17733
4	Yadgir	12032	11030	10703	10106	6235	6223
One District one Bank Model Total		395133	392778	389966	291511	269676	265777
1	Chamarajanagar	106392	105427	105059	81840	65002	65002
2	Dharwad	106552	106552	106552	120421	80509	80509
3	Mandya	182189	180799	178355	129162	124165	120266
Grand Total		781540	752284	739900	491939	411598	405066

Source: Karnataka SLBC

12.3.4 Status of implementation of Rural Infrastructure Development Fund (RIDF)

Govt. of India, in 1995 announced the scheme for setting up of Rural Infrastructure Development Fund (RIDF) within the apex institution, NABARD for financing rural infrastructure projects. Domestic Scheduled Commercial Banks, both in public and private sectors which are unable to meet their targets for priority sector/agricultural lending are required to deposit the shortfall amount in to the RIDF with NABARD such amounts as may be allocated to them by the Reserve Bank, depending upon the extent of their shortfall, subject to a ceiling of 1.5%. The initial corpus fund was Rs 2000 crore in 1995-96 and this

fund has since been magnified with an additional corpus being announced every year in the Union Budget. Karnataka got the allocation of Rs.900 crore in 2013-14 for implementing works under RIDF-XIX. The rate of interest charged on loans to State Government is at 7.25% with effect from 31.10.2013.

Government utilized institutional finance from National Bank for Agriculture and Rural Development (NABARD) under Rural Infrastructure Development Fund Scheme for financing various developmental programmes in the State to supplement plan financing. In order to select and prioritize the works for loan assistance from

NABARD a Cabinet Sub-Committee on RIDF has been constituted under the chairmanship of the Hon'ble Minister for Public Works. A High Power Committee (HPC) has also been constituted under the Chairmanship of the Development Commissioner for reviewing the implementation of RIDF projects in the State. The progress in the implementation of the scheme is also being monitored by NABARD from time to time. The benefits accrued from RIDF programme are unlocking of sunk investments already made by State Governments, creation of additional irrigation potential, generation of additional employment, all-weather connectivity / improved connectivity to villages and marketing centers and improvements in the quality of life through facilities in education health and drinking water supply.

Programme status - In Karnataka, till March 2013 an aggregate amount of Rs.8192.44 crore has been sanctioned by the National Bank for Agriculture and Rural Development (NABARD) under various tranches of RIDF. The completed projects include rural roads, rural bridges, minor irrigation projects, medium irrigation projects, school buildings, B.C. Hostels, rural godowns, rural markets, Anganwadi buildings, primary health centres, polytechnic buildings, Rural service centres and fish jetties.

12.3.5 Swarnajayanthi Gram Swarojgar Yojana (SGSY)

The Govt. of India has approved restructuring of SGSY as National Rural Livelihood Mission (NRLM) and accordingly Karnataka has remodeled the scheme under the banner 'Sanjeevini'. The Mission Director has been appointed for looking after Karnataka State Rural Livelihood Promotion Society (KSRLPS). In first phase of implementation on pilot basis, 20 taluks have been selected which is spread over five districts (Mysore, Tumkur, Dharwad, Belgaum and Gulbarga). SLBC has informed all the banks that GoI, MoRD has communicated that a sum of Rs.750 crore has been here marked for providing interest submission to women SHGs to enable them to avail bank loan at 7% under NRLM.

12.3.6 Micro Credit Delivery Innovations-Self Help Groups (SHGs)

The movement of Self Help Groups (SHG) is deep-rooted in southern states of the country. Karnataka has been among the top three States in the country in SHG-Bank Linkage. The stake holders in this movement are State, Banks and NGOs. The State Government through its Women & child Development Department (WCDD) continued its

Progress under SGSY as on March 2013 is as under (Rs. in lakh)

Sl.No	Category	Credit	Subsidy	Total
1	SHGs	16842.88	5534.06	
2	Individual	588.04	312.47	
3	SC	6272.81	2113.74	8386.55
4	ST	1794.26	612.49	2406.75
5	Minorities	2035.39	766.93	2802.32
6	Women	13214.54	4425.69	17640.23
7	Disabled	651.79	221.59	873.36

Source: Karnataka SLBC

mission of empowering rural poor women in all the districts through its Stree Shakti Programme. WCDD has facilitated promotion of 140000 Stree Shakti Groups by end of March 2012 of which 125000 Groups have been credit linked. Table 12.45 presents the progress of the micro credit delivery innovations.

The SHG linkage programme focus areas for the year 2013-14 is as under-

- i. Formation of 50,000 SHGs.
- ii. Credit linkage (both new and existing) 1,50,000 SHGs
- iii. Per Group average size of loan Rs.2.50 Lakh
- iv. Identification /reactivating dormant/Inactive Groups by providing training/capacity building.

- v. Support various capacity building initiatives of the bank personnel, NGOs, Members of SHGs.
- vi. Encourage SHGs to prepare a Micro Credit Plan along with their loan application covering their requirements of loan for Income Generation Activities (IGAs), liquidate high cost debt and social needs to avoid under financing.

Activities undertaken during 2013-14

- Implementation of GOI sponsored women SHGs (WSHGs) in Chitradurga and Gulbarga districts to bring out a viable & self-sustainable model for promotion & financing of women SHGs by involving anchor NGOs, viz., SKDRDP and MYRADA respectively. So far Rs.1.00 crore has been sanctioned by

Table 12.45 - Progress of the Micro credit programme

Sl. No	Particulars	Unit	As on 31.03.10	As on 31.03.11	During 2011-12	As on 31.3.2012
1	No. of SHGs promoted	No.	594117	6,56,463	34207	6,90,670
2	No. of SHGs credit linked (new Groups)	No.	530210	5,79,969	43664	6,23,633
3	No. of SHGs financed (new and repeat groups) Indirect Linkage through MFIs	No.	-	-	84523	-
			-	-	10312	-
4	Amount of Bank loan availed Amount of MFI loan availed	Rs. in crore	5257.51 NA	6,704.54 NA	1716.00 389.18	8,420.54 NA
5	No. of families covered under the programme (lakh)	Lakh	80.84	90.59	14.10	104.69
6	Percentage of women SHGs	%	Over 90%	Over 90%	Over 90%	About 91%
7	Average loan per SHG	Lakh	0.99	1.44	2.03	1.35
8	Amount of NABARD Refinance	Rs. in Crore	1,021.11	1,185.59	419.16	1,605.05

Source: NABARD Focus Paper

NABARD towards promotion of 1000 women SHGs in each districts of the first phase.

- Promotional grants for Self Help Promoting Institutions (SHPIs)
- Capacity building of the partner agencies like NGOs, Banks, Govt. Officials, SHG leaders/members.

12.3.7 Micro-Finance Institutions (MFIs)

Association of Karnataka Micro-finance Institutions (AKMI) is registered under the Societies Act of 1860 and it is overseeing the workings of various (23) MFIs, has informed that the loan outstanding given by various MFIs as on March 2013 is Rs 4187 crore covering 3979528 accounts, out of which overdue is only 1.69%.

12.3.8 Kisan Credit Cards

For timely flow of credit to farmers the Kisan Credit Card (KCC) Scheme was introduced by the Government of India (GoI) in 1998-99. The scheme aims at providing adequate and timely credit for the requirements of farmers under a single window with flexible and simplified procedure adopting whole farm approach including short term and term credit

needs. The scheme has also been tied up with Personal Accident Insurance Scheme (PAIS) wherein card holders are insured up to Rs 50,000/- at a nominal premium of Rs.15 for three years. NABARD is monitoring the issue of ATM enabled KCCs and the coverage of eligible farmers and also supporting RRBs and Cooperative Banks out of FITF for providing RuPay KCC to their farm loanees, which are operable in ATMs and POS services. The interchange charges will be reimbursed to RRBs and Co-operatives by NABARD. The KCCs have been issued by all the banks including Cooperatives. A total number of 798369 Kisan Credit Cards have been issued involving a credit limit of Rs. 8988 crore with outstanding balance of Rs. 22616 crore in March 2013. Agency-wise number of Cards issued and limit sanctioned in 2012-13 is shown in Table 12.46.

12.3.9 Regional Rural Banks (RRBs)

The Regional Rural Banks (RRBs) have evolved into a major institution towards credit dispensation in rural area since their inception. These banks have been promoted to serve the rural areas with specific objectives. Owing to various reform measures, these banks have achieved considerable operational and financial stability in recent years. Considering operation feasibility these banks were amalgamated

Table 12.46 - Distribution of KCC cards agency wise (as on March 2013)(Rs.in Crore)

Agency	Target for 2012-13	During the Year		Outstanding Balance	
		No. of cards Issued	Limit sanctioned	No. of cards	Amount
Commercial Banks	522440	102730	1701	984711	12631
RRBs	294560	87779	690	743309	4822
Cooperatives	183000	23233	82	1961554	5966
Total	1000000	213742	2473	3689574	23419

Source: SLBC Karnataka

from 13 to 6 in 2005 and from 6 to 4 in November 2012 and 4 to 3 in August 2013. In accordance with the policy decision taken by the Government of India, 4 RRBs sponsored by Canara Bank were amalgamated into one and renamed as Pragathi Grameena Bank. Similarly, another 4 RRBs sponsored by Syndicate Bank were amalgamated and renamed as Karnataka Vikas Grameena Bank. The RRBs sponsored by the State Bank of Mysore, Corporation Bank, and Vijaya Bank were amalgamated into one w.e.f November, 2012 and renamed as Kaveri Grameena Bank, Mysore under the sponsorship of State Bank of Mysore. Similarly Pragathi Grameena Bank and Krishna Grameena Bank were amalgamated into a single RRB w.e.f 23.08.2013 and renamed as Pragathi Krishna Grameena Bank. The State Government in accordance with the provisions of Section 6 of RRB

Act 1976 has made 15% contribution towards equity share to all the RRBs in the state.

12.3.10 State Term Lending Institutions

The Karnataka State Financial Corporation (KSFC) is the major State term lending institution engaged in the development of small industries and enterprises. While KSFC supports small scale industry and service sectors, the KSIIDC undertakes promotion and development of medium and large scale industries in the State and acts as a nodal agency to formulate proposals for the implementation of infrastructure projects. Keeping in pace with the changed economic scenario, the KSIIDC has diversified its lending to newer areas such as construction activity, infrastructure development, Tourism, Health care, Textiles, Insurance, Food processing, Engineering etc. The assistance rendered

(Rs.in Crore)

Sl. No	Particulars	2010-11	2011-12	2012-13	2013-14 (upto 30.09.2013)
1	Sanctions	731.63	817.32	944.06	380.96
2	Disbursements	580.41	597.08	734.70	303.67
	Total	1312.04	1414.4	1678.76	684.63

Table 12.47 Socio Economic Contribution of KSFC assisted projects (2012-13) (Rs. in Lakh)

Particulars	2012-13				
	Micro & Small scale	SRTOs	Medium Scale	Others	Total
Total Cost of projects assisted during the year	98656.97	1733.11	18302.36	52284.92	170977.36
Value of output	259538.00	-	31290.00	32286.00	323114.00
Investment Catalyzed	406904.00	1564.00	53383.00	56365.00	518216.00
No. of new entrepreneurs assisted	433	63	15	104	615

by KSFC by end of March 2013 aggregated to Rs 944.06 crore in sanctions and Rs. 734.70 crore in disbursements as against Rs. 817.32 crore in sanctions and Rs. 597.08 crore in disbursements made in March 2012.

Karnataka State Industrial and Infrastructure Development Corporation (KSIIDC) earlier known as Karnataka State Industrial Investment and Development Corporation, was established in the year 1964, as a wholly owned undertaking of the Government of Karnataka. KSIIDC is currently involved in recovery of the pending loan portfolios as well as major infrastructure projects taken up on PPP basis like Development of a Sea Port at Tadadi, International Convention Centre & Devanahalli Business Park near BIA, etc. In addition, KSIIDC has entered into joint ventures with ILFS for providing consultancy & advisory services and with GAIL for City Gas Distribution project.

12.3.11 Non-Performing Assets (NPA) in Banks

The health of banking sector largely depends on Non-Performing Assets (NPA). In the State the NPAs have increased compared to last year. The NPA was Rs.12,449 crore as on March 2012 and it was Rs. 13,648 crore as on March 2013 accounting for 3.96% of total advances.

There were 730521 NPA accounts involving an amount of Rs 12,449 crore as on March, 2012,

accounting for 4.15% of total advances. The Farm sector accounts 289062 with a balance of Rs. 3,334 crore constituting 6.08% of advances to agriculture as on March, 2013.

12.3.12 Interest Subsidy Schemes

The State Government in August 2012 has enhanced the maximum limit of crop loans provided to the farmers by Public Sector Commercial Banks and Regional Rural Banks in Karnataka from the existing Rs 50,000/- to Rs. 1,00,000/- with the following conditions – (i) This enhancement is applicable for short-term crop loans approved & disbursed on or after April, 2012; (ii) In view of additional incentive of 3% subvention by the GOI to those farmers who repay the loans promptly, the interest subsidy payable by the State Govt. would be 1% to enable the loans at 3% interest rate per annum; (iii) No interest subsidy is allowed by the State Govt. for the loans above Rs 1,00,000/-.

12.3.13 Co-operative Credit

The Cooperative credit system in Karnataka has its own place in the credit delivery of rural and urban areas. Apart from urban cooperative banks, the major cooperative banks are operating in rural areas. Unlike in other states, in Karnataka two type of Cooperative credit institutions are functioning, one is looking after short term credit and another looking after credit needs of long term.

Table 12.48- NPA across the type of banks (Rs. in lakh)

Sl. No	Type of Banks	As on 30/3/2012		As on 30/3/2013	
		A/Cs	Amount	A/Cs	Amount
1	Commercial	589181	1061231	542433	1171596
2	RRBs	74743	44663	71553	53957
3	Cooperatives/KSFC	66597	138966	66059	139287
Total		730521	1244860	680045	1364840

Source: SLBC Karnataka

a. Short Term Credit Cooperative Credit Structure (STCCS)

The Karnataka state Cooperative Apex Bank through its affiliated District Central Cooperative Bank (DCCB) and Primary Agriculture Cooperative Societies (PACS) at the villages' level extends short term credit to the farmers and others. The total number of DCCBS is 21 with 596 branches. There are 4888 PACS functioning in the state. These institutions have prepared Business Development Plan (BDP) with a view to strengthen capital base of their financial and organization set up in accordance with guidelines of NABARD, an MoU is signed by NABARD, State Government and Apex bank in June 1995, same was extended time to time. In March, 2012 the working capital of DCCBs was Rs.15094.25 crore by the end of March 2013, it had grown to Rs.18436.90 crore indicating a growth of 22.14%. The total amount of Deposit in DCCBs was Rs.9158.21 as on 31-3-2012. It had grown by 17.64% to Rs.10773.70 crore as on 31-3-2013. In 2012-13 all the 20 DCCBs out of 21 DCCBs in the State have shown profits. These credit institutions provide short, medium and long term credit to PACS and other

societies at gross root level and deal directly with individual borrowers also.

B. Long Term Credit Cooperative Credit Structure (LTCCS)

Apex Bank, Karnataka state cooperative Agriculture and Rural development Bank (KASCARD) at the State level and Primary cooperative Agriculture and rural development bank at taluk level numbering 177 cater to the long term credit needs in the two tier credit delivery system. The National bank for Agriculture and Rural Development (NABARD) provides refinance to the KASCARD Bank. As on March, 2013, the short term (ST), Medium term (MT) and Long term (LT) loans issued by the co-operative credit system in the state was Rs.6030.28 crore, 314.38 crore and 205.51 crore respectively as against Rs.5631.05 crore, Rs.243.17 crore and Rs.190.51 crore issued a year ago indicating a marked improvement in the issue of all type of Agricultural loans. In the current fiscal upto September, 2013, the cooperative credit system issued ST, MT and LT loans to the extent of Rs.3958.74, 114.99 and 30.56 crore respectively.

Table 12.49: Consolidated financial Status of DCCB (Rs crore)

Particulars	2009-10	2010-11	2011-12	2012-13
No of DCCBs	21	21	21	21
Total share capital	378.99	410.26	503.73	537.24
States' share capital	19.27	19.27	23.31	22.56
Share of state share capital %	5.08	4.69	4.62	4.20
Deposits	6867.8	7812.11	9158.21	10773.70
Borrowings	2240.76	2766.29	3947.48	4799.92
Loans & Adv O/S	6509.18	7645.21	9758.82	13181.49
Banks showing profit	18	20	21	20

Table.12.50 - Performance of Short Term, Medium Term and Long Term Credit (Rs. in Crore)

Year	Type of Loan	Target	Achievement	In %age
2010-11	Short term	4095.86	4468.90	109.11
	Medium term	201.47	232.33	115.32
	Long term	236.05	186.89	79.17
2011-12	Short term	5400.00	5631.05	104.57
	Medium term	300.00	243.17	78.85
	Long term	180.00	190.51	105.84
2012-13	Short term	6400.00	6030.28	94.22
	Medium term	300.00	314.38	104.79
	Long term	180.00	190.51	105.83
2013-14 (Sept)	Short term	7400.00	3958.74	53.49
	Medium term	303.35	114.99	37.90
	Long term	175.88	40.14	22.82

Table 12.51 - Recovery of loans in Karnataka

Type of loan	2010-11	2011-12	2012-13	2013-14 (up to sept) (%)
Short term	88.53	95.75	87.59	54.88
Medium term	84.88	80.43	84.16	52.45
Long term	52.50	24.50	57.20	17.13

C. Recovery of Loans

The Comparative position of recovery of Short, Medium and Long term loans under the Cooperative Credit System in the State for the years from 2009-10 to 2013-14 is presented in Table 12.50. The recovery figures show that there is high overdue in long term loan compared to other term and short term loans, the recovery has fallen drastically in the current year.

d. Business Development Plans (BDP) for Primary Cooperative Agricultural Credit Societies

Business Development Plans (BDP) are being implemented primary credit cooperative societies from 1995-96. 4519 societies have been brought under this programme by the end of March 2013. The 4519 cooperative societies which have been

implementing business development scheme have done credit business of Rs.9327.87 crore and non credit business of Rs.1901.35 crore and total business of Rs 108887.60 crore.

E. Subsidised loan to loans to farmers @ 1 and 0 percentage

The State Government has implemented the scheme of lending agricultural loans to the farmers at 6 % from 01.04.2004 through agricultural cooperative credit Institutions in the state. The rates was further reduced during the subsequent years. In 2006-07 and 2007-08, the rate was reduced to 4% and from 2008-09 to 2010-11 interest rate was again reduced to 3% and 1% for 2011-12 and 0% upto Rs. 1 lakh and 1% upto Rs.3 lakh in 2012-13. In 2013-14 Govt reduced the interest rate to 0% up to Rs. 2 lakhs and 1% upto 3 lakhs for short term agricultural loans. The medium term and long term agricultural loans up to Rs.10 lakhs are disbursed to farmers at 3%. The Government is reimbursing the differential interest at pre determined rate to concerned institutions. An amount of Rs. 392.04 crore was earmarked to implement the scheme in 2012-13 and Rs.293.03 crores was released by government to 13.35 lakhs farmers through concerned cooperative institutions.

Interest subsidy to Self Help Groups

The scheme of advancing loans to Self help groups in Karnataka at 4% has been implemented from April,

2007. The Government is reimbursing the differential interest rate at 9% to PACS and 7.50% to DCC Banks on loans disbursed by these institutions. In 2012-13 an amount of Rs. 51959 lakhs of loans has been disbursed to 35796 groups and Rs.2000 lakhs of interest subsidy has been released.

Loan waiver scheme of 2012-13

In view of the continued occurrence of drought in the year 2011-12 and 2012-13, Govt has waived the short term agricultural loans up to Rs.25000/- with interest, which were borrowed during 01-08-2011 to 25-07-2012 and remained out standing on 25-07-2012 from cooperative institutions. The farmers who have borrowed loans of above Rs.25000/- are also given benefit of waiver of Rs.25000/-, provided the loans of over Rs.25000/- are paid to the respective cooperative institutions before the due date or 30-06-2013. The claim bills are to be submitted every month based on the consolidated due dates of all farmers fallen during that month. Govt has released Rs.940 crores to 4.02 lakh farmers in 2012-13 and Rs.1133.77 crores to 5.15 lakh farmers upto October, 2013.

12.4 Issues and Challenges

12.4.1 Power Sector

- Demand and supply shortage is about 10% and ensuring continuous power supply with this

Table-12.52 Improvement under the project of Business Development (Rs in crore)

Details	2010-11			2011-12			2012-13		
	Annual Target	Annual achvt.	%age of achvt.	Annual Target	Annual achvt.	%age of achvt.	Annual Target	Annual achvt.	%age of achvt.
Credit	79.40	9912.42	6989.61	70.51	8031.13	8772.81	10098.09	9327.87	92.37
Non-Credit	61.05	1255.20	1331.43	106.07	1615.52	1520.29	1901.35	1559.72	82.03
Total	83.03	11167.62	8321.04	74.51	9646.65	10293.10	11999.44	10887.59	90.73

shortage of power is a herculean task which the power utilities i.e., KPTCL and ESCOMs are endeavouring to achieve.

- Adjusting to the changed technological advancement by all the utilities of the Power Sector in the state like KPTCL, KPCL and ESCOMs is the need of the hour.
- The power utilities are adopting the advanced technology in the Generation, Transmission and Distribution sectors like smart grid, renewable energy and Advance Technology in Thermal and Hydel Generation.
- Optimum utilisation of natural resources under renewable energy sector.
- Achieving financial viability of Distribution utilities is big challenge in the context of procuring high cost power and continuous borrowings for CAPEX works.
- Generation capacity addition to meet the growing demand for achieving self sufficiency.

12.4.2 Roads

- The road network in the State shows disparity in inter-district connectivity of National Highways and State Highways. This disparity in connectivity needs to be set right.
- Rural Roads - Rural connectivity is a key component in the overall development of the state. Rapid development of roads can have a multiplier effect on the overall growth of backward regions. Investment in roads has one of the largest impact on poverty alleviation and increase in total factor productivity.
- About 64% of State Highways and 99% of Major District Roads carriage way width are Single Lane. To ease the traffic congestion most of the State Highways and some of the Major District Roads needs to be upgraded to two lane width.
- The vehicular population in the State has risen to about 12.03 lakhs as of March 2013. To

accommodate growing population of vehicles, roads have to be widened on National Highways. At present only 19% of National Highways are having 4 lane carriage way width.

- Rural connectivity by providing all weather roads will improve productivity and reduce poverty. Only 48% of the village roads are all weather roads and remaining 52% of the roads are needs to be upgraded to all weather roads.

12.4.3 Transport

- Rapid population growth in the State owing to IT and other associated industries has led to tremendous increase in the vehicular population. Hence the quality and capacity of existing infrastructure needs to be enhanced.
- KSRTC has been mandated to provide service in rural areas. However, its operation in most of the rural routes is financially unviable and it took it as a challenge to operate buses in these routes.
- Bangalore Metro Transport Corporation (BMTC) currently operated 2430 routes covering 31.10 lakh Kms per day. The average number of passengers carried per day is 49 lakhs, by increasing 8.17% to the average number of passengers carried per day in the previous year. Thus by 2017, BMTC should plan to have 10,000 buses to meet the rising demand in Bangalore.
- Challenges faced by State Transport Undertakings (STUs) - Efficient mobility of people is one of the key factors for their progress and prosperity. Certain inherent characteristics of the public bus transport system makes it the ideal mode for meeting the huge and increasing demand for passenger transport services. It makes the optimum use of the available road space and fuel by transporting the maximum number of people per unit of road space. The State Government controls the fare of STUs and this sometimes hinders the ability of these firms to supply the optimum level of output in terms of both

quality and quantity. The lack of financial resources remains one of the major problems for the STUs which prevent necessary investments in maintaining and upgrading existing infrastructure and fleet as well as acquiring new ones.

- There is lack of spending and investments towards transport infrastructure, especially for maintenance of roads.

12.4.4 Railways and Airways

- Karnataka has poor railway density with very few districts having direct train connectivity. Karnataka has the lowest rail route and broad gauge densities as compared to other Southern States.
- While studying the State Project Development Machinery, several constraints for developing PPP projects by State Dept/ agencies were noticed. Karnataka has identified that to bring in investment in Infrastructure through PPP route, the State has to adopt a program based approach, given the huge demand for infra projects in various sectors. The rail density in State is 16 kms per 1000 kms. The State Government with a view to increase the rail

density and increase the pace of implementation, new railway projects will be taken up on 50:50 cost-sharing basis.

- The major challenge in implementing the Metro project was in the preparation of DPR in the short time made available to the contractor. Bangalore Metro Rail, also known as Namma Metro (Our Metro), is a Mass-Transit Rail System for the city of Bangalore. The Reach 1 (Baiyappanahalli to MG road – 6.7 Kms) was commissioned on 20th October 2011 for public and the cumulative ridership by October 2013 is approximately Rs. 147 lakh.
- For commencing flight operations on selected routes through a private airline operator by offering following concessions:
 - GoK to underwrite seats/offer concessions on flying miles.
 - Abolish taxes on ATF.
 - Smaller ATRs could be considered, viz CESSNA.
 - Permit Group B officials for air travel.

HUMAN DEVELOPMENT



13

The central objective of any planning and policy is to advance human development. The creation of Human Development Index (HDI) is a tacit acceptance that the development should be viewed broadly than through a single indicator like per-capita income. Human development represents the process of expanding people's choices to live long, healthy, and creative lives. It is argued that the long-term patterns of economic growth do not necessarily correlate with progress in human development. Therefore, development needs has to be seen broadly as enlarging people's choices and reinforcing human capabilities and fostering access to meaningful opportunities for exercising choice. The human development definition of poverty is much broader than the conventional definition measuring poverty using only a single indicator.

The Human Development Index (HDI) relies on a composite index of different dimensions of human life, with a focus on quantifiable elements such as longevity, knowledge, and a decent living standard. The recently developed Multidimensional Poverty Index (MPI) also identifies deprivations across health, education and living standards, and shows the number of people who are multi-dimensionally poor.

13.1 Human Development in Karnataka: An Overview

13.1.1 Human Development Index: Karnataka vis-à-vis other States

The Planning Commission, Government of India, took the lead in the preparation of the National Human Development Report 2001 (NHDR) for the first time in the country. The report provides Human Development Indices and related indicators, both state-wise and for the whole nation. HDI has been estimated for 2001 for selected major States only. At

the national level, HDI has increased to 0.470 from 0.30. In 2011, the HDI varies between 0.638 in case of Kerala and 0.365 in case of Bihar. Among the better-off States, Punjab, Tamil Nadu and Maharashtra had a HDI value of above 0.52. At the other end, States like Uttar Pradesh, Assam and Madhya Pradesh had values less than 0.400. The gap between Kerala and next best State, i.e. Punjab remains quite significant, though it has declined. By and large the States maintained their relative position between 1981 and 2001. As far as Karnataka concern, the HDI value has increased from 0.346 in 1981 to 0.478 in 2001. The HDI rank of Karnataka was 6 during 1981 and has slipped to 7th rank among major states during 1991 and 2001 (Table 13.1).

The 2010 UNDP Global Human Development Report "The Real Wealth of Nations: Pathways to Human Development" introduced a new index, the Inequality-adjusted HDI aimed at capturing the distributional dimensions of human development. Three dimensions of HDI i.e. income, education and health are adjusted for inequalities in attainments across people. The 2010 UNDP-Human Development Report undertook a comprehensive review of the criticisms it received since its inception in 1990 and introduced several major changes to the methodological issues in estimating HDI. Although the input variables representing health and income remained the same, the education indicator underwent a major change. Mean years of schooling index and expected years of schooling index with equal weight replaced adult literacy rate index and combined gross enrolment ratio index. Treatment of income is by a natural logarithmic transformation without a cap. With respect to fixing the bounds, only the lower bounds are set equal to subsistence minima, whereas the upper values are set to observed over the time series between 1980 and the most recent year.

Table 13.1 Human Development Index for India – Combined

States/UTs	1981 Value	1981 Rank	1991 Value	1991 Rank	2001 Value	2001 Rank
Andhra Pradesh	0.298	9	0.377	9	0.416	10
Assam	0.272	10	0.348	10	0.386	14
Bihar	0.237	15	0.308	15	0.367	15
Gujarat	0.360	4	0.431	6	0.479	6
Haryana	0.360	5	0.443	5	0.509	5
Karnataka	0.346	6	0.412	7	0.478	7
Kerala	0.500	1	0.591	1	0.638	1
Madhya Pradesh	0.245	14	0.328	13	0.394	12
Maharashtra	0.363	3	0.452	4	0.523	4
Orissa	0.267	11	0.345	12	0.404	11
Punjab	0.411	2	0.475	2	0.537	2
Rajasthan	0.256	12	0.347	11	0.424	9
Tamil Nadu	0.343	7	0.466	3	0.531	3
Uttar Pradesh	0.255	13	0.314	14	0.388	13
West Bengal	0.305	8	0.404	8	0.472	8
All India	0.302		0.381		0.472	

Source: National Human Development Report 2001

Note: The HDI for 2001 has been estimated only for a few selected States for which some data, including the Census 2001, was available.

The most radical innovation with respect to the aggregation formula was the shift to geometric mean, which addresses the issue of perfect substitutability that was a problematic assumption of the arithmetic mean formula. The 2010 Human Development Report also introduced major measurement innovations beyond the HDI, designed in particular to address the key dimensions of inequality and deprivation i.e., Inequality-adjusted HDI (IHDI). M.H. Suryanarayana, Ankush Agrawal and K. Seetha Prabhu in a UNDP discussion paper (2011) provide HDI and IHDI estimates for Indian States following the new methodology.

Countries with HDI value in the range 0.788–0.938 are categorised as countries with Very High HD; Countries with HDI value in the range 0.677–0.784 are categorised as countries with High HD; Countries with HDI value in the range 0.488– 0.669 are

categorised as countries with Medium HD; Countries with HDI value in the range 0.140–0.470 are categorized as countries with Low HD (Suryanarayana, Agrawal, Prabhu, 2011, pp. 22–23). Globally, India ranks 119 out of 169 countries with a global HDI value of 0.504 and falls in the category of countries with Medium HD (Table 13.2). It falls short of the world average, which is 0.624 (UNDP, 2010, p. 155). The Indian states fall either in the category of Medium HD or Low HD as per the HDR 2010 classification. Kerala, with a global HDI of 0.625, is in the 'Medium HD' category. Other major states in this group are Punjab, Himachal Pradesh, Haryana, Maharashtra, Tamil Nadu, Karnataka, Gujarat and West Bengal. Other nine states, namely Andhra Pradesh, Assam, Uttar Pradesh, Rajasthan, Jharkhand, Madhya Pradesh, Chhattisgarh, Bihar and Orissa fall in the 'Low HD' category (Table 13.2).

Table 13.2- Comparison of Indian States with other countries

HDI Rank	Country	HDI Value	IHDI Value	Loss
1 to 42	Countries with Very High HDI	0.788-0.938	0.700-0.876	6.1-16.7
43 to 85	Countries with High HDI	0.677-0.784	0.492-0.693	8.1-30.7
86 to 127	Countries with Medium HDI	0.488-0.669	0.320-0.546	13.5-44.3
86	Fiji	0.669	..	..
87	Turkmenistan	0.669	0.493	26.4
88	Dominican Republic	0.663	0.499	24.8
89	China	0.663	0.511	23.0
90	El Salvador	0.659	0.477	27.6
91	Sri Lanka	0.658	0.546	17.1
92	Thailand	0.654	0.516	21.2
93	Gabon	0.648	0.512	21.0
94	Suriname	0.646	0.489	24.3
95	Bolivia (Plurinational State of Bolivia)	0.643	0.398	38.0
96	Paraguay	0.640	0.482	24.7
97	Philippines	0.638	0.518	18.9
98	Botswana	0.633	..	..
	Kerala	0.625	0.520	16.78
99	Moldova (Republic of Moldova)	0.623	0.539	13.5
100	Mongolia	0.622	0.527	15.2
101	Egypt	0.620	0.449	27.5
102	Uzbekistan	0.617	0.521	15.7
103	Micronesia (Federated States of Micronesia)	0.614	0.375	39.0
104	Guyana	0.611	0.497	18.6
105	Namibia	0.606	0.338	44.3
106	Honduras	0.604	0.419	30.6
107	Maldives	0.602	0.508	15.6
108	Indonesia	0.600	0.494	17.7
109	Kyrgyzstan	0.598	0.508	15.1
110	South Africa	0.597	0.411	31.2
111	Syrian Arab Republic	0.589	0.467	20.8
112	Tajikistan	0.580	0.469	19.1
113	Viet Nam	0.572	0.478	16.4

HDI Rank	Country	HDI Value	IHDI Value	Loss
	Punjab	0.569	0.410	28.03
114	Morocco	0.567	0.407	28.1
115	Nicaragua	0.565	0.426	24.6
116	Guatemala	0.560	0.372	33.6
	Himachal Pradesh	0.558	0.403	27.81
	Maharashtra	0.549	0.397	27.75
	Haryana	0.545	0.375	31.18
	Tamil Nadu	0.544	0.396	27.27
117	Equatorial Guinea	0.538	..	..
118	Cape Verde	0.534	..	..
119	India	0.519	0.365	29.6
	Uttarakhand	0.515	0.345	33.03
	Gujarat	0.514	0.363	29.50
	West Bengal	0.509	0.360	29.30
	Karnataka	0.508	0.353	30.44
	INDIA	0.504	0.343	32.02
120	Timor-Leste	0.502	0.334	33.3
121	Swaziland	0.498	0.320	35.7
122	Lao People's Democratic Republic	0.497	0.374	24.8
123	Solomon Islands	0.494	..	..
124	Cambodia	0.494	0.351	28.8
125	Pakistan	0.490	0.336	31.5
126	Congo	0.489	0.334	31.8
127	Sao Tome and Principe	0.488	..	..
128 to 169	Countries with Low HDI	0.140-0.470	0.098-0.383	19.32-45.30
	Andhra Pradesh	0.485	0.332	31.55
	Assam	0.474	0.341	28.17
128	Kenya	0.470	0.320	31.9
129	Bangladesh	0.469	0.331	29.4
	Uttar Pradesh	0.468	0.307	34.47
	Rajasthan	0.468	0.308	34.02
130	Ghana	0.467	0.349	25.4
	Jharkhand	0.464	0.308	33.66
131	Cameroon	0.460	0.304	33.9

HDI Rank	Country	HDI Value	IHDI Value	Loss
	Madhya Pradesh	0.451	0.290	35.73
132	Myanmar	0.451	..	..
	Chhattisgarh	0.449	0.291	35.14
	Bihar	0.447	0.303	32.05
	Orissa	0.442	0.296	33.11
133	Yemen	0.439	0.289	34.2
134	Benin	0.435	0.282	35.2
135	Madagascar	0.435	0.308	29.2
136	Mauritania	0.433	0.281	35.1
137	Papua New Guinea	0.431	..	..
138	Nepal	0.428	0.292	31.9
139	Togo	0.428	0.287	32.9
140	Comoros	0.428	0.240	43.9
141	Lesotho	0.427	0.282	34.0
142	Nigeria	0.423	0.246	41.7
143	Uganda	0.422	0.286	32.1
169	Zimbabwe	0.140	0.098	29.9

Notes:

- The UNDP (2010) classifies countries into four ordinal groups with reference to HDI values. Since none of the Indian states has an HDI value within the limits of the first two groups, the details of these countries are not shown.
- The estimates in the rows, which are shaded and not numbered, are from this paper and the rest from UNDP (2010).
- For the four country groups, corresponding columns show the range (i.e., minimum and maximum values in each group) of HDI, IHDI and the loss.

To facilitate a cross-country comparison, the indices are normalized with reference to the goalposts outlined in the HDR 2010. When ranked according to global goalposts, Kerala's rank is 99 (between Philippines and the Republic of Moldova) whereas Karnataka and India is ranked 119 and 120 (between India HDI value and democratic republic of Timor-Leste, a country in South East Asia). Amongst India's states, Madhya Pradesh suffers the greatest loss of HDI due to inequality with 35.74 percent. Variations in IHDI across states and a comparative analysis with global averages reveal that inequality in the distribution of human development is distinctly more pronounced in India than elsewhere. In all India, loss resulting from inequality varies across dimensions and is highest in education (43%), followed by health

and income. Loss resulting from inequality in education is much higher than the global average of 28% and loss due to inequality in health is 34%, compared to the global average of 21%. The findings suggest that human development outcomes alone, without measurement of inequalities, may significantly mask the performance of individual states.

For overall human development, Karnataka stands at 10th position without adjusting for inequality and 9th position after adjusted for Inequality among 19 major states in the Country during 2011. Among the southern States, Karnataka is marginally better than Andhra Pradesh. However, Karnataka is way behind Kerala (rank 1) and Tamilnadu (rank 5) with respect

to all the indicators. Karnataka experiences an aggregate loss of 30% in human development due to inequality (Table 13.3). The State's achievement in terms of the indices with or without inequality adjustment is better with respect to health dimension than the HDI as a whole (Table 13.4). The loss due to inequality is highest in the education sector (43%) followed by health sector (30%) and income dimension (16%).

District Human Development Index - Karnataka

The status of human development in the state and districts was assessed for the first time in KHDR 1999

with 1991 data and later 2005 with 2001 data. These HDR presented a review of human development over the last decade. Has there been a perceptible improvement in the level of human development during the 1990s and 2000s, due to policy interventions and programme implementation, especially in the social sector? Has there been a reduction in the multiple disparities that act as barriers to improving people's choices? How have women fared in Karnataka since 1991? What is the HDI and GDI of certain vulnerable populations whose profile has never been explored by any SHDR? According to State HDR report of Karnataka,

Table 13.3 - HDI and Inequality Adjusted HDI across Indian States, 2011

States	Per Capita Income (PPP 2008\$)	HDI	IHDI	Ratio	Loss (%)	Rank HDI	Rank IHDI	Difference
Andhra Pradesh	3399	0.485	0.332	0.685	31.6	11	12	-1
Assam	2883	0.474	0.341	0.719	28.2	12	11	1
Bihar	2162	0.447	0.303	0.678	32.1	18	16	2
Chhattisgarh	2497	0.449	0.291	0.648	35.1	17	18	-1
Gujarat	3783	0.514	0.363	0.706	29.5	8	7	1
Haryana	4575	0.545	0.375	0.688	31.2	5	6	-1
Himachal Pradesh	4168	0.558	0.403	0.722	27.8	3	3	0
Jharkhand	2516	0.464	0.308	0.664	33.7	15	14	1
Karnataka	3270	0.508	0.353	0.695	30.4	10	9	1
Kerala	5263	0.625	0.520	0.832	16.8	1	1	0
Madhya Pradesh	2674	0.451	0.290	0.643	35.7	16	19	-3
Maharashtra	3913	0.549	0.397	0.723	27.8	4	4	0
Orissa	2186	0.442	0.296	0.670	33.1	19	17	2
Punjab	4885	0.569	0.410	0.721	28.0	2	2	0
Rajasthan	3289	0.468	0.308	0.658	34.0	14	13	1
Tamil Nadu	3835	0.544	0.396	0.728	27.3	6	5	1
Uttar Pradesh	2911	0.468	0.307	0.656	34.5	13	15	-2
Uttarakhand	3536	0.515	0.345	0.670	33.0	7	10	-3
West Bengal	3414	0.509	0.360	0.707	29.3	9	8	1
India	3337	0.504	0.343	0.681	32.0			

Source: M.H. Suryanarayana, Ankush Agrawal and K. Seetha Prabhu (2011), UNDP working paper.

Table 13.4 - Estimates of Sub-indices by Dimension; With and Without Adjustment for Inequality for Karnataka

Dimension	Index Value without adjustment	Index Value adjusting for inequality	Ratio	Loss (%)
Income	0.461	0.387	0.839	16.17
Education	0.396	0.226	0.571	42.85
Health	0.717	0.503	0.702	29.76
Overall	0.508	0.353	0.695	30.44

Source: Suryanarayana et al (2011)

2005, the level of human development is much higher in Karnataka (0.650) than at the all-India level (0.621). Among states, it ranks seventh, with Kerala occupying the first place. At the international level, Karnataka's position was at 120 while India was at 127. In 2005, the attainment of human development in Karnataka is more or less on par with that of Egypt and considerably above the level of Pakistan, Nepal, Bhutan and Bangladesh. It can thus be argued that the state is well placed in the context of human development in South Asia.

There are wide disparities in the levels of human development among districts (Table 13.5). The district HDI, in 2001, has been found to range from 0.753 in Bangalore Urban district to 0.547 in Raichur district. In the 1999 HDR the range of variation was between 0.661 in Dakshina Kannada district and 0.443 in Raichur district. However, it is encouraging to note that the difference between the districts with the highest and the lowest HDI has narrowed from 49.21 per cent in 1991 to 37.6 per cent in 2001. Only seven districts, i.e. Bangalore Rural, Bangalore Urban, Dakshina Kannada, Kodagu, Uttara Kannada, Shimoga and Udupi, have HDI values higher than the state average in 2001. In 1991, nine districts—Bangalore Urban, Dakshina Kannada, Kodagu, Shimoga, Udupi, Uttara Kannada, Chikmagalur, Davangere and Belgaum—were above the state average. It is significant that the front-runners are all in southern Karnataka, and as many as three districts— Bangalore Urban, Bangalore Rural and Shimoga are from 'Old Mysore' (though it could

be argued that Bangalore Urban almost comprises a unique category all by itself).

From Karnataka's SHDR Report, 2005 it can be inferred that there is a strong correlation between the economic development status of a district and its HDI, at least where the top and bottom ranking districts are concerned. Districts such as Shimoga, however, are an exception. After closely examining the levels of achievement across the three principal indicators of human development, it is apparent that economic growth (in terms of per capita income or the income index) is an important but not primary factor in human development. Shimoga and Davangere districts, for example, which have relatively low levels of income (to the state average), have significantly higher levels of achievement in life expectancy, literacy and enrolment (to the state average). This serves to reinforce the fact that it is possible to effect perceptible improvements in literacy and health, even if per capita income is not high. However, the converse is also found to be true. In Mysore district, for instance, where per capita income is comparatively high, the level of achievement in the areas of literacy and health is somewhat low; Bellary, with its heavy mineral deposits, is ninth in the income index for districts, but has a very poor education index. This seems to indicate that higher income does not automatically translate into an improved literacy and health status for the people if that income is not equitably distributed.

Table 13.5 - Performance of districts in Human Development: 2001 and 1991

SI No.	District	HDI - 2001		HDI - 1991	
		Value	Rank	Value	Rank
1	Bagalkot	0.591	22	0.505	20
2	Bangalore Rural	0.653	6	0.539	11
3	Bangalore Urban	0.753	1	0.623	4
4	Belguam	0.648	8	0.545	9
5	Bellary	0.617	18	0.512	18
6	Bidar	0.599	21	0.496	23
7	Bijapur	0.589	23	0.504	21
8	Chamarajnaragar	0.576	25	0.488	24
9	Chikmaglur	0.647	9	0.559	7
10	Chitradurga	0.627	16	0.535	13
11	Dakshina Kannada	0.722	2	0.661	1
12	Davangere	0.635	12	0.548	8
13	Dharwad	0.642	10	0.539	10
14	Gadag	0.634	13	0.516	17
15	Gulbarga	0.564	26	0.453	25
16	Hassan	0.639	11	0.519	16
17	Haveri	0.603	20	0.496	22
18	Kodagu	0.697	4	0.623	3
19	Kolar	0.625	17	0.522	15
20	Koppal	0.582	24	0.446	26
21	Mandya	0.609	19	0.511	19
22	Mysore	0.631	14	0.524	14
23	Raichur	0.547	27	0.443	27
24	Shimoga	0.673	5	0.584	5
25	Tumkur	0.630	15	0.539	12
26	Udupi	0.714	3	0.659	2
27	Uttara Kannada	0.653	7	0.567	6
Karnataka		0.650		0.541	

Source: Human Development Report 2005, Planning Department, Gok

13.1.2 Multidimensional Poverty Index (MPI) – A New Perspective to Measure Poverty

Human development presupposes smaller proportion of the 'poor' among its achievements. Hereby, the states with better HDI (categorised as Medium HD) should have lower percentage of people living below poverty line than the states with Low HD. Thus, human development needs to be analysed in terms of multidimensional poverty indicators. While the HDI measures the achievement in the average progress, the MPI measures deprivation in human development as a focus on deprivation is fundamental to human development.

The MPI is an international measure of acute poverty which identifies deprivations across health, education and standard of living that people face at the same. The Multidimensional Poverty Index (MPI), presented by Human Development Report 2011, covering 109 countries, complements income based poverty measures. It has three dimensions mirroring the HDI – health, education and standard of living (Alkire, Santos, 2011, p. 5) – which are reflected in 10 indicators of multi-dimensional poverty and intensity of deprivations at the household level, each with equal weights within its dimension. It has been estimated to reflect the deprivational perspective of development. Deprivation in health is captured essentially through the nutritional level and child mortality. Deprivation in educational attainments is captured through years of schooling and children enrolled. Similarly, to capture a decent standard of living, six indicators namely cooking fuel, toilet, water, electricity, floor and assets are considered – a household is multi-dimensionally poor if it is deprived in at least two to six indicators, depends on the weight of the specific indicator in the overall measure making 1/3 of the total weight. In other words, a person is identified as poor if he or she has a deprivation score higher than or equal to 1/3 of the (weighted) considered indicators. (UNDP 2010, p. 95). Eight of the ten indicators are connected to Millennium Development Goals (MDG) 11 indicators. The other two indicators (flooring and electricity) provide some rudimentary indication of the quality of housing. As far India is concerned, poverty estimates provided by Oxford Poverty and Human Development Initiative (OPHI) of Oxford

University and the Human Development Report Office of the United Nations Development Programme (UNDP) in July, 2010 provides an insight that 55% of the Indian population is poor – deprived in 30% indicators. It is much higher than the official figure of 32.7%. About 39% population is poor in 40% indicators; 30% Indians are poor in 50% indicators, 20% people are deprived on 60% indicators, and 10% population is deprived on 70% of the 10 indicators.

The figures on MPI shown in Table 13.6 give a clear picture of severity of the problem of poverty, especially in Bihar, Jharkhand, Madhya Pradesh, Chhattisgarh, Uttar Pradesh, Rajasthan, Orissa and West Bengal. These eight states occupy last ranks, assigned to the states in ascending order of multidimensional poverty (Table 5). The 'MPI poor' people in these states are even more than that of in the 26 poorest African countries combined (410 million). The above stated states have also shown their relatively poor performance on human ground also as indicated by their positioning in terms of HDI. Among all the major States, Karnataka stands 9th Rank as far as Multi-Dimensional Poverty Index (MPI) concern. It is interesting to note that Karnataka also has same position of 9th rank under inequality adjusted Human Development Index (IHDI).

13.1.3 Gender Perspective of Human Development

Inclusive development cannot be attained unless women participate equally in the development process. Developing countries like India face huge gender inequalities, which have a direct bearing on their human development. For instance, in a patriarchal set-up where gender discrimination is rampant, a female child is ignored when it comes to health or education. Females have little control over their lives and suffer a great deal from intra-household discrimination. Thus, HDI dimensions, by themselves, do not portray a complete picture of human development. In order to account for such inequalities, UNDP developed the Gender-related Development Index (GDI) in 1995.

The Gender Perspective in Human Development emphasizes the need to assess the relative levels of

Table 13.6 (contd.)

India / States	Standard of Living Dimension of MPI						Percentage Deprivations in Standard of Living
	Electricity	Sanitation	Drinking Water	Floor	Cooking Fuel	Assets	
Kerala	0.05	0.04	0.09	0.03	0.15	0.11	39.3
Punjab	0.02	0.20	0.01	0.16	0.23	0.11	33.9
Himachal Pradesh	0.01	0.28	0.08	0.15	0.19	0.20	43.1
Tamil Nadu	0.07	0.31	0.05	0.12	0.30	0.24	43.2
Maharashtra	0.13	0.36	0.08	0.27	0.34	0.28	42.2
Haryana	0.08	0.34	0.08	0.24	0.39	0.25	38.6
Gujarat	0.09	0.36	0.10	0.24	0.36	0.29	39.2
Andhra Pradesh	0.08	0.41	0.06	0.19	0.42	0.35	39.9
Karnataka	0.08	0.41	0.12	0.19	0.42	0.32	38.2
Assam	0.41	0.45	0.23	0.50	0.55	0.42	47.0
West Bengal	0.39	0.47	0.07	0.48	0.57	0.43	42.7
Orissa	0.43	0.62	0.20	0.51	0.63	0.39	46.4
Rajasthan	0.31	0.60	0.24	0.36	0.61	0.47	40.8
Uttar Pradesh	0.48	0.62	0.07	0.58	0.66	0.41	40.8
Chattisgarh	0.24	0.69	0.22	0.64	0.70	0.48	42.5
Madhya Pradesh	0.25	0.65	0.31	0.57	0.67	0.52	42.4
Jharkhand	0.55	0.73	0.42	0.63	0.76	0.55	43.7
Bihar	0.65	0.74	0.04	0.70	0.79	0.57	39.0
India	0.29	0.49	0.12	0.4	0.52	0.38	41.3

poor Gender Inequality Index (GII), apart from the overall poor Human Development Index (HDI). India got the rank of 132 amidst of all countries. All the countries in the region of South Asia were ranked higher on Gender Inequality Index. China was also ranked very high on Gender Inequality Index. This Gender Inequality Index measures the inequality in terms of achievements between males and females in three main aspects namely, labour market, reproductive health and empowerment.

The State wise GII in India with improved methodology has not been calculated by UNDP or any other organization so far. However, the Ministry of Women and Child Development (2009) calculated the GDI using old methodology for 1996 and 2006 for 35 states/UTs. The all India GDI for 2006 was 0.590 compared to 0.514 in 1996. The HDI for the same years was 0.605 and 0.530, respectively, as calculated by MWCD (Table 13.7). This shows that the loss in HDI on account of gender inequalities (which is the difference between HDI and GDI) has decreased

Table 13.7 - GDI for States and India

States/Uts	GDI Score 2006	2006 Rank	GDI Score 1996	1996 Rank	Difference
Chandigarh	0.763	1	0.706	2	1
Kerala	0.745	2	0.721	1	-1
Maharashtra	0.677	3	0.616	3	0
Himachal Pradesh	0.664	4	0.585	5	1
Punjab	0.663	5	0.605	4	-1
Tamil Nadu	0.655	6	0.576	6	0
Uttarakhand	0.647	7	0.457	13	6
Haryana	0.632	8	0.555	8	0
Gujarat	0.624	9	0.559	7	-2
West Bengal	0.622	10	0.553	9	-1
Karnataka	0.611	11	0.545	10	-1
Assam	0.585	12	0.523	11	-1
Andhra Pradesh	0.574	13	0.509	12	-1
Jharkhand	0.558	14	0.404	19	5
Chhattisgarh	0.542	15	0.434	16	1
Rajasthan	0.526	16	0.448	14	-2
Orissa	0.524	17	0.445	15	-2
Madhya Pradesh	0.516	18	0.417	18	0
Uttar Pradesh	0.509	19	0.429	17	-2
Bihar	0.479	20	0.399	20	0
All India	0.590		0.514		

Source: Ministry of Women and Child Development, GOI, 2009.

over the decade, albeit only marginally. The GDI for Karnataka was 0.611 in 2006 compared to 0.545 in 1996. Karnataka GDI has gained 0.066 points during 2006 and the GDI score is higher than all-India GDI.

Within Karnataka, the variations for GDI among districts are high. Nevertheless, all districts reported positive change in GDI between 1991 and 2001. Four districts where HDR was prepared on a pilot basis in 2010 also showed that this increasing trend is being continued (Table 13.8). As expected, north eastern districts have the lowest ranks. However, the district HDRs indicates that even among northeastern districts, it is not necessarily the same factor that acts as the real pull factor. While in case of Bijapur income

index is very low, the education index is the real pull factor in Gulbarga. This strengthens the argument for district specific analysis, planning and interventions, and District HDRs can play an important role in providing a base for the same. Although a large number of gender issues cut across different economic and social classes, it is important to look at certain section of women who are more vulnerable than others separately. The HDR 2005 for Karnataka provides GDI estimates for SC (value: 0.564) and ST (value: 0.527) groups for the year 2004. These are much lower than that for the whole of Karnataka GDI estimate for 2001 (value: 0.637). This also establishes the need for understanding various social groups separately.

Table 13.8 - GDI in Karnataka districts: 1991, 2001 and 2008 (four districts)

Sl. No	District	GDI 1991		GDI 2001		GDI 2008
		Value	Rank	Value	Rank	Value
1	Bagalkot	0.483	21	0.571	23	
2	Bangalore Rural	0.524	12	0.640	6	
3	Bangalore Urban	0.592	4	0.731	1	
4	Belgaum	0.525	11	0.635	9	
5	Bellary	0.499	17	0.606	17	
6	Bidar	0.477	23	0.572	22	
7	Bijapur	0.486	20	0.573	21	0.619
8	Chamarajnagar	0.472	24	0.557	25	
9	Chikmagalur	0.550	6	0.636	8	
10	Chitradurga	0.514	13	0.618	14	
11	Dakshina Kannada	0.645	1	0.714	2	
12	Davangere	0.530	9	0.621	13	
13	Dharwad	0.531	8	0.626	11	
14	Gadag	0.502	16	0.625	12	
15	Gulbarga	0.432	25	0.543	26	0.573
16	Hassan	0.507	14	0.630	10	
17	Haveri	0.480	22	0.596	19	
18	Kodagu	0.617	3	0.690	4	
19	Kolar	0.505	15	0.613	16	
20	Koppal	0.428	26	0.561	24	
21	Mandya	0.491	19	0.593	20	
22	Mysore	0.496	18	0.605	18	0.666
23	Raichur	0.422	27	0.530	27	
24	Shimoga	0.572	5	0.661	5	
25	Tumkur	0.528	10	0.618	15	
26	Udupi	0.644	2	0.704	3	0.747
27	Uttara Kannada	0.548	7	0.639	7	
	Karnataka	0.525		0.637		

Source: Human development Report Karnataka 2005 for 1991 and 2001;
District Human development Reports for 2008.

The Gender Inequality Index (GII) reflects gender-based disadvantages in three dimensions—reproductive health, empowerment and the labour market—for as many countries as data of reasonable quality allow. The index shows the loss in potential human development due to inequality between female and male achievements in these dimensions. It varies between 0, where women and men fare equally, and 1, where either gender fares as poorly as possible in all measured dimensions. It is computed using the association-sensitive inequality measure suggested by Seth (2009). The index is based on the general mean of general means of different orders - the first aggregation is by the geometric mean across dimensions; these means, calculated separately for women and men, are then aggregated using a harmonic mean across genders. The UN Human Development Report 2013 was released in March 2013, according to which India has poor GII, apart from the overall poor HDI. India's rank as far as GII is concerned is 132 among all the countries. The State wise GII has not yet been attempted by UNDP or any other organization.

13.1.4 Engendering 12th Plan Approach Papers

Karnataka is also one of the first states to initiate a process of engendering the 12th Five Year Plan Approach papers. The state invited a group of economists working on gender issues to review the approach papers in respective areas and organized a one-day workshop to discuss the same. The workshop provided the opportunity to raise certain important issues. Some of the main points that emerged in the discussion included -

Education - The focus is largely only on the issue of gender parity – aspects that ensure quantitative equality between boys and girls. This leaves the critical aspect of substantive equality in education (subject choice, equality of opportunities and participation, etc.), and through education (use of education to question gender stereotypes, counter household and societal socialization). Education has tremendous potential to address the issues of gender equality which the state should try to work on through appropriate policies and programmes.

Health - Most health indicators for women are associated only with fertility and motherhood,

thereby reducing women to just having a womb. This needs to change significantly through recognition of indicators of general health of women, and through impact of various development processes/policies on women's health. The state can take a lead in developing these indicators and bring a change in perspective nationwide.

Poverty, income and livelihood - A strong plea was made to individualize the poverty indices was made. When household is taken as a unit for measuring poverty forming the base for a number of poverty elimination programmes, it hides the fact that women within a particular household could be poorer than others. Once this is recognized and recorded, it could mean redefining and re-strategizing a number of existing policies/programme interventions. In this context, the lack of focus on empowerment even in the projects / policies that are meant for women was also raised. For instance, it was pointed out that though women have played a major role in making micro finance initiatives work but that has not led to real change in their control over resources. Land ownership issue was also raised as an important mode for changing the unequal gender positioning in both rural and urban areas.

13.1.5 New Initiatives of Planning Department, GoK in Human Development - An Overview

Karnataka brought out two State Human Development Reports in the past, 1999 and 2005. Karnataka state successfully implemented the project of Strengthening State Plans for Human Development (SSPHD) up to end of 2009. As part of the project activity, 4 pilot districts (Bijapur, Gulbarga, Mysore and Udupi) were taken up for preparation of District Human Development Report in the first phase on a pilot basis which were released in the year 2010 (i.e. January 2010) adopting UNDP methodology on the lines of 2nd Karnataka Human Development Report 2005. The district Human Development report of Udupi got the first ever all India Manav Vikas Award in 2012 for focus on measurement and that of Bijapur reached the finals. After Lapse of nine years, Planning Department, Government of Karnataka has initiated plans to bring out State Human Development Report (SHDR) and District Human Development Report (DHDR) for all the 30 districts in the State by second half of 2014.

The rationale for the preparation of District and State Human Development reports are as follows -

- Identification of barriers to development and concentrate on resources to break them.
- DHDRs exercise can ensure the fulfillment of our Constitution's emphasis on the need for securing equity and equality not only among individuals but also among groups of people in different areas.
- The introduction of micro level planning and PRI system and the 73rd and 74th Constitutional amendments mandate the preparation of district level plans.
- To capture the variations in the status of human development at the district and sub-district level
- To enable the Government to take holistic view of the State's development outside the normal governmental functioning
- To integrate human development objectives such as larger fund flow to low HD regions in policy formulation
- To have focus on local issues
- To assess impact of policy formulation at the district and below district levels from a human development perspective
- To assess the strengths and weaknesses of the existing departmental policies
- To formulate Special Development Plan(SDP) and Comprehensive Composite Development Index
- To develop awareness among the districts about the Millennium Development Goals
- To identify sub district level, gender, rural-urban and social groups disaggregation
- To enable efficiency in delivery system
- To design a road map of development for the districts.

Capacity Building

- A Guide line was prepared by the Planning Department to provide capacity building to the officers and lead agencies
- Four Day Basic Training Programmes were held between November, 2012 and July, 2013 at ATI, Mysore, DTI, Shimoga and UAS, Dharwad for

over 650 participants in 16 batches involving CEOs of ZPs, Members of District Core Committee, Representatives of Lead Agencies and Officers of Urban Local Bodies (ULBs). The Basic Training Programme was organized to sensitize participants on the concepts of Human Development, rationale for preparation of DHDRs, collection and validation of data from various sources, Small Area Studies, Study of Dalit Development Index and Chapter Plan for the DHD Report etc.

- Three Day Technical Training Programmes were held during July, 2013 at ATI, Mysore for over 125 participants in four batches involving Representatives of Lead Agencies, Chief Planning Officers of Zilla Panchayats and District Statistical Officers on validation and analysis of data, computation of various Indices and the need to adhere to timeline. In all over 700 persons involved in the preparation of DHDR were trained.

Main Features of the Proposed DHDRs

DHDRs will not only present a status report; they will also focus on taluk level human developmental issues that enhance the quality of life. Accordingly, a modified methodology has been proposed to be adopted for all DHDRs from the viewpoint of indicators as well as the data availability, and keeping in view the basic three dimensions of Human Development, namely Health, Education and Standard of Living. Thus, the main features of the DHDRs proposed are as follows -

- (i) The DHDR will present indices on various Human Development issues, namely-
 - a. Human Development Index (HDI),
 - b. Gender Inequality Index (GII),
 - c. Child Development Index (CDI),
 - d. Food Security Index (FSI),
 - e. Composite Taluk Development Index (CTDI).
 - f. Composite Dalit Development Index (CDDI) and
 - g. Urban Development Index (UDI)
- (ii) The proposed DHDR will discuss methodologies for estimating HDI and GII using proxy

indicators. For HDI and GII, improved methodologies suggested in the 2010 Human Development Report of the UNDP are adopted. It measures the Taluk wise position in respect each of these indices.

- (iii) In addition, methodologies for estimating CDI, FSI, UDI, CDDI and CTDI have been suggested. The DHDR in every district will discuss uniform set of indicators with standardised definitions and sources.
- (iv) The report will also present templates showing the index value for each taluk and district for various indices that have been computed. This helps in understanding the relative position of the taluks and districts with that of others.
- (v) The CDDI will be a case study, based on secondary and primary data. Data will be collected on the basis of perception of respondents belonging to Dalits (Scheduled Castes). One Gram Panchayat in each district, with not less than 25 SC households will be selected for the case study.
- (vi) The DHDR will provide a methodology for drawing radar scale using proxy indicators on education, health, living standard etc. reflecting the status of human development, through construction of sector-wise and Taluk-wise, radar scale. This method consists of two parts; the first part will reflect sectoral achievements while the second part will show the Taluk-wise position. In both the cases, the physical distance from the accepted norm will be measured.
- (vii) The report will also present district specific issues through appropriate micro or small area studies.

3.2 EDUCATION

The positive externalities of Education make it a public good, and therefore it needs to be supplied by the State as markets cannot provide it to the socially optimal levels. The human development paradigm recognizes the role of education in the expansion of choices for well being, security and comfort. Therefore, the right to education is recognized as one of the fundamental human rights and, the drive towards universal elementary education aims at ensuring its delivery. Karnataka State is a fast growing economy and this growth is largely based on the knowledge base of the society. The State has embarked on significant reforms in the education sector with increased public investment to ensure access, equity and quality in education, with community involvement.

13.2.1 Literacy in Karnataka

A review of growth of literacy during the 2001 – 2011 decade shows that Karnataka has achieved significant progress. The literacy rate in the State as per 2001 Census was 66.64%, which increased to 75.60% in 2011 (Table 13.9)

Urban male literacy rate in the State has crossed 90%. In contrast, however, rural female literacy rate in the State is yet to cross 60%. The literacy rank of the State was 9th among 16 major States (States with a population of more than 100 lakh) during 2001. It maintained this position even in 2011. The overall gain in literacy in the State during the decadal period was 9%. The performance of the State is slightly higher than that of the national average on every literacy rate parameter. Some districts with a lower

Table 13.9- Literacy rates in Karnataka and India

	Karnataka	India	Karnataka (Rural)	Karnataka (Urban)
Persons	75.60	74.04	68.86	86.21
Males	82.85	82.14	77.92	90.54
Females	68.13	65.46	59.60	81.71

Source: 2011 Census

base rate in 2001, including Gulbarga (undivided), Bangalore Rural, Bagalkot, Raichur, Kolar, Chamarajanagar, Bijapur and Bidar have crossed the State average growth rate. This is on account of the fact that literacy programmes implemented by the Department of Mass Education were concentrated in backward districts/regions of the State.

The 11th Plan had set a national target of 85% literacy rate by 2012. Only three districts in the State viz. Dakshina Kannada, Bangalore City and Udupi have reached/crossed this target. There is a decline in the absolute number of illiterate persons in the State from 152.33 lakh in a population of 528.51 lakh to 132.46 lakh in a population of 611.31 lakh. The decline is 19.88 lakh illiterate persons while the increase in population is 82.80 lakh. There is however, a net increase in number of illiterate persons in Bangalore Urban district. This increase may be on account of in-migration of unskilled, illiterate labour triggered by the fast growth of real estate business. Literacy is a proxy for development awareness and involvement. In this sense, the State is in a better position in 2011 than it was in 2001. However, as seen in Table 13.1 rural female literacy is 59.60% with significant inter-

district variations. Low female literacy is a proxy for low women's status unemployment/underemployment, poverty levels and low wages. Development programmes of the Government such as MGNREGA need to focus on the districts with low women's literacy rates.

13.2.2 Status of School Education

School education in Karnataka is imparted through Lower Primary Schools (LPS, Class I to V), Higher Primary Schools (HPS, Class I to VII/VIII) and High Schools (VIII to X). These schools fall under three categories based on type of management, namely (i) Government schools managed by the Departments of Education, Social Welfare and local self-governments (ii) Government aided schools and (iii) Private unaided schools. There are also a few 'other' schools consisting of assorted categories. There are 25,950 Lower Primary, 34,086 Higher Primary and 14,194 High Schools (2012-13) in the State (Table 13.10)

The Education Department participation in elementary education is significant as 85.18 %

Table 13.10- Schools by Management in Karnataka (2012-13)

Category	Lower Primary Schools		Upper Primary Schools		Elementary Schools		Secondary Schools		Total (Elementary + Secondary)	
	No.	%	No.	%	No.	%	No.	%	No.	%
Education Department	22105	85.18	22567	66.21	44672	74.41	4442	31.29	49114	66.16
Social Welfare + Local body	135	0.52	576	1.69	711	1.18	546	3.85	1257	1.69
Aided	222	0.86	2586	7.59	2808	4.68	3547	24.99	6355	8.56
Un-Aided	3486	13.43	8259	24.23	11745	19.56	5570	39.24	17315	23.33
Others + Central	2	0.01	98	0.29	100	0.17	89	0.63	189	0.25
Total	25950	100.00	34086	100.00	60036	100.00	14194	100.00	74230	100.00

Source : DISE 2012-13

of the lower and 66.21% higher primary schools are managed by the Department of Education. But Education Department participation is low in secondary education as only 31.29 % of the high schools are managed by Government. Government schools are mainly located in rural areas, but private schools are largely urban based.

Elementary Education

Article 21 A of the Constitution of India and the Right of Children to Free and Compulsory Elementary Education (RTE) Act 2009 became operative in April 2010. The State Rules under the RTE Act were notified in 2011. These developments have thrown open fresh opportunities for quality schooling for children.

a) Access: There has been significant progress in improving access to schools in the State. The State has the policy to start a new primary school within one km in habitations where the population is more than 100 and child population is more than 10. HPS is provided within 3 Km radius and High Schools in 5 Kms radius. Feeder schools or transportation facilities are provided in small and sparsely

populated habitations. All habitations with a population of 100 and above now have access to a primary school within a distance of one kilometer. HPS are being upgraded to include class 8, wherever there are no High Schools within 3 Kms. A total of 7817 HPS has been upgraded so far. The increase in access facilities over the years are given in Figure 13.1

Institutions: There are 60036 Elementary schools in the State, of which 25950 are LPS, 34086 are HPS and during 2012-13. In 2011-12, the State had 25951 lower primary, 33604 higher primary. The number of HPS has increased by 482 between 2011-12 and 2012-13. There are 13862 high schools in the State during 2011-12 which is increased to 332 during 2012-13 (Table 13.11a).

It is noted that there is a decrease of 694 schools in the number of lower primary schools during the period 2008-09 to 2012-13. This decrease is not a natural but a notional decrease, as the lower primary schools get upgraded as higher primary schools every year. In contrast, there is an observed increase of 3210 higher primary and 2810 high schools in the State.

Figure 13.1: Increase in Access over the years

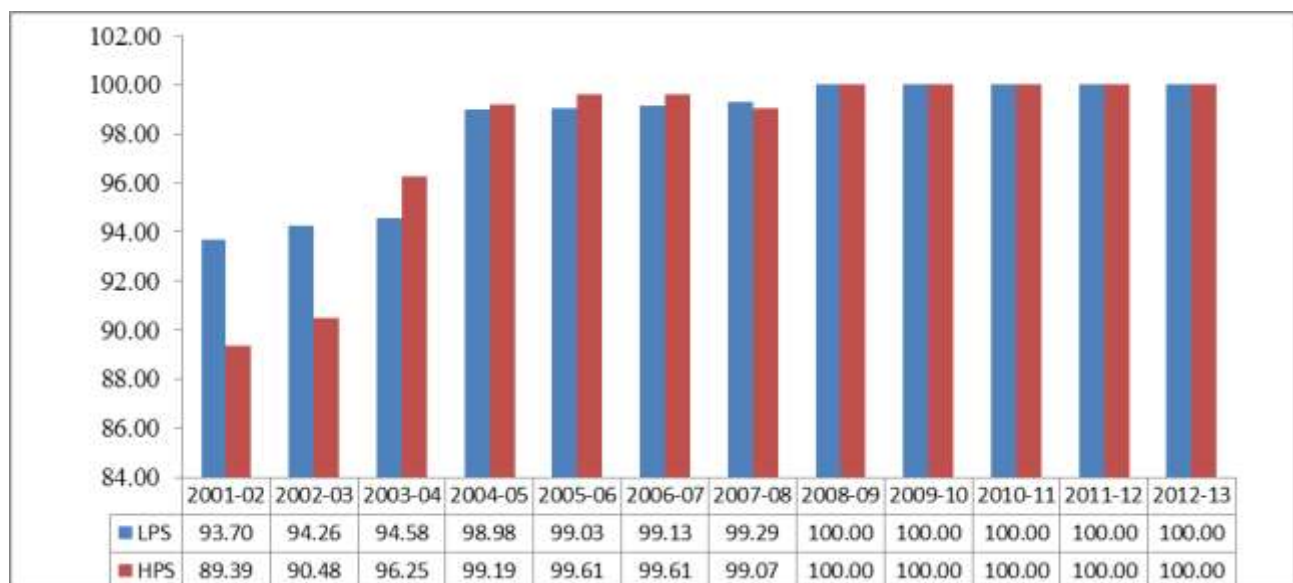


Table 13.11a - Schools in Karnataka

Schools /Enrolments(All School)	2008-09	2009-10	2010-11	2011-12	2012-13
Lower Primary School (Number)	26644	26254	26302	25951	25950
Higher Primary School(Number)	30876	32041	33126	33604	34086
Secondary School(Number)	11384	12020	12904	13862	14194

c) Enrolments

(i) Trends - Enrolments during 2012-13 in primary (Class I to V) and in upper primary (Class VI to VIII) stage is estimated to be 53.78 lakh and 30.17 lakh respectively (Table 13.11b). Over the years the enrolment has decreased marginally in the primary stage due to decline in the growth rate of population, and consequent decline in school going age group. The State is making continued efforts for successful completion of schooling at class V, and increasing retention at upper primary stage. Both gender parity and gender equity are nearing unity in the State. The

number of SC/ST children in Class I to VII in the State is 2023486. Further, it is significant to note that 82.13 per cent SC / ST children in the State are in Government schools, and their share in total enrolments is 27.07%. Likewise, it is noted that nearly 72.70% of children in schools in rural areas are in the government sector. The detailed enrolment statistics for gender and social group are given in Appendix 13.1 and 13.2.

Gender Parity in enrolment at Primary and Upper Primary are 1.01 and 0.99 in Government Aided schools. Gender Parity is counted as number of boys

Table 13.11b - Schools and Enrolments in Karnataka (in Nos)

Enrolments (All types of Schools)	2008-09	2009-10	2010-11	2011-12	2012-13
Enrolments classes I to V					
Total (in lakh)	55.42	54.60	54.15	54.14	53.78
Boys (in lakh)	28.60	28.20	28.02	28.06	27.90
Girls (in lakh)	26.82	26.40	26.13	26.07	25.88
Enrolments classes VI to VIII					
Total (in lakh)	20.28	19.97	20.11	20.75	30.17
Boys (in lakh)	10.48	10.33	10.37	10.72	15.68
Girls (in lakh)	9.80	9.64	9.73	10.03	14.49
Enrolments IX to X					
Total (in lakh)	25.22	25.78	26.04	26.07	16.67
Boys (in lakh)	13.13	13.42	13.51	13.55	8.64
Girls (in lakh)	12.08	12.36	12.54	12.52	8.03
Enrolment Total 1 to 10	100.92	100.35	100.29	100.97	100.62
Boys (in lakh)	52.20	51.95	51.90	52.34	52.22
Girls (in lakh)	48.71	48.40	48.40	48.63	48.40
Total Schools in State [1 to 10]	69273	70748	72875	73417	74230

and number of girls in school for every 100 boys and girls in population of respective age-groups, taken as a ratio of each other. Enrolments in the State in 1 to 10 standards have marginally increased from a figure of 100.92 lakh in 2008-09 to 100.97 lakh in 2011-12. This increase is due to gains at higher primary and high school stages. Decrease at LPS is due to fertility effects. This phenomenon is true in general as well as in case of boys and girls.

(ii) Gross Enrolment and Net Enrolment Ratios (GER & NER)

GER and NER lower primary are 106.81 and 97.69 respectively. At higher primary stage the GER and NER is 105.66 and 94.83 respectively (Table 13.12). Changes in GER and NER across the years are marginal.

d) Drop-out Rates

Sarva Shiksha Abhiyan (SSA) had identified 51994 (7 to 14 years) out-of-school children. Most of the out-of-school children were in seven districts of the North Eastern region, namely Bijapur, Bidar, Yadgir, Gulbarga, Koppal, Bangalore North and Bangalore South their summated share being 30,382 children or nearly 70% of the total out-of-school children in the State (Source: Annual Report, SSA 2012-13). The RTE Act specifies that out-of-school children should be mainstreamed in regular schools. Every out-of-school child is expected to be enrolled in a nearby

school and provided Special Training. Progress of the child is periodically assessed on a learning ladder on the basis of which, the child is admitted to an age-appropriate class. Three primers that are harmonized with the State school syllabus are used for the purpose. A gestation time of 3 to 24 months is provided for the purpose. Drop-out rates have steadily declined over the years. The dropout rate has increased from 1.19% in LPS and 4.35% in HPS (during 2011-12) to 2.56% and 5.40% (during 2012-13) respectively. (Table 13.13)

e) Household Survey/out of School Children

In order to identify the educational status of all school-going age children in the age group of 7 to 14 years, a comprehensive child census programme was conducted during January 2013. Out of the 83,95,589 Children in the age group of 7 to 14 years in the State, there were 51994 children who remained out of school throughout the State. This figure includes 47664 children who dropped out during different stages of primary school and 4330 who were never enrolled at all. The details are given in Figure 13.2

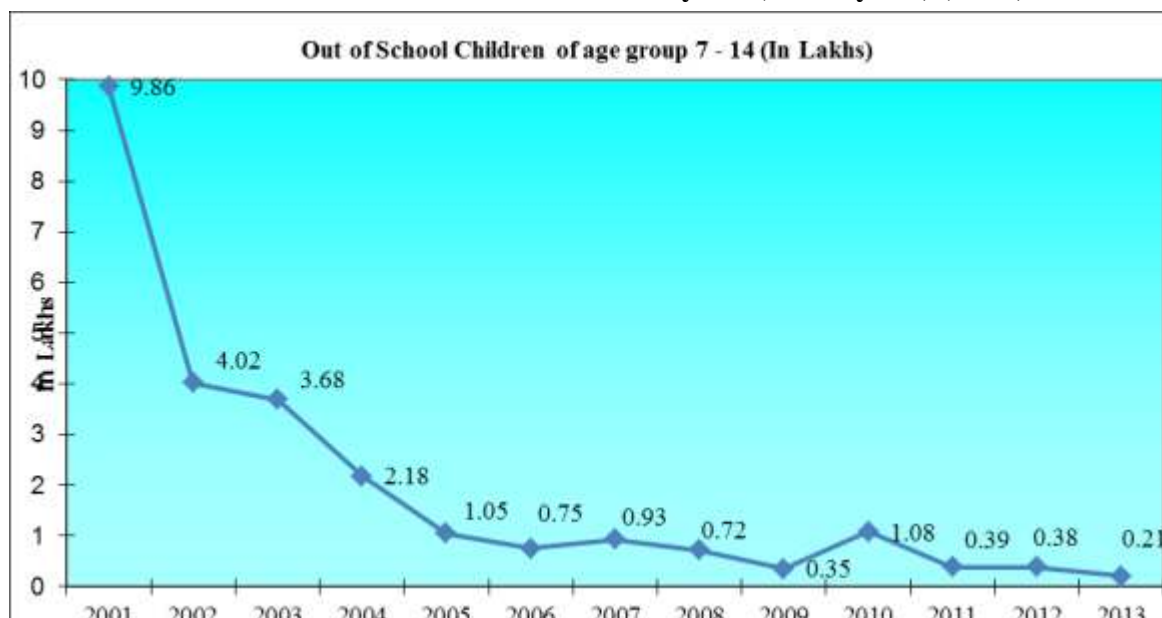
It is observed that enrolments in the State are increasing. The number of never-enrolled children is quite low as compared to drop-out children. The number of OOSC as per the child census collected during 2001- January 2013 is given in Table 13.14. It showed a decreasing trend over the years. The

Table 13.12: GER and NER at Lower Primary, Upper Primary and Secondary Stages (in %)

Year	Primary level		Upper primary level		Secondary Level	
	GER	NER	GER	NER	GER	NER
2004-05	109.00	97.81	117.00	98.11	-	-
2005-06	121.83	97.51	103.04	98.75	-	-
2006-07	108.28	98.43	107.25	98.52	62.00	-
2007-08	110.93	96.1	107.53	95.61	65.00	-
2008-09	107.15	97.33	107.48	98.09	69.77	39.03
2009-10	106.53	95.21	103.10	95.15	75.29	45.07
2010-11	107.53	98.86	103.92	93.57	81.42	58.47
2011-12	107.46	99.21	105.16	96.95	85.65	65.76
2012-13	106.81	97.69	105.66	94.83	84.54	69.30

Table 13.13: Drop-out Rates in Lower Primary and Higher Primary Stages (2012-13) (in %)

Stage	All children	All (Boys)	All (Girls)	SC (All)	SC (Boys)	SC (Girls)	ST (All)	ST (Boys)	ST (Girls)
Lower Primary	2.56	2.33	2.81	2.62	2.30	2.97	8.79	8.66	8.93
Higher Primary	5.40	5.16	5.66	6.31	5.77	6.92	12.72	12.18	13.32

Figure 13.2: Reduction in Out of School Children over the years (7 to 14 years) (lakhs)

Note: (i) Figures for 2001 to 2004 correspond to 6 to 14 years age-group (ii) Figures for 2005, 2006, 2007, 2008 January, 2008 December and January 2011 correspond to 7 to 14 years age-group.

Table 13.14 - OOSC Annual Work Plan & Budget Target different strategies - 2012-13

Mainstreamed through various strategies	
a.	12 months non-residential :, 1514 children
b.	Chinnara Angala RST- 4291, NRST-5824, Madarasas : 12418 children from 323 madarasas, 213 adopted formal curriculum, Transportation Rs.300/- per children
c.	12 months Residential : 205 centres 5844 children covered
d.	6 months seasonal Hostel 44 centres 3810 children covered
e.	Tent School – 46 centres 1589 children covered
f.	Special Enrolment Drive – 4987 children covered.
g.	NCLP – 20 centres – 895 children covered.
h.	KGBV – 1275 OOSC girls covered.

children of 6+ and below 7 years were mainstreamed during the enrolment drive conducted in June 2010 (Figure 13.2 and Table 13.14).

f) Infrastructure

(i) Pancha Saulabhya and Other Basic Facilities under Sarva Shiksha Abhiyan (SSA)

Under the national flagship programme of SSA for universalizing elementary education, the State has accorded special significance for the provision of infrastructure facilities such as school buildings, additional classrooms, maintenance and repairs of school buildings. The State has made efforts to comply with the basic infrastructure mandated under the RTE Act, comprising barrier free access to schools, adequate classrooms, separate toilets for boys and girls, playgrounds, library, compound walls/fencing, drinking water, kitchen sheds, etc.. The State government has identified five facilities as most essential for schools. These are drinking water, toilets, playgrounds, compound wall and the school building (Pancha Soulabhya). The State has made significant progress in this regard as shown in Table 13.15 and Table 13.16. It is observed that there is considerable progress in regard to provision of girls' toilets.

(ii) School Buildings and Classrooms

Out of 60,036 elementary schools in the State, 44,672 belong to the DoE. About 43921 of schools of the Department possess own buildings (Table 13.17). The remaining 11.59% include those operating in rent free or rented building and schools without any building facility. In 2012-13, there were 203950 classrooms (1,88,941 in 2008-09) in 60,036 elementary schools indicating an increase of 15009 classrooms in about three years. 71.43% of classrooms are in good condition. 16.22% classrooms need minor repairs, while 16.99% of classrooms require major repairs. Out of a total of 14194 secondary schools in the State, 4442 belong to the DoE. About 87.21% of schools of the Department possess own buildings (Table 13.18).

(g) Teachers

A total of 207407 teachers of the sanctioned 184030 teachers (88.73%) are working in the LPSs and HPSs under the State Government (2012-13). In addition, 21160 teachers out of the sanctioned 17150 teachers are working in aided schools at the elementary stage 50.07% of the teachers in Government schools at the elementary stage are female teachers. Teacher-Pupil

Table 13.15: Infrastructure Provision in Elementary Schools of the State (in %)

Years	Boys Toilet	Girls Toilet	Electricity	Play Ground	Ramps	Compound	Drinking Water	Library
2009-10	88.01	64.66	87.55	52.05	64.62	59.59	88.12	86.97
2010-11	91.97	74.26	91.89	54.41	72.95	66.61	93.59	91.86
% Increase / Decrease	4.50	14.85	4.96	4.53	12.89	11.78	6.21	5.62
2011-12	97.91	98.81	95.49	54.34	78.27	69.21	99.55	98.66
% Increase / Decrease	6.46	33.06	3.92	-0.12	7.30	3.90	6.37	7.40
2012-13	99.72	99.90	99.56	55.74	79.83	73.48	99.92	99.35
% Increase / Decrease	1.82	1.10	4.06	1.44	1.53	4.28	0.32	0.65

Source: Education in Karnataka 2012-13. An Analytical Report, SSA, GoK, Dept. of Public Instruction.

Table 13.16 - Infrastructure Provision in High Schools of the State (in %)

Years	Boys Toilet	Girls Toilet	Electricity	Play Ground	Ramps	Compound	Drinking Water	Library
2009-10	65.91	66.12	64.56	73.44	17.54	51.9	79.13	87.52
2010-11	69.47	68.09	73.49	74.75	24.99	58.16	86.77	92.94
% Increase / Decrease	3.56	1.97	8.93	1.31	7.45	6.26	7.64	5.42
2011-12	88.87	93.01	82.69	75.01	38.18	62.02	97.86	94.05
% Increase / Decrease	19.4	24.92	9.2	0.26	13.19	3.86	11.09	1.11
2012-13	99.30	99.59	92.32	76.65	40.05	63.94	99.32	96.49
% Increase / Decrease	10.43	6.58	9.63	1.64	1.87	1.92	1.46	2.44

Table 13.17: Classification of Elementary Schools by type of ownership of buildings – Education Department Schools only

Category	Govt. Building	Rented	Rent Free	No Building	Others	Total
Secondary Schools	43921	271	365	03	112	44672
Percentage to Total Schools	98.32	0.61	0.82	0.01	0.25	100.00

Table 13.18 - Classification of Secondary Schools by type of ownership of buildings – Education Department Schools only

Category	Govt. Building	Rented	Rent Free	No Building	Others	Total
Secondary Schools	3874	16	458	23	71	4442
Percentage to Total Schools	87.21	0.36	10.31	0.52	1.60	100.00

ratio is satisfactory in Government schools, the average PTR being 1:23.37 at the elementary stage. However, variations are seen across districts, blocks and at school levels. The State has adopted a policy to rationalize teacher deployment to correct such imbalances. PTR in private aided and unaided schools is comparatively high at 1:43 and 1:30.77 respectively (Table 13.19).

13.2.3 Quality Improvement Initiatives

Elementary Education: Quality Initiatives are classified based on their focus on distinct stakeholders groups: Schools, Students, Teachers, Community and Administration. Programmes under these initiatives serve more than one stakeholder groups simultaneously.

(i) School-based initiatives

(a) Infrastructure: Provision of infrastructure facilities and adequate classrooms is the basic strategy for quality schooling. In addition, every school is given the following grants: School Grant and Maintenance Grant. They are directly transferred

from the district educational office to individual schools and jointly operated by the President of the School Development and Monitoring Committee (SDMC) and the Head Teacher. The School Grant is used for procurement of charts, maps, specimens, newspapers, consumable chemicals, chalk and other sundry items. Maintenance Grant is used for paying electricity, water bills, white-washing, hygienic maintenance of school and similar heads. Major repairs grants are given on the basis of evidence-based demands. An update of the grants given during 2012-13 is shown in Tables 13.20 and 13.21.

(b) Teaching Learning Equipment Grants

All new schools and schools upgraded from class VII to VIII are given Rs.20000/- and Rs.50000/- respectively. 2282 elementary schools were covered in 2012-13. This grant is used for laboratory/library/furniture and other essential items. Computer units at the rate of 5 computers per school were given to 602 higher primary schools during 2012-13, along with other accessories, UPS units and AMC facilities. By 2011-12, 3699 HPS have been covered which

Table 13.19- Teachers in various types of schools (2012-13)

Teachers (Working)	Education Dept.	SW + LB	Aided	Unaided	Others	Total
Elementary level	181423	2607	17150	82217	999	284396
PTR	23.37	34.75	43.00	30.77	43.34	19.73
High Schools	36775	2479	28285	33982	715	102236

Source: Education in Karnataka, 2012-13. An Analytical Report, SSA, GoK, Dept. of Public Instruction.

Table 13.20- School Grants (2012-13)

Level	Physical	Financial (Rs.in Lakh)	Achievement %
Primary	47705	2385.250	99.25
Upper Primary	25517	1786.190	99.35
Total Elementary	73222	4171.440	99.29
Secondary schools	4442	2221.00	100.00

Note: Rs. 5000 is given to LP and Rs.7000 is given to UP Govt. and aided schools

Table 13.21- School Maintenance Grant (2012-13)

	Physical	Financial (Rs. in lakhs)	Achievement %
Primary / Upper Primary Schools	67460	5043.425	100
Secondary schools	3198	799.50	100

Note: Only Government schools with own buildings are provided Maintenance Grant.

account for 19% of the total government HPS. Allocation per school is Rs.3,00,000 which includes hardware, software (content-enrichment DVDs) and training of teachers.

(c) Nali-Kali (Joyful Learning)

All the 45,476 schools in the State have adopted Nali-Kali method of learning-teaching. At a rate of two teachers per school, more than 90,000 teachers have been trained to engage Nali-Kali classes. Heads of all the schools have also been trained. Nali-Kali kits that include learning cards have been supplied to all schools. Nali-Kali toll-free helpline has been set up in all district offices. Other programmes which reach the schools are EDUSAT (in Chamarajanagar, Gulbarga, Bangalore Rural and Ramanagaram districts), as well as the Radio lessons programmes that are integrated with school syllabus and daily time-table. Classes 1 to 2, 3 to 5 and 6 to 8, receive. Chinnara Chukki, Chukki Chinna and Keli-Kali programmes respectively. 921 higher primary schools are treated as nodal schools for organizing activities and providing leadership to neighbouring HPS for the benefit of education of girls in 62 Educationally Backward Blocks (EBB). These schools are treated as Model Cluster Schools (MCS) under the National Programme for Education of Girls at Elementary level (NPEGEL).

(d) Library development in each school was a major initiative of 2010-11. Every LPS was provided Rs.3000 while every HPS was provided Rs.10,000/-. Districts which had reached saturation in civil works were eligible. 14534 schools were provided Library grant in 2012-13.

(e) Kasturba Gandhi Balika Vidyalayas 71 KGBVs have been set up in backward blocks of the State for the benefit of drop-out, disadvantaged, nearly destitute girls. They are all residential since 2010-11. 7892 girls are enrolled and studying in KGBVs as on March, 2013.

(f) Supplementary Material - The schools also receive a monthly newsmagazine known as 'Shikshana Vaarthe'. A flannel board for every standard is also supplied to every school for displaying the creative works of children.

ii. Student-based Initiatives

a. Rights-based Planning

There are several initiatives that address the variety and diversity of needs of more than 100 lakh children in the school system in the State. With regard to nearly 84 lakh children in classes 1 to 8, the whole perspective of planning has metamorphosed as a result of relocation of elementary education from its earlier position as a Directive Principle under Article 45 of the Constitution to a new position as a Fundamental Right under Article 21A. The substantive change has been from an incremental planning of the 1990s, through a need-based planning of the first decade of the 21st century to a fresh perspective of rights-based planning. Although the parameters of basic programmes have not changed much, the way they are looked at and planned has changed. For instance, the Government of India, in partnership with the States has been providing eight basic facilities under SSA. District planning for these facilities was based on demand and capacity of the State in India. After the adoption of Article 21A, these

provisions have become mandatory, and are treated as child entitlements.

b. Other Entitlements

The Model rules of the Government of India, Framework of Implementation of Right to Education Act (RTEA) document, treat other programmes as entitlements. The entitlements include free distribution of textbooks, two sets of uniforms and workbooks. In Karnataka, free textbooks, uniforms Nali-Kali workbooks and mid-day meals are served to all children in Government sector schools and private aided schools (Table 13.22).

c. Children with special Needs (CWSN)

1,47,999 children were identified in the State as Children with Special Needs. 5507 children with severe disabilities are facilitated with home-based education. Others are enrolled in schools and facilitated with aids and equipments after identification of differential needs in medical camps. 1250 children were provided aids and appliances. 2400 children were provided corrective surgery. A few NGOs are involved in implementation of CWSN programmes.

d. SC/ST/Minority Community Children

Chinnara Jilla Darshana is a popular programme in the State, normally for children in class VII. 93720 children were covered in 2012-13 of whom 62490 children were under SC/ST categories. In collaboration with General Thimmaiah Academy 7500 children were exposed to adventurous and nature study experiences in 3-day camps held in December 2012 and February 2013, at Udupi, Ramanagar, Badami, Kondaji and Vani Vikas Sagar, Karwar, Mangalore, Hassan, Mysore, Gulbarga, Hampi & Raichur. 5940 SC&ST, 1560 minority children, 2424 urban deprived children, comprising rag-pickers, street children, beggars, destitutes, orphans, and abandoned migrants, from 9 districts were provided food, shelter and learning exposure. 1845 of these children were mainstreamed in regular schools. Block level seminars for minority children on Science and Technology, hikes and field visits were also organized.

iii. Teacher-based Initiatives

The quality of education is dependent on the quality of teachers. All teachers in Karnataka are qualified and trained as per expected norms. There are no para-

Table 13.22 - Incentives in Primary Schools & Secondary Schools (no. in lakhs)

	2009-10	2010-11	2011-12	2012-13	2013-14
Free Text Books to pupils in primary (I-VII)	55.51	57.19	62.57	42.73	41.89
Free Uniforms to pupils in primary (I-VII)	51.75	46	57.03	54.49	54.43
Free school bags to pupils in primary (I-VII)	12.05	11.58	11.12	6.52	8.80
Free bicycles to class VIII Boys	2.66	2.73	2.72	2.64	2.78
Free bicycles to class VIII Girls	2.66	2.69	2.62	2.65	2.70
No. of children provided with mid-day meal	66.73	66.76	63.02	61.48	61.48

Source: SSA

teachers, contract teachers, and stipendary teachers. Professional development and capacity building of teachers are accorded high priority. The following programmes are specific to teachers -

- ✦ Pre-service training of two years duration (D.Ed.) mandatory for recruitment
- ✦ Induction programme of 30 days duration for all newly recruited teachers
- ✦ 15 days of in-service teacher training for all teachers, of which seven days are at District Institutes of Education and Training (DIETs)/ Block Resources Centres (BRCs) cluster Resource Centres (CRCs), and eight days are earmarked for monthly sharing meeting of all teachers at cluster level.
- ✦ Satellite-based training to teachers
- ✦ Head Teachers' training on school leadership and management
- ✦ An annual grant of Rs.500 for every teacher to develop teaching-learning materials
- ✦ Best teacher awards
- ✦ Exposure visits

a. Teacher Training

228987 teachers working at the elementary level were trained. The Department of State Educational Research and Training (DSERT) is the academic authority of the State and nodal agency for all training. DSERT works through a network of 30 DIETs, 202 BRCs and 4103 CRCs. There are 3 major heads of trainings, excluding ICT-related trainings. In 2012-13 the average number of person days covered for training was 16.6 man days out of a target of 20 man days.

b. Teacher Grants

All teachers in Government and aided schools were given teacher grants of Rs. 500/- each (Table 13.23).

ii. Community-based Initiatives

Community-based management of schools is the ultimate level in decentralization of education. The management of schools by SDMCs is a step in this direction. The shifts have been from participation to involvement and currently, ownership. SDMCs are extension wings of Panchayats. The Civic Amenities Committee (CAC) of the Panchayat oversees the functioning of SDMCs. 260475 members were given three days of non-residential training while. 4118 CAC members were given three days of residential training.

a. Community-Based Initiatives for Minorities

Sensitisation programmes on the need of enrolment, retention, transition and completion of formal education by children of Muslim Community was held during June and November 2010 for fathers, mothers and religious leaders in separate groups. Policy Planning Unit (PPU) is a joint collaboration of GoK and Azim Premji Foundation for promotion of excellence in elementary education. Apart from several ICT as well as leadership development programmes operated by the PPU, an action research project on School Community Connect known as 'Namma Shale', is operated in 3 districts (Gulbarga, Yadgir, Raichur) in 2012-13. Government of Karnataka has partly funded PPU activities.

Table 13.23: Teacher Grant (2012-13) (Rs. in lakhs)

Details	Sanctioned		Expenditure	
	Physical	Financial	Physical	Financial
Teachers grant – primary	48054	240.270	47826	239.129
Teachers grant – upper primary	180933	904.665	177884	889.419
Total	228987	1144.935	225710	1128.548

iii. Administration-based Initiatives

a. SISLEP

The State Institute for School Leadership and Educational Management (SISLEP) was established in Dharwad in 2009-10. SISLEP is essentially an institution for capacity building and professional development of educational administrators in the State. In 2012-13, 161 Managers & Gazetted Assistants were given training in 4 batches for two days. 60 members of DIET, T&M faculties trained for 4 days in CLHRD regarding facilitator's skills. Module regarding leadership issues for Primary School HMs, titled 'Sangathi' was developed for this purpose.

In addition to the community-based initiatives, the PPU conducted Educational Leadership Development Programmes and trained BRCs/CRCs. DSERT/DIETs also conducted several programmes for BRCs/CRCs. There are 606 Inclusive Education Resource Teachers (IERTs) in the Department, who are regular school teachers and function as teacher-administrators for CWSN programmes. They were given training in collaboration with All India Institute of Speech and Hearing (AIISH), Mysore, for identification of children with learning disabilities in regular schools. 90 days foundation Course training in CWSN concerns was arranged for 605 regular teachers at a cost of Rs. 24.20 lakh. Training for identification of multi-category challenges was arranged during 2012-13 for 565 IERTs and special teachers with the association of National Association for the Blind, Manovikasa and Seva-in-action.

b. Multi-Level Monitoring System

The DoE engages in a highly systematized monitoring mechanism. The department's senior

officers, directors and joint directors are allotted districts of the State and, they are expected to act as nodal officers for review, feedback and efficiency monitoring. A similar exercise is adopted in SSA/Rashtriya Madhyamik Shiksha Abhiyan (RMSA) using Project officers for efficiency monitoring. Monthly Monitoring Reviews at all levels is a convention. The DIETs use Attainment Survey results for quality monitoring of schools. A specific tool, QMT, is also used for quality monitoring. DIETs and BRCs also adopt nodal blocks/clusters convention of monitoring schools.

Attainment Survey - Karnataka's work on attainment surveys has a good record. The NCERT's Learner Achievement Surveys and the Karnataka School Quality Assessment Organisation (KSQAO) surveys are well known. The attainments levels of children at class 3/5/7 [completed] were completed under the aegis of SSA. The State-level update is as follows -

Student learning achievement study (BAS): The State has initiated a study on students' learning assessment. The major findings of the study are being disseminated with all senior officers and section officers. The average achievements are given in Table 13.24.

DIETs and Deputy Project Coordinators (DYPCs) are preparing modules for training on monitoring the classroom processes, and to create a child-friendly environment in the classroom. DIETs have conducted various studies to improve learning levels. SSA will conduct learning achievement study for evaluation of the action-taken points. These findings will be compared with QMT data, National Council for Educational Research and Training's (NCERT) achievement test data and other assessments conducted through NGO's. A State-level workshop

Table 13.24 - Average Achievement Levels

Students/Class	III	V	VII	Average
Boys	53.96%	47.15%	47.21%	48.72%
Girls	55.67%	48.55%	49.14%	50.46%
Total	54.65%	47.86%	48.05%	49.49%

for DIET nodal officers on BAS provided indicators and data to prepare block and district analytical reports. Based on these reports, action plans are being prepared for conducting training programmes.

13.2.4 Secondary Education

With significant gains in primary education, the State has set in motion the planning process for universalisation of secondary education to achieve the target of 65% enrolment in 14-18 age-groups in classes 9 to 12. The State is also committed to strengthening the knowledge base of the society to sustain higher rate of economic growth.

a) Institutions/Enrolment/Teachers

The State has a total of 14194 secondary schools of which 4985 schools are run by the DoE, 543 SW and LB schools, 3557 by aided managements, 5576 by private unaided managements and 76 by others. The concentration of the secondary schools in the private unaided sector may be one of the reasons for the low access of children from marginalized groups to higher education 43.89% of girls are enrolled in Govt. schools, and only 24.91% of them study in private unaided schools.

A total of 35087 out of 33982 teachers are working in unaided secondary schools (Table 13.25). The State has set the goal of making secondary education of good quality available, accessible and affordable to all children in the age group of 14 to 16 years.

b) Infrastructure Facilities

In 2012-13, Rs.45.25 lakhs was allocated for construction of school buildings and repairs for

needy high schools in 114 most backward taluks. 398 additional classrooms in high schools provided under SDP schemes. Non-government fees [Sports, Reading Room, TWF, SWF, etc;] was reimbursed to 6.51 lakh SC/ST Boys in Govt. secondary schools at a cost of Rs. 440 lakhs. Class X Examination fee was reimbursed to girls in Government schools at a cost of Rs. 638.94 lakhs. Water and toilet facilities to needy government high schools are provided at a cost of Rs. 1009.40 lakhs. Further, 114 backward talukas of the State receive Rs.1900.27 lakhs for construction of compound and provision of play grounds facility.

c) Rashtriya Madhyamik Shiksha Abhiyan (RMSA)

Under this scheme 305 upper primary schools were upgraded as high schools upto 2012-13. In addition, 1895 schools are provided infrastructure facilities. In 2012-13, a budget of Rs 11273.69 lakhs was approved by the GoI. Provision has been made for Rs 50,000/- per school for maintenance of laboratory, library, classrooms, office and school; Rs. 25,000/- for minor repairs to Government schools with own buildings; minimum of five days in-service teacher training to all Government high school teachers, upgradation of 305 schools with class 8th to 9th & 10th standards; infrastructure and human resource strengthening of existing Government high schools. 74 model high schools, Adarsha Vidyalayas were started in educationally backward blocks (6th to 10th standards) in English medium in 2012-13. Further, 62 girls hostels for 9th & 10th standard girls, with residential facilities for 50 girls of 9th & 10th, have been opened in educationally backward blocks. 9th

Table 13.25 - Schools, Teachers & Enrolment in High Schools (2012-13)

Particulars	Govt.	Aided	Unaided	Others	Total
No. of Schools	4985	3557	5576	76	14194
Enrollment of Boys (VIII to X)	550801	411645	394148	10987	1367581
Enrollment of Girls (VIII to X)	556098	387197	315629	8216	1267140
Total Enrollment	1106899	798842	709777	19203	2634721
No. of Teachers Working	39254	28285	33982	715	102236

standard BAS was sponsored by RMSA and completed by KSQAO. The State level update is given in Table 13.26.

13.2.5 Pre-University Education

Pre-University education is an important milestone between school education and higher education. A separate Pre-University education department has been established in the state to design, plan and implement the whole Pre-University education programme. The Government participation is more in pre-university education (Table 13.27). It is observed that the number of girl students is more in Government Pre-University Colleges. This indicates the need for expansion of these colleges in future to promote girls education. Financial assistance is provided under NABARD-RIDF and special Development plan to meet the infrastructure requirements of PU Colleges. Orientation programmes are organized by the department for lecturers to upgrade their knowledge and improve the results. The focus is on those districts where the pass percentage is low. Henceforth, as per National policy, pre-university stage of education will be a part of secondary education. It will not be tailored to University needs and, it will not be pre-university stage but senior secondary stage.

a) Enrolments

The year 2007-08 has been significant with regard to enrolments in the pre-university stage (Table 13.28).

There is a direct relation between percentage of passes at X standard public examination (SSLC) and demand for pre-university education. Results at X standard were between 50% to 60 % till 2007. X standard results suddenly jumped from 2007 onwards and is currently around 60% to 75%. Still, it is observed that there is an attrition of around 17% to 20% between I and II years of pre-university education. This attrition has implications for expenditure levels across two years. Career guidance and counseling, if conducted immediately after the announcement of the X standard examination results, may help in reduction of drop outs. The Education Commission of 1966 had suggested an enrolment limit of 30% to 35% for Arts courses. However, even by 2008-09, nearly 50% of enrolments are in Arts courses (Table 13.29). Relative proportions at II PUC stage do not change substantially. The low enrolments in science courses are a cause for concern. There is a rush for professional courses from science stream. This is not the case with respect to Arts and Commerce Courses. Low proportion of science enrolments and the attraction of professional courses lead to low enrolments in graduate science courses. Graduate science courses serve as nurseries for preparation and supply of science teachers for secondary schools, as well as for creation of pool of scientists in the Country after post-graduate and research courses. Both school science education and scientific pursuits suffer because of this trend. Initiatives by the Indian Institute of Science (Bangalore) to attract science talent for integrated 5-

Table 13.26- Subject wise, Gender wise Learning Achievement in 9th Std. (in %)

Medium	First Lang.	Second Lang.	Third Lang.	Maths	Social Science	Science	Part-B	Boys	Girls
Kannada	58.17	39.93	58.92	33.99	47.17	42.78	69.23	48.06	51.09
English	59.52	54.17	63.21	32.75	41.3	37.75	64.29	48.33	51.62
Urdu	76.49	54.33	62.16	49.53	59.23	57.79	71.68	54.08	57.41
Marathi	68.03	51.8	54.24	45.13	52.78	52.68	68.46	57.16	62.3
Tamil	62.51	43.54	32.08	27.6	39.61	47.29	59.32	44.27	46.29
Telugu	69.56	43.77	67.96	51.74	60.35	61.8	75.18	62.64	59.96
Overall	65.71	47.92	56.43	40.12	50.07	50.02	68.03	48.44	51.83

Table 13.27 - Institutions at Pre-University level (Nos.)

Institutions	Govt.	Aided	Unaided	Corporation	Total
2009-10	1200	803	1647	13	3663
2010-11	1201	803	1811	13	3838
2011-12	1202	834	2058	13	4107
2012-13	1203	932	2343	13	4491
2013-14	1203	933	2527	13	4676

Table 13.28: Students Strength in Pre-University courses

Year	Ist PUC	IIInd PUC	Attrition	%age
2005-06	412240	340296	-	-
2006-07	427988	361807	50433	12.23
2007-08	528879	433183	5195	1.2
2008-09	534430	434425	94454	17.86
2009-10	555977	428580	105850	19.80
2010-11	518179	450700	105277	18.94
2011-12	575673	430625	67479	15.67
2012-13	6,25,542	4,80,268	95405	16.57
2013-14	5,62,449	4,67,985	157557	25.18

Table 13.29: Enrolments across Courses in Pre-University (2012-13)

Stage	Arts	Commerce	Science	Total
I year (No.s)	222848	187787	153917	564552
II year (No.s)	181107	147318	143826	472251
Proportions (%)				
I year	39.47	33.26	27.26	100
II year	38.35	31.19	30.46	100

years, post-graduate courses after the pre-university stage by offering a variety of incentives need to be emulated and expanded.

b) Completion Rates

Pass percentage at pre-university is about 61.46% in science courses (Table 13.30). This will normally be around 25% to 50% of previous year's enrolments. It is also seen that girls fare better than boys in II PUC examination. Girls who reach II PUC are from among those who are left out after being subjected to higher degree of screening at various levels. This is not the case of boys. It is also noted that English medium results are always better than Kannada medium results.

c) Sports/Games/NSS at PU level

The Pre-University stage supports College/district /division/state level sports and games competitions. Students also get groomed for National competitions. Colleges also facilitate NCC and NSS activities. 920 pre-university colleges in the State have NSS units.

13.2.6 Collegiate Education

The Department of Collegiate Education was set up in the year 1960, and has since been striving to make

quality higher education affordable and accessible to all sections of students. The Department of Collegiate Education oversees the administration of 362 Government First Grade Colleges and 315 Private aided colleges affiliated to 14 state universities, through its 6 regional offices located at Bangalore, Mysore, Mangalore, Shimoga, Dharwad and Gulbarga.

a) Institutions

The average strength in government and aided degree colleges is 756 and 781 respectively (Table 13.31). The details of spread of government sector degree colleges are given 13.32.

b) Enrolments

Analysis and discussion in this section is restricted to Government and private-aided colleges.

Enrolments for degree courses are not increasing year by year (Tables 13.33 and 13.34). In fact, negative growth has been observed in case of boys in 2010-11. The male-female ratio which was in favour of boys during 2007-08 to 2009-10 has reversed in 2010-11. This is not a case of improvement in gender parity.

Table 13.30 - Pass percentage at pre-university level across courses (2012-13)

Performance	Arts	Science	Commerce	Total
Appeared (No's)	251808	178345	181416	611569
Passed (No's)	130334	109610	123113	363057
Percentage	51.76	61.46	67.86	59.36

Table 13.31 -Institutions for graduate education, 2013-14

Management	Govt.	Pvt. Aided	Pvt. Unaided	Total
Institutions	362	315	1764	2441
Students	2,73,804	2,46,026	4,07,188	5,19,830
Av. Per college (Nos.)	756.36	781.03	231	767.84

Table 13.32- Spread of Government Degree Colleges

Region	Bangalore	Mysore	Shimoga	Mangalore	Dharwad	Gulbarga	Total
Number	133	99	82	66	187	110	677
Proportion	19.64	14.62	12.11	9.75	27.62	16.24	100
Revenue Blocks	32	26	27	11	49	31	176

Table 13.33 - Growth of Enrolments in Degree colleges

Year	Boys	% growth	Girls	% growth	Total	% growth	M:F Ratio
2007-08	174729	-	154584	-	329313	-	53:47
2008-09	179380	2.66	163731	5.92	343111	4.19	52:48
2009-10	181779	1.34	176226	7.63	357975	4.33	51:49
2010-11	181018	-0.42	186790	3.28	367605	2.69	49:51
2011-12	226785	25.28	235313	25.98	457097	24.34	49:51
2012-13	229681	1.28	235471	0.06	465152	1.76	49:51
2013-14	247140	7.60	282867	20.14	530007	13.94	47:53

Table 13.34 - Enrolments across courses (2013-14)

Courses	BA (BA & BSW)	B.Sc (B.Sc & BCA)	B.Com (B.com & BBM)	Total
Number of students	238804	63507	217519	519830
%	45.94	12.21	42.23	100.00

Enrolment in Science courses is very poor as a proportion of total enrolments in general higher education. This is a carry-over concern of pre-university enrolments. Improving the proportion of enrolments in Science courses along with general increases is a significant challenge. There has been a significant increase in the funds released to the Department of Collegiate Education by the Government. Investment under plan increased from 90.87 crore in 2007-08 to 326 crore in 2011-12. Total

budget under plan and non-plan increased from 487.5 in 2007 to 1222.66 in 2011-12. The major share in the plan budget was for the additional infrastructure and facilities required for newly established colleges. The SC/ST students' enrolment in Degree College is given in Table 13.35.

c) Fresh Initiatives

Naipunya Nidhi is a novel initiative of the Government of Karnataka to empower the youth with

Table 13.35- SC /ST Students Enrolment for Academic year

	No of SC Students			No of ST Students		
	Male	Female	Total	Male	Female	Total
Govt Colleges	31024	28440	59464	11097	9669	20766
Pvt. Aided Colleges	16240	14831	31101	6173	4772	10945

lifeskills and social skills enabling them to be industry-ready. The Department of Collegiate Education has taken up steps to implement NaipunyaNidhi, the skill-training programme, for nearly 2.8 lakh undergraduate students of government first grade colleges in Karnataka. During 2013–14 the programme covers three modules – Communication Skills, Social Skills and Job Skills. While the spoken English module is a language empowering scheme for II semester students, training in Social skills for IV semester students will focus on interpersonal skills, community participation, values and ethics with emphasis on Indian culture. It is intended to implement the STAR (Standard Training Assessment and Reward) scheme of National Skill Development Corporation for the VI semester students. Nearly 5000 students pursuing post-graduate courses in government colleges undergo Corporate Leadership Training programme imparted by Global Shapers World Economic Forum. A budget of Rs.18 crore is allotted by the Government of Karnataka for the implementation of NaipunyaNidhi under Public Private Partnership model.

Being the IT capital, Bangalore hosts a large number of multi-national companies which need a young and dynamic professionally qualified work force. In tune with the requirements of the industry, Government has introduced professionally oriented Post Graduate and Under Graduate courses in the areas of Information Technology, Bio-Technology and Business Management etc. To enhance the academic quality of teachers in higher education the department is establishing the Academy Staff College at Karnataka University Campus, Dharwad. The module of IAS and IPS Academy for year 2013-14 will be followed and regular training will be conducted in this academy. The State Quality Assurance Cell has been established in

Commissioner Office, Department of Collegiate Education, it manages NAAC peer team reviews this is a prelude to NAAC evaluation process, so far 114 colleges are accredited and 45 colleges were re-accredited. The department has selected and proposed to 25 Government Colleges for autonomous status and proposed to 9 Government First Grade Colleges to develop model colleges in the economic backward taluks in Karnataka.

An innovative Programme, a first of its kind, called Continuous Evaluation for Quality and Excellence (CEQE) was launched during 2011. CEQE involves continuous Annual Evaluation of all Government Colleges by in-house peer review for enhancing quality and achieving excellence.

13.2.7 Technical Education

Bangalore is considered among the 26 global IT hubs. This electronic city has been spearheading the growth of Indian industry, especially in the area of high-technology such as Electronics & Electricals, ICT, Nano and Biotechnology. There were 12000 MSMEs in Bangalore generating employment for 75000 persons. All these developments need a strong and sustained manpower supply chain. The Department of Technical Education (DTE) satisfies this need through its technical and polytechnic institutions.

a) Institutions and Enrollments

In 2012-13, there were a total of 596 technical education institutions in the State which included 210 graduate/PG level engineering institutions and 297 polytechnics under DTE (Table 13.36). To achieve GER of 15% by 2015, the number of polytechnics in the State has steadily grown and most of them in the backward taluks and districts. The department plans to start one Government Polytechnic in every taluk,

and one Government Engineering college in every district. Only 27.8% of polytechnic institutions are under the Government sector. Government has control over a fixed percentage of seats in unaided institutions. It has control over definition of fee structures in unaided and aided colleges. Hence, Government participation and stakes are higher than management of Government sector institutions in technical education.

Civil, mechanical, electrical, electronics and computer science courses together account for 83%

to 84% of enrolments in engineering and 84% to 93% of enrolments in polytechnics (Table 13.37). Three of these are traditional courses while electronics and computer science are post-1980 courses. There are 15 other engineering courses such as chemical engineering, biotechnology, medical electronics, silk technology, as well as instrumentation which are demanded by about 14% of students. Diversification of the economy would become difficult with such an imbalanced enrolment structure.

Table 13.36: Technical Education Institutions (2009-10 and 2012-13)

Type	Govt.	Aided	Private	Total	
Polytechnics	2009-10	81	43	149	273
	2010-11	81	43	165	289
	2011-12	81	44	166	291
2012-13	81	44	172	297	
Engineering. Colleges	2009-10	14	11	149	174
	2010-11	14	11	162	187
	2011-12	14	11	172	196
2012-13	14	11	185	210	
Junior Technical Schools	2010-11	06	-	06	12
	2011-12	06	-	06	12
2012-13	06		06	12	
Total No. of Institutions under DTE				519	

Table 13.37 - Enrolments in Technical Education Institutions

Levels	ENGINEERING			POLYTECHNICS		
	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
Total	60680	64614	72621	56300	67738	69614
Boys	38101	40707	47203	40490	47417	48100
Girls	22579	23907	25418	15810	20321	21514
% Girls	37.20	37.00	35	28.08	30.00	30.9
SC / ST	11189	11630	12132	8270	11515	11614
% SC / ST	18.44	18.00	16.7	14.69	17.00	16.7

a) Budget Provision

The budget provided for government polytechnics and engineering colleges under Plan for previous 5 years is given in Table 13.38.

c) Staff Training and Apprentice Training Programme

To provide the Human Resources and to enhance the teaching efficiency of the staff, the teaching faculties have been deputed to higher education and also improve their skills through short term training programs. The details are given in Tables 13.39 and 13.40

As per the Govt. Apprenticeship Act 1973, amended in 1986, the State Govt./Central Govt./Private Companies will impart training to specific number of students for duration of one year under this scheme.

The objective of the scheme is to provide a connection between the technical institutes and industries, to improve the technical-know-how and to introduce the students of all fields of the industry. After the successful completion of one year apprenticeship training by students, a certificate is issued by the Apprenticeship Training Board, Chennai. The number of beneficiaries of the training during 2012-13 is given in Table 13.41.

d) Technical Education Quality Improvement Programme (TEQIP): TEQIP Phase-II

Technical Education Quality Improvement Programme (TEQIP –II) introduced in India in 20 states as Centrally Sponsored Scheme (CSS) with the assistance of World Bank. TEQIP Phase-II provides more emphasis on research and development and to strengthen the post graduate level.

Table 13.38 Budget Provision for Technical Education (Plan)

Year	Outlay (in Rs. Lakhs)	Expenditure (in Rs. Lakhs)
2008-09	12586.61	11189.96
2009-10	16127.27	13576.11
2010-11	26934.00	27064.11
2011-12	23557.51	23497.22
2012-13	33609.92	29219.11

Budget Provision for Technical Education (Non-plan including Salary)

Year	Outlay (in Rs. Lakhs)	Expenditure (in Rs. Lakhs)
2008-09	10819.04	9185.51
2009-10	10070.65	10998.18
2010-11	14740.82	15129.57
2011-12	26117.39	23460.66
2012-13	26175.06	23972.80

Table 13.39- Number of Teaching Staff deputed for the higher education

Subject	2008-09	2009-10	2010-11	2011-12	2012-13
M.E / M.Tech.	0	7	24	33	40
PhD	1	0	1	1	9

Table 13.40 - No of Teaching/Non-teaching staff deputed for short term training programs

Details	2008-09	2009-10	2010-11	2011-12	2012-13
Programs conducted at NITTTR Chennai	96	103	105	108	102
Staff Deputed (No.)	1440	1545	1500	1793	1440

Table 13.41 – No. of beneficiary students who benefitted from the ATS during 2012-13

Branch	SC		ST		Others		Total	
	Engineering	Diploma	Engineering	Diploma	Engineering	Diploma	Engineering	Diploma
Civil	8	5	6	8	50	28	64	41
Electrical	35	9	15	3	351	115	401	127
Mechanical	25	19	7	5	219	112	251	136
Computer Science	55	21	10	7	301	248	366	277
Automobile	12	2	2	1	57	44	71	47
Others	35	31	3	5	275	172	313	208
Total	170	87	43	29	1253	720	1466	836

The main components are -

a. Capacity building to strengthen management:

The cost sharing will be 75%:25% between Central and State Government respectively for Government and Government aided institution in respect of private institution the sharing pattern will be 60:20:20 between Center, State and Private institutions. Each Government and Private aided institutions is eligible to get Rs. 10 Crores. The Private unaided institution will get Rs. 4 crore each.

b. Project Management, Monitoring and Evaluation

Center of Excellence: Thirty Center of Excellence will be selected at National level for which Rs. 150 crores have been enmarked. In Karnataka, out of 34 proposals submitted by different Engineering colleges to NPIU, Four Private Engineering Colleges are selected under this sub-component in Karnataka. The selected college will be given Rs. 5 Crores each.

Innovation Fund: Under this component an allocation of Rs. 60 crores has been earmarked for the entire project. All SPFUs have to submit proposals to NPIU and the selection will be made on competitive basis. The SPFU Karnataka is making all efforts to obtain maximum benefits out of these grants.

Pedagogical Training - This component includes providing two weeks pedagogical training to the faculty of all Engineering Colleges selected and also for non-TEQIP Engineering colleges with a national project outlay Rs. 40 Crores. The State Government has to make 100% Budget provision in order to meet the expenditure every year till the completion of project. The total cost approximately Rs. 177 Crores for the period of four years and every year the State has to make the budget provision to the extent of Rs. 45 Crores. As of today the Government of India has released Rs. 2225 lakhs as its 75% share and the State Government has released Rs. 741 Lakhs as its 25% share.

e) Achievements

All India Survey on Higher Education (AISHE): MHRD has conducted the AISHE survey on human resources in Higher Education Sector. The Directorate of Technical Education, Karnataka has collected information for the survey from all 297 polytechnics in the state.

Online Admission for Diploma: The diploma admission in the state has been made online from the academic year 2012-13, which is first of its kind in the country without any financial assistance from the government. This has brought in more transparency and comfort for the students to get their choice of college and course. This has been implemented at 11 nodal centres simultaneously and the students can choose the seat in any part of the state.

13.2.8 Medical Education

The field of Medical Education is diverse. There are six distinct, evolved systems of medical care, which are popular in India. They vary in their popularity across States, rural-urban locales and regions. These six systems are Allopathy, Ayurveda, Homeopathy, Unani, Naturopathy/Yoga and Siddha. Costs of treatment, hospital, health-care facilities also vary

across systems. Due to a variety of positive dynamics, there has been a movement to promote 'Integrated Medicine' in the Country. In Karnataka, distinct importance has been given to non-allopathic systems through a programme known as 'AYUSH'. Ayush focuses on health disorders generated by unhealthy lifestyles as well as on primary health care.

a. Institutions of Medical Education

There are 46 Medical Colleges (MBBS degree) in the State which have a summated intake capacity of 6755 students (Tables 13.42 and 13.43). Ten colleges are run by the Government along with 7 other Super Speciality Institutions. The Government's presence is visible in nominal strength in other system. Relatively, the turnout of Ayuvedic doctors (GCIM) is quite significant. 3965 doctors graduate from 79 Ayuvedic Colleges. Ayurvedic, Homoeopathic and Unani doctors serve rural India in larger proportions.) 304 Nursing Colleges recognized by Indian Nursing Council turn out 11974 Nurses (B.Sc. graduates) every year. Karnataka functions as a nursery for nursing services not only for the State but also for other regions of India, Gulf countries and Europe.

Financial Allocation and Expenditure - Medical Education

In 2013-14, an expenditure of Rs.10887.98 lakh has been incurred upto October 2013.

Availability of dependable and internally consistent data across various sources needs serious attention. There is considerable clarity with regard to under graduate and post graduate medical/dental education. Various autonomous councils, boards of examinations, universities regulate medical education.

Rural Services - There are 19 district hospitals, 10 other hospitals (specialized) and 29 teaching hospitals with cumulative bed strength of 25294 beds. In addition, there are 325 community health centres (CHC) with bed strength of 20400 with 144 CHCs operating in taluk head quarters. There are also 2220 Primary Health Centres (PHCs) of which 27 are urban PHCs, which together possess bed

Table 13.42 - Medical Education Institutions and Enrolments

Sl.No.	Type of Institution	No.	Enrolments
1	Medical Colleges (MBBS)	46	6755
2	*Ayurvedic Colleges (GCIM)	56	2843
3	*Homoeopathic Colleges (BHMS)	11	856
4	*Unani Colleges	05	201
5	*Naturopathy & Yogic Sciences (BNYS)	04	172
6	Dental Colleges (BDS)	38	3248
7	*Pharmacy Colleges (B.Pharm)	61	4784
8	Nursing Colleges (B.Sc.)	304	11974

Table 13.43 - Medical Education Institutions by Managements

Type of Institution	Government	Aided	Un-aided
Allopathy:Colleges Super Speciality Institutions	11 07	- -	35 -
*Ayurveda	04	05	50
*Homoeopathy	01	-	10
*Unani	01	-	03
*NC & Yoga	01	-	04
Dental	02	-	36
*Pharmacy	01	-	60

(* Not applicable to Medical Education)

strength of 10,639 beds. There are also sub-centres (Primary Health Units) whose number is 8143 and bed strength is 56,495. Qualified doctors are needed for all these hospitals and health centres. There is a shortage and imbalanced distribution of doctors, nurses and para medical staff in all these health care institutions. There is especially true in rural areas.

Post Graduate Institutions & Enrolments in the State

Medical Colleges are permitted to provide Post Graduate Courses in the State. They offer Degree and Diploma Courses in various specialities. There are

several Super Specialities of which training is imparted in subjects like Cardiology, Cardio Thoracic Surgery, Neurology, Nephrology, Urology, Surgical Gastro Enterology, Plastic Surgery, Medical Oncology and Surgical Oncology. There has been a great demand for specialists, due to which many Medical Graduate of the State who do not get P.G. seats enroll themselves with the National Board of Examinations and qualify as Diplomate of the National Board (DNB).

13.2.9 Mass Education

In Karnataka, the Adult Education programme has been implemented since the pre-independence

Table 13.44 - Enrolment Capacity across Medical Course – PG Degree & Diploma in RGUHS affiliated colleges

PG Degree	No.of seats	PG Diploma	No.of seats	Super Specialities	No.of seats
M.D.(General Medicine)	151	DMRD	31	M.Ch (Urology)	12
M.D.(R.T)	17	DMRT	05	M.Ch (Plastic Surgery)	04
M.D. Paediatrics	79	D.Ortho.	40	M.Ch (Surgical Oncology)	08
M.D.(R.D)	60	D.G.O.	59	D.M.(Oncology)	06
M.D.(Anesthesia)	97	D.L.O.	35	D.M. (Cardiology)	21
M.D.(Psychiatry)	24	D.A.	54	M.Ch (Cardio Thoracic Surgery)	12
M.D. (Pathalogy)	103	D.Bacteriology	06	M.Ch (Paediatric Surgery)	01
M.D. (Anatomy)	59	D.V.D.	22	D.M. Neurology	3
M.D.(Community Medicine)	56	D.P.M.	07	D.M. Cardiac	08
M.D.(Forensic Medicine)	34	D.F.M.	06	M.Ch (Neuro Surgery)	02
M.D.(Pharmacology)	69	D.T.C.D.	02	Surgical Gastro Enterology)	02
M.D.(Physiology)	61	D.O.M.S.	31	D.M. Nephrology	02
M.D.(Bio Chemistry)	51	D.C.H.	48	Total:	81
M.D.(Micro Biology)	66	D.C.P.	48		
M.D.(Skin & VD)	53	D.P.H.	03		
M.D.(T.B)	08	Total:	397		
M.D.(Emergency Medicine)	08				
M.S. (General Surgery)	129			-	-
M.S.(Ophthalmology)	55				
M.S.(ENT)	51				
M.S.(Orthopaedics)	64				
M.S.(OBG)	84				
M.D.(Hospital Admn.)	03				
M.D.(Aviation Medicine)	17				
M.D.(Physical Medicine and Rehabilitation)	02				
Total:	1401				

period. Distinguished Litterateur Prof. B.M Srikantiah started Litterateur classes in Maharajas College, Mysore, as early as in 1932. Some of the important programmes implemented by DME include -

In 2007-08 to 2012-13 short-term vocational training was provided to educated rural youth through vidyapeethas in different districts under the erstwhile Karnataka State Adult Education Council. Vocational training was also provided under SCP/TSP

Table 13.44a - Enrollment Capacity across Medical Course – Post Graduate Degree & Diploma in Deemed Universities

PG Degree	No.of seats	PG Diploma	No.of seats
M.D.(General Medicine)	99	DMRD	12
M.D.(R.T)	03	DMRT	00
M.D. Paediatrics	43	D.Ortho.	23
M.D.(R.D)	30	D.G.O.	35
M.D.(Anesthesia)	61	D.L.O.	19
M.D.(Psychiatry)	13	D.A.	32
M.D. (Pathalogy)	52	D.Bacteriology	00
M.D. (Anatomy)	27	D.V.D.	09
M.D.(Community Medicine)	24	D.P.M.	07
M.D.(Forensic Medicine)	16	D.F.M.	04
M.D.(Pharmacology)	26	D.T.C.D.	00
M.D.(Physiology)	26	D.O.M.S.	17
M.D.(Bio Chemistry)	21	D.C.H.	20
M.D.(Micro Biology)	29	D.C.P.	36
M.D.(Skin & VD)	24	D.P.H.	04
M.D.(T.B)	07	Total:	218
M.D.(Emergency Medicine)	00		
M.S. (General Surgery)	74		
M.S.(Ophthalmology)	31		
M.S.(ENT)	28		
M.S.(Orthopaedics)	39		
M.S.(OBG)	39		
M.D.(Physical Medicine and Rehabilitation)	02		
M.D.(Immuno Heamatology)	02		
Total:	717		

component in 2011-12 and 2012-13. In 2011-12 and 2012-13, literacy programmes have been conducted in the rural areas of backward taluks identified by the Dr. Nanjundappa report.

In 2011-12 and 2012-13, the Saakshar Bharath Programme was implemented with Central and State grants in 18 districts of the State where female literacy is less than 50%. The aim is to provide literacy to rural non-literates of 15+ age group, with priority to women, SC, ST and Minority groups. The Karnataka State Literacy Mission Authority, 20 Districts, 117 Block and 3788 Gram Panchayat Lok Shikshana Samithis have been set up. 175 Co-ordinators and 7014 preraks have been selected and trained. Survey of households in 3788 Gram panchayats has been conducted. 73.66 lakh non-literates were identified. In 2013-14, there are 3624 Master teachers in 5936 Voluntary teachers are trained and 3562 learning classes have commenced. 16120 learners are enrolled. Assessment of basic literacy conducted by National Institute of Open Schooling (NIOS) and National Literacy Mission Authority (NLMA) was held 18 Districts. 3,33,214 neo-literates have appeared 2,67,306 numbers of neo-literates passed in August 2013 examination.

Fund and Accounts Management System, a web based system developed by NLM-CDAC to bring in better financial management, transparency and accountability has been adopted for all the main account and subsidiary account of 17 districts, 107 blocks and 3507 Gram Panchayats.

In the 12th plan period, the Directorate of Mass Education will focus on four components namely: (i) Basic literacy programme covering non-literates (ii) Equivalency classes for neo-literates to achieve education levels equivalent with the formal system (iii) Vocational training to neo-literates in improving their standard of living (iv) Continuing education through the existing AECs (Adult Education Centres) and Continuing Education Centres (CECs).

13.2.10 Karnataka State Higher Education Council (KSHEC)

The Karnataka State Higher Education Council was established in the year 2010 with prime objects of policy making on higher education and advising the State Government, Universities and Institutions of

Higher Education on the matters pertaining to higher education. The Council is also responsible of Higher Education on the matters pertaining to higher education. The Council is also responsible for new courses, curriculum development and promotion of research and development in higher education. During past years some of the salient works undertaken by the Council in the directions of achieving the above objectives are continued.

Karnataka State Higher Education Council has received a sum of Rs. 73.75 lakhs, as the first quarterly grant for April-June, 2013 out of the sanctioned budget of Rs. 295 lakhs for the year 2013-14. A workshop on Rastriya Uchhathara Shikshna Abhiyaan (RUSA) was organized on 17-04-2013, for which a sum of Rs.78,588/- has been spent. On 26-04-2013, a conference on "Woman in modern literature" was held, for which a sum of Rs. 63,896/- has been spent.

In the 8th General Council meeting of KSHEC, following were the unanimous recommendations made and communicated to the Government for further action:

- 1) One seat in each course/department may be earmarked for transgender students, under supernumerary quota, in all the Universities in Karnataka to pursue their Higher Education
- 2) For Direct recruitment of teaching staff in the Universities, all universities to incorporate in their regulations an upper limit of 12.25% out of the total marks for interviews, as mandated by the Supreme Court judgment in Ashok Kumar Yadav VS State of Haryana.
- 3) Pre university board to announce results of supplementary examinations well before the admission date for degree courses so as to facilitate these students to fulfill the attendance requirement in respective courses and save one academic year in their career.
- 4) A three members Expert Committee was constituted to restructure the BA/B.Sc degree courses in place of existing course combination to attract the students (four meetings have already been conducted)

- 5) Proposed RUSA conference for Higher Education Ministers' of all States and union territories organized by the Karnataka State Higher Education Council will be held during last week of September, 2013 at Bangalore. The estimated expenditure of Rs. 25 lakhs for this conference may be met out from the Karnataka State Higher Education Council. Accordingly, RUSA Conference for Higher Education Ministers of all State and Union Territories was organised on 25-11-2013 instead of the proposed date of September, 2013. Hon'ble Minister for HRD, Govt of India, Ministers of Higher Education from several states, Secretary, MHRD, Govt of India, Secretary UGC, Higher Education Secretaries from several states, renowned academicians and educationists participated in the conference. Expenditure for the conference would be borne out of the sanctioned budget.
- 6) To bring reforms in the Universities examination system a Examinations Reforms committee was constituted by government. A Report of the Examinations Reforms Committee has been sent to all the Vice-Chancellors of the Universities to give their opinion.
- 7) All universities to conduct at least 3 seminars/conferences with financial assistance from KSHEC, related to higher education before March, 2014.

A conference on 'Capital Marketing' in collaboration with Bombay Stock Exchange was conducted for the students of Bangalore University Commerce and Management Departments as well as faculty of affiliated colleges. More than 250 participants have availed the benefit of this programme. A Higher Education Department Delegation from Nepal visited KSHEC and held a detailed discussion of the ongoing activities on organization, management and development of higher education policies in the State. The delegation has appreciated the functioning of the Council.

Three applications were received for establishing the Private Universities. A Screening Committees was constituted to inspect the proposed university and give a report. Accordingly the Committee has

inspected and the report of the Committees will be sent to Government shortly.

13.3 FOOD SECURITY THROUGH PUBLIC DISTRIBUTION SYSTEM

13.3.1 Provision of Food to the Poor through Public Distribution System in Karnataka

The Public Distribution System (PDS) evolved as a system of management of scarcity and for distribution of food grains at affordable prices. Over the years, PDS has become an important part of Government's policy for management of food economy in the country. PDS is supplemental in nature and is not intended to make available the entire requirement of any of the commodities distributed under it to a household or a section of the society.

PDS is operated under the joint responsibility of the Central and the State Governments. The Central Government, through FCI, has assumed the responsibility for procurement, storage, transportation and bulk allocation of food grains to the State Governments. Food grains are distributed through the PDS to the poor at fixed rates throughout the year. The PDS runs parallel with the market mechanisms to provide food at controlled rates to the poor to provide sustenance and food security to the people for whom food at market prices are beyond reach. As in other States, rice, wheat, sugar, and kerosene oil are distributed through the Fair Price Shops (FPS) in Karnataka as well.

The operational responsibility including allocation within State, identification of families below the poverty line, issue of Ration Cards and supervision of the functioning of FPS, rest with the State Governments. The issue rates (i.e., the rate at which food is supplied through the FPS to different categories of cardholders) are fixed by the State Government, except for those who are eligible under Anthyodaya Anna Yojana (AAY) scheme for whom the issue rate is fixed by the Central Government (Table 13.45). The Central Government allotment of food grain to the state is for 31.29 lakh families which includes AAY and Below Poverty line (BPL) families. The balance requirement of food grains are purchased by the State from the central pool at the above poverty line (APL) rates and distributed at BPL

rates to the ration card holders who have been identified by the State Government.

13.3.2 Targeted Public Distribution System (TPDS)

The PDS was revamped as targeted public distribution system (TPDS) in 1997 in order to target the system towards the poor. The State Government identifies the poor and makes arrangements for the delivery of food grains in a transparent and accountable manner to the poor through the FPS. Based on the Planning Commission's criterion, the Government of India has identified 31.29 lakh families in Karnataka as BPL families. The State Government has accepted the Planning Commission's estimates for the AAY families but has not agreed with the BPL estimates. For identification of the same, the State Government conducted a BPL survey in 2005 on the basis of its own criteria. The task of issuing computerized cards with bio-metric indicators and photo graphs were given to a private agency. It was found that more number of BPL cards

have been issued to families in the State. Hence, a massive drive to identify the additional families in the State has been undertaken in January 2011. All the existing cards have been linked to Electricity Revenue Register (RR) number in the urban area and the Grama Panchayat house hold number in the rural area. This process was facilitated by the National Informatics Center (NIC). Consequently, more than 6.71 lakh cards in urban areas and more than 27.49 lakh cards in rural areas were identified and cancelled. All the details of this cancellation have been published on the website of the Food and Civil Supplies Department.

13.3.3 Fair Price Shops

Depending on the topography and existing cardholders, there is one FPS in every Revenue village and, currently, 21027 FPS are operating in the State. In the hilly areas of Dakshina Kannada, Kodagu, Raichur, Mysore and Chamarajanagara, 9 mobile FPS are also working which are operated by the Karnataka Food and Civil Supplies Corporation.

Table 13.45-Issue Prices for the BPL/AAY Food Grains (Rs/Quintal) (2013)

Sl. No	Commodities	Central Issue Price (Rs.)	State Issue Price (Rs.)	Difference (Subsidy borne by the State Government) (Rs.)
AAY Issue Prices				
1	Rice	300	100	255
2	Wheat	200	100	151
3	Sugar	3075	1350	GOI bears the difference
BPL Issue prices				
1	Rice	565	100	521
2	Wheat	415	100	371
3	Sugar	3075	1350	GOI bears the difference
APL Issue prices (This quantity is for the BPL families identified by the State in addition to the central Government figures)				
1	Rice	830	100	786
2	Wheat	610	100	566

Details of the number of FPS in various districts of the State are given in Appendix 13.5.

13.3.4 Anthyodaya Anna Yojana (AAY)

Anthyodaya Anna Yojana (AAY) covers the poorest of the poor and is designed for those who are not able to afford two square meals per day. They are the poorest segment of the BPL population such as landless agriculture labourers, households headed by widows, terminally-ill persons and elderly persons with no specific income or family persons affected by HIV. These beneficiaries are identified by Panchayats in the Gramasabha. Under this scheme, so far 1036860 families have been identified. 29 kgs of rice at Rs.3/- per kg., and 6 kgs of wheat at Rs.2/- per kg per month are being provided to these families. Table 13.46 provides details of numbers of AAY, BPL and APL category as identified by the State Government. Districtwise accepted ration card holders are furnished Appendix 13.48.

13.3.5 Identification of BPL families under Anna Bhagya Yojane (ABY)

The State Government has implemented the ABY from 1st of July, 2013 in the State. Food grains were distributed to all the BPL families at a reduced rate of Rs 1/- per kg, and the scale of issue has been increased to an average of 30 kg. Identification of the families to this scheme has been modified, and State Government in its order dated 24/08/2012 has identified exclusion criteria, and identified families which do not come under BPL category. While doing this the thrust was given to include the really poor and

vulnerable sections of the society such as landless agricultural labourers, marginal farmers, rural artisans/craftsmen such as potters, tappers, weavers, black-smiths, carpenters etc. in the rural areas and slum dwellers and persons earning their livelihood on daily basis in the informal sector like potters, rickshaw-pullers, cart-pullers, fruit and flower sellers on the pavement etc. in urban areas.

Salient Features of Anna Bhagya Yojane

- ▲ Food grain allotment for BPL ration card is given in the following pattern. 10 Kg for single member card, 20 Kg for two member card and 30 Kg for three or more member cards.
- ▲ Depending upon the requirement of BPL card holders, rice and wheat scale of issue has been modified. 2, 3, 5 Kg wheat allotment to 13 districts of north Karnataka and 1, 2, 3 Kg wheat allotments for 17 districts of south Karnataka.
- ▲ 70% of food grain allotment is being released from Central Government. The rest 30% foodgrains are being purchased from the State Government through open market tender, from state food corporation of Chattisgarh and under economic cost. The cost of this foodgrain per month is approximately Rs. 221 crore per month.
- ▲ Prior to Annabhagya Yojane the State Government was purchasing a total quantity of 2,04,144 MT foodgrains from Food Corporation of India. After the implementation of this scheme this quantity has been increased to 2,84,000 MT which includes 80,000 Mts of additional food grain.

Table 13.46 - Number of PDS Cardholders in Karnataka

Parameters	Card type	No of Card Holders				
		2009-10	2010-11	2011-12	2012-13	2013-14*
As per Government order No. FCS/ 80/DRA/2012/ 24-08-2012 24 Parameters have been Prescribed (GO copy enclosed)	AAY	1199700	1128912	1199700	11,18,371	11,00,340
	BPL	8643323	8504993	8401792	87,15,869	84,86,938,
No	APL	5297772	3996511	3832931	34,99,056	27,67,627
Total Cards in the State		15140795	13630416	13434423	1,33,33,296	1,24,54,905

(* till November 2013)

- ▲ After the implementation of the scheme, 36 Lakh online new applications for BPL Ration cards has been received in the state which include 32 Lakh BPL applications. Fair price level officers from different departments such as Revenue, Rural Development and Panchayat Raj, have been appointed to verify these applications.
- ▲ In view of the additional applications received, it is estimated that 45000 MT foodgrains are required to purchase through open market, Chhattisgarh, levy rice and NCDEX for this purpose. An amount of Rs 117 crore per month is required to purchase foodgrains.
- ▲ To meet this additional requirement foodgrains are collected from the rice millers and paddy from farmers under MSP operations.
- ▲ Levy rice is being collected from rice millers to meet the additional requirement of food grains
- ▲ In addition to wheat coarse grains like jawar and ragi has been contemplated under PDS.
- ▲ For supervising the distribution of foodgrains vigilance committees have been constituted in different stages.

Initiative Taken up for Implementation of Anna Bhagya Scheme

The State Government feels that the ABY should be strengthened to ensure its proper coverage and make it more efficient. It is also felt that the system should be transparent and accountable. The State Government feels that there is a complete lack of information to the citizens with regard to functioning of the FPSs leading to a large number of malpractices. Another area needing improvement seems to be in the issue of the ration cards to the targeted group. Yet another problem seems to be that the wrong set of people maybe drawing rations and other commodities at BPL rates, which are highly subsidised. It is felt that a set of simple administrative measures would go a long way in reforming the system. They are enumerated in the following paragraphs -

- ★ **Right of information regarding the FPSs** - The villagers and interested persons should have the right to know the address of the FPSs along with the number of cards attached to each

of them. Each FPS should also maintain the basic information with regard to each of the cards like the name of the card holder, the number of units of each card and the identity of the residence of the card holder. To provide all these information's provisions have been created in the department web site for the public.

- ★ **BPL beneficiaries** - The list of BPL beneficiaries should also be displayed on the fair price shop and the office of the Gram Panchayat for public scrutiny. This will help in elimination of undeserving families which may be drawing BPL supplies at highly subsidised rates. Hence list of all eligible BPL family details are displayed in the FPS, every month.
- ★ **Right of consumers with regard to certain information** - The consumers have also the right to know the per capita entitlement of each of the commodities being distributed under the TPDS. They also need to be informed about the price of the commodities. The possible modes could be the publicity through the local newspapers.
- ★ **Display of stock position** - The date of arrival of the commodities, as also the stock position on each of the days is important information which should be displayed prominently on the FPS. It should also display the price of each of the commodities. Non-fulfilment of this provision should be a serious matter.
- ★ **Social audit - formation of an FPS Committee by each Gram Panchayat** - The Gram Panchayats are encouraged to form a FPS Committee which should include the Members of the existing Vigilance Committees for the Fair Price Shops of the area under its jurisdiction as also the representatives of the TPDS groups, women and SC/ST/OBC panchayat members to keep a watch on the functioning of the FPS. They are given the right to inspect the records of the FPSs, the periodicity of which should be prescribed by the State Governments. The Committee is required to report their findings to the Gram Sabha.
- ★ **Making of new ration cards** - The procedure of issue of ration cards has been simplified the

applicant's claim for a ration card is verified and his claim either accepted or rejected, under intimation to the applicant. It is possible now for the applicants to file their application with the help of computer systems available in the Gram Panchayat. The state government is also thinking of issuing Ration cards in the gram panchayats itself. In the urban areas Bangalore one and Karnataka one centers are made nodal agencies for online application submission in the urban area. In all other taluk places private franchisee centers are identified for online ration card application submission.

- ★ **Checking of ration cards** - The state government has identified officers at the fair price shop level for checking of the ration cards occasionally to find out whether the card is genuine and the numbers of units contained on it are correct. This effort will eliminate bogus ration cards and the number of units contained on the ration cards cross checked.
- ★ **Complaint redressal** - "AHARAVANI" Toll free No. 1967 facility has been provided to receive complaints with regard to the distribution of foodgrains in "ANNABHAGYA YOJANE".
- ★ **Sanction of Fair Price Shops to Government agencies and co-operative bodies** - Sanction of new FPD has been accorded only to KFCSC and other co-operative Societies.

Monitoring of Anna Bhagya Yojane

- ★ Every food inspector has to complete intensive verification of a minimum of one Fair price shop each month.
- ★ To ensure that every ration card holders have received foodgrains in correct quantity and price, every food inspector has to visit the residence of card holders and do spot verification. Also it is essential that every food inspector has to do monthly certification.
- ★ Before issue of foodgrains from wholesale godowns the concerned food inspector has to certify the stock which avoids diversion of foodgrains.

- ★ To eliminate the ineligible and bogus ration card Grama Panchayth staff and village accounts has to verify all the ration cards of the concerned FPD.
- ★ Action has been initiated against the concerned ration shop holder who collects more price and issue less quantity of foodgrains. After the implementation of ABY, 68 FPDs have been kept under suspension.
- ★ Due to malpractice of foodgrains in ABY, 28 police cases have been registered against the culprits and the related quantity of foodgrains have been taken in to custody.

13.3.6 Allotment and off take of Food grains

Government of India allocates food grains to the State through FCI. Taluk wise lifting of foodgrains is the responsibility of the State Government. The State Government has identified agencies for lifting and distribution from FCI wholesale godowns to the taluk godowns in the State. The State Government has two agencies, Karnataka Food and Civil Supplies Corporation Ltd, (KFCSC) which is a Government organization, and Taluk Agricultural Produce Cooperative Marketing Societies (TAPCMS). Under PDS, food grains are lifted from FCI godowns and stored in State-owned or hired godowns. The total capacity of State-owned godowns and hired godowns is indicated in Appendix 13.2. The percentage of allotment and off take of food grains by the State in the past years is given in Table 13.47.

13.3.7 Sugar Allotment and off take

As in the case of rice, the Government of India allots levy sugar from sugar mills under the Directorate of Sugar. Levy sugar, thus collected, is being supplied to the AAY and BPL families through PDS at the rate of Rs. 13.50 per kg. Each card holder is allotted 1 kg of sugar per card per month. 59 sugar mills are working in Karnataka and sugar is lifted from these factories. Details of allotment and off take during the past years in Karnataka are given in Table 13.48.

13.3.8 Superior Kerosene Oil (SKO)

The quota of kerosene to the State has been reduced to 43572 KL from 46900 KL from June 2010. SKO is distributed to FPS through designated wholesale distributors and allotment to these wholesalers is fixed by the oil companies. For the distribution of SKO at the household level, ration cards are divided as Gas and Non-Gas cards. The quota of SKO is fixed according to number of gas connections. LPG cards are not entitled to get SKO allotment. The retail price uniformly fixed at Rs.16.50 per litre. At present SKO scale of issue for rural parts has been increased from 3 to 5 ltrs. and in the urban areas SKO has been stopped to APL cards. There are 25120 SKO retail licenses in the State, and there are 327 SKO wholesalers of different oil companies in the State. The district wise list of SKO dealers is given in Appendix - 13.7. In order to avoid misuse; the colour of PDS kerosene has been made blue and is distributed only to ration card holders. SKO is also given for fishing purposes through permits issued by the Deputy Commissioners in the coastal districts of Dakshina Kannada, Udupi and Uttara Kannada. Each permit holder is eligible for 300 litres of SKO per month during the fishing season.

13.3.9 Levy on Rice Millers

Under the Karnataka Rice Millers (Levy) Order of 1999, levy is imposed on all the working rice mills. These rice mills are required to deposit 25% of the rice milled by them in the form of levy to the Central Government through KFCSC. The levy period starts from October/November. In 2011-2012, the State Government entered into a Memorandum of

Understanding (MOU) with the Government of India to become a Decentralized Procurement State (DCP). As a consequence, it is the responsibility of the State to procure rice from millers for PDS. The target fixed for this year was 500000 MTs. KFCSC is the nodal agency for the procurement of rice from the mills.

13.3.10 Increase in the margin for fair price shop dealers

To encourage smooth distribution system, the state has increased the Fair price shop retail margins. The profit margin of FPD rice has been enhanced from Rs 31/- to Rs. 36/- per Qtl, and wheat from Rs 25/- to Rs 36/- and sugar from Rs 13/- to Rs 36/-. Transportation and hamali charges that are being earlier paid in rural area have been extended to urban fair price shop owners also.

13.3.11 Food Subsidy and Transportation

The subsidy provided for supply of food grains through PDS, the cost of maintaining the stock and, the difference between procurement prices and issue prices borne by the State Government is collectively called as "food subsidy". The State is bearing the cost of transportation to the FPS through its transporters appointed every year. The total amount of food subsidy and transportation cost spent is given in Table 13.49.

13.3.12 Computerization of PDS in the State

Computerization of PDS has been done for all the units of department of food and civil supplies and linked to various departments at PRI level. For processing of ration card data at the village level

Table 13.47 - Food subsidy & transportation cost (Rs. In Lakh)

Year	2009-10	2010-11	2011-12	2012-13	2013-14*
Food Subsidy	1,07,499	82,296	67,642	46,131	1,61,560
Transportation (includes BPL and AAY category)	9,187	10,041	11,377	9,228	11,550
Total	1,16,686	92,337	79,019	55,359	1,73,110

(* till September 2013)

Table 13.48 - Allotment and off take of food grains for different categories

Year	Rice			Wheat		
	Allotment	Off take	Percent age	Allotment	Off take	Percentage
AAY						
2009-10	416508	416343	100	87384	87363	99
2010-11	384480	384473	100	75553	75348	99
2011-12	411120	411120	100	86253	85413	99
2012-13	366439	366243	100	73866	73771	100
2013-14*	158244	158244	100	32573	32573	100
BPL(Excluding AAY)						
2009-10	669840	669558	99	140544	140544	100
2010-11	808606	807617	99	168145	167203	99
2011-12	932982	922982	99	114005	113975	99
2012-13	869891	869488	100	205743	205524	100
2013-14*	288080	288127	100	38378	37269	97
APL						
2009-10	914170	857699	94	119507	93142	78
2010-11	912078	832084	91	129743	103320	79
2011-12	970067	902392	93	92094	87484	94
2012-13	1037940	961963	92	97512	90052	93
2013-14*	541661	529697	98	24686	24533	99

*(upto August, 2013)

Table 13.49 - Allotment and off take of sugar

Year	Allotment (MTs)	Off take (MTs)
2009-10	118659	81301
2010-11	196330	167740
2011-12	112696	95549
2012-13	109630	95863
2013-14*	73012	35849

(* till August 2013)

photographs and fingerprint bio-metrics of card holders and the applicants are captured. The data of all ration cards beneficiaries have been digitized and a central data base has been setup so that the department officers of all levels can access it for the purpose of processing and monitoring. Besides status of food grain lifting by the fair price shops in the state and stock positions in the all the godowns of the state made available to the departmental officers and the public on the linkage “Karnataka PDS Data Centre”. The data base setup by the department is very huge and the ration card, LPG electricity meter, property-tax number data are linked to one another. The department officers are able to see all the data pertaining to a ration card holder in a single screen, thus enabling them to take decision about ineligible cards, false claims etc. The public can submit applications for new ration card and request for modification or correction to the existing ration card 'online' using the department website. The officers of the department process the applications for new ration cards or corrections and modifications to the existing ration cards by entering the data base. To verify the online applications received for ration cards, Fair Price Shop Level Officers (FLO) have been appointed from among Grama Panchayath Secretary, PDO, Bill collector, village accountant and staff from local bodies. Dates for verification of these applications have been fixed. Issue of new ration cards have already begun.

Computerization of FPSs

In order to eradicate illegalities in the fair price shops, “Electronic Weighing-cum-Point of Sale Machines” having special features are being installed in all the FPSs. The machines have the following special features; i) The data of all the ration card holders attached to the FPS including the fingerprint bio-metric is stored in the machine. ii) The beneficiary accounts opens when the card holder places his thumb on the bio-metric device of the machine. iii) When the sales person places food grain or kerosene on the platform the weight is shown on the touch screen and the machine announces the commodity name and weight. iv) The machine deducts the container weight and shows the kerosene poured in litres on the screen. v) When the bill is printed on thermal paper, the machine announces the particulars

and automatically transfers the data to the central server through GSM modem.

13.4 HEALTH AND FAMILY WELFARE

Health is an important human development indicator and has a great significance for the overall development of the State. Achieving and maintaining health is an important ongoing process. The Government of Karnataka has given significant importance to the health sector during the last few years. Provision of good health care to the people is an essential component of the health strategy adopted by the State. The focus of possible health intervention is to prevent and manage diseases, injuries and other health conditions through surveillance of cases and the promotion of healthy behaviors, communities and environments. Provision of good health care to the people is an essential component of the development strategy adopted by the State to achieve overall socio-economic development. Karnataka has made significant progress in improving the health status of its people in the last few decades. However, despite the progress, the State has a long way to go in achieving the desired health goals. The State has made substantial progress in building credible health infrastructure at different levels. The public expenditure on Health is about 0.9% of GSDP during the 11th plan period.

13.4.1 Health Indicators

The State has a wide institutional network providing health services both in urban and rural areas. Table 13.50 presents information on health infrastructure in the State. There are 20 District Hospitals, 12 Other Hospitals and 29 Autonomous & Teaching Hospitals in the State. The primary health infrastructure in rural areas has fulfilled the norms required under the “minimum needs programme” at the aggregate level. There are 8871 Subcentres, 2355 Primary health centres (PHC), 206 community health centres (CHC) and, 146 taluk hospitals catering to the health needs of the rural population. District-wise distribution of health facilities is given in Appendix 13.9.

The Twelfth Five year Plan (2012-17), in respect of the health sector, has aimed at controlling population and reducing infant and maternal mortality through strengthening health services. In addition, attempts

Table 13.50 - Infrastructure of Public Health Services of the State Govt. (as on December, 2013)

Type of Institution	No.
District Hospitals	20
Other Hospitals under Health & FW	12
Autonomous & Teaching Hospitals	29
Taluk / General Hospitals	146
Community Health Centres	206
Primary Health Centres	2355
Urban PHCs	27
Health Centres under IPP	108
Mobile Health Clinics	130
Sub-Centres	8871

have been made to remove intra-regional and regional disparities by improving health services. The progress of the health indicators has been encouraging in the State during the last few years. The death rate is already at a lower level and the birth rate is declining faster.

Karnataka has performed relatively better in population control with total fertility rate likely to reach the twelfth five year plan target of 1.9 children per woman for the year 2013. The infant mortality has declined faster during the last few years to the tune of around 12 per 1000 live births from about 50 in 2004 to 32 in 2013 (Fig. 13.3). However, the infant mortality rate (IMR) of about 32 in 2013 is far higher than the eleventh five year plan target of 24 set for the year 2012 (Table 13.51). It is unlikely that the state would achieve the IMR target. Considering this imminent challenge, the state has been at the forefront in introducing several programmes.

13.4.2 Family Welfare

The State offers an excellent family welfare programme operating through the existing health infrastructure. The main objective of the programme is to provide better health services in general and family planning services in particular to check the rapid growth of population. Table 13.52 provides details of the State's achievements in sterilization and

IUD during the last three years. Though sterilization continues to be the main method of family planning, the spacing between the births of two children is also equally emphasized. The percentage of couples protected by modern contraception has been steadily going up in the State and currently stands at 66.89 %.

13.4.3 National Rural Health Mission

National Rural Health Mission (NRHM) was launched on 12th April, 2005 by the Government of India to improve medical facilities in the rural areas of the country. The NRHM seeks to provide accessible, affordable and quality health care to the rural population, especially the vulnerable sections.

The following programmes are implemented under National Rural Health Mission.

- * National Vector Borne Disease Control programme.(NVBDCP)
- * Revised National Tuberculosis Control Programme(RNTCP)
- * National Leprosy Eradication Programme (NLEP)
- * National Programme for Control of Blindness
- * Integrated Disease Surveillance Project (IDSP)

Figure 13.3

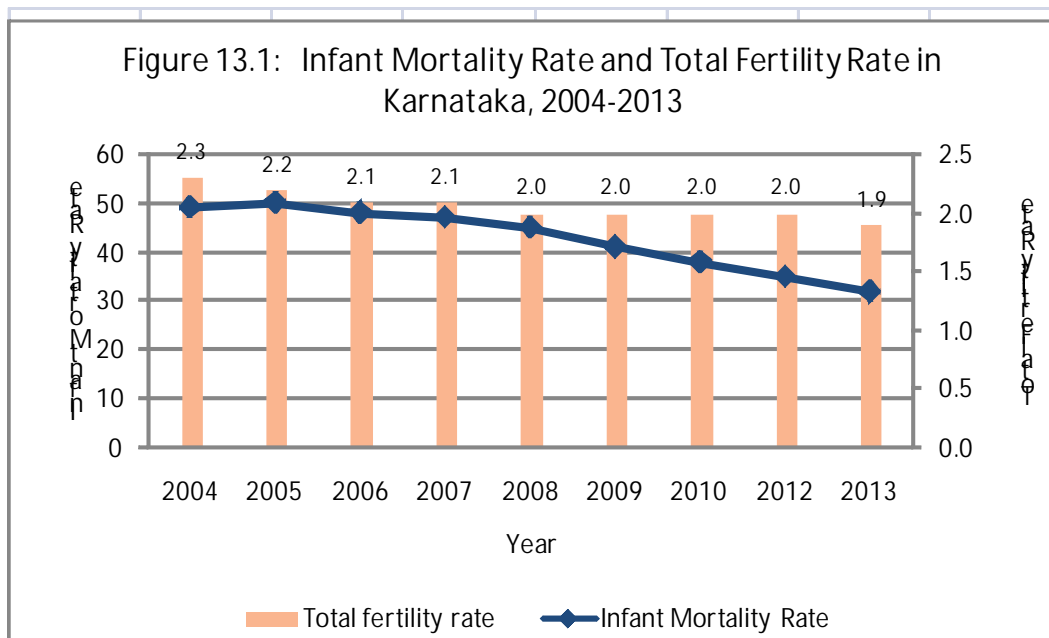


Table 13.51- Achievement of the Family Welfare Programme in Karnataka

Sl No	Indicator	1981	1991	2008	2009	2010	2011	2012	
1	Birth Rate (for 1000 Population)	28.3	26.9	19.8	19.5	19.2	18.8	18.5	
2	Death Rate (for 1000 Population)	9.1	9.0	7.4	7.2	7.1	7.1	7.1	
3	Total fertility rate	4.7	3.87	2.0	2.0	2.0	1.9	1.9	
4	Maternal Mortality Rate (for every 1,00,000 live births)	NA	266	213	178	-	178	178	
5	Infant Mortality Rate (per 1000 Live births)	69	77	45	41	38	35	32	
6	Under-Five Mortality Rate (per 1000 children)	-	-	-	50	45	40	-	
7	Eligible Couples protected (%)	22.3	46.9	54.9	54.9		66.42	66.89	
8	Average life expectancy (years)	Male		61.0	63.6	63.6		63.6	63.6
		Female		63.2	67.1	67.1		67.1	67.1

Source: 1. Office of Registrar General of India. All the above data are based on Sample Registration System, Office of the Registrar General of India.

** "Maternal Mortality in India 1997-2003: Trend, Causes and Risk Factors", 2006, Maternal Mortality in India, 2004-06, Office of the Registrar General of India. NA – Not available

Table 13.52- Performance of Family Welfare Sterilization Programme

Year	Sterilization			IUD		Couples Protected (%)	
	Target	Achievement		Target	Achvt.		
		Vasectomy	Tubectomy				Total
2011-12	503047	3894	308876	312770	277404	195487	72.00
2012-13	484980	2857	330445	333302	311822	189981	66.42
2013-14 (upto Dec, 2013)	407102	1312	179989	181301	311883	118104	66.89

1. Reproductive and Child Health Programme. (RCH)
2. Additional Services to Under National Rural Health Mission
3. Vaccine & Immunization Programme
4. Programme of Pulse Polio
5. Health Education, Training, Preventive of Deafness and other Programmes.

In each of The Districts, Program implementation is being done through its district Chief Medical Officer's office, blocks, CHCs, PHCs, sub-centres (SCs) and village health sanitation committees (VHSCs). Certain activities are managed at the State level such as drug procurement, information education and communication (IEC), civil works, training using specialized entities such as State Institute of Health and Family Welfare (SIHFW), IEC bureau and, Directorate of Health & Family State Institute, Directorate of Health and Municipal Corporation for the urban Health components. In addition, implementation schemes for Private Partnership such as EMRI, Vajpayee Arogyasree and Suvarna Arogya Chaitanya.

13.4.4 Other Major Health Programme Initiatives

The Department of health and family welfare services implements various National and State health programs of public health importance and also provides comprehensive health care services to the people of the State through various types of health

and medical institutions. The progress of the health programmes are presented in Table 13.53.

13.4.4.1 Janani Suraksha Yojane (JSY) - The goals of JSY are reduction in maternal and infant mortality rate as well as to increase the institutional deliveries of BPL and SC/ST families. Under this scheme, besides ensuring maternity services like 3 antenatal checkups and referral transport, cash assistance is provided for deliveries taking place both in health institutions and home. In rural areas, cash assistance to the mother for institutional delivery is Rs.700/- per case whereas in urban areas, cash assistance to the mother is Rs.600/- for institutional delivery. The cash assistance is also available for women delivering at home with an amount of Rs.500/- being given per case. If specialists are not available in Government-run health centers or hospitals, the institution can hire such specialists to manage complications or for caesarean section. Assistance up to Rs.1500/- per delivery could be utilized by the health institution for hiring services of specialists.

13.4.4.2 Thayibhagya: In order to reduce IMR and MMR in the backward districts of Bijapur, Bidar, Gulbarga, Yadgir, Raichur, Koppal, Bagalkot and Chamarajanagar, empanelled private hospitals are given an incentive of Rs.3 lakhs for every 100 deliveries conducted including surgeries with treatment being free to the patients. 171047 beneficiaries have availed the facility.

13.4.4.3 Arogya Kavacha 108: This programme provides free first aid and referral transport in case of medical, police, and fire emergencies. As of this year,

Table 13.53 - Progress of Various Health Programmes (Unit in Numbers)

Sl. No.	Programmes	2011-12	2012-13	2013-14 (Dec, 2013)
1	Prasuti Aaraike	682402	514327	340970
2	Madilu	346177	313332	239423
3	Tayi Bhagya	42582	38832	34710
4	Janani Suraksha Yojane	454794	285500	255187
5	Suvarna Arogya Chaitanya	1241	1219	1151
6	Arogya Kavacha	591439	509440	412062
7	Dialysis	32124	19239	33707
8	Telemedicine	13944	18603	26241
9	Vajpayee Arogya Sree	11291	19009	22073
10	Geriatric	7872	11549	33767
11	Burns Care Wards	1275	926	539

about 3.94 crore calls have been received of which about 3.88 crore calls have been attended. Of the calls attended, 42% were pregnancy-related. 517 ambulances have been deployed under this programme.

10.4.4.4 Suvarna Arogya Chaitanya: This is a unique programme being implemented for the first time in the Country. In this programme, about one crore school children (both private and Govt. sector) are medically screened and, children needing surgeries are provided surgical treatment free-of-cost in empanelled hospitals. Till now, 9420 surgeries have been done.

13.4.4.5 Madilu: It is one of the schemes started by the State Government to provide post natal care for the mother and the child. The objective of the scheme is to encourage poor pregnant women to deliver in

health centres and hospitals in order to considerably reduce maternal and infant mortality in the state. Under this programme, a kit is provided to women belonging to below poverty line families delivering in Government hospitals. The benefit is limited to two live deliveries.

13.4.4.6 Prasooti Aaraike: Under This scheme, BPL pregnant women (including SC/ST) who undergo deliveries in Government Hospitals are given an incentive of Rs.2000 (including Janani Suraksha Yojane) for getting their nutritional requirement.

13.4.4.7 Arogya Vani-104: People (Citizens) from any part of the state can avail their service by calling 104 Round the clock throughout the year, after the launch of 104 services in the state a round of 4700 calls day and more than 500000 calls have been received by the services and helped the people by providing suggestions to their health related queries.

Achievements of the Department of Health and Family Welfare Services

1. IMR has been brought down from 47 to 32 per 1000 live births during 2007-2013
2. MMR has been reduced from 228 to 178 for **100000** live births between 2001-03 to 2007-09
3. Total fertility rate has been reduced to replacement level (2 children per couple). The Govt. of India had set a target of total fertility rate of 2.1 to be achieved by 2012. This has already been achieved.
4. Institutional delivery increased from 65% to 98.1%.
5. Fully Immunized children from 80% to 100.85%. From 2009-10 to 2012-13
6. No Malaria deaths have been reported in the year 2013

13.4.4.8 Initiatives Taken to Reduce MMR

1. On confirmation that the woman is pregnant, ANC card is given through Auxillary Nurse Midwife of the said locality and registered in MCTs.
 1. ANC Checkup is a must.
 2. Supply of 100 IFA Tablets is compulsory.
 3. Two TT injections are given compulsorily during pregnancy.
 4. If the pregnant woman is found to be anaemic (7gm) an addition 100 IFA tablets are given.
 5. If the pregnant woman is suffering from severe anaemic (<7gm) then she is referred to the upgraded hospital for injection iron sucrose.
 6. A cash benefit of Rs.1000 is given under Prasuthi Araike programme for supplementing nutrition.
 7. The pregnant woman is advised to have food with more iron content and nutrition and is advised to have institutional delivery.
 8. After delivery 100 IFA tablets are given to the mother to prevent anaemia both in mother and the new born.
 9. In order to give 24 hours health services, 24x7 facilities are given in selected Primary Health Centres.
 10. As soon it is found that it is a complicated pregnancy and to give additional facilities 192

upgraded hospitals have been identified in the State.

11. Advised to stay compulsorily in the health Institution for 48 hours after delivery.
12. From the stage of pregnancy till the delivery, free delivery, drugs, diet, blood and transport arrangements are made free of cost under Janani Suraksha Yojane.
13. Before the mother leaves from hospital to home Government facilities like Madilu, Prasuti Araike, Janani Suraksha Yojane are given to BPL/SC/ST beneficiaries.
14. The mother is advised on family planning before leaving the hospital for home.

13.4.4.9 Initiatives Taken to Reduce IMR

1. Integrated Management of Neonatal and Childhood Illnesses (IMNCI) is implemented in 14 Districts of Gulbarga and Belgaum division and the Tribal Districts of Kodagu and Chamarajnagar.
2. 994 24x7 PHCs are functioning as Newborn Care Corners (NBCC).
3. New Born Stabilization Units (NBSUs) have been established in 188 Taluka Hospitals and Community Health Centres.
4. Special Neo-natal Care Units (SNCUs) have been established in 33 District Level Hospitals.

5. 10 Bedded Nutritional Rehabilitation Centres (NRCs) are functioning in Gulbarga and Bijapur District Hospitals.
6. Modified Nutritional Rehabilitation Centres (MNRCs) have been established at 16 Taluk Hospitals.
7. Screening and Treatment of Retinopathy of Prematurity (ROP) in Premature and Low-birth weight babies is taken up in the 6 'C' Category Districts.
8. Janani Shishu Suraksha Karyakram (JSSK) is implemented in all Government hospitals. Screening, Investigations and Treatment are free of cost for the new born for up to 30 days.
9. Home Based Neonatal Care (HBNC) -Health Workers and ASHA Workers visit at least for a minimum of six times, identify the ill health common among the new born and guide them to the hospitals in time and in advise the mother in detail the importance of Breast feeding.
10. Infant Death Audit (IDA) review meeting is taken up in all Districts every month in the presence of DC and sort out the problems arising there will be sorted out for implementation of the programme successfully.

13.4.5 National Urban Health Mission

The mission aims to provide Health Services to the urban poor, migrant population, Marginalized population. An amount of Rs.12693 lakhs is provided during 2013-14, of which State share is Rs.317 lakhs and Central share is 9520 lakhs. Sanction has been accorded by the Government for implementation of National Urban Health Mission in all 198 wards of Bangalore Urban, Mysore, Bagalkote, Ullal of Dakshina Kannada.

13.4.6 HMIS & MCTS in Karnataka

HMIS (Health Management Information System) is an initiative undertaken under the National Rural Health Mission (NRHM) launched by Government of India. To collect the information uniformly timely from all the states, Government of India has prescribed HMIS formats throughout the country. The System of collecting information uploading online at the primary level & to get various reports by

compiling the information for effective implementation of Health Schemes is Health Management Information System. In Karnataka uploading of Information on HMIS portal from facility level is existing since Aug 2010 by which it is easier to get timely information. As there is provision of various reports at all levels it is possible to make use of these reports for various schemes & their implementation. In Karnataka soon after a few years after the implementation of their scheme in every facility of the state 98% of the information is collected online data is being uploaded before 5th of every month & more emphasis is given to improve the quality of the data.

MCTS

In order to bring down MMR & IMR, it is essential to provide services to pregnant women & child. As a result of this, MCTS (Mother & Child Tracking System) was introduced to keep track of services provided. The State is implementing MCTS Technology in co-ordination with NIC, Bangalore & looking into state needs since Jan 2011.

Distributing Thyacards to each & every pregnant women & uploading the information of the Thai card in MCTS Portal. Providing information to ANM regarding the services to be given to Pregnant Women in the prescribed time & sending SMS to the beneficiary as to which service she has to avail & uploading the services provided to Pregnant Women (PW) & Child by sending SMS to the MCTS Portal. Apart from this MCTS allows to creating work plan to ANM regarding services to be given to PW & Child so that the activities of the ANM can be monitored by any officer at all levels.

13.4.7 School Health Programme

The school health programme is a major initiative specifically focusing on school age children. Its aim is to holistically address the health and nutrition needs of children in a manner which fulfils the needs of today's lifestyle. School health program is envisaged as an important tool for the provision of preventive, promotive and curative health services to the population. The programme at the national level has been developed to provide guidance to States which are already implementing or plan to implement

their own versions of the programme and to give guidance. The progress achieved under the school health programme of the State is presented in Table 13.54.

Weekly Iron & Folic Acid Supplementation for Adolescents

Adolescence is a period transition from childhood to adulthood characterized by rapid physical, biological and hormonal changes resulting in psycho-social, behavioural & sexual maturation in an individual. It is the second growth spurt of life and both boys & girls undergo different experiences in this phase. During this period of life there is a significant increase in nutritional requirements, especially for iron. Anemia, a manifestation of under-nutrition and poor dietary intake of iron is a public health problem, not only among pregnant women, infants & young children but also among adolescents. Anemia in India primarily occurs due to iron deficiency & is the most wide spread nutrition deficiency disorders in the country today. The prevalence of Anemia in girls (Hb<12%) and in boys (Hb<13%) is alarmingly high as per the reports, over 55% of both adolescent boys & girls are anemic. Adolescent girls are more vulnerable to anemia due to rapid growth of the body and loss of blood during menstruation. Highest prevalence of anemia is reported between the ages 12-13 years, which also coincides with the average age of menarche with increase in age, the prevalence of anemia among girls' remains almost stagnant.

Iron Deficiency Anemia adversely affects the transportation of oxygen to the tissues and accounts

for the diminished work capacity & physical performance. During adolescence it causes impaired growth, weakened cognitive development, reduced physical fitness, work performance, capacity and diminished concentration in daily tasks and school performance, loss of appetite resulting in reduced food intake as well as menstrual problems, risk of pre-term labour and low birth weight babies. Regular consumption of IFA supplement is therefore considered essential for prevention of IDA. Hence as per the Govt. of India's suggestion, during the year 2012-13 all 30 districts are selected for implementing the weekly Iron & Folic Acid supplementation for adolescents. To reduce the prevalence and severity of anemia amongst adolescents (10-19 years) the following intervention is recommended -

- Administration of weekly iron-folic acid supplements (WIFS). Each IFA tablet containing 100 mg elemental iron & 500 mg Folic acid for 52 weeks in a year. (An adolescents pregnant girl is advised to consume one IFA daily tablet – ANC guidelines)
- Screening of target groups for moderate/ severe anemia and referring these cases to an appropriate health facility.
- Biannual de-worming (Albendazole 400 mg), six months apart, for control of helminthes infestation.
- Information and counseling for improving dietary intake and for taking actions for prevention of intestinal worm infestation.

Table 13.54 - Achievement under School Health Programme

Year	No. of Students Examined (Lakhs)		No. of Students Treated for Minor ailment (Lakhs)	No. of Major operations performed (Nos.)
	Target	Achievement		
2011-12	89.91	86.06	7.88	1241
2012-13	92.82	84.85	9.74	1219
2013-14 (upto Dec, 2013)	91.92	22.74	0.18	1151

13.4.8 Universal Immunization

The universal immunization programme was started to achieve 100 % immunization and to reduce the mortality and morbidity among infants and young children due to vaccine-preventable diseases such as tuberculosis (TB), diphtheria, whooping cough, tetanus, polio and measles. It is clear that coverage of different vaccination is increasing. Table 13.55 presents information on the achievement of different vaccinations in the State. The full immunization rate is increasing and is about 100.85% currently.

13.4.9 Causes of Death

For the effective control of maternal and infant mortality, it is important to understand the causes of such mortality. Tables 13.56 and 13.57 present information on top five causes of mortality for infants and females in the age group 15-49 respectively. The major causes of infant deaths are due to prematurity or low birth weight. Pneumonia, bronchitis and birth asphyxia also account for a major proportion of

deaths. Among females in the age group of 15-49, post-partum hemorrhage is the leading causes of death. This is followed by pre-eclampsia to eximia and sepsis.

13.4.10. Karnataka Health System Development & Reform Project (KHSDRP)

The Karnataka Health System Development & Reform Project (KHSDRP) is a World Bank-assisted project; aims to increase utilization of curative, preventive and Public health services particularly in underserved areas and among vulnerable groups, to accelerate achievement of the health related Millennium Development Goals. Keeping in view the positive contributions of the project in enhancing health outcomes (reducing maternal & child mortality and communicable diseases) and understanding the need to sustain/continue the innovative programs, an extension of the project is given till March 2016 (original closing date was 31.03.2012), with additional financing of US\$ 70.00 million (Rs 374.50 Crores). Additional financing

Table 13.55 - Performance of Universal Immunization Programme

Vaccine Name	No. of Beneficiaries (in Lakhs)		
	2011-12	2012-13	2013-14 (upto Dec. 2013)
BCG	1178976	1159252	849564
DPT (3rd)	1130349	1134700	477049
Polio (3rd)	1115886	1127987	782771
Hepatitis B	1005536	1098815	348533
Measles	1062082	1085495	775799
DPT (Booster)	1130349	860455	668382
Polio (Booster)	1115886	850957	664363
TT (10Years)	777183	735010	572321
TT (16Years)	663688	677897	507932
TT (Mothers)	1259156	1245414	895038
Fully Immunized Children	95	100.85	76

Table 13.56- Top Five Causes of Infant Mortality

Cause of Death	% of total deaths during 2013-14 (upt o Sept. 2013)
Pre maturity & low birth weight	26
Pneumonia & Bronchitis	5
Intrauterine hypoxia & Birth Asphyxia	23
Diarrheal diseases	0
Sepsis	7
Others	39
Total	100

Table 13.57- Top five Causes of Death for women of age group 15-49

Cause of Death	Death during 2013-14 (upto Dec. 2013)
Post-partum haemorrhage + Anaemia+ Ante partum haemorrhage	167
Pre eclampsia toxemia	41
Sepsis	52
Abortion	2
Obstructed labour	12
Others	301
Total	575

effected from 22.01.2013. KHSDRP is a part of the overall system improvement programme integrated with NRHM activities. KHSDRP is being used as an instrument to undertake reforms within the Health sector and to finance -

- (i) Activities that cannot be easily done through other mechanisms,
- (ii) Activities that benefit from technical engagement with the Bank,
- (iii) Evaluations to validate such activities, and
- (iv) To facilitate pilot programs this if successful, could be scaled-up using Government funds.

The project has two windows of financing viz. Project finance & Program finance.

Program Finance: Program Finance is an incentive funding to the Government of Karnataka for increased spending on health & family welfare programs and thereby, promotes the cause of universal health & improved availability of health care to all, particularly to the weaker & deprived sections of society. The IDA share of credit is to be availed on the basis of the incremental expenditure by the Government of Karnataka on the ongoing State sector schemes related to primary health care subject to achievement of the agreed reform milestones. Credit under this scheme is fully used up.

Project Finance: Project Finance involves implementation of agreed components and State Project Monitoring Unit (SPMU) is directly responsible for implementation of the Project Finance components and achieving the physical and financial goals/targets. Successful initiatives started under the Project includes running of Mobile Health Clinics, Citizen Help Desks, Sourcing-in-specialists, Health Care Waste Management of health facilities, Quality Assurance Program including accreditation

of Pilot Hospitals, training and Capacity Building of Health Personnel, support to Vajpayee Arogya Shree Programme to benefit poor households requiring tertiary care intervention etc., New activities planned to support Road Safety and Emergency Health Services, and Prevention & Control of Non-Communicable Diseases etc. Project has two lines of Credit Original financing and Additional financing. Outlays, expenditure and disbursement in each of these credits are presented in Table 13.58.

Table: 13.58 - KHS DR Project Outlay, Expenditure and Disbursement

Credit	Project Cost			IDA Share			Expd. till Sep-13
	SDR	US \$	INR	SDR	US \$	INR	INR
	(millions)	(millions)	(Crores)	(millions)	(millions)	(Crores)	(Crores)
4229-IN							
Original	140.46	206.48	897.77	96.50	141.83	616.67	
Revised*	140.46	216.78	1040.03	96.50	148.70	714.38	989.32
Disbursed				87.37	135.08	627.61	
5161-IN (Addl. Finance)	69.75	105.00	561.75	46.50	70.00	374.50	30.62
Disbursed				0.02	0.03	0.17	
Total Outlay	210.21	321.78	1601.78	143.00	218.70	1088.88	1019.94
Total Disbursed				87.39	135.11	627.78	

*Revised Cost is due to additional funds available on account of appreciation of SDR vis-à-vis US\$ and INR

Project finance has several innovative components for achieving the overall project objectives.

Achievements Under KHSDRP (till September 2013)

Organizational Development

1. Doctors trained in embedding leadership and in master facilitation course in leadership & human resource development. In-service personnel deputed for various workshops conducted by reputed institutions & sponsored for IGNOU correspondence courses to acquire higher qualifications & knowledge. 145 officers exposed to better international practices by sponsoring them to attend a hospital management course at Asian Institute of Technology, Bangkok.
2. 25000 personnel of the DoH & FW at all levels covered under “attitudinal change and managerial capacity building workshops”, aimed at better service delivery.
3. Medical manual for medical officers developed and disseminated.

4. Model public health Act is under wide consultation.
5. Clinical Protocols and Standard Treatment Guidelines developed and disseminated.
6. Fostering knowledge implementation links in health field taken up in collaboration with IIM-B.
7. Reorganization of the department by developing a separate public health cadre/wing is being actively pursued.
8. Health accounts, IEC, PPP, Quality Assurance, and Health Care Waste Management cells set up for capacity augmentation of the personnel.
9. Four Major Hospitals viz., DH Bijapur, DH Tumkur, DH Bagalkote and K C General Hospital, Bangalore have been taken up for NABH accreditation.
10. In-service personnel have been deputed for various trainings & workshops conducted by institutions as ASCI, ESCI, IIMMR, AIIMS etc.
11. State and District Quality Assurance Cells established.
12. Quality Management System (QMS) Manuals prepared for District Hospitals, Taluk Hospitals, CHCs and PHCs and training being imparted.

Public Health Competitive Fund (PHCF)

1. Training & capacity building for about 4.50 lakh members in 8463 VHSCs and Arogya Raksha Samithis (ARS) has been completed.
2. Services of 44 NGOs across the State engaged for creating health awareness & social mobilization in non-curative services like immunization, TB, public health, maternal health.
3. District nodal environment officers appointed for all the 30 districts to monitor Liquid & Solid Waste Management in the health facilities and thereby contribute to improved public health.
4. 345 Health care facilities have established Liquid Waste Management system disinfection units and 91 Health care facilities have established Solid Waste Management system under KHSDRP.

Non Communicable Disease programme

5. Formulated the roles and responsibilities of state Technical Advisory Committee and the District Level Committee for prevention and control of Non-Communicable Diseases.
6. Major focus is early detection and treatment of hypertension, diabetes and Cervical Cancer. Project will undertake screening for Hypertension, Diabetes and Cervical Cancer in 2 Pilot districts viz., Dakshina Kannada & Davangere from PHC level. Community-Level health promotion efforts planned.

Road safety & Emergency Health Service Programme

7. Procurement of 150 new Ambulances Advance Life Support (ALS) & Basic Life Support (BLS) is in progress.
8. KHSDRP in association with the KSHIP will undertake a pilot road safety strategy and systems approach in 2 demonstration corridors. Finance necessary investments- equipment's, human resources, standards/guidelines, and training.

Service Improvement Challenge Fund (SICF)

1. 109 Mobile Health Clinics (MHCs) in most backward, hilly and inaccessible areas operationalized.
2. 37 Citizen Help Desks operationalized in the district and major hospitals.
3. 50 specialists contracted to address the problem of shortage of specialists in Govt. health facilities.
4. Two Regional Diagnostic Laboratories contracted out on pilot basis.
5. To improve health infrastructure, 254 civil facilities comprising of 35 PHCs, 152 Sub Centres, and 9 ANM training centres & 13 drug warehouses, 45 24x 7 Model PHCs, completed and handed over to the DoH & FW .73 facilities have been repaired and renovated including 3 Regional food labs. 6 more facilities including 24 x 7 Model PHCs, State food laboratory is under up gradation/construction.
6. 45 more 24 x 7 Model PHCs are planned.

Health Financing (HF)

1. GoK sponsored Vajpayee Arogyashree Scheme is implemented by Suvarna Arogya Suraksha Trust, to support the BPL families in the state of Karnataka, for tertiary care and serious ailments, under a cashless benefit scheme. The project has reimbursed Rs 90.85 crores for 19635 beneficiary claims till December 2012 by the trust.

Infrastructure facilities improved/upgraded

1. 1133 computers provided to PHC/taluk hospitals towards infrastructure development and improving communication & managing HMIS effectively along with furniture & essential equipment to new facilities. High end equipment's - 42 Nos. of HPLC systems, 7 Nos. UV Spectro-Photometer, 7 Water Purification Systems, 15 Dissolution Test Apparatus- provided to strengthen the Drug Controllers Office.
2. Equipment, Furniture to State Food Lab and Regional Food Labs.
3. Equipment to 13 newly constructed Drug Ware Houses.
4. Procurement of computers & equipment for upgrading/enhancing enforcement measures by the drugs control department and State food laboratories in progress.

Impact Assessment and Evaluation Studies taken up

1. Impact evaluation of MHCs and citizen helpdesks completed. Inhouse monitoring of MHCs is being conducted to ensure optimal utilization and also provision of MHCs services.
2. Baseline survey for Thayi Bhagya Yojane in progress and health facility survey is completed.
3. Public expenditure review (PER) & medium-term expenditure framework (MTEF) for the DoH & FW for the period of 5 years from 2011-16 is completed. Rolling MTEF work is being done.
4. Support provided for the establishment of a State health informatics center and a new integrated health management information system (HMIS).

13.4.11 Karnataka State AIDS Prevention Society (KSAPS)

Karnataka State AIDS Prevention Society (KSAPS) was registered as a Society on 9th December 1997; it is an autonomous institution and a highest policy-making structure regarding HIV/AIDS in Karnataka, headed by Chief Minister. The Chairman of Executive Committee is Secretary to Government Health & Family Welfare Department. As per NACO, Karnataka is one of the “High Prevalent States” in India. The other high prevalent states in India are Andhra Pradesh, Mizoram, Maharashtra, Manipur and Nagaland. KSAPS is implementing NACP III. Karnataka has 29 Category “A” districts and 1 Category “C” district.

KSAPS is implementing NACP III which is funded by NACO, New Delhi. Karnataka has been conducting the HIV Sentinel Surveillance since 1998. Surveillance is carried out annually by testing for HIV at designated sentinel sites. The prevalence among antenatal clinic (ANC) attendees as per HSS 2010-11 was 0.69%. This is close to the NFHS-3 estimate of 0.69% in 2006. HIV prevalence among the ANC attendees indicates decline in adult HIV prevalence in the state from 1.5% in 2004 to 0.69% in 2010-11. HIV prevalence level (as per HSS 2010-11) among Female Sex Workers (FSW), Men who have Sex with Men (MSM) and Injection Drug Users

(IDU) is 5.1%, 5.4% & 0% respectively. Table 13.59 presents statistics regarding HIV/AIDS cases tested and found positive in ICTC.

Karnataka State AIDS Prevention Society Programmes

1. Targeted Intervention - Response from Karnataka State AIDS Prevention Society (KSAPS) has been to saturate targeted interventions (TIs) in Karnataka under the thrust area of NACP-III.

i. Core TI (FSW, MSM & IDU)

This saturation currently covers around 85866 Female Sex Workers (FSWs) under targeted interventions and 25601 Men who have sex with Men (MSM). The TI is funded by NACO through KSAPS. There are 4 IDU programmes in Karnataka. 3 in Bangalore & 1 in Kolar covers 1597 IDUs.

ii. Bridge TI (Migrant & Truckers)

The 21 TI projects in Karnataka cover 210000 migrants. 7 truckers TIs cover a population of 80,000 long distance male truckers. The Truckers program is implemented at Transshipment Locations.

2. HIV Counselling & Testing at Integrated Counselling and testing Centre - In 2012-13, 1239661 general clients were counselled and tested

Table 13.59- Tested and found Positive in ICTC

Year	General clients					ANC				
	Target	Achievement				Target	Achievement			
		Tested	% Achieved	+ve	% Positive		Tested	% Achieved	+ve	% Positive
2007-08	500000	195124	39.02	28279	14.49	400000	276301	69.08	2399	0.87
2008-09	650000	445761	68.58	44847	10.06	550000	568467	103.36	3249	0.57
2009-10	800000	745292	93.16	48417	6.50	700000	796748	113.82	3501	0.44
2010-11	1000000	775712	77.57	41617	5.37	900000	784794	87.20	2542	0.32
2011-12	1000000	1179801	117.98	39477	3.35	1000000	1010822	101.08	2333	0.23
2012-13	1491400	1239661	83.12%	33611	2.71	1207268	962034	79.69%	1831	0.19%
2013-14 (till Dec-13)	1467137	1112754	76	22667	2.0	1292519	807313	62	1163	0.14

with a positivity rate of 2.71% and 962034 ANCs were counselled and tested with a positivity rate of 0.19% in ICTCs. From April to September 2013, 733997 General clients were counselled and tested with a positivity rate of 2.12% and 528436 ANCs were counselled and tested with a positivity rate of 0.15% in ICTCs.

3. Care Support & Treatment

In 2013-14, 55 ART centers and 179 Link ART Centers and Link Plus ART Centers have been functioning. The cumulative number of HIV cases registered at ART Centers till September-2013 were 231664 out of which, 101177 cases are alive and on ART. The progress of ART centres is given in Table 13.60.

4. Information, Education & Communication

KSAPS undertakes various mass and mid media campaigns through radio and television programmes,

to create awareness regarding HIV/AIDS in General population. During year 2013-14, the folk troops performed awareness in all the districts of Karnataka. To focus on every household in high prevalent districts, door to door campaigning was carried out. Bijapur and Dharwad districts were covered by house to House campaign. To increase awareness regarding HIV /AIDS in college students Red Ribbon Clubs have been established. 1276 Red Ribbon Clubs have been established in degree colleges in Karnataka.

5. Blood Safety

State Blood Council was established in Karnataka during 1998-99 to provide adequate & safe blood and blood products at reasonable rates. At present there are 178 registered blood banks in Karnataka of which 66 are supported by NACO. Out of 178 Blood Banks, 45 are in Government Sectors, 32 are Voluntary/Charitable sectors and 101 are in Private sector (Table 13.61)

Table -13.60- Status report on ART (upto Dec. 2013)

Indicator	Adult Male	Adult Female	TS/TG	Child Male	Child Female	Total
Pre ART Registration	112171	109143	468	8853	7358	237993
Ever Started on ART	73271	65769	250	4480	3493	147263
Alive on ART	47019	49619	172	3620	2853	103283
Reported Death	19922	11248	59	548	432	32209

Table 13.61 - Blood Safety Indicators (2007-08 to 2013-14)

Indicator	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (till Dec 2013)
Total blood units collection	379735	466047	536783	614787	594512	660138	462878
Blood units collected from Voluntary Donors (VBD)	226251	274596	326482	378933	393694	430112	296547

6. Financial Progress

Table 13.62 Programme Component wise expenditure of KSAPS Budget (in Lakhs)

Sl. No.	Programme	Year 2013-14 (April to Dec -2013)		
		Approved Budget	Expenditure	Expenditure as (%) of Budget
1	Targeted Interventions	2463.63	1705.83	69.24
1.1	Link Worker Scheme	224.40	96.57	43.03
2	Sexually Transmitted Infection/Reproductive Tract Infections Services	115.36	60.85	52.75
3	Blood Safety	513.10	119.37	23.26
4	ICTC/Hi-TB/PPTCT	1989.43	1267.51	63.71
5	Information, Education & Communication	722.68	266.41	36.86
6	ART/CCC	1477.84	837.69	56.68
7	Institutional Strengthening	812.96	242.73	66.76
8	Strategic Information Management System	54.99	8.73	15.88
9	UNICEF	3.67	25.48	100
10	State Fund			
10a	2210-06-101-7-15 Grant in aid Salary	200.00	290.42	145.21**
10b	2210-06-101-7-17 Reimbursement of Travel cost to HIV patient	500.00	292.21	58.44
10c	2210-06-101-7-18 – LWS programme	300.00	18.88	6.29
	Total	9378.06	5532.68	58.86

13.4.12 Department of Ayush

It is an independent department working parallel with Health and Family Welfare, Government of Karnataka includes AYUSH Health Care and AYUSH Medical Education. The aim is to provide AYUSH health care services through Preventive, Promotive and Curative type of treatment, particularly in the field of life style disorder management. The Department is aiming at AYUSH health care services and education across the state.

Health Services

AYUSH Health Care Services is focused mainly on primary health care. There are 660 AYUSH

Dispensaries, 122 Hospitals and 77 Medical Colleges with inpatient care system.

- * Providing specialized therapy like Panchakarma, Ksharasutra
- * Training for AYUSH personnel to mainstream the system of AYUSH in National Health Care delivery system
- * Strengthening regulatory mechanism for ensuring quality control.
- * Government Central Pharmacy manufactures AYUSH Medicines. It supplies medicines to all Government AYUSH Dispensaries, Hospitals

and Hospitals attached to AYUSH Medical Colleges across the state.

- * The Drug Testing Laboratory analyses the quality of the raw drugs which are to be used in manufacturing the medicines
- * Drug Licensing Authority issues license and controls manufacturing of Ayurveda, Unani, Homoeopathy drugs and cosmetics.

Medical Education

There are Government, Government Aided, and Un-aided AYUSH Medical Institutions (in total 77) functioning in the state. The details of number of Ayush medical colleges/institutions and intake of UG and PG students intake in Govt., Govt. Aided and Private Colleges is given in Table 13.63. However, there are no Pharmacy and Paramedical colleges in the State.

The department has successfully implemented AYUSH Health Schemes in various taluks across the

state regarding Anemia, Yoga and other IEC activities Etc. The Department has trained many School Teachers for Yoga in the state; in turn these teachers taught yoga to their school children. Anemia control Programme is a Pilot programme, where the school children [selected schools] are screened for Anemia and these children are treated with AYUSH Hematinic. To popularize the AYUSH health care system; to provide Preventive Promotive health care at low cost the department has implemented some of the AYUSH programme to the general public.

New schemes implemented

AYUSH Grama Yojane - The scheme provides AYUSH Health care services, improves the quality of health, social improvement and life style modification to the rural people at their door step. This programme provides AYUSH health care services from infant to geriatric group. This Yojane is for a period of 3 years. Aim of the scheme is (i) To provide AYUSH Health care services to the rural people in scientific way and (ii) A low cost and

Table 13.63 -Number of AYUSH medical colleges/ institutions in Karnataka as on 31.12.2013

Faculty	Government		Government aided		Unaided		Total	
	Institutions	Students enrolled	Institutions	Students enrolled	Institutions	Students enrolled	Institutions	Students enrolled
Ayurveda								
Graduate	03	150	05	310	50	2340	58	2800
Postgraduates	03	59	05	43	15	94	23	196
Unani								
Graduate	01	50	-	-	03	120	04	170
Postgraduates								
Homoeopathy								
Graduate	01	40	-	-	10	740	11	780
Postgraduates					05	24	05	24
Yoga and nature cure								
Graduate	01	25	-	-	03	210	04	235
Postgraduates					01	02	01	02
Total	09	324	10	353	87	3530	106	4207

Table 13.64 - Details of In-Patient and Out Patient in AYUSH Hospitals

Year	Ayurveda		Unani		Homoeopathy		Nature cure & yoga		Total	
	In-patient	Out-patient	In-patient	Out-patient	In-patient	Out-patient	In-patient	Out-patient	In-patient	Out-patient
2008-09	4766	4083262	773	562050	412	215318	0	34177	5951	4894807
2009-10	8199	3177807	1594	566104	545	764418	144	26639	10482	4534968
2010-11	5443	3783417	794	491148	280	520395	41	18045	6558	4813005
2011-12	60587	3859795	748	475501	429	385394	31	20974	7265	4741664
2012-13	13661	3800729	773	574435	565	340172	21	24492	15020	4739828
2013-14 upto Dec 2013	6699	1996739	798	279963	455	273579	0	9815	7952	2560096

Table 13.65 - Cadre strength details in AYUSH

Group	Teaching			Non-teaching			Total		
	Sanctioned	Filled	vacant	Sanctioned	Filled	vacant	Sanctioned	Filled	vacant
Gr-A	194	87	107	995	816	179	1189	903	286
Gr-B	121	56	65	28	16	12	149	72	77
Gr-C	0	0	0	932	414	518	932	414	518
Gr-D	0	0	0	1300	716	584	1300	716	584
TOTAL	315	143	172	3255	1962	1293	3570	2105	1465

Table 13.66 Ayush Institutions and Their Intake Capacity

Sector/ Faculty	2011-12			2012-13			2013-14		
	No. of Institutions	Intake Capacity	Enrolment	No. of Institutions	Intake Capacity	Enrolment	No. of Institutions	Intake Capacity	Enrolment
Ayurveda	58	2780	1930	58	2790	1835	58	2800	2225
Unani	04	170	127	04	170	140	04	170	165
Homoeopathy	11	780	780	11	780	780	11	780	765
Nature cure and yoga	04	235	209	04	235	225	04	235	235

effective treatment is provided at their door step, by this, 50% of the primary illness and the diseases which are caused by life style changes can be reduced.

AYUSH Sanchari Ghataka

By providing special attention to mother and child health care, Infant Mortality Rate & Maternal Mortality Rate can be reduced in Rural Areas, Backward and Remote places. Aim of the scheme is to keep District AYUSH Offices as main centre, the Health Services will be provided in remote villages where there are no medical facilities through AYUSH Sanchari Ghataka. This Programme Provides, Health Awareness in prevention of Diseases, to maintain health, and is useful to public health at low cost.

Innovative programme conducted by the Department of AYUSH

Ayush Nutrition Programme - Syrup and Biscuits will be given to the pre-school children between the age group of 3-6 years to boost up deepana & pachana (digestion and absorption) process. The ingredients used in formulation of syrup and biscuit contain essential nutritional components to improve the nutritional status in the children. The aim of the programme is to improve the nutritional status of children.

13.4.13 Drugs Control - The Drugs Control Department headed by Drugs Controller is functioning in the State since 1956 as a Regulatory

Department. It is having 3 wings Enforcement, Laboratory and Pharmacy Education. In 2013-14, the Department has a plan budget of Rs. 3383.00 lakhs, Rs. 1912.16 lakhs under non-plan and Rs. 93.00 lakhs under Centrally Sponsored Scheme. As per Budget Announcement in the year 2008-09, Hubli and Bellary Regional Drugs Testing Laboratory were established. Furthermore, partly construction work carried over in Hubli and complete building works were carried over at Bellary. Under the World Bank Assistance of Rs. 5 crore, 42 HPLCs and other instruments were purchased to upgrade the Drugs Testing Laboratories. The Drugs Testing Laboratory, Bangalore got NABL accreditation in 2013.

For the first time in the country, Karnataka Pharmaceutical Policy was released. Five services are provided by the department under SAKALA to assure the delivery of services within the specified timeframe. The Department has computerized the licensing activities of sales and manufacturing establishments. In the department head office, LMS/FMS software is adopted for the e-governance and Less Paper Office.

A special inspection drive has been undertaken once in three months by the department to check and control the sale of Psychotropic Drugs, Habit forming Drugs in the medical shops. For the Department, the Karnataka Power Corporation Limited is constructing a multi-storey building with an area of 119000 Sq. ft. in the Bangalore Head office premises of the department.

1.	AYUSH Health camp
2.	Seminar and Work shop
3.	Home remedy and AYUSH awareness
4.	Diabetes control programme
5.	School health programme
6.	Vector borne diseases control programme
7.	Yoga and Naturopathy programme [Micro]
8.	AYUSH health expo
9.	AYUSH Trainings

As per 2013-14 Budget announcements, the Department has been allotted 8.16 acres of site to establish a Government Pharmacy College at Gulbarga with an estimated cost of Rs. 26 crores. The Government increased the seat limit from 8 to 15 in each subject for M. Pharma Post-graduation Course in the Government College of Pharmacy, Bangalore.

13.4.14 Karnataka State Drugs Logistic Warehousing Society

Karnataka State Drug Logistics and Warehousing Society, Bangalore was established with an objective to cater to the needs of Health Institutions coming under the Directorate of Health and Family Welfare Services as well as those Hospitals coming under the control of Directorate of Medical Education and such other programmes coming under Health and Family Welfare Services.

Karnataka State Drug Logistics and Warehousing Society, Bangalore is headed by Additional Director. He functions under the Administrative control of the Commissioner, Health & Family Welfare Services and the Director of Health & Family Welfare Services. The requirement of Drugs, Chemicals & other items of all State Sector Hospital, Teaching Hospitals under the Directorate of Medical Education and the Hospitals/Institutions coming under ZP, are procured and supplied in accordance with the budget allotted and the indent of individual Hospitals/Institutions through District Drugs Warehouses.

Budget Allocations

Plan of Action

1. The erstwhile Government Medical Stores has been restructured into a society and is functioning as Karnataka State Drugs Logistic & Warehousing Society ® which was formed with the financial assistance of the European Commission through Government of India during the year 2003. 14 District Drug Warehouses catering to the needs of two districts each were constructed and fully equipped and they are functioning effectively. Cold Storage Room has been installed in all 14 District Drug Warehouses. As per the indents of the Health Institutions drugs are supplied to them through the Troop Carrier Vehicles of Warehouses.
2. The essential equipment and necessary materials were supplied to all the 14 Drug Warehouses, All the warehouses are computerized and internet connection is also provided. Karnataka State Drugs and Logistics Warehousing Society is connected to all District Drug Warehouses, where in data is feed through Warehouse Information System WIS.
3. 13 new District Drug Warehouses have been constructed, and handed over. Measures have been taken to convert Karnataka State Drug Logistics Warehousing Society into

Table 13.67- Budget released for procurement of Drugs & Chemicals & Expenditure

Year	Budget Released (Health)	Expenditure
2009-10	6758.52	6758.49
2010-11	6000.00	5161.05
2011-12	6600.00	5920.85
2012-13	9375.00	9375.00
2013-14 (upto Dec, 2013)	10500.00	7877.77

Corporation on the lines of Tamil Nadu Medical Services Corporation.

4. As per the indents of the Health Institutions, drugs are procured through different firms and KAPL and distributed through 14 District Drug Warehouses.
5. Drugs and Chemicals are also supplied by this Society to combat Natural calamities like floods, droughts which are supplied as per the directions of the Government from time to time.
6. The Equipment and Furniture required for different health institutions are procured through KDLWS from 2011-12.
7. Equipment Monitoring Cell has been established at the State Level in KDLWS. This Cell compiles the Equipment information of the state, monitors the repair work and AMC/CMC of the equipment.

Other Department Programmes

Under “Akshara Dasoha” Programme of the Education Department certain drugs like Tab. Albendazole, Iron with Folic Acid and vitamins 'A' Capsules are being procured and supplied to BEO's which are in turn supplied to schools for distribution to students from class I to 7th Std. as per requirement of Education Dept. Drugs, Chemicals diagnostic kits, Lab consumables, Blood Bank Consumables and instruments medical equipment required under AYUSH, National Rural Health Mission, and Karnataka Aids Prevention Society are procured and supplied as per their requirements.

13.4.15 Expenditure on Health

The plan and non-plan outlays for the health sector during the last three years are given in Table 13.64. The details of the central assistance and its disbursement are also provided in Table 13.65.

Table 13.64 - Plan & non-plan outlay on Health & Family Welfare (Rs.in lakh)

Year	Plan	Non-Plan	Total
2011-12 A/c	156334.50	175388.88	331723.38
2012-13 BE	223460.30	205813.14	429273.44
2012-13 RE	192597.26	215280.81	407878.07
2013-14 BE	305798.99	248679.85	554478.84

Table 13.65- Funds received from Government of India and Utilization (Rs.in lakh)

Financial Year	GoI releases through State Health Society	GoK releases through State Health Society	Opening Balance (Unspent Balance)	Total Fund	Expenditure of State Health Society	Expenditure as % of GoI releases	Remarks
2011-12	64082.59	16000.00	172341.17	252423.76	76323.70	119.10	
2012-13	64028.62	18036.00	176100.06	258164.68	85764.08	133.94	Exp- Unaudited
2013-14 (upto Dec -2013)	47559.47	13856.00	171939.27	233354.74	57948.81	121.84	

Note: 2011-12 and 2012-13 – Expenditure as % of GOI release- higher than 100% because of the carry-over of unspent funds from previous years.

13.5 Issues and Challenges

13.5.1 Human Development

- ↪ The overall review of Human Development Index indicates that the fruits of development have not been distributed equally among all the persons in society. It underlines the need of expansion of economic activities and educational facilities along with their equitable distribution. Thus, it can be concluded that to raise the level of human development concrete efforts at grass root level, not only towards raising economic resources and developmental opportunities but also to ensure their equal distribution, should be made.
- ↪ The principal objective of development planning is human development and the attainment of higher standard of living for the people. This requires a more equitable distribution of development benefits and opportunities, better living environment and empowerment of the poor and marginalised. Although many initiatives have been taken by the State Government in this regard, there is still a need to empower women and improve the status of SC/ST and minorities who can act as catalysts for change.
- ↪ In making the development process inclusive, the challenge is to formulate policies and programmes to bridge regional, social and economic disparities in as effective and sustainable a manner as possible. The Eleventh Five Year Plan sought to address this challenge by providing a comprehensive strategy for inclusive development, building on the growing economic strength of the economy in the past decades. This strategy has to be continued and consolidated further in the Twelfth FYP. The Approach Paper to the Twelfth FYP (2012-17) rightly stresses the need for more infrastructural investment with the aim of fostering a faster, sustainable and more inclusive growth and better Human Development.

13.5.2 Education

- ↪ **Regional disparities in school education** - An analysis of the scenario in the districts of

Karnataka has shown that some of the districts of north and north-east Karnataka are not at par with the other districts of State on school education parameters such as literacy rate, EDI, access rate, PTR, drop out rates, retention rates, infrastructure facilities. The districts are mainly belong to the Hyderabad Karnataka region and the other districts are Belgaum, Bijapur and Bagalkot.

- ↪ **Variations in Literacy:** urban-rural, gender and regional - Despite significant improvements in increasing the literacy rates in the State (from 56.0% in 1991 to 75.6% in 2011) variations in literacy within social groups are of concern. Key amongst these is the gap of 17.3% between urban (86.2%) and rural (68.9%) literacy rates. Although this gap has reduced from 21.3% in 2001, the considerable lower levels of rural literacy are a key issue. A differential of 14.7% in literacy rates between males (82.9%) and females (68.1%) in Karnataka should also be noted, despite the fact that females have recorded a literacy growth rate of 23.8% between 1991 and 2011 as compared to 15.6% for males. Significant variations in terms of literacy also exist at the district level, ranging from 88.6% in Dakshina Kannada to just 52.4% in Yadgir.
- ↪ **Low retention rates and GERs at higher stages of school education-** Although Karnataka has been successful in ensuring that GERs at the primary level of education are high, there is a need to improve enrolment rates at the higher stages of school education. In 2012-13 the GER in the primary level was 106.81 whereas the GER in the secondary level was 84.54. Karnataka's retention rate at the primary level is 74.8 (2009-10) which compares poorly in relation to comparable states, which all have higher retention rates – Tamilnadu (97.1), Maharashtra (88.7), Andhra Pradesh (82.8), Gujarat (80.8).
- ↪ **Quality of education** - While Karnataka seems to have made significant progress in terms of enrolments in school education, particularly at the lower primary level, the quality of education remains an area of concern. Data from

Pratham's Annual Status of Education Report for 2011 highlights need to address the quality of education in the State. On reading competencies, the study finds that 85% of class I-II children can read letters, words or more. Although it is above the national average, it is less than the levels in states such as Kerala, Maharashtra and Andhra Pradesh. Of more concern is the fact that less than 60% of class III-V students can read class I texts, while only 47.5% can do subtraction. This reflects poorly on the education standards in the State, both in absolute terms and relative to other comparable states. A composite rank of 15 (out of 35) amongst Indian states and UTs in 2010-11 on the Education Development Index for 2010-11 also highlights the issue of a low quality of school education in Karnataka.

13.5.3 Health

↳ **Policy related issues** - Policy related issues highlight the issues with regard to implementation of policies, acts and lack of public health cadre in the state. There is a lack of human resources management policy. There is unavailability of detailed information (personal data, qualification data, service data, etc.) on health workforce at different organizational levels (State, Region, District, Mandal, and below). This is a matter of concern as many vital decisions can be drawn based on these details. There is lack of appropriate guidelines for filling specialty positions in terms of relevant skill, qualification, certification, experience, etc. Promotions are purely time bound and seniority based and they are not linked with one's performance on the job. A mechanism to capture the performance of officials objectively is missing. Though the existing ACR/CR system tries to capture individual performance, it is inadequate to measure the performance in the absolutely objective term and establishing linkages with promotion, incentive and reward. There is lack of human resource training and development policy and lack of Public Health Cadre. Hence, in the current structure an effective management of existing resources is lacking.

Public health functions are often constrained by administrative bottlenecks and lack of adequate monitoring. Due to lack of public health management cadre, the role of facility management also falls on the medical officer. As a result, the medical officer spends more time in administrative duties, reporting etc. which affects the clinical and outreach services. To add to the woes is the limited knowledge and interest of medical graduates in the field of public health.

↳ **Human Resources for Health** - Karnataka has taken many systematic changes to improve the management of human resource such as (i) cadre and recruitment rules were amended for creation of specialist cadre; (ii) Enactment of Karnataka State Civil Services (Regulation of Transfer of Medical Officers and Other Staff) Act 2011, which has provision for compulsory posting in rural areas and transfer of specialist to appropriate post; (iii) Special remote area allowance is being given to encourage personnel to stay in remote areas; (iv) Hiring specialist doctors on contract on higher remuneration to ensure delivery of services. Despite these efforts, there are shortages and vacancies in manpower at various service delivery units. Dearth of adequate workforce leads to the shortages of critical positions like Surgeons, OB&G, Physicians, Paediatricians, ANMs, etc. at key service delivery units like DH, PHC, CHC, SC etc. They further add to the pressure of existing functionaries to take up additional load and result into poor health service delivery.

↳ **Programme/scheme design and implementation** - Addressing health issues needs strong programme planning and effective implementation strategies. Notwithstanding the efforts by the State health authorities, Karnataka is grappling with issues like malnutrition and non-communicable diseases. There are also concerns related to poor state of urban health, poor sanitation facilities and lack of safe drinking water. Malnutrition - Karnataka has more than one-third of its women (35.5%) with Body Mass Index (BMI) less than

18.5 kg/m², indicating high prevalence of nutritional deficiency. There is also high prevalence of anaemia among women (51.5%) and children (70%). Nutritional status of women and children deserves immediate attention. There is also regional disparities in nutritional status of women and children, with Northern Karnataka districts having nutritional levels lower than the State average. **Non communicable diseases** (NCDs) such as Cardiovascular Diseases, Chronic Obstructive Pulmonary Disease, Cancer, Diabetes and Injuries are also a matter of concern. There is no regular system for collecting data on NCDs which can be said to be of adequate coverage or quality. **Health services in urban Karnataka** are provided through 27 Urban PHCs and 108 urban family welfare centres. However, health indicators highlight the need for a strengthening in the urban health system. Despite the proximity of the urban poor to urban health facilities their access to such facilities is, often, restricted. With low levels of education, poor living conditions and inadequate income, rural migrants are the worst hit in the urban towns and cities. A single episode of illness pushes them into the cycle of debt and poor health status. Sanitation - As per Census 2011, nearly half of the households do not have sanitation facilities. It is a major concern in rural areas where 71.6% of the households have no sanitation facilities. Open form of defecation is still the preferred mode, which opens up plethora of health issues like gastrointestinal infection, diarrhoea, cholera, typhoid, hepatitis A etc. **Drinking water** - According to Census 2011, 66.1% of households in Karnataka have tap water connection. Rest of the households have water from other sources. Poor water quality spreads disease, causes death and hampers socio-economic progress. These diseases affect education and also result in loss of work days. **Geriatric care** - There is also need to address Geriatric care concerns as the elderly population in Karnataka is projected to increase from 9.2% in 2011 to 14.5% in 2026. The areas of concern for the elderly pertain to meeting healthcare needs, keeping pensions in tune with inflation and cost of living and setting

regulatory standards for old age homes ensuring there are enough old-age homes which are well equipped to meet the increasing needs of housing for the elderly.

☞ **Management and administration –**

- (a) **Health infrastructure** - The healthcare system in Karnataka has been designed in line with acceptable national norms. There is adequate number of health institutions at all levels, largely conforming to population and area norms. However, a review of health facilities available across the various districts of Karnataka, however, reveals that while overall figures for the State are within norms, there are wide inter-district variations in population serviced. Further, a large number of health facilities in the State need to be upgraded as per IPHS standards. The first step towards up gradation should be to identify the gaps as per IPHS standard, develop plan, provide budget and implement the plan in order to achieve the standard.
- (b) **Health Finance** – Expenditure on health sector in absolute terms has been increasing over the years in the State, however as a percentage, the budgetary allocation for healthcare has been reducing over time. In the NHP 2002 guidelines, the states were advised to increase their allocations on health to 7% of their total budget by 2005 and further to 8% by 2010 - the State has fallen short on this aspect. Most of the spending is largely contributed by central funding; the State needs to improve its funding from the current level to 2.5% of GDP by the end of 12th Five Year Plan.
- (c) **Lack of convergence among the existing health Insurance schemes** - Karnataka has four schemes currently operating in the Karnataka state: Vajpayee Arogyashree (VAS) and Suvarna Arogya Chaitanya (SAC) by Department of Health and Family Welfare, Rashtriya Swasthya Bima Yojana (RSBY) by Department of Labour and Yeshaswini Scheme by Department of Co-operatives. Each scheme is unique in its design and implementation. There is significant scope for convergence of

the schemes in order to provide health protection to the poor in a simplified manner. This can result in enhancement of reach, reduction of cost and improvement of quality of healthcare.

- (d) **Inter-sectoral convergence** - The inter-sectoral convergence efforts in the State focuses on building operational level synergies along with common goals and working out plans to achieve them. The convergence takes place between associated departments like Women Development & Child Welfare, Rural Development, Department of Panchayati Raj, AYUSH, Tribal department, SC/ST department and Education department. Convergence with the interdepartmental officials is expected to take place at state, district and taluka level. Inter-sectoral convergence needs to be strengthened to improve the health care delivery in the State. Implementation of healthcare initiatives is not a standalone activity; it needs support from other related department.
- (e) **Poor utilisation of health facilities in the State** – Although the State has adequate number of health facilities to cater the need of its population, but due to inter-district variations the service delivery gets affected. NFHS-3 has revealed the reasons for poor utilization of government facilities in the State. 64% households in Karnataka do not use a

government facility, as compared to 47% in Tamil Nadu and 50% in Kerala. The primary reason reported by 51% respondents was a poor quality of care. The other major reasons were – facility not being nearby (45%), timing (25%), waiting time (32%) and staff being absent (14%).

- (f) **Health Management Information System (HMIS)** - Despite many initiatives to consolidate health related information, there still are issues in need of a comprehensive solution that can support informed decision making at all levels of health service delivery. This is because (i) there are multiplicity of institutions involved in health statistics collection, there is lack of coordinated efforts among the various programmes and departments within the health sector to integrate the health information. There is no single institution responsible for HMIS for the whole state. (ii) Lack of private sector data - The data collection in public sector is uniform in nature, but currently there is no mechanism/policy in place for collection of data from private sector. (iii) Poor use of health statistics data in decision making - The information collected at the various levels is only an offshoot of the administration of data collection. The data and the output generated are not used effectively for improvement of the service delivery functioning. There is also lack of feedback mechanism in the entire system.

GENDER AND SOCIAL EQUITY



14.1 WOMEN AND CHILD DEVELOPMENT

14.1.1 Women Population in Karnataka

Women comprise nearly half the population in Karnataka. According to the recent 2011 Census, women comprise 49.14 % of the total state population. Table 14.1 shows district-wise population of women in Karnataka. As regards percentage of women population Bangalore Urban (15.2%) has the highest percentage followed by Belgaum (7.8%), Gulbarga (4.2%) and Bellary (4.2%).

14.1.2 Women Empowerment Schemes

14.1.2.1 Women & Child Welfare Dept

It is in the recent years that the issue of women's empowerment as a development objective has moved centre stage. With this objective in mind, the Department of Women and Child Development, Government of Karnataka, has designed the following schemes that aims, not only on empowering women, but also for their well-being in various spheres.

A. Stree Shakthi

The programme was launched in 2000-01 and is implemented throughout the State. The focus of this scheme is to empower rural women and make them self reliant. Streeshakthi Groups are formed at the village level to inculcate the habit of savings and thrift among its members, so that women are economically empowered. Each group comprises of about 15 to 20 women members who come from below the poverty line families. Women belonging to families that are landless or agricultural labourers, and largely SC/ST women who have come together to form 1.30 lakhs Streeshakthi Groups. At present there

are 1.40 lakh self help groups, comprising 20 lakh women members.

Groups conduct regular weekly meetings and save a minimum of Rs.10/-. These savings are used to do internal lending among the members helping them to utilize the money for their day to day needs and also to start small Income Generating Activities. Upto September, 2013 the groups had saved Rs.1383.54 crore since inception. Bank loans have been availed by 124620 groups to the extent of Rs.1440.60 crore and there has been internal loan circulation to the tune of Rs.3688.62 crore and used for taking up various Income Generating Activities.

Each Streeshakthi Groups is given a Revolving Fund of Rs. 5,000/- and kit material of Rs.600/- which includes 9 books and zinc metallic trunk. To encourage women's groups to involve in saving activities and take-up income generating activities, the State has offered financial incentives of Rs.5000/- to each group. It has been decided to enhance the ceiling limit of revolving fund from Rs. 5000/- to 25000/- in a phased manner starting from 2014-15 to 2017-18 at the rate of Rs. 5000/- per year. Further, the State also offers financial incentives of Rs.15,000/- to the groups who have saved between Rs.75,000/- to Rs.1 lakh and an incentive of Rs.20,000/- to the groups who have saved above Rs.1 lakh. So far 7698 Groups have availed advantage of these incentives.

A subsidized loan at an interest of 6% is given to those groups who take up loans ranging from Rs.25,000/- to Rs.1 lakh, a budget provision of Rs.20 lakh provided for 500 groups. In 2013-14, each district is given Rs.75,000/- to conduct exhibitions & melas at district & taluk level. The purpose of this is to facilitate the marketing of products produced by these groups. 175 block level societies have been registered under the Karnataka Societies Registration Act 1960. Since

Table 14.1 - Women Population in Karnataka (District wise, 2001-2011)

Sl. No.	Name of the District	As per 2001 Census	As per 2011 Census	Percentage of women population (Census 2011)
1	Bangalore (Urban)	3100313	4563412	15.2
2	Bangalore (Rural)	916081	479743	1.6
3	Chitradurga	737578	816967	2.7
4	Kolar	1242253	760830	2.6
5	Shimoga	810230	875695	2.9
6	Tumkur	1267575	1326679	4.4
7	Davanagere	872373	957303	3.2
8	Ramanagar		534679	1.8
9	Chikkaballapur		616873	2.1
10	Mysore	1289070	1483538	4.9
11	Chikkamagalur	564829	570270	1.9
12	Dakshina Kannada	958752	1051048	3.5
13	Hassan	862696	890414	3
14	Kodagu	272112	280037	0.9
15	Mandya	874411	899239	3
16	Chamarajanagar	474380	507603	1.7
17	Udupi	587953	615012	2
18	Belgaum	2059518	2351335	7.8
19	Bijapur	880313	1062149	3.5
20	Dharwad	780379	907866	3
21	Karwar	666273	709423	2.4
22	Bagalkote	816548	937924	3.1
23	Gadag	478160	526758	1.7
24	Haveri	697553	779211	2.6
25	Gulbarga	1533479	1257831	4.2
26	Bellary	996761	1251981	4.2
27	Bidar	730695	829168	2.8
28	Raichur	815860	958280	3.2
29	Koppal	591470	689813	2.2
30	Yadgiri		581881	1.9
Total		25877615	30072962	100

2005-06, financial assistance of Rs.30,000/- each year has been provided to strengthen these Societies.

Skill Development Training was imparted to the members of the Streeshakthi Groups based on their interest. So far 95,735 members have been given Skill Development Training. Mobile van scheme for marketing products produced by the groups is introduced in 20 districts to encourage marketing at the village level and co-ordinate with the group.

The budgetary allocations for various activities under Streeshakthi are

- Rs.1500 lakhs (Rs.1425 lakhs for rural groups and Rs.75 lakhs for urban Streeshakthi groups to be created by KSWDC) for creation of SHGs, of which an expenditure of Rs.390.16 lakh was incurred as of September-2013. (Table 14.2)
- With focus on the backward areas, under the Special Development Programme an amount of Rs.100 lakhs is allocated towards incentives to groups which are involved in income generating activities.
- Under the Special Development Programme an amount of Rs.100 lakhs is allocated in continuation programme for the construction of divisional level training centers.
- In view of the large number of groups taking up income generating activities it was proposed to provide marketing facilities at the taluk level in

a phased manner from the year 2007-08. During 2013-14, Rs.500 lakhs is allocated for construction of 5 new taluk bhavans and to complete 49 incomplete buildings of which an expenditure of Rs.50 lakhs was incurred as of December-2013.

Impact of the Scheme

- Inculcated habit of savings
- Self reliant, confident and economically independent women
- Development of delivery mechanisms for poverty alleviation

Gaps and constraints

- Over dependence of groups on the Department/Government.
- Existing supervisory staff is overburdened with other flagship and priority schemes as a result clusters and federations not properly strengthened.
- No group dynamics in income generating activities, since it is taken up as individual activity, seldom taken up as group activity. Hence there is tendency for the groups to brake.

B.Santhwana

Santhwana is a scheme aimed at rehabilitation of women who have been subjected to atrocities like

Table 14.2 - Progress under Streeshakthi Scheme

Years	Expenditure (Rs. In lakh)	Achievement (No.)
2009-10	832.93	49989
2010-11	97083	86359
2011-12	795.36	54145
2012-13	1040.48	20904
2013-14 *	663.26	30076

*(up to December-2013)

Table 14.3 - Progress under Santhwana Scheme

Year	Expenditure(Rs. lakhs)	Physical Achievement (Centers)
2009-10	148.13	125
2010-11	592.44	150
2011-12	442.18	166
2012-13	468.85	173
2013-14	205.61	169

rape, domestic violence, dowry, sexual harassment, etc. In addition to provision of legal assistance, support is also provided in the form of financial aid, temporary shelter and protection and training / education to equip them with skills needed to get back into the normal course of life. The State has sanctioned 167 Santhwana Centers, which are run with assistance from various NGOs. During 2013-14, a budget allocation of Rs.425 lakhs was earmarked for the scheme, of which an amount of Rs.105.61 lakhs has been spent up to December 2013.(Table 14.3)

Success Stories

- A. Sarala Gajanaa Nayak hails from a middle class family. Though she was not willing, due to the pressure from her parents and for the future of her 3 younger sisters, she agreed to the marriage. Later she came to know that the person to whom she had got married was an alcoholic. Her life became miserable. She came across Santhwana centre where she was given counseling at various stages along with her husband and after repeated effort their family was united. Follow up visits are given to their house to confirm their well being.
- B. Sister and brother in law of Smt Lakshmi had kept the girl under house arrest after her love marriage. The boy approached the Santhwana centre and requested to unify them.Santhwana Centre had sent a notice to girl's sister and brother-in-law and sent word for girl's parent

to come to the santhwana centre, counseled them and took all necessary legal step to register their marriage. Follow up visits were taken up to confirm the peaceful living of the couple.

14.1.2.2 Karnataka State Women's Development Corporation (KSWDC)

The Karnataka Women's Development Corporation was established in 1987 for social and economic upliftment of women and has, since then, been implementing various schemes benefitting women.

A. Udyogini

Udyogini is designed to promote income generating activities by women and the same is encouraged through loans from banks and subsidies from KSWDC. For special category women, a subsidy of 30% of the project cost subject to a maximum of Rs. 10000 and for general category women, a subsidy of 20% of the project cost subject to a maximum of Rs. 7500 is provided. During 2013-14, Rs.935 lakh has been provided in the budget and, Rs. 233.78 lakh has been spent covering 2630 beneficiaries' upto December 2013. It is proposed to cover 10500 beneficiaries under this scheme (Table 14.4).

An evaluation of the scheme by the Institute for Social & Economic Change has revealed that the scheme has been highly useful to women across different castes, classes, regions and demographic backgrounds. It is particularly true of women who were deserted by their husbands or for widows and,

Table14.4 – Progress of Udyogini scheme

Year	Physical (Nos.)		Financial (Rs.lakh)	
	Target	Achievement	Target	Achievement
2009-10	5563	5530	495.00	460.50
2010-11	9600	7910	1000.00	821.05
2011-12	15518	14488	1500.00	1269.06
2012-13	9332	9742	835.00	941.18
2013-14*	10500	2630	935.00	233.78

* Upto December 2013,

Source: KSWDC

Table14.5 - Progress of Women Training Programme

Year	Physical (Nos.)		Financial (Rs.lakh)	
	Target	Achievement	Target	Achievement
2009-10	4680	4395	255.00	235.00
2010-11	9510	1845	350.00	64.76
2011-12	5430	7192	300.00	277.70
2012-13	6080	3360	300.00	139.44
2013-14	6080	-	300.00	-

Source: KSWDC

physically handicapped women, by providing them a source of independent livelihood.

B. Women Training Programme

Under this scheme, various job oriented and skill training programmes are provided to women aiding their selfemployment, with a special focus on widows, physically handicapped and the destitute. The training programmes are organized through Central Government, State Government, and bank sponsored organizations. In 2013-14, Rs.300 lakh has been provided in the budget. Tender is floated for

selection of training institute. The scheme proposes to cover 6080 beneficiaries. (Table14.5)

C. Devadasi Rehabilitation Programme

This scheme is being implemented in 14 districts of North Karnataka. Under this scheme, Devadasis are provided with financial assistance by way of 50% subsidy from the Corporation and 50% loan from the banks, for taking up income generating activities with a unit cost of Rs. 20000. In addition, awareness campaigns against this evil system, formation of selfhelp groups providing microcredit to the groups

Table 14.6- Progress of schemes pertaining to Upliftment of Devadasis (Rs.lakh)

Name of the Scheme	2009-10		2010-11		2011-12	
	Target	Achvt	Target	Achvt	Target	Achvt
Devadasi Rehabilitation	500.00	442.56	250.00	250.00	400.00	325.00
Pension Programme	600.00	584.00	700.00	700.00	700.00	700.00
Housing Programme for Devadasi	1000.00	9124.00	1000.00	1000.0	500.00	500.00

Name of the Scheme	2012-13		2013-14 (upto Oct.13)	
	Target	Achvt	Target	Achvt
Devadasi Rehabilitation	400.00	541.93	450.00	151.80
Pension Programme	1000.00	1165.00	1350.00	337.50
Housing Programme for Devadasi	500.00	500.00	1000.00	-

Source: KSWDC

at 6% p.a. interest and, health camps are also being implemented.

In 2013-14, Rs. 450 lakh has been provided in the budget Rs. 151.80 lakh has been spent covering 863 beneficiaries' upto October 2013 and it is proposed to cover 2135 beneficiaries under this scheme during 2013-14 (Table 14.6).

The Corporation also runs schemes that provide pension and housing support to devadasis. Devadasis above the age of 45 are given a pension of Rs.400/- per month, from September 2013 onwards Rs.500/- pension is being paid. Houses are constructed through the Rajiv Gandhi Rural Housing Corporation for those devadasis who own sites.

D. Marketing Assistance Scheme

This scheme provides a marketing platform to sell products produced by women entrepreneurs and Stree Shakthi Groups. During 2013-14, Rs. 100 lakh has been provided in the budget to cover 1620 women. Of this, Rs.9.85 lakh has been spent covering 510 beneficiaries upto October 2013 (Table 14.7).

E. State Resource Centre - Under this scheme, KSWDC has established 30 Women's self employment counseling centers in Karnataka, to provide information/counseling about self employment, training, market assistance, economic activities etc. to women. In 2013-14, Rs. 100 lakh has been provided in the budget to cover 9000 women of which Rs.22.01 lakh has been spent covering 2560 beneficiaries' upto October 2013 (Table 14.8).

F. Micro Credit Scheme - This scheme was introduced in 2011-12 which provides loans to members of SHGs to improve their economic status. Loans of Rs 5000/- to Rs 10000/- are being sanctioned to each member subject to a maximum of Rs 1 lakh to each SHG at the rate of 6% per annum. In 2013-14 Rs 300 lakh has been provided in the budget. It is proposed to cover 4500 women. Rs 40 lakh has been spent covering 659 beneficiaries upto October 2013.

G. Rehabilitation of Transgenders Scheme - This scheme was introduced in 2012-13 which provides individual loans and training programmes to transgenders (Hijidas, Kotis, Jogappas, F to M, M to

Table 14.7- Progress of marketing assistance scheme

Year	Physical (Nos.)		Financial (Rs.lakh)	
	Target	Achievement	Target	Achievement
2009-10	1055	911	35.00	29.81
2010-11	1070	1070	35.00	29.11
2011-12	1520	1426	65.00	28.40
2012-13	1520	1367	100.00	32.98
2013-14*	1620	510	100.00	9.85

*Upto Oct. 2013

Table 14.8 - Progress of the Resource Centre Scheme

Year	Physical(Nos.)		Financial(Rs.lakh)	
	Target	Achievement	Target	Achievement
2009-10	4260	3780	56.00	56.00
2010-11	6960	4947	56.00	43.11
2011-12	8340	4583	91.00	50.00
2012-13	9000	6921	100.00	50.69
2013-14*	9000	2560	100.00	22.01

*Upto Oct. 2013

F, Mangala Mukhi) in Karnataka, these persons were exploited by the Society to bring them on main stream, the Corporation is extending the Financial Assistance Rs. 20000/- as subsidy to each beneficiary and also training. In 2012-13 the Government has provided 75 lakh out of which 33.35 lakh has been spent covering 1050 beneficiaries. In 2013-14 Rs 100 lakh has been provided in the budget. It is proposed to cover 1212 women. Rs 57.40 lakh has been spent covering 362 beneficiaries upto October 2013.

H. Rehabilitation of Sex Workers - This scheme was introduced in 2012-13, the situation of the sex worker are in pitiable condition to lead honorable life

in the society the Government has introduced this scheme. Those who are willing to come out from their profession, the Corporation provides self employment training programme and also loan facilities through Nationalized Banks/Co-operative Banks upto unit cost of Rs.1 lakh, from the Corporation subsidy of Rs.10,000/- maximum is being extended. In 2012-13 the Government has provided 50 lakh out of which 28.20 lakh has been spent covering 282 beneficiaries. In 2013-14 Rs 100 lakh has been provided in the budget. It is proposed to cover 800 women. Rs 2.80 lakh has been spent covering 26 beneficiaries upto October 2013.

Table 14.9 - Progress of the Micro Credit Scheme

Year	Physical (Nos.)		Financial (Rs.lakh)	
	Target	Achievement	Target	Achievement
2011-12	5600	2772	300.00	154.00
2012-13	4500	3210	300.00	190.00
2013-14*	4500	659	300.00	40.00

*Upto Oct. 2013

14.1.3 Women Component Plans (KMAY and Gender Budget)

a) Karnataka Mahila Abhivrudhi Yojane (KMAY)

Functioning under the aegis of the Department of Women and Child Development, KMAY has been one of the first programmes introduced in the Country to earmark 1/3rd resources for women in individual beneficiary-oriented schemes and labour intensive schemes across various sectors. Since its introduction in 1995-96, 25 departments have been identifying schemes to benefit women. During 2013-14, 292 schemes are involved in the Yojane across Central, State and District sectors. Allocation towards KMAY for the current financial year is Rs.9822.16 crore, of which 1/3 allocation for women is Rs. 4388.60. An amount of Rs.1564.02 crore was spent upto December 2013.

b) Gender based Budgeting

Karnataka has taken major steps towards promoting gender equality, Gender based Budgeting is yet another development in this direction. Making a beginning in 2006-07, gender based budgeting helps to prioritize and orient public expenditure to reflect the concerns of women. Subsequently, the Finance Department also established a Gender Budget Cell (GBC) to identify the quantum of resource allocation and expenditure for women and proper translation of policy commitments. Karnataka is one of the 3 States in India that have implemented Gender based Budgeting.

The GBC has been regularly bringing out a Gender budget document reflecting allocation of funds under various schemes cutting across various departments. The schemes are presented in two parts; Category-A and Category-B. The classification is broadly on the lines adopted by GOI in the Expenditure Budget Vol-II. The categorization of schemes is based on

- Category – ‘A’ presents women- specific budget provisions in which 100% budget provisions are meant for women.
- Category – ‘B’ presents women-specific budget provisions wherein at least 30% provisions are meant for women. Details of allocation are given in Table 14.10.

The Department of Women & Child Development in collaboration with Administrative Training Institute organised one day workshop on Gender Issues in June 2013 to create awareness regarding Gender Budgeting. The main issues taken up at the workshop are as follows -

- Gender Budgeting & Development Programme.
- Gender Responsive Governance Initiatives.
- Legal Issues & Women Empowerment, Violence Against Women and
- Gender & Human Development.

Around 200 officers from Secretariats and Line Departments and also NGOs participated in the

Table 14.10 - Allocation under Gender based Budget (Rs. lakhs)

Year	No. of Departments	Category A			Category B		
		No. of schemes	Allocation (Rs. lakhs)		No. of schemes	Allocation (Rs. lakhs)	
			Plan	Non-Plan		Plan	Non-Plan
2009-10	39	47	64323	199	742	906026	1275871
2010-11	39	49	92107	323	737	1154820	1415185
2011-12	39	45	84514	514	759	1450959	1671002
2012-13*	39	39	105448	532	621	1861815	1916746
2013-14*	39	40	155962	35568	760	2641377	2865344

* Budget Estimates

workshop. The papers presented at the workshop were documented in the form of a book titled Gender Issues- Exploring new Dimensions and circulated among all the Departments implementing Gender Budgeting.

14.1.4 Protection of Women from Domestic Violence

The State implemented the Protection of Women from Domestic Violence Act in 2007. This is especially with the objective of checking violence against women, a step towards achieving gender equality and saving women from oppression. To provide shelter and counseling to victims of domestic violence, 116 Service Providers have been notified. In addition to this, 34 Swadhar Centers, 30 Short Stay Homes and 164 Santhwana Centers have been notified as Shelter Homes in the State. Free legal aid is provided to the victims. In each taluk a Protection Officer has been appointed for the implementation of this legislation.

Satellite Training Programme was organised under the Protection of Women from Domestic Violence Act 2005 & Rules 2006 for all the stake holders such as officers from the departments of Law, Police, Education and Health & Family welfare on 11-6-2013 at D.S.E.R.T., Banashankari, and Bangalore.

The training programme was broadcasted in 185 taluk BRC Centre simultaneously to create awareness. Approximately 10000 participants participated in this programme.

14.1.5 Child Population in Karnataka

Children constitute 11.21% of the population in Karnataka according to the 2011 Census, Districtwise Child Population is presented in Table 14.11.

14.1.6 Child Development Programmes

The department is laying greater stress on implementation of policies and programmes for the welfare and development of children, an investment itself for overall socio economic growth of the State.

a) **Bhagyalakshmi** is a flagship programme of the Department is aimed at improving the sex ratio in the State by providing incentive to BPL families having girl child. The programme also attempts to eradicate social evils like child labour, female foeticide, child marriage, and child trafficking. This is an umbrella programme for child development aims at providing financial assistance to a maximum of 2 girl children born in a BPL family, which will be deposited with the selected financial partner in the form of bond in the name of the girl child and the maturity value will

Table 14.11 - Child Population in Karnataka: (District wise, 2001-2011)

Sl. No.	Name of the District	As per 2001 Census		As per 2011 Census	
		Male	Female	Male	Female
1	Bangalore (Urban)	397648	374892	541656	511181
2	Bangalore (Rural)	116172	109446	54908	52154
3	Ramanagar			54963	52878
4	Chitradurga	102512	97023	94629	89651
5	Davanagere	123496	116779	111793	105938
6	Kolar	171728	164741	86845	83578
7	Chikballapur			67734	64552
8	Shimoga	106423	101740	93221	89530
9	Tumkur	158079	150083	135671	130071
10	Chikkamagalur	70779	67865	53493	51835
11	Dakshina Kannada	116854	111206	106985	101312
12	Udupi	58509	56072	52689	50471
13	Hassan	101971	97694	83971	81666
14	Kodagu	35192	34382	27676	27057
15	Mandya	106058	99089	89063	83622
16	Mysore	164934	158621	155807	149754
17	Chamarajanagar	58511	56426	51529	49119
18	Belgaum	324816	299215	323761	302508
19	Bijapur	148750	138081	164856	153550
20	Bagalkot	136564	128308	140551	131357
21	Dharwad	112335	105927	113127	106815
22	Gadag	70627	67208	68025	64417
23	Haveri	104119	99593	100369	94948
24	Karwar(N.K)	89149	84354	76794	73321
25	Bellary	163892	155194	175543	168609
26	Bidar	124401	117116	115550	108892
27	Gulbarga	276843	259611	188076	177296
28	Yadgir			97522	92757
29	Raichur	144097	138971	145468	138265
30	Koppal	106499	101505	103016	98638
Total		3690958	3491142	3675291	3485742

be given to the girl child at the age of 18yrs along with accrued interest. The bond can also be used to get loan from the bank for further education of the girl child. For 2013-14 an amount of Rs.396.43 crores has been earmarked. So far Rs.290.27 crores has been released and 151870 beneficiaries have been covered up to the end of September 2013. The period of the 11th Five Year Plan saw an expenditure of Rs. 1591.45 crores against an allocation of Rs. 1644.23 crores with benefits accruing to 11,07,788 girl Children. Details of achievements under the Bhagyalakshmi scheme are given in Table 14.12.

Child Tracking System under Bhagyalakshmi Scheme - All eligible girl children are registered under the Scheme at birth and monitored till they attain the age of 18 years, by using software developed with assistance from NIC. The software, so developed, enables the viewer to know the status of the beneficiaries with regard to health, education, migration from one place to another and benefits availed from other departments under different schemes.

b) Integrated Child Development Services (ICDS)

ICDS is a centrally sponsored scheme, which provides a package of six services i.e., supplementary nutrition, immunization, health check-up, referral services, nutrition and health education for mothers and non-formal pre-school education for children between the ages of 3-6. This scheme is running

since 1975. Under this scheme, 61187 AWCs and 3331 mini AWCs are functioning.

Under Supplementary Nutrition Programme, supplementary nutrition provided (per day) is as follows:-

- 500 calories of energy and 12-18 grams of protein to 0-6 years children
- 600 calories of energy and 18-20 gms.of protein to pregnant women/lactating mothers/adolescent girls.
- 800 calories of energy and 20-25 Gms. of protein to severely underweight children as a supplement to their normal intake.
- Unit cost of milk supplied to Anaganwadi children raised from Rs 4.60 to Rs. 6.00
- 150 ml milk is provided to all children from August 2013
- Rs. 4 worth of milk/egg is provided to all severely malnourished children
- Health Checkup is being conducted once in 2 months
- 27 Modified Nutrition Rehabilitation Centers and 30 Nutrition Rehabilitation Centers are started in the State to treat the Malnutrition Children.

Table 14.12:Progress of Bhagyalakshmi Scheme through the 11th Five Year Plan

Year	Physical		Financial (Rs. In crore)		% of achievement
	Target	Achievement	Target	Achievement	Physical
2009-10	200000	144999	229.89	229.89	72.50
2010-11	185493	284763	558.00	521.98	153.51
2011-12	211316	254473	407.84	48590	120.42
2012-13	242575	401370	755.40	755.39	165
2013-14*	205403	151870	396.43	290.27	51

*upto December 2013

Training of functionaries like anganwadi workers/helpers is the responsibility of the state with central/state funding. In recognition of their services to the community, the State Government is paying an additional honorarium of Rs.2000/- to the workers and Rs.1000/- to the mini Anganwadi worker and helper out of state funds along with the central contribution of Rs. 3000/- p.m. to Anganwadi worker, Rs. 2250/-p.m. to mini Anganwadi worker w.e.f. July, 2013 and Rs. 1500/- p.m. to Anganwadi helpers (AWHs).

Health and Nutrition Education

- All Anganwadi Centers are provided with a Hand book and flip chart on Health and Nutrition which has to be used for educating the mothers of the Anganwadi Centers

Pre-school Education

- For effective Pre School Education, Activity Bank called "Chili Pili" a book has been developed and distributed to all Anganwadi centers which contains 42 themes, activities of Song, Story, which helps Anganwadi workers to carry the activity in integrated approach.
- The same book has been translated in Urdu language and distributed to concerned Anganwadi Centers.

Infrastructure

- Unit cost of AW buildings enhanced to Rs.11.95 lakh
- In all newly constructed AW buildings provision made for toilets, kitchens, store room and class room
- All Anganwadi Centers are installed suggestion box in Anganwadi Centers and CDPO office.

Improvements in the Monitoring System

- Government of Karnataka has taken up a new initiative- '**sakala**' under Karnataka Guarantee of Services to Citizen Act- 2011.
- Toll free help line has been started from April 2012 to receive complaints and suggestions in implementing ICDS scheme. **The Toll free help line no is 1800-425-25250.**
- Supply of revised MIS Registrars (11+1) to all AWCs.

Success stories

- Uttar Kannada has initiated a programme called **Shaktiman Centre** to address malnutrition in collaboration with Health Department by providing health Care, additional Nutrition & counseling

Table 14.13 - Progress of Supplementary Nutrition Programme under ICDS

Year	Expenditure (Rs. in lakhs)	No. of beneficiaries
2009-10	45473.90	4491148
2010-11	54587.07	4687803
2011-12	58234.83	4733216
2012-13	67708.24	5415895
2013-14 *	45745.28	5432714

*upto September 2013

- Tumkur & Raichur - Spirulina granules are distributed to malnourished children by **SPIRULINA Foundation**
- Belgaum - Tracking of severely malnourished children using special software called **SAM TO SMILE** has been developed.
- Hassan – A concept called ‘**Makkala Mane**’ (Children’s Home) in co-ordination with SSA has been initiated to improve Pre-School Education by supplying uniforms & books at par with private schools
- Raichur - Improving the nutritional status of children by educating the frontline workers and mothers in co-ordination with UNICEF has been implemented through ‘**Magu Nagu**’
- Bangalore(U) and Koppal -Capacity building programmes for AWWs in PSE & PSE Kit are taken up in co-ordination with Akshara Foundation
- Bangalore(U) & Rural, Chickaballpur and Ramnagara Districts - Uniforms & slippers are supplied to AW children and preschool kits to all AWCs as teaching support by Vedanta Foundation.
- Bellary - As an initiative under Public Private Partnership, PSE materials to 535 AWCs are provided through public contribution.

c) Sabala - Sabala or Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (RGSEAG) is a new scheme of the Government of India. This programme is being implemented in 9 districts of the state on a pilot basis. It is a 100% centrally sponsored programme with the objective of empowering adolescent girls in the age group of 11-18 year by bringing improvement in their nutritional and health status and upgrading various skills like home skills, life skills and vocational skills. The scheme aims to benefit about 125000 adolescent girls in 2013-14. Allocation for 2013-14 is Rs.433.60 lakhs, out of which an expenditure of Rs. 77.90 lakh has been incurred till December 2013.

d) Kishori Shakthi Yojana (KSY) - KSY is being continued in rest of the ICDS projects other than 9

districts where SABALA is being implemented. Under KSY, 180 adolescent girls in each project are given 5 days residential training every year from funds released exclusively for the scheme and supplementary nutrition is being provided to 2 adolescent girls in each anganwadi centre.

e) Balasanjivini - This is a new scheme initiated in the year 2010-11 to focus on rehabilitation and treatment of severely malnourished children. An amount of Rs.750/- is being given to meet therapeutic and medical needs of malnourished children. Children requiring tertiary care receive a maximum of Rs.35000/- and in cases of neonatal care; the amount goes up to Rs.50000/-. In 2012-13, the budgetary allocation of the scheme was Rs. 1600 lakh. Rs. 4.07 crore was incurred to meet therapeutic and medical expenses of 54348 severely malnourished children. Rs.10.91 crore has been incurred to treat 7957 children under Balasanjeevini. In 2013-14, budgetary allocation of the scheme is Rs.2000 lakh. Rs. 407.61 lakh has been incurred to meet therapeutic and medical expenses of 54,348 severely malnourished children. Rs. 475.16 lakhs has been incurred to treat 5887 children under Balasanjeevini.

f) Integrated Child Protection Scheme (ICPS) - ICPS was launched in 2010-11 with the objective of providing a safe and secure environment in the State for comprehensive development of children who are in need of care and protection as well as children in conflict with the law. ICPS provides preventive and statutory care and rehabilitation services to any vulnerable child including, but not limited to, children of potentially vulnerable families and families at risk, children of socially excluded groups like migrant families, families living in extreme poverty, families subjected or affected by discrimination and minorities, children infected and/or affected by HIV/AIDS, orphans, child drug abusers, children of substance abusers, child beggars, trafficked or sexually exploited children, children of prisoners, and street working children. For the current financial year, an expenditure of Rs.3855.22 lakh has been incurred out of an allocation of Rs.7000 lakh.

There are 56 Government run children homes and 40 NGO run institutions, to provide Shelter & Rehabilitation for children in need of care &

protection along with 30 Specialized Adoption Agencies(SAA). State has 31 CWC to look into the cases of these children. There are 30 JJBs in the state to look in to the cases of children in conflict with law and 16 Observation Homes are run by State Government to cater the needs of these children. Financial assistance is provided to children in the form of Sponsorship to enable the child to remain in the family environment. This is an effort towards preventing children from becoming destitute or vulnerable, run away from home, forced into child marriage, child labour etc. The District Child Protection Unit (DCPU) with the help of its social workers, outreach workers, volunteers as well as the village child protection committees identify vulnerable families or children for sponsorship support. District Child Protection units have been formed in all districts of Karnataka under the scheme. The Juvenile Justice Act envisages an after care programme for children who needs support after attaining the age of 18 years with an objective of rehabilitating such children and help them to bring them to the main stream of the society.

Operation Rakshane -A campaign to rescue children who were found begging was undertaken by the Department in 2012-13, through a joint operation with Police, Health Department, Labour Department, Child Welfare Committees (CWCs), NGOs. Children are rehabilitated through the efforts of CWCs. Action is being initiated to undertake similar kind of operations in 2013-14 in Hubli, Davanagere, Mysore, Gulbarga, and Mandya Districts also.

Collaborative Child Response Units - Collaborative Child Response Unit has been set up in 4 hospitals in Bangalore Urban area by CPU of UNICEF to provide services to sexually abused child victims in collaboration with the NGO, ENFOLD. The required training is provided to the staff of MS Ramaiah Hospital, Bangalore Baptist Hospital, and Indira Gandhi Institute of Child Health with multi disciplinary approach. Action has been initiated to train personnel in 8 districts of Gulbarga, Mangalore, Hubli, Mysore, Bellary, Raichur, Davanagere, and Belgaum Districts also.

'e'-JUST-Juvenile Justice Automation - Quick access to data is essential for effective rehabilitation and restoration of children brought under the JJ

System. The existing system was entirely manual where data was maintained on paper and reports were generated manually. So a new programme called 'e'-JUST-Juvenile Justice Automation was introduced in 2012-13 which is being continued in 2013-14. This system provides a Customizable, user-friendly and a secure way of maintaining various cases of Children from intake to discharge, rehabilitation and after care. As per JJ Act section 34(3) all CCI should be registered. Under the above programme all CCI's are being registered using this software.

Track the missing child.gov.in/trackchild - This portal is dedicated to the cause of tracking Missing and vulnerable Children. This portal holds the database of children, who are staying at different Child Care Institute. This is an Initiative of Ministry of Women and Child Development, Government of India to track the progress of children of every CCI in the country. It also aims to track down every missing child of this country. This Program is being implemented in the state of Karnataka from June, 2013.

Need Assessment Survey - Need assessment survey is taken in all 30 district of Karnataka to identify children in need care and protection and to prepare a child protection plan.

Rehabilitation of Children of migrant population (Sugar factory labours children in Bidar Dist) Around 794 children were identified under Need Assessment Survey in the sugar factories of Bidar Dist. These children needed rehabilitation. Further 136 rag-pickers and 210 begging children were identified in Bidar city alone. These children also needed rehabilitation so a proposal to start an open shelter in Bidar Dist will be taken up in 2013-14.

Cradle baby centers - Action is initiated in 2013-14 to start Cradle Baby reception centers all the districts. The Centers have started at Bellary, Bidar, Hassan, Ramanagar to provide safe and security for infants unwanted by the family.

14.1.7. Nutrition Scenario in Karnataka - Child Malnutrition

At the outset, the nutrition pattern in the state showed that about 70.59% of children were normal, 28.09% were moderately malnourished and 1.32% was

severely malnourished. In December 2013, the proportion of normal children stands at 73.00%, with a decrease in the figure of moderately malnourished children at 26.68%. However, the severely malnourished children have decreased by 0.91%.

Way forward

Though the State has taken many initiatives for empowerment and advancement of women and protection of children through the five year plans, the results are muted. The Census of India 2011 has shown a marginal improvement in the Sex ratio of 965 in 2001 to 968 in 2011. Notwithstanding the achievements, this leaves Karnataka much behind other southern states. The sex ratio at 0-6 years range is 943 which is a marginal decline from 946 in 2001 (Table 14.14).

Specifying challenges and the future outlook of the Department

Stree Shakthi

- Encourage Block Level Societies to become dependent.
- Strengthen marketing capacity by the Block Level Societies and among group members. Mobile van is launched in 20 districts as a pilot project.
- For strong sustainability of the groups is proposed to establish District Federation so as to delink in hand holding by SHGs and make them self reliant and independent.

Integrated Child Development Service

- Restructuring of the programme team management; creation of post, up gradation of existing posts
- Addressing the nutritional issues- eradicating malnutrition
- Strengthening training and capacity building
- Encouraging public private partnership
- Strengthening partnership with PRI, NGO and voluntary sector.
- Lack of basic infrastructure: Toilets, stores, kitchen, drinking water, play ground, compound, Electricity and fan etc.,
- Insufficient Kitchen equipments: vessels, water filter, cooker and gas connection.
- Advance release of grants for the smooth implementation of the flagship programmes
- Honorarium for AWW/AWH may be released in one head of account (central and state).
- The ICDS Scheme has the potential to give satisfactory nutritional and child development outcomes. The strengthening and restructuring of the scheme in the “Mission Mode” will address these concerns. The focus is on supervision and capacity building of ICDS functionaries from grass root level to state level by decentralizing the control system.

Table 14.14 - Comparison of sex ratios among the Southern States

States	2001		2011	
	Sex Ratio Total Population	Sex Ratio 0-6 years	Sex Ratio Total Population	Sex Ratio 0-6 years
Karnataka	965	946	968	943
Andhra Pradesh	978	961	992	943
Tamil Nadu	987	942	995	946
Kerala	1058	960	1084	959
All India	933	927	940	914

Integrated Child Protection Scheme

- To bring all children below age 18 years in a safety net and to address children in vulnerable situation in short duration by provide child protection services.
- To improve the quality of services and efficiency at all levels.
- Educate public on child rights and protection services and on situation and vulnerabilities of children and families.
- Reduce the number of children depending on institutional services by increasing non-institutional programmes like Adoption, Sponsorship, Foster care and After care services.
- Create mechanism for Child Protection Management system including MIS and Child Track System for effective implementation and monitoring of child protection services.

14.2. WELFARE PROGRAMMES FOR SCHEDULED CASTES, SCHEDULED TRIBES, BACKWARD CLASSES, MINORITIES, SENIOR CITIZEN AND DISABLED PERSONS

14.2.1 Population of SC/ST/OBC/Minority/Senior Citizen/Disabled

District-wise population of SC/ST in the State is shown in Table 14.15.

In its endeavour towards ensuring “faster, sustainable and more inclusive growth”, the Government of Karnataka has committed itself to improving capabilities and productive endowments among the economically disadvantaged and socially marginalized sections of the State. In this direction, the welfare departments and development corporations of the State are implementing several multi-faceted and multi-pronged programmes for welfare of SCs, STs, BCs, minorities, the disabled and senior citizens and thereby placing them on the path of mainstream development. A brief account of progress of the schemes implemented by the Social Welfare Departments and Development Corporations during the last five years for the benefit

of the weaker sections of the society is summarized in this section.

14.2.2. Welfare Programmes for Scheduled Caste

As SCs continue to be deprived of adequate access to education, health care facilities, housing, sanitation, productive assets like land, etc., the Department of Social Welfare and the Development Corporations are implementing various schemes for their socio-economic upliftment.

14.2.2.1 Department of Social Welfare

As education is considered to be an engine of inclusive growth, improvement of educational status among the SC community has been effected through implementing several schemes like providing admission to meritorious students in prestigious schools, pre- and post-metric scholarships, prize money to meritorious students, hostel facilities, grants-in-aid for hostels, running special schools, etc. The progress of schemes implemented during the last five years to encourage the students of SCs for continuing their education from school Level to higher education level is indicated below.

i. Admission of Meritorious Students in Prestigious Schools

In order to provide quality education, meritorious SC students are being admitted to 5th to 10th standards in reputed institutions in the State. There has been a rapid increase in the budgetary allocation, expenditure and number of students taking admission under the scheme during the last five years. In 2013-14, an amount of Rs. 1000 lakh has been earmarked under SCP pooled fund & an amount of Rs. 1000 lakh has been released upto September 2013. (Table 14.16).

ii. Pre-matric Scholarships

In order to encourage children belonging to SC households, whose annual income is less than Rs. 2 lakhs, a Pre-Matric scholarship of Rs. 400 for boys studying from 1st to 7th standards, and Rs. 450 for girls studying from 1 to 5th standard and Rs. 550 for girls studying from 6th to 7th standards and for boys Rs. 650 and for girls Rs. 900 for students studying from 8th to 10th standards is being sanctioned

Table 14.15 - Population of SC/ST

Name	2001		2011	
	SC	ST	SC	ST
Bagalkot	250604	80181	319149	97203
Bangalore	851047	86018	1198385	190239
Bangalore Rural	377679	61555	213700	52903
Belgaum	462020	243451	577418	297198
Bellary	374218	364638	517409	451406
Bidar	298812	182219	399785	235822
Bijapur	334254	30051	442773	39314
Chamarajanagar	237624	106111	259445	120219
Chikkaballapura			312565	156487
Chikmagalur	233134	41019	253651	44970
Chitradurga	336487	266235	389117	302554
Dakshina Kannada	131160	62936	148178	82268
Davanagere	333227	209701	392595	233112
Dharwad	131969	70442	177855	87548
Gadag	137414	54410	174196	61654
Gulbarga	717595	154195	648782	65259
Hassan	311726	26451	345031	32329
Haveri	175360	127163	219976	141380
Kodagu	67422	46115	73584	58054
Kolar	671692	205711	465867	78875
Koppal	185209	138588	258608	164271
Mandya	247213	17193	265294	22402
Mysore	467640	271351	536643	334547
Raichur	317276	303042	400933	367071
Ramanagara			203819	22946
Shimoga	269519	55997	308158	65412
Tumkur	474044	193819	506901	209559
Udupi	67689	41613	75429	52897
Uttara Kannada	101896	23781	116431	34239
Yadgir			273315	146849
KARNATAKA	8563930	3463986	10474992	4248987

Table 14.16- Progress of the Scheme for Admission of Meritorious Students

Year	Budget allocation	Funds released	Expenditure	% of expenditure	Physical achievement (Students)
2009-10	600.00	600.00	600.00	100.00	2497
2010-11	850.00	850.00	850.00	100.00	3110
2011-12	1200.00	1200.00	1200.00	100.00	3387
2012-13	1200.00	1200.00	1000.00	83.33	2761
2013-14*	1000.00	1000.00	986.52	98.65	**

Note: *Upto September 2013. **The Number of beneficiaries will be available after identification of schools.

Table 14.17 - Progress of the Scheme for Pre-Matric Scholarships (Taluk level)

Year	Budget Allocation (Rs. lakhs)	Funds released (Rs. lakhs)	Expenditure (Rs. lakhs)	% of expenditure	Physical achievement (Students)
2009-10	1615.30	1592.92	1458.53	90.29	1514327
2010-11	1689.28	1676.45	1415.37	83.79	1313632
2011-12	5912.42	5201.49	2714.13 [^]	45.91	1057744
2012-13	3541.41(RE)	3118.62	2534.92	71.57	781312
2013-14*	4435.93	7130.28	101.37	1.42	26602

Note: Upto September 2013 [^]Before 2011-12, there was no income limit for sanction of pre-matric scholarship. From 2011-12, income ceiling of Rs. 2 lakh was imposed. So, there is a reduction in the no. of beneficiaries and also delay in finalizing software for online issue of scholarships.

annually. While there has been a gradual increase in budgetary allocation, the percentage of expenditure has been slowing down during the last five years (Table 14.17).

iii. Post-matric Scholarships

Post-matric scholarship is sanctioned for children whose parents' household annual income is less than

Rs. 2.5 lakh. Maintenance allowance of day scholars will be credited directly to the student's bank account. The maintenance allowance of hostelries will be credited directly to the concerned bank account of the hostel warden. The course fee fixed by the competent authority will be credited to the bank account of the college principal. The progress of the scheme during the last five years is given in Table 14.18.

Table 14.18 Progress of Post-Matric Scholarship Scheme

Year	Budget allocation (Rs. lakhs)	Expenditure (Rs. lakhs)	% of Expenditure	Physical achievement (Students)
2009-10	20803.94	23701.44	113.93	272810
2010-11	25596.06	19085.26	74.56	219437
2011-12	21300.06	17967.00	84.35	213248
2012-13	22982.14	18628.15	81.05	249441
2013-14*	25244.14	2565.41	14.00	238559

Note: * Upto September 2013

Table 14.19- Progress of the Scheme for Prize Money to Meritorious Students

Year	Budget allocation (Rs. lakhs)	Expenditure (Rs. lakhs)	% of expenditure	Physical target and achievement
2009-10	1629.00	1628.99	100.00	26352
2010-11	1540.00	1309.31	85.02	19772
2011-12	1640.00	1640.00	100.00	23944
2012-13	2200.00	2066.75	93.95	31583
2013-14*	1000.00	00.00	00.00	

Note: * Upto September 2013. Physical achievement in Nos.

iv. Prize Money to Meritorious Students

In order to encourage the SC students to score higher marks and secure ranks, various incentive schemes such as prize money to SSLC students, prize money to college students, one-time financial assistance to students who secure admission in prestigious institutions like IITs/IIMs & IISc, prize money to rank holders and financial assistance to SC students who study in foreign universities are sanctioned, as per the criteria set by the department. In recent years, a greater amount of money has been earmarked for the benefits of SC students. In 2013-14, a sum of

Rs. 1000 lakh has been earmarked for the purpose and the money is yet to be released. (Table 14.19).

v. Pre-matric Hostels

Pre-matric hostel facilities such as boarding and lodging with free textbooks and notebooks, toothpaste, hair oil, uniform dress, bedding, etc are being provided to SC students who are studying from 5th to 10th standard. During the last five years, an amount of Rs. 72995.03 lakhs has been allocated, out of which Rs. 60948.7 lakhs, has been spent, benefitting 389987 students (Table 14.20).

Table 14.20- Progress of Pre-matric Hostel Scheme

Year	Budget Allocation (Rs. lakhs)	Expenditure (Rs. lakhs)	% of Expenditure	Physical achievement (Student)
2009-10	11455.44	11375.18	99.30	87370
2010-11	12897.99	12827.91	99.45	98526
2011-12	14627.87	14256.61	97.46	59977
2012-13	16414.68	15614.65	95.12	75554
2013-14*	17599.05	6874.35	39.06	68560

Note: Upto September 2013. Physical achievements in Nos.

Table 14.21- Progress of Post-matric Hostel Scheme

Year	Budget allocation	Expenditure	% of expenditure	Number of beneficiaries (Students)
2009-10	3539.52	3278.87	92.64	62168
2010-11	3095.51	2929.73	94.64	62168
2011-12	4080.50	3839.88	94.10	62368
2012-13	4625.12	4042.90	87.41	62368
2013-14*	5199.77	2207.54	42.45	54800

Note:* Upto September 2013. Budget allocation & expenditure in Rs.Lakhs. Physical achievement in Nos.

vi. Post-Matric Hostels

In order to encourage SC students to pursue their higher education in college level, the Government is running 487 post- matric hostels by accommodating 54800 students who are eligible for the Government of India scholarship. For the maintenance of these hostels, the Government has incurred expenditure as shown in Table 14.21.

vii. Construction of Hostel Buildings Hostels, pre-matric and post-matric hostel buildings for students belonging to the SC community are constructed. During the last five years, the budgetary allocation as well as expenditure has increased significantly for construction of hostel buildings. In 2013-14, Rs.

10732 lakhs has been allocated for constructing hostel buildings. (Table 14.22).

viii. Assistance to Grant-in-aid Hostels Providing financial assistance to voluntary organizations for maintenance of 249 grant-in-aid hostels in the State to meet boarding charges of the students is another scheme that is being implemented by the department. The detailed progress of the scheme is presented in Table 14.23.

ix. Residential schools

(a) Residential schools

In order to encourage the SC children studying from 1st to 5th standards, the Social Welfare Department is

Table 14.22- Progress of the Scheme for Construction of Hostel Buildings

Year	Budget Allocation	Funds released	Expenditure	% of expenditure	Physical Target	Physical achievement
2009-10	10076.00	6862.50	6862.50	68.10	134	128
2010-11	9700.00	9201.15	8070.69	83.20	211	26
2011-12	10500.00	9240.00	3983.95	37.94	31	185
2012-13	12732.00	11332.00	8711.72	76.88	69	69
2013-14*	10732.00	2713.00	00	00	59	00

Note: * Upto September 2013. Budget allocation, funds released, and expenditure in Rs. Lakhs. Physical target and achievement in Nos.

Table 14.23 - Progress of the Scheme for Assistance to Grant-in-aid Hostels

Year	Budget allocation	Funds released	Expenditure	% of expenditure	Number of students
2009-10	760.67	758.67	589.89	77.55	14900
2010-11	656.23	644.86	540.72	82.40	15165
2011-12	722.54	677.70	440.90	93.79	15165
2012-13	644.33	641.36	362.29	56.22	13030
2013-14*	663.20	435.00	39.98	6.02	2569

Note: *Upto September 2013. Budget allocation, funds released, and expenditure in Rs. Lakhs.

running 68 residential schools. Food, books, uniforms, beds, oil, soap, medical facility etc., are being provided to children.

(b) Morarji Desai Residential Schools

The Department of Social Welfare is running 152 Morarji Desai Residential schools for Boys and Girls studying from 6th to 10th standards. The Department is also running 82 Kittur Rani Chennamma residential schools exclusively for SC Girls studying from 6th to 10th standards. Besides that 12 PU Colleges in science subject were also started for the

welfare of schedule castes. The Department is providing basic requirement to the students such as food, Uniforms, Beds, Oil, soaps, Medical facility etc. In the past five years, the allocation and expenditure is progressive. The details of progress of the scheme of Morarji Desai Residential Schools are given in the Table 14.24.

x. Ambedkar Housing Scheme under Scheduled Caste Sub-Plan

Towards providing housing facilities to SC households living below the poverty line, the Ambedkar housing scheme is being implemented by

Table 14.24 - Progress of Morarji Desai Residential Schools

Year	Budget Allocation	Expenditure	% of expenditure	No of Beneficiaries
2009-10	7134.57	6689.49	93.76	34455
2010-11	7207.65	6834.20	94.82	43804
2011-12	9060.30	8266.33	91.24	35769
2012-13	12400.00	13464.28	108.58	51179
2013-14*	24304.00	7602.33	31.28	58871

Note: *Upto September 2013. Budget allocation and expenditure in Rs. lakhs.

Table 14.25 - Progress of the Scheme for Compensation to SC/ST Victims (Rs. lakhs)

Year	Budget Allocation	Expenditure	% of expenditure	No of beneficiaries
2009-10	704.00	704.00	100.0	1466
2010-11	704.00	578.92	82.2	2053
2011-12	400.00	200.00	50.0	2096
2012-13**	400.00	500.00	125.00	1968
2013-14*	400.00	00	00	00

Note: * Up to September 2013. ** GOI has released Rs. 300 Lakhs and the State Government has released Rs. 200 lakhs during 2012-13.

the Rajiv Gandhi housing corporation. For the year 2009-10, a sum of Rs. 625 lakh was spent against the earmarked amount of Rs. 2500 lakh. In 2010-11, the earmarked amount of Rs. 3000 lakh had been spent for construction of houses. From 2011-12 onwards no funds have been earmarked for this scheme under pooled fund of the Social Welfare Department.

xi. Compensation to SC/ST Victims

Atrocity cases against SC/ST members by the non-SC/ST members are registered under the Prevention of Atrocity Act 1989. The district administrator is in-charge of initiating measures for immediate relief under rehabilitation of victims of atrocity apart from giving them security under law and order. The progress of the scheme is presented in Table 14.25.

xii. Scheduled Caste Sub-Plan (SCP)

In order to ensure overall development of the SC community, the scheduled caste sub-plan (SCSP) is being implemented through various departments in the State. A specific budgetary provision under all sectors of the State Annual Plan is made by the State Government for socio-economic development of SCs. The progress of the plan during the last five years is illustrated in Table 14.26.

xiii. SCSP Pooled Funds

The pooling of funds under SCSP allocation is also another strategic approach adopted by the department for socio-economic upliftment of SCs. The funds are pooled from the Departments which fail to submit their action plan under the SCSP and are

Table 14.26 - Progress of Scheduled Caste Sub-Plan (Rs. lakhs)

Year	Allocation			Expenditure			% of expenditure		
	State	District	All	State	District	All	State	District	All
2009-10	241311	50348	291659	192841	52905	245747	79.91	105.08	84.26
2010-11	274158	52644	326803	240685	51917	292602	87.79	98.62	89.53
2011-12	394222	69116	463338	326521	66635	393156	82.83	96.41	84.85
2012-13	446810	65691	512501	365248	52929	418178	81.74	80.57	81.59
2013-14*	533235	80322	613557	133116	12107	145223	24.96	15.07	23.66

Note: * Upto September 2013.

Table 14.27 - Progress of SCSP Pooled funds Scheme (Rs. in crores)

Year	Pooled fund Allocation	Expenditure	% of expenditure
2009-10	478.54	348.54	72.83
2010-11	682.37	682.37	100.00
2011-12	748.90	748.90	100.00
2012-13	930.00	930.00	100.00
2013-14*	1050.00	361.28	69.00

Note: * Upto September 2013.

unable to formulate scheme/ programmes that directly benefit the SC community. The progress of the scheme during the last five years is presented in Table 14.27.

14.2.2.2 Dr. B.R. Ambedkar Development Corporation (BRADC)

The Government of Karnataka is implementing several programmes for economic upliftment of SC communities through Dr. B.R. Ambedkar Development Corporation. The Progress of important programmes implemented by the Development Corporation is described below.

i. Self-employment Programme - The basic aim of the programme is to enable unemployed, underemployed SC persons to take up gainful economic activities and thereby improving their economic status in the Society. The Corporation provides financial assistance through Banks and financial institutions for setting up of self-employment activities. Details are presented in Table 14.28. The important features of the scheme are illustrated below –

Salient Features of Self-employment Programme

- For project cost upto Rs.100,000/-, the Corporation sanctioning a maximum subsidy of Rs.35,000/- and the remaining amount as loan from financial institutions.
- For project cost above Rs.1,00,000/-, the Corporation providing 33% as margin money (Maximum of Rs.1.00 lakh), 62% as loan from Banks/ financial institutions and remaining 5% as beneficiary contribution.
- For a few selected schemes, Direct Loan is sanctioned by the Corporation after availing loan from National Scheduled Castes and Tribes Finance and Development Corporation (NSFDC), 5% beneficiary contribution, 20% margin money from Development Corporation (Dr. B.R. Ambedkar Development Corporation, Bangalore) (Rs.1.00 lakh maximum) and the remaining 75% is loan from the NSFDC.

Investment (Share Capital): Share Capital will be shared between the State and the Centre in the ratio of 51:49. The share capital will be utilized for margin money loan under the Self-employment Programme and Safai Karmachari Rehabilitation Programme.

Table 14.28 - Progress of Self-employment Programme (Rs. Lakhs)

Year	Budget Allocated	Funds Released	Expenditure				No. of beneficiaries
			Subsidy (State)	Margin Money	Term Loan (NSCFDC)	Total	
2009-10	1700.00	700.00	848.61	675.38	947.18	2471.17	11608
2010-11	1300.00	1200.00	941.47	668.82	956.91	2567.20	12391
2011-12	2200.00	2200.00	1765.10	622.23	954.84	3333.17	9663
2012-13	2200.00	2200.00	2268.33	596.86	1365.87	4231.06	9834
2013-14*	1254.00	532.50	408.30	110.03	521.24	1039.57	2188

Note: * Upto September 2013, Margin Money component spent out of Share Capital funds.

Funds released includes pooled funds.

ii. Land Purchase Scheme

The scheme has been launched during 1990-91 to provide land to the landless agricultural labourers by purchasing lands from non-SC/ST land holders. Under this scheme, 2 acres of dryland or 1 acre of wetland will be purchased and distributed to the

beneficiaries. Under this scheme, 50% will be treated as subsidy and 50% as term loan with 6% interest rate which has to be repaid in 10 annual equal installments. The lands will be registered in the name of women beneficiary of the family. The detailed progress of the programmes is presented in Table 14.29.

Table 14.29- Progress of Land Purchase Scheme (Rs. In lakhs)

Year	Budget Allocated	Funds Released (Subsidy)	Expenditure			No. of beneficiaries	Land Purchase (Acres)
			Subsidy (State)	Term Loan (NSCFDC)	Total		
2009-10	1200.00	737.00	421.44	421.44	842.88	936	1539.55
2010-11	700.00	600.00	601.96	601.96	1203.92	985	1730.05
2011-12	3000.00 (Pooled funds)	3000.00	657.51	657.51	1315.02	647	1062.03
2012-13	1300.00 (Pooled funds)	1300.00	728.81	728.81	1457.62	647	955.36
2013-14*	0.00	0.00	927.38	927.38	1854.76	466	609.41

Note: * Upto September 2013.

Table 14.30 - Progress of Individual Irrigation Borewell Scheme (Rs. In lakhs)

Year	Budget Allocated	Funds Released (Subsidy)	Expenditure			No. of beneficiaries
			Subsidy (State)	Term Loan (NSCFDC)	Total	
2009-10	7330.00	5080.00	5237.36	566.47	5803.83	5543
2010-11	6090.00	6090.00	4760.33	322.21	5082.54	6924
2011-12	6689.00	6689.00	7339.94	907.55	8247.49	6678
2012-13	7689.00	8689.00	7936.62	1028.40	8965.02	5900
2012-13*	8584.00	2298.10	1715.34	351.00	2066.34	655

Note: * Upto September 2013, Budget Allocation and funds released includes Pooled Funds.

iii. Gangakalyana Scheme

a. Community Irrigation/Lift Irrigation Scheme:

Under this scheme, a group of 8 to 15 acres of land belonging to SC landholders will be provided irrigation facility at free of cost by lifting water from the perennial rivers, streams, etc. The unit cost fixed for provision of irrigation for 8 acres and 15 acres of land is Rs.2.53 lakh and Rs.3.59 lakh respectively.

b. Individual Irrigation Borewell Scheme:

Individual Irrigation borewells along with pumpsets will be provided to small and marginal SC farmers. The unit cost of the scheme is Rs.2 lakh, out of which Rs.1.50 lakh will be subsidy and remaining Rs.50,000/- will be sanctioned as term loan from NSCFDC. The details of the scheme are provided in Table 14.30.

Table 14.31- Status of Energisation of Irrigation Borewells (Rs. In lakhs)

Year	Budget Allocated	Funds Released	Expenditure	No. of wells energized
2009-10	3000.00	1800.00	1800.00	5692
2010-11	5000.00	5000.00	5000.00	5861
2011-12	2500.00	2500.00	2500.00	5390
2012-13	4000.00	4000.00	3000.00	8992
2013-14*	3000.00	750.00	1750.00	3098

Note: * Upto September 2013.

Table 14.32 - Progress of Micro Credit Finance Scheme (Rs. In lakhs)

Year	Budget Allocated	Funds Released	Expenditure	% of expenditure	No. of beneficiaries
2009-10	360.00	280.00	203.24	56.46	4065
2010-11	500.00	500.00	475.46	95.00	9509
2011-12	550.00	550.00	550.00	100.00	5500
2012-13	1550.00	1550.00	2477.34	159.84	24773
2012-13*	1632.00	408.05	137.08	33.59	1371

Note: * Upto September 2013.

c. Energisation of Irrigation Borewells: As per the recommendations of High Power Committee for redressal of Regional Imbalances headed by the late Dr. D.M. Nanjundappa, financial assistance will also be provided under the SCSP pooled funds to ESCOMS for energisation of irrigation borewells in backward taluks. (as identified by the High Power Committee) The status of the scheme is given in Table 14.31.

i. Micro Credit Finance Scheme (Small Loan)

Under this scheme, skilled and unskilled SC person belonging to semi-urban and urban areas will be assisted to start their own petty business activities. The unit cost is Rs.15,000/- per beneficiary, out of which a subsidy of Rs.10,000/- and a loan of Rs.

5000/- will be sanctioned. The details of budget allocation, expenditure and number of beneficiaries covered are provided in Table 14.32.

v. Micro Credit Scheme (NSCFDC)

Under this scheme, loan alongwith subsidy will be provided to better performing Self-Help Groups and groups constituted under the Sthree Shakthi Scheme. The unit cost is Rs.25000, out of which Rs.15000/- is term loan from NSCFDC and the remaining amount of Rs.10000/- will be sanctioned as subsidy received from Zilla Panchayath, Urban Development Department, Social Welfare Department and other Departments. 5% interest rate is charged on the term loan. Details are furnished in Table 14.33.

Table 14.33 - Progress of Micro Credit Scheme (NSKFDC) (Rs. In lakhs)

Year	Term Loan from NSKFDC	Expenditure (Rs. in lakhs)				No. of beneficiaries
		Subsidy	Margin Money	Term Loan (NSKFDC)	Total	
2009-10	758.68	54.22	-	283.03	377.25	3553
2010-11	412.00	69.83	-	601.00	670.83	9109
2011-12	1174.50	60.00	3.20	535.60	598.80	4528
2012-13	150.00	9.60	3.10	618.20	630.90	2390
2013-14*	347.55	59.00	113.18	590.49	762.67	735

Note: * Upto September 2013.

Table 14.34 - Progress of Safai Karmachari Rehabilitation Programme (Rs. In lakhs)

Year	Term Loan from NSKFDC	Expenditure (Rs. in lakhs)				No. of beneficiaries
		Subsidy	Margin Money	Term Loan (NSKFDC)	Total	
2009-10	1207.10	219.46	12.04	422.34	653.84	2287
2010-11	1286.29	156.60	5.47	367.91	529.98	1736
2011-12	4137.09	75.80	11.95	884.00	971.75	1306
2012-13	4186.90	170.40	13.65	1545.79	1729.84	2397
2013-14*	1841.77	68.70	0.13	549.64	618.47	699

Note: * Upto September 2013: Margin money spent out of Share Capital funds. Subsidy spent out of Govt. of India funds.

vi. Safai Karmachari Rehabilitation Programme

This is a national Scheme, to promote socio economic upliftment of Safai Karmacharies and their dependents by providing financial assistance at concessional rate of interest for income generation activities and loans to students for higher education. For the project cost upto Rs.1 lakh, 50% is subsidy subject to a maximum limit of Rs.25,000/- and the remaining amount is NSKFDC/Bank loan. For project cost above Rs.1 lakh, 90% is loan from NSKFDC, 5% is margin money from BRADCL and 5% is promoter's contribution. For the loan upto

Rs.25,000/- and above Rs.25,000/-, the rate of interest is 5% and 6% respectively. The details of the programme are provided in Table 14.34.

Initiatives taken up in 2013-14

To improve its efficiency in implementation of its schemes effectively, the Corporation has developed online software in collaboration with NIC for all the schemes. The NIC has developed comprehensive software wherein the beneficiary can apply for loan on online and even he can visit our website till disposal of his application.

Table 14.35 - Progress of Admission of Meritorious Students in Prestigious Schools

Year	Target		Amount released	Achievement		% of achievement	
	Financial	Physical		Financial	Physical	Financial	Physical
2009-10	225.00	1200	225.00	225.00	1196	100.00	99.66
2010-11	335.00	1200	335.00	335.00	1200	100.00	100.00
2011-12	450.00	1700	450.00	450.00	1413	100.00	100.00
2012-13	450.00	1413	450.00	450.00	1413	100.00	100.00
2013-14*	350.00	1200	175.00	175.00	1200	50.00	100.00

Note: *Upto September 2013. Financial target and achievement in Rs. lakh. Physical target and achievement in Nos.

Highlighting best practices and success stories

The Corporation has introduced RTGs payments system to the beneficiary account directly in all the schemes for the year 2013-14 in order to avoid delay and misuse of schemes funds. The Corporation has taken initiative to launch its own website wherein the public can avail the benefits of the corporation without intervention of the middlemen and also given instructions to all its branches to maintained transparency in implementation of the schemes.

Identifying gaps and constraints

In all the years the corporation has not monitored implementation of the schemes. The end result was not known to the corporation. Hence, the Corporation has decided to handover evaluation of the schemes to Karnataka Evaluation Authority, which has been established in 2011, in order to know the outcome of the schemes. The Corporation is facing staff shortage and the available staff will be given professional training and train them to adapt to the new system and to implement them effectively and timely.

Specifying challenges and the future outlook

All the schemes implementing by the Corporation are funded through the budgetary support by Government of Karnataka. The fund allocated by the Government is not adequate compared to the SC population in the state. The Corporation on an average is giving benefits to 40000 to 50000 SCs per

annum. There is a huge gap when compared to the population. The corporation is receiving large number of application and selection process is a difficult task which results in criticism and opposition from the general public. Corporation is expecting more funds from Government to cover major chunk of population which is uncovered.

14.2.3 Welfare Programmes for Scheduled Tribes

In order to improve productive endowments and exchange entitlements among the ST households, the State Government has been implementing various programmes in social and economic domains. It has been attempted through a) Department of Scheduled Tribes Welfare and b) Karnataka Scheduled Tribes Development Corporation. The progress of important schemes is summarized as follows.

14.2.3.1 Department of Scheduled Tribes Welfare

i. Admission of Meritorious ST Students in Prestigious Schools

To provide quality of education, the meritorious ST students studying at 5th standard and above are given admission in reputed residential or non-residential schools. All fees and maintenance charges are borne by the department. For the year 2013-14, out of Rs. 350 lakh, an amount of Rs. 175 lakh has been spent benefitting 1200 students in the State upto September 2013. The detailed progress of the scheme is provided in Table 14.35.

Table 14.36 - Progress of Pre-matric Scholarships

Year	Target		Amount released	Achievement		% of achievement	
	Financial	Physical		Financial	Physical	Financial	Physical
2009-10	548.85	627251	545.81	545.81	623782	99.45	99.45
2010-11	589.70	673942	586.43	494.03	518163	83.78	76.89
2011-12	625.56	714925	625.56	592.39	337167	94.69	47.16
2012-13	641.45	185928	613.85	547.20	185019	85.30	99.59
2013-14*	1085.57	310163	583.59	60.54	21747	5.57	7.01

Note: *Upto September 2013. Financial target & achievement in Rs. lakh. Physical target & achievement in Nos.

Table 14.37 - Progress of Post-matric Scholarship Scheme

Year	Target		Amount released	Achievement		% of achievement	
	Financial	Physical		Financial	Physical	Financial	Physical
2009-10	2181.13	50384	1839.46	1501.31	36541	68.83	72.52
2010-11	2695.06	33688	2587.72	2230.47	45313	82.76	134.50
2011-12	6115.80	70624	3425.48	3307.66	66350	96.56	93.94
2012-13	5756.92	71972	5756.83	3895.57	52732	67.66	73.26
2013-14*	5576.22	79660	354.24	289.87	3090	5.19	3.87

Note: *Upto September 2013. Financial target & achievement in Rs. lakh. Physical target & achievement in Nos.

ii. Pre-matric Scholarships

For educational advancement and reduction of dropouts from the schools, pre-matric scholarship for ST boys and girls students will be provided. An amount of Rs.400 for ST students studying from 1st to 7th standard and Rs. 650 for students studying 8th standard will be provided annually. Rs. 450 for girl students studying from 1st to 5th standard, Rs. 550 studying from 6th to 7th standard and Rs. 900 studying 8th standard is being sanctioned annually (Table 14.36).

iii. Post-matric Scholarships

Financial assistance is being provided to ST students whose family income is less than Rs. 2.50 lakh per annum, and is pursuing post-matric education including professional courses. This is a Central Sector Scheme (CSS) implemented to encourage the ST students to pursue college education in the State (Table 14.37).

Table 14.38 - Progress of Incentive Scholarship Scheme

Year	Target		Amount released	Achievement		% of achievement	
	Financial	Physical		Financial	Physical	Financial	Physical
2009-10	14.50	145	14.50	14.50	145	100	100
2010-11	15.00	150	15.00	15.00	150	100	100
2011-12	15.00	150	15.00	15.00	150	100	100
2012-13	15.00	150	15.00	15.00	150	100	100
2013-14*	15.00	150	15.00	15.00	150	100	100

Note: *Upto September 2011. Financial target & achievement in Rs. lakh. Physical target & achievement in Nos.

iv. Provision of Cash Incentives

For continuation of the ST students' college education, a cash incentive scheme is being implemented since 2009-10. A cash incentive of Rs. 5,000/- is provided to ST students who secure more than 60% and Rs. 10,000/- will be awarded to those who secure more than 75% in the SSLC examination. In 2009-10, an amount of Rs.533.20 lakh was spent for the targeted number of 8916 ST students. In 2010-11, a sum of Rs.374.20 lakh was spent covering 6066 ST students. In 2011-12, an amount of Rs. 650 lakh was spent for the benefit of 11109 students. In 2012-13, an amount of Rs. 669.90 lakh has been spent for the benefit of 10569 students and in 2013-14, an amount of Rs. 1300 lakhs has been spent for the benefit of 11381 students upto September 2013.

v. Incentive Scholarship to ST Meritorious Students

In order to encourage the meritorious ST students, an incentive scholarship of Rs.10000 per student is awarded to the first 5 meritorious ST students in each district who have passed II PUC annual examination in the first attempt itself. The progress of the scheme during the last five years is provided in Table 14.38.

vi. Construction of Residential School Buildings

Towards providing residential school buildings and other infrastructural facilities, financial assistance is provided for construction of residential schools such as Morarji Desai residential school and Kittur Rani Chennamma residential school. It intends to promote educational development among the ST community. Progress during the last five years, upto September 2013 is given in Table 14.39.

vii. Construction of Hostels and residential schools (Ashrama Schools)

For provision of basic amenities to ST inmates of hostels and ashrama schools, buildings are being constructed for the institutions which are housed in rented buildings. This has been implemented by the department and financially assisted by the Central Government under the Central Sector Scheme (CSS). The detailed progress of the scheme during the last five years is shown in Table 14.40.

viii. Maintenance of Morarji Desai Residential Schools

Morarji Desai Residential Schools, which provide basic school facilities, have been provided maintenance expenditure during the first year of their establishment. The detailed progress of the scheme during the last five years is given in Table 14.41.

Table 14.39 - Progress of Construction of Residential School Buildings

Year	Target		Amount released	Achievement		% of achievement	
	Financial	Physical		Financial	Physical	Financial	Physical
2009-10	215.00	7	215.00	215.00	7	100.00	100.00
2010-11	259.20	10	259.20	259.20	10	100.00	100.00
2011-12	364.20	10	364.20	364.20	10	100.00	100.00
2012-13*	400.00	10	400.00	400.00	10	100.00	100.00
2013-14*	400.00	10	300.00	200.00	0	50.00	0

Note: *Upto September 2013 Financial target & achievement in Rs. lakh. Physical target & achievement in Nos.

Table 14.40 - Progress of the Scheme for Construction of Hostels and Residential Schools

Year	Target		Amount released	Achievement		% of achievement	
	Financial	Physical		Financial	Physical	Financial	Physical
2009-10	600.00	12	581.80	581.80	12	96.97	100.00
2010-11	600.00	11	418.17	418.17	15	69.70	136.00
2011-12	1000.00	18	300.00	300.00	13	30.00	75.00
2012-13*	1500.00	15	500.00	500.00	02	33.00	13.00
2013-14*	1600.00	15	-	-	-	-	-

Note: *Upto September 2013. Financial target & achievement in Rs. lakh. Physical target & achievement in Nos.

ix. Starting New Hostels

In order to provide hostel facilities for the ST students studying in pre-matric and post-matric courses, a scheme to establish new hostels has been implemented by the department (Table 14.42).

x. Book Banks Scheme

Book banks for accessing expensive books of professional courses such as medical, engineering, agriculture, veterinary, law etc., are established for the benefit of ST students who cannot afford such

books prescribed for their courses. It is implemented by the Zilla Panchayat at the district level. The progress of the scheme during the last five years is given in Table 14.43.

xi. Construction of Valmiki Bhavans

The Valmiki Bhavans are being constructed at the cost of Rs. 3 crores at District level, Rs. 1 crore at Taluk level and Rs.50 lakh at Hobli level for the benefit of Scheduled Tribe people. The grants for the construction of the Bhavans at different levels are

Table 14.41- Progress of the Scheme for Maintenance of Morarji Desai Residential School

Year	Target		Amount Released	Achievement		% of achievement	
	Financial	Physical		Financial	Physical	Financial	Physical
2009-10	100.00	4	25.00	25.00	3	25.00	75.00
2010-11	100.00	5	100.00	100.00	0	100.00	0
2011-12	100.00	4	100.00	100.00	0	100.00	0
2012-13	100.00	4	100.00	100.00	0	100.00	0
2013-14*	185.00	06	138.75	92.50	0	50.00	0

Note: *Upto September 2013. Financial target and achievement in Rs. lakh.. Physical target and achievement in nos.

Table 14.42- Progress of the Scheme for Starting New Hostels

Year	Target		Amount Released	Achievement		% of achievement	
	Financial	Physical		Financial	Physical	Financial	Physical
2009-10	50.00	15	50.00	50.00	14	100.00	93.33
2010-11	50.00	15	50.00	50.00	-	100.00	-
2011-12	50.00	15	50.00	50.00	-	100.00	-
2012-13	50.00	10	50.00	50.00	8	100.00	80.00
2013-14*	100.00	30	75.00	50.00	-	50.00	-

Note: *Upto September 2013. Financial target and achievement in Rs. lakh. Physical target and achievement in Nos.

being released to the Deputy Commissioners of the concerned districts. The details of Valmiki Bhavans sanctioned for the last five years are shown in Table 14.44.

xii. Free Housing for ST Families

In order to provide free houses for the homeless ST families living below poverty line, a constructed house with unit cost of Rs.50000/- is provided through the Rajiv Gandhi Housing Corporation till 2011-12. The detailed progress of the scheme during the last five years is presented in Table 14.45.

xiii. Scheme for Primitive Tribal Groups (Particularly Vulnerable Tribal Groups)

Socio-economic status of primitive tribal groups (PTGs) such as Jenu Kuruba and Koraga Tribal communities is much below the average level. They are the most vulnerable section among the tribes. Hence, several programmes have been implemented by the department for their social and economic advancement in a holistic manner by adopting habitat development approach. Several programmes are implemented by the deputy commissioners of five districts viz. Mysore, Chamarajanagar, Kodagu,

Table 14.43 - Progress of Book Banks Scheme

Year	Target		Amount Released	Achievement		% of achievement	
	Financial	Physical		Financial	Physical	Financial	Physical
2009-10	48.34	750	45.43	45.43	673	93.98	89.73
2010-11	58.14	900	48.34	48.34	673	83.14	74.78
2011-12	66.62	1052	58.14	58.14	900	87.27	85.55
2012-13	69.32	2528	66.62	66.62	1052	96.00	41.62
2013-14*	72.54	2800	69.32	18.09	632	25.00	22.00

Note *Upto September 2013. Financial target, achievement in Rs. lakh. Physical target, achievement in nos.

Table 14.44 - Details of Valmiki Bhavans

Year	Number of valmiki Bhavans	Amount Allocation	Amount Released	Expenditure
2009-10	-	475.00	375.00	375.00
2010-11	11	750.00	750.00	750.00
2011-12	24	1500.00	1500.00	1500.00
2012-13	47	2000.00	2000.00	2000.00
2013-14	-	2500.00	625.00	-
Total	82	7225.00	5250.00	4625.00

Table 14.45 - Details of Free Housing for ST Families

Year	Target		Amount Released	Achievement		% of achievements	
	Financial	Physical		Financial	Physical	Financial	Physical
2009-10	1500.00	3750	1000.00	1000.00	2500	66.67	66.67
2010-11	1500.00	3000	1500.00	1500.00	3000	100.00	100.00
2011-12	1500.00	3000	1500.00	1500.00	3000	100.00	100.00
2012-13	No allotment						
2013-14	No allotment						

Note Financial target, achievement in Rs. lakh. Physical target, achievement in Nos.

Dakshina Kannada and Udupi where there is a large PVTGs population. The progress of the scheme during the last four years is provided in Table 14.46.

xiv. Financial Incentives to PVTG Students:

Financial assistance of Rs. 2500/- for the PVTG students upon passing 7th standard and Rs.5000/- upon passing 10th standard examination in the first attempt will be sanctioned. In 2010-11 an amount of Rs. 15 lakh for 610 PVTG students was spent. In 2012-13 a sum of Rs. 29.06 lakh was spent for the benefit of 995 PVTG students. In 2013-14 a sum of Rs. 15 lakh will be spent for the benefit of 628 PVTG students.

xv. Tribal Sub-Plan

In an effort to promote overall development of STs, the Tribal Sub-Plan (TSP) has been implemented by the department. As per the plan, the due share of funds and benefits from all developmental sectors in the State's annual plans are channelized exclusively for the welfare of the ST community in proportion to their population. The grant-in-aid under Article 275 (1) is also being provided to take up such special development programmes which are otherwise not included in the plan programmes. The progress of TSP during the last five year is presented in Table 14.47.

Table 14.46 - Progress of the Schemes for Development of PVTGs (Rs. Lakhs)

Year	Budget Allocation	Funds Released	Expenditure	% of Expenditure
2010-11	3837.98	3837.98	3837.98	100.00
2011-12	2162.02	2162.02	2162.02	100.00
2012-13	1225.61	1490.00	1490.00	121.57
2013-14*	395.07	395.07	395.07	100.00

Note: *Upto October 2013

Table 14.47 - Progress of Scheduled Tribal-Sub Plan (Rs. In lakh)

Year	Allocation			Expenditure			% of expenditure		
	State	District	All	State	District	All	State	District	All
2009-10	114405.08	832.24	115237.32	91615.96	814.91	92430.87	80.08	97.92	80.21
2010-11	134267.51	833.34	135100.85	111660.62	815.88	112475.59	83.16	97.90	83.25
2011-12	186700.14	897.90	187598.04	147098.26	772.90	147871.16	78.78	86.07	78.82
2012-13	207560.00	906.90	208466.90	167978.91	852.40	168831.31	80.93	94.00	80.99
2013-14*	248073.53	985.90	249059.43	61008.66	73.37	61082.03	24.59	7.44	17.61

Note: *Upto October 2013.

14.2.3.2 Karnataka Maharshi Valmiki Scheduled Tribes Development Corporation

A large number of ST households continue to be deprived of productive assets and income earning avenues. Therefore, the Karnataka Maharshi Valmiki Scheduled Tribes Development Corporation has been set up by the Government of Karnataka to implement several developmental schemes such as self-employment schemes, land purchase scheme, Ganga Kalyana Yojana, etc., for economic development of ST households in the State. A brief progress of some important schemes implemented by the Corporation is presented below.

i. Self-employment scheme

a. Self employment scheme for unemployed youth

- Unemployed Scheduled Tribe beneficiaries are

assisted up to Rs.1 lakh to start small business activities like petty shop, vegetable vending, cycle shop, dairy, bullock cart etc., through their service area bank. The Corporation is releasing 50% of the unit cost or maximum of Rs.35,000/- which ever is less as subsidy and remaining portion of the unit cost will be the bank loan. The detailed progress of the scheme is given in Table 14.48.

b. Industries Service and Business (ISB) - Under the scheme, a financial assistance is provided to projects from Rs.1.00 lakh to Rs.10 lakh to start small scale industry/to purchase passenger or goods transport vehicles, tractor etc. The Corporation releases 33% of the unit cost subject to a maximum of Rs.1 lakh as subsidy and the remaining portion of the unit cost is Bank Loan. Progress of the scheme is provided in Table 14.49.

Table 14.48 - Progress of Self employment scheme

Year	No of beneficiaries	Subsidy (Rs. Lakh)	Bank loan (Rs.Lakh)	Total (Rs. Lakh)
2009-10	2854	245.00	517.28	762.28
2010-11	2413	257.99	505.01	763.00
2011-12	1250	164.40	348.64	513.04
2012-13	3661	765.54	1094.93	1860.47
2013-14 (up to Sep-2013)	1933	434.22	630.79	1065.01

Table 14.49 - Progress of Self employment scheme for Industries Service and Business

Year	No of beneficiaries	Subsidy (Rs. Lakh)	Margin Money (Rs. Lakh)	Bank loan (Rs. Lakh)	Total (Rs. Lakh)
2009-10	290	16.78	137.25	554.68	708.71
2010-11	300	29.48	162.46	616.12	808.06
2011-12	139	6.79	74.23	296.70	377.67
2012-13	230	134.30	61.32	628.93	824.55
2013-14 (up to Sep-2013)	181	163.30	0.00	575.83	739.13

c. Direct Loan - This scheme is implemented with the Term Loan assistance from the National Scheduled Tribes Finance and Development Corporation (NSTFDC). The Project cost ranges from Rs.58,500 to Rs.10 lakh. Rs.25,000/- subsidy will be released to projects with unit cost up to Rs.1 lakh. The Project cost comprises of 5% promoter's contribution, 20% Margin Money subject to Maximum of Rs.1 lakh and remaining portion will be the Term Loan from NSTFDC, New Delhi. The progress of the scheme is furnished in Table 14.50.

d. Micro Credit Finance (Small Loan) - A financial assistance will be extended to skilled and unskilled beneficiaries of the rural, semi urban and urban areas. The project cost is Rs.15,000/- sanctioned to each beneficiary, out of which subsidy is Rs.10,000/- and Margin Money is Rs.5000/- at the rate of 4% interest sanctioned by the Corporation. The progress of the scheme is furnished in Table 14.51.

e. Land Purchase scheme - A financial assistance will be given for women land less agricultural labourers by purchasing 2 acres of dry land or 1 acre of wet land and registration will be done in the name of women beneficiary as per the value fixed by the District Committee headed by Dy.Commissioner. The unit cost is Rs.7.50 lakh out of which subsidy and Term Loan are in the ratio of 50:50. For the Term Loan, interest will be charged at the rate of 6%. The progress of the scheme is furnished in Table 14.52.

ii. Ganga Kalyana Scheme

a. Lift Irrigation Scheme - Beneficiaries having dry land of 8 to 15 acres near river or perennial water sources are provided irrigation facility by laying pipe line, installation and energisation of pump sets. An amount of Rs.4 lakh is fixed for 8 acres and Rs.6 lakh fixed for 15 acres of land. The progress of the scheme is furnished in Table 14.53.

Table 14.50- Progress of Direct Loan scheme

Year	No of beneficiaries	Promoter Contribution (Rs. Lakh)	Subsidy (Rs. Lakh)	Margin Money (Rs. Lakh)	Term Loan (Rs. Lakh)	Total (Rs. Lakh)
2009-10	849	28.18	37.20	116.60	390.11	572.09
2010-11	153	0.75	7.50	8.40	28.44	45.09
2011-12	331	6.13	16.85	25.41	91.68	139.72
2012-13	206	8.82	7.70	40.92	147.95	113.41
2013-14 (up to Sep-13)	28	0.54	2.50	3.13	13.51	16.68

Table 14.51 - Progress of Micro Credit scheme

Year	No of beneficiaries	Subsidy (Rs. Lakh)	Margin Money (Rs. Lakh)	Total (Rs. Lakh)
2009-10	880	44.00	44.00	88.00
2010-11	2248	56.20	56.20	112.40
2011-12	1000	50.00	50.00	100.00
2012-13	11365	568.25	568.25	113.65
2013-14 (up to Sep-2013)	404	20.20	20.20	40.40

Table 14.52 - Progress of Land Purchase scheme

Year	No of beneficiaries	Subsidy (Rs. Lakh)	Term Loan (Rs. Lakh)	Total (Rs. Lakh)
2009-10	199	99.00	99.00	198.00
2010-11	189	140.00	140.00	280.00
2011-12	123	121.28	121.28	242.56
2012-13	218	243.74	243.74	487.48
2013-14 (up to Sep-13)	75	156.88	156.88	313.76

Table 14.53 - Progress of Lift Irrigation Scheme (Rs. Lakh)

Year	No of beneficiaries	Subsidy
2009-10	68	48.83
2010-11	426	356.53
2011-12	1033	678.96
2012-13	0	66.03
2013-14*	0	0.00

*(up to Sep-2013)

b. Individual Irrigation Borewell Scheme - Irrigation facility is provided to the lands of small and marginal farmers belonging to scheduled tribes by drilling borewells. The unit cost under the scheme is Rs.2 lakh, out of which Rs.1.50 lakh is subsidy and remaining Rs.50,000/- will be the NSTFDC Term loan. The progress of the scheme is furnished in Table 14.54.

14.2.4 Karnataka Scheduled Castes Sub-Plan and Tribal Sub-Plan (Planning, allocation and utilization of Financial Resources) Act, 2013

To prevent diversion of funds and spending of allocated funds for the schemes directly benefiting the Scheduled Castes and Scheduled Tribes population, the State Legislative Assembly on 5th of December, 2013 has passed the Karnataka Scheduled Castes Sub-Plan and Tribal Sub-Plan (Planning,

allocation and utilization of Financial Resources) Act, 2013. The Act envisages allocation of state plan outlay to be in proportion to the population of SCs and STs; to make allocated funds non-divertible; to spend for the schemes directly benefiting the SC and ST population and other matters. In the case of unspent amount out of allocation in a particular year, the same would be added to the next year allocation but should not be carried beyond that year.

The Act provides for constitution of the State Council for development of the SC and the ST people with the Chief Minister to head the council. The other members are the Ministers for Social Welfare, Law and Parliamentary Affairs, Rural Development and Panchayat Raj, Higher Education and Revenue, five MLAs or MLCs or MPs belonging to SC/ST as nominated by the Government and four other officials of different departments. The Council would

advise the government on all policy matters related to SC/ST sub-plans; suggest measures for planning and implementation of schemes; and approve the annual SC/ST sub-plans proposals of various departments.

The Act also envisages setting up of a nodal agency headed by the Social Welfare Minister and seven secretaries of different departments as its members. Its main function is to evaluate and appraise sub-plans, prepare sub-plans, review execution of schemes, identify impediments, co-ordinate with other departments, and directions of the agency would be binding on the departments. The district monitoring committee in each district would be responsible for implementation of plans.

14.3 Issues and Challenges

14.3.1 Challenges relating to Women and Child Development

- ★ **Health and nutrition** – Maternal and child health continues to be a cause of concern. High level of MMR (178) is still prevalent. While, Karnataka has made progress from 213 (in 2004-06) to 178 (in 2007-09), it still lags behind all of its comparable states. Only 71.5% of women have safe deliveries. Further, there are district-wise disparities in terms of access to safe deliveries. Districts such as Koppal (37.3%), Raichur (51.5%), Bellary (54.9%), Gulbarga (56%), and Bagalkot (62.3%) had fewer safe deliveries than the State's average. NFHS-3 also indicates that on an average only 61% of women received any form of post natal care from a doctor or ANM or health visitor within 2 days of delivery. IMR (2011) in the State is 38 which indicates that intensive efforts are required from Government, NGOs, and health functionaries if MDG target of 21.8 per 1000 live births is to be achieved by 2015. Nutritional status of women and children deserves immediate attention. There is high incidence of anaemia among women (51.5%) and children (70%). Early childhood care needs policy focus.
- ★ **Programme related issues** – ICDS - There are infrastructural constraints, of all the AWCs functioning in the State, only (56%) AWCs have their own buildings as of March 2012. Severe vacancies exist across various levels of service delivery of the scheme. The highest number of vacancies exists at the ACDPO level with 32% vacancies, followed by 17% vacancies at the supervisor level, 15% at the CDPO level. According to the Second Report of the Expenditure Commissions Report, AWWs were reported to be lacking in techniques requisite for provision of non-formal, pre-school education to the children at anganwadi. Hence the Department should prepare and implement a training programme by utilising ATIs and DTIs intensively to raise the capabilities of AWWs. As per an evaluation survey of ICDS the effective coverage of the scheme is only 67.5%. Further, there is no appropriate monitoring and evaluation system (such as an MIS) wherein project progress can be assessed based on key outcome and output indicators and information obtained can be used to inform planning and action.
- ★ **Safety and security** - Child Sex Ratio in Karnataka has declined from 946 in 2001 to 943 in 2011, drop of 3 points in the last decade which is a point of concern. This could be due to female infanticide as a result of the practice of preference of sons. As per NCRB 2011 data crimes against women is 8807 (rape, molestation, dowry deaths, cruelty by husbands/relatives) and crimes against children is 409 (rape, kidnapping and abduction and others)
- ★ **Political Participation** - Although at the local levels the State has over 50% representation at the Zilla and Taluk Panchayats and 43% at the Gram Panchayat, the representation is very poor at State and national level. Of 225 seats in the Legislative Assembly, only 6 are women (a paltry 3%). In the State Legislative Council, only 5 out of 75 elected members are women. The numbers are even more discouraging at the national level – with only 1 woman member from Karnataka elected into the Lok Sabha and 1 into the Rajya Sabha.
- ★ **Labour and employment** - Wage parity, casualisation of labour and prevalence of child labour is a serious concern. Karnataka has one of the lowest wages for casual labour among the other categories as well as in comparison in India

with Rs. 96.91 for males and Rs 62.77 for females. The difference between the rural male and rural female casual wages (for activity code 51) in Karnataka at Rs 34.14 (54%) is high and is also close to the national level difference of Rs. 32.59 (47%). In urban areas, the difference between the casual wages (for activity code 51) in Karnataka at Rs. 55.15 (81%) is actually even higher than the national difference of Rs.55.19 (72%). In terms of daily wages for regular salaried employees in rural areas, aged 15-59 in Karnataka, the average rural female earns Rs 82.5 (73%) less than her male counterpart. In terms of daily wages for regular salaried employees in urban areas, the average urban female earns Rs.121.58 (41%) less than her male counterpart.

- ★ **Early Childhood Care needs policy focus** - There is a need for the introduction of an Early Childhood Care Services Policy. Research has indicated that what happens during a child's first 4-6 years of life determines how they will develop and feel about themselves as adults. Early care impacts long-term cognitive, social skills, behavioural development, motor skills, creativity, and language skills and so on. Hence, a quality child care must lay emphasis on developing children's understanding of their world and supporting the confidence, communication skills and flexibility they need to interact effectively with that world—dealing with real life changes, better able to obtain their rights and to be active, contributing members of society. Department of WCD provides free day care, nutrition and pre-school education to children of the ages of 3-6 years through Anganwadi Centres (AWCs). Though the AWCs have minimum standards and rules regarding most aspects of the services being provided, they are largely focussing on health interventions. Preschool education services needs more focus apart from the curriculum i.e., in terms of training of Anganwadi Workers to deliver quality teaching and regular trainings to enable them to educate the children. Therefore, an early childhood care policy is essential keeping in mind the significance of development of the child in this age-group besides creating a regulatory framework to enforce it.

14.3.2 Challenges relating to Welfare of SCs, STs, BCs, Disabled and Senior Citizens

- ✧ **Education** - Education is an integral aspect of a holistic life and ensuring access to education for both boys and girls is still a challenge among SCs, STs and Muslims. The percentage of out of school children is high among STs, followed by SCs, Muslims and OBCs. Further, there is a progressive decline in GER figures between Class VIII and Class XII across vulnerable groups and there is low enrolment in secondary and higher education.
- ✧ **Health, Nutrition and Sanitation** - Vulnerable groups in Karnataka, SC and ST groups in particular, face poor health, nutrition and sanitation conditions in the state. As per NFHS III data, there are high levels of anaemia among ST children (80%) and women (57%), Child Mortality (33.6) and Under-5 Mortality (77.9) compared to other social groups. Among SCs, there is room for improvement in lowering the prevalence of anaemia among children (75%) and women (52.3%) and lowering of IMR (57.2) which is reportedly the highest among all the social groups. Further, the percentage of institutional deliveries at 54.1% also needs attention. The analysis of Body Mass Index (BMI) figures for women, highlights that STs had high prevalence of acute under-nutrition among women (48.7%), followed by SCs (40.6%). The analysis of nutritional status of children reveals that STs had the highest prevalence of stunting and wasting among children at 51% and 18.8% respectively, compared to other vulnerable groups in Karnataka. As per Census 2011 data, 68% SC and 71% ST households did not have access to latrines and 24.5% SC households and 24.4% ST households had no bathing facility within their premises. 37.6% SC households had waste water outlets connected to open drainage systems while 46.8% had no drainage system connections for waste water disposal. 34.7% ST households had waste water outlets connected to open drainage systems while 51.6% had no drainage system connections for waste water disposal. Thus, there is a need to improve the

hygiene and sanitation situation among vulnerable groups in Karnataka.

- ✧ **Safety and Security** – In 2010, 2505 crimes were reported against SCs and 294 crimes were reported against STs, higher than all comparable states except Andhra Pradesh. While the crimes against SCs in state comprised 8% of the total such crimes reported in India, crimes against STs in the state contributed 5% to the total crimes against STs reported across the country. Thus, Karnataka has a relatively high incidence of crimes against SCs and STs compared to the other states, indicative of a relatively unsafe environment for these vulnerable groups. The number of crimes against SCs and STs has been increasing between 2009 and 2011. 7517 cases were reported under the SC/ST Prevention of Atrocities Act in Karnataka of which 4309 are pending trial and 66 convictions were ordered out of 2989 cases disposed. Communal clash is another major issue in the State.
- ✧ **Implementation of Schemes** - There are a plethora of scholarship schemes for SCs, STs and minorities which reportedly suffer due to 'procedural delays' or 'delay in release of funds'. Further, annual hike in allocations for scholarships do not meet the rising demand for scholarships, reflective of the lack of demand assessment for the same. There are a number of schemes related to construction and maintenance of hostels, many of the hostels in rented buildings suffer from water shortage, inadequate number of rooms and beds. Further, there are time lags in construction due to reported delays in funds received. Construction of schools and hostels are managed by various agencies like without assessing available capacity or ability to monitor and ensure quality control checks. The loans which are granted to SC and ST families for self-employment by Dr. BR. Ambedkar Corporation face challenges of recovery. Ineffective recovery rates are attributed partly to the unavailability of recovery personnel. The 2010 ERC report highlights inefficiencies in scheme design, identification of beneficiaries and process of proposal scrutiny. These problems are reported to be faced by

Corporations set up for similar schemes for backward classes and minorities as well. The 2010 ERC Report highlights poor implementation of the Ganga Kalyana scheme due to multiple service providers functioning without coordinating with each other while providing services to the same beneficiary. This has resulted in beneficiaries having to deal with different service providers at the same time. As per the guidelines of the SCSP/TSP schemes, the states are to earmark the funds of SCSP/TSP in proportion to population which should be non-lapsable and non-divertible and also to provide a lump sum amount to nodal agency for reallocation of other Departments. However, Karnataka is still not allocating the entire amount under SCSP in proportion to the population to the Social Welfare Department for reallocation and amounts pertaining to externally aided projects and internal borrowings are excluded for computing SCSP. Poor design, implementation and monitoring of schemes as highlighted above can be attributed to shortage of appropriate staff/personnel across various departments. The Department of Social Welfare is noted to have the second highest number of vacancies at 52% in the State Government.

- ✧ Issues concerning the Disabled and Senior Citizens - The insufficient focus on the disabled and senior citizens in the state and even across India is highlighted by the lack of frequent databases or reports which aim to measure the extent of the problem and issues concerned.

(a) Issues concerning Disabled - Although Karnataka is one of the better performing states given that it is one of the few states to have an active Commissioner's office and a policy on disability, the state still faces issues in terms of literacy and ensuring gainful employment to the disabled. According to a World Bank Report, Karnataka had less than 8% of its schools accessible to disabled and almost 25% of children with disabilities (aged 6 to 13) were out of school. The provision of infrastructure in schools is inadequate. Although 72.95% elementary schools were reported to have ramps, barely 25% high schools have ramp facilities to enable access to

disabled students in the state, according to DISE 2010-11 data. As the Annual Report (2010-11) of the Women and Child Department, GoK notes, the importance of ensuring access to disabled in public offices and public offices is not taken seriously by concerned Department officials. This had led to inefficiencies such as defective ramps and toilets and in some cases, functional disabled-friendly toilets are locked and remain unused.

(b) Issues concerning Senior Citizens - The elderly population in Karnataka is projected to increase from 9.2% in 2011 to 14.5% in 2026. Similarly, the dependency ratio is projected to rise from 141 in 2011 to 222 in 2026. The areas of concern for the elderly pertain to meeting healthcare needs, keeping pensions in tune with inflation and cost of living and setting regulatory standards for old age homes ensuring there are enough old-age homes which are well equipped to meet the increasing needs of housing for the elderly. Although the Senior Citizen Act had been passed at the Centre in 2007, tribunals had received only 50 cases approximately since 2009 and the implementation of the same has been reportedly slow.

(c) Implementation and Monitoring of Schemes –

(i) Training and Employment for Disabled - The scheme to train disabled youths in Computer and VCT received an allocation of more than Rs. 3 crore each year but did not incur any expenditure since 2008. This indicates an inefficiency in functioning of the training scheme, as noted in the 2011 ERC Report. (ii) Inadequate Financial Assistance -The 2011 ERC Report suggests inadequate allocation to financial assistance for physically handicapped, disabled poor, old age pensions and pensions to widows given the rising costs of living. Further, verification procedures need to be strengthened to ensure that the same beneficiary does not receive pension/allowance from two separate authorities. (iii) Inadequate Monitoring - Despite a government order stating 3% of budgets of all beneficiary oriented schemes to be targeted at the disabled, there are no guidelines on fund segregation or monitoring of these benefits to the disabled. Further, there is need for additional technical staff and infrastructure to ensure implementation of such guidelines.

14.2.5 Welfare programmes for Backward Classes

The Backward classes (BCs) constitute a major chunk of population who are also deprived of educational and economic advancement in the state. Therefore, the Department of Backward Classes Welfare and the D Devaraj Urs Backward Classes Development Corporation (DBCDC) have been implementing various development programmes for socio-economic welfare of the Backward Classes in the state. A brief progress of important programmes is summarised below.

14.2.5.1 Department of Backward Classes Welfare

a. Pre-matric and Post-matric scholarships - Pre-matric and post-matric scholarships are being sanctioned to the post matric and pre matric backward class students whose annual family income is not more than Rs. 44500/-. A scholarship of Rs. 225/- and Rs. 500/- per annum will be granted for the backward class students studying from 5th to 7th and 8th to 10th class, respectively. Similarly, a sum of Rs. 300/- for the students studying in PUC and degree education, Rs. 400/- for the students studying in post-graduation courses and Rs. 500/- for the students studying in technical and professional courses will be sanctioned annually. The progress of the scheme is presented in Table 14.55.

b. Maintenance of Morarji Desai Residential Schools - In order to provide qualitative education to the poor and meritorious students of BC, whose annual family income is less than Rs. 15000/-, 133 morarji desai residential schools have been established. The students of Morarji Desai schools have been provided with free education from Class VI to XII. Further, boarding, lodging facilities have also been provided. The progress of the scheme is illustrated in Table. 14.56.

c. Ashram School - In order to encourage the students of Backward Classes especially category – I to avail formal education, 78 ashrama schools have been established. The students get primary education from class 1st to 4th and from boarding and lodging facilities in Ashrama School. The progress of the scheme during the last five years in provided in Table 14.57.

Table 14.54 - Progress of Individual Irrigation Borewell Scheme (Rs. Lakh)

Year	No of Beneficiaries	Subsidy	Term Loan	Total
2009-10	3120	3066.40	366.87	3433.27
2010-11	4694	3446.16	277.12	3723.28
2011-12	3585	3880.18	168.24	4048.42
2012-13	3756	5047.77	973.49	6021.26
2013-14	279	1122.43	0.00	1122.43

*(up to Sep-2013)

Budget allocated for implementation of various schemes of the Corporation during 2013-14

Sl. No	Scheme	Head Of Account	Budget Allocation (Rs. In Lakhs)		
			State	Central	Total
1	Self Employment Programme / Land Purchase Scheme	2225-01-190-2-01	456.00	0.00	456.00
2	Ganga Kalyana Irrigation borewell	2225-02-102-0-04	2820.00	0.00	2820.00
3	Micro Credit Finance (Subsidy)	2525-02-190-2-07	100.00	0.00	100.00
4	Micro Credit Finance (Loan)	4225-02-190-1-02	100.00	0.00	100.00
5	Share Capital	4225-01-190-0-01	200.00	193.00	393.00
	Total		3676.00	193.00	3869.00

Allocation of Pooled funds for Special Development Programme (SDP)

Sl. No	Scheme	Head Of Account	Budget Allocation (Rs. In Lakhs)		
			State	Central	Total
1	Ganga Kalyana Individual Irrigation	2225-02-190-2-001	1500.00	0.00	1500.00
2	Energisation of Borewells	2225-02-283-0-02	2500.00	0.00	2500.00
	Total		4000.00	0.0	4000.00

Table 14.55 - Progress of Pre-matric and post matric scholarships (Rs. In lakh)

Year	Targets		Amount released	Achievements		% of achievements	
	Fin	Phy		Fin	Phy	Fin	Phy
2010-11	2009.81	678275	2009.81	2007.88	718571	99.90	105.94
2011-12	2065.45	379275	2065.45	1913.14	612106	93	161
2012-13	3995.71	338617	5632.28	5621.73	504645	100	151
2013-14	14367.20	771487	7869.99	5548.00	263881	70	34

Table 14.56 -Progress of Morarji Desai Residential Schools (Rs. In lakhs)

Year	Targets		Amount Released	Achievements		% of achievements	
	Fin	Phy		Fin	Phy	Fin	Phy
2010-11	5220.56	30730	5174.56	5001.69	29938	97.42	87.38
2011-12	5827.29	30250	5829.75	5829.75	30000	100.00	99
2012-13	6000.00	30250	5060.19	5060.19	28500	100	99
2013-14	11682.00	30250	5841.00	5841.00	30130	100	97

Table 14.57 - Progress of Ashrama Schools

Year	Targets		Amount released	Achievements		% of achievements	
	Fin.	Phy.		Fin.	Phy.	Fin.	Phy.
2010-11	516.70	2990	516.74	516.60	2692	99.97	90.03
2011-12	565.61	2810	561.72	524.84	2447	93	87
2012-13	716.44	2910	683.14	614.96	1286	90	44
2013-14	320.51	2910	227.56	186.84	2515	82	86

d. Maintenance of Pre and Post matric hostels - Students of backward classes (with annual family income for Cat-1 is R.1 lakh and for Cat-2a, 2b, 3a and 3b is Rs.44,500/-) studying in pre matric and post matric courses are provided with free boarding, lodging and academic facilities in the hostels run by the Department of Backward Classes Welfare. The progress of the scheme during the last five years is provided in Table 14.58.

Grant – in – aid to private hostels - With a view to encourage backward classes students for pursuing their education, pre matric and post matric hostels run by the voluntary/private organizations are granted boarding charges of Rs. 500/- and Rs. 600/- per month per boarder for a period of 10 months, respectively. The detailed progress of the scheme is shown in table 14.59.

f. Fee concession - In order to encourage the poor backward class students to avail higher education fee

concession is sanctioned. (This facility is being given to the students who belong to backward classes and whose annual family income of Cat-1 is Rs.2.50 lakhs and other Categories is Rs.1 lakh). Table 14.60 provides the detailed progress of the scheme.

g. Reimbursement of Extra Boarding and Lodging Charges - The college students of Cat-1, who are not getting hostel facilities, are given extra boarding and lodging charges. The nominal financial assistance of Rs. 200/- per month helps the students to make their own boarding and lodging facilities. Table 14.61 presents the detailed progress of the scheme during the last five years.

h. Financial Assistance of Foreign Studies - In order to encourage the students of backward classes (with annual household income limit of Rs.1,44,000 to study in foreign universities financial assistance is being given. Under the scheme, students of backward classes are provided with interest free loan for higher

Table 14.58 - Progress of Pre and post matric Hostels scheme (Rs. In lakh)

Year	Targets		Amount released	Achievements		% of achievements	
	Fin.	Phy.		Fin.	Phy.	Fin.	Phy.
2010-11	21343.82	127733	18993.50	18748.50	122211	95.68	98.71
2011-12	27465.77	138396	27465.79	25413.75	133611	93	96
2012-13	25933.07	140338	27786.43	27585.45	120809	99	86
2013-14	35967.09	146258	25670.57	22646.55	139022	88	95

Table 14.59: Progress of GIA to private Hostels scheme (Rs. In Lakh)

Year	Targets		Amount released	Achievements		% of achievements	
	Fin.	Phy.		Fin.	Phy.	Fin.	Phy.
2009-10	324.90	6824	324.87	247.06	5185	76.04	75.98
2010-11	320.10	5874	315.09	267.47	5722	84.89	97.41
2011-12	This scheme merged with regular hostels head of account from 2011-12						

Table 14.60 - Progress of the Scheme for Free Concession (Rs. In lakhs)

Year	Targets		Amount released	Achievements		% of achievements	
	Fin.	Phy.		Fin.	Phy.	Fin.	Phy.
2010-11	4500.00	328336	4500.00	4500.00	306750	100	93.42
2011-12	7000.00	355469	7000.00	6600.00	482563	94	136
2012-13	5000.00	374581	10000.00	9814.00	217537	98	58
2013-14	23500.00	374581	16685.00	0	0	0	0

Table 14.61 - Details of Reimbursement of Extra Boarding and Lodging Charges (Rs. In lakh)

Year	Targets		Amount released	Achievements		% of achievements	
	Fin.	Phy.		Fin.	Phy.	Fin.	Phy.
2010-11	187.34	10457	187.34	169.28	12601	83.57	120.50
2011-12	309.61	22083	309.58	277.80	23895	99	108
2012-13	312.79	21679	312.77	295.07	12982	94	60
2013-14	222.09	11028	157.67	0	0	0	0

studies like Post-doctoral, Ph.D. and Master Degree in Foreign universities at a maximum allowance of Rs.3.50 lakhs per annum for maximum of Rs. 10 lakhs for entire course. The progress of the scheme during for last five years is shown in Table 14.62.

i. Stipend to Law Graduates - Unemployed law graduates are provided with monthly stipend of Rs.1000 till their 4 years training under a Senior Advocate/Government Pleader. The progress of the scheme is shown in Table 14.63. Since November 2011 the monthly stipend has been increased from Rs. 1000/- to Rs. 2000/-.

j. Koushalya (Skill) Training Programme - Koushalya scheme, unemployed women is imparted training in various computer courses and plastic preening technology, aimed at enabling the women to seek employment. The progress of the scheme is presented in Table 14.64.

k. Tailoring Training Centers - Unemployed women of backward classes are provided with

tailoring training in the training centers run by the Department and paid stipendiary of Rs.300/- for 12 months for each trainee. They are also given sewing machine after they complete the training successfully. The detailed progress of the scheme is illustrated in Table 14.65.

l. Nursing Training - Students of backward classes family whose income is not more than Rs. 1 lakh, are provided with free education, boarding and lodging facilities in reputed and recognised nursing institutes getting the opportunity for GNM/BSc nursing training. The detailed progress of the scheme is shown in Table 14.66.

m. Scheme for Nomadic and Non-nomadic Tribes - With a view to uplift the socio-economic status of NT/SNTS, a scheme has been launched in the year 2007. The basic objectives of this scheme is-

- Providing educational facilities and financial assistance for education

Table 14.62- Progress of Financial Assistance to Foreign Studies (Rs. In Lakh)

Year	Targets		Amount released	Achievements		% of achievements	
	Fin.	Phy.		Fin.	Phy.	Fin.	Phy.
2009-10	50.00	15	37.50	37.50	13	75.00	86.67
2010-11	30.00	9	30.00	30.00	6	100	66.67
2011-12	This programme has been transferred to D Devaraj Urs Development Corp. from 2011-12						

Table 14.63 - Progress of the Scheme for Stipend to Law Graduates (Rs. In Lakh)

Year	Targets		Amount released	Achievements		% of achievements	
	Fin.	Phy.		Fin.	Phy.	Fin.	Phy.
2010-11	125.01	1076	123.08	108.54	960	88.19	89.22
2011-12	Budget is not provided for the year 2011-12						
2012-13	183.57	1067	183.57	174.11	940	95	88
2013-14	160.97	1067	114.29	56.49	917	49	86

Table 14.64 - Progress of Skill Training Programme (Rs. In lakhs)

Year	Targets		Amount released	Achievements		% of achievements	
	Fin.	Phy.		Fin.	Phy.	Fin.	Phy.
2010-11	450.00	4500	104.28	104.28	3501	100.00	77.80
2011-12	450.00	3500	225.00	1.37	3475	1	99
2012-13	300.00	500	300.00	0	0	0	0
2013-14	100.00	500	50.00	10.24	21	20.00	4

Table 14.65 - Financial and Physical Progress of Tailoring Training Centers (Rs. In lakhs)

Year	Targets		Amount released	Achievements		% of achievements	
	Fin.	Phy.		Fin.	Phy.	Fin.	Phy.
2010-11	450.00	4500	104.28	104.28	3501	100.00	450.00
2011-12	168.49	1080	168.49	145.92	1097	87	101
2012-13	170.01	1206	178.10	164.92	759	93	63
2013-14	187.40	1206	102.01	34.47	845	34.00	70.00

Table 14.66 - Financial and physical progress of Nursing Training (Rs. In Lakhs)

Year	Targets		Amount released	Achievements		% of achievements	
	Fin.	Phy.		Fin.	Phy.	Fin.	Phy.
2010-11	200.00	1333	176.04	151.69	892	86.17	66.92
2011-12	350.00	1890	183.29	183.29	1664	100	88
2012-13	380.00	3810	380.00	367.00	2147	97	56
2013-14	400.00	3810	200.00	126.53	1792	63	47

- Infrastructural development in NT/SNT colonies
- Providing housing facilities
- Providing self employment training and subsidy.
- Irrigational facilities through Ganga kalyana.

The detailed progress of the scheme during the last 5 years is shown in Table 14.67.

14.2.4.2 D.Devaraj Urs Backward Classes Development Corporation (DBCDC)

In order to improve economic status of the backward classes, various schemes sponsored by the State Government and the National Backward Classes Finance and Development Corporation (NBCFDC) have been implemented in the State by D.Devaraj Urs Backward Classes Development Corporation

(DBCDC). A brief progress of important schemes being implemented by the Corporation during the last five years is described below.

i. Chaitanya Subsidy cum Soft Loan Scheme - To take up ISB activities like industry, service, business, and agriculture and allied activities etc., subsidy and margin money starting from Rs.25000/-to Rs.5 lakh is being sanctioned in collaboration with the banks to the Backward Classes. The Corporation releases 30% subsidy for the project cost upto Rs.25,000/- and remaining is banks share of loan. For the project cost of Rs. 25,001/- to Rs. 1 lakh, the Corporation releases 20% margin money and 30% subsidy or maximum of Rs.10,000/- per beneficiary and remaining is bank share of loan. For the projects above Rs.1 lakh, the Corporation releases 20% Margin Money and remaining is bank share of loan. The Corporation charges interest at 4% p.a. on margin money. The bank charges interest at the prevailing lending rates

Table 14.67 - Progress of scheme for Nomadic and Non-nomadic Tribes(Rs. In lakhs)

Year	Targets		Amount released	Achievements		% of achievements	
	Fin.	Phy.		Fin.	Phy.	Fin.	Phy.
2010-11	970.00	5849	770.00	768.07	5329	99.75	91.10
2011-12	1970.00	8745	1970.00	1961.10	10221	100	117
2012-13	5000.00	10979	4000.00	4000.00	15705	100	143
2013-14	5000.00	12000	2500.00	1167.00	7564	47.00	63.00

for their portion of loan. In 2013-14 an amount of Rs.143.89 lakh out of the allocated amount of Rs.1500 lakh has been spent benefitting 601 people out of the target of 6000 upto September-2013 (Table 14.68)

ii. Chaitanya Self employment Direct loan - This scheme is being implemented from 2011-12. A financial assistance upto Rs. 50000/- per beneficiary is being sanctioned to the members of backward classes whose annual family income is below Rs.40000/- in rural and Rs.55000/- in urban area to enable them to take up self-employment activities such as petty business, service and agricultural and allied activities. The maximum subsidy under this

scheme is Rs.10000/- or 30% of the project cost and the rest is loan at 4% interest rate per annum. In 2013-14, an amount of Rs.101.62 lakh out of the allocated amount of Rs.2400 lakh has been spent benefitting 421 people out of the target of 7000 upto September 2013. (Table 14.69)

iii. Micro Credit Scheme - To take up small economic activities, this scheme is being implemented by the Corporation. Loan and subsidy to skilled/unskilled backward classes families, who are below the poverty line are being assisted. A financial assistance of Rs.15000/- which includes Rs.5000/- subsidy and Rs.10000/- loan at 4% interest rate per annum is being sanctioned per beneficiary. In

Table 14.68- Progress of Chaitanya Subsidy cum Soft Loan Scheme (Rs. In lakh)

Sl. No.	Year	Target		Achievement		Percentage	
		Fin.	Phy.	Fin.	Phy.	Fin.	Phy.
1	2009-10	550.00	5000	687.38	9013	124.98	180.26
2	2010-11	1000.00	5000	664.61	5115	66.46	102.3
3	2011-12**	750.00	3335	754.17	3455	100.55	100.59
4	2012-13 *	850.00	5000	670.07	2649	78.83	52.98
5	2013-14 (upto Sept.-13)	1500.00	6000	143.89	601	9.59	10.01

Note: * Because of the Model code of conduct the beneficiary oriented program have stopped during March-2013. Hence, could not achieve full progress.

** Excess achievement made during 2011-12 is out of the recovery amount of the corporation.

Table 14.69 - Progress of Chaitanya Self employment direct loan (Rs. In Lakh)

Sl. No.	Year	Target		Achievement		Percentage	
		Fin.	Phy.	Fin.	Phy.	Fin.	Phy.
1	2011-12	2050.00	7500	2446.45	11388	119.33	151.84
2	2012-13	2650.00	10000	2507.93	9435	94.63	94.35
3	2013-14 (upto Sept.-13)	2400.00	7000	101.62	421	4.23	6.01

Note: * Because of the Model code of conduct the beneficiary oriented scheme have stopped during March-2013. Hence, could not achieve full progress. ** Excess achievement made during 2011-12 is out of the recovery amount of the corporation.

2013-14, an amount of Rs.88.70 lakh out of the allocated amount of Rs.600 lakh has been spent benefitting 887 people out of the target of 4000 upto September 2013. (Table 14.70)

iv. Arivu-Education Loan Scheme - The Corporation extends educational loan to the students belonging to category I, 2A, 3A and 3B of backward classes who are studying in the field of Medical and Engineering and other professional courses. The corporation releases an amount of Rs.1 lakh per year or actual cost incurred by the student towards admission fees, tuition fee, laboratory fee, examination fee etc. for his/her education. The rate of interest is 2% per annum. In 2013-14, an amount of

Rs.5.50 lakh out of the allocated amount of Rs.100 lakh has been spent benefitting 55 students out of target of 200 upto the end of September 2013. (Table 14.71)

v. Ganga Kalyana Irrigation Scheme

a) Individual irrigation - In order to provide irrigation facilities to the farmers of backward classes belonging to category 1 and 2A, this scheme is being implemented by the Corporation. The eligibility conditions are that the farmer should belong to small and marginal farmer and his family income should not exceed Rs.40000/- per annum. The maximum unit cost fixed is Rs.2 lakh. Out of that Rs.1.50 is

Table 14.70 - Progress of Micro Credit Scheme (Rs. In Lakh)

Sl. No.	Year	Target		Achievement		Percentage	
		Fin.	Phy.	Fin.	Phy.	Fin.	Phy.
1	2009-10	500.00	10000	500.00	10000	100.00	100.00
2	2010-11	500.00	10000	451.55	9031	90.31	90.31
3	2011-12	500.00	5000	460.20	4602	92.04	92.04
4	2012-13*	500.00	5000	293.90	2939	58.79	58.78
5	2013-14 (upto Sept.-13)	600.00	4000	88.70	887	14.78	22.17

Note: * Because of the Model code of conduct the beneficiary oriented scheme have stopped during March-2013. Hence, could not achieve full progress.

Table 14.71- Progress of Arivu-Education Loan Scheme (Rs. In lakh)

Sl. No.	Year	Target		Achievement		Percentage	
		Fin.	Phy.	Fin.	Phy.	Fin.	Phy.
1	2009-10	-	-	11.30	113	-	-
2	2010-11	-	-	14.60	146	-	-
3	2011-12	-	-	17.60	176	-	-
4	2012-13*	-	-	13.60	132	-	-
5	2013-14 (upto Sept.-13)	100.00	200	5.50	55		

subsidy and Rs.0.50 lakh is loan at 4% rate of interest. The Corporation is drilling borewell in the land of eligible farmers, supplying pump sets and accessories to assist the farmers in getting energisation to the borewells from the Electricity Supply Companies.

b) Community Irrigation - A group of small and marginal backward classes' farmers belonging to category 1, 2A, 3A and 3B with 8 to 15 acres of land will be provided community irrigation facilities. The eligibility conditions are that the farmers should belongs to small and marginal farmers and their family income should not exceed Rs.40,000/- per annum. The unit cost fixed is Rs. 2.53 lakh to irrigate 8 acres of dry land and above land and Rs.3.59 lakh to irrigate 15 acres and above dry land. The cost includes drilling of borewells, supply of pumps, materials and electric deposit of Rs. 25000/-per borewell. In 2013-14, an amount of Rs.814.32 lakh out of allocated amount of Rs.6500 lakh has been spent benefitting 699 beneficiaries against the target of 4442 upto September, 2013, under Individual and Community Irrigation schemes. The progress of the scheme during the last five years is provided in Table 14.72.

vi. Assistance to Traditional Artisans & Occupational Groups - With a view to upgrade the professional skill and technology of the traditional artisans and occupational groups belonging to backward classes, financial assistance of upto Rs.45000/- as loan and Rs.5000/-as subsidy per

artisan is being sanctioned. The details of progress of the scheme are given in Table 14.73.

vii. Interest free loan for Higher education in foreign universities - In order to assist backward class students to study in Foreign Universities, the Corporation is sanctioning interest-free loan upto Rs.3.50 lakh per year and a maximum of Rs.10 lakh for the course (for 3 years) of the backward classes students for higher education in the courses such as PhD, MS, Post-Doctoral courses etc., The progress of the scheme is provided in Table 14.71. In 2013-14, an amount of Rs.21 lakh out of the allocated amount of Rs.35 lakh has been spent benefitting 6 students out of the target of 10 students upto September 2013.

viii. Schemes with the financial assistance of National Backward Classes Finance & Development Corporation (NBCFDC)

For the economic upliftment of the backward classes, the Government of India has established the National Backward Classes Finance and Development Corporation (NBCFDC). This Corporation is also providing funds to the Sate Corporation as loan with 4 to 6% rate of interest. The Corporation is implementing several schemes such as Term loan scheme, Mahila Samrudhi, Education loan, Micro Finance scheme, Krushi Sampada, Shilpa Sampada, New Swarnima for women etc., In 2013-14, an amount of Rs.320.10 lakh has been spent out of the allocated amount of Rs. 2600 lakh, benefiting 1512

Table 14.72- Progress of Ganga Kalyana Irrigation Scheme (Rs. in lakh)

Sl. No.	Year	Target		Achievement		Percentage	
		Fin.	Phy.	Fin.	Phy.	Fin.	Phy.
1	2009-10	2000.00	2386	2584.48	2250	129.22	94.30
2	2010-11	5000.00	4472	5001.25	3800	100.25	84.97
3	2011-12	5500.00	6500	5508.69	6410	100.16	98.61
4	2012-13*	9500.00	7490	4111.63	4665	43.28	62.28
5	2013-13 (upto Sept.-13)	6500.00	4442	814.32	699	12.52	15.74

Note: * Because of the Model code of conduct the beneficiary oriented program have stopped during March-2013. Hence, could not achieve full progress.

Table 14.73- Progress of Assistance to Traditional Artisans & Occupational Groups (Rs. in lakh)

Sl. No.	Year	Target		Achievement		Percentage	
		Fin.	Phy.	Fin.	Phy.	Fin.	Phy.
1	2009-10	1500.00	30000	150.05	287	10.00	10.00
2	2010-11	3500.00	13300	4012.03	21669	114.62	162.92
3	2011-12	4000.00	18000	5155.45	22899	128.88	127.22
4	2012-13*	5500.00	22000	5070.99	20755	92.19	93.34
5	2013-14 (upto Sept-13)	4931.00	10528	181.10	765	3.67	7.26

Note: * Because of the Model code of conduct the beneficiary oriented program have stopped during March-2013. Hence, could not achieve full progress. ** Excess achievement made during 2011-12 is out of the recovery amount of the corporation.

Table 14.74 - Progress of Interest free loan for Higher education in foreign universities (Rs. In Lakh)

Sl. No.	Year	Target		Achievement		Percentage	
		Fin.	Phy.	Fin.	Phy.	Fin.	Phy.
1	2010-11	30.00	8	14.24	4	47.74	50.00
2	2011-12	50.00	15	10.00	3	20.00	20.00
3	2012-13*	-	-	7.00	2	-	-
4	2013-14 (upto Sept.-13)	35.00	10	21.00	6	60.00	60.00

backward class beneficiaries out of the target of 9332 beneficiaries upto September, 2013 (Table 14.75)

14.2.5 Welfare Programmes for Religious Minorities

In order to improve the socio-economic status of religious minorities such as Muslims, Christians, Sikhs, Parsis, Jains and Buddhists of the State, the Government of Karnataka has been implementing various development programmes through the Department of Minorities Welfare and the Karnataka Minorities Development Corporation Ltd.(KMDC). A brief progress of important schemes implemented during the last five years for the welfare of minorities is presented below.

14.2.5.1 Department of Minorities Welfare

i. Incentives Scheme for Minority Students - A cash incentive of Rs. 3000, Rs. 4000 and Rs. 5000 is being provided per annum to the meritorious

minority students (whose annual household income is not more than Rs. 2 lakh) studying in SSLC, PUC and Degree courses respectively. In 2013-14, an amount of Rs. 800 lakh has been earmarked for this purpose, of which Rs.400 lakh has been spent benefiting 10000 students upto September 2013. The detailed progress of the scheme is shown in Table 14.76.

ii. Skill Development Scheme - To enable unemployed boys/girls of minorities to take up self-employment activities, skill development programmes in nursing training, various computer training programmes are also provided by Electronic Corporation of India Limited and ACCPL (Call Center, Animation, BPO and Tally Training). In 2013 -14, Rs. 700 lakhs has been allocated, of which a sum of Rs. 234.84 lakhs has been spent upto September 2013. The detailed progress of the scheme is shown in Table 14.77.

Table 14.75 - Progress of National Backward Classes Finance & Development Corporation (Rs. in lakh)

Sl. No.	Year	Target		Achievement		Percentage	
		Fin.	Phy.	Fin.	Phy.	Fin.	Phy.
1	2009-10	2000.00	13436	2119.74	15652	105.99	114.49
2	2010-11	2400.00	20875	2230.31	20645	92.93	98.89
3	2011-12	2000.00	11046	2393.26	14758	119.66	133.60
4	2012-13*	2000.00	9298	1578.59	7683	78.93	82.63
5	2013-14 (upto Sept.-13)	2600.00	9332	320.10	1512	11.43	16.20

Note: * Because of the Model code of conduct the beneficiary oriented program have stopped during March-2013. Hence, could not achieve full progress. ** Excess achievement made during 2011-12 is out of the recovery amount of the corporation.

Table 14.76 - Progress of Incentives Scheme for Minority Students (Rs. In Lakhs)

Year	Targets		Achievements		% of achievement	
	Financial	Physical	Financial	Physical	Financial	Physical
2009-10	500	12500	495.47	12502	99.09	100.02
2010-11	500	12500	500	12600	100%	100.80
2011-12*	1000	25000	500	12500	50%	50%
2012-13	RE 508	12700	508	16527	100%	130.13%
2013-14	800	25000	400	10000	100%	100%

Note: *Upto September-2013.

Table 14.77 - Progress of Skill Development Scheme (Rs. In Lakhs)

Year	Targets		Achievements		% of achievement	
	Financial	Physical	Financial	Physical	Financial	Physical
2009-10	470.04	6000	468.24	5864	99.62	97.73
2010-11	700.00	10000	680.27	6500	97.18	65%
2011-12	1000.00	10000	499.09	6475	49.91	64.72
2012-13	Revised Budget 860.00	90000	910.00 Rs. 50 lakhs re-appropriated for other scheme	7540	105.81	83.77
2013-14	700.00	10300	350.00	23484	67.10	Last Year Balance ayment

Note: *Upto September, 2013.

iii. Shaadimahal/Community Hall - In order to promote social and cultural activities including marriages of minority communities, a scheme to construct shaadimahal/community hall has been implemented by the department since 2000-01. In 2013-14 a sum of Rs.2500 lakh was provided out of which Rs 462.55 lakh has been spent for the benefit 45 institutions for construction of Shadimahal community hall upto September 2013. The financial and physical progress of the scheme is given in Table 14.78.

14.2.5.2 Karnataka Minorities Development Corporation (KMDC)

The Karnataka Minorities Development Corporation Ltd., was established on 7.2.1986 by the Government of Karnataka for the upliftment of religious minorities educationally, socially and economically who forms 15.69% i.e., 82,93,576, of the population of Karnataka, as per 2001 Census. In this regard, the Corporation has been implementing the following schemes out of the share capital and grants given by State Government and also the schemes of the National Minorities Development and Finance Corporation, (NMDFC) Delhi in the State. The progress of some important schemes is described as follows.

i. Swavalambana Margin Money Loan Scheme - Under the scheme, margin money loan facilities are provided through various Nationalized Banks/Financial Institutions for business, services, industries and agriculture based activities. For a maximum project cost upto Rs.1,00,000/- 20% of the project cost will be sanctioned by the Corporation as margin money loan with 6% interest rate. (The balance is provided by the Banks/Financial Institutions). A subsidy upto Rs.5,000/- is also provided by the Corporation as explained below and for a project cost upto Rs. 5 Lakhs 20% of the project cost will be sanctioned with a maximum of Rs.1,00,000/- by the Corporation as margin money and no subsidy is provided for the project costing above Rs.1 lakh up to Rs.5 lakh under the scheme.

ii. Subsidy Scheme - The scheme is linked with the Swavalambana Margin Money Loan Scheme, under this scheme, a subsidy element of 50% of the unit cost or maximum amount of Rs.5,000/- will be released to the beneficiaries of the religious minorities. Those who wish to avail loan for unit cost upto Rs.25,000/- a subsidy of Rs.5,000/- (maximum) will be released and for unit cost above Rs.25,000/- to Rs.1 lakh, subsidy and margin money will be released jointly. The financial and physical progress of the margin money with subsidy is as under.

Table 14.78 - Progress of the Scheme for Construction of Shadimahal/Community Hall

Year	Targets		Achievements		% of achievement	
	Financial	Physical	Financial	Physical	Financial	Physical
2009-10	1500	80	999.10	109	66.61	136.25
2010-11	1000	80	1000	120	100.00	150%
2011-12	1970	130	732.50	78	37.18	60%
2012-13	1040(RE)	100	1089.22 Rs. 49.22 lakhs re-appropriated for other scheme	115	104.73	115%
2013-14	2500	100	462.55	45	37	45

Note: *Upto September 2013.

Table 14.79 - Details of Swavalambana Margin Money Loan Scheme (Rs. In Lakhs)

Sl No	Unit cost	MM Loan from KMDC	Subsidy from KMDC	Beneficiary contribution	Bank, KSFC, Co-op Societies loan Portion
1	Upto Rs.25,000/-	Nil	50% of unit cost, Max Rs.5000/-	Nil	50% of unit cost, maximum Rs.20000/-
2	Rs.25,001/- upto Rs.50,000/-	20% of unit cost, Max Rs.10,000/-	Maximum Rs.5,000/-	5% of unit cost, maximum Rs.2500/-	Balance amount Max Rs.32,500/-
3	Rs.50,001/- upto Rs.1,00,000/-	Rs.10000/- upto Rs.20,000/-	Maximum Rs.5,000/-	5% of unit cost, Max Rs.5000/-	Balance amount, Max upto 70,000/-
4	Upto Rs.5,00,00,000/-	20% of unit cost, Max Rs.1,00,000/-	-	5% of unit cost, Max Rs.25,000/-	Balance amount, Max upto Rs.3,75,000/-

Table 14.80 - Progress of Swavalambana Margin Money Loan Scheme (Rs.in lakhs)

Year	Targets		Achievement		% of achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2009-10	600	4000	461.99	2799	77.00	69.98
2010-11	600	7200	335.78	3453	55.96	47.96
2011-12	600	4000	429.07	2583	71.51	64.56
2012-13	600	4000	552.35	2867	92.06	71.68
2013-14*	900	4300	108.11	701	12.01	16.30

Note *Upto October'2013

iii. Arivu (Education Loan) Scheme - The State Government has introduced "Arivu" (Education loan) Scheme to help the minority students with financial assistance of Rs.5,000/- to Rs.50,000/- per year till completion of professional courses like Medical, Engineering, Dental, MBA, MCA and other Master Degree Courses, Diploma Courses, Nursing, B.Ed, D.Ed ITI. Under the scheme financial assistance is also provided to the employment

attached training programmes through NIIT. The loan has to be repaid after completion of the course with 2% interest rate. The financial and physical progress of the scheme is as under.

iv. Ganga Kalyana Scheme

a) Community Irrigation Scheme: This scheme is applicable for only small and marginal farmers with 8

Table 14.81- Progress of Arivu (Education Loan) Scheme (Rs.in lakhs)

Year	Targets		Achievement		% of achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2009-10	1400	9300	1310.92	8796	93.64	94.58
2010-11	1600	10600	1750.20	9400	109.39	88.68
2011-12	2600	13000	2607.91	12726	100.30	97.89
2012-13	3300	16500	3028.37	13071	91.77	79.22
2013-14*	3600	14400	1630.05	6378	49.39	44.29

Note *Upto October'2013

acres of land consisting of 3 beneficiaries who are eligible to get 2 borewells and with 15 acres of land consisting of 5 beneficiaries who are eligible to get 3 borewells (the unit cost per borewell increased from Rs.86,000/- to Rs.1 lakh from 2010-11 onwards), and each beneficiary should have 2 to 3 acres of land. Borewells are drilled underground, submersible pump sets will be installed and energisation for the borewells will be done by the Corporation. This Scheme is entirely a subsidy scheme. Wherever the unit cost exceeds the fixed limit under subsidy scheme there is provision to consider loan to a maximum of Rs.50,000/- against the security of beneficiary land.

b) Individual Borewell or Open Well - On selection by the Competent Authority, under individual borewell scheme, for the beneficiary with 2 to 5 acres of land, one borewell will be drilled and pumpset will be supplied. The total expenditure is Rs. 1.50 lakh (of which grant of Rs.1 lakh and loan of Rs.1.50 lakh). This also includes energisation charges. Open wells are dug and provided along with pumpsets in the areas where drilling of individual borewells is difficult. The total expenditure upto Rs.1.50 lakh will be extended as grant which includes energisation. In 2009-10, an amount of Rs.1003.02 lakh was spent for 1167 farmers. In 2010-11, an amount of Rs.1228.94 was spent for 1429 farmers. In 2011-12, an amount of Rs.1221 was spent for 1221 farmers. In 2012-13, Rs. 1900 lakhs had been earmarked covering 1900 farmers. Pending projects for drilling of borewells and their energisation are in progress.

v. Sharamashakthi Scheme - Under this scheme, the artisans belonging to religious minorities will be trained to upgrade their artistic and technical skills, and also maximum loan of Rs.25,000/- will be provided with 4% interest rate per annum to improve and setup their business. Out of the unit cost, 75% as loan and 25% will be considered as back-end subsidy. The progress of the scheme is as under.

vi. Land Purchase Scheme (new Scheme) - The basic objective of the scheme is to improve the productive assets like land among the landless minority farmers. Under this scheme, the landless farmers belonging to the religious minority are eligible for purchase of 2 acres of dry land or 1 acre of wet land in rural areas. The unit cost is limited to Rs.2.50 lakhs including the registration expenses, of which 50% is treated as loan with 6% interest rate and 50% as subsidy. The land is mortgaged with the Corporation till the recovery of loan. The progress of the scheme is as under.

vii. Micro Loan and Micro Subsidy Scheme - In order to improve the existing petty business and regular income for their livelihood in city and rural areas, the religious minorities will be provided with a micro loan of Rs.10,000/- to 25,000/- with 5% interest rate per annum including Rs.2,500/- subsidy. The financial and physical progress of the scheme is as under.

viii. NMDFC's Term Loan Schemes - With a view to uplift the poor religious minorities in the country by providing term loans to take up self-employment

Table 14.82- Progress of Sharamashakthi Scheme (Rs. In Lakhs)

Year	Targets		Achievement		% of achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2009-10	720	4800	755.39	5426	104.92	113.04
2010-11	1100	7333	1386.33	10291	126.03	140.34
2011-12	1300	8667	1487.01	11115	114.38	128.24
2012-13	1800	9000	1598.23	11137	88.79	123.74
2013-14*	1800	9000	260.20	1795	14.45	19.94

Note *Upto October'2013

Table 14.83- Progress of Land Purchase Scheme (Rs.in lakhs)

Year	Targets		Achievement		% of achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2008-09	-	-	28.23	36	-	-
2009-10	-	-	-	-	-	-
2010-11	-	-	-	-	-	-
2011-12	200	80	54.41	29	27.20	36.25
2012-13**	-	-	-	-	-	-

Note **Land Purchase Scheme was dropped during the year 2012-13

Table 14.84 - Progress of Land Purchase Scheme (Rs.in lakhs)

Year	Targets		Achievement		% of achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2009-10	1200	12000	732.93	9002	61.08	75.02
2010-11	1400	14000	1321.89	14597	94.42	104.26
2011-12	1900	19000	1533.53	15653	80.71	82.38
2012-13	2400	24000	1766.75	17814	73.61	74.22
2013-14*	2400	24000	135.70	1357	5.65	5.65

Note *Upto October'2013

pursuits, the NMDFC (National Minorities Development and Finance Corporation) was setup at the national level in 1994. The term loan is provided through the State Channelising Agency viz., KMDC for the benefits of religious minorities in the State. The Corporation is releasing 90% of the project cost as NMDFC share, 05% share of the project cost will be released from KMDC and balance 5% of the project cost has to be borne by the beneficiary, and 6% interest rate per annum is being charged by the Corporation for the loan released. There are different schemes implemented by the Corporation. In the case of micro credit for self-employment, the unit cost is Rs.10,000/- to Rs.50,000/- of which 90% is from NMDFC and 10% is from KMDC and there is no beneficiary contribution. In 2009-10, as the total

loan amount was used to provide micro loans to take up self-employment, there was no beneficiary contribution. The detailed progress of the schemes is provided in Table 14.85. An interest of 6% is charged in the scheme.

14.2.6 Welfare Programmes for Senior Citizens

i. Financial Assistance to NGO's to run the Old Age Home - For the Welfare of Senior Citizens, Old Age Homes are established in 27 districts through NGOs at the unit cost of Rs.1.96 Lakhs each for 25 beneficiaries, where they are availing the benefit of food, Medicine, Entertainment and shelter. The detailed progress of the scheme is shown in Table 14.86.

Table 14.85 - Progress of NMDFC's Term Loan Scheme (Rs.in lakhs)

Year	Amount Received from NMDFC	Total loan sanctioned and spent under NMDFC schemes				No. of Beneficiaries
		Beneficiary amount	KMDC amounts	NMDFC Amounts	Total	
2009-10	350.00	00	26.64	239.74	266.38	1522
2010-11	-	-	-	-	-	-
2011-12	-	-	16.70	94.62	111.32	90
2012-13*	-	-	-	-	-	-
2013-14*	1850.00	-	-	-	-	-

Note *Upto October'2013

Table 14.86 - Progress of Financial Assistance to NGO's to run Old Age Home (Rs.in Lakhs)

Year	Targets		Achievements		% of Achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2009-10	68.33	675	67.58	661	98.90	97.92
2010-11	68.98	675	68.98	675	100.00	100.00
2011-12	75.62	675	75.62	675	100.00	100.00
2012-13	131.51	1500	131.51	1500	100.00	100.00
2013-14*	151.69	30	151.69	25	21.75	83.3

* Upto September-2013

ii. Financial Assistance to NGO's to run the Day Care Center and helpline - For the welfare of senior citizens 15 help lines have been established in Bangalore Urban, Gulbarga, South Canara, Belgaum, Dharwad, Mysore, Raichur, Kolar, Bellary, Davangere, Shimoga, Bagalkot, Bijapur and Tumkur districts through NGOs in coordination with District Police Commissioner /Superintendent of the police of the District at the rate of Rs.3.60 lakh each as well as 4 day care center are established in, Belgaum, Gulbarga, Hubli-Dharwad and Bangalore through NGOs at the rate of Rs.4.15 lakh each. In 2013-14 an amount of Rs.92.07 lakhs is earmarked and no expenditure has been incurred upto September, 2013 and 16635 senior citizens availed the benefit. The detailed progress of the scheme is illustrated in Table 14.87.

14.2.7 Welfare Programmes for Disabled

As per 2001 census, Karnataka has a differently abled population of 9,40,643 accounting for 1.8% of the State population; out of which 6,61,139 persons live in villages and 2,79,904 in urban areas. Welfare of differently abled and Senior Citizens is also an integral part of the State-managed development programmes. Disability is often described as lack of normal functioning of physical, mental or psychological process due to which they are socio-economically backward and hence their participation in development is limited. Most of the families with differently persons are below poverty line. Unemployment remains a major challenge and

inactiveness results in multiple disability and depression among the disabled persons. It is necessary to provide opportunities for them to study, to get trained in skill sets and get jobs to work. It should be kept in mind to provide barrier free environment at the place of education, training and place of working.

In order to improve their socio-economic conditions, the State Government has taken various steps. In this regard, the State Government has established a separate Department for the Welfare of the Disabled in 1988 and added the Welfare of the Senior Citizens in 2003 to launch various programmes for welfare of persons with disabilities and senior citizens in the state. Since then, the Department for Empowerment of Differently Abled and Senior Citizens has been implementing several programmes for welfare of these sections of the society. The Salient features of these welfare programme and progress achieved in implementation shall be consolidated as follows:

i. Maintenance Allowance to the Disabled - From September 2013 monthly maintenance allowance of Rs.500/- is given to persons with disabilities who are having disability range of 40 to 75%. Persons who are severely disabled with disability above 75% are eligible to get an allowance of Rs.1200/- per month. During 2013-14 an amount of Rs.50,000 lakhs has been earmarked against which Rs.25,376,79 lakhs been spent upto September 2013. The detailed progress of the scheme is highlighted in table 14.88.

Table 14.87- Progress of Financial Assistance to NGO's to run Day Care Center helpline (Rs.in Lakhs)

Year	Targets		Achievements		% of Achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2010-11	75.00	10800	48.47	10800	64.63	100.00
2011-12	126.73	10800	126.51	10800	99.82	100.00
2012-13	101.63	10800	69.66	3600	68.48	33.33
2013-14	92.07	34	0.00	14	0.00	41.17

* Up to Sep-2013

Table 14.88 - Progress of Maintenance Allowance to the Disabled (Rs. In Lakhs)

Year	Targets		Achievements		% of Achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2009-10	38500	675000	35261.15	675000	91.58	100.00
2010-11	42500	675000	42133.42	675000	99.13	100.00
2011-12	57454.40	700000	51433.76	553000	89.52	79.00
2012-13	42240	700000	43290.58	641000	102.48	91.57
2013-14	50000	80000	25376.39	63051	50.75	78.87

* Up to Sep-2013

ii. Aids and Appliances to the Disabled - Various Aids & Appliances are provided to the persons with disabilities at free of cost up to a maximum of Rs.10,000/- worth, those who are having 40% of disability. Towards provision of Motorized Tricycle 50% of the cost of Tricycle is subsidized. In 2013-14 an amount of Rs.100 lakhs has been earmarked for the purpose. The detailed progress at the end of September 2013 of the scheme is highlighted in Table 14.89.

iii. Medical Relief Fund - Under the scheme, financial assistance is provided to persons with disabilities to undergo corrective surgery up to maximum cost of Rs.35000/- or actual expenditure

incurred whichever is less. Persons who are disabled are eligible to avail the assistance. In 2013-14 an amount of Rs. 15 lakhs is earmarked to benefit 43 disabled persons out of which 30 beneficiaries have been covered upto September 2013. The detailed progress of the Scheme is illustrated in Table 14.90.

iv. Financial Assistance to NGO's to run the Special School - Under District sector scheme NGO's are given grants on the basis of regular salary and perks to the teaching and non teaching staffs as well as Rs.600/-per month to the child as maintenance charges, to run special schools and vocational Training Centers. The financial and physical progress is presented in Table 14.91.

Table 14.89 - Progress of Aids and Appliances to the Disabled (Rs. In Lakhs)

Year	Targets		Achievements		% of Achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2009-10	410	20855	371.57	20543	90.63	98.50
2010-11	50	260	14.96	78	29.92	3.07
2011-12	225	6000	224.01	4759	99.56	79.31
2012-13	100	1500	95.60	1332	95.60	88.8
2013-14	100	1500	11.46	600	11.46	40%

* Upto Sep-2013

Table 14.90 - Progress of Medical Relief Fund (Rs. In lakhs)

Year	Targets		Achievements		% of Achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2009-10	10.00	30	4.63	26	46.30	86.67
2010-11	15.00	45	0.76	04	5.06	8.88
2011-12	26.00	85	15.36	92	61.44	108.53
2012-13	25.00	50	16.38	45	65.52	90
2013-14	15.00	43	10.50	30	70.00	69.76

* Upto Sep-2013

Table 14.91 - Progress of Financial Assistance to NGO's to run the Special School (Rs.in Lakhs)

Year	Targets		Achievements		% of Achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2009-10	451.22	3600	451.22	3600	100.00	100.00
2010-11	483.71	3600	483.71	3600	100.00	100.00
2011-12	780.16	4350	780.16	4350	100.00	100.00
2012-13	343.10	3000	298.38	2030	86.96	67.66
2013-14	1026.42	3640	796.27	3640	77.60	100%

* Upto Sep-2013

v. Sadhane and Prathibe - Under the scheme, persons with disabilities are given financial assistance for Sports and Cultural activities maximum up to Rs.30000/- and 10,000/- respectively or actual expenditure incurred whichever is less. In 2013-14 an amount of Rs.25 lakhs has been earmarked for benefiting 83 disabled persons out of which a sum of Rs.10 lakhs has been spent covering 35 beneficiaries upto September 2013. The detailed progress of the scheme is highlighted in Table 14.92.

vi. Scholarship and incentives to the disabled - In order to encourage disabled students for continuation of their Education, a Scholarship scheme is

implemented for disabled students studying from 1st Std., to Post Graduate Courses by providing a monthly Scholarship of Rs.50/-to 300/-. The financial and physical progress of the scheme is shown in Table 14.93.

vii. Grameena Punarvasathi Yojane - For rehabilitating persons with disabilities, Grameena Punarvasathi Yojane is implemented to provide services like rehabilitation, awareness, Social Security, Educational, Training and Employment and other Government schemes reserved for disabled in various department at the door step of persons with disabilities. Where one disabled person at the Grama

Table 14.92- Progress of Sadhane and Prathibe (Rs. In lakhs)

Year	Targets		Achievements		% of Achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2009-10	10.00	110	9.43	107	94.30	97.27
2010-11	10.00	110	9.57	81	95.70	73.64
2011-12	22.13	160	21.02	182	94.98	113.77
2012-13	25.00	150	14.89	93	59.56	62.00
2013-14	25.00	83	10.00	35	40.00	42%

* Upto Sep-2013

Table 14.93 - Progress of Scholarship and incentives to the disabled (Rs. In Lakhs)

Year	Targets		Achievements		% of Achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2009-10	222.48	24700	213.28	23465	95.86	95.00
2010-11	230.58	30000	215.28	27500	93.36	91.67
2011-12	239.00	32000	231.27	24793	96.76	77.47
2012-13	251.00	35000	247.22	29983	98.49	85.66
2013-14	260.00	24000	65.00	8000	25.00	33.30

* Upto Sep-2013

panchayat level as Village Rehabilitation Worker (VRW) at the rate of Rs.1500/- per month and one disabled person at Block level as multipurpose rehabilitation worker (MRW) at the rate of Rs.4000/- per month are engaged on honorarium basis to provide services. The detailed progress of the Scheme is provided in Table 14.94.

viii. Self Employment Scheme for the Disabled (ADHARA) - Under the scheme a Kiosk of Rs.15000/- will be provided at free of cost and Rs.20000/- interest free loan as working capital to undertake self employment programme such as Petty Shop or any other such business. For 2013-14 an amount of Rs.100 Lakhs has been earmarked for the scheme. By September 2013 an amount of Rs.100 lakhs has been released to district offices out of which

Rs.19.45 lakhs has been spent. Procure need of Kiosk and identification of beneficiaries is underway in some of the Districts. The detailed progress of the Scheme is highlighted in Table 14.95.

ix. Job portal - Job portal scheme is framed to provide employment opportunities to persons with disabilities. The Government has accorded administrative approval to M/S Enable India, Koramangala, in 2013-14. The same will be established at Bangalore to carry out the task. During 2013-14 an amount of Rs. 74 lakhs is earmarked for the purpose, out of which an amount of Rs.18.50 lakhs has been spent upto September 2013. The detailed progress of the Scheme is highlighted in Table 14.96.

Table 14.94 - Progress of Grameena Punarvasathi Yojane (Rs. In Lakhs)

Year	Targets		Achievements		% of Achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2009-10	419.99	5803	403.58	4477	96.09	77.15
2010-11	330.00	5803	317.24	4455	96.13	76.77
2011-12	500.00	5803	451.24	4608	90.24	79.40
2012-13	540.00	5803	499.91	4560	78.58	92.57
2013-14	1200	5803	262.81	4541	21.00	78.25

* Upto Sep-2013

Table 14.95 - Progress of Self Employment Scheme for the Disabled (ADHARA)(Rs. In Lakhs)

Year	Targets		Achievements		% of Achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2010-11	330.00	5803	317.24	4455	96.13	76.77
2011-12	500.00	5803	451.24	4608	90.24	79.40
2012-13	100.00	285	99.75	285	99.75	100.00
2013-14	100.00	285	19.45	55	19.45	19.29

* Upto Sep-2013

Table 14.96 - Progress of Job portal (Rs.In Lakhs)

Year	Targets		Achievements		% of Achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2013-14	74.00	154	18.50	38	25.00	34.67

New Schemes

- Incentive Scheme for those who marry Differently Abled Men and Women - In the prevailing circumstances men or women are hesitant or reluctant to marry persons with disabilities as they feel that they would face difficulties in the married life due to social stigma. It is essential to encourage integrated

marriages among persons with disabilities and their able bodied individuals. In this context under the scheme financial incentive of Rs. 50,000/- is paid to such eligible couple. This amount is deposited in Joint Account for 5 years (F.D.) Interest accrued can be utilized by the couple. On completion of lock in period of 05 years they can withdraw or continue the Fixed Deposit.

- Reimbursement of fees for Differently Abled students for Higher and Technical Education - Due to economical condition students with disabilities are unable to bear the high cost in pursuing their Higher /Technical Education, Vocational Education, Master Degrees to encourage the students with disabilities pursue their Higher/ Technical education fees reimbursement to Exam fees/Tuition fees, Lab fees, Sports fees and Library fees for availing this benefit no income limit is prescribed and those who have availed ID cards, through Medical boards are eligible for this during 2013-14 schemes is being implemented.
- Child Care Allowances towards the Health and Nutritional Care of the new born baby of Visually Impaired Women - It is observed that the women with visual impairment experiences greater hardship in upbringing the newly born child. In this context under the scheme a sum of Rs 2,000/- per month for two years is paid to the beneficiary towards the services of ayah, health care, nutritional food, medical treatments, for maximum of two children.
- Establishment of Day Care Centers for Children with Autism and Multiple Disabilities - Children between the age of 6 to

18 years who are suffering from mental retardation, brain damage, autism and multiple disabilities require day care services such as protection, shelter, education and food. The parents of these children are usually found to be engaged in some occupation for their livelihood in this context under the scheme 2 Day Care Centers are being established to provide such services in the urban areas.

Enhancement of Financial Assistance to continued schemes -

1. Old age homes under District Sector which have been receiving Rs.1.96 Lakhs Grants from State Govt. with 25 or more beneficiaries have been enhanced to Rs.8 Lakhs.
2. The Help Lines for Senior Citizens in collaboration with Police Department under the State Sector have been Set-up and their Financial Assistance is enhanced from Rs.3.60 lakhs to Rs. 7.15 Lakhs and further it is proposed to set up such Help Lines in the following districts:- Bangalore ®, Chamarajnagar, Chickamagalore, Chikkaballapura, Chitradurga, Gadag, Koppal, Hassan, Haveri, Kodagu, Mandya, Uttar Kannada & Yadagiri from this year.

BALANCED REGIONAL DEVELOPMENT

15

15.1 SPECIAL DEVELOPMENT PLAN

Karnataka has always demonstrated vibrant potential for growth. Despite the natural resource constraints and unfavorable conditions, the State could maintain above average performance in basic development indicators. It is placed at the median level on most of the development indicators. During the last five decades, the State has made efforts to achieve rapid growth through investments in agriculture, industry, infrastructure and other sectors. But, this growth has not been inclusive with 25% of the State's population living below poverty line with the sharp North-South divide existing in the State. The regional gap emerged in the State on the eve of the reorganization of States in 1956. The new areas that joined the State from Hyderabad State and Bombay State were relatively less developed than the Old Mysore State. This area formed the Northern part of the State. In the absence of focused efforts in the past, the development gap increased over a period of time leading to marginalization and exclusion of the region and its people from the mainstream development process. Efforts have been made over a period of time to reduce the development gap. However, there has been a growing realization that investment and focus on the area especially on initiatives to improve the human development indicators must be further accelerated.

15.1.1 High Power Committee on Redressal of Regional Imbalances (2000-2002)

The High Powered Committee on Redressal of Regional Imbalances (HPCRRI), popularly known as Dr. Nanjundappa Committee, submitted its report in June 2002. The committee, on the basis of 35 socio-economic indicators, assessed the level of development of 175 taluks in the state. These indicators were spread over various sectors such as

agriculture, industry, economic infrastructure, social infrastructure, and financial and technical infrastructure. Taking the State average of development in these indicators as the benchmark (equal to 1), the Committee estimated Comprehensive Composite Development Index (CCDI) with appropriate weights and identified 114 taluks as backward taluks. These taluks were further classified into most backward, more backward and backward based on the value of CCDI. Taluks with CCDI of 0.52 - 0.79 were classified as most backward, those with CCDI of 0.80 - 0.88 as more backward and, taluks with CCDI of 0.89 - 1.00 as backward. The distribution of the taluks in these various groups in the State is given in Table 15.1.

Table 15.1 indicates the extent of regional imbalances existing in the State which was identified by the Nanjundappa Committee. Out of the 39 most backward taluks in the State, 26 taluks are in North Karnataka, 21 in Gulbarga Division and out of the total 61 relatively developed taluks, 40 are in South Karnataka. The Committee has recommended a policy mix of resource transfer, fiscal incentives and special programmes for development of the 114 backward taluks in the State.

15.1.2 Major Recommendations of the Committee**A) Institutional support to speed up the development**

The Committee has recommended establishing an appropriate institutional setup to accelerate the process of development in different sectors. Some of the specific recommendations made by the Committee which include the establishment of a Central University at Gulbarga, a High Court Bench at Hubli and, a Circuit Bench at Gulbarga have been implemented. A Women's University has been

Table 15.1- Regional Development in Karnataka State

Sl. No.	Division	Relatively Developed	Backward	More Backward	Most Backward	Total Taluks
1.	Bangalore	18	09	13	11	51
2.	Mysore	22	10	10	02	44
3.	Belgaum	18	14	12	05	49
4.	Gulbarga (HK Region)	03	02	05	21	31
5.	North Karnataka	21	16	17	26	80
6.	South Karnataka	40	19	23	13	95
	Total (State)	61	35	40	39	175

established at Bijapur while action plans are being prepared to establish IT parks in Gulbarga, Hubli and Bagalkot. The establishment of a Food park, a Textile Park and an Airport is in process in Gulbarga.

A) Additional resource transfer to meet the development requirements

An eight-year Special Development Plan (SDP) has been recommended for implementation by investing Rs. 31000 crore which includes Rs. 15000 crore from Normal Plan and Rs. 16000 crore as additionality. The Committee has also stated that the amount allocated every year should be escalated by a factor to include rise in prices. The recommendations prescribe a participatory approach involving the people, voluntary organizations and Self Help Groups and adoption of a Decentralized planning approach to promote development and find long term solutions to the problems of regional development.

15.1.3 Review of Recent Efforts towards Promoting Balanced Regional Development

The State Governments has initiated programme for development of backward regions. The Special Development Plan (SDP) is a major recommendation of the Dr. Nanjundappa Committee. The Committee has estimated the required resource flow in the 114 backward taluks to bring them at par with other taluks

in the State.

A) Objectives

The objectives of the Special Development Plan are

- ✦ To give a thrust to the development programmes in the 114 backward taluks to move towards a more balanced development in the State as a whole.
- ✦ To accelerate growth in the backward taluks through the stimulus of additional investment in various sectors and areas.
- ✦ To build infrastructure to make good the identified sector backlog in backward taluks.
- ✦ To establish the needed institutions/ organizations to redress the imbalances in the concerned sectors in backward taluks.
- ✦ To provide location-specific sectoral schemes in backward taluks in order to raise the level of services in these sectors to the level of State average.
- ✦ To help the planning authorities in preparing action plans with three priorities: First, priority is for most backward taluks which are to be covered in the first two years. More backward

taluks shall have the second priority for the allocation of funds during the next two years and, backward taluks shall have their allocation for the terminal period of the eight-year plan.

B) Allocations under Special Development Plan

The Committee has estimated the financial resources required to promote development in various sectors, which are indicated in Table 15.2. The focus of the SDP is on irrigation, rural development and social services. Sectors like energy and agriculture are also allotted additional financial assistance for development. The allocation to education, health and other social services is Rs. 8025 crore. The allocation to irrigation is Rs. 8000 crore and to rural development, Rs. 7100 crore. This allocation considers the rural character and agrarian conditions of most of the taluks among the 114 backward taluks. The allocations in SDP across the divisions were based on the Cumulative Deprivation Index (CDI). This is estimated on the basis of the distance of the CCDI Value from the State average (CDI=1CCDI). The allocations within the division and among the districts and taluks are again based on the respective CDI values. The pattern of allocation of resources

across the regions is indicated in Table 15.3. Thus, in the total additional investment of Rs. 16000 Crore, the share of Gulbarga division is maximum i.e. Rs. 6400 crore and the share of North Karnataka is 60 % of the total allocation. This is because the extent of development deprivation is more in Gulbarga Division i.e. $8.06 / (8.06/20.26 = 40\%)$ which is just equal to the total deprivation of entire South Karnataka. The Government started implementation from 2007-08. Budget provision was made from 2007-08 every year for implementation of these recommendations in the backward taluks by various departments.

15.1.4 Implementation of Special Development Plan

The programmes under SDP are planned on the basis of the requirements sent by the taluks to the concerned departments. The progress of the works under SDP is reviewed at the State and district levels in KDP meetings every month and a MIS system has been developed for providing online information about the programmes undertaken under SDP and the physical and financial progress achieved. A special head of account with the object code 133 is allotted

Table 15.2 - Proposed Sectoral Allocations under Special Development Plan

Sl. No.	Sectors	Amount (Rs. Crore)	%
1	Agriculture and Allied	2340	07.61
2	Rural Development	7100	23.10
3	Irrigation	8000	26.00
4	Energy	3000	09.76
5	Industry and Minerals	400	1.30
6	Transport	1650	5.37
7	Science and Technology	200	0.65
8	Economic Services	10	0.03
9	Social Services	8025	26.11
	Total	30725	100.00
	Normal Flow	15000	
	NetAdditional outlay	16000	

Table 15.3 - Divisionwise allocation of SDP outlay

Division	CDI Value Allocation	% of Resource	Amount (Rs. Crore)
Gulbarga	8.06	40	6400
Belgaum	4.12	20	3200
North Karnataka Total	12.18	60	9600
Bangalore	5.32	25	4000
Mysore	2.76	15	2400
South Karnataka Total	8.08	40	6400
Total	20.26	100	1600

for schemes under SDP. A Special Cell has been established in the Planning Department to coordinate and monitor the implementation process. The amount allocated, releases made and expenditure incurred so far is given in Table 15.4.

As seen in Table 15.5, the amount released is 69.45% of the planned allocations but the utilization is 94.82%. The release of funds is slow under SDP due to the fact that the allocations are made from the

provisions under various schemes in Centre/State and District Sectors and further the release depends on the amount received under these schemes. A total amount of Rs. 12411.68 crore has been spent during the last seven years on development activities in these backward taluks. A major increase in the budget estimates is noticed in the sectors of irrigation, tourism, urban development and infrastructure development.

Table 15.4 - Allocations and Expenditure under Special Development Plan

Year	Allocation (Rs.crores)	Releases *(Rs.crores)	Expenditure *(Rs.crores)	% of exp.to allocation	% of exp.to releases
2007-08	1571.50	951.44	946.00	60.20	99.43
2008-09	2547.34	1710.42	1739.41	68.28	101.69
2009-10	2578.83	2033.29	1919.94	74.45	94.42
2010-11	2584.00	2072.87	2066.73	80.19	99.70
2011-12	2984.14	2729.36	2407.31	80.67	88.20
2012-13	2680.00	1399.24	1239.77	46.26	88.60
2013-14 (upto Dec 2013)	2925.60	1323.21	1131.14	38.66	85.49
Total	17871.41	13089.52	12411.68	69.45	94.82

Table 15.5- Distribution of Outlay and Expenditure among various Sectors (2007-14)

Sl. No.	Sectors	Total allocation	Amount Released (Dec. 2013)	Expenditure (Dec. 2013)	% release to allocation	% exp. to release
		2007-2014	2007-2014	2007-2014		
1	Agriculture & allied sectors (including forest)	1261.56	904.29	858.91	68.08	94.98
2	PWD	1136.75	828.95	814.18	71.62	98.22
3	Rural Development	2855.27	2005.37	1718.41	60.18	85.69
4	Housing	2078.01	1765.32	1659.53	79.86	94.01
5	Irrigation (Major & Minor)	3248.83	2937.77	2820.54	86.82	96.01
6	Power	1162.60	664.67	888.22	76.40	133.63
7	Industries	243.70	83.42	52.76	21.65	63.24
8	Infrastructure	1036.10	768.92	766.91	74.02	99.74
9	Transport	538.50	444.38	413.16	76.72	92.98
10	Home	113.20	78.20	41.58	36.73	53.18
11	Social Sectors (health & education)	1616.40	937.46	893.61	55.28	95.32
12	Labour & Social Welfare	1236.71	978.04	881.39	71.27	90.12
13	Women & Child Development	351.20	272.69	200.89	57.20	73.67
14	Tourism Development	344.58	218.35	218.34	63.37	100.00
15	Urban Development	608.00	185.23	167.17	27.50	90.25
16	Information & Technology	40.00	16.48	16.08	40.20	97.57
Total		17871.41	13089.52	12411.68	69.45	94.82

Source: Special Cell, Planning Department

Major Achievements under SDP

A. Additional Resource Transfer to Most Backward Taluks

The allocations under SDP have helped the backward taluks in different categories to get additional resources to accelerate the development process. A comparison of distribution of allocation among three categories viz., most backward, more backward and backward taluks is presented in Table 15.6. It is observed that the share of most backward taluks in total allocations has increased from 23.93% in 2007-08 to 50.49% in 2013-14. These also include the allocations made under district sector schemes. However, this has to increase to 60% as per the recommendations of HPCRRI Committee. However, this additional resource transfer has promoted development activities in the backward areas.

B. Major successful works undertaken under SDP

The SDP has concentrated on the following core sectors in which allocations are being made on priority basis so that outcomes are visible – (i) Agriculture and Allied Sectors; (ii) Health; (iii) Education; (iv) Housing; (v) Infrastructure; (vi) Irrigation and (vii) Tourism.

I. Agriculture and Allied Sectors

The major programmes being implemented under this sector include Rashtriya Krishi Vikas Yojane (Central Sector Scheme), Enrichment of soil fertility (State Sector), and Raitha Samparka Kendras (State Sector).

Rashtriya Krishi Vikas Yojane (RKVY): Under RKVY, mechanization of agriculture is being promoted through supply of various agricultural

Table 15.6- Aggregate Additional Resource Transfer to Backward taluks in Different Categories

(Rs. crore)

Year	Most Backward Taluks	More Backward Taluks	Backward Taluks	District Schemes in Backward Taluks	Total Allocation
2007-08	376.00 (23.93%)	161.66 (10.29%)	136.62 (8.69%)	897.22 (57.09%)	1571.50 100
2008-09	870.09 (34.16%)	615.05 (24.14%)	406.87 (15.97%)	655.34 (25.73%)	2547.35 100
2009-10	1270.18 (49.25%)	554.57 (21.50%)	384.40 (14.91%)	369.68 (14.34%)	2578.83 100
2010-11	908.89 (35.17%)	639.65 (24.75%)	382.05 (14.79%)	653.41 (25.29%)	2584.00 100
2011-12	1204.50 (40.36%)	793.39 (26.59%)	528.00 (17.69%)	458.25 (15.36%)	2984.14
2012-13	1182.09 (44.11%)	748.99 (27.95%)	377.30 (14.08%)	371.62 (13.87%)	2680.00 (100)
2013-14 (provisional)	1477.17 (50.49)	916.75 (31.34)	531.67 (18.17)	-	2925.60 (100)

Note: No district sector schemes in 2013-14

implements at subsidized rates in 114 backward taluks. This is essential to overcome the growing labour costs and labour shortages and complete the agricultural operations in time. These implements include power tillers (50% subsidy - max. Rs. 50,000), high tech agricultural implements (50% subsidy -max Rs.70000), diesel pumpsets (50% subsidy – maximum Rs.20000) and agro processing units (50% subsidy - max Rs.65000). Total amount allocated during 2013-14 is Rs. 60 crore under this scheme.

Enrichment of soil fertility: In order to maintain the ecological balance, organic farming is being aggressively promoted. Organic farming is promoted under two major categories: a) Vermicompost production and use and b) Promotion of organic farming. Integrated farming system is being popularized through demonstrations and supply of inputs like gypsum, micro nutrients, bio-fertilizers etc. The total allocation under this scheme during 2013-14 is Rs. 15 crore.

Raitha Samparka Kendras: This programme includes construction of Raitha Samparka Kendras under Raitha Mitra Scheme. This is a part of the agriculture extension programme. These centres are established as information centres for the farmers and are meant to supply agricultural inputs and testing of soil quality, fertility etc.

Watershed Development: Watershed development is adopted as a major strategy for development of agriculture in the dry regions of backward taluks. Watershed training centres are established in the backward regions. The rejuvenation of dried open wells is taken up under this programme and Jalasiri programme is promoted with people's participation.

ii. Health

In the health sector, construction and upgradation of primary health centers have been taken up. Action has also been initiated for improvement of health facilities by establishing Suvarna Aarogya Suraksha Trust.

iii. Education

Dr. Nanjundappa Committee had recommended the establishment of top educational institutions in north

Karnataka, more specifically in the Hyderabad - Karnataka region. The major institutions established in this sector include the Women's University at Bijapur, Central University at Gulbarga, University of Horticulture Sciences at Bagalkot, Karnataka Veterinary and Fisheries Sciences University at Bidar and Dairy Science College at Gulbarga. To promote education in 39 most backward taluks, additional programmes have been introduced to strengthen the school infrastructure. Cluster complex is being established in 39 most backward taluks with a view to provide teachers' quarters in backward taluks/regions to enable the teachers to stay in rural areas and provide quality education to children. Opening of residential schools on Kasturba Gandhi Balika Vidyalaya (KGBV) model is also taken up in these taluks as female literacy rate is low. Many of the schools that do not have compound wall, play grounds and drinking water and sanitation facilities, are being provided with these on a priority basis in 39 most backward taluks with additional funds under Pancha Soulabhya programme under Sarva Shikshan Abhiyan (SSA). Funds are also allocated to start model high schools in these backward taluks. Construction and improvement of high school buildings is taken up with assistance from NABARD.

iv. Housing

Rural housing is one of the major sectors under SDP. The programmes that are being implemented in the backward taluks under SDP include the Basava vasati yojane (District Sector), Ashraya-SDP, House sites for landless (State Sector), Housing for weaker sections (State Sector), Indira awaas yojana (State share) and Vajpayee urban housing scheme (State Sector). The allocation for these schemes during the period 2013-14 is Rs. 201.50 crore.

v. Infrastructure Development

One of the prime objectives of SDP is to fill up the gaps in infrastructure in the backward taluks and hasten the development process in these taluks. Under energy sector, the focus is on provision of electricity to villages, hamlets and tandas. Schemes of Nirantara jyothi and Rural Load Management System (RLMS) are being implemented. The Minor airports at Bidar, Gulbarga, Bijapur, Belgaum and Hubli are provided with additional funds for

completion. The Committee had identified 90 taluks (61 in north Karnataka and 29 in south Karnataka) out of 175 taluks which have road length less than the State average. Under SDP, road development programme is undertaken in rural areas under the schemes of NABARD-assisted rural roads and Suvarna Raste Vikas Yojane. The Programmes are implemented by PWD. The allocation during the year 2013-14 is Rs. 216.75 crores. Under road transport sector, assistance is given to three divisions for construction of new depots, upgradation of existing bus stands, provision of toilet facilities, asphaltting within busstands and construction of waiting rooms etc. The allocation for road transport is Rs. 45.00 crore and for railway and airport projects, allocation has been Rs. 184.00 crore during 2013-14. The allocation for rural development during 2013-14 is Rs. 296.87 crore.

vi. Irrigation

Assistance is provided for development of major irrigation in backward taluks. The Dr. Nanjundappa Committee had recommended development of irrigation as a major strategy for increasing agricultural production and productivity in backward taluks. Assistance is provided under the programmes of Karnataka Neeravari Nigama Limited (KNNL) and Krishna Bhagya Jala Nigama Limited (KBJNL) for capital works. Additional funds are being provided for early completion of major irrigation schemes to KBJNL and KNNL. Works such as promotion and modernization of tanks, rejuvenation of tanks, lift irrigation and construction of barrages are taken up in most backward and more backward taluks. Expenditure for irrigation is around 20.1 % of total SDP expenditure during the 11th Five Year Plan. Assistance is given to complete the existing schemes soon so that benefits reach the farmers in time. This may thus help to expand the irrigation facilities and increase agricultural productivity and output. Allocation to major irrigation is Rs. 720 crore during 2013-14.

vii. Tourism

Innovative works have been proposed and are in the process of implementation in tourism sector which is emerging as a high growth area in the service sector. Tourist infrastructure at various places in backward

taluks has been taken up for development. An amount of Rs. 211.41 crore has been spent so far as against the earmarked outlay of Rs. 344.58 crore. Approach roads to tourist places have also been constructed at various tourist places such as Pattadakal in Badami taluk, Idagunji Baligar and Satodi water falls in Siddapur taluk of U. Kannada Dist., Renuka Yellamma temple in Soundatti taluk, Channakeshava Temple in Belur. Kemmananagundi hill station, Nimishamba Temple in Ganjam, Srirangapatna taluk, Kokkarebellur Bird Sanctuary, Kaiwara temple in Chintamani taluk etc.

15.2 Backward Region Grant Fund (BRGF) (2007-2012)

The Backward Region Grant Fund, a more comprehensive programme with wide coverage, has been introduced to redress regional imbalances in development. Along with other objectives, the fund provides financial resources for supplementing and converging existing developmental inflows into identified districts so as to bridge critical gaps in local infrastructure and other development requirements that are not being adequately met through existing inflows.

The basic objectives of the programme are as follows-

- ✧ Provision of additional resource transfer to bridge the local infrastructure gap that is left unfilled due to shortage of resources and thus reduce the development gap across the regions.
- ✧ Involvement of people in Planning Process. Capacity building of local institutions in decision making process, plan preparation and implementation.
- ✧ Provision of expert assistance to local institutions in Plan formulation & implementation.
- ✧ Undertaking support activities required for Improving functional delivery of services through Panchayat institutions.

In Karnataka, the programme is being implemented in six backward districts of Gulbarga, Yadgir Bidar, Chitradurga, Raichur and Davanagere. Central

assistance has been earmarked on the basis of share in population and share in geographical area. An amount of Rs. 550 crores has been earmarked for this scheme as a whole for 11th Five year Plan. Similarly an amount of Rs.595.00 crores has been earmarked for this scheme for 12th Five year Plan. Table 15.7 provides details of the scheme's implementation in Karnataka.

Development of Soft Infrastructure

The development of soft skills has been facilitated through various training programmes for students, unemployed youths and Self Help Groups.

- ✿ Training programmes in local skills for local markets. These include training in computer skills, mobile repairs, repairs of home appliances etc.
- ✿ To improve quality of education, training programmes for teachers are organized Remedial teaching programmes are arranged for slow learners.
- ✿ Training programmes are arranged for Self help groups to take up the economic activities.
- ✿ Capacity building programmes are also organized for elected representatives in Local Self Governments.

Table 15.7 - Progress achieved under BRGF in Karnataka (Rs. In crore)

year	Details	Bidar	Gulbarga/ Yadgir	Raichur	Davangere	Chitradurga	ANSIRD
2007-08	Allocation	17.14	28.25	19.56	18.18	20.21	5.00
	Release	17.11	25.34	7.50	16.33	20.21	10.00
	Expenditure	17.11	25.34	7.50	16.33	20.21	10.00
2008-09	Allocation	17.11	28.25	19.56	17.51	20.21	8.39
	Release	17.11	28.25	19.56	17.51	20.21	8.39
	Expenditure	17.11	28.25	19.56	17.51	20.21	8.39
2009-10	Allocation	17.11	28.15	19.56	18.14	20.21	5.00
	Release	17.11	28.15	19.56	18.14	20.21	5.00
	Expenditure	17.11	28.15	19.56	18.14	20.21	5.00
2010-11	Allocation	18.54	31.82	21.49	19.79	22.27	5.00
	Release	18.54	17.56	21.49	19.79	17.45	2.69
	Expenditure	18.54	17.56	21.49	19.79	17.45	2.69
2011-12	Allocation	18.54	31.82	21.49	19.79	22.27	5.00
	Release	18.54	17.56	21.49	19.79	17.45	2.69
	Expenditure	12.25	5.00	17.00	15.25	13.00	2.69
2012-13 (12 th Five year Plan)	Allocation	18.54	31.82	21.49	19.79	22.27	5.00
	Release	18.44	22.75	21.39	13.19	22.27	3.5
	Expenditure	38.06	30.89	21.12	8.74	22.05	-
2013-14	Allocation	22.75	52.70	26.36	24.27	27.33	6.00
	Release	13.04	13.66	-	20.74	-	-

Source: RDPR Department

- ❖ Exposure visits are organized to increase the knowledge of people's representatives in introducing novel programmes and policies

The programme has been successful in strengthening the human resource base in these backward districts. The programme has promoted the development of economic infrastructure in backward districts.

The implementation of recommendations of Nanjundappa Committee remains as an ongoing agenda. The Special Development Plan and the Backward Region Grant Fund are major programmes operating to reduce regional imbalances. These efforts have led to an increase in the levels of economic and human development in most backward and more backward taluks. This is evident from the growing enrolment of children in schools, decline in dropouts and out-of-school children etc. Road connectivity has increased and most villages are now covered by all-weather roads. Levels of employment and income are on the rise.

15.3 AREA DEVELOPMENT BOARDS

15.3.1 Hyderabad Karnataka Area Development Board

Since the reorganization in 1956, people of old Bombay Karnataka, Hyderabad Karnataka and border areas were airing their voices against the extent of regional disparity between the old Mysore taluka and those that have joined the new state. Several committees and academic studies went into the regional aspects in the past. Hyderabad Karnataka Area Development Board (HKDAB) came into existence following Karnataka Government Act 35 dated December 10, 1991. With the intention of developing the most backward region of the state comprising Gulbarga, Bidar, Raichur, Koppal, Yadgir

and Bellary district in respect of social and economic infrastructures such as roads and bridges, health care, educational facilities, enhancing drinking water supply, providing minor irrigation, catering to animal husbandry, promoting sericulture, forestry and other development.

1) Prioritization on Backwardness

A broad indication regarding the development of backward areas in the state as well as to balance the regional imbalance was recommended by the High power committee for redressed of Regional imbalance committee headed by Dr.D.M. Nanjundappa. The committee has categorised the talukas as shown in Table 15.8.

22 Most Backward Taluka have been given importance while allocating funds.

2) Prioritization on Sectors - The sectoral allocation of funds is made as follows

Roads & Bridges	Social Sector	Ground Water Recharging
40%	35%	25%

In 2013-14 Rs.65.30 crore has been allocated for the Board and Rs. 16.80 crore has been spent.

Developmental Activities

Road- Since its inception, the Board has been striving hard constantly for increasing the length of the road in the region. It has allocated as high as 56% of its funds for this purpose, which has resulted in the substantial increase in the road length of the region. That is way increase of road length is well above of the state for all district of the region except Raichur.

Table 15.8 – Categorisation of Talukas

Area	Most Backward Taluka	More Backward Taluks	Backward Taluks
Hyderabad Karnataka Area	22	05	02
States Total	39	40	35

Some major works completed in this field are Bidar-Sriangapatna Road, Vaghdari - Ribbanpalli, Sirguppa – Bellary Road.

Primary Education- In the field of primary education also, the achievements of the Board are praise worthy. The efforts of the Board in this direction lead to the overall literacy rate as well as the female literacy rate of the region. The overall literacy rate increased from 40% to 55% Gulbarga, Raichur, Bellary & Koppal District and to 62% in Bidar district in physical terms it has been successful in constructing more than 2500 School Room Buildings.

Higher Education - The Board has encouraged the higher education by providing infrastructure facilities to the region. Board sanctioned Rs.7.5 Crore to Gulbarga University and its PG centres and Rs.2.25 Crore to the Kannada University, Hampi, besides this, it has constructed college buildings at several places like, Kustagi, Gangavati, Yelburga, Kamlapur, Bellary, Hagari Bomman Halli.

Rural Electrification - Another notable achievement of the Board has been the electrification of as many as 648 villages. Thus it has helped to achieve nearly 100% electrification in villages.

Drinking Water- In the field of providing the basic minimum facilities like drinking water, the Board has achieved some success. Notable among them are Bheema River Water Supply Scheme providing water to Gulbarga city and Nalla Cheru Tank of Yadgir Taluka.

Health – The Board has constructed 134 Health Institutions like PHCs/Sub centres including Hospital in the region. Important works completed in Health Sector are 100 bedded Hospitals at Bidar, Shahapur and Sedam. Further to see that, health facilities reach the poor, it has donated ambulance van and X-ray unit to the district and other hospitals.

Community Services - It has constructed 3672 buildings like, Samudaya Bhavan, Ambedkar Bhavan, Shadi Mahal, Babu Jagajeevan Ram Bhavan etc. It has taken care of youths by building Yuvak Kendras and Woman by constructing buildings for Mahila mandals.

In this way, it has been trying to promote the all round development of the region. Board has spent about Rs.973.63 crore and completed almost 22941 works in all these sectors since inception. The Board is dedicated further development as it has taken up the preparation of vision 2010 and Spatial Development Plan, for more systematic need in the regional and inter-sectoral balanced development.

15.3.2 Malnad Area Development Board

Malnad Area Development Board came into existence under the Malnad Area Development Act, 1991 on 18.05.1993. The main objective of the Board is to achieve overall development of the Malnad Area specifically. The area under the jurisdiction of the board extends over 13 Districts of Malnad Area along the Western Ghats in 61 Taluks extending over 65 Assembly Constituencies.

Achievement - The Board covers the aspect of development of the Malnad region which is a very vast area of operation. Many government schemes are implemented by various agencies in the area of development. The board depending upon the grants available and determines the specific requirements that need to be made to fill gaps or those that cannot be funded in regular plans. During the current year almost 300 works have been completed incurring an expenditure of Rs.1500 lakh.

Initiatives taken up in 2013-14 - The Board has taken up many initiatives including the formation of concrete roads in the areas inhabited by the weaker sections, providing of safe drinking water in rural areas especially those affected by fluoride, construction of foot bridges and hanging bridges as well as formation of roads. The implementation of the safe drinking water is sought to be enhanced by involving the K.H.Patil trust which will share the cost of the installation of the unit.

Best practices and success stories - Some of the success stories are related to the supply of play articles to the anganawadi children in most backward taluks as identified in the Report of Dr.D.M.Nanjundappa which was named Chinnara Loka program. For the all round development of a child, along with the curricular activities, the sports plays import role. Facilities provided for sports

would play a major role by physical development of the child, which attracts the children to come to Anganawadi. This considerably reduces number of children who keeps away from the School. This formed the main objective of “Chinnara Loka” in the Anganawadi. It was implemented in the taluks of Channagiri, H.D.Kote, ChamaraJanagar and Joida.

Another success story is the construction of 17 hanging bridges incurring a cost of about Rs.1063.37 lakh. This facilitates the children and others to cross the streams in the rainy season to access the schools and other facilities which other wise would be circuitous or inaccessible during the rainy season.

Another success story is the involvement of Srikshetra Dharmastala Rural Development Project [R], in the developmental programs. They have been involved in many different programs notable the providing of the safe drinking water in which the board contributes Rs.5.00 lakhs and they contribute an equal amount. Similarly they have executed the solid waste disposal system in Kadaba and Ujire. The solid waste was getting into the river system during the rainy season affecting the drinking water supply during the summer which is the lean season.

In some locations depending upon the water level and pressure where naturally flowing water is available, in the remote areas, independent Hydro Electric Units have been established to provide electricity.

15.3.3 Bayaluseeme Area Development Board, Chitradurga

The Bayaluseeme Area Development Board was established in the year 1995 under Karnataka Act No.38 BSDB Act 1994. Bayaluseeme (Maidan Area) comprises 56 taluks of the State, which have been recognized as drought prone taluks, and pose special problems of development. This board established to hasten the phase of development of this area for bringing it to the level of other parts of the State. There are 70 assembly constituencies spread over 14 districts.

Achievement – Since 1995-96, the Board has incurred an expenditure of Rs.11753.54 lakh

completing 8873 works. Out of total amount allocated to the Board 60% shall be utilized for water and soil conservation works and remaining 40% shall be for other developmental works in Bayaluseeme areas. In 2012-13, 128 ongoing works have been continued and 374 new works have been started which includes 346 works of soil and water conservation, 79 works of building and road construction, community related works 36 and other works 41. In 2012-13, Rs.1700 lakh allocation was made for the Board. The Board has made an action plan of Rs. 1207.52 lakhs for 2012-13. In 2012-13 State Government has released Rs. 12.75 lakh in three instalments and opening balance is Rs. 507.52 lakh, i.e. total amount is 1782.52 lakh. Of this amount 1017.83 lakh has been spent, i.e. 57% progress has been achieved.

5.2.4 Karavali Abhivrudhi Pradhikara, Mangalore

Karavali Development Authority was established vide G.O. dated 8.9.2008. Karavali Development Authority is the advisory body to the Government of Karnataka on matters pertaining to the Comprehensive development of the three coastal revenue districts of Karnataka, namely Dakshina Kannada, Udupi and Uttara Kannada.

Objectives-

- ★ Identification of potential projects for promotion and development of basic infrastructure- Roads, Tourism, Ports, Industries, Technology Parks, over bridges.
- ★ Preparing of Project Reports of the identified potential projects in consultation with concerned administrative departments.
- ★ Identifying projects for conservations and development of various coastal zones and recommending such works for inclusion in the state level planning.
- ★ Taking measures for effective time bound supervision of implementation of projects for coastal conservation and development.

Detailed Project Reports (DPR) undertaken in three Coastal Districts of Karnataka

1. DPR for new proposed high speed airport road between Manipal to Bajpe International Airport.

The present proposal of Athradi (Manipal) to Bajpe International Airport road is two lanes (Converting into four lanes) are proposed to have direct axis for 80 km speed. Complete re-formation of the road by avoiding all the curves, gradients, etc. If this road is formed the journey time is expected to be within one hour by the shortening the road distance to 55 km and straight way connection with fly over etc. The preparation of the D.P.R has been completed and has already been submitted to the Government. (Approx Project cost Rs.580 crores.)

2. DPR for proposed connectivity road to N.H. 66 and beach side (Fisheries Road)

The proposed road will be connected between Talapady (Mangalore) to Majali (Uttara Kannada District) converting into two lane concrete road. Presently there is asphalted road in this area not connecting through. Thick population of fishermen communities reside throughout the beach. The main purpose of this project is overall development of fishermen communities. This being a parallel road through the coastal area of Karnataka through NH 66. The traffic connections reside throughout the beach. The proposed road is on the bank of Arabian Sea. The DPR has been prepared (Approx Project cost Rs.780 crores.)

3. DPR for construction of Modern Hi-Tech Fish Markets in Coastal districts.

The work is already taken up by the Coastal Development Authority funded by National Fisheries Development Hyderabad, Government of India (Providing 90% of the project cost i.e Rs.750.207 lakh) and Department of Fisheries, Government of Karnataka. (Providing 10% of the project cost i.e 70.14 lakh) The construction work of Padubidri, Yedthare-Byndoor in Udupi district and Ankola Fish markets has already been completed. The construction work of Kinnigoli, Bantwal in Dakshina

Kannada district and Udupi (town) in Udupi district are under progress. Katapadi fish market has been completed. The following works are nearing completion -

- i. Uppunda – Udupi district.
- ii. Shirali – Uttara Kannada District.

The DPR/PSR report has already been prepared and submitted to NFDB, Hyderabad through Fisheries Department and approval is awaited.

- i. Kota and Shirva in Udupi District (submitted)
- ii. Thokkottu (Ullala) in Dakshina Kannada District (to be submitted)

4. Construction of Foot bridges/Hanging bridges in coastal districts.

As per the proposal submitted by the Karavali Abhirudhi Pradhikara, the Government has released Rs.3.00 crore to Dakshina Kannada and Rs.2.00 crore to Udupi district for the construction foot bridges/hanging bridges. The construction work is under progress through Panchayath Raj Engineering Division. Proposals have already been submitted to the Government for the construction of foot bridges/bridges in Coastal District of Karnataka. Details of the projects are given in Table 15.9.

5. DPR Multi Village drinking water supply scheme.

The goal of this project is to support the Government's effort to increase access to safe drinking water for deprived villages in Udupi and Dakshina Kannada districts of the State of Karnataka. The rural water supply scheme is funded by the State Government and coming under the rural drinking water supply scheme. The State Government has approved water supply scheme to quality affected village/villages in various district to provide potable drinking water facility with surface water as source. The Karavali Abhirudhi Pradhikara prepared P.S.R for drinking water supply for 25 villages of Dakshina Kannada and 26 Villages of Udupi.

Table 15.9 – Details of construction of Foot bridges/Hanging bridges in coastal districts

Sl. No	Name/ Place of the work	District	Taluk	Grama Panchayath	Grama	Estimated cost (crore)	Date of Submission of DPR to the GoK
1	Badabagilu	Uttara Kannada	Batkal	Haduvalli		0.37	5.1.2011
2	Kudrugi	Uttara Kannada	Honnagara	Kudrugi		1.78	17.12.2012
3	Datapala River	Uttara Kannada	Honnagara	Chikkanagodu	Hiraibylu	3.00	23.01.2012
4	Nethravathi River	Dakshina Kannada	Beltangady	Bandaaru	Ilantila Mogru	1.49	23.1.2012
5	Mutturu Phalguni River	Dakshina Kannada	Mangalore	Kuppepadavu	Mutturu	0.90	17.12.2012
6	Bolmanaru	Dakshina Kannada	Beltangady	Puduvettu	Bolmanaru	4.50	2.2.2013
7	Madisalu	Udupi	Udupi	Kunjalu	Arooru Belmar	2.00	19.10.2011

Table 15.10 - Funds allocated to Karavali Abhivridhi Pradhikara since inception is as follows (Rs. lakh)

Year	BE	Amount Released	Expenditure
2009-10	200.00	100.00	37.10
2010-11	300.00	150.00	31.96
2011-12	300.00	150.00	117.00
2012-13	500.00	250.00	106.05
2013-14	100.00	50.00	36.45

15.4 KARNATAKA LEGISLATORS' LOCAL AREA DEVELOPMENT SCHEME (KLLADS)

Government had introduced the Karnataka Legislator's Local Area Development Scheme (KLLADS) in 2001-02 with a budget allocation of Rs. 75 crores under non-plan. From 2008-09 onwards the scheme was shifted from non-plan to plan. The investment in development programmes is based on a

sectoral planning process to benefit local area leaves some infrastructure gaps, despite best planning effort. This undermines the investment, which is not optimally beneficial to the local area. The domination of the sectoral planning process has limited the potential scope for participation by people's elected representatives and the user community. There have been occasions where some important works have not been undertaken, as they

are not covered by any existing plan or non-plan scheme. In order to accommodate local aspirations and needs better, and to ensure responsive planning and delivery of services, the Government has taken up schemes for asset creation, infrastructure development and employment generation for the benefit of the poor and weaker sections, whose planning and execution can be done at the Legislator's Constituency Level.

The KLLADS follows a participatory demand responsive development approach to address infrastructure development requirements of the local area within a Legislator's Constituency. It also provides flexibility in taking up works which are otherwise not covered by other government programmes. Table 15.11 shows the amount released under scheme since inception.

15.5 MEMBER OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME (MPLADS)

MPLADS is a Grant-in-Aid Plan Scheme started in December 1993 by Government of India, as a special

central assistance to states for expenditure to be incurred for the creation of community assets based on the recommendation of the Hon'ble Members of Parliament. The Scheme is governed by a set of guidelines. Under the scheme a sum of Rupees 5 crore per annum per Member of Parliament is released by GOI directly to the Deputy Commissioners of the Nodal Districts for execution of the works of development nature based on the locally felt needs recommended by the Member of Parliament concerned. Karnataka is represented by 28 Members of Lok Sabha, 12 Members of Rajya Sabha and one nominated member of Rajya Sabha. The MPLADS Cell of the Planning Department is the Nodal Department between GOI and the Deputy Commissioners. The Parliamentary Committee of Lok Sabha and Rajya Sabha periodically visit the State for review and inspection of the MPLADS works. The features of the scheme, list of prohibited works and list of permissible works and works of non-durable nature, detailed guidelines, Government Orders and circulars are available on the website www.mplads.nic.in

Table 15.11- Funds released under KLLADS since inception (Rs. crores)

Year	Amount Allocated	Amount Released
2001-02	75.00	75.00
2002-03	31.00	31.00
2003-04	Amount not provided due to drought.	
2004-05		
2005-06	150.00	150.00
2006-07	300.00	300.00
2007-08	300.00	183.25
2008-09	200.00	150.00
2009-10	460.50	460.50
2010-11	399.20	399.20
2011-12	300.00	298.62
2012-13	300.00	300.00
2013-14	600.00	300.00

The MPLADS Cell is responsible for co-ordination with the Ministry of Statistics and Programme Implementation, Government of India for proper and effective supervision of the implementation of the scheme in the State. The Cell also co-ordinates with the District Authorities for timely submission of Utilization Certificates and Audit Certificates to the Ministry.

15.6 ARTICLE 371J – SPECIAL STATUS FOR HYDERABAD KARNATAKA REGION

15.6.1 Historical Background

Administratively Hyderabad was a Princely State of Nizam rule, made up of sixteen districts. They were (i) Telengana Region comprising of 8 districts (ii) Marathwada Region comprising of 5 districts (iii) Hyderabad Karnataka comprising of 3 districts of Bidar, Gulbarga and Raichur. In 1956, during the re-organization of the Indian States, Hyderabad State was split up between Andhra Pradesh, Maharashtra and Karnataka. The Hyderabad Karnataka comprising of 3 districts Bidar, Gulbarga & Raichur became a part of Karnataka. In 1953, the Government of India had constituted a High Power Commission which later came to be known as the States Reorganization Commission, to make an objective examination of the question of reorganization of States in all its aspects so that the welfare of the people of each constituent unit as well as of the nation as a whole is promoted. The Commission submitted its report to the Government of India in October, 1955. On the basis of the Commission's recommendations, the new State of Mysore comprising of old Mysore State (including Bellary) Belgaum district, Bijapur, Dharwad and the North Canara districts of Bombay State, Gulbarga, Raichur,

South Canara district, Kollegal taluk from Coimbatore district of old Madras State and the whole of Coorg came into existence on 1st November, 1956. As a consequence of amalgamation of regions at varying levels of socio-economic development & different political and administrative structures, Karnataka has inherited regional imbalances that still persist.

15.6.2 Status of Development in the Hyderabad Karnataka region

The Hyderabad-Karnataka region comprises of the districts of Gulbarga, Bidar, Raichur, Yadgir, Koppal and Bellary. These districts figure in the list of backward regions in the State as per the Report of the High Power Committee for Redressal of Regional Imbalances (HPCRRRI). The districts suffer from inadequate infrastructure; high incidence of poverty and social and economic backwardness. Out of 31 taluks in the six districts of the region, 68 percent of them are most backward; others are more backward or relatively backward and only three are normally placed in the Development Index. The socio-economic indicators of these six districts are still below the State's average.

As per Census 2011, (i) the literacy rate of the State is 75.36, whereas it is 64.93 in the Hyderabad Karnataka region, much below the State average and (ii) the per capita income in the region is Rs. 43,344/- against the State average of Rs. 61,073/-. The net irrigated area as a percent of net sown area in the region is 26.33 much below the State average of 33.16. The number of factories in the region is 199 much below the State average of 463. Percentage of drop out of students from Class I to X in the region is 54.09% and the State's average is 30.20%. The region

Table 15.12 - Funds allocated and spent under MPLADS since inception (Rs. crore)

	Released by GOI	Interest accrued	Amount sanctioned	% of sanctioned over released	Expenditure Incurred	% of Utilisation over released
Lok Sabha	1101.40	37.39	1106.39	100.45	981.10	89.08
Rajya Sabha	444.60	12.98	424.62	95.51	394.61	88.76

has only 25 taluka level hospitals; the State has 146 taluka level hospitals. There is only 1 district level hospital out of 17 district level hospitals across the State. The number of Government hospitals in the region is 445 against the State's total Government hospitals of 2692. The region has 363 Primary Health Centres, i.e. only 15.7% of the total number of 2310 PHCs in the State. As regards malnutrition, only 508264 children are of normal weight i.e. 18.4% of the total 2761838 normal weight children in the State, 277639 children are moderately underweight, i.e. 26.06% of the total 1065271 moderately underweight in the State and 13724 children are severely underweight, i.e. 28.11% of the total 48822 severely underweight children in the State.

The districts also have poor industrial development. Road and rail connectivity needs to be improved. In the energy sector, there is a need to ensure that the quality of power supply is improved across the region as inadequate and erratic power supply impacts all developmental activities of the districts. Lack of quality power and other infrastructure gaps also makes the region unattractive for investment in industrial sector. The districts also face water quality issues. As per the recommendations of the HPCRRI, a Special Development Programme (SDP) is being implemented since 2007-8. Under SDP, the total investment made in these districts from 2007-08 to 2013-14 (upto December, 2013) is Rs.288955.17 lakhs. Though funds have been invested in the districts under SDP, disparities in various sectors continue to exist.

15.6.3 Article 371J – Amendment of the Constitution to grant special status to Hyderabad-Karnataka region

Despite many interventions by the State Government, these six districts continue to remain in the trap of backwardness. The major impediment being faced by the Government in achieving the objective of balanced regional development in the delivery of key services in the social sector is the lack of adequate institutions and trained manpower. Many of the minimum needs institutional support like schools, primary health centres, veterinary hospitals etc. are much less in the area when compared to the State average and the National standards.

The State Government has been making representations to the Government of India since 1998 to accord special status to the Hyderabad-Karnataka region. Considering the repeated representations made by the State, Government of India amended the Constitution by insertion of Article 371(J) granting special status to Hyderabad-Karnataka region on 2nd January, 2013. Article 371(J)(1) provides for the following –

- (1) President may by Order made with respect to the State of Karnataka, provide for any responsibility of the Governor for
 - (a) Establishment of a separate Development Board for Hyderabad-Karnataka region with a provision that a report on the working of the Board will be placed before the State Legislative Assembly.
 - (b) Equitable allocation of funds for developmental expenditure over the said region subject to the requirement of the State as a whole and
 - (c) Equitable opportunities and facilities for the people belonging to the said region, in the matter of public employment, education and vocational training, subject to the requirement of the State as a whole.

The constitutional obligation consequent to Amendment of Article 371(J) by insertion of Article 371(J), binds the State and Central Governments to put forth all out efforts for development of the Hyderabad-Karnataka region besides ensuring the same by way of providing reservation in the Education and Public Employment sectors. The Parliament authorized H.E. the President of India to entrust special responsibility to H.E. the Governor of Karnataka to issue appropriate orders to give effect to the implementation of Article 371(J) of the Constitution of India and the President of India has authorized the Governor on 24th October, 2013. A Cabinet Sub-Committee was constituted to advise the State Government for effective implementation of Article 371(J). The Cabinet Sub-Committee has held wide range of discussions with all stakeholders of the region and has submitted a report to the Government.

The Cabinet Sub-Committee has also submitted draft notifications in this regard to the Hon'ble Chief Minister which was discussed in Cabinet meeting wherein it was resolved to recommend the same to H.E. the Governor seeking approval of the following notifications –

- (i) The Hyderabad-Karnataka Region Development Board Order, 2013.
- (ii) The Karnataka Educational Institutions (Regulations of Admission in the Hyderabad-Karnataka Region) Order, 2013 which provides for reservation of 70% of available seats.
- (iii) The Karnataka Public Employment (Reservation in Appointment for Hyderabad-Karnataka Region) Order, 2013 which provides for creation of a local cadre and reservation in the Hyderabad- Karnataka Region as under, besides reservation of 8% of the posts in the State level offices or institutions or apex institutions –

Group A Junior Scale	75%
Group B	75%
Group C	80%
Group D	85%
- (iv) The Karnataka Private Unaided Educational Institutions (Regulations of Admission in the Hyderabad-Karnataka Region) Order, 2013 which provides for reservation of 70% of the available seats in every course of study in any regional university or educational institution referred to in the First Schedule besides 8% of the available seats in every course of study provided in a State wide university or a State wide educational institution.

In addition the Cabinet Sub-Committee has approved the following Rules –

- (a) The Karnataka Public Employment (Reservation in Appointment for Hyderabad-Karnataka Region) (Organization of Local Cadres, Allotment and Transfer of Persons) Rules, 2013.
- (b) The Karnataka Public Employment (Reservation in Appointment for Hyderabad-

Karnataka Region) (Issue of Eligibility Certificates) Rules, 2013.

The Hyderabad- Karnataka Region Development Board has come into being consequent to the issue of the Hyderabad-Karnataka Region Development Board Order, 2013. As per provisions in the Order, action is being taken to nominate members of the Board. Consequently action is also being taken to repeal the Hyderabad-Karnataka Development Board Act, 1991. The State Government has earmarked a sum of Rs. 150 crore for the Hyderabad-Karnataka Region Development Board in 2013-14.

15.7 Issues and Challenges

- ✦ Although there has been improvement in the development status as a result of the initiatives taken up by the Government, there has been no significant decline in the gap between the developed and the less-developed regions. This indicates that the barriers to development are still strong enough to retard the development processes. The Eleventh Five Year Plan has focused on inclusive growth, which implies that people in all the regions of the Country should gain access to development. The 12th Five Year Plan has carried forward the unfinished agenda. In this context, intensive efforts are required to bridge the development gap and attain equitable distribution of gains from development across regions and people in the State.
- ✦ Therefore, there is a need to increase the allocations substantially especially to the districts of Hyderabad-Karnataka region to bring about a significant transformation. The focus needs to be on education, health and nutrition and skill development along with development of farm and non-farm activities. Therefore, formulation and effective implementation of development programmes tailored to the needs of the region are required to meet the challenges of these regions. Article 371-J may provide the necessary impetus for development of the region.

KARNATAKA AT A GLANCE

Sl. No.	Item	Units	1960-61	1970-71	1980-81	1990-91	2000-01	2009-10	2011
1	Geographical Area	'000 Sq.Km.	192	192	192	192	192	192	192
	Administrative Setup								
2	Revenue Divisions	No.	4	4	4	4	4	4	4
3	Districts	-do-	19	19	19	20	27	30	30
4	Taluks	-do-	175	175	175	175	175	176	176
5	Inhabited Villages	-do-	26377	26826	27028	27066	27481	27481	27397
6	Uninhabited Villages	-do-	2972	2707	2362	2127	1925	1925	1943
7	Towns	-do-	231	245	281	306	270	270	347
	Population as per Census		1951	1961	1971	1981	1991	2001	2011
8	Total	(in 000s)	19401	23587	29299	37136	44977	52851	61095
9	Males	-do-	9866	12041	14972	18923	22952	26899	30967
10	Females	-do-	9535	11546	14327	18213	22025	25952	30128
11	Rural	-do-	14945	18320	22177	26406	31069	34889	37469
12	Urban	-do-	4456	5267	7122	10730	13908	17962	23626
13	Scheduled Castes	-do-	2583	3117	3850	5595	7369	8564	10475
14	Scheduled Tribes	-do-	80	192	231	1825	1916	3464	4249
15	Density of Population	Per Sq.Km.	262 ^a	123	153	194	235	276	319
16	Literacy Rate	Percentage	19.26 ^b	29.80 ^b	36.83 ^b	46.21 ^c	56.04 ^c	66.60 ^c	75.40 ^c
17	Sex Ratio	Females per 1000 males	966	959	957	963	960	965	973
18	Urban Population	Percentage	22.96	22.33	24.3	28.89	30.92	33.99	38.7
	State Income - at Current Prices		1960-61	1970-71	1980-81	1990-91	2000-01	2012-13	2013-14
19	State Income	Rs.Crore	751	2016	5587	20551	96348	524502	593811
20	Primary Sector	-do-	432	1063	2573	7626	31473	82251	88017
21	Secondary Sector	-do-	122	418	1160	4734	18684	133104	141220
22	Tertiary Sector	-do-	197	535	1854	8191	46191	309147	364574
23	Percapita Income	Rupees	321	696	1520	4598	18344	77309	86788
	Agriculture		1960-61	1970-71	1980-81	1990-91	2000-01	2010-11	2011-12
24	Net Area Sown	'000 Ha.	10228	10248	9899	10381	10410	10523	9941
25	Gross Cropped Area	-do-	10588	10887	10660	11759	12284	13062	12059
26	Gross Irrigated Area	-do-	NA	1355	1676	2598	3271	4278	4136
27	Gross Irrigated Area to Gross Cropped Area	Percentage	NA	12.45	15.72	22.09	26.63	32.75	34.30
	Area under Principal Crops		1960-61	1970-71	1980-81	1990-91	2000-01	2011-12	2012-13
28	Paddy	'000 Ha.	1028	1170	1114	1173	1483	1416	1279
29	Wheat	-do-	324	343	322	198	266	225	225
30	Jowar	-do-	2969	2224	1991	2155	1782	1142	1264
31	Bajra	-do-	500	562	564	425	462	286	275
32	All Cereals	-do-	6274	5971	5573	5415	5757	5127	5032
33	All Pulses	-do-	1306	1444	1531	1621	2047	2303	2268
34	Total Foodgrains	-do-	7579	7416	7104	7036	7804	7430	7300
35	Sugarcane Harvested Area	-do-	NA	NA	NA	NA	NA	431	425
36	Cotton	-do-	984	1142	1012	596	552	570	495
37	Groundnut	-do-	915	1027	790	1212	1063	677	589

	Production of Principal Crops		1960-61	1970-71	1980-81	1990-91	2000-01	2011-12	2012-13
38	Rice	'000 tonnes	1328	2000	2258	2428	3847	3955	3364
39	Wheat	-do-	77	130	174	123	250	193	179
40	Jowar	-do-	1154	1565	1506	1282	1547	1166	1315
41	Bajra	-do-	129	211	192	203	342	278	285
42	All Cereals	-do-	3578	5235	5714	5705	10004	10961	9602
43	All Pulses	-do-	352	511	488	539	956	1061	1362
44	Total Foodgrains	-do-	3930	5746	6202	6244	10960	12022	10964
45	Sugarcane	-do-	5184	8106	12127	20750	42924	40010	35732
46	Cotton ^d	-do-	382	570	597	640	855	1278	1038
47	Groundnut	-do-	448	780	475	816	1081	485	395
	Agricultural Census		1970-71	1980-81	1990-91	2000-01	2005-06	2010-11	2010-11
48	No. of Operational Holdings	'000s	3551	4309	5776	7029	7581	7832	7832
49	Area of Operational Holdings	-do-	11368	11746	12321	12307	12385	12162	12162
50	Average size of Operational Holdings	Ha.	3.2	2.73	2.13	1.74	1.63	1.55	1.55
	Live Stock Census		1972	1977	1983	1990	1997	2003	2007
51	Total Livestock	'000s	21965	21800	24680	24968	30688	28359	32883
52	Total Poultry	-do-	10163	9696	12096	15694	21399	24451	42433
	Forest		1962-63	1970-71	1980-81	1990-91	2000-01	2009-10	2010-11
53	Forest Area	'000 Ha.	3522	3621	3838	3872	3828	4335	4335
	Factories		1971	1981	1991	2001	2009	2011	2013
54	Working Factories	No.	3668	4985	7768	9440	11983	13889	13061
55	Employees	-do-	252074	434202	777900	903895	1079681	1393910	1335248
56	Employees per lakh population	-do-	860	1169	1730	1710	1785	2280	2117
	Industrial		2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
	Project investments - Rs.3 crore to Rs.50 crore								
57	Projects Approved	No.	871	727	310	359	439	410	675
58	Investments	Rs. Crore	11511	10267	5182	7750	6880	5329	9351
59	Employments	No.	612620	349015	135623	115932	110505	65549	141821
	Project investments - above Rs.50 crore								
60	Projects Approved	No.	66	108	50	110	186	60	100
61	Investments	Rs. Crore	92056	160523	105266	288549	187186	34189	133110
62	Employments	No.	781966	1996504	410842	284934	580161	165165	1158001
	Electricity		1970-71	1980-81	1990-91	2000-01	2010-11	2011-12	2012-13 (P)
63	Total Generation	Mu	4833	6389	12431	21985	47112	54240 P	57476
64	Total Consumption	-do-	3187	5189	12182	17860	37202	42561 P	54563
65	Industrial Consumption	-do-	2488	3864	5429	4882	8425	9224	9900
66	Agricultural Consumption	-do-	179	384	4486	7350	12802	15772	17285
67	Domestic Consumption	-do-	217	696	1803	3909	7893	8741	9301
	Banking		1970-71	1980-81	1990-91	2000-01	2010-11	2011-12#	2012-13 #
68	Scheduled Commercial Banks	No.	1190	2823	4245	4758	6291	6810	7361
69	Deposits	Rs. Crore	369	2042	9665	55592	349009	4117243	4646394
70	Advances	-do-	275	1524	7985	32984	253121	2912356	3315402

	Education		1970-71	1980-81	1990-91	2000-01	2010-11	2011-12	2012-13
71	Primary Schools	No.	32630	35143	40208	50340	59428	59555	60036
72	Enrolment	'000s	4064	4974	6922	8581	7425	7490	7428
73	High Schools	No.	2002	2381	5020	8928	13447	13862	14194
74	Enrolment	'000s	483	713	1334	1955	2604	2607	2634
	Health		1970-71	1980-81	1990-91	2000-01	2010-11	2011-12	2012-13
75	Hospitals	No.	195	233	293	297	382	382	389
76	Dispensaries	-do-	791	1730	208*	847	659	659	659
77	Beds per lakh population	-do-	89	94	104	105	112	112	99
	Demographic Status		1970-71	1980-81	1990-91	2000	2009	2010	2011
78	Birth Rate		31.7	28.3	26.9	22.2	19.5	19.2	18.8
79	Death Rate		12.1	9.1	9.0	7.6	7.2	7.1	7.1
80	Infant Mortality Rate		69	69	77	58	41	38	35
	Transport		1970-71	1980-81	1990-91	2000-01	2010-11	2011-12	2012-13
81	Railway Route Length	Kms.	2806	2875	3093	3172	3172	3172	3172
82	Total Road Length	-do-	70383	109551	130924	154204	222431	222382	230669
83	Motor Vehicles	'000s	123	400	1433	3691	9930	10909	12063
	Co-operation		1980-81	1990-91	2000-01	2009-10	2010-11	2011-12	2012-13
84	Primary Agricultural Credit Co-Operative Societies	No.	4871	4350	4388	4866	4914	4993	5099
85	Membership	'000s	3692	4469	5245	9613	8992	8216	8316
86	Total No. of Co-operative Societies	No.	23159	25083	29930	34927	35502	36481	37469
87	Total Membership	'000s	8289	11800	16167	19904	21534	21515	21811
	Local bodies		1990-91	2000-01	2006-07	2007-08	2008-09	2009-10	2010-11
88	Zilla Parishat/Panchayat	No.	20	27	27	29	29	30	30
89	Gram Panchayats	-do-	2532	5692	5628	5628	5628	5627	5627
90	Taluk Panchyats	-do-	175	175	176	176	176	176	176
91	Municipalities and Corporations	-do-	177	209	219	219	219	219	219

Source:

1. Statistical Abstract of Karnataka 1960-61, 1967-68, 1970-71, 1973-74, 1983-84, 1993-94, 2000-05, 2005-11. & 2011-12
2. Karnataka at a Glance: 1961-62, 1970-71, 1980-81, 1990-91, 2000-01, 2001-02, 2008-09, 2009-10, 2010-11 & 2011-12, 2012-13.


Note:

- a. Per Sq.Mile
 - b. Population aged 5 years and above
 - c. Population aged 7 years and above
 - d. Bales of 170 Kgs. In lint form
 - e. Excluding dispensaries under Indian System of Medicine
 - f. Mandal Panchayats.
- P : Provisional NA: Not Available

KARNATAKA COMPARED WITH INDIA

Sl.No.	Item	Unit	Karnataka	India
	Population as per 2011 Census:			
1	Total	'000s	61095	1210570
2	Males	-do-	30967	623122
3	Females	-do-	30128	587448
4	Rural Population	-do-	37469	833463
5	% of Rural Population		61.3	68.8
6	Urban Population	'000s	23626	377106
7	% of Urban Population		38.7	31.2
8	Sex Ratio	Females per 1000 Males	973	943
9	2001-2011 Decadal Growth of Population	Percent	15.6	17.7
10	Literacy Rate	Percent	75.40	73.00
11	Population of SC/ST (2011 population Census)	'000s	14724	305659
12	Total Workers (2011 Census)	-do-	27873	481743
13	Geographical Area (2011 Census)	Lakh Sq.Kms.	1.92	32.87
14	Net Area sown (2009-10)	'000 ha.	10404	140022
15	Gross Cropped Area (2009-10)	-do-	12873	192197
16	Gross Irrigated (2009-10)	-do-	3942	86423
17	% of Gross Irrigated Area to Gross Cropped Area (2009-10)		30.62	44.97
	Area under Principal Crops (2010-11) :			
18	Paddy	'000 ha.	1540	42863
19	Maize	-do-	1288	8553
20	Jowar	-do-	1243	7382
21	Wheat	-do-	255	29069
22	Bajra	-do-	309	9612
23	All Food Grains	-do-	8239	126771
24	Total Pulses	-do-	2792	26408
25	Sugarcane	-do-	423	4885
26	Cotton	-do-	545	11235
27	Groundnut	-do-	848	5856
28	Total Livestock - 2007	'000s	32883	529698 (P)
29	Forest Area (2005)	Sq.Kms.	4335	774740
30	Total Electricity Generation (2008-09)	G.W.H	36884	741167
31	Total Electricity Consumption (2008-09)	K.W.H	36039.6	527564.0
32	Electricity Consumption in Industries (2008-09)	G.W.H	9069.04	195926.52
33	% of Industrial Consumption to Total Consumption		25.16	37.14
34	Banking Offices (March 2013)	No.	7361	104647
	State/Nation Income at Current Prices (2012-13)			
35	Gross Income	Rs.Crore	524502	9461979
36	Net Income	-do-	466810	8468471
37	Net Per capita Income	Rs.	77309	69585
38	Gross per capita Income	-do-	86864	77748

P: Provisional AE: Advance Estimates.



Economic Survey of
Karnataka 2013-14
STATISTICAL APPENDIX

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Appendix 1.1

Selected Socio- Economic Indicators of States in India

State	Geographical Area(in Lakh Sq. Km.) *	Population (in lakh) *	Density of Population(per Sq Km) *	% of Urban Population to total Population*	% of State Population to all India Population *	Decennial growth rate of Population % *	Sex Ratio *
Reference Year/Date	2011 Census	2011 Census	2011 Census	2011 Census	2011 Census	2001-2011 Census	2011 Census
1	2	3	4	5	6	7	8
Andhra Pradesh	2.75	845.81	308	33.36	6.99	11.0	993
Arunachal Pradesh	0.84	13.84	17	22.94	0.11	26.0	938
Assam	0.78	312.06	398	14.10	2.58	17.1	958
Bihar	0.94	1040.99	1106	11.29	8.60	25.4	918
Jharkhand	0.80	329.88	414	24.05	2.73	22.4	949
Delhi	0.01	167.88	11320	97.50	1.39	21.2	868
Goa	0.04	14.58	394	62.17	0.12	8.2	973
Gujarat	1.96	604.39	308	42.60	4.99	19.3	919
Haryana	0.44	253.51	573	34.88	2.09	19.9	879
Himachal Pradesh	0.56	68.65	123	10.03	0.57	12.9	972
Jammu & Kashmir	2.22	125.41	124	27.38	1.04	23.6	889
Karnataka	1.92	610.95	319	38.67	5.05	15.6	973
Kerala	0.39	334.06	860	47.70	2.76	4.9	1084
Madhya Pradesh	3.08	726.27	236	27.63	6.00	20.3	931
Chattisgarh	1.35	255.45	189	23.24	2.11	22.6	991
Maharashtra	3.08	1123.74	365	45.22	9.28	16.0	929
Manipur	0.22	25.70	115	32.45	0.21	18.6	992
Meghalaya	0.22	29.67	132	20.07	0.25	27.9	989
Mizoram	0.21	10.97	52	52.11	0.09	23.5	976
Nagaland	0.17	19.79	119	28.86	0.16	-0.6	931
Odisha	1.56	419.74	270	16.69	3.47	14.0	979
Punjab	0.50	277.43	551	37.48	2.29	13.9	895
Rajasthan	3.42	685.48	200	24.87	5.66	21.3	928
Sikkim	0.07	6.10	86	25.15	0.05	12.9	890
Tamil Nadu	1.30	721.47	555	48.40	5.96	15.6	996
Tripura	0.10	36.74	350	26.17	0.30	14.8	960
Uttar Pradesh	2.41	1998.12	829	22.27	16.51	20.2	912
Uttarakhand	0.53	100.86	189	30.23	0.83	18.8	963
West Bengal	0.89	912.76	1028	31.87	7.54	13.8	950
India *	32.87	12105.93	382	31.15	100.00	17.7	943

* excludes Union Territories

(Contd.....)

Appendix 1.1

Selected Socio- Economic Indicators of States in India

State	Percentage of SC & ST Population to total population *	Percentage of main workers to Total Workers *	Percentage of Agricultural Labourers to Total Workers *	Female work participation rate *	Literacy Percentage		
					Total *	Male *	Female *
Reference Year	2011 Census	2011 Census	2011 Census	2011 Census	2011 Census	2011 Census	2011 Census
1	9	10	11	12	13	14	15
Andhra Pradesh	23.4	83.8	43.0	36.2	67.02	74.88	58.68
Arunachal Pradesh	68.8	81.5	6.2	35.4	65.38	72.55	53.52
Assam	19.6	72.6	15.4	22.5	72.19	77.85	63
Bihar	17.2	61.5	52.8	19.1	61.8	71.2	46.4
Jharkhand	38.3	52.1	33.9	29.1	66.41	76.84	52.04
Delhi	16.8	95.0	0.7	10.6	86.21	90.94	68.85
Goa	11.9	82.5	4.6	21.9	88.7	92.65	82.16
Gujarat	21.5	82.2	27.6	23.4	78.03	85.75	63.31
Haryana	20.2	78.7	17.1	17.8	75.55	84.06	56.91
Himachal Pradesh	30.9	57.9	4.9	44.8	82.8	89.53	73.51
Jammu & Kashmir	19.3	61.2	12.7	19.1	67.16	76.75	49.12
Karnataka	24.1	83.9	25.7	31.9	75.36	82.47	66.01
Kerala	10.6	80.3	11.4	18.2	94.00	96.11	100.76
Madhya Pradesh	36.7	71.9	38.6	32.6	69.32	78.73	54.49
Chattisgarh	43.4	67.7	41.8	39.7	70.28	80.27	59.58
Maharashtra	21.2	88.5	27.3	31.1	82.34	88.38	69.87
Manipur	38.9	73.8	9.6	38.6	79.21	86.06	71.73
Meghalaya	86.7	77.7	16.7	32.7	74.43	75.95	71.88
Mizoram	94.5	85.3	8.6	36.2	91.33	93.35	86.72
Nagaland	86.5	76.1	6.5	44.7	79.55	82.75	70.01
Odisha	39.9	61.0	38.4	27.2	72.87	81.59	62.46
Punjab	31.9	85.4	16.0	13.9	75.84	80.44	62.52
Rajasthan	31.3	70.5	16.5	35.1	66.11	79.19	47.76
Sikkim	38.4	74.8	8.4	39.6	81.42	86.55	66.39
Tamil Nadu	21.1	85.0	29.2	31.8	80.09	86.77	73.14
Tripura	49.6	73.3	24.1	23.6	87.22	91.53	78.98
Uttar Pradesh	21.3	67.8	30.3	16.7	67.68	77.28	51.36
Uttarakhand	21.7	74.1	10.4	26.7	78.82	87.4	67.06
West Bengal	29.3	73.9	29.3	18.1	76.26	81.69	66.57
India *	25.2	75.2	30.0	25.5	74.04	82.14	65.46

* excludes Union Territories

(Contd.....)

Appendix 1.1

Selected Socio- Economic Indicators of States in India

State	Birth Rate	Death Rate	Infant Mortality Rate	Per capita Income at Current Prices* (Rs)	No. of Students in Primary and Secondary Schools per 000' Population (I - VIII)	Average Yield (qntls/Ha)	
						Total Cereals	Total Pulses
Reference Year/ Date	2011	2011	2011	2012-13	2011-12	2010-11	2010-11
1	16	17	18	19	20	21	22
Andhra Pradesh	17.5	7.5	43	78177	133	32.0	6.8
Arunachal Pradesh	19.8	5.8	32	77647	247	16.9	10.6
Assam	22.8	8.0	55	42036	185	18.2	5.6
Bihar	27.7	6.7	44	28317	200	15.4	8.8
Jharkhand	25.0	6.9	39	43384	202	14.5	7.7
Delhi	17.5	4.3	28	201083	168	39.4	16.1
Goa	13.3	6.7	11	NA	128	28.7	10.6
Gujarat	21.3	6.7	41	NA	139	21.0	8.1
Haryana	21.8	6.5	44	122660	147	36.3	9.0
Himachal Pradesh	16.5	6.7	38	82611	147	18.1	12.1
Jammu & Kashmir	17.8	5.5	41	50641	152	16.7	5.8
Karnataka	18.8	7.1	35	77309	138	22.6	5.6
Kerala	15.2	7.0	12	NA	114	24.3	7.8
Madhya Pradesh	26.9	8.2	59	43864	211	15.0	6.6
Chattisgarh	24.9	7.9	48	52689	186	15.9	6.2
Maharashtra	16.7	6.3	25	107670	144	13.7	7.7
Manipur	14.4	4.1	11	36290	198	24.0	9.0
Meghalaya	24.1	7.8	52	60156	238	18.4	8.5
Mizoram	16.6	4.4	34	NA	236	12.2	15.3
Nagaland	16.1	3.3	21	59535	209	20.1	10.6
Odisha	20.1	8.5	57	49489	155	16.2	4.9
Punjab	16.2	6.8	30	88783	144	42.9	9.1
Rajasthan	26.2	6.7	52	NA	181	15.1	6.9
Sikkim	17.6	5.6	26	142625	206	15.6	9.0
Tamil Nadu	15.9	7.4	22	98550	136	29.0	3.9
Tripura	14.3	5.0	29	55004	164	26.4	7.0
Uttar Pradesh	27.8	7.9	57	33269	177	26.1	8.3
Uttarakhand	18.9	6.2	36	92607	164	19.1	8.5
West Bengal	16.3	6.2	32	62831	162	26.6	9.0
India	21.8	7.1	44	68757	164	22.6	6.9

*2004-05 Series

N A: Not Available

(Contd.....)

Appendix 1.1

Selected Socio- Economic Indicators of States in India

State	Average Yield (qntls/ha)			Per-capita Food grains production (Kgs)	Consumption of fertilizers per ha. of cropped area (Kg. per ha.)	Percentage of Net Area irrigated to total cropped area	Percentage of Net Area sown to total cropped area	Factory employment per lakh popn.
	Total Food Grains	Cotton	Sugar-cane					
Reference Year/Date	2010-11	2010-11	2010-11	2010-11	2011-12	2009-10	2009-10	2010-11
1	23	24	25	26	27	28	29	30
Andhra Pradesh	25.3	4.8	779.4	240	266.11	33.55	79.55	1538
Arunachal Pradesh	16.6	-	193.3	241	2.46	20.29	76.81	0
Assam	17.6	#	362.0	156	67.25	4.81	68.58	534
Bihar	14.8	-	514.7	89	184.24	45.31	71.18	102
Jharkhand	12.6	-	692.9	57	122.49	7.29	89.35	570
Delhi	39.1	-	-	9	12.61	47.83	47.83	728
Goa	27.8	-	545.6	282	47.63	18.13	82.50	3643
Gujarat	18.4	6.7	724.2	138	155.60	38.93	92.49	2143
Haryana	35.3	6.1	710.8	656	224.85	48.32	55.90	2155
Himachal Pradesh	17.9	#	225.3	207	55.18	11.59	58.15	2278
Jammu & Kashmir	16.4	-	16.7	121	87.40	27.69	64.19	441
Karnataka	16.8	3.7	937.5	227	181.43	26.33	80.82	1280
Kerala	24.0	#	955.2	16	112.90	14.46	77.89	1142
Madhya Pradesh	11.6	5.2	409.7	206	88.36	32.19	69.93	428
Chattisgarh	14.2	#	26.3	276	107.10	23.79	84.21	699
Maharashtra	11.8	3.7	848.7	137	133.65	14.39	76.95	1511
Manipur	22.4	-	579.40	231	34.33	22.32	100.00	178
Meghalaya	18.0	#	20.0	81	14.17	18.45	84.23	259
Mizoram	12.5	#	56.4	61	9.67	8.13	100.00	0
Nagaland	19.0	#	430.0	287	2.96	15.02	74.28	112
Odisha	14.3	5.8	689.1	182	56.52	23.94	61.21	674
Punjab	42.8	6.7	595.7	1004	243.56	51.72	52.80	2213
Rajasthan	12.5	4.6	668.9	275	62.35	26.90	78.06	630
Sikkim	14.5	-	-	180	0.00	9.72	53.47	1122
Tamil Nadu	23.9	6.3	1083.9	105	227.01	51.40	87.80	2694
Tripura	25.9	#	516.5	194	60.32	18.77	90.61	907
Uttar Pradesh	23.9	#	567.3	236	169.91	54.34	66.99	405
Uttarakhand	18.4	-	609.0	180	142.74	28.99	63.55	2858
West Bengal	26.0	#	756.10	158	169.70	32.65	55.15	696
India	19.3	5.0	700.90	202	144.33	32.91	72.85	1049

(Contd.....)

Appendix 1.1
Selected Socio- Economic Indicators of States in India

State	Percapita gross Output in Industries (Rs.in lakhs)	Percapita value added in industries (Rs.in lakhs)	No.of. Motor Vehicles per lakh of Population	Total Road Length per 100 Sq. Km. of Area	No.of Banking Offices per lakh of Population	Percapita Deposits (Rs.)	Percapita Bank Credit (Rs.)
Reference Year/Date	2010-11	2010-11	2011	2011	31.03.2012	31.03.2012	31.03.2012
1	31	32	33	34	35	36	37
Andhra Pradesh	1558.59	310.71	12046	86.53	9	40566	44765
Arunachal Pradesh	0.00	0.00	NA	25.74	7	48757	10964
Assam	1601.17	289.56	5070	308.26	5	21798	8134
Bihar	1416.55	190.29	2568	138.74	4	14271	4156
Jharkhand	4440.69	1032.31	9437	29.99	6	27871	9372
Delhi	1691.70	219.87	43055	1999.18	16	361554	344658
Goa	6248.86	1260.48	54147	287.06	33	201827	58354
Gujarat	4765.13	647.47	21498	79.68	9	51189	35693
Haryana	4601.73	640.02	21210	94.38	11	56743	57937
Himachal Pradesh	3751.62	1077.70	9060	86.15	17	56056	20833
Jammu & Kashmir	2698.43	435.25	7392	12.14	9	41784	14315
Karnataka	3228.52	552.48	16253	146.92	11	68591	48518
Kerala	1324.46	162.07	18176	517.77	14	57633	43539
Madhya Pradesh	3095.57	541.66	10128	64.01	6	23036	13167
Chattisgarh	3852.05	748.87	10828	69.51	1	28032	14993
Maharashtra	3591.87	770.49	15514	133.41	8	139572	121543
Manipur	311.94	49.58	8054	85.70	3	17090	5141
Meghalaya	3058.26	882.04	5932	53.43	8	42376	10713
Mizoram	0	0	8478	46.53	9	33740	12854
Nagaland	559.05	66.52	13795	205.96	5	25666	6870
Odisha	3712.39	863.97	7953	166.23	8	30512	14316
Punjab	1412.74	221.42	19010 #	167.18	15	62340	50875
Rajasthan	1996.37	290.46	11650	70.51	7	22061	19886
Sikkim	8415.04	5380.26	6393	65.25	14	66995	21454
Tamil Nadu	1795.41	325.03	21678	147.89	10	59117	68673
Tripura	319.37	88.41	5117	322.07	7	28598	8939
Uttar Pradesh	2583.24	453.73	6650	161.98	16	21284	9373
Uttarakhand	4366.24	1201.86	9885	92.14	14	56262	20038
West Bengal	2810.35	342.69	3573	337.13	6	41860	26317
India	2715.94	479.24	11719	142.68	8	51106	39909

Note:- # Data relates to 2010.

P=Provisional. NA: Not Available.

Appendix 2.1

Gross State Domestic Product at Factor Cost by Industry of Origin - at Current Prices

Sl. No	Industry	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12 SRE	2012-13 FRE	2013-14 AE
1	Agriculture	26455	32588	33268	39022	40613	46792	62440	62548	65055	68573
2	Forestry and Logging	4104	4876	5177	6182	7127	6099	8847	8640	10135	11926
3	Fishing	630	833	942	911	1496	1751	2465	2724	2962	3238
4	Mining and Quarrying	1926	2316	2936	5363	5381	4640	7627	3922	4099	4280
5	Registered	23781	25766	34864	38336	45382	43462	48977	52214	55362	57061
6	Un-registered	6818	7619	8810	10118	12385	11833	13653	15232	16209	16724
7	Construction	14260	17881	21298	26933	29652	30828	38730	44605	49989	54301
8	Electricity, Gas and Watersupply	3704	4458	4793	5346	4441	7456	8714	10648	11544	13134
9	Railways	1003	1085	1309	1586	1520	1689	1660	1803	2072	2268
10	Transport by other means	7356	8589	9790	11221	13608	16203	19367	23939	28476	32767
11	Storage	30	36	46	48	50	83	76	97	107	112
12	Communication	3203	3465	3585	3813	4417	5370	5141	4921	7964	9937
13	Trade, Hotels and Restaurants	23139	28472	32099	39047	43780	47444	58421	64160	70349	75379
14	Banking and Insurance	10212	11004	12856	15112	18279	19979	22718	26626	31248	36194
15	Real estate, Ownership of Dwellings and Business services	21596	26561	32398	39559	48039	56291	66502	81614	100065	122775
16	Public Administration	6616	7320	8301	10023	12322	12059	13598	16522	19741	22213
17	Other services	11915	13035	14766	18008	21820	25578	31768	38678	49126	62931
	Total GSDP	166747	195904	227237	270629	310312	337559	410703	458894	524502	593811
	Population ('00)	553270	559920	566470	572920	579270	585520	591700	597800	603820	609750
	Per Capita GSDP (Rs.)	30138	34988	40115	47237	53570	57651	69411	76764	86864	97386
	Primary Sector	33116	40613	42322	51478	54617	59282	81379	77834	82251	88017
	Secondary Sector	48563	55725	69765	80733	91859	93579	110074	122700	133104	141220
	Tertiary Sector	85069	99566	115150	138417	163836	184697	219251	258360	309147	364574
	Total GSDP	166747	195904	227237	270629	310312	337559	410703	458894	524502	593811
	I. Agriculture	31190	38297	39387	46115	49236	54642	73752	73912	78152	83737
	II. Industry	50489	58041	72701	86096	97240	98219	117700	126622	137203	145500
	III. Services	85069	99566	115150	138417	163836	184697	219251	258360	309147	364574
	Total	166747	195904	227237	270629	310312	337559	410703	458894	524502	593811

AE : Advance Estimates, FRE : First Revised Estimates, SRE : Second Revised Estimates, TRE : Third Revised Estimates Source: Directorate of Economics and Statistics, Government of Karnataka.

Appendix 2.2

Gross State Domestic Product at Factor Cost by Industry of Origin - at Constant(2004-05) Prices

Sl. No	Industry	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12 SRE	2012-13 FRE	2013-14 AE
1	Agriculture	26455	29377	28350	32330	32768	34063	39573	34836	32603	33675
2	Forestry and Logging	4104	4178	4293	4409	4643	4826	5472	5642	5958	6291
3	Fishing	630	730	667	692	868	948	1235	1295	1176	1185
4	Mining and Quarrying	1926	1882	1978	2813	2716	2448	2385	1199	1219	1240
5	Registered	23781	24409	31255	32999	36908	35124	37082	36359	39126	39212
6	Un-registered	6818	7293	8060	8888	10201	9190	9992	10321	10398	10388
7	Construction	14260	16837	18798	22112	21561	21700	25703	26969	27582	27929
8	Electricity,Gas and Watersupply	3704	4295	3952	4171	3247	5079	5385	5756	5860	6452
9	Railways	1003	1103	1216	1388	1318	1307	1384	1488	1584	1647
10	Transport by other means	7356	8207	8634	9399	10292	10872	11929	13366	14473	15036
11	Storage	30	32	40	38	40	48	50	51	50	51
12	Communication	3203	3783	4479	5155	5903	6839	7408	7696	8455	9145
13	Trade,Hotels and Restaurants	23139	26761	28885	32389	33639	34287	38583	40475	41844	43004
14	Banking and Insurance	10212	11853	14212	16876	19448	21318	22507	25540	27788	30416
15	Real estate,Ownership of Dwellings and Business services	21596	24144	27232	31146	34987	34197	35998	39401	43069	46943
16	Public Administration	6616	6988	7456	8451	9406	8306	8702	9786	10755	10964
17	Other services	11915	12406	13153	14945	16476	17038	19335	21527	24719	28051
	Total GSDP	166747	184277	202660	228202	244421	247590	272721	281707	296658	311628
	Population ('00)	553270	559920	566470	572920	579270	585520	591700	597800	603820	609750
	Per Capita GSDP(Rs.)	30138	32911	35776	39831	42195	42286	46091	47124	49130	51108
	Primary Sector	33116	36166	35287	40244	40995	42285	48664	42972	40956	42392
	Secondary Sector	48563	52834	62066	68170	71917	71094	78162	79405	82965	83980
	Tertiary Sector	85069	95277	105307	119788	131509	134211	145895	159330	172737	185256
	Total GSDP	166747	184277	202660	228202	244421	247590	272721	281707	296658	311628
	I.Agriculture	31190	34284	33310	37431	38279	39837	46279	41774	39737	41151
	II.Industry	50489	54716	64043	70983	74633	73542	80547	80604	84185	85221
	III.Services	85069	95277	105307	119788	131509	134211	145895	159330	172737	185256
	Total	166747	184277	202660	228202	244421	247590	272721	281707	296658	311628

(Rs. Crore)

AE : Advance Estimates, FRE : First Revised Estimates, SRE : Second Revised Estimates, TRE : Third Revised Estimates Source: Directorate of Economics and Statistics, Government of Karnataka.

Appendix 2.3

Net State Domestic Product at Factor Cost by Industry of Origin - at Current Prices

Sl. No	Industry	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12 SRE	2012-13 FRE	2013-14 AE
1	Agriculture	24402	30346	30766	36281	37445	42990	57821	58171	60503	63774
2	Forestry and Logging	4051	4816	5114	6103	7023	6022	8742	8531	10007	11776
3	Fishing	549	730	825	798	1282	1488	2102	2290	2490	2722
4	Mining and Quarrying	1594	1886	2382	4406	4258	3565	6114	3076	3214	3356
5	Registered	17783	18559	27251	29174	34320	30979	35351	37654	39925	41150
6	Un-registered	5619	6273	7283	8484	10533	9722	11357	13470	14334	14790
7	Construction	13636	17093	20306	25637	28252	29216	36736	42119	47203	51275
8	Electricity, Gas and Watersupply	2092	2469	2591	2861	2313	4166	4852	5377	5829	6632
9	Railways	652	737	926	1169	1030	1259	1165	1386	1592	1743
10	Transport by other means	6653	7809	8916	10271	12455	14800	17764	21868	26014	29933
11	Storage	28	34	44	45	47	78	71	88	97	102
12	Communication	2689	2886	2970	3204	3651	4308	4056	3458	5596	6982
13	Trade, Hotels and Restaurants	22568	27768	31239	38012	42509	46027	56630	62050	68040	72909
14	Banking and Insurance	10033	10808	12633	14859	17989	19666	22389	26264	30823	35702
15	Real estate, Ownership of Dwellings and Business services	19641	24354	29839	36542	44382	52027	61444	71630	87825	107757
16	Public Administration	5362	5926	6703	8082	10326	10167	11512	14373	17525	19927
17	Other services	11378	12418	14033	17100	20718	24268	30231	36054	45793	58661
	Total NSDP	148729	174911	203819	243028	278534	300747	368338	407861	466810	529191
	Population ('00)	553270	559920	566470	572920	579270	585520	591700	597800	603820	609750
	Per Capita NSDP (Rs.)	26882	31239	35981	42419	48084	51364	62251	68227	77309	86788
	Primary Sector	30595	37778	39086	47588	50007	54064	74780	72068	76214	81628
	Secondary Sector	39130	44394	57431	66157	75418	74083	88296	98621	107290	113846
	Tertiary Sector	79004	92739	107302	129284	153108	172600	205263	237172	283305	333716
	Total NSDP	148729	174911	203819	243028	278534	300747	368338	407861	466810	529191
	I.Agriculture	29002	35892	36704	43182	45750	50499	68666	68992	73000	78272
	II. Industry	40723	46280	59813	70562	79676	77648	94410	101697	110505	117202
	III. Services	79004	92739	107302	129284	153108	172600	205263	237172	283305	333716
	Total	148729	174911	203819	243028	278534	300747	368338	407861	466810	529191

AE : Advance Estimates, FRE : First Revised Estimates, SRE : Second Revised Estimates, TRE : Third Revised Estimates Source: Directorate of Economics and Statistics, Government of Karnataka.

Appendix - 2.4

Net State Domestic Product at Factor Cost by Industry of Origin - at Constant(2004-05) Prices

Sl. No	Industry	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12 SRE	2012-13 FRE	2013-14 AE
1	Agriculture	24402	27224	26095	29997	30276	31376	36579	31827	29787	30767
2	Forestry and Logging	4051	4120	4236	4342	4575	4772	5406	5566	5877	6207
3	Fishing	549	629	553	581	735	738	957	1037	941	948
4	Mining and Quarrying	1594	1469	1470	1968	1780	1595	1257	861	875	890
5	Registered	17783	17436	24126	24666	27340	24668	26060	24693	26572	26630
6	Un-registered	5619	6003	6661	7443	8633	7459	8189	9054	9121	9113
7	Construction	13636	16075	17868	20932	20351	20361	24111	25054	25623	25945
8	Electricity,Gas and Watersupply	2092	2387	1940	1982	1467	2500	2498	2787	2837	3124
9	Railways	652	762	860	1027	929	955	1003	1192	1269	1319
10	Transport by other means	6653	7449	7808	8525	9287	9690	10622	11951	12941	13444
11	Storage	28	30	38	35	37	44	47	47	46	47
12	Communication	2689	3237	3926	4628	5533	5996	6603	7101	7801	8439
13	Trade,Hotels and Restaurants	22568	26080	28099	31495	32624	33191	37274	38895	40210	41325
14	Banking and Insurance	10033	11664	14004	16649	19199	21058	22247	25264	27488	30087
15	Real estate,Ownership of Dwellings and Business services	19641	22008	24934	28644	32210	31095	32568	33780	36925	40247
16	Public Administration	5362	5646	5993	6753	7773	6876	7237	8280	9205	9366
17	Other services	11378	11810	12477	14142	15558	15988	18160	19662	22578	25621
	Total NSDP	148729	164031	181086	203810	218309	218363	240817	247051	260098	273518
	Population (' 00)	553270	559920	566470	572920	579270	585520	591700	597800	603820	609750
	Per Capita NSDP(Rs.)	26882	29295	31967	35574	37687	37294	40699	41327	43075	44857
	Primary Sector	30595	33443	32354	36888	37366	38481	44199	39291	37481	38812
	Secondary Sector	39130	41901	50594	55024	57791	54988	60858	61587	64153	64812
	Tertiary Sector	79004	88687	98138	111898	123152	124894	135760	146173	158464	169895
	Total NSDP	148729	164031	181086	203810	218309	218363	240817	247051	260098	273518
	I.Agriculture	29002	31974	30884	34919	35586	36886	42942	38430	36606	37922
	II.Industry	40723	43370	52063	56992	59572	56584	62115	62448	65028	65702
	III.Services	79004	88687	98138	111898	123152	124894	135760	146173	158464	169895
	Total	148729	164031	181086	203810	218309	218363	240817	247051	260098	273518

AE : Advance Estimates, FRE : First Revised Estimates, SRE : Second Revised Estimates,TRE : Third Revised Estimates Source: Directorate of Economics and Statistics, Government of Karnataka.

Appendix 2.5

Growth Rates of Gross State Domestic Product at Factor Cost by Industry of Origin - at Current Prices

Sl. No	Industry	2005-06 over 2004-05	2006-07 over 2005-06	2007-08 over 2006-07	2008-09 over 2007-08	2009-10 over 2008-09	2010-11 over 2009-10	2011-12 over 2010-11	2012-13 over 2011-12	2013-14 over 2012-13
1	Agriculture	23.2	2.1	17.3	4.1	15.2	33.4	0.2	4.0	5.4
2	Forestry and Logging	18.8	6.2	19.4	15.3	-14.4	45.1	-2.3	17.3	17.7
3	Fishing	32.3	13.0	-3.2	64.2	17.0	40.8	10.5	8.7	9.3
4	Mining and Quarrying	20.2	26.8	82.7	0.3	-13.8	64.4	-48.6	4.5	4.4
5	Registered	8.3	35.3	10.0	18.4	-4.2	12.7	6.6	6.0	3.1
6	Un-registered	11.8	15.6	14.8	22.4	-4.5	15.4	11.6	6.4	3.2
7	Construction	25.4	19.1	26.5	10.1	4.0	25.6	15.2	12.1	8.6
8	Electricity, Gas and Watersupply	20.4	7.5	11.5	-16.9	67.9	16.9	22.2	8.4	13.8
9	Railways	8.2	20.7	21.1	-4.1	11.1	-1.7	8.6	14.9	9.5
10	Transport by other means	16.8	14.0	14.6	21.3	19.1	19.5	23.6	19.0	15.1
11	Storage	20.6	28.9	3.3	4.4	65.8	-8.2	27.5	10.2	5.0
12	Communication	8.2	3.5	6.4	15.8	21.6	-4.3	-4.3	61.8	24.8
13	Trade, Hotels and Restaurants	23.0	12.7	21.6	12.1	8.4	23.1	9.8	9.6	7.1
14	Banking and Insurance	7.8	16.8	17.5	21.0	9.3	13.7	17.2	17.4	15.8
15	Real estate, Ownership of Dwellings and Business services	23.0	22.0	22.1	21.4	17.2	18.1	22.7	22.6	22.7
16	Public Administration	10.6	13.4	20.8	22.9	-2.1	12.8	21.5	19.5	12.5
17	Other services	9.4	13.3	22.0	21.2	17.2	24.2	21.8	27.0	28.1
	Total GSDP	17.5	16.0	19.1	14.7	8.8	21.7	11.7	14.3	13.2
	Percapita GSDP	16.1	14.7	17.8	13.4	7.6	20.4	10.6	13.2	12.1
	Primary Sector	22.6	4.2	21.6	6.1	8.5	37.3	-4.4	5.7	7.0
	Secondary Sector	14.7	25.2	15.7	13.8	1.9	17.6	11.5	8.5	6.1
	Tertiary Sector	17.0	15.7	20.2	18.4	12.7	18.7	17.8	19.7	17.9
	Total GSDP	17.5	16.0	19.1	14.7	8.8	21.7	11.7	14.3	13.2
	I.Agriculture	22.8	2.8	17.1	6.8	11.0	35.0	0.2	5.7	7.1
	II.Industry	15.0	25.3	18.4	12.9	1.0	19.8	7.6	8.4	6.0
	III.Services	17.0	15.7	20.2	18.4	12.7	18.7	17.8	19.7	17.9
	Total	17.5	16.0	19.1	14.7	8.8	21.7	11.7	14.3	13.2

Source: Directorate of Economics and Statistics, Government of Karnataka.

Appendix 2.6

Growth Rates of Gross State Domestic Product at Factor Cost by Industry of Origin - at Constant(2004-05) Prices

Sl. No	Industry	2005-06 over 2004-05	2006-07 over 2005-06	2007-08 over 2006-07	2008-09 over 2007-08	2009-10 over 2008-09	2010-11 over 2009-10	2011-12 over 2010-11	2012-13 over 2011-12	2013-14 over 2012-13
1	Agriculture	11.0	-3.5	14.0	1.4	4.0	16.2	-12.0	-6.4	3.3
2	Forestry and Logging	1.8	2.8	2.7	5.3	3.9	13.4	3.1	5.6	5.6
3	Fishing	15.9	-8.6	3.8	25.4	9.2	30.2	4.9	-9.2	0.8
4	Mining and Quarrying	-2.3	5.1	42.2	-3.4	-9.9	-2.6	-49.7	1.7	1.7
5	Registered	2.6	28.0	5.6	11.8	-4.8	5.6	-1.9	7.6	0.2
6	Un-registered	7.0	10.5	10.3	14.8	-9.9	8.7	3.3	0.7	-0.1
7	Construction	18.1	11.6	17.6	-2.5	0.6	18.4	4.9	2.3	1.3
8	Electricity, Gas and Watersupply	15.9	-8.0	5.5	-22.2	56.5	6.0	6.9	1.8	10.1
9	Railways	10.0	10.3	14.1	-5.1	-0.8	5.9	7.5	6.4	4.0
10	Transport by other means	11.6	5.2	8.9	9.5	5.6	9.7	12.0	8.3	3.9
11	Storage	6.6	27.5	-6.6	6.1	20.1	3.9	1.7	-1.6	2.2
12	Communication	18.1	18.4	15.1	14.5	15.9	8.3	3.9	9.9	8.2
13	Trade, Hotels and Restaurants	15.7	7.9	12.1	3.9	1.9	12.5	4.9	3.4	2.8
14	Banking and Insurance	16.1	19.9	18.8	15.2	9.6	5.6	13.5	8.8	9.5
15	Real estate, Ownership of Dwellings and Business services	11.8	12.8	14.4	12.3	-2.3	5.3	9.5	9.3	9.0
16	Public Administration	5.6	6.7	13.4	11.3	-11.7	4.8	12.5	9.9	1.9
17	Other services	4.1	6.0	13.6	10.2	3.4	13.5	11.3	14.8	13.5
	Total GSDP	10.5	10.0	12.6	7.1	1.3	10.2	3.3	5.3	5.0
	Percapita GSDP	9.2	8.7	11.3	5.9	0.2	9.0	2.2	4.3	4.0
	Primary Sector	9.2	-2.4	14.0	1.9	3.1	15.1	-11.7	-4.7	3.5
	Secondary Sector	8.8	17.5	9.8	5.5	-1.1	9.9	1.6	4.5	1.2
	Tertiary Sector	12.0	10.5	13.8	9.8	2.1	8.7	9.2	8.4	7.2
	Total GSDP	10.5	10.0	12.6	7.1	1.3	10.2	3.3	5.3	5.0
	I. Agriculture	9.9	-2.8	12.4	2.3	4.1	16.2	-9.7	-4.9	3.6
	II. Industry	8.4	17.0	10.8	5.1	-1.5	9.5	0.1	4.4	1.2
	III. Services	12.0	10.5	13.8	9.8	2.1	8.7	9.2	8.4	7.2
	Total	10.5	10.0	12.6	7.1	1.3	10.2	3.3	5.3	5.0

and Statistics, Government of Karnataka.

Appendix 2.7

Growth Rates of Net State Domestic Product at Factor Cost by Industry of Origin - at Current Prices

Sl. No	Industry	2005-06 over 2004-05	2006-07 over 2005-06	2007-08 over 2006-07	2008-09 over 2007-08	2009-10 over 2008-09	2010-11 over 2009-10	2011-12 over 2010-11	2012-13 over 2011-12	2013-14 over 2012-13	(Percent)
1	Agriculture	24.4	1.4	17.9	3.2	14.8	34.5	0.6	4.0	5.4	
2	Forestry and Logging	18.9	6.2	19.4	15.1	-14.3	45.2	-2.4	17.3	17.7	
3	Fishing	33.0	13.0	-3.3	60.7	16.1	41.3	8.9	8.7	9.3	
4	Mining and Quarrying	18.4	26.3	84.9	-3.4	-16.3	71.5	-49.7	4.5	4.4	
5	Registered	4.4	46.8	7.1	17.6	-9.7	14.1	6.5	6.0	3.1	
6	Un-registered	11.6	16.1	16.5	24.1	-7.7	16.8	18.6	6.4	3.2	
7	Construction	25.4	18.8	26.3	10.2	3.4	25.7	14.7	12.1	8.6	
8	Electricity, Gas and Watersupply	18.0	5.0	10.4	-19.2	80.1	16.5	10.8	8.4	13.8	
9	Railways	13.1	25.7	26.3	-11.9	22.2	-7.5	18.9	14.9	9.5	
10	Transport by other means	17.4	14.2	15.2	21.3	18.8	20.0	23.1	19.0	15.1	
11	Storage	19.9	28.6	2.7	3.4	66.6	-8.7	24.9	10.2	5.0	
12	Communication	7.3	2.9	7.9	14.0	18.0	-5.9	-14.7	61.8	24.8	
13	Trade, Hotels and Restaurants	23.0	12.5	21.7	11.8	8.3	23.0	9.6	9.7	7.2	
14	Banking and Insurance	7.7	16.9	17.6	21.1	9.3	13.9	17.3	17.4	15.8	
15	Real estate, Ownership of Dwellings and Business services	24.0	22.5	22.5	21.5	17.2	18.1	16.6	22.6	22.7	
16	Public Administration	10.5	13.1	20.6	27.8	-1.5	13.2	24.8	21.9	13.7	
17	Other services	9.1	13.0	21.9	21.2	17.1	24.6	19.3	27.0	28.1	
	Total NSDP	17.6	16.5	19.2	14.6	8.0	22.5	10.7	14.5	13.4	
	Percapita NSDP	16.2	15.2	17.9	13.4	6.8	21.2	9.6	13.3	12.3	
	Primary Sector	23.5	3.5	21.8	5.1	8.1	38.3	-3.6	5.8	7.1	
	Secondary Sector	13.5	29.4	15.2	14.0	-1.8	19.2	11.7	8.8	6.1	
	Tertiary Sector	17.4	15.7	20.5	18.4	12.7	18.9	15.5	19.5	17.8	
	Total NSDP	17.6	16.5	19.2	14.6	8.0	22.5	10.7	14.5	13.4	
	I.Agriculture	23.8	2.3	17.7	5.9	10.4	36.0	0.5	5.8	7.2	
	II. Industry	13.6	29.2	18.0	12.9	-2.5	21.6	7.7	8.7	6.1	
	III. Services	17.4	15.7	20.5	18.4	12.7	18.9	15.5	19.5	17.8	
	Total	17.6	16.5	19.2	14.6	8.0	22.5	10.7	14.5	13.4	

and Statistics, Government of Karnataka.

Appendix 2.8

Growth Rates of Net State Domestic Product at Factor Cost by Industry of Origin - at Constant(2004-05) Prices

Sl. No	Industry	2005-06 over 2004-05	2006-07 over 2005-06	2007-08 over 2006-07	2008-09 over 2007-08	2009-10 over 2008-09	2010-11 over 2009-10	2011-12 over 2010-11	2012-13 over 2011-12	2013-14 over 2012-13
1	Agriculture	11.6	-4.1	15.0	0.9	3.6	16.6	-13.0	-6.4	3.3
2	Forestry and Logging	1.7	2.8	2.5	5.4	4.3	13.3	3.0	5.6	5.6
3	Fishing	14.7	-12.1	4.9	26.6	0.4	29.8	8.3	-9.2	0.8
4	Mining and Quarrying	-7.8	0.0	33.9	-9.6	-10.4	-21.2	-31.5	1.7	1.7
5	Registered	-2.0	38.4	2.2	10.8	-9.8	5.6	-5.2	7.6	0.2
6	Un-registered	6.8	11.0	11.8	16.0	-13.6	9.8	10.6	0.7	-0.1
7	Construction	17.9	11.2	17.2	-2.8	0.1	18.4	3.9	2.3	1.3
8	Electricity, Gas and Watersupply	14.1	-18.7	2.2	-26.0	70.3	-0.1	11.5	1.8	10.1
9	Railways	17.0	12.8	19.4	-9.5	2.8	5.0	18.9	6.4	4.0
10	Transport by other means	12.0	4.8	9.2	8.9	4.3	9.6	12.5	8.3	3.9
11	Storage	5.5	27.6	-7.4	5.8	18.4	4.8	0.4	-1.6	2.2
12	Communication	20.4	21.3	17.9	19.6	8.4	10.1	7.6	9.9	8.2
13	Trade, Hotels and Restaurants	15.6	7.7	12.1	3.6	1.7	12.3	4.3	3.4	2.8
14	Banking and Insurance	16.3	20.1	18.9	15.3	9.7	5.6	13.6	8.8	9.5
15	Real estate, Ownership of Dwellings and Business services	12.1	13.3	14.9	12.4	-3.5	4.7	3.7	9.3	9.0
16	Public Administration	5.3	6.1	12.7	15.1	-11.5	5.2	14.4	11.2	1.7
17	Other services	3.8	5.6	13.3	10.0	2.8	13.6	8.3	14.8	13.5
	Total NSDP	10.3	10.4	12.5	7.1	0.0	10.3	2.6	5.3	5.2
	Percapita NSDP	9.0	9.1	11.3	5.9	-1.0	9.1	1.5	4.2	4.1
	Primary Sector	9.3	-3.3	14.0	1.3	3.0	14.9	-11.1	-4.6	3.6
	Secondary Sector	7.1	20.7	8.8	5.0	-4.9	10.7	1.2	4.2	1.0
	Tertiary Sector	12.3	10.7	14.0	10.1	1.4	8.7	7.7	8.4	7.2
	Total NSDP	10.3	10.4	12.5	7.1	0.0	10.3	2.6	5.3	5.2
	I.Agriculture	10.2	-3.4	13.1	1.9	3.7	16.4	-10.5	-4.7	3.6
	II.Industry	6.5	20.0	9.5	4.5	-5.0	9.8	0.5	4.1	1.0
	III.Services	12.3	10.7	14.0	10.1	1.4	8.7	7.7	8.4	7.2
	Total	10.3	10.4	12.5	7.1	0.0	10.3	2.6	5.3	5.2

Source: Directorate of Economics and Statistics, Government of Karnataka.

Appendix 2.9

Sectoral Composition of Gross State Domestic Product at Factor Cost by Industry of Origin - at Current Prices

Sl. No	Industry	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12 SRE	2012-13 FRE	2013-14 AE
1	Agriculture	15.87	16.63	14.64	14.42	13.09	13.86	15.20	13.63	12.40	11.55
2	Forestry and Logging	2.46	2.49	2.28	2.28	2.30	1.81	2.15	1.88	1.93	2.01
3	Fishing	0.38	0.43	0.41	0.34	0.48	0.52	0.60	0.59	0.56	0.55
4	Mining and Quarrying	1.15	1.18	1.29	1.98	1.73	1.37	1.86	0.85	0.78	0.72
5	Registered	14.26	13.15	15.34	14.17	14.62	12.88	11.93	11.38	10.56	9.61
6	Un-registered	4.09	3.89	3.88	3.74	3.99	3.51	3.32	3.32	3.09	2.82
7	Construction	8.55	9.13	9.37	9.95	9.56	9.13	9.43	9.72	9.53	9.14
8	Electricity, Gas and Watersupply	2.22	2.28	2.11	1.98	1.43	2.21	2.12	2.32	2.20	2.21
9	Railways	0.60	0.55	0.58	0.59	0.49	0.50	0.40	0.39	0.39	0.38
10	Transport by other means	4.41	4.38	4.31	4.15	4.39	4.80	4.72	5.22	5.43	5.52
11	Storage	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
12	Communication	1.92	1.77	1.58	1.41	1.42	1.59	1.25	1.07	1.52	1.67
13	Trade, Hotels and Restaurants	13.88	14.53	14.13	14.43	14.11	14.05	14.22	13.98	13.41	12.69
14	Banking and Insurance	6.12	5.62	5.66	5.58	5.89	5.92	5.53	5.80	5.96	6.10
15	Real estate, Ownership of Dwellings and Business services	12.95	13.56	14.26	14.62	15.48	16.68	16.19	17.78	19.08	20.68
16	Public Administration	3.97	3.74	3.65	3.70	3.97	3.57	3.31	3.60	3.76	3.74
17	Other services	7.15	6.65	6.50	6.65	7.03	7.58	7.74	8.43	9.37	10.60
	Total GSDP	100	100	100	100	100	100	100	100	100	100
	Primary Sector	19.86	20.73	18.62	19.02	17.60	17.56	19.81	16.96	15.68	14.82
	Secondary Sector	29.12	28.45	30.70	29.83	29.60	27.72	26.80	26.74	25.38	23.78
	Tertiary Sector	51.02	50.82	50.67	51.15	52.80	54.72	53.38	56.30	58.94	61.40
	Total GSDP	100	100	100	100	100	100	100	100	100	100
	I. Agriculture	18.70	19.55	17.33	17.04	15.87	16.19	17.96	16.11	14.90	14.10
	II. Industry	30.28	29.63	31.99	31.81	31.34	29.10	28.66	27.59	26.16	24.50
	III. Services	51.02	50.82	50.67	51.15	52.80	54.72	53.38	56.30	58.94	61.40
	Total	100	100	100	100	100	100	100	100	100	100

AE : Advance Estimates, FRE : First Revised Estimates, SRE : Second Revised Estimates, TRE : Third Revised Estimates Source : Directorate of Economics and Statistics, Government of Karnataka.

Appendix 2.10
Sectoral Composition of Gross State Domestic Product at Factor Cost by Industry of Origin - at Constant(2004-05) Prices

Sl. No	Industry	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12 SRE	2012-13 FRE	2013-14 AE
1	Agriculture	15.87	15.94	13.99	14.17	13.41	13.76	14.51	12.37	10.99	10.81
2	Forestry and Logging	2.46	2.27	2.12	1.93	1.90	1.95	2.01	2.00	2.01	2.02
3	Fishing	0.38	0.40	0.33	0.30	0.36	0.38	0.45	0.46	0.40	0.38
4	Mining and Quarrying	1.15	1.02	0.98	1.23	1.11	0.99	0.87	0.43	0.41	0.40
5	Registered	14.26	13.25	15.42	14.46	15.10	14.19	13.60	12.91	13.19	12.58
6	Un-registered	4.09	3.96	3.98	3.89	4.17	3.71	3.66	3.66	3.50	3.33
7	Construction	8.55	9.14	9.28	9.69	8.82	8.76	9.42	9.57	9.30	8.96
8	Electricity,Gas and Watersupply	2.22	2.33	1.95	1.83	1.33	2.05	1.97	2.04	1.98	2.07
9	Railways	0.60	0.60	0.60	0.61	0.54	0.53	0.51	0.53	0.53	0.53
10	Transport by other means	4.41	4.45	4.26	4.12	4.21	4.39	4.37	4.74	4.88	4.82
11	Storage	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
12	Communication	1.92	2.05	2.21	2.26	2.42	2.76	2.72	2.73	2.85	2.93
13	Trade,Hotels and Restaurants	13.88	14.52	14.25	14.19	13.76	13.85	14.15	14.37	14.11	13.80
14	Banking and Insurance	6.12	6.43	7.01	7.40	7.96	8.61	8.25	9.07	9.37	9.76
15	Real estate,Ownership of Dwellings and Business services	12.95	13.10	13.44	13.65	14.31	13.81	13.20	13.99	14.52	15.06
16	Public Administration	3.97	3.79	3.68	3.70	3.85	3.35	3.19	3.47	3.63	3.52
17	Other services	7.15	6.73	6.49	6.55	6.74	6.88	7.09	7.64	8.33	9.00
	Total GSDP	100	100	100	100	100	100	100	100	100	100
	Primary Sector	19.86	19.63	17.41	17.64	16.77	17.08	17.84	15.25	13.81	13.60
	Secondary Sector	29.12	28.67	30.63	29.87	29.42	28.71	28.66	28.19	27.97	26.95
	Tertiary Sector	51.02	51.70	51.96	52.49	53.80	54.21	53.50	56.56	58.23	59.45
	Total GSDP	100	100	100	100	100	100	100	100	100	100
	I.Agriculture	18.70	18.60	16.44	16.40	15.66	16.09	16.97	14.83	13.39	13.21
	II.Industry	30.28	29.69	31.60	31.11	30.53	29.70	29.53	28.61	28.38	27.35
	III.Services	51.02	51.70	51.96	52.49	53.80	54.21	53.50	56.56	58.23	59.45
	Total	100	100	100	100	100	100	100	100	100	100

AE : Advance Estimates, FRE : First Revised Estimates, SRE : Second Revised Estimates,TRE : Third Revised Estimates Source: Directorate of Economics and Statistics, Government of Karnataka.

Appendix 2.11

Sectoral Composition of Net State Domestic Product at Factor Cost by Industry of Origin - at Current Prices

Sl. No	Industry	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12 SRE	2012-13 FRE	2013-14 AE
1	Agriculture	16.41	17.35	15.09	14.93	13.44	14.29	15.70	14.26	12.96	12.05
2	Forestry and Logging	2.72	2.75	2.51	2.51	2.52	2.00	2.37	2.09	2.14	2.23
3	Fishing	0.37	0.42	0.40	0.33	0.46	0.49	0.57	0.56	0.53	0.51
4	Mining and Quarrying	1.07	1.08	1.17	1.81	1.53	1.19	1.66	0.75	0.69	0.63
5	Registered	11.96	10.61	13.37	12.00	12.32	10.30	9.60	9.23	8.55	7.78
6	Un-registered	3.78	3.59	3.57	3.49	3.78	3.23	3.08	3.30	3.07	2.79
7	Construction	9.17	9.77	9.96	10.55	10.14	9.71	9.97	10.33	10.11	9.69
8	Electricity, Gas and Watersupply	1.41	1.41	1.27	1.18	0.83	1.39	1.32	1.32	1.25	1.25
9	Railways	0.44	0.42	0.45	0.48	0.37	0.42	0.32	0.34	0.34	0.33
10	Transport by other means	4.47	4.46	4.37	4.23	4.47	4.92	4.82	5.36	5.57	5.66
11	Storage	0.02	0.02	0.02	0.02	0.02	0.03	0.02	0.02	0.02	0.02
12	Communication	1.81	1.65	1.46	1.32	1.31	1.43	1.10	0.85	1.20	1.32
13	Trade, Hotels and Restaurants	15.17	15.88	15.33	15.64	15.26	15.30	15.37	15.21	14.58	13.78
14	Banking and Insurance	6.75	6.18	6.20	6.11	6.46	6.54	6.08	6.44	6.60	6.75
15	Real estate, Ownership of Dwellings and Business services	13.21	13.92	14.64	15.04	15.93	17.30	16.68	17.56	18.81	20.36
16	Public Administration	3.61	3.39	3.29	3.33	3.71	3.38	3.13	3.52	3.75	3.77
17	Other services	7.65	7.10	6.88	7.04	7.44	8.07	8.21	8.84	9.81	11.09
	Total NSDP	100	100	100	100	100	100	100	100	100	100
	Primary Sector	20.57	21.60	19.18	19.58	17.95	17.98	20.30	17.67	16.33	15.43
	Secondary Sector	26.31	25.38	28.18	27.22	27.08	24.63	23.97	24.18	22.98	21.51
	Tertiary Sector	53.12	53.02	52.65	53.20	54.97	57.39	55.73	58.15	60.69	63.06
	Total NSDP	100	100	100	100	100	100	100	100	100	100
	I. Agriculture	19.50	20.52	18.01	17.77	16.43	16.79	18.64	16.92	15.64	14.79
	II. Industry	27.38	26.46	29.35	29.03	28.61	25.82	25.63	24.93	23.67	22.15
	III. Services	53.12	53.02	52.65	53.20	54.97	57.39	55.73	58.15	60.69	63.06
	Total	100	100	100	100	100	100	100	100	100	100

AE : Advance Estimates, FRE : First Revised Estimates, SRE : Second Revised Estimates, TRE : Third Revised Estimates Source: Directorate of Economics and Statistics, Government of Karnataka.

Appendix 2.12

Sectoral Composition of Net State Domestic Product at Factor Cost by Industry of Origin - at Constant(2004-05) Prices

Sl. No	Industry	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12 SRE	2012-13 FRE	2013-14 AE
1	Agriculture	16.41	16.60	14.41	14.72	13.87	14.37	15.19	12.88	11.45	11.25
2	Forestry and Logging	2.72	2.51	2.34	2.13	2.10	2.19	2.24	2.25	2.26	2.27
3	Fishing	0.37	0.38	0.31	0.28	0.34	0.34	0.40	0.42	0.36	0.35
4	Mining and Quarrying	1.07	0.90	0.81	0.97	0.82	0.73	0.52	0.35	0.34	0.33
5	Registered	11.96	10.63	13.32	12.10	12.52	11.30	10.82	10.00	10.22	9.74
6	Un-registered	3.78	3.66	3.68	3.65	3.95	3.42	3.40	3.66	3.51	3.33
7	Construction	9.17	9.80	9.87	10.27	9.32	9.32	10.01	10.14	9.85	9.49
8	Electricity, Gas and Watersupply	1.41	1.46	1.07	0.97	0.67	1.14	1.04	1.13	1.09	1.14
9	Railways	0.44	0.46	0.47	0.50	0.43	0.44	0.42	0.48	0.49	0.48
10	Transport by other means	4.47	4.54	4.31	4.18	4.25	4.44	4.41	4.84	4.98	4.92
11	Storage	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
12	Communication	1.81	1.97	2.17	2.27	2.53	2.75	2.74	2.87	3.00	3.09
13	Trade, Hotels and Restaurants	15.17	15.90	15.52	15.45	14.94	15.20	15.48	15.74	15.46	15.11
14	Banking and Insurance	6.75	7.11	7.73	8.17	8.79	9.64	9.24	10.23	10.57	11.00
15	Real estate, Ownership of Dwellings and Business services	13.21	13.42	13.77	14.05	14.75	14.24	13.52	13.67	14.20	14.71
16	Public Administration	3.61	3.44	3.31	3.31	3.56	3.15	3.01	3.35	3.54	3.42
17	Other services	7.65	7.20	6.89	6.94	7.13	7.32	7.54	7.96	8.68	9.37
	Total NSDP	100	100	100	100	100	100	100	100	100	100
	Primary Sector	20.57	20.39	17.87	18.10	17.12	17.62	18.35	15.90	14.41	14.19
	Secondary Sector	26.31	25.54	27.94	27.00	26.47	25.18	25.27	24.93	24.67	23.70
	Tertiary Sector	53.12	54.07	54.19	54.90	56.41	57.20	56.37	59.17	60.92	62.11
	Total NSDP	100	100	100	100	100	100	100	100	100	100
	I. Agriculture	19.50	19.49	17.05	17.13	16.30	16.89	17.83	15.56	14.07	13.86
	II. Industry	27.38	26.44	28.75	27.96	27.29	25.91	25.79	25.28	25.00	24.02
	III. Services	53.12	54.07	54.19	54.90	56.41	57.20	56.37	59.17	60.92	62.11
	Total	100	100	100	100	100	100	100	100	100	100

AE : Advance Estimates, FRE : First Revised Estimates, SRE : Second Revised Estimates, TIRE : Third Revised Estimates Source: Directorate of Economics and Statistics, Government of Karnataka.

Appendix 2.13

Gross / Net District Domestic Product and Per Capita Net District Income for the year 2011-12

Sl. No	District	(Rs. Crore)				
		At Current Prices		(Provisional)		
		Gross District Domestic Product (GDDP)	Net District Domestic Product (NDDP)	At Constant (2004-05) Domestic Product (GDDP)	Net District Domestic Product (NDDP)	
					Per capita Income (Net District Domestic Product (NDDP) at Current Prices) (in Rs.)	
1	Bagalkote	9646	8660	5821	5162	46350
2	Bangalore Urban	155248	135762	95971	82448	183607
3	Bangalore Rural	10511	9061	6750	5702	94124
4	Belgaum	25947	23177	16078	14158	48619
5	Bellary	17329	15142	9523	8218	66038
6	Bidar	6706	6037	3911	3466	35526
7	Bijapur	9294	8450	5413	4863	41347
8	Chamarajanagar	4298	3901	2754	2471	35720
9	Chickballapur	5937	5352	3518	3128	41176
10	Chickmagalur	8209	7475	4852	4394	57926
11	Chitradurga	7602	6821	4525	4019	39728
12	Dakshina Kannada	20635	18677	13595	12269	87012
13	Davangere	10861	9816	6453	5769	48453
14	Dharwad	14103	12744	8888	7963	70233
15	Gadag	5285	4751	3194	2842	43224
16	Gulbarga	11132	9992	6321	5580	40622
17	Hassan	10304	9287	6352	5668	47691
18	Haveri	7222	6526	4334	3864	40092
19	Kodagu	6890	6334	3580	3265	102074
20	Kolar	9011	7949	5906	5139	50665
21	Koppal	7124	6355	4231	3705	46975
22	Mandya	9011	8105	5598	4975	40631
23	Mysore	21858	19628	13770	12200	65703
24	Raichur	8021	7173	4392	3877	37977
25	Rannagara	8550	7513	5447	4771	64454
26	Shimoga	10527	9438	6883	6130	50800
27	Tumkur	14335	12772	8993	7915	43687
28	Udupi	10661	9546	6965	6197	75885
29	Uttara Kannada	8593	7747	5408	4855	50598
30	Yadagiri	4046	3666	2279	2037	33895
	State	458894	407861	281707	247051	68227

Source: Directorate of Economics and Statistics, Government of Karnataka. Economic Survey 2013-14

Appendix 2.14

Net District Income in Karnataka at Current and Constant (2004-05) prices - 2011-12

Sl. No	District	NSDP Current Prices			NSDP Constant Prices			(Provisional) (Rs. Crore)	
		Primary	Secondary	Tertiary	Total	Primary	Secondary		Tertiary	Total
1	Bagalkote	3000	1842	3818	8660	1647	1124	2392	5162
2	Bangalore Urban	1708	38089	95965	135762	844	24203	57402	82448
3	Bangalore Rural	1457	2843	4761	9061	875	1810	3017	5702
4	Belgaum	6294	5481	11403	23177	3590	3400	7169	14158
5	Bellary	4448	3673	7020	15142	1636	2300	4282	8218
6	Bidar	1531	1203	3303	6037	847	730	1889	3466
7	Bijapur	2643	1845	3962	8450	1376	1111	2375	4863
8	Chamarajanagar	1549	567	1785	3901	1121	340	1009	2471
9	Chickballapur	1858	1081	2412	5352	1077	653	1398	3128
10	Chickmagalur	2935	1016	3524	7475	1529	624	2241	4394
11	Chitradurga	1961	1340	3520	6821	1090	818	2112	4019
12	Dakshina Kannada	2342	4365	11970	18677	1183	2688	8398	12269
13	Davangere	2953	1758	5105	9816	1524	1069	3177	5769
14	Dharwad	1386	3120	8238	12744	693	1937	5334	7963
15	Gadag	1128	955	2667	4751	527	588	1727	2842
16	Gulbarga	2661	1903	5429	9992	1156	1163	3260	5580
17	Hassan	3127	1671	4489	9287	1788	1025	2855	5668
18	Haveri	2341	1144	3041	6526	1291	706	1867	3864
19	Kodagu	3002	538	2794	6334	1142	329	1793	3265
20	Kolar	2345	1980	3624	7949	1695	1229	2215	5139
21	Koppal	2186	1486	2683	6355	1181	922	1602	3705
22	Mandya	2722	1736	3648	8105	1716	1058	2201	4975
23	Mysore	3273	4892	11462	19628	2089	3039	7072	12200
24	Raichur	2140	1523	3510	7173	880	929	2068	3877
25	Ramnagara	1677	1718	4118	7513	1103	1095	2573	4771
26	Shimoga	2011	2336	5091	9438	1385	1445	3299	6130
27	Tumkur	3430	3284	6059	12772	2203	2023	3688	7915
28	Udupi	1610	2583	5353	9546	938	1616	3642	6197
29	Uttara Kannada	1463	1893	4391	7747	771	1158	2926	4855
30	Yadagiri	884	756	2026	3666	393	457	1187	2037
	State	72068	98621	237172	407861	39291	61587	146173	247051

Source: Directorate of Economics and Statistics, Government of Karnataka.

Appendix 2.15

Index Numbers of Wholesale Prices in India (2011-12 to 2013-14)

Base Year : 2004-05=100

Sl. No.	Item group	Weight	2011-12		2012-13		2013-14		Percentage variation in November over April		
			April	November	April	November	April	November	2011-12	2012-13	2013-14
1	Primary Articles	20.12	196.8	201.8	215.6	221.1	226.5	256.3	2.54	2.55	13.16
2	Fuel & Power	14.91	159.5	171.6	178.8	188.7	193.7	209.6	7.59	5.54	8.21
3	Manufactured Products	64.97	136.6	140.4	143.8	148.0	149.1	151.9	2.78	2.92	1.88
	All Commodities	100.00	152.1	157.4	163.5	168.8	171.3	181.5	3.48	3.24	5.95

Source: Office of the Economic Adviser, Ministry of Commerce and Industry, GOI.

Appendix 2.16
All - India Wholesale Prices Index Numbers (2000-01 to 2012-13)

Year	Primary Articles	All Commodities	Percentage variation over previous year/month	
			Primary Articles	All Commodities
Base year: 1993-94=100				
2000-01	162.5	155.7	2.85	7.16
2001-02	168.4	161.3	3.63	3.60
2002-03	174.0	166.8	3.33	3.41
2003-04	181.5	175.9	4.31	5.46
2004-05	188.1	187.3	3.64	6.48
New Base year: 2004-05=100				
2005-06	104.3	104.4	4.30	4.40
2006-07	114.3	111.2	9.59	6.51
2007-08	123.9	116.5	8.40	4.77
2008-09	137.5	125.9	10.98	8.07
2009-10	154.9	130.4	12.65	3.57
2010-11	182.0	143.0	17.50	9.66
2011-12	200.3	156.1	10.05	9.16
2012-13	220.0	167.6	9.84	7.37
(April 2013 to November 2013)				
April 2013	226.5	171.3	1.52	0.71
May 2013	227.3	171.4	0.35	0.06
June 2013	233.9	173.2	2.90	1.05
July 2013	240.3	175.5	2.74	1.33
August 2013	251.9	179.0	4.83	1.99
September 2013	252.7	180.7	0.32	0.95
October 2013	251.6	180.3	-0.44	-0.22
November 2013	256.3	181.5	1.87	0.67

Source: Office of the Economic Adviser, Ministry of Commerce and Industry, GOI.

Appendix 2.17

**Wholesale Price Index Numbers of Agricultural
Commodities in Karnataka**

Base year : 1981-82=100

Year	Index	Percentage variation over previous year/month
2000-01	402	-6.29
2001-02	387	-3.73
2002-03	397	2.58
2003-04	428	7.81
2004-05	439	2.57
2005-06	461	5.01
2006-07	501	8.68
2007-08	546	8.98
2008-09	671	22.89
2009-10	754	12.37
2010-11	794	5.31
2011-12	891	12.22
2012-13	978	9.76
(April 2013 to November 2013)		
April 2013	1034	-2.45
May 2013	1041	0.68
June 2013	1040	-0.10
July 2013	1054	1.35
August 2013	1068	1.33
September 2013	1082	1.31
October 2013	1059	-2.13
November 2013	1036	-2.17

Source : Directorate of Economics and Statistics, GOK.

Appendix 2.18

Groupwise Index Numbers of Wholesale Prices of Agricultural Commodities in Karnataka

Base Year 1981-82=100

Sl.No	Commodity Group	Weight	2011-12		2012-13		2013-14		Percentage variation in November over April		
			April	November	April	November	April	November	2011-12	2012-13	2013-14
1	Cereals	29.89	917	916	941	1048	1162	1095	-0.11	11.37	-5.77
2	Pulses	4.92	887	934	898	1210	1142	1211	5.30	34.74	6.04
3	Oilseeds	17.31	784	820	964	1136	1126	971	4.59	17.84	-13.77
4	Gur & Sugar	14.56	578	626	617	675	674	663	8.30	9.40	-1.63
5	Fiber	9.64	778	671	705	691	751	723	-13.75	-1.99	-3.73
6	Condiments and Spices	2.27	825	880	705	670	799	833	6.67	-4.96	4.26
7	Miscellaneous *	21.41	1229	1225	1053	1200	1154	1382	-0.33	13.96	19.76
All Commodities		100.00	894	906	892	1007	1034	1036	1.34	12.89	0.19

Note: * Miscellaneous items include coffee, onion, potato, tobacco, tamarind, coconut and areca nut.

Source: Directorate of Economics and Statistics, GOK.

Appendix 2.19

Consumer Price Index Numbers for Industrial Workers at All India and Karnataka

Month	All India			Karnataka*		
	Base year : 2001=100			Base year : 1987-88=100		
	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
April	186	205	226	531	587	667
May	187	206	228	537	594	674
June	189	208	231	540	595	686
July	193	212	235	545	606	690
August	194	214	237	546	601	695
September	197	215	238	554	604	699
October	198	217	241	558	611	705
November	199	218	243	566	622	709
December	197	219		563	626	
January	198	221		567	635	
February	199	223		575	644	
March	201	224		580	649	

Note : * Average of 16 centres (11 State series + 5 Central series)

Source : 1) Labour Bureau, Shimla, GOI.

2) Directorate of Economics and Statistics, GOK.

Appendix 2.20
Consumer Price Index Numbers for Industrial Workers in Karnataka

Sl. No.	Centres	2011-12		2012-13		2013-14		Percentage variation in November over April		
		April	November	April	November	April	November	2011-12	2012-13	2013-14
Central Series (Base year: 2001=100)										
1	Bangalore	190	200	209	220	236	247	5.26	5.26	4.66
2	Belgaum	199	208	213	220	239	249	4.52	3.29	4.18
3	Hubli-Dharwad	194	208	213	224	239	257	7.22	5.16	7.53
4	Madikere	181	194	198	219	236	251	7.18	10.61	6.36
5	Mysore	183	200	203	213	239	253	9.29	4.93	5.86
State Series (Base year: 1987-88=100)										
6	Bellary	461	488	503	548	578	624	5.86	8.95	7.96
7	Bhadravathi	471	520	547	597	631	675	10.40	9.14	6.97
8	Davanagere	518	559	590	640	677	733	7.92	8.47	8.27
9	Dandeli	494	537	547	583	611	668	8.70	6.58	9.33
10	Gulbarga	444	491	512	525	545	599	10.59	2.54	9.91
11	Harihara	428	465	495	544	582	627	8.64	9.90	7.73
12	Hassan	476	505	523	573	603	664	6.09	9.56	10.12
13	Mandya	505	546	581	632	676	732	8.12	8.78	8.28
14	Mangalore	464	483	483	503	536	589	4.09	4.14	9.89
15	Raichur	527	579	592	636	668	724	9.87	7.43	8.38
16	Tumkur	404	432	438	466	505	556	6.93	6.39	10.10

Source: 1. Labour Bureau, Shimla, GOI.

2. Directorate of Economics & Statistics, GOK.
Economic Survey 2013-14

Appendix 2.21(a)

Consumer Price Index Numbers for Industrial Workers at selected centres in Karnataka State

Base Year: 2001=100

Year/ Month	BANGALORE		BELAGUM		HUBLI-DHARWAD		MADIKERI		MYSORE	
	Food	General	Food	General	Food	General	Food	General	Food	General
Weight →	45.53	100.00	51.76	100.00	49.51	100.00	55.41	100.00	48.05	100.00
2006-07	128	128	126	127	126	125	118	116	125	125
2007-08	140	138	140	135	138	135	128	122	135	132
2008-09	163	154	156	147	159	151	153	139	156	146
2009-10	185	171	183	167	181	169	176	160	180	165
2010-11	198	185	201	184	196	185	191	176	193	177
2011-12	206	197	226	204	217	204	202	191	204	191
2012-13	235	217	247	222	245	225	228	216	231	212
(April 2013 to November 2013)										
April 2013	271	236	277	239	262	239	258	236	277	239
May 2013	274	237	280	241	274	245	263	239	284	243
June 2013	284	242	286	246	276	248	270	243	288	245
July 2013	279	242	287	249	274	255	269	243	279	244
August 2013	280	243	291	252	274	256	271	245	283	247
September 2013	281	243	284	249	270	255	274	247	289	252
October 2013	286	246	278	246	266	254	270	245	293	253
November 2013	287	247	284	249	270	257	279	251	294	253

Appendix 2.21(b)
Consumer Price Index Numbers for Industrial Workers at selected centres in Karnataka State

Base Year: 1987-88=100

STATE SERIES

Year/ Month	BELLARY		BADRAVATHI		DAVANAGERE		DANDELI		GULBARGA		HARIHARA		HASSAN		MANDYA		MANGALORE		RAICHUR		TUMKUR	
	Food	General	Food	General	Food	General	Food	General	Food	General	Food	General	Food	General	Food	General	Food	General	Food	General	Food	General
Weight	54.73	100.00	48.53	100.00	52.53	100.00	49.22	100.00	49.23	100.00	49.58	100.00	56.02	100.00	53.48	100.00	58.11	100.00	52.71	100.00	41.29	100.00
2006-07	340	315	382	330	390	328	381	353	337	308	343	304	342	315	363	328	348	312	335	339	349	279
2007-08	381	341	406	349	434	355	415	371	390	330	387	328	366	328	405	351	375	332	384	371	393	300
2008-09	452	387	464	388	498	405	475	408	452	373	439	362	419	368	473	393	444	373	457	423	456	335
2009-10	530	429	547	436	574	461	538	449	485	398	491	388	490	415	543	438	494	408	550	482	527	373
2010-11	560	457	557	451	615	495	580	474	527	425	525	407	538	453	583	481	548	444	578	510	564	395
2011-12	583	479	619	508	674	549	656	524	606	478	583	457	583	497	637	538	584	479	654	563	576	421
2012-13	669	539	718	586	785	629	736	575	658	524	674	534	670	561	740	621	592	501	738	626	649	463
(April 2013 to November 2013)																						
April 2013	712	578	795	631	858	677	783	611	696	545	741	582	736	603	827	676	638	536	790	668	744	505
May 2013	722	586	813	640	872	686	800	620	713	553	754	591	751	612	842	685	652	544	805	676	766	514
June 2013	738	595	821	648	887	695	810	630	732	563	767	600	765	621	857	693	664	552	817	686	787	524
July 2013	747	604	818	657	903	704	816	638	735	573	775	609	777	629	859	703	667	558	827	696	782	533
August 2013	753	610	827	664	914	712	834	645	743	583	785	615	791	638	865	711	677	564	839	702	786	537
September 2013	760	615	828	666	928	720	844	652	755	591	786	617	805	647	875	719	692	574	834	712	805	546
October 2013	771	621	837	671	938	727	858	659	755	595	797	623	817	655	886	727	703	583	847	719	819	552
November 2013	775	624	844	675	948	733	859	668	762	599	803	627	825	664	895	732	706	589	859	724	825	556

Source: Directorate of Economics & Statistics, GOK.

Appendix 2.22

Consumer Price Index Numbers for Agricultural Labourers at All India and Karnataka (2011-12 to 2013-14)

Base Year: 1986-87=100

Item	2011-12		2012-13		2013-14		Percentage variation in November over April		
	April	November	April	November	April	November	2011-12	2012-13	2013-14
Karnataka									
i) Food	627	678	692	753	793	865	8.13	8.82	9.08
ii) General	619	665	684	739	775	835	7.43	8.04	7.74
All-India									
i) Food	585	612	616	672	695	771	4.62	9.09	10.94
ii) General	587	621	633	685	711	777	5.79	8.21	9.28

Source: Labour Bureau, Shimla, GOI.

Appendix 2.23

Consumer Price Index Numbers for Agricultural Labourers at All India and Karnataka (2000-01 to 2012-13)

Base Year : 1986-87=100

Year/Month	All India		Karnataka	
	Food	General	Food	General
2000-01	303	305	311	306
2001-02	302	309	303	306
2002-03	312	319	319	320
2003-04	325	331	340	338
2004-05	333	340	343	343
2005-06	345	353	332	339
2006-07	376	380	349	358
2007-08	406	409	394	397
2008-09	452	450	451	445
2009-10	522	513	536	517
2010-11	572	564	595	575
2011-12	602	611	657	649
2012-13	658	672	737	724
(April 2013 to November 2013)				
April 2013	695	711	793	775
May 2013	704	719	815	792
June 2013	718	729	835	808
July 2013	732	740	854	822
August 2013	747	754	875	838
September 2013	751	759	865	832
October 2013	759	766	859	831
November 2013	771	777	865	835

Source : Labour Bureau, Shimla, GOI.

Appendix 2.24

Rural Retail Price Index Numbers in Karnataka

Base Year : 1970=100

Year	Index	Percentage variation over previous year/month
2000-01	1395	1.53
2001-02	1445	3.58
2002-03	1458	0.90
2003-04	1528	4.80
2004-05	1606	5.10
2005-06	1669	3.92
2006-07	1825	9.35
2007-08	1922	5.32
2008-09	2171	12.96
2009-10	2641	21.65
2010-11	2911	10.22
2011-12	3231	10.99
2012-13	3565	10.34
(April 2013 to November 2013)		
April 2013	3813	0.24
May 2013	3823	0.26
June 2013	3833	0.26
July 2013	3848	0.39
August 2013	3935	2.26
September 2013	4053	3.00
October 2013	4075	0.54
November 2013	4078	0.07

Source : Directorate of Economics and Statistics, GOK.

Appendix 2.25

Urban Retail Price Index Numbers in Karnataka

Base Year : 1970=100

Year	Index	Percentage variation over previous year/month
2000-01	1012	-5.33
2001-02	1045	3.26
2002-03	1087	4.02
2003-04	1193	9.75
2004-05	1257	5.36
2005-06	1296	3.10
2006-07	1347	3.94
2007-08	1425	5.79
2008-09	1589	11.51
2009-10	1878	18.19
2010-11	1982	5.54
2011-12	2161	9.03
2012-13	2441	12.96
(April 2013 to November 2013)		
April 2013	2625	0.46
May 2013	2653	1.07
June 2013	2713	2.26
July 2013	2765	1.92
August 2013	2897	4.77
September 2013	3024	4.38
October 2013	3032	0.26
November 2013	3035	0.10

Source : Directorate of Economics and Statistics, GOK.

Appendix 3.1

Allocation of Plan Outlay to Panchayat Raj Institutions (PRI) in Karnataka

(Rs. Crore)

Year	State Plan Outlay			Allocation of Plan Outlay to PRIs			% of PRI Plan Outlay to State Plan Outlays		
	State	Centre	Total	State	Centre	Total	State	Centre	Total
1990-91	1145	221	1136	293	252	545	25	114	40
1992-93	2159	466	26925	374	296	670	17	63	25
1993-94	3025	596	3621	471	322	793	15	54	22
1994-95	3383	792	4175	538	435	973	16	55	23
1995-96	3758	890	4648	620	480	1100	16	54	24
1996-97	4360	951	5311	732	541	1273	17	57	24
1997-98	4545	1090	5635	732	688	1420	16	63	25
1998-99	5353	1160	6513	732	715	1447	14	65	22
1999-00	5888	1199	7087	792	736	1528	13	61	22
2000-01	7274	1232	8506	962	735	1697	13	60	20
2001-02	8588	1017	9605	1083	751	1834	13	74	20
2002-03	8611	911	9522	617	624	1241	7	69	13
2003-04	9780	890	10670	688	614	1302	7	69	12
2004-05	12323	988	13311	1013	655	1668	8	66	13
2005-06	13555	1054	14609	1992	877	2869	15	83	20
2006-07	16166	1640	17806	2176	1256	3432	13	77	19
2007-08	17783	2749	20532	2241	1330	3571	13	48	17
2008-09	25953	2246	28199	2632	1785	4417	10	79	16
2009-10	29500	2931*	32431	2880	1857	4737	10	63	15
2010-11	31000	2764*	33764	3010	1860	4870	10	67	14
2011-12	38070	2802*	40872	3726	2316	6042	10	83	15
2012-13	42030	7751*	49781	4055	3754	7809	10	48	16
2013-14	48685	10138*	58823	4841	4080	8921	10	40	15

* Includes Centre's share of allocation under Mahatma Gandhi NREGS, Swarna Jayanti Grama Swarozgar Yojana, District Rural Development Agency, Integrated Waste Land Development Programme, Drought Prone Area Programme and Desert Development Programme as per the budget link document.

Appendix 3.2

Trends in revenue and capital receipts in Karnataka

(Rs. Crore)

Year	State's Own Tax Revenues	Share in Central Taxes	Total Tax Receipts	Total Non-Tax Receipts	Total Revenue Receipts	Total Capital Receipts	Aggregate Receipts
1980-81	474.68	197.71	672.41	281.05	953.46	312.56	1266.02
1990-91	2332.12	660.35	2992.47	517.20	3892.18	1117.92	5010.10
2000-01	9042.68	2573.83	11616.51	1659.97	14822.72	4807.6	19630.32
2005-06	18631.55	4213.42	22844.97	3874.71	30352.05	4401.54	34753.59
2006-07	23301.03	5374.33	28675.36	4098.41	37586.94	6444.85	44031.79
2007-08	25986.76	6779.23	32765.99	3357.66	41151.14	6275.47	47426.61
2008-09	27645.66	7153.77	34799.43	3158.99	43290.68	9466.32	52757.00
2009-10	30578.61	7359.97	37938.58	3333.80	49155.70	13012.46	62168.16
2010-11	38473.13	9506.30	47979.43	3358.28	58206.23	12215.64	70421.86
2011-12	46476.01	11074.99	57551.00	4086.86	69806.27	15317.53	85123.80
2012-13 (RE)	53492.50	12500.00	65992.50	3796.33	84883.67	17505.44	102389.11
2013-14 (BE)	62464.00	15055.99	77519.99	4038.28	97986.38	20109.42	118095.80

RE=Revised Estimates, BE=Budget Estimates

Appendix 3.3

Trends in developmental and non-developmental expenditure in Karnataka

(Rs. Crores)

Year	Developmental Expenditure	Developmental Expenditure as % of Total Expenditure	Non-Developmental Expenditure	Non-Developmental Expenditure as % of Total Expenditure	Aggregate Expenditure
1980-81	892.27	68.50	409.68	31.50	1301.95
1990-91	4504.64	72.09	1743.57	27.91	6248.21
2000-01	12921.21	65.06	6742.44	34.94	19663.65
2001-02	14351.59	65.67	7500.27	34.33	21851.86
2002-03	14551.24	60.70	9421.93	39.30	23973.17
2003-04	15483.22	53.22	13607.47	46.78	29090.69
2004-05	19321.24	56.72	14742.56	43.28	34063.80
2005-06	22733.77	65.47	11990.24	34.53	34724.01
2006-07.	29952.24	68.30	13899.82	31.70	43852.06
2007-08	33642.14	70.72	13926.45	29.28	47568.59
2008-09	37133.30	69.79	16072.05	30.21	53205.35
2009-10	44923.87	72.55	16993.52	27.44	61917.39
2010-11	51626.38	72.74	19344.94	27.26	70971.32
2011-12	60929.69	72.14	23533.97	27.86	84463.66
2012-13 (RE)	73503.04	71.78	28902.96	28.22	102406.00
2013-14 (BE)	83372.95	70.65	34643.31	29.35	118016.26

RE=Revised Estimates, BE=Budget Estimates

Appendix 3.4

**Developmental and non-developmental expenditure, Karnataka 2011-12 to 2013-14:
revenue, capital and loans**

(Rs. Crore)

Category of Expenditure		2011-12 (Accounts)			
		Revenue	Capital	Loan	Total
I.	Developmental Expenditure (A+B)	44325.65	14880.17	1723.89	60929.71
A.	Economic Services of which	19153.91	12184.97	177.68	31516.56
1	Agriculture & Allied Services	5501.08	654.49	22.95	6178.52
2	Rural Development	1949.04			1949.04
3	General Economic Services	3149.82	355.39	2.00	3507.21
4	Irrigation & Power Development	5937.55	6772.01	52.64	12762.20
5	Industry & Minerals	746.45	372.09	100.09	1218.63
6	Transport & Communication	1695.31	4031.00		5726.31
7	Special Area Programmes	134.62			134.62
8	Science and Technology	40.04			40.04
B.	Social Services of which	25171.74	2695.20	1546.21	29413.15
1	Education, Sports, Art & Culture	12240.05	324.47		12564.52
2	Medical and Public Health, Family Welfare, Water Supply and Sanitation	3183.88	1834.71	780.81	5799.40
3	Social Security & Welfare including SCs, STs & OBCs	6612.80	361.60		6974.40
4	Housing and Urban Development	1647.08	142.59	762.40	2552.07
5	Information and Publicity	63.14	5.96		69.10
6	Labour & Employment	261.29			261.29
7	Nutrition	646.47			646.47
8	Natural calamities	239.37			239.37
9	Other social services	255.96	25.87	3.00	284.83
10	Sec. Social Services	21.69			21.69
II.	Non-Developmental Expenditure(a+b+c)	20789.44	625.49	2119.04	23533.97
a.	Revenue Expenditure under General Services	16445.48			16445.48
	i) Organs of the State	655.90			655.90
	ii) Fiscal Services	638.14			638.14
	iii) Interest Payment & Servicing of Debts	6061.85			6061.85
	iv) Administrative Services	3621.99			3621.99
	v) Pension & Miscellaneous General Services	5467.61			5467.61
b.	Devolution to ULBs	4343.96			4343.96
c.	Capital Expenditure		625.49	2119.04	2744.53
	i) General Services		625.49		625.49
	ii) Discharge of Internal Debt (Net)			1227.18	1227.18
	iii) Repayment of loans to Government of India			800.20	800.20
	iv) Loans and Advance to Govt. Servant & Miscellaneous loans			91.66	91.66
	v) Market borrowings and ways & means advances from RBI				
	Aggregate Expenditure : (I + II)	65115.09	15505.66	3842.93	84463.68

Appendix 3.4 (Contd..)

**Developmental and non-developmental expenditure, Karnataka 2011-12 to 2013-14:
revenue, capital and loans**

Category of Expenditure		2012-13 (RE)			
		Revenue	Capital	Loan	Total
I.	Developmental Expenditure (A+B)	57802.89	14218.08	1482.08	73503.05
A.	Economic Services of which	25040.78	11292.20	750.26	37083.24
1	Agriculture & Allied Services	8101.40	744.06	42.70	8888.16
2	Rural Development	5134.41			5134.41
3	General Economic Services	1853.28	268.23	5.00	2126.51
4	Irrigation & Power Development	7246.93	6450.76	527.53	14225.22
5	Industry & Minerals	848.50	131.52	175.03	1155.05
6	Transport & Communication	1764.87	3697.64		5462.51
7	Special Area Programmes	2.89			2.89
8	Science & Technology	88.50			88.50
B.	Social Services of which	32762.11	2925.88	731.82	36419.80
1	Education, Sports, Art & Culture	15563.27	601.58		16164.85
2	Medical and Public Health, Family Welfare, Water Supply and Sanitation	4129.21	1576.80	731.82	6437.83
3	Social Security & Welfare including SCs, STs & OBCs	7960.43	469.45	3.00	8432.88
4	Housing and Urban Development	2604.21	250.68	-3.00	2851.89
5	Information and Publicity	77.75	5.66		83.41
6	Labour & Employment	456.54			456.54
7	Nutrition	801.03			801.03
8	Natural calamities	857.08			857.08
9	Other Social Services	285.84	21.70		307.54
10	Sec. Social Services	26.75			26.75
II.	Non-Developmental Expenditure	26137.92	659.05	2105.98	28902.95
a.	Revenue Expenditure under General Services	21127.31			21127.31
	i) Organs of the State	938.40			938.40
	ii) Fiscal Services	883.67			883.67
	iii) Interest Payment & Servicing of Debts	6852.23			6852.23
	iv) Administrative Services	4919.67			4919.67
	v) Pension & Miscellaneous General Services	7533.34			7533.34
b.	Devolution to ULBs	5010.61			5010.61
c.	Capital Expenditure		659.05	2105.98	2765.03
	i) General Services		659.05		659.05
	ii) Discharge of Internal Debt (Net)			1422.48	1422.48
	iii) Repayment of loans to Government of India			604.03	604.03
	iv) Loans and Advance to Govt. Servant & Miscellaneous loans			79.47	79.47
	v) Market borrowings and ways & means advances from RBI				
	Aggregate Expenditure : (I + II)	83940.81	14877.13	3588.06	102406.00

Appendix 3.4 (Contd..)

Developmental and non-developmental expenditure, Karnataka 2011-12 to 2013-14 : revenue, capital and loans

Category of Expenditure		2013-14 (BE)			
		Revenue	Capital	Loan	Total
I.	Developmental Expenditure (A+B)	65692.91	16955.02	725.02	83372.95
A.	Economic Services of which	27958.06	12963.62	265.02	41186.70
1	Agriculture & Allied Services	12163.03	637.38	29.00	12829.41
2	Rural Development	4672.04			4672.04
3	General Economic Services	1496.17	307.25	2.00	1805.42
4	Irrigation & Power Development	6315.62	7978.54	145.91	14440.07
5	Industry & Minerals	1049.48	139.04	88.11	1276.63
6	Transport & Communication	2044.07	3901.42		5945.49
7	Special Area Programmes	150.42			150.42
8	Science & Technology	67.23			67.23
B.	Social Services of which	37734.85	3991.40	460.00	42186.24
1	Education, Sports, Art & Culture	18657.97	457.02		19114.99
2	Medical and Public Health, Family Welfare, Water Supply and Sanitation	5614.05	2460.35	400.00	8474.40
3	Social Security & Welfare including SCs, STs & OBCs	8884.24	489.48	3.00	9376.72
4	Housing and Urban Development	2334.68	555.05	57.00	2946.73
5	Information and Publicity	82.45	5.50		87.95
6	Labour & Employment	392.58			392.58
7	Nutrition	1138.25			1138.25
8	Natural calamities	417.77			417.77
9	Other Social Services	179.41	24.00		203.41
10	Sec. Social Services	33.44			33.44
II.	Non-Developmental Expenditure(a+b+c)	31697.62	671.97	2273.72	34643.31
a.	Revenue Expenditure under General Services	25642.89			25642.89
	i) Organs of the State	1156.98			1156.98
	ii) Fiscal Services	1086.56			1086.56
	iii) Interest Payment & Servicing of Debts	8500.00			8500.00
	iv) Administrative Services	6330.79			6330.79
	v) Pension & Miscellaneous General Services	8568.56			8568.56
b.	Devolution of ULBs	6054.73			6054.73
c.	Capital Expenditure		671.97	2273.72	2945.69
	i) General Services		671.97		671.97
	ii) Discharge of Internal Debt (Net)			1532.45	1532.45
	iii) Repayment of loans to Government of India			713.36	713.36
	iv) Loans and Advance to Govt. Servant & Miscellaneous loans			27.91	27.91
	v) Market borrowings and ways & means advances from RBI				0.00
	Aggregate Expenditure : (I + II)	97390.53	17626.99	2998.74	118016.26

Source : 1. Annual Financial Statement (Budget) 2013-14, Government of Karnataka
2. Detailed Estimates of Expenditure of (Volume - II), Government of Karnataka

Appendix 3.5: Plan expenditure, outlays by minor sectors and programmes

(Rs. Crore)

Head of Developments	Eleventh Plan (2007-12) Approved Outlay (2006-07)	Twelfth Plan Tentative Projected outlay (2011-12 Prices)	Annual Plan					RE	BE
			Accounts						
			2007-08	2008-09	2009-10	2010-11	2011-12		
A. Economic Services	57931.28		10919.43	14132.86	16320.41	17040.65	22023.64	25240.18	29372.22
I. Agriculture & Allied Services									
1 Crop Husbandry	3666.10	9734.26	402.26	713.02	749.57	685.70	1419.98	1780.61	1943.53
2 Soil & Water Conservation	759.50	973.18	166.38	74.59	33.99	66.36	138.78	141.34	242.79
3 Animal Husbandry	772.70	1694.90	110.08	124.74	167.56	192.53	292.24	327.22	392.54
4 Dairy Development	440.00	1040.00	26.5	114.80	247.73	312.85	350.53	363.35	894.50
5 Fisheries	376.54	880.23	18.98	35.06	65.23	61.32	102.61	152.89	172.17
6 Forestry & Wild Life	739.37	956.60	136.6	194.07	237.79	194.08	208.29	184.62	230.44
7 Food, Storage & Warehousing	65.00	100.00	9.67	15.76	18.11	16.07	24.98	40.00	25.75
8 Agricultural Research & Education	490.00	1040.60	131.05	69.13	72.45	75.60	170.91	136.00	260.08
9 Investment in Agricultural Financial Institutions	16.00	20.00	8.33	8.79	3.30	3.48	4.73	4.00	4.00
10 Marketing & Quality Control	57.11	25.50	11.2	10.00	2.00	3.25	3.50	10.00	20.00
11 Co-operation	1044.53	1995.79	530.6	181.44	234.43	404.45	547.80	1641.26	1869.46
Total (I to 11)	8426.85	18461.06	1551.65	1541.40	1832.13	2015.69	3264.35	4781.29	6055.26
II. Rural Development									
12 Special Programmes for Rural Development	1732.80	1549.34	442.16	613.54	1107.6	1103.56	1334.65	850.74	832.01
(a) I.R.D.P. & Allied Programmes									
(b) DPAP (Including State DPAP)									
(c) Int. Rural Energy Programmes									
13 National Rural Employment Programme (Includes REGS & RLEGP) Jawahar Rojgar Yojana (JRY)	1315.93	1028.95	123.96						
14 Land Reforms	7.50	20.00	0.76	195.76	299.67	99.13	202.95	306.82	319.00
15 Other Programmes of Rural Development (Anthyodhaya, 100 Walls & CRT & Community Development (Includes Grants to ZPs) + others	2144.04	3733.41		134.07	60.0	78.5	79.5	64.00	32.65
16			468.6	379.05	307.41	304.68	487.30	845.4	643.87
Total (12 to 16)	5200.27	6331.70	1035.48	1322.42	1774.69	1585.89	2104.42	2066.96	1827.53
III. Special Area Programmes									
17 Hyderabad Karnataka Development Programmes (Including MADB & BADP)	1369.11	2619.26	73.85	88.06	132.53	139.69	332.17	425.87	452.17
Total (17)	1369.11	2619.26	73.85	88.06	132.53	139.69	332.17	425.87	452.17
IV. Irrigation & Flood Control									
18 Major & Medium Irrigation Projects	10905.00	27314.61	2058.41	2043.16	2939.40	3470.17	4567.39	5265.68	7281.10

Appendix 3.5: Plan expenditure, outlays by minor sectors and programmes

(Rs. Crore)

Head of Developments	Eleventh Plan (2007-12) Approved Outlay (2006-07)	Twelfth Plan Tentative Projected outlay (2011-12 Prices)	Annual Plan					BE	
			Accounts						
			2007-08	2008-09	2009-10	2010-11	2011-12		
19	Minor Irrigation	4437.63	361.95	457.13	551.85	687.63	1242.65	1231.04	1157.07
20	Command Area Development (CADA)	2945	64.68	47.82	73.00	97.68	196.33	267.17	355.86
21	Flood Control Projects (including Anti-Sea Erosion, etc.)	120.00	19.37	33.29	14.08	23.34	26.50	74.50	62.00
	Total : IV (18 to 21)	34817.24	2504.41	2581.40	3578.33	4278.82	6032.87	6838.39	8856.03
V.	Energy								
22	Power	20365.09	2047.78	3597.47	4058.70	3540.74	3457.80	4161.22	5237.03
23	Generation (KPC)								
24	Transmission & Distribution (KPTCL) Non- conventional Sources of Energy	89.92	2.94	3.23	4.68	4.80	6.61	7.50	7.43
	Total : V (22 TO 24)	20455.01	2050.72	3600.70	4063.38	3545.54	3464.41	4168.72	5244.46
VI.	Industry & Minerals								
25	Village & Small Scale Industry	2476.75	195.05	163.25	162.45	199.87	225.03	271.21	408.41
25a.	Major & Medium Industry (Other than SSI) (including KSBPE)	706.50	308.02	316.22	325.40	432.34	591.67	416.15	338.92
26	Mining: Mineral Exploration	39.00	5.21	3.20	3.09	3.07	16.68	11.96	16.88
	Total : VI (25 to 26)	3222.25	508.28	482.67	490.94	635.28	833.38	699.32	764.21
VII.	Transport								
27	Ports and Lighthouses	661.64	6.49	-6.49			7.71	36.81	144.88
28	Roads and Bridges	18935.39	1952.9	2852.28	2813.98	3381.07	4252.55	4389.07	3989.90
29	Road Transport	5498.37	714.78	934.54	901.19	512.95	741.11	779.32	745.41
a)	Pollution Control (MV Dept.)	5.00	0.61	0.75	0.46	0.75	0.33	1.03	1.00
b)	Inland Water Transport								
	Total : VII (27 to 29)	25100.40	2674.78	3781.08	3715.63	3894.77	5001.70	5206.23	4881.19
VIII.	Science, Tech & Environment								
30	Scientific Research (Incl. S & T)	193.25	19.35	13.66	22.17	34.36	37.08	55.01	61.52
31	Ecology & Environment Information Technology	60.00	6.5	7.15	6.90	9.90	25.31	33.88	107.00
	Total : VIII (30 to 31)	1071.59	46.09	72.51	94.2	130.05	167.89	213.18	357.1
IX.	General Economic Services								
32	Secretariat Economic Services	5.00	0.12	2.30	2.72	3.59	4.79	4.16	12.17
33	Tourism	1360.00	90.82	114.41	181.14	201.29	272.97	228.35	320.00
34	Survey & Statistics	1.00	0.14	0.81	0.36	13.95	2.98	6.90	4.40
35	Other General Economic Services		383.09	17.34	54.73	39.24	42.04	57.96	50.90

Appendix 3.5: Plan expenditure, outlays by minor sectors and programmes

(Rs. Crore)

Head of Developments	Eleventh Plan (2007-12) Approved Outlay (2006-07)	Twelfth Plan Tentative Projected outlay (2011-12 Prices)	Annual Plan					BE
			Accounts					
			2007-08	2008-09	2009-10	2010-11	2011-12	
a) Legal Metrology	12.00	20.00						
b) Other-District Level Sub-Plan	10.30	15.89						
c) Modernization of Administration	4.00							
d) Civil Supplies								
e) Transfer of cess to the infrastructure initiative fund								
f) Block Grants / Market Research	74.49	19.81						
g) Technical Assistance for VAT	93.50	32.00						
h) Infrastructure Development	1800.00	3585.00	527.76	399.63	556.85	499.67	542.85	546.80
i) One time ACA		5.00						
J) NABARD assisted improvement	30.00	30.00						
k) Rashtriya Krishi Vikas Yojana	64.20	64.20						
l) Private Whole sale Markets	2.00	2.00						
m) Karnataka state Statistical System	8.00	8.00						
n) Evaluation Authority	75.00	75.00						
o) Infrastructure for New District Development								
Yadagir		50.00						
Total : IX (32 to 35)	2650.29	5272.90	474.17	662.62	814.92	822.45	840.22	934.27
B. Social Services	41770.92	75433.12	5926.72	7926.67	10058.57	15574.98	15778.66	18129.12
X. Social Services Education, Sports, Art & Culture								
36 General Education	7193.07	12833.89	1240.78	1773.78	1722.96	2649.44	2729.66	3067.34
37 Technical Education	573.00	785.94	105.38	68.51	84.09	188.17	192.36	247.43
38 Art & Culture	478.34	1177.34	94.62	101.72	146.58	203.47	178.94	246.01
39 Sports & Youth Services	167.61	506.03	26.1	55.36	97.37	67.40	71.94	101.17
Total : X (36 to 39)	8412.02	15303.20	1466.88	1999.37	2051.00	3108.48	3172.90	4228.38
XI. Health								
40 Medical & Public Health	3376.22	6975.03	617.07	763.13	824.68	1148.50	1248.29	1472.51
Total : XI (40)	3376.22	6975.03	617.07	763.13	824.68	1148.50	1248.29	1472.51
XII. Water Supply, Housing & Urban								
41 Water Supply	5409.35	11131.53	546.98	704.27	1297.47	1460.76	1743.98	1935.06
42 Housing (incl. Police Housing & Sainik Welfare Infrastructure)	3393.05	6208.38	633.66	604.80	580.61	788.16	1120.33	1114.26
43 Urban Development	13027.41	14676.05	1263.61	2049.66	2725.87	3211.98	3687.81	4977.10
Total : XII (41 to 43)	21829.81	32015.96	2444.24	3358.73	4603.95	5460.9	6552.12	8115.03

Appendix 3.5: Plan expenditure, outlays by minor sectors and programmes

(Rs. Crore)

Head of Developments	Eleventh Plan (2007-12) Approved Outlay (2006-07)	Twelfth Plan Tentative Projected outlay (2011-12 Prices)	Annual Plan					RE	BE
			Accounts						
			2007-08	2008-09	2009-10	2010-11	2011-12		
XIII. Information & Publicity									
44 Information & Publicity	59.00	165.50	8.06	18.88	13.96	34.09	30.21	34.08	35.14
Total : XIII (44)	59.00	165.50	8.06	18.88	13.96	34.09	30.21	34.08	35.14
XIV. Welfare of SCs, STs & OBCs									
45 Welfare of SCs, STs, Backward Classes and BCMS	3626.33	8835.64	856.51	930.71	1233.81	1818.89	2261.36	1584.71	1939.50
Total : XIV (45)	3626.33	8835.64	856.51	930.71	1233.81	1818.89	2261.36	1584.71	1939.50
XV. Labour & Labour Welfare									
46 Labour and Labour Welfare	572.18	1462.44	95.7	124.84	188.35	181.43	182.40	297.14	222.26
Total : XV (46)	572.18	1462.44	95.7	124.84	188.35	181.43	182.40	297.14	222.26
XVI. Social Welfare & Nutrition									
47 Social Security & Welfare	824.76	9181.07	325.96	615.10	884.53	1551.95	1813.34	1704.77	1582.42
a) Nutrition and Civil supply	3070.60	1494.28	112.3	115.91	258.29	262.68	314.36	215.80	274.15
Total : XVI (47)	3895.36	10675.35	438.26	731.01	1142.82	1814.63	2127.70	1920.57	1856.57
C. General Services									
48 Fire Protection	1961.80	3031.45	380.74	517.19	565.09	546.87	851.38	1080.86	1183.66
49 Stationery & Printing	77.00	30.00	5.00	1.00	1.11	10.95	6.00	5.00	18.44
50 Public Works –Administrative Buildings	40.00	57.50	0.83	20.24	10.49	9.99	11.29	11.50	21.00
51 Training - ATI, Mysore	1779.20	2550.00	350.15	352.14	331.24	297.97	479.00	733.98	744.97
52 Administration of Justice	1.60	2.50	0.44	0.59	0.72	0.69	5.70	5.95	5.86
53 Others	55.40	200.00	24.32	18.16	26.08	34.45	39.87	59.12	40.44
Total C: General Services (48 to 53)	1961.80	3031.45	380.74	517.19	565.09	546.87	851.38	1080.86	1183.66
Total – State Plan Outlay (A+B+C)	101664.00	195815.98	17226.91	22576.72	26944.07	31154.44	38450.00	42099.70	48685.00
D. Irrigation projects pending approval			928.51	317.30	540.83	560.72	429.35	289.64	265.48
E. CSS/CPS			1487.05	1829.19	1477.68	1572.35	1620.50	8456.93	10138.05
F. Western Ghats Development			23.01	31.49	26.30	28.82	31.02	33.43	29.16
Grand Total	101664.00	195815.98	19665.48	24723.21	28988.88	33316.33	40530.87	50879.70	59117.69

Source :Details of Provisions for Plan Schemes 2007-08 to 2013-14

Economic Survey 2012-13

Eleventh Plan Document Volume II

Appendix 3.6

Expenditure on annual plans, centrally sponsored & central plan schemes : irrigation projects pending approval and western ghats development for 1980-81 to 2013-14

(Rs. Crore)

Year	State Plan	Centrally Sponsored & Central Plan Schemes (GOI) Share	Irrigation Projects Pending Approval	Western Ghats Development	Total	
					Outlay	Per Capita Outlay(Rs.)
1980-81	389.43	53.79	25.13	1.94	470.29	127.00
1990-91	1301.93	264.35	89.09	9.47	1664.84	372.47
2001-02	8347.55	818.96	205.93	8.16	9380.50	1634.00
2002-03	8163.91	806.49	200.02	14.96	9185.38	1681.44
2003-04	8619.45	737.56	82.02	15.43	9454.46	1732.27
2004-05	11888.72	766.32	7.83	16.50	12679.37	2296.99
2005-06	12678.29	941.53	3.44	13.81	13637.07	2413.64
2006-07	18308.69	1122.53	3.55	14.89	19449.66	3406.25
2007-08	17226.91	1487.05	928.51	23.01	19665.48	3402.33
2008-09	22576.74	1829.19	317.30	31.49	24754.72	4238.82
2009-10	26944.10	1477.68	540.83	26.30	28988.91	4921.72
2010-11	31154.44	1572.35	560.72	28.82	33316.33	5452.75
2011-12	38450.00	1620.50	429.35	31.02	40530.87	6537.24
2012-13 (RE)	42100.00	8456.93	289.64	33.43	50880.00	8089.03
2013-14 (BE)	48685.00	10138.05	265.48	29.16	59117.69	9251.59

RE: Revised Estimates, BE: Budget Estimates

Source: Details of Provisions for Plan Schemes, Budget document

Appendix 3.7

Expenditure in Karnataka by Economic Classification of the budget 1990-91 to 2013-14

(Rs. Crore)

Year	Final Outlays			Transfers Payments			Financial Investments and Loans to the Rest of the Economy	Total Expenditure
	Govt's Consumption Expenditure	Gross Capital Formation	Acquisition of Fixed Assets	Total	Current Transfers	Capital Transfers			Total
1990-91	1024.19	425.95	1.31	1451.45	2428.65	75.04	2503.69	4470.04
2000-01	4125.62	1586.92	15.97	5728.51	10444.79	259.78	10704.57	17637.86
2001-02	4685.29	1970.86	12.34	6667.79	12227.09	418.17	12645.26	20489.51
2002-03	4509.36	1964.41	51.20	6524.97	12741.45	196.05	12937.50	21309.22
2003-04	5818.99	2107.48	1.28	7927.75	13302.34	164.49	13466.83	24108.53
2004-05	5512.64	3380.89	-0.06	8893.47	15320.36	146.71	15467.07	27619.53
2005-06	6724.23	3815.51	-0.12	10539.62	18208.83	33.53	18242.36	32196.10
2006-07	8499.05	5822.44	-0.21	14321.28	20923.85	234.30	21158.15	40844.24
2007-08	7676.82	6400.08	-244.41	13832.49	25374.63	654.42	26029.05	44038.37
2008-09	9714.64	8441.81	-180.56	17975.89	22760.72	475.35	28236.07	50408.13
2009-10	10218.46	9570.80	-67.46	19721.80	30747.02	509.49	31256.51	56832.50
2010-11	11810.47	11416.37	-66.57	23160.27	35627.21	193.96	35821.17	66240.05
2011-12	14603.23	13039.69	-81.13	27561.79	43136.54	200.59	43337.13	77961.90
2012-13 (RE)	21252.69	14736.29	-93.56	35895.42	57190.58	975.99	58166.57	100372.83
2013-14 (BE)	26016.29	16709.08	-189.40	42535.97	63021.15	1063.27	64084.42	113697.88

RE: Revised Estimates, BE: Budget Estimates

Source : An Economic-cum-Purpose Classification of the Karnataka Government Budget - Earlier Issues and 2013-14, Directorate of Economics & Statistics

Appendix 3.8

Capital formation by the Government of Karnataka 1990-91 to 2013-14

(Rs. Crore)

Year	Value of Assets Created by		Total	Changes in Stock	Gross Capital Formation
	Departmental Commercial Undertakings	Government Administration			
1990-91	279.41	135.78	415.19	14.58	429.77
2000-01	746.49	834.73	1581.22	5.00	1586.22
2001-02	1069.69	890.86	1970.55	-0.39	1970.16
2002-03	1054.43	907.85	1962.28	2.13	1964.41
2003-04	1641.49	445.99	2107.48	1.40	2108.83
2004-05	835.30	2545.19	3380.49	-2.80	3377.69
2005-06	889.69	2959.23	3851.46	2.54	3851.46
2006-07	922.80	5133.73	6056.53	16.22	6072.75
2007-08	1012.93	5797.16	6810.09	-4.45	6805.64
2008-09	1318.61	7417.99	8736.60	-8.09	8728.51
2009-10	2048.07	7964.76	10012.83	-0.93	10011.90
2010-11	9392.06	2151.70	11543.76	-4.57	11539.19
2011-12	2552.45	10606.70	13159.15	-1.36	13157.79
2012-13 (RE)	2663.71	12955.01	15618.72	-12.49	15606.23
2013-14 (BE)	3163.02	14419.93	13549.07	-20.04	17562.91

RE: Revised Estimates, BE: Budget Estimates

Source : Reports on An Economic-cum-Purpose Classification of the Karnataka Government Budget - 2013-14 and earlier issues, Directorate of Economics and Statistics.

Appendix 4.1 Export Performance of Karnataka State 2006-07 to 2013-14

(Rs. Crore)

Sl. No	Commodity	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14*
1	Electronics, Computer Software & BT	56478	69518	82153	90735	105351	135660	156000	53746
2	Readymade Garments	6773	4125	5395	5125	6866	8143	7670	3240
3	Petroleum & Petroleum Products	11602	11232	11642	11041	14602	23418	33915	17216
4	Engineering Products	5461	8301	6185	4387	7324	8263	12568	7978
5	Iron Ore & Minerals (incl Granite)	8791	10197	7275	4693	868	1134	1735	344
6	Silk Products	1274	912	897	702	678	673	654	289
7	Coffee Products	1477	1308	1579	1423	2184	3173	3534	1799
8	Basic Chemicals, Pharmaceuticals & Cosmetics	1839	2070	2531	2761	2893	5077	7233	4034
9	Agriculture & Processed Food Products	398	416	712	663	670	763	1149	288
10	Gem and Jewellery	7799	9749	10893	17409	19897	23728	24483	9028
11	Cashew and Cashew Kernals	553	527	638	644	587	882	847	633
12	Handicrafts	389	428	429	257	293	267	374	400
13	Leather Products	218	201	214	194	202	320	452	228
14	Chemicals and Allied Products	745	399	457	311	339	480	491	251
15	Marine Products	136	153	236	412	528	605	632	378
16	Plastic Goods	552	215	266	327	563	604	788	350
17	Spices	220	245	479	382	450	700	905	452
18	Wool & Woolen Products	140	148	153	144	91	129	151	109
19	Miscellaneous and Others	2530	2560	2120	1261	1038	4819	4789	2651
	Total	107375	122704	134254	142871	165424	218837	258369	103415

*upto September -2013

Source: Visveswarayya Trade Promotion Center, Government of Karnataka

Appendix 5.1

Details of houses constructed and sites distributed through RGRHCL

Year	Houses Constructed under Social Housing Schemes					House Sites		
	Rural Ashraya /Basava Vasathi Yojane	Rural Ambedkar	Urban Asraya/ Vajapyee Urban Scheme	IAY	Total	Rural	Urban	Total
2000-01	71794	17619	28702	The Scheme was not implemented during this period	121114	13039	16901	29940
2001-02	136886	26489	34274		200707	19784	18167	37951
2002-03	115267	18415	20020		155429	21397	1526	22923
2003-04	108747	16274	17966		144108	7392	3829	11221
2004-05	87382	9054	11905		142796	4762	2379	7141
2005-06	78005	6507	8961	144930	6814	3160	9974	
2006-07	113676	6736	5488	173861	2280	3566	5846	
2007-08	227858	11628	1452	280594	1191	2066	3257	
2008-09	192858	13430	2317	294064	1007	1173	2180	
2009-10	157217	15876	4135	332927	34765	2519	37284	
2010-11	48422	3692	658	148110	22992	16983	39975	
2011-12	69529	4722	4071	105091	24334	16861	41195	
2012-13	158422	5938	8985	281838	13737	16270	30007	
2013-14 *	90342	2644	3136	137382	922	5718	6640	
Total	1656405	159024	152070	685914	2662951	174416	111118	285534

* upto end of Oct 2013

Appendix 6.1

Urbanisation in Districts, Karnataka 2011

Sl. No.	District	Urbanisation in %
1	Bagalkote	32
2	Bangalore	91
3	Bangalore (R)	27
4	Belgaum	25
5	Bellary	38
6	Bidar	25
7	Bijapur	23
8	Chamarajnar	17
9	Chikkaballapura	22
10	Chikmagalur	21
11	Chitradurga	20
12	Dakshina Kannada	48
13	Davangere	32
14	Dharwad	57
15	Gadag	36
16	Gulbarga	33
17	Hassan	21
18	Haveri	22
19	Kodagu	15
20	Kolar	31
21	Koppal	17
22	Mandya	17
23	Mysore	41
24	Raichur	25
25	Ramanagara	25
26	Shimoga	36
27	Tumkur	22
28	Udupi	28
29	Uttara Kannada	29
30	Yadagiri	19
Karnataka		39

Source : Census, 2011

Appendix 6.2: Houses Constructed Under Different Schemes

District/Year	ASHRAYA HOUSING SCHEME		Rural Dr.B.R.AMBEDKAR HOUSING SCHEME		INDIRA AWAAS YOJANA HOUSING SCHEME	
	Rural	Urban	Rural	Urban	Rural	Urban
1	2	3	4	5	6	7
2010-11	48422	685	3692	0	95311	0
2011-12	69529	4071	4722	0	26769	0
2012-13	158422	8985	5938	0	108493	0
2012-13						
1. Bagalkote	3863	1330	105	0	4316	0
2. Bangalore	1674	0	33	0	1002	0
3. Bangalore (R)	2791	64	37	0	1331	0
4. Belgaum	17237	229	840	0	11310	0
5. Bellary	6019	1050	154	0	8007	0
6. Bidar	3899	18	307	0	2393	0
7. Bijapur	9922	455	631	0	6377	0
8. Chamarajnagar	3498	189	497	0	1880	0
9. Chikkaballapura	2066	193	176	0	1541	0
10. Chikmagalur	3438	76	87	0	2288	0
11. Chitradurga	3742	301	215	0	5625	0
12. D. Kannada	4123	258	32	0	1012	0
13. Davangere	9662	388	226	0	6183	0
14. Dharwad	4032	168	75	0	3872	0
15. Gadag	2496	735	57	0	2487	0
16. Gulbarga	7976	457	762	0	4959	0
17. Hassan	5772	138	144	0	1533	0
18. Haveri	11065	318	170	0	2868	0
19. Kodagu	1400	44	13	0	1247	0
20. Kolar	3062	77	53	0	1227	0
21. Koppal	4355	165	213	0	5375	0
22. Mandya	5438	89	92	0	2020	0
23. Mysore	6202	657	187	0	2888	0
24. Raichur	3812	94	96	0	10107	0
25. Ramanagara	7105	70	63	0	1736	0
26. Shimoga	2838	351	65	0	2855	0
27. Tumkur	11434	569	365	0	7288	0
28. Udupi	2200	130	4	0	737	0
29. Uttara Kannada	3870	119	17	0	1915	0
30. Yadgir	3431	253	222	0	2114	0

Note: Total includes SC,ST & others

Source: Rajiv Gandhi Rural Housing Corporation Limited

Appendix 6.3

Percentage of Fuel Used for Cooking in Karnataka Districts, Urban -2011

District	Fire wood	Crop residue	Cowdung cake	Coal/Lignite/Charcoal	Kerosene	LPG / PNG	Electricity	Bio gas	Any Other source	No Cooking
Bagalkote	60.42	1.31	0.15	0.10	2.74	34.00	0.07	0.72	0.07	0.42
Bangalore	4.10	0.31	0.07	0.06	15.85	77.89	0.18	0.80	0.09	0.66
Bangalore (R)	16.38	0.54	0.07	0.05	19.97	61.54	0.21	0.70	0.06	0.49
Belgaum	26.24	1.33	0.23	0.15	5.62	64.77	0.14	0.93	0.19	0.39
Bellary	41.15	1.07	0.13	0.16	9.00	46.77	0.24	0.86	0.07	0.56
Bidar	47.95	5.11	0.41	0.33	6.99	37.42	0.15	0.78	0.46	0.41
Bijapur	41.60	2.22	0.20	0.61	6.48	47.38	0.08	1.01	0.08	0.35
Chamarajnar	41.99	1.35	0.05	0.06	11.43	42.79	0.06	1.54	0.43	0.30
Chikkaballapura	32.42	0.90	0.06	0.05	16.71	48.50	0.20	0.70	0.04	0.42
Chikmagalur	20.71	0.42	0.05	0.10	7.34	69.67	0.08	0.87	0.04	0.72
Chitradurga	33.77	1.18	0.10	0.10	8.00	55.36	0.09	0.98	0.02	0.40
D.Kannada	27.90	0.29	0.04	0.05	2.91	68.03	0.06	0.31	0.11	0.31
Davanagere	35.80	2.37	0.08	0.05	4.28	55.89	0.10	0.92	0.03	0.48
Dharwad	27.07	1.54	0.22	0.13	7.75	61.69	0.10	0.65	0.38	0.47
Gadag	58.94	2.75	0.11	0.21	2.77	33.19	0.09	1.48	0.17	0.30
Gulbarga	42.34	2.90	0.24	0.64	7.87	44.63	0.13	0.78	0.10	0.37
Hassan	16.85	0.38	0.05	0.04	15.42	65.44	0.11	1.17	0.07	0.48
Haveri	51.84	4.08	0.03	0.20	2.04	40.82	0.06	0.56	0.10	0.27
Kodagu	17.12	0.64	0.06	0.02	3.00	77.53	0.04	1.22	0.03	0.36
Kolar	30.52	1.09	0.13	0.10	19.51	47.29	0.29	0.53	0.06	0.47
Koppal	58.45	1.04	0.07	0.04	3.87	34.89	0.35	0.71	0.04	0.53
Mandya	27.41	0.83	0.05	0.06	18.21	51.90	0.21	0.73	0.15	0.43
Mysore	11.45	0.36	0.09	0.05	15.62	71.23	0.11	0.65	0.08	0.38
Raichur	52.55	2.27	0.21	0.13	3.77	36.44	2.34	1.22	0.48	0.60
Ramanagara	31.79	0.88	0.24	0.15	21.95	43.34	0.21	0.82	0.07	0.55
Shimoga	23.07	0.71	0.07	0.16	10.58	63.59	0.49	0.74	0.10	0.49
Tumkur	26.58	0.56	0.05	0.08	12.79	58.03	0.14	1.30	0.04	0.42
Udupi	37.31	0.40	0.04	0.15	0.98	59.90	0.03	0.79	0.08	0.32
Uttara Kannada	36.28	0.57	0.11	0.04	2.85	58.72	0.53	0.37	0.04	0.49
Yadagiri	58.67	2.02	0.11	0.11	2.17	35.83	0.28	0.35	0.06	0.41
KARNATAKA	21.23	0.91	0.10	0.11	11.67	64.33	0.21	0.80	0.11	0.52

Source: 2011 Census Publications

Appendix 6.4

Slum Population in Karnataka, 2011

Name of the District	No. of Slum Households	Total Slum Population	Share of slum population to the State	Rank
Bangalore	167551	722290	21.94	1
Dharwad	41169	204340	6.21	2
Bellary	41049	200499	6.09	3
Shimoga	39393	170891	5.19	4
Tumkur	37412	164368	4.99	5
Gulbarga	26550	141951	4.31	6
Belgaum	29392	141515	4.30	7
Raichur	23224	122034	3.71	8
Mysore	27093	117232	3.56	9
Bidar	19713	107117	3.25	10
Davanagere	21358	104092	3.16	11
Bagalkot	20504	103611	3.15	12
Kolar	21888	101713	3.09	13
Hassan	20730	87875	2.67	14
Chitradurga	18525	84013	2.55	15
Koppal	15560	79835	2.43	16
Chikkaballapura	15971	72508	2.20	17
Chamarajanagar	14807	65076	1.98	18
Gadag	13212	64730	1.97	19
Yadgir	11437	63356	1.92	20
Haveri	11518	56235	1.71	21
Bijapur	10564	55087	1.67	22
Mandya	12192	53938	1.64	23
Uttara Kannada	11230	50902	1.55	24
Bangalore Rural	9559	42037	1.28	25
Chikmagalur	9067	38423	1.17	26
Ramanagara	8341	37199	1.13	27
Udupi	3667	17095	0.52	28
Dakshina Kannada	2758	12523	0.38	29
Kodagu	2228	8949	0.27	30
State Total	707662	3291434	100	

Source: 2011 Census Publications

Appendix 7.1

Incidence of Poverty at District Level : 2011-12

Districts	Incidence of Poverty 2011-12		
	Rural	Urban	Total
Belgaum	27.5	32.3	28.8
Bagalkot	32.1	45.0	35.8
Bijapur	21.4	28.5	23.1
Gulbarga	38.9	32.0	37.2
Bidar	32.5	45.9	35.1
Raichur	37.6	38.2	37.7
Koppal	42.0	34.6	40.7
Gadag	25.6	15.0	21.8
Dharwad	57.3	15.5	34.0
Uttara Kannada	19.3	20.1	19.6
Haveri	31.3	52.2	33.7
Bellary	33.1	53.0	40.8
Chitradurga	48.3	40.4	46.7
Davanagere	23.0	23.8	23.3
Shimoga	32.5	22.3	29.3
Udupi	22.7	21.4	22.4
Chikmagalur	10.4	24.6	14.7
Tumkur	14.4	5.9	13.0
Kolar	9.8	11.2	10.0
Bangalore	0.0	1.7	1.5
Bangalore Rural	19.0	0.0	15.7
Mandya	18.9	4.1	16.4
Hassan	11.3	13.9	11.6
Dakshina Kannada	1.5	1.9	1.6
Kodagu	1.2	2.8	1.5
Mysore	20.7	7.0	15.5
Chamarajanagar	1.3	4.1	1.6
Ramanagar	11.7	4.5	10.5
Total	24.5	15.3	21.2

Appendix 8.1 Statement Showing District wise, Monthwise, Normal and Actual Rainfall for the year 2013

(Rainfall data for Taluk Headquarters Rain gauge Stations)

(in mm)

SLNo	DISTRICTS	JAN		FEB		MAR		APR		MAY		PREMONS		JUN		JUL		AUG		SEPT		SWMONS		OCT		NOV	
		N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A
1	BANGALORE	3	0	7	7	10	0	40	19	111	122	170	147	76	116	99	98	122	83	185	276	481	572	166	108	60	82
2	BANGALOR (R)	2	0	6	7	8	2	36	33	93	111	144	153	71	79	92	76	118	73	171	269	452	497	172	134	55	45
3	CHITRADURGA	2	0	2	4	6	5	31	23	74	124	114	156	55	73	62	78	65	66	112	190	294	406	134	53	40	2
4	DAVANAGERE	1	0	1	3	5	21	38	29	75	75	119	129	81	102	103	149	85	124	115	176	384	549	126	74	45	2
5	KOLAR	3	0	5	0	10	4	30	50	80	69	128	124	63	41	75	45	94	62	158	185	390	334	155	167	62	17
6	SHIMOGA	1	2	1	14	7	8	44	33	89	70	141	128	337	384	628	1011	374	367	133	199	1472	1962	142	75	47	12
7	TUMKUR	3	0	3	9	8	0	36	19	92	93	142	121	66	63	75	47	85	79	155	247	381	436	155	95	50	24
8	RAMANAGARA	2	0	5	0	10	8	48	72	122	102	186	181	73	94	84	56	109	109	188	254	454	513	174	87	54	31
9	C'BALLAPURA	2	0	5	15	8	4	27	34	69	48	111	100	65	51	89	62	105	56	153	186	411	357	157	127	53	13
10	C.R.NAGARA	3	0	6	1	14	7	69	86	143	82	234	176	58	34	63	56	70	90	143	180	333	360	175	78	68	46
11	C'MAGALUR	2	2	2	32	12	23	60	22	103	159	178	237	335	392	605	1002	413	429	167	197	1519	1955	158	71	58	20
12	D.KANNADA	2	0	1	26	8	32	47	41	178	82	236	182	940	1223	1243	1359	850	632	314	336	3347	3550	248	273	85	58
13	HASSAN	2	1	3	18	11	29	59	37	108	92	183	176	131	184	217	266	135	150	119	151	602	752	162	66	55	18
14	KODAGU	3	0	3	30	15	82	77	9	142	57	241	178	512	718	856	1372	582	551	209	229	2159	2870	194	131	72	32
15	MANDYA	3	0	5	15	9	11	52	49	119	97	187	172	52	49	54	35	61	44	135	185	303	314	170	95	54	39
16	MYSORE	3	0	5	4	13	6	65	65	133	49	218	124	78	95	103	122	70	58	109	77	360	351	152	129	53	62
17	UDUPI	1	4	1	22	4	3	32	39	189	182	227	250	1062	1217	1347	1297	887	722	387	387	3682	3623	227	246	78	45
18	BELLARY	2	0	1	6	2	3	26	5	68	62	99	76	76	86	82	79	94	86	134	132	386	383	108	109	33	6
19	BIDAR	6	5	6	11	11	1	20	31	31	18	74	66	127	129	188	372	197	104	174	172	686	777	90	105	19	33
20	GULBARGA	4	0	3	10	7	2	19	20	38	23	71	55	113	114	154	210	165	75	190	273	622	671	102	71	21	7
21	YADGIR	5	0	3	0	5	0	20	10	37	37	70	47	117	67	153	143	162	115	180	284	611	610	124	147	25	0
22	KOPPALA	1	0	1	4	3	0	20	8	51	67	76	79	74	86	74	83	90	60	147	183	385	411	105	128	26	0
23	RAICHUR	2	0	2	0	5	0	19	6	40	51	67	57	87	117	110	106	120	72	155	197	472	492	117	110	24	2
24	BAGALKOTE	2	0	2	1	4	0	23	42	56	59	86	101	80	59	73	85	70	25	136	170	360	339	113	129	26	1
25	BELGAUM	1	0	1	4	6	2	29	22	74	57	110	85	127	113	197	177	124	77	113	171	560	537	116	71	30	0
26	BJJAPUR	3	0	3	2	5	3	20	27	46	24	77	55	95	102	92	134	91	68	158	187	436	490	112	85	25	0
27	DHARWAD	2	0	4	5	7	9	47	10	82	98	142	122	114	83	149	142	102	65	119	179	484	469	120	67	39	2
28	GADAG	1	0	1	0	4	12	34	52	72	66	111	131	85	71	70	48	75	41	137	164	368	324	121	100	33	0
29	HAVERI	0	16	1	0	4	4	44	64	79	84	127	168	115	120	170	230	111	99	99	174	495	624	119	72	44	3
30	U.KANNADA	0	0	0	11	3	2	24	12	118	71	145	97	699	717	991	1247	609	556	240	359	2539	2879	152	176	47	15
	STATE	2	1	3	9	7	8	36	32	86	77	134	126	193	216	273	341	200	168	155	209	821	932	143	108	45	19

Source: Directorate of Economics and Statistics

N: Normal A:Actual

Appendix 8.2

Production of Principal Crops in Karnataka State 2012-13 & 2013-14

Unit: Lakh Tonnes, Cotton in Lakh bales

Crops	KHARIF		RABI		SUMMER		ANNUAL	
	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14
Rice	26.67	28.73	1.09	0.77	5.88	8.73	33.64	38.23
Jowar	1.94	2.2	11.07	11.55	0.14	0.16	13.51	13.91
Ragi	9.14	12.23	0.53	0.51	0.08	0.2	9.74	12.94
Maize	29.78	41.89	3.86	3	1.11	0.84	34.76	45.73
Bajra	2.85	2.98	-	0.01	-	0.03	2.85	3.01
Wheat	-	-	1.79	2.4	-	-	1.79	2.4
Minor Millets	0.09	0.14	-	0.01	-	-	0.09	0.14
Total Cereals	70.47	88.16	18.34	18.24	7.21	9.96	96.02	116.37
Tur (Red gram)	4.67	6.15	-	-	-	-	4.67	6.15
Bengal gram (Gram)	-	-	6.23	5.12	-	-	6.23	5.12
Horse gram	0.26	0.32	0.54	0.58	-	-	0.8	0.9
Black gram	0.49	0.34	0.04	0.02	-	0.02	0.53	0.37
Green gram	0.51	0.59	0.01	0.02	-	0.01	0.53	0.62
Avare	0.59	0.48	0.02	0.02	-	-	0.61	0.51
Cowpea & other pulses	0.2	0.4	0.02	0.05	0.02	0.07	0.25	0.51
Total Pulses	6.72	8.28	6.86	5.8	0.02	0.1	13.62	14.18
Total Food grains	77.19	96.44	25.2	24.04	7.23	10.06	109.64	130.54
Groundnut	2.27	3.38	0.32	0.07	1.36	2.19	3.95	5.64
Sesamum	0.19	0.28	-	-	-	0.01	0.19	0.28
Sunflower	1.07	1.13	1.38	1.65	0.2	0.44	2.66	3.22
Castor	0.07	0.12	-	-	-	-	0.07	0.13
Niger seed	0.03	0.05	-	0.02	-	-	0.03	0.07
Mustard	0.01	0.01	-	0.01	-	-	0.01	0.02
Soyabean	1.78	0.94	-	-	-	0.01	1.78	1.95
Safflower	-	-	0.3	0.34	-	-	0.3	0.34
Linseed	-	-	0.01	0.04	-	-	0.01	0.04
Total Oilseeds	5.42	6.9	2.01	2.13	1.56	2.65	9	11.68
Cotton	9.86	11.86	0.5	1.1	0.02	0.03	10.38	12.99
Sugarcane (Harvested)	-	-	-	-	-	-	357.32	403.75
Sugarcane (Planted)	-	-	-	-	-	-	-	-
Tobacco	-	0.97	-	0.03	-	-	0.67	1

Source: 2012-13 Final Estimates by DE&S, 2013-14 First Advance Estimates of Agriculture Department.

Appendix 8.3

Area of Principal Crops in Karnataka State- 2012-13 & 2013-14

Unit: Area in Lakh Hectares

Crops	KHARIF		RABI		SUMMER		ANNUAL	
	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14
Rice	10.48	10.45	0.45	0.35	1.85	2.91	12.79	13.71
Jowar	1.58	1.49	10.97	10.5	0.08	0.08	12.64	12.07
Ragi	6.03	6.79	0.37	0.3	0.05	0.1	6.45	7.19
Maize	11.62	13.09	1.28	1	0.32	0.28	13.22	14.37
Bajra	2.75	2.92	-	0.01	-	0.03	2.75	3.02
Wheat	-	-	2.25	2.5	-	-	2.25	2.5
Minor Millets	0.22	0.27	-	0.01	-	-	0.22	0.28
Total Cereals	32.68	35.07	15.32	14.67	2.3	3.4	50.32	53.14
Tur (Red gram)	6.6	8.2	-	-	-	-	6.6	8.2
Bengal gram (Gram)	-	-	9.69	10	-	-	9.69	10
Horse gram	0.64	0.61	1.42	1.15	-	-	2.06	1.76
Black gram	1.03	0.84	0.07	0.05	-	0.04	1.09	0.93
Green gram	1.69	2.97	0.06	0.05	-	0.04	1.75	3.06
Avare	0.59	0.64	0.05	0.07	-	0.01	0.64	0.72
Cowpea & other pulses	0.71	0.82	0.07	0.15	0.07	0.13	0.85	1.1
Total Pulses	11.26	14.08	11.36	11.47	0.07	0.22	22.68	25.77
Total Food grains	43.94	49.16	26.68	26.14	2.37	3.62	73	78.92
Groundnut	4.05	5	0.19	0.07	1.65	2.19	5.89	7.26
Sesamum	0.73	0.46	-	-	-	0.01	0.73	0.47
Sunflower	2.11	2.05	2.79	3	0.2	0.44	5.1	5.49
Castor	0.11	0.14	-	-	-	-	0.11	0.14
Niger seed	0.12	0.13	-	0.05	-	-	0.12	0.18
Mustard	0.02	0.03	-	0.02	-	-	0.02	0.05
Soyabean	1.7	2.5	-	-	-	0.01	1.7	2.51
Safflower	-	-	0.48	0.4	-	-	0.48	0.4
Linseed	-	-	0.07	0.1	-	-	0.07	0.1
Total Oilseeds	8.84	10.31	3.53	3.65	1.85	2.65	14.22	16.61
Cotton	4.46	5.38	0.48	0.75	0.01	0.01	4.95	6.14
Sugarcane (Harvested)	-	4.65	-	0.45	-	0.39	4.25	5.49
Sugarcane (Planted)	--		-		-		1.26	
Tobacco		1.08	-	0.03	-	-	1.06	1.11

Source: 2012-13 Final Estimates by DE&S, 2013-14 First Advance Estimates of Agriculture Department.

Appendix 8.4

Index numbers of area, production and yield of agricultural commodities

Base Triennium ending 1981-82 = 100

Year	Area	Production	Yield
1970-1971	103.4	115.0	94.7
1980-1981	99.4	131.6	120.7
1990-1991	100.8	158.5	118.2
2000-2001	105.2	189.9	127.8
2001-2002	98.3	160.7	112.3
2002-2003	94.2	130.4	100.5
2003-2004	89.7	112.0	96.1
2004-2005	100.6	157.3	117.1
2005-2006	101.3	170.9	116.9
2006-2007	96.8	167.6	111.8
2007-2008	103.8	193.0	126.5
2008-2009	98.8	192.4	124.8
2009-2010	105.1	211.8	126.7
2010-2011	110.8	252.0	151.6

Source: Directorate of Economics and Statistics

Appendix 8.5
Area under Principal Crops in Karnataka

Crop	lakh hectares														
	1980-81	1990-91	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012(P)	2012-2013(P)
Rice	11.14	11.73	14.83	14.18	11.55	10.74	13.08	14.85	13.96	14.16	15.14	14.86	15.39	14.16	12.79
Ragi	10.57	10.55	10.23	9.53	7.67	9.98	8.93	9.39	6.06	8.33	8.41	7.64	7.88	6.85	6.45
Jowar	19.90	21.55	17.82	17.91	17.86	16.98	16.63	15.20	14.19	13.82	13.82	13.69	12.44	11.42	12.64
Bajra	5.64	4.25	4.62	2.10	3.05	3.19	4.45	4.31	3.88	4.32	2.66	3.05	3.09	2.86	2.75
Maize	1.57	2.50	6.69	5.80	6.50	6.18	8.50	9.36	9.60	11.13	10.68	12.40	12.86	13.49	13.22
Wheat	3.22	1.98	2.66	2.60	2.47	2.32	2.42	2.53	2.69	2.75	2.69	2.84	2.55	2.25	2.25
Minor millets	3.68	1.59	0.71	0.70	0.54	0.68	0.58	0.52	0.40	0.36	0.33	0.27	0.24	0.24	0.22
Total cereals and Minor Millets	55.72	54.15	57.56	52.82	49.64	50.07	54.59	56.16	50.78	54.87	53.73	54.76	54.46	51.27	50.32
Tur	3.36	4.63	5.83	4.82	5.14	5.32	5.62	6.00	5.96	6.81	5.97	6.04	8.92	7.67	6.60
Total pulses	15.31	16.21	20.47	18.93	20.61	18.74	21.08	19.81	23.16	23.86	20.87	24.80	27.91	23.03	22.68
Total food grains	71.03	70.36	78.03	71.75	70.25	68.81	75.67	75.97	73.94	78.73	74.60	79.55	82.37	74.30	73.00
Groundnut	7.90	12.12	10.63	8.55	8.44	8.17	9.69	10.40	7.64	9.08	8.50	8.18	8.48	6.77	5.89
Total oilseeds	12.51	25.51	18.94	17.37	20.05	22.67	26.73	28.63	23.55	22.76	21.78	20.01	16.23	14.16	14.22
Sugarcane*	1.54	2.72	4.17	4.07	3.83	2.43	1.79	2.21	2.69	3.07	2.81	3.37	4.37	4.31	4.25
Cotton	10.12	5.96	5.52	6.08	3.93	3.17	5.22	4.13	3.76	4.03	4.09	4.57	5.47	5.70	4.95
Areca nut(processed)	0.54	0.64	1.19	1.36	1.44	1.49	1.53	1.61	1.68	1.74	1.85	1.96	2.11	2.16	-
Coconut	1.71	2.32	3.36	3.70	3.75	3.76	3.83	3.96	4.04	4.05	4.19	4.30	4.41	4.43	-
Dry chillies	1.54	1.29	1.73	1.93	1.55	0.70	1.52	1.26	1.33	1.37	1.22	1.39	1.14	1.01	0.55
Tobacco	0.52	0.46	0.71	0.72	0.82	0.98	0.91	1.01	1.04	1.13	1.08	1.18	1.25	1.15	1.06
Pepper	0.03	0.03	0.07	0.10	0.10	0.11	0.12	0.15	0.14	0.16	0.17	0.20	0.21	0.22	-
Cardamom	0.28	0.26	0.20	0.20	0.19	0.19	0.19	0.20	0.24	0.21	0.20	0.19	0.19	0.19	-

P=Provisional
2011-12 & 2012-13 Final Advance Estimates

**Appendix 8.6
Production of Principal Crops in Karnataka**

Crop	Lakh tonnes														
	1980-81	1990-91	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012(P)	2012-2013(P)
Rice	22.58	24.28	38.47	32.34	23.90	25.50	37.06	39.99	36.46	38.69	40.31	38.76	44.74	39.55	33.64
Ragi	10.64	9.76	18.35	15.39	7.14	11.25	16.14	16.56	6.65	13.68	12.33	11.96	14.98	12.72	9.74
Jowar	15.06	12.82	15.47	13.72	12.25	7.81	13.59	14.79	11.30	16.70	14.84	12.96	13.46	11.66	13.15
Bajra	1.92	2.03	3.42	1.12	1.20	1.91	2.66	3.91	1.63	3.35	1.81	1.31	2.92	2.78	2.85
Maize	3.81	6.30	21.36	14.52	13.43	12.09	25.09	28.07	26.41	32.76	29.56	29.25	43.35	40.85	34.76
Wheat	1.74	1.23	2.50	1.99	1.48	0.96	2.06	2.26	2.24	2.80	2.57	2.64	3.00	1.93	1.79
Minor millets	1.39	0.63	0.47	0.37	0.31	0.39	0.31	0.27	0.21	0.17	0.15	0.13	0.12	0.12	0.09
Total cereals and Minor Millets	57.14	57.05	100.04	79.45	59.71	59.91	96.91	105.85	84.90	108.15	101.57	97.01	122.57	109.61	96.02
Tur	1.25	1.75	2.64	1.47	2.41	2.00	2.91	4.08	2.63	4.51	3.14	2.80	5.23	3.54	4.67
Total pulses	4.88	5.39	9.56	7.52	6.94	5.69	8.00	9.51	8.39	12.33	9.72	11.03	15.33	10.61	13.62
Total foodgrains	62.02	62.44	109.60	86.97	66.65	65.60	104.91	115.36	93.29	120.48	111.29	108.04	137.90	120.22	109.64
Groundnut	4.75	8.16	10.81	5.86	5.39	4.33	6.84	5.96	3.27	6.92	3.98	4.57	6.00	4.85	3.95
Total oilseeds	6.50	13.39	15.45	10.20	10.74	9.34	14.46	15.27	9.44	14.19	10.28	9.00	10.93	9.42	9.00
Sugarcane	121.27	207.50	429.24	330.17	324.85	160.15	139.93	196.48	236.42	260.28	242.66	322.87	422.77	400.10	357.32
Cotton (1)	5.97	6.40	8.55	6.12	3.31	2.65	6.25	5.85	5.36	7.05	8.25	7.05	11.50	12.78	10.38
Areca nut (processed)	0.78	0.93	1.63	1.83	1.93	1.99	2.04	2.15	2.24	2.32	2.44	2.59	4.55	0.70	-
Coconut (2)	887.00	1199.26	1762.40	1503.64	1525.29	1529.14	1551.73	1606.89	1635.84	2063.85	2867.66	3056.35	4213.36	4408.34	-
Dry Chillies	0.48	0.37	1.51	1.26	1.53	0.95	1.05	1.07	1.30	1.42	1.35	1.38	1.23	1.07	0.61
Tobacco	0.34	0.33	0.52	0.59	0.59	0.55	0.68	0.64	0.46	0.48	0.55	0.91	1.37	1.06	0.67
Pepper (3)	0.08	0.07	0.18	0.22	0.23	0.24	0.28	0.32	0.29	0.51	0.74	0.73	1.27	0.61	-
Cardamom	0.02	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.02	0.01	0.02	0.02	-

(1) Lakh bales of 170 Kgs, each in lint form. (2) Thousand nuts (3) In terms of quintals
P: Provisional, Note: Figures for 2010-11 & 2011-12 are based on Final Advance Estimates

Appendix 8.7

Average Yield of Selected Crops - India and Karnataka

Crop	Kgs/hectare																									
	2000-2001		2001-2002		2002-2003		2003-2004		2004-2005		2005-2006		2006-2007		2007-2008		2008-2009		2009-2010		2010-11		2011-12(P)		2012-13(P)	
	India	Kar	India	Kar	India	Kar	India	Kar	India	Kar	India	Kar	India	Kar	India	Kar	India	Kar	India	Kar	India	Kar	India	Kar	India	Kar
Rice	1901	2730	2079	2401	1744	2179	2077	2500	1984	2982	2102	2834	2331	2750	2203	2875	2186	2644	2130	2745	2240	3060	2393	2940	2462	2769
Ragi	NA	1889	NA	1699	NA	980	NA	1186	NA	1903	NA	1858	NA	1156	NA	1729	NA	1744	NA	1647	NA	2002	1641	1955	1428	1590
Jowar	764	914	771	806	754	722	716	484	797	860	880	1024	844	838	1021	1272	952	1241	911	996	956	1138	957	1075	863	1095
Wheat	2708	988	2762	803	2610	630	2713	436	2602	897	2619	943	2708	874	2802	1071	2891	969	2830	980	2938	1241	2393	902	2462	836
Maize	1822	3361	2000	2634	1681	2176	2041	2060	1907	3106	1938	3157	1912	2895	2335	3099	2355	2985	2002	2482	2507	3547	2478	3188	2553	2768
Bajra	688	778	869	564	610	415	1141	632	859	630	802	954	886	443	1042	816	1011	739	728	452	1069	995	1171	1023	1214	1093
Tur	618	476	679	322	651	493	670	395	667	545	765	716	650	464	826	697	678	556	723	487	655	617	662	486	806	745
Groundnut	977	1070	1127	721	694	672	1357	558	1020	743	1187	603	866	451	1459	802	1180	621	991	589	1268	747	1323	754	996	706
Cotton(lint)	190	277	186	180	191	151	307	149	318	214	362	253	421	255	467	313	419	379	403	276	510	376	491	340	483	375
Sugarcane*	69	108	67	85	64	89	59	69	65	82	67	93	69	92	69	89	62	87	70	101	69	102	71	98	67	88

* Tonnes per hectare

P: Provisional N.A: Not Available

** Source: Ministry of Agriculture & Co operation, G O I

Appendix 8.8

Area Irrigated by various sources in Karnataka State

Year	Net Area irrigated		Total Irrigated Area		Intensity of irrigated cropping	No of irrigation wells*(000)	Net area irrigated per well(ha.)	Gross cropped area	Percentage of gross irrigated area to gross cropped area
	Wells*	Other sources	Net	Gross					
2	3	4	5	6	7	8	9	10	11
1970-71	259	878	1137	1355	119.2	302	0.9	10887	12.4
1980-81	365	997	1362	1676	123.1	361	1.0	10660	15.7
1985-86	481	1195	1676	2012	120.0	432	1.1	11146	18.1
1990-91	713	1399	2112	2598	123.0	537	1.3	11759	22.1
1994-95	813	1512	2325	2923	125.7	674	1.2	12013	24.3
1995-96	799	1502	2301	2845	123.6	703	1.1	11958	23.8
1996-97	833	1491	2324	2881	124.0	718	1.2	12353	23.3
1997-98	861	1501	2362	2912	123.3	732	1.2	11698	24.9
1998-99	929	1563	2492	3118	125.1	756	1.2	12312	25.3
1999-2000	959	1588	2547	3162	124.1	771	1.2	12097	26.1
2000-01	1018	1625	2643	3271	123.8	810	1.3	12284	26.6
2001-02	1054	1510	2564	3089	120.5	839	1.3	11670	26.5
2002-03	1185	1266	2451	2841	115.9	922	1.3	11532	24.6
2003-04	1165	1218	2383	2702	113.4	979	1.2	11450	23.6
2004-05	1309	1512	2821	3328	118.0	1001	1.3	12807	26.0
2005-06	1351	1619	2970	3632	122.3	1011	1.3	13027	27.9
2006-07	1327	1619	2946	3603	122.3	1021	1.3	12438	29.0
2007-08	1513	1619	3132	3789	121.0	1075	1.4	12893	29.4
2008-09	1546	1687	3233	3942	121.9	1114	1.4	12368	31.9
2009-10	1677	1713	3390	4096	120.8	1109	1.5	12873	31.8
2010-11	1718	1772	3490	4279	122.6	1116	1.5	13062	32.8
2011-12	1701	1739	3440	4137	120.2	1133	1.5	12059	34.3

Note:* including borewells

Appendix 8.9(a)

Land use classification in Karnataka

Year	Geographical Area	Forest	Land put to non agricultural use	Barren & Uncultivable land	Cultivable waste land	Permanent pastures and other grazing land	Miscellaneous tree crops, groves not included under net area sown	Current fallow	Other fallow	Net area sown	Area sown more than once	Gross cropped area	Cropping Intensity	AREA in '000hectares	
1986-87	19050	3061	1162	801	461	1156	350	1108	417	10533	1288	11821	112.23		
1987-88	19050	3061	1174	801	458	1135	326	942	417	10736	1510	12246	114.06		
1988-89	19050	3071	1182	800	448	1103	319	1221	405	10501	1318	11819	112.55		
1989-90	19050	3074	1183	799	447	1100	317	1019	403	10708	1407	12115	113.14		
1990-91	19050	3074	1189	799	446	1098	317	1290	457	10381	1378	11759	113.27		
1991-92	19050	3075	1192	801	445	1097	316	984	431	10709	1683	12393	115.73		
1992-93	19050	3075	1204	801	443	1094	317	1085	416	10615	1605	12220	115.12		
1993-94	19050	3076	1217	800	444	899	316	1112	396	10790	1643	12432	115.22		
1994-95	19050	3076	1230	801	444	1048	326	1284	422	10420	1594	12013	115.29		
1995-96	19050	3062	1257	800	442	1028	320	1278	444	10419	1538	11958	114.77		
1996-97	19050	3062	1269	799	441	1017	317	1138	396	10609	1744	12353	116.44		
1997-98	19050	3063	1284	802	439	1005	313	1671	399	10075	1621	11696	116.09		
1998-99	19050	3063	1295	799	435	987	312	1266	401	10489	1822	12312	117.38		
1999-00	19050	3063	1301	796	433	979	305	1489	426	10259	1839	12097	117.92		
2000-01	19050	3068	1312	794	427	959	303	1367	409	10410	1874	12284	118.00		
2001-02	19050	3070	1325	788	423	956	302	1728	426	10031	1638	11670	116.34		
2002-03	19050	3070	1332	788	421	952	305	1832	513	9838	1694	11532	117.22		
2003-04	19050	3071	1336	788	419	947	301	1854	487	9847	1604	11450	116.28		
2004-05	19050	3070	1340	788	420	945	297	1247	443	10499	2308	12807	121.98		
2005-06	19050	3072	1349	788	419	936	292	1233	452	10509	2517	13027	123.96		
2006-07	19050	3072	1363	788	416	934	292	1565	515	10105	2333	12438	123.09		
2007-08	19050	3072	1369	788	415	930	290	1262	505	10419	2474	12893	123.75		
2008-09	19050	3072	1375	788	413	923	290	1482	512	10195	2173	12368	121.31		
2009-10	19050	3072	1386	788	413	914	288	1301	484	10404	2469	12873	123.73		
2010-11	19050	3072	1430	787	414	912	286	1199	427	10523	2540	13062	124.13		
2011-12	19050	3072	1433	787	413	908	285	1672	539	9941	2118	12059	121.31		

Source : Directorate of Economic & Statistics

Appendix 8.9 (b) Land utilisation Statistics

Classification	(lakh hectares)										
	1960-61	1970-71	1980-81	1990-91	2000-01	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Total Geographical Area	187.80	189.43	190.50	190.50	190.50	190.50	190.50	190.50	190.50	190.50	190.50
1. Forest	27.09	28.90	30.33	30.74	30.68	30.72	30.72	30.72	30.72	30.72	30.72
2. Not available for cultivation											
a. Land put to non agriculture use	8.12	9.37	10.66	11.89	13.12	13.63	13.69	13.75	13.86	14.30	14.33
b. Barren and uncultivable land	9.22	8.39	8.44	7.99	7.94	7.88	7.88	7.88	7.88	7.87	7.87
3. Cultivable waste	6.56	6.15	5.02	4.46	4.27	4.16	4.15	4.13	4.13	4.14	4.13
4. Uncultivated land excluding fallow land											
a. Permanent Pasture's and other grazing land	17.39	16.19	13.46	10.98	9.59	9.34	9.30	9.23	9.14	9.12	9.08
b. Miscellaneous tree crops, groves not included under net area sown	3.66	3.11	3.42	3.17	3.03	2.92	2.90	2.90	2.88	2.86	2.85
5. Fallow land											
a. Current fallow	8.35	8.11	14.59	12.90	13.67	15.65	12.62	14.82	13.01	11.99	16.72
b. Other fallow	5.13	6.72	5.58	4.57	4.09	5.15	5.05	5.12	4.84	4.27	5.39
6. Net area sown	102.28	102.48	98.99	103.81	104.10	101.05	104.19	101.95	104.04	105.23	99.41
7. Total cropped Area	105.88	108.87	106.60	117.59	122.84	124.38	128.93	123.68	128.73	130.62	120.59
8. Area sown more than once	3.60	6.39	7.61	13.78	18.74	23.33	24.74	21.73	24.69	25.39	21.18
Cropping Intensity	103.52	106.24	107.69	113.27	118.00	123.09	123.74	121.31	123.73	124.13	121.31

Source : Annual Crop Report, Directorate of Economics & Statistics

Appendix - 8.10
Cropping Pattern in Karnataka

(Area in Lakh hectares)

Sl. No.	Crops	Year								
		1960-61	1970-71	1980-81	1990-91	2000-01	2010-11	2011-12	2012-13	2013-14*
1	Rice	10.28	11.70	11.14	11.73	14.84	15.39	14.16	12.79	13.71
2	Jowar	29.69	22.24	19.91	21.55	17.82	12.44	11.42	12.64	12.07
3	Ragi	9.96	10.65	10.57	10.55	10.23	7.88	6.85	6.45	7.19
4	Maize	0.11	0.63	1.57	2.5	6.69	12.86	13.49	13.22	14.37
5	Bajra	5.00	5.62	5.64	4.25	4.62	3.09	2.86	2.75	3.02
6	Wheat	3.26	3.43	3.22	1.98	2.66	2.55	2.25	2.25	2.5
7	M.Millets	4.44	5.44	3.68	1.59	0.71	0.25	0.24	0.22	0.28
	Total Cereals:	62.74	59.71	55.73	54.15	57.57	54.46	51.27	50.32	53.14
1	Tur	2.96	3.04	3.36	4.63	5.83	8.92	7.67	6.6	8.2
2	Bengal gram	1.58	1.63	1.4	2.29	3.69	9.59	8.03	9.69	10
3	Horse gram		6.19	7.09	3.53	2.95	2.21	1.8	2.06	1.76
4	Black gram	8.51	0.94	0.57	0.96	1.46	1.27	0.93	1.09	0.93
5	Green gram		1.20	1.53	2.91	4.51	4.01	2.93	1.75	3.06
6	Cowpea & other Pulses		0.88	0.77	1.14	1.15	1.08	0.99	0.85	1.1
7	Avare		0.56	0.59	0.75	0.88	0.83	0.68	0.64	0.72
	Total Pulses:	13.05	14.44	15.31	16.21	20.47	27.91	23.03	22.68	25.77
	Total Food grains:	75.79	74.15	71.04	70.36	78.04	82.37	74.30	73.00	78.91
1	Groundnut	9.15	10.27	7.9	12.12	10.63	8.46	6.77	5.89	7.26
2	Sesamum	0.64	0.87	1.18	1.43	0.98	0.87	0.62	0.73	0.47
3	Sunflower	-	-	0.38	8.96	4.78	4.09	3.81	5.1	5.49
4	Castor	0.42	0.38	0.26	0.22	0.3	0.19	0.16	0.11	0.14
5	Niger	0.25	0.21	0.55	0.53	0.44	0.23	0.21	0.12	0.18
6	Mustard	0.09	0.04	0.03	0.05	0.08	0.04	0.04	0.02	0.05
7	Soyabean	-	-	-	0.24	0.63	1.68	1.91	1.7	2.51
8	Safflower	1.44	1.59	1.58	1.68	0.93	0.56	0.55	0.48	0.40
9	Linseed	0.48	0.62	0.63	0.28	0.17	0.11	0.09	0.07	0.10
	Total Oilseeds:	12.47	13.98	12.51	25.51	18.94	16.23	14.16	14.22	16.60
	<u>Annual Crops:</u>									
1	Cotton	9.84	11.42	10.12	5.96	5.52	5.47	5.7	4.95	6.14
2	Sugarcane	0.72	1.04	1.54	2.72	4.17	4.37	4.31	4.25	4.25
3	Tobacco	0.39	0.38	0.52	0.46	0.71	1.25	1.15	1.06	1.11
	Total Annual Crops:	10.95	12.84	12.18	9.14	10.4	11.09	11.16	10.26	11.5
	Total of above @	99.21	100.97	95.73	105.01	107.38	109.69	99.62	97.48	107.01

Source: 1960-61 to 2010-11 FRE of DE&S 2011-12 & 2012-13 Final Estimates of DE&S.

*Provisional Estimates of Agri. Dept. @ Total excluding Sugarcane (P) area during 2010-11 to 2013-14

Appendix 8.11

Fertilizer Consumption and HYV Coverage in Karnataka

Sl. No.	Area under HYV(Lakh hectares)	Fertilizer Consumption (Lakh Tonnes)			
		Nitrogen	Phosphorous	Potash	TOTAL
1970-71	5.3	0.92	0.37	0.24	1.53
1980-81	24	1.93	0.81	0.7	3.44
1990-91	31.56	4.12	2.56	1.65	8.33
2000-01	41.28	7.03	3.6	2.31	12.94
2001-02	39.34	6.71	3.6	2.18	12.49
2002-03	38.41	6.01	3.03	1.95	10.99
2003-04	38.74	4.93	2.4	1.86	9.19
2004-05	45.445	6.55	3.63	2.73	12.91
2005-06	47.99	9.85	4.96	3.25	18.06
2006-07	47.5	7.56	4.38	2.91	14.85
2007-08	48.52	7.92	3.93	3.43	15.28
2008-09	47.73	8.64	5.59	4.09	18.32
2009-10	49.06	9.63	6.3	4.66	20.59
2010-11	49.66	10.16	6.96	3.98	21.1
2011-12	46.54 #	11.04	7.87	3.33	22.23
2012-13	45.51 #	11.97	7.23	4.97	24.18
2013-14*	48.20*	6.11	2.79	1.5	10.40@

Provisional, *Anticipated Achievement @ upto Oct 2013

Source: Department of Agriculture

Appendix 8.12

Progress made under NAIS since inception of the scheme till 2012-13

Year	No. of farmers Enrolled (lakhs)	Premium collected (Rs. in lakhs)	Area covered (lakh Hectares)	Sum insured (Rs. in lakhs)	No. of farmers Benefitted (lakhs)	Claims settled (Rs. in lakhs)
2000-01	3.67	1115.56	7.16	42808.44	0.24	326.95
2001-02	6.76	1575.72	10.85	58152.12	3.52	13612.78
2002-03	10.3	4191.79	14.98	126618.23	5.99	30390.81
2003-04	18.64	4405.56	29.73	155415.15	12.42	50908.29
2004-05	9.63	3989.44	14.06	111289.16	1.52	3050.42
2005-06	9.71	4852.81	16.79	128245.24	1.32	4536.59
2006-07	13.39	4739.23	27.12	153367.94	6.15	20667.7
2007-08	6.37	3698.42	16.05	109926.9	0.67	2871.99
2008-09	13.42	4569.15	20.96	154767.44	3.52	14964.42
2009-10	11.01	4182.82	15.96	148561.12	5.073	18358.03
2010-11	7.19	3641.16	19.58	140639.06	0.6	4832.81
2011-12	13.68	3548.78	27.53	190461.79	5.3	13990.6
2012-13	5.45	2390.86	4.72	75068.42	1.82	12686
GRAND TOTAL	129.26	46903.13	225.49	1595321.01	48.14	191052.33

Source: Agriculture Department.

Appendix- 8.13
MSP announced by GOI for the year 2013-14
(Minimum Support Price for different Kharif crops for the
year 2013-14)

(Rs. per quintal)

Sl. No.	Commodity	Variety	2012-13
KHARIF CROPS			
1	Paddy	Common	1310
		Grade 'A'	1345
2	Jowar	Hybrid	1500
		Maldandi	1520
3	Bajra		1250
4	Maize		1310
5	Ragi		1500
6	Arhar (Tur)		4300
7	Moong		4500
8	Urad		4300
9	Cotton	9 F-414/H-777/J34	3700
		H-4	4000
10	Groundnut in shell		4000
11	Sunflower seed		3700
12	Soybean	Black	2500
		Yellow	2560
13	Sesamum		4500
14	Niger seed		3500

Source: Agriculture Department.

Appendix - 8.14

Area and production of selected fruit crops

Crops	1990-91		2000-01		2007-08		2008-09		2009-10		2010-11		2011-12		2012-13(E)(P)		2013-14(E)(P)	
	Area	prodn.	Area	prodn.	Area	prodn.	Area	prodn.	Area	prodn.	Area	prodn.	Area	prodn.	Area	prodn.	Area	prodn.
Mango	76955	657973	119172	1098547	134567	1223258	140490	1607595	153875	1694051	162648	1762531	168723	1693462	178846	1795070	189577	1902774
Banana	38280	1132804	53377	1217169	70472	1793284	75892	1890785	104436	2132320	87238	2239540	92718	2409166	97354	2529624	102222	2656105
Citrus Fruits	33195	299009	15524	326324	13513	295680	15651	274249	15122	312541	17824	388993	17497	387386	18021	399008	18562	410978
Gauva	11299	141212	9087	157102	6871	134783	6882	132699	7168	138810	6944	132461	6690	132268	6823	134913	6960	137611
Sapota	13267	243989	20216	193737	26199	283590	27541	309740	29313	359828	28909	355896	29862	352210	31654	373342	33553	395743
Grapes	5972	131176	8509	150334	14310	258814	15461	278560	17356	317643	16286	278912	19058	310388	19729	320876	20427	331766
Pineapple	2965	103530	4873	272475	2877	177431	2909	180515	2857	177238	2228	130007	2631	164379	2710	169310	2792	174390
Pomogranate	4438	13145	10803	112241	13858	134109	14996	140682	13187	138488	14688	147312	14649	145914	15088	150291	15541	154800
Jack	10527	247258	7855	236524	6166	244409	5995	235144	5825	213817	5421	204204	5341	204759	5502	210902	5667	217229
Papaya	1221	178497	4889	332858	5214	389540	5117	419951	5830	419254	5829	422509	6333	442472	6586	460171	6849	478578
Ber	2239	17013	1023	26580	408	13077	621	13713	392	10647	860	25065	905	25922	905	25922	905	25922
Fig	123	158	352	2868	1389	13262	1498	13643	1179	12907	1167	13099	1192	14594	1204	14740	1216	14887
Rose Apple	357	1651	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lichi	13	27	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Seetaphal	3406	29192	2031	15975	1913	14839	1899	14405	1651	13868	1706	12892	1677	13306	1711	13572	1745	13844
Butter Fruit	110	106	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Others	6895	62113	3022	21878	2136	24495	2641	22526	2054	21245	1980	19949	2004	21479	2044	21908	2085	22346
Total	211262	3258853	260733	4164612	299893	5000571	317593	5534207	360245	5962657	353728	6133370	369279	6317704	388178	6619649	408100	6936973

E:Estimated P:Provisional

Source : Department of Horticulture

Appendix 8.15 Financial progress achieved under NHM

(Rs.in lakhs)

Sl. No.	Year	Opening Balance	Releases			Accrued Interest	Total available Grants (3+6+7)	Grants utilized	Closing Balance
			GOI 85%	GOK 15%	Total				
1	2	3	4	5	6	7	8	9	10
1	2005-06	-	4455.17	0	4455.17	-	4455.17	56.49	4398.68
2	2006-07	4398.68	8448.25	0	8448.25	75.76	12922.69	4450.59	8472.1
3	2007-08	8472.1	8571.04	1499.9	10070.94	413.43	18956.47	17064.13	1892.34
4	2008-09	1892.34	12536.88	1000	13536.88	218.49	15647.71	10953.65	4694.06
5	2009-10	4694.06	8001.67	1499	9500.67	228.47	14423.2	13117.09	1306.11
6	2010-11	1306.11	9325	2611.38	11936.38	168	13410.49	12522.02	888.47
7	2011-12	888.47	9970.85	1954.58	11925.43	246.36	13060.26	12574.46	485.8
8	2012-13	485.8	11303.81	2026.2	13330.01	246.31	14062.12	10556.14	3505.98
Grants Transit(31.03.2013)									666.59
Total Closing Balance of 2012-13 and GT									4172.56
9	2013-14*	4172.56	4974	1000	5974	-	10146.57	6764.67*	3381.9
	Total		77586.67	11591.06	89177.73	1596.82		88059.24	

* Programme and progress for 2013-14 up to the end of December-2013

Source : Department of Horticulture

Appendix 8.16

Year wise Livestock Population

(in number)

Year	Cattle	Buffalo	Sheep	Goat	Pig	Others	Total livestock	Poultry
1951	8815269	2565959	4192078	2676408	161889	134580	18546183	5705132
1956	8965693	2668713	4059473	2583995	185493	102851	18566218	7667845
1961	9673001	3025890	4764972	2894355	206513	103456	20668187	8840927
1966	9685581	2946027	4747964	2813682	207078	115160	20485462	8276797
1972	10018717	3036873	4662420	3726016	261125	82211	21965362	10163177
1977	10221960	3278128	4536481	3388139	296368	79128	21800204	9696012
1983	11300223	3647967	4791650	4546928	318862	1542755	26148385	12096535
1990	10175501	4037193	4727238	3888799	303969	1835301	24968021	15693580
1997	10831134	4367184	8003078	4874759	405444	2206468	30688067	21398756
2003	9595930	4023832	7272241	4491473	320433	2654625	28358534	24450809
2007	10507325	4329076	9565696	6157134	279763	2044257	32883251	42433692
% of variation over the previous year 2003	9.5	7.59	31.54	37.08	-12.69	-22.99	15.96	73.55

Appendix 8.17

**Target and Estimate of Milk, Egg, Wool and Meat Production
from 2009-10 to 2013-14**

Sl. No	Year	Milk (in '000 tonnes)		% of Achievements	Egg (in lakhs)		% of Achievements	Wool(in tonnes)		% of Achievements	Meat(in tonnes)		% of Achievements
		Target	Production		Target	Production		Target	Production		Target	Production	
1	2009-10	4539	4821	106.21	19239	29083	151.17	6055	7165	118.33	113653	119247	104.92
2	2010-11	4675	5113	104.94	19558	30674	136.09	6176	7179	113.03	116949	123910	100.56
3	2011-12	4815	5448	113.15	19883	34699	174.52	6300	7779	123.48	120341	139553	115.96
4	2012-13	5639	5718	101.4	37475	36773	98.13	8090	8020	99.13	145000	166059	114.52
5	2013-14	5836	*4492	76.97	40473	*30134	74.45	8414	*5351	63.60	150941	*127439	84.43
	Total	25504	25592	100.35	136628	161363	118.1	35035	35494	101.31	646884	676208	104.53

*upto the end of December -2013

Appendix 8.18

Details of Budget Estimates, Releases and Expenditure under State Plan (XI five year plan) - Sericulture

Scheme	2007-08			2008-09			2009-10			(Rs.lakh)
	Budget	Releases	Expdt	Budget	Releases	Expdt	Budget	Releases	Expdt	
State Sericulture Industry	13.5	13.5	12.75	5	5	4.57	10	9.5	9.15	
Sericulture Development	76.5	76.5	73.35	60	60	58.89	60	60	47.55	
NABARD works							200			
Centrally Sponsored –CDP	2442	2144.37	1770.62	2500	2499.7	2447.09	1817.5	2004.5	1853.48	
SDP										
SCP							486	321	105.21	
TSP							196.5	141.96	87.7	
Infrastructure Devt.in	75	75	74.68	75	75	74.95	70	65	62.28	
Cocoon yards										
Production of Silkworm eggs in Grainages	160	160	160.27	160	160	157.68	150	150	139.84	
New industrial policy for Sericulture (Reshme Varadana)	400	400	393.59	300	500	487.721	50	375	356.41	
SCP-	291.6	291.6	278.73	250	250	240.28	50	100	53.77	
TSP-	117.9	117.9	115.64	80	80	74.83	50	50	38.64	
NABARD works							25			
KSP-Phase II	222.25	222.25	186.49	283.78	283.78	216.8	250.34	250.34	218.42	
Development of Silk rearing activities	370.5	370.5	372.02	400	400	395.49	300	300	298.34	
SCP							249			
Building works	225	225	225	25	500	424	249	249	179.4	
SCP										
TSP										
Interest subsidy for reeling units										
SCP										
TOTAL	4394.25	4096.62	3663.14	4138.78	4813.48	4582.301	3964.34	4076.3	3450.19	

Source : Sericulture Department

Appendix 8.18 (Contd..)
Details of Budget Estimates, Releases and Expenditure under State Plan (XI five year plan) - Sericulture

Scheme	2010-11			2011-12			2012-13		
	Budget	Releases	Expendt	Budget	Releases	Expendt	Budget	Releases	Expendt
State Sericulture Industry	5	5	4.95	10	10	7.92	40	40	39.43
Sericulture Development	50	37.5	38.28	40	40	39.23	0	0	0
NABARD works	575	202	146.26	500	250	243.73	640	45	41.51
Centrally Sponsored -CDP	2272	5836	5055.32	2950	4916.72	4497.66	9401.26	7390	4623.07
SDP				500	500	466.34	500	500	381.88
SCP				500	500	288.01	516.87	500	530.99
TSP				250	250	183.68	217.87	217.87	231.47
Infrastructure Devt.in									
Cocoon yards	70	67.5	65.05	75	75	72.98	100	100	95.76
Production of Silkworm eggs in Grainages	100	100	99.28	100	100	98.88	100	100	96.69
New industrial policy for Sericulture (Reshme Varadana)	250	250	246.61	67.25	67.25	64.22	600	450	436.82
SCP-	418.4	418.4	416.53	364.2	364.2	364.2	100	100	93
TSP-	159.6	159.6	157.02	218.55	218.55	209.49	100	100	85.84
NABARD works	25	8	6.34	100	16.25	13.9	0	0	0
KSP-Phase II	275	275	263.69	250	318.06	318.06	395	395	378.78
Development of Silk rearing activities	200	350	349.59	425	625	623.53	600	600	597.9
SCP	100	100	79.23	100	100	99.44	0	0	0
Building works	250	250	245.11	500	555	554.39	1000	750	704.6
SCP				125	125	121.26	0	0	0
TSP				75	75	59.2	0	0	0
Interest subsidy for reeling units	400	93.49	43.84	200	50	30.02	300	150	141.75
SCP	100			100	25	0	0	0	0
New Initiative for sericulture development				3100	1050	1006.42	1900	1500	1474.24
2851-00-107-1-40(059)									
Special Development Plan 2851-00-107-1-40(133)				0	0	0	500	375	462.84
SCP 2851-00-107-1-40(422)				800	500	137.03	400	400	388.71
TSP- 2851-00-107-1-40(423)				300	600	53.72	200	200	186.4
Bivoltine seed cocoons incentives									
2851-00-107-1-41(059)				200	100	43.24	200	200	76.8
Hybrid chawki rearing expenses 2851-00-107-1-42 (059)				250	125	111.63	250	250	209.42
Sericulture Cluster development									
2851-00-107-1-43 (059)				300	150	131.7	300	300	279.2
Rejuvenation of Govt. Silk Farms									
2851-00-107-1-44(059)	5250	8152.49	7250.1	12525	11768.53	9900.79	18486	14787.87	11680.29

Appendix 9.1

Public Investment in Irrigation in Karnataka

(Rs. in crores)

Year	Major and Medium projects*	Minor Irrigation works**	Total
1997-98	1604.52	67.89	1672.41
1998-99	1719.80	89.17	1808.97
1999-00	2027.27	107.92	2135.19
2000-01	2595.09	121.18	2716.27
2001-02	2547.17	103.16	2650.33
2002-03	2689.96	110.58	2800.54
2003-04	2308.08	129.88	2437.96
2004-05	3531.24	203.96	3735.20
2005-06	3579.39	194.19	3773.58
2006-07	3951.75	354.70	4306.45
2007-08	2058.41	353.11	2411.52
2008-09	2020.85	395.94	2416.79
2009-10	2939.40	594.08	3533.48
2010-11	3470.17	823.85	4294.02
2011-12	4666.06	1100.38	5766.44
2012-13(RE)	6107.94	1027.10	7198.30
2013-14 (BE)	8007.34	1078.70	9086.04

RE: Revised Estimates

BE: Budget Estimates

* : Includes outlay on irrigation projects pending approval

** : Surface water only

Source: Details of Provisions for Plan Expenditure 2013-14

Appendix 9.2

Trends in Irrigation in Karnataka Cumulative Potential Created

(Lakh hectares)

End of Plan/year	Major and Medium Projects	Minor (surface)	Total
VII Plan (1985-1990)			
1985-86	12.27	8.59	20.86
1986-87	12.75	8.65	21.40
1987-88	12.87	8.71	21.58
1988-89	12.97	8.82	21.79
1989-90	13.09	8.92	22.01
Annual Plan			
1990-91	13.36	8.95	22.31
1991-92	13.80	9.00	22.80
VIII Plan			
1992-93	14.25	9.06	23.31
1993-94	14.94	9.13	24.07
1994-95	15.28	9.18	24.46
1995-96	15.77	9.25	25.02
1996-97	16.13	9.30	25.43
IX Plan			
1997-98	16.58	9.35	25.93
1998-99	16.93	9.38	26.31
1999-00	17.41	9.43	26.84
2000-01	18.12	9.51	27.63
2001-02	19.05	9.58	28.63
X Plan			
2002-03	19.70	9.65	29.35
2003-04	20.38	9.71	30.09
2004-05	21.17	9.75	30.92
2005-06	21.97	9.82	31.79
2006-07	23.21	9.61	32.82
XI Plan			
2007-08	23.64	9.69	33.33
2008-09	24.28	9.81	34.09
2009-10	24.56	9.87	34.43
2010-11	25.06	10.06	35.12
2011-12	25.56	10.28	35.84
XII Plan			
2012-13	27.43	10.51	37.94
2013-14(A)	28.51	10.89	39.40
A: Anticipated			

Source: Water Resources Department, Government of Karnataka

Appendix 9.3

Details of Progress achieved in the Projects in Upper Krishna Basin (Other than Upper Krishna Project)

(Financial Rs. in lakhs, Potential in hectares)

Sl. No.	Name of the Project	Financial			Potential		
		Estimated cost	Cum. Expt. till 3/2013	Expected Expt. During 2013-14	Planned Potential	Potential created upto 3/2013	Anticipated Potential to be created in 2013-14
1	Bennethora	42000.00	39332.00	1000.00	20234	19978	256
2	Bhadra Modernisation	110000.00	103123.00	3000.00			
3	Bhima Lift	55193.00	36593.00	19200.00	8903	7059	
4	Dudhganga	30980.00	15000.00	791.00	15167	3800	
5	Ghataprabha III	178200.00	167507.00	5300.00	310823	302048	
6	Hipparagi	152178.00	140726.00	14706.00	74742	59307	9650
7	TBLBC Modn.*	215250.00	71513.00	5000.00			
8	Malaprabha	138348.00	133435.00	5000.00	220028	213537	99
9	Markandeya	34148.00	31928.00	300.00	14448	14383	
10	Ramthal Lift	1000.00	173.32	274.75			6013
11	Singatlur	189450.00	94975.00	23500.00	67584	12941	10000
12	Upper Tunga	256188.00	151432.00	10000.00	80494	37452	15000
13	Upper Bhadra Stage-I	598500.00	58199.00	19000.00	107265		
14	Modified Sonthi LIS	60000.00	16579.00	12500.00	16000		3000
15	Timmapura LIS	13300.00	9269.00	5050.00	20100	13393	4987
16	Amarja	28000.00	23676.00	3000.00	8903	7059	1844
17	Basapur Lift	2696.00	2227.00	200.00	2266	890	1376
18	Gandhorinala	30000.00	27225.00	500.00	8094	7943	
19	Lower Mullamari	24000.00	21485.00	1000.00	9713	9400	313
20	Harinala	7500.00	7421.00	50.00	3480	3480	
21	Hirehalla	24636.00	22416.11	75.00	8330	7489	
22	Kenchanagudda LIS	515.00	1590.00		809		
23	Y-Kaggal	2500.00	300.59		2688		
24	Itagi Sasalwad Lift	2589.00	2073.00	100.00	1983	1983	
25	Thimmapur LIS	17300.00	9269.00		20100	13393	
26	Bhakrihalla						
27	Javalahalla	500.00	450.00	50.00			
28	Bellarynala Lift	57601.00	16419.00	2000.00	8700		
29	Guddadamallapur	11540.00	8123.00	2948.00	5261		5261
30	Srirameshwar LIS	33155.00	19267.00	11564.00	13800	2980	6000
31	Hiranyakeshi LIS	3000.00	1881.00	200.00			
32	Bennihalla, Kolchi & Konnur	2573.00	2260.00	200.00			
33	Ubrani Amrutapur	12000.00	11498.00	500.00			
34	Sanyasikoppa	1500.00	1102.00	100.00	1791		1791
35	Shiggaon LIS	53100.00	22004.00	4000.00	9900	7847	1000
36	Dandavathi	27200.00	280.00	100.00	3642		
37	Tiluvalli LIS	3400.00	110.00	800.00	1012		
38	Kalluvaddahalla Tank	2042.00		10.00	1950		
39	Teggi-Siddapur LIS	3000.00	3380.00	500.00			3000
40	Sonna & Ronnimannikeri LIS	2000.00	1472.00	500.00			1000
41	Rajanakollur LIS	1153.00	1107.00	46.00	1100	1100	
42	Bhima Barrages	10923.00	10853.00	70.00	8285	8285	
43	Manjra Barrages	27500.00	24673.00	2827.00	12672	12672	
TOTAL		2466658.00	1312346.02	155961.75	1090267.00	768419.00	70590.00

Source: Water Resources Department

Appendix 9.4

Eleventh Five Year Plan Physical Targets and Achievements

Sl. No	Item	2008-09		2009-10		2010-11		2011-12		2012-13	
		Anticipated Target	Anticipated Achievements	Anticipated Target	Anticipated Achievements	Anticipated Target	Anticipated Achievements	Anticipated Target	Anticipated Achievements	Anticipated Target	Anticipated Achievements
1	MINING										
	a. Mining leases	50	20	30	10	30	30	30	30	20	01
	b. Quarry leases	800	870	800	364	800	800	800	800	60	16
	c. Ornamental stone quarry lease	50	14	30	4	30	30	30	30	30	17
	d. Cartography (preparation of digital maps 1:50,000)	100	0	100	45	100	100	100	100	50	50
	Total	1000	904	960	423	960	960	960	960	160	84

Source : Department of Mines Geology.

Appendix 9.5
Minor Minerals Production and its Value

Name of Mineral	FOR THE FINANCIAL YEAR: 2007-08			FOR THE FINANCIAL YEAR: 2008-09		
	Quantity (M.T.)	Aprox. Value for all sizes (in Rs.)	Value (Rs. '000)	Quantity (M.T.)	Aprox. Value for all sizes (in Rs.)	Value (Rs. '000)
1. Granite:						
a) Black Granite	21071.42 M ³	16,000/M ³	337142720	20765.02 M ³	16,000/M ³	332240320
b) Grey Granite	36652.90 M ³	8,000/M ³	293223200	52804.28 M ³	8,000/M ³	422434240
c) Ilkal Pink	32959.69 M ³	15,000/M ³	494395350	32959.69 M ³	15,000/M ³	494395350
d) Multi Colour	33712.67 M ³	10,000/M ³	337126700	36358.12 M ³	10,000/M ³	363581200
2. Marble	-	-	-	-	-	-
3. Building Stones	10329234.43	250/T	2582308607.50	9219372	250/T	2304843000
4. Gravel						
5. Ordinary clay	5060	100/T	50600	57611	100/T	5761100
6. Ordinary sand: When used for other than the following purposes:- Refractory and manufacture ceramic/ Metallurgical purposes/Optical purposes/ Stowing in coal mines/ Manufacture of silvirete cement/ Manufactures of sodium silicate/Manufacture of pottery and glass	142743	850/T	121331550	170171	850/T	144645350
10. Lime shell: When used in kilns for manufacturing of lime used as building material	0			1720	1000/T	1720000
11. Kankar: When used in kilns for manufacturing of lime used as building material	1200	600/T	720000	520	600/T	312000
12. Lime stone: When used in kilns for manufacturing of lime used as building material	0			950	100/T	95000
13. Murram:	700	50/T	35000	214420	50/T	10721000
14. Bricks earth	732500	50/T	36625000	752000	50/T	37600000
15. Fuller's earth:	8389	300/T	2516700	14218	300/T	4265400
Quantity (M.T.)	FOR THE FINANCIAL YEAR: 2009-10		FOR THE FINANCIAL YEAR: 2010-11			
Quantity (M.T.)	Aprox. Value for all sizes (in Rs.)	Quantity (M.T.)	Aprox. Value for all sizes (in Rs.)	Quantity (M.T.)	Quantity (M.T.)	
1. Granite:						
a) Black Granite	15870.072M ³	16,000/M ³	253921152	16177.8M ³	16,000/M ³	
b) Grey Granite	48782.39 M ³	8,000/M ³	390259120	68367.28 M ³	8,000/M ³	
c) Ilkal Pink	69643.446M ³	15,000/M ³	1044651690	134346.49M ³	15,000/M ³	
d) Multi Colour	36624.304M ³	10,000/M ³	366243040	42102.59 M ³	10,000/M ³	
3. Building Stones	12889684.01	250/T	3222421002.5	14215781	250/T	
5. Ordinary clay	52501	100/T	5250100	116680	100/T	
Ordinary sand: When used for other than the following purposes:- Refractory and manufacture ceramic/ Metallurgical purposes/Optical purposes/ Stowing in coal mines/ Manufacture of silvirete cement/ Manufactures of sodium silicate/Manufacture of pottery and glass	307323.86	850/T	261225281	725180	850/T	
10. Lime shell: When used in kilns for manufacturing of lime used as building material	0.00	1000/T	0.00	21898	1000/T	
11. Kankar: When used in kilns for manufacturing of lime used as building material	1350.00	600/T	810000	2730	600/T	
12. Lime stone: When used in kilns for manufacturing of lime used as building material	1150.00	100/T	115000	1450	100/T	
13. Murram:	102496.44	50/T	5124822	7300.00	50/T	
14. Bricks earth	7000.00	50/T	350000	0.00	50/T	
15. Fuller's earth:	15743	300/T	4722900	23518.00	300/T	

Source : Department of Mines & Geology.

Appendix 10.1

Sector-wise Growth in Index of Industrial Production (IIP): 2006-07 to 2012-13

Sector	Weight	Base year: 2004-05										CARG**
		2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13				
Mining	69.83	101.77	119.90	128.77	117.02	118.29	44.98	72.84	-3.9			
		(-0.94)	(17.81)	(7.40)	(-9.12)	(1.09)	(-61.90)	(46.30)				
Manufacturing*	811.36	114.18	123.05	129.83	146.90	161.18	165.54	179.19	7.6			
		(7.83)	(7.77)	(5.51)	(13.15)	(9.72)	(2.40)	(8.56)				
Electricity	118.81	118.37	126.24	126.33	146.27	147.96	170.85	180.59	7.7			
		(12.81)	(6.64)	(0.08)	(15.79)	(1.15)	(15.47)	(5.70)				
General	1000.00	114.13	123.18	129.28	145.08	156.62	157.35	171.93	7.0			
		(7.95)	(7.93)	(4.95)	(12.22)	(7.96)	(0.47)	(9.03)				

* Provisional,

**CARG = Compound Average Rate of Growth

Note: Figures in brackets are percentage growth compared to the previous year

Source: Directorate of Economics and Statistics

Appendix 10.2

Index of Industrial production in the manufacturing sector in Karnataka by use-based groups: 2006-07 to 2012-13

Base year: 2004-05

Sl. No	Industry Group	Weight	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	**CARG
1	Basic goods	219.8377	132.95	150.99	154.60	156.49	164.71	153.76	178.14	7.48
			(19.34)	(13.57)	(2.39)	(1.23)	(5.25)	(-6.64)	(15.86)	
2	Capital goods	132.8699	113.28	120.75	113.69	131.29	137.93	192.03	194.69	8.68
			(4.42)	(6.60)	(-5.85)	(15.47)	(5.06)	(39.22)	(1.39)	
3	Intermediate goods	173.5747	106.06	111.06	115.31	133.50	146.16	187.68	211.07	9.79
			(1.16)	(4.72)	(3.83)	(15.77)	(9.48)	(28.40)	(12.46)	
4	Consumer goods	285.0769	113.45	122.39	131.45	150.12	165.59	147.40	153.37	5.49
			(7.87)	(7.88)	(7.41)	(14.20)	(10.31)	(-10.98)	(4.05)	
	a) Consumer durables	37.4330	111.39	119.90	143.37	146.16	155.69	183.85	116.51	1.93
			(7.46)	(7.65)	(19.57)	(1.94)	(6.52)	(18.08)	(-36.63)	
	b) Consumer nondurables	247.6439	114.16	123.25	127.39	150.90	163.62	141.89	156.70	5.78
			(8.01)	(7.96)	(3.36)	(18.45)	(8.43)	(-13.28)	(10.44)	
	Manufacturing Index*	811.3591	114.18	123.05	129.83	146.90	161.18	165.15	179.19	7.56
			(7.83)	(7.77)	(5.51)	(13.51)	(9.72)	(2.40)	(8.57)	

* Provisional,

**CARG = Compound Average Rate of Growth

Figures in the brackets indicate percentage change over the previous year.

Source: Directorate of Economics and Statistics.

Appendix 10.3

Annual indices of industrial production in Karnataka manufacturing division by groups : 2006-07 to 2012-13

Base Year: 2004-05

Sl. No	NIC Code	Name of the Industry Group	Weight within dvn.	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
1	15	Manufacture of Food Products & Beverages	71.2978	115.03	125.66	152.40	181.07	206.87	163.81	179.92
2	16	Manufacture of Tobacco Products	50.1473	101.72	109.60	89.97	128.38	153.33	130.00	142.44
3	17	Manufacture of Textiles	20.4432	93.39	96.36	112.51	119.70	128.78	150.88	167.95
4	18	Manufacture of Wearing Apparel	51.7851	103.67	109.94	96.00	122.95	137.30	136.61	150.29
5	19	Manufacture of Leather Goods	1.6970	80.95	86.73	124.45	133.95	139.00	134.84	145.24
6	20	Manufacture of Wood & Wood Products	0.9559	93.09	96.11	100.86	102.30	106.99	205.84	221.48
7	21	Manufacture of Paper & Paper products	13.4892	114.35	123.01	153.13	161.86	170.51	171.29	190.56
8	22	Manufacture of Publishing & Printing Materials	8.4155	103.30	109.04	211.50	219.71	241.83	200.12	307.06
9	23	Manufacture of Coke, Refined Petroleum Products & Nuclear fuel	68.0032	108.08	114.96	144.64	157.50	167.83	148.61	162.26
10	24	Manufacture of Chemical & Chemical Products	107.8921	123.34	133.36	106.14	113.59	119.93	137.42	153.31
11	25	Manufacture of Rubber & Plastic Products	12.4670	115.66	124.09	173.11	179.34	195.95	177.92	196.53
12	26	Manufacture of other Non-metallic Mineral products	37.0224	140.34	160.54	144.56	149.30	155.41	183.35	193.03
13	27	Manufacture of Basic Metals	119.9261	138.09	157.43	157.82	166.64	179.03	153.45	173.24
14	28	Manufacture of Fabricated metal products	13.0763	98.52	102.62	120.46	126.71	131.72	183.22	203.81
15	29	Manufacture of Machinery Equipments	50.4417	103.15	110.22	110.00	116.17	120.32	196.39	213.73
16	30	Manufacture of Office, Accounting & Computing Machinery	7.1733	115.66	124.09	171.71	181.52	197.51	187.20	189.46
17	31	Manufacture of Electrical Machinery & Apparatus	33.4176	119.49	128.71	117.19	125.15	130.30	209.24	209.75
18	32	Manufacture of Television and other Communication equipments	25.2076	132.13	147.41	144.99	163.62	182.61	194.96	198.43
19	33	Manufacture of Medical, Optical Instruments & Watches	36.0535	139.22	158.99	123.40	127.70	130.77	164.91	173.75
20	34	Manufacture of Motor Vehicles, Trailers and Semi-Trailers	54.2817	97.40	98.91	101.34	119.44	136.45	228.64	232.42
21	35	Manufacture of Other Transport Equipment	8.2089	106.27	111.15	59.04	61.59	71.02	201.39	204.58
22	36	Manufacture of Furniture	19.9570	87.40	92.95	135.64	148.60	151.74	161.56	163.39
		Manufacturing Index*	811.3591	(7.83)	(7.77)	(5.51)	(13.15)	(9.72)	(2.40)	(8.56)

* Provisional figures, Note: Figures in brackets indicate percentage change over the previous year, Source: Directorate of Economics and Statistics

Appendix 10.4

Two Digit Level (NIC-2008) Industrial Composition based on ASI 2010-11

Sl. No.	Industrial Group (NIC-2008)	Value of Output* (Rs. lakh)	Percentage
1	Agriculture and related activities (01)	118186	041
2	Manufacture of Food Products (10)	4068755	1423
3	Manufacture of Beverages (11)	359535	126
4	Manufacture of Tobacco Products (12)	298275	104
5	Manufacture of Textiles (13)	276908	097
6	Manufacture of Wearing Apparels (14)	1015205	355
7	Manufacture of Leather and Related Products (15)	66214	023
8	Manufacture of Wood & Wood Products (16)	57658	020
9	Manufacture of paper & Paper Products (17)	397308	139
10	Manufacture of Printing & Reproduction of Recorded Media (18)	200834	070
11	Manufacture of Coke & Refined Petroleum Products (19)	4142407	1449
12	Manufacture of Chemical & Chemical Products (20)	997938	349
13	Manufacture of Pharmaceutical, medicinal chemical and Botanical products (21)	748500	262
14	Manufacture of Rubber products (22)	780535	273
15	Manufacture of other non metallic mineral products (23)	750470	262
16	Manufacture of basic metals (24)	3616754	1265
17	Manufacture of Fabricated metal products (25)	621390	217
18	Manufacture of Computer, electronic & optical products (26)	906563	317
19	Manufacture of electrical equipment (27)	1601267	560
20	Manufacture of machinery & equipment (28)	1666287	583
21	Manufacture of motor vehicle, trailers & semi trailers (29)	1868259	653
22	Manufacture of other transport equipment (30)	325044	114
23	Manufacture of furniture (31)	50392	018
24	Manufacture of other manufacturing materials (32)	2308611	807
25	Manufacture of repair & installation of machinery (33)	21863	008
26	Manufacture of waste collection treatment of disposal activities (38)	2951	001
27	Others	1327821	464
	State Total	28595930	100

*Provisional

Source: Central Statistical Organisation

Appendix 10.5

Registration of small-scale industrial units in Karnataka (Cumulative)

Item	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
No of SSI Units set up	298148	310368	321606	334386	346966	361950	377655	394850	413284	434305	458511
Investment (Rs in lakh)	616374	653428	691969	735616	782158	894817	996434	1119250	1239873	1399514	1616365
Employment ('000s)	1723	1780	1830	1888	1946	2069	2174	2285	2396	2524	2680

Source: Directorate of Industries & Commerce

Appendix 10.6

Scheme wise details of Plan and Expenditure (XI five year plan)

Name of the Scheme	2008-09		2009-10		2010-11		2011-12		2012-13		2013-14	
	Annual Plan	Actual Expenditure	Annual Plan	Actual Expenditure	Annual Plan	Actual Expenditure	Annual Plan	Actual Expenditure	Annual Plan	Actual Expenditure	Annual Plan	Actual Expenditure (Up to Dec 13)
Composite Scheme	209.42	162.69	209.12	159.21	210.00	193.76	250.00	143.44	1500.00	998.44	272.00	166.05
Training of Officers and Staff	5.00	0.98	5.00	1.62	3.00	2.10	5.00	0.81	250.29	203.46	5.00	2.49
Scheme for Establishment of Publication Wing in the Department	5.00	1.98	5.00	4.94	3.00	0.93	5.00	2.97	5.00	2.12	5.00	2.25
Creation of Mineral Conservation Cell of the Department	1.00	0	1.00	0.4	5.00	2.53	5.00	0.00	5.00	1.83	5.00	3.60
Environmental Geological Wing of the Department	10.00	8.22	10.00	10	10.00	0.00	15.00	0.00	5.00	2.00	5.00	0.00
Modernization	200.00	147.46	200.00	134.82	169	99.4	800	270.84	5.00	0.00	1395.56	641.71
Total	430.42	321.33	430.12	310.99	400	298.72	1080	418.06	1770.29	1207.85	1687.56	816.10

Source: Department of Mines and Geology

Appendix 10.7

Departmental Target and Achievements (XI five year plan)

1- Iron & Steel

Sl No	Year	Targets		Achievement	
		Sales (MTs)	Value (Rs Lakhs)	Sales (MTs)	Value (Rs Lakhs)
1	2007-08	16800	6200	19458	7152
2	2008-09	20500	9600	13525	6315
3	2009-10	15000	5400	18696	6723
4	2010-11	25000	10000	20502	8924
5	2011-12	27500	12600	19096	6642
6	2012-13	18500	8982	13795	8671
7	2013-14	15000	7283	8888 (upto Dec 2013)	4190

Source: KSSIDC

2 - Coal

Sl No	Year	Targets		Achievement		Remarks
		Sales (MTs)	Value (Rs Lakhs)	Sales (MTs)	Value (Rs Lakhs)	
1	2007-08	0	0	0	0	Coal is an allocation material by M/s Coal India Ltd,
2	2008-09	16670	290	16670	290	
3	2009-10	39665	693	39665	693	
4	2010-11	36582	685	36582	685	
5	2011-12	40000	985	31702	726	
6	2012-13	40000	985	40781	1056	
7	2013-14	40000	1150	24292 (upto Dec 2013)	691	

Source: KSSIDC

3-Others Paraffin Wax

Sl No	Year	Targets		Achievement	
		Sales (MTs)	Value (Rs Lakhs)	Sales (MTs)	Value (Rs Lakhs)
1	2007-08	0	0	0	0
2	2008-09	0	0	0	0
3	2009-10	0	0	0	0
4	2010-11	38	34	38	34
5	2011-12	200	200	124	120
6	2012-13	200	210	98	107
7	2013-14	200	210	69 (upto Dec 2013)	77

Note: KSSIDC has entered into a distributorship agreement M/s Indian Oil Corporation Ltd, for distribution of Paraffin wax

Source: KSSIDC

Appendix 10.8
Achievements made by KIADB in XI five year plan

Particulars	Units	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (April- Nov 2013)
		Achievements	Achievements	Achievements	Achievements	Achievements	Achievements	Achievements
Land Acquired	Acres	13,556.39	7105.25	3778.08	25058.50	7723.25	10012.20	4199.21
Expenditure incurred on acquisition	Rs. in Crores	615.34	1275.00	1375.00	1749.00	982.10	1731.00	972.76
Expenditure incurred on development	Rs. in Crores	245.66	225.00	156.70	286.25	155.75	312.60	272.21
Total expenditure	Rs.in Crores	861.00	1500.00	1531.70	2035.25	1137.85	2043.60	1244.97
No of entrepreneurs	Nos.	891	874	1080	1009	458	481	349

Source: Karnataka Industrial Areas Development Board

Appendix 10.9
Registered Factories by Industries

NIC GROUP 2008	Description	2012-13	2013-14
01	Cotton Ginning, Cleaning & Baling	326	358
11	Manufacture of Food Products and Beverages	2010	2190
12	Manufacture of Tobacco Products	45	52
13	Manufacture of Textiles	215	357
14	Manufacture of Wearing Apparel; Dressing and Dyeing of Fur	297	439
15	Tanning and dressing of Leather; Manufacture of Luggage, Handbags, Saddlery, Harness and Footwear	52	73
16	Manufacture wood and of Products of wood & cork, Except Furniture; Manufacture of articles of straw and plaiting materials	997	1032
17	Manufacture of Paper & Paper Products	282	317
18	Printing, Publishing & allied Industries	317	450
19	Manufacture of Coke, Refined Petroleum Products & Nuclear Fuel	282	285
20	Manufacture of Chemicals & Chemical Products	517	601
22	Manufacture of Rubber and Plastic Products	545	616
23	Manufacture of other Non Metallic Mineral Products	332	365
24	Basic Metal metals	539	565
25	Manufacture of Fabricated Metal Products & Parts, Except machinery & Transport Equipments	1588	2128
28	Manufacturing of Machinery and Equipment NEC*	1427	439
27	Manufacture of Electrical, Machinery & Apparatus NEC	504	567
26	Manufacture of Radio, Television and Communication Equipment and Apparatus	110	194
29	Manufacture of Motor Vehicles Trailers & Semi Trailers	125	133
30	Manufacture of other Transport Equipments	43	58
31	Manufacture of Furniture Manufacturing NEC	110	122
35	Electricity Gas Steam and Hot Water Supply	56	59
36	Collection Purification and Distribution of Water	32	37
45	Sale Maintenance and Repair of Motor Vehicles, Motor Cycles; retail sale of Automotive Fuel	575	725
46	Wholesale Trade and Commission Trade, Except of Motor Vehicles and Motor Cycles;	2	6
49	Land Transport; transport Via pipelines	1	4
	OTHERS	2561	2801
	Total	13890	15973

Source: Factories, Boilers, Industrial Safety & Health

Appendix 10.10

Assistance sanctioned and disbursed by Karnataka State Financial Corporation

(Rs Lakh)

Item	2000 -01		2001 -02		2002 -03		2003 -04		2004 -05		2005-06		2006-07	
	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount
Sanction	1309	1309	1625	30371	1325	34067	1326	1326	1244	24287	1161	31620	1326	42453
Disbursements	-	-	-	29242	-	26828	-	-	-	24034	-	19986	-	2139

Item	2007-08		2008-09		2009-10		2010-11		2011-12		2012-13		2013-14 (April – Sept 2013)	
	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount
Sanction	1195	36815	1420	56524	1461	63149	1537	73163	1485	81732	1598	94406	632	38096
Disbursements	-	30313	-	38392	-	43439	-	58041	-	59708	-	73470	-	30367

Source: Karnataka State Financial Corporation

Appendix 10.11: Departmental Target and Achievements

Particulars	2008-09		2009-10		2010-11		2011-12		2012-13	
	Target	Achievements	Target	Achievements	Target	Achievements	Target	Achievements	Target	Achievements
Sources :										
Opening Balance of Cash/Bank	6099.49	5192.68	11849.20	12262.96	12237.36	12139.37	17156.02	17156.02	18945.32	18945.32
Increase in CRPS	100.00	179.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Structured Obligation to GOK(HUDCO)	1090.32	1090.32	1090.32	1090.32	1090.32	1090.43	1090.32	1090.32	1090.32	1090.32
Government of Karnataka	9239.00	6043.13	1687.24	78.00	1525.00	5025.00	25.00	25.00	25.00	6034.61
Bank loans	895.00	889.45	865.00	865.00	844.53	892.53	840.00	831.33	402.42	411.30
Bonds Subscription	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Projects	1691.50	1493.89	870.00	517.15	523.00	637.45	3691.44	3192.03	7848.82	431.02
KITVEN fund	575.00	75.00	50.00	225.00	50.00	12.50	137.50	150.00	37.50	37.50
Government of India-Interest Arrears	13.73	13.73	13.73	13.73	13.73	13.73	13.73	13.73	13.73	13.73
Recovery from Staff Advance	60.00	80.30	60.00	64.83	60.00	62.17	50.00	55.12	50.00	45.87
Recovery from Operations	8070.00	10495.01	5430.00	4028.23	4924.64	5157.29	4376.5	4049.18	3276.50	2185.99
Revenue Receipts	5947.92	7117.75	5755.32	5343.65	4881.00	5156.12	4605.5	5384.46	4954.21	4523.61
Income tax refund	0.00	0.00	0.00	0.00	188.75	184.39	422.00	516.98	0.00	0.00
Total	33781.96	32670.26	27670.81	24488.87	26338.33	30370.98	32408.01	32464.17	36643.82	33719.27
APPLICATIONS:										
Investments	4287.00	822.98	1999.24	200.00	1790.00	290.00	0	0	0.00	0.00
KITVEN fund	500.00	0.00	850.00	125.00	725.00	126.00	224	125	125.00	125.00
Repayments to HUDCO	1092.32	1090.32	1090.32	1090.32	1090.32	1090.43	1090.32	1090.32	1090.32	1090.32
Repayments to Banks	2196.34	2209.86	0.00	0.00	0.00	0.00	0	0	0.00	0.00
Redemption of Bonds	255.00	255.00	275.00	275.00	7740.00	520.00	4430.00	4430.00	9550.00	9550.00
Staff Advances	41.50	80.27	40.50	41.45	40.00	39.23	40.00	32.05	35.00	27.37
Discharge of other liabilities	251.00	7536.15	3010.00	5759.42	2674.50	4943.74	3965	3709.58	2115.00	1589.74
Capital Expenditure	20.00	30.94	50.00	18.94	60.00	11.00	20	16.31	20.00	5504.86
Project expenditure/Deployment	7281.63	4644.62	2299.25	1052.98	2420.09	2872.73	3847.94	941.45	9909.78	702.29
Current Assets	50.00	100.58	510.00	58.42	75.00	166.66	100.00	208.16	200.00	354.83
Income Tax/Sales Tax/FBT	183.00	724.58	75.00	399.34	0.00	231.13	200.00	192.79	184.00	353.18
Revenue payments	4937.03	2912.00	2869.41	3328.63	3011.83	2924.04	3118.83	2772.69	2478.77	2068.35
Closing Balance of Cash/Bank	12687.14	12262.96	14602.09	12139.37	6711.59	17156.02	15371.92	18945.32	10935.95	12353.33
Total	33781.96	32670.26	27670.81	24488.87	26338.33	30370.98	32408.01	32464.17	36643.82	33719.27

Source : Karnataka State Industrial and Infrastructure Development Corporation Limited

Appendix 10.12

Industrial approvals in Karnataka

Item	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Letter of Intent Issued	5	4	3	-	-	9	10	12	-	8	3	-	9
Industrial Licenses issued	2	3	4	-	-	-	-	-	-	-	-	-	-

Source: Technical Consultancy Services Organisation of Karnataka (TECSOK)

Appendix 11.1 Work Participation Rate by Residence : Census 2011

State / District Code	State / District	Persons						Males						Females					
		2001			2011			2001			2011			2001			2011		
		Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban
1	2	6	7	8	9	10	11	6	7	8	9	10	11	6	7	8	9	10	11
-	KARNATAKA	44.53	49.09	35.67	45.62	49.38	39.66	56.64	58.10	53.85	59.00	59.76	57.81	31.98	39.87	16.37	31.87	38.79	20.81
555	Belgaum	44.56	48.06	33.47	44.05	46.97	35.48	55.90	56.96	52.55	56.64	57.24	54.86	32.74	38.82	13.37	31.11	36.38	15.68
556	Bagalkot	43.57	47.49	33.94	43.29	46.09	37.25	53.68	54.76	51.03	53.84	54.02	53.45	33.25	40.10	16.32	32.62	38.04	20.94
557	Bijapur	39.75	42.67	29.35	42.61	45.40	33.30	50.48	51.53	46.76	52.21	52.94	49.75	28.46	33.35	11.01	32.60	37.48	16.52
558	Bidar	37.11	40.22	26.69	41.25	44.33	32.00	47.50	49.03	42.46	52.72	54.32	47.98	26.17	31.01	9.60	29.25	33.94	15.03
559	Raichur	43.88	47.99	31.70	46.84	50.54	35.98	52.89	54.40	48.52	54.99	55.86	52.46	34.72	41.54	14.13	38.69	45.24	19.32
560	Koppal	46.36	48.98	33.19	47.11	49.11	37.22	53.66	54.21	50.92	55.43	55.56	54.79	38.93	43.66	14.95	38.67	42.55	19.61
561	Gadag	47.11	52.17	37.80	46.57	50.59	39.30	56.22	57.91	53.10	57.79	58.78	55.96	37.71	46.24	21.99	35.13	42.15	22.65
562	Dharwad	42.67	54.30	33.14	42.49	51.06	35.98	56.02	61.51	51.50	58.02	61.21	55.54	28.60	46.67	13.85	26.50	40.35	16.19
563	Uttara Kannada	42.94	46.75	33.45	42.34	45.50	34.66	57.63	59.59	52.76	59.29	61.27	54.45	27.81	33.54	13.53	25.03	29.37	14.52
564	Haveri	46.33	49.24	35.23	45.70	48.23	36.83	58.24	59.45	53.62	59.91	61.07	55.82	33.71	38.41	15.81	30.74	34.67	17.19
565	Bellary	45.42	50.82	35.34	45.54	50.60	37.12	54.61	55.85	52.32	56.85	57.41	55.93	35.94	45.67	17.60	34.03	43.65	18.08
566	Chitradurga	47.55	50.84	32.66	51.62	55.13	37.43	57.00	58.10	52.01	61.05	62.26	56.09	37.68	43.25	12.25	41.93	47.78	18.65
567	Davanagere	43.76	47.85	34.37	44.99	48.66	37.29	56.74	58.70	52.27	59.37	61.06	55.83	30.13	36.51	15.32	30.19	35.88	18.33
568	Shimoga	43.51	48.34	34.45	44.54	49.10	36.27	58.68	60.63	55.03	60.92	62.79	57.52	28.00	35.83	13.16	28.12	35.35	15.07
569	Udupi	43.89	45.11	38.55	43.59	44.64	40.94	55.14	55.18	54.97	59.67	60.04	58.75	33.94	36.36	22.75	28.91	30.83	23.91
570	Chikmagalur	45.29	47.58	35.85	49.72	52.63	38.81	59.43	60.23	56.18	63.16	64.28	58.95	30.92	34.80	14.67	36.39	41.06	18.90
571	Tumkur	50.95	54.29	37.29	50.57	53.86	39.13	60.24	61.62	54.68	62.01	63.41	57.14	41.35	46.76	18.75	38.93	44.14	20.85
572	Bangalore	39.27	44.45	38.57	44.14	47.20	43.83	57.97	60.04	57.69	62.03	64.03	61.82	18.67	27.37	17.49	24.61	28.02	24.27
573	Mandya	47.65	49.94	35.66	48.26	50.06	39.48	61.21	62.50	54.55	63.55	64.47	59.09	33.90	37.25	16.12	32.89	35.56	19.96
574	Hassan	50.23	53.83	33.46	50.87	54.55	37.17	60.79	62.45	53.27	63.42	64.94	57.82	39.70	45.32	12.91	38.43	44.29	16.59
575	Dakshina Kannada	49.87	54.11	43.08	47.75	51.99	43.09	58.23	59.71	55.88	60.01	62.00	57.82	41.70	48.69	30.33	35.72	42.17	28.64
576	Kodagu	48.56	50.23	38.06	50.30	51.96	40.62	60.91	61.52	57.16	62.67	63.30	59.05	36.16	38.97	18.06	38.17	40.87	22.22
577	Mysore	42.04	46.96	33.72	43.79	47.90	38.00	58.20	61.15	53.20	60.98	63.23	57.78	25.28	32.21	13.59	26.35	32.22	18.14
578	Chamarajanagar	46.44	48.10	37.27	47.19	48.99	38.46	61.35	62.40	55.60	63.32	64.36	58.25	31.07	33.37	18.38	30.94	33.48	18.74
579	Gulbarga	41.64	47.90	28.17	42.36	46.64	33.49	50.17	53.31	43.57	52.24	53.69	49.25	32.75	42.34	11.61	32.19	39.40	17.21
580	Yadgir	46.48	49.14	33.53	46.64	49.09	36.08	53.10	54.42	46.74	53.72	54.52	50.30	39.74	43.78	19.85	39.48	43.60	21.63
581	Kolar	45.74	51.41	31.94	46.72	51.60	35.99	56.31	59.09	49.56	58.48	60.41	54.20	34.91	43.55	13.92	34.71	42.55	17.64
582	Chikkaballapura	52.28	55.91	37.02	50.97	54.34	39.32	60.26	61.26	56.09	60.41	61.46	56.74	44.01	50.40	16.94	41.27	46.99	21.55
583	Bangalore Rural	46.56	49.01	38.16	46.41	48.55	40.66	59.61	59.81	58.90	61.96	62.62	60.18	32.76	37.63	15.92	29.97	33.65	20.12
584	Ramanagara	48.16	50.64	38.77	49.09	52.16	39.73	59.61	60.78	55.23	62.84	64.52	57.73	36.29	40.18	21.36	35.00	39.51	21.28

Appendix 11.2 Percentage of Main Workers to Total Workers : Census 2011

State / District Code	State / District	Persons						Males						Females					
		2001		2011		2001		2011		2001		2011		2001		2011			
		Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban			
1	2	6	7	8	9	10	11	6	7	8	9	10	11	6	7	8	9	10	11
-	KARNATAKA	82.28	78.60	92.12	83.94	81.40	88.96	91.21	89.67	94.40	89.49	88.43	91.21	65.88	62.09	84.17	73.39	70.34	82.49
555	Belgaum	81.89	79.94	90.70	82.37	80.87	88.23	92.94	92.61	94.07	90.21	89.95	91.00	62.23	60.66	76.8	67.71	66.15	78.31
556	Bagalkot	78.03	74.82	89.04	82.68	81.46	85.95	90.30	89.00	93.70	89.02	88.82	89.47	57.82	55.15	74.05	72.1	70.88	76.9
557	Bijapur	76.85	74.62	88.40	81.93	81.88	82.14	88.49	87.47	92.52	87.64	88.22	85.54	55.13	53.75	70.01	72.4	72.49	71.73
558	Bidar	76.22	74.23	86.28	78.53	77.33	83.51	86.13	85.28	89.39	83.74	82.95	86.42	57.24	55.96	71.37	68.7	67.98	73.67
559	Raichur	74.29	70.43	91.63	80.36	79.15	85.36	86.96	84.63	94.57	87.00	86.45	88.70	54.66	51.68	81.09	70.92	70.16	76.19
560	Koppal	76.14	74.35	89.45	77.60	76.53	84.55	88.61	87.84	92.73	84.82	84.11	88.44	58.65	57.34	77.98	67.09	66.47	73.67
561	Gadag	84.92	83.05	89.65	85.42	85.04	86.31	93.75	92.88	95.50	90.88	91.63	89.42	71.33	70.37	75.04	76.29	75.58	78.64
562	Dharwad	85.76	81.00	92.15	88.04	86.61	89.58	93.29	91.74	94.81	92.12	92.93	91.42	70.21	66.02	81.72	78.84	76.49	83.2
563	Uttara Kannada	78.33	75.93	86.68	81.89	79.93	88.12	88.61	88.12	89.98	88.43	87.89	89.90	56.38	53.63	73.41	66.06	62.94	81.35
564	Haveri	79.68	77.94	88.95	82.45	81.66	86.08	90.35	89.59	93.54	89.41	89.46	89.19	60.14	58.8	72.56	68.19	67.12	75.62
565	Bellary	87.03	84.81	92.99	86.79	85.32	90.13	93.69	92.87	95.32	91.24	90.48	92.55	76.58	74.7	85.76	79.23	78.39	82.57
566	Chitradurga	79.80	78.00	92.55	77.92	76.40	86.99	90.33	89.41	94.94	86.50	85.64	90.40	63.14	61.98	81.82	65.09	63.96	76.67
567	Davanagere	80.60	77.38	90.90	80.56	80.15	81.69	89.69	88.37	93.06	86.12	86.89	84.37	62.61	58.92	83.05	69.32	68.33	73.36
568	Shimoga	82.11	78.79	90.85	83.63	81.17	89.66	91.57	90.88	93.00	89.99	89.25	91.46	61.83	58	81.55	69.8	66.74	82.78
569	Udupi	85.48	84.02	92.99	89.52	88.60	92.04	91.42	90.56	95.01	92.43	92.12	93.20	76.94	75.4	88.3	84.03	82.46	89.31
570	Chikmagalur	83.00	81.67	90.28	84.88	84.27	87.98	91.38	90.89	93.53	91.16	91.18	91.09	66.64	65.56	77.32	74.07	73.53	78.41
571	Tumkur	79.75	77.81	91.36	79.61	78.25	86.12	91.27	90.47	94.85	88.13	87.96	88.78	62.41	60.68	80.49	65.81	64.05	78.72
572	Bangalore	92.65	82.73	94.19	90.85	88.08	91.15	94.55	88.55	95.39	92.89	90.73	93.12	86.15	68.76	89.83	85.23	81.2	85.68
573	Mandya	81.20	79.90	90.77	82.04	81.35	86.31	91.47	91.12	93.52	89.39	89.39	89.38	62.4	60.87	81.16	67.78	66.67	77.25
574	Hassan	81.28	79.79	92.44	83.27	82.28	88.68	92.88	92.49	94.98	91.49	91.57	91.15	63.59	62.51	81.59	69.84	68.82	80.09
575	Dakshina Kannada	88.92	86.35	94.08	91.66	90.18	93.61	92.60	91.04	95.23	93.81	93.11	94.65	83.89	80.79	91.97	88.1	85.96	91.57
576	Kodagu	92.94	92.82	93.91	92.76	92.83	92.23	95.07	95.10	94.90	94.37	94.61	92.94	89.33	89.24	90.63	90.17	90.15	90.37
577	Mysore	83.42	78.90	94.05	82.34	79.37	87.60	91.00	88.68	95.52	87.55	86.11	89.79	65.3	59.6	88.08	70.09	65.86	80.59
578	Chamarajanagar	75.15	73.71	85.44	79.18	78.07	86.00	83.73	82.87	89.07	83.90	83.15	87.95	57.7	56.06	74.13	69.45	68.22	79.96
579	Gulbarga	75.41	72.05	87.72	77.66	76.45	81.17	87.60	86.21	91.18	84.30	84.04	84.87	55.93	53.72	73.73	66.59	65.82	70.23
580	Yadgir	73.68	72.29	83.63	79.83	79.12	84.03	87.57	86.98	90.88	87.18	86.98	88.11	54.79	53.77	65.92	69.73	69.2	74.37
581	Kolar	82.53	80.14	91.88	81.43	79.14	88.65	91.01	89.91	94.22	86.81	85.42	90.28	68.52	66.57	83.34	72.17	69.99	83.63
582	Chikkaballapura	81.76	80.27	91.21	83.71	83.32	85.59	91.07	90.31	94.53	88.78	88.83	88.62	68.57	67.7	79.62	76.07	75.89	77.45
583	Bangalore Rural	83.70	81.17	94.79	84.80	83.43	89.19	91.95	90.59	96.67	89.51	88.96	91.08	67.79	65.4	87.32	74.5	72.55	83.23
584	Ramanagara	79.59	77.56	89.65	86.34	85.69	88.93	90.21	89.78	91.95	90.79	90.84	90.61	61.51	58.49	83.35	78.15	77.07	84.26

Appendix 11.3 Percentage of Marginal Workers to Total Workers : Census 2011

State / District Code	State / District	Persons						Males						Females					
		2001			2011			2001			2011			2001			2011		
		Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban
1	2	6	7	8	9	10	11	6	7	8	9	10	11	6	7	8	9	10	11
-	KARNATAKA	17.72	21.40	7.88	16.06	18.60	11.04	8.79	10.33	5.60	10.51	11.57	8.79	34.12	37.91	15.83	26.61	29.66	17.51
555	Belgaum	18.11	20.06	9.30	17.63	19.13	11.77	7.06	7.39	5.93	9.79	10.05	9.00	37.77	39.34	23.20	32.29	33.85	21.69
556	Bagalkot	21.97	25.18	10.96	17.32	18.54	14.05	9.70	11.00	6.30	10.98	11.18	10.53	42.18	44.85	25.95	27.90	29.12	23.10
557	Bijapur	23.15	25.38	11.60	18.07	18.12	17.86	11.51	12.53	7.48	12.36	11.78	14.46	44.87	46.25	29.99	27.60	27.51	28.27
558	Bidar	23.78	25.77	13.72	21.47	22.67	16.49	13.87	14.72	10.61	16.26	17.05	13.58	42.76	44.04	28.63	31.30	32.02	26.33
559	Raichur	25.71	29.57	8.37	19.64	20.85	14.64	13.04	15.37	5.43	13.00	13.55	11.30	45.34	48.32	18.91	29.08	29.84	23.81
560	Koppal	23.86	25.65	10.55	22.40	23.47	15.45	11.39	12.16	7.27	15.18	15.89	11.56	41.35	42.66	22.02	32.91	33.53	26.33
561	Gadag	15.08	16.95	10.35	14.58	14.96	13.69	6.25	7.12	4.50	9.12	8.37	10.58	28.67	29.63	24.96	23.71	24.42	21.36
562	Dharwad	14.24	19.00	7.85	11.96	13.39	10.42	6.71	8.26	5.19	7.88	7.07	8.58	29.79	33.98	18.28	21.16	23.51	16.80
563	Uttara Kannada	21.67	24.07	13.32	18.11	20.07	11.88	11.39	11.88	10.02	11.57	12.11	10.10	43.62	46.37	26.59	33.94	37.06	18.65
564	Haveri	20.32	22.06	11.05	17.55	18.34	13.92	9.65	10.41	6.46	10.59	10.54	10.81	39.86	41.20	27.44	31.81	32.88	24.38
565	Bellary	12.97	15.19	7.01	13.21	14.68	9.87	6.31	7.13	4.68	8.76	9.52	7.45	23.42	25.30	14.24	20.77	21.61	17.43
566	Chitradurga	20.20	22.00	7.45	22.08	23.60	13.01	9.67	10.59	5.06	13.50	14.36	9.60	36.86	38.02	18.18	34.91	36.04	23.33
567	Davanagere	19.40	22.62	9.10	19.44	19.85	18.31	10.31	11.63	6.94	13.88	13.11	15.63	37.39	41.08	16.95	30.68	31.67	26.64
568	Shimoga	17.89	21.21	9.15	16.37	18.83	10.34	8.43	9.12	7.00	10.01	10.75	8.54	38.17	42.00	18.45	30.20	33.26	17.22
569	Udupi	14.52	15.98	7.01	10.48	11.40	7.96	8.58	9.44	4.99	7.57	7.88	6.80	23.06	24.60	11.70	15.97	17.54	10.69
570	Chikmagalur	17.00	18.33	9.72	15.12	15.73	12.02	8.62	9.11	6.47	8.84	8.82	8.91	33.36	34.44	22.68	25.93	26.47	21.59
571	Tumkur	20.25	22.19	8.64	20.39	21.75	13.88	8.73	9.53	5.15	11.87	12.04	11.22	37.59	39.32	19.51	34.19	35.95	21.28
572	Bangalore	7.35	17.27	5.81	9.15	11.92	8.85	5.45	11.45	4.61	7.11	9.27	6.88	13.85	31.24	10.17	14.77	18.80	14.32
573	Mandya	18.80	20.10	9.23	17.96	18.65	13.69	8.53	8.88	6.48	10.61	10.61	10.62	37.60	39.13	18.84	32.22	33.33	22.75
574	Hassan	18.72	20.21	7.56	16.73	17.72	11.32	7.12	7.51	5.02	8.51	8.43	8.85	36.41	37.49	18.41	30.16	31.18	19.91
575	Dakshina Kannada	11.08	13.65	5.92	8.34	9.82	6.39	7.40	8.96	4.77	6.19	6.89	5.35	16.11	19.21	8.03	11.90	14.04	8.43
576	Kodagu	7.06	7.18	6.09	7.24	7.17	7.77	4.93	4.90	5.10	5.63	5.39	7.06	10.67	10.76	9.37	9.83	9.85	9.63
577	Mysore	16.58	21.10	5.95	17.66	20.63	12.40	9.00	11.32	4.48	12.45	13.89	10.21	34.70	40.40	11.92	29.91	34.14	19.41
578	Chamarajanagar	24.85	26.29	14.56	20.82	21.93	14.00	16.27	17.13	10.93	16.10	16.85	12.05	42.30	43.94	25.87	30.55	31.78	20.04
579	Gulbarga	24.59	27.95	12.28	22.34	23.55	18.83	12.40	13.79	8.82	15.70	15.96	15.13	44.07	46.28	26.27	33.41	34.18	29.77
580	Yadgir	26.32	27.71	16.37	20.17	20.88	15.97	12.43	13.02	9.12	12.82	13.02	11.89	45.21	46.23	34.08	30.27	30.80	25.63
581	Kolar	17.47	19.86	8.12	18.57	20.86	11.35	8.99	10.09	5.78	13.19	14.58	9.72	31.48	33.43	16.66	27.83	30.01	16.37
582	Chikkaballapura	18.24	19.73	8.79	16.29	16.68	14.41	8.93	9.69	5.47	11.22	11.17	11.38	31.43	32.30	20.38	23.93	24.11	22.55
583	Bangalore Rural	16.30	18.83	5.21	15.20	16.57	10.81	8.05	9.41	3.33	10.49	11.04	8.92	32.21	34.60	12.68	25.50	27.45	16.77
584	Ramanagara	20.41	22.44	10.35	13.66	14.31	11.07	9.79	10.22	8.05	9.21	9.16	9.39	38.49	41.51	16.65	21.85	22.93	15.74

Appendix 11.4 Percentage of Cultivators to Total Workers: Census 2011

State / District Code	State / District	Persons						Males						Females					
		2001		2011		2001		2011		2001		2011		2001		2011			
		Total	Urban	Rural	Urban	Total	Urban	Rural	Urban	Total	Urban	Rural	Urban	Total	Urban	Rural	Urban		
1	2	6	8	9	10	11	Urban	Total	Rural	Urban	8	9	10	11	Urban	Total	Rural	Urban	
-	KARNATAKA	29.25	39.03	34.27	2.56	31.72	45.57	49.70	6.66	37.10	47.32	5.54	33.52	36.06	10.06	27.66	30.95	5.26	
555	Belgaum	37.62	44.30	7.32	33.81	41.08	5.48	39.93	43.31	5.83	29.22	40.44	4.62	17.56	19.97	15.24	18.53	2.40	
556	Bagalkot	27.13	33.53	5.14	23.98	31.46	4.00	32.94	44.33	5.70	33.68	41.77	4.54	18.54	19.92	3.58	19.23	21.40	3.00
557	Bijapur	30.22	35.03	5.31	28.26	33.56	4.16	36.48	44.33	5.70	33.68	41.77	4.54	18.54	19.92	3.58	19.23	21.40	3.00
558	Bidar	24.89	29.32	2.50	20.11	24.29	2.74	27.65	34.28	2.42	22.24	28.03	2.80	19.60	21.12	2.90	16.09	18.07	2.55
559	Raichur	28.21	33.38	4.95	27.15	32.65	4.50	37.14	46.90	5.22	33.50	42.66	5.10	14.37	15.54	3.97	18.13	20.34	2.84
560	Koppal	30.37	33.79	4.99	24.96	28.25	3.44	38.54	44.78	5.36	31.03	36.41	3.85	18.90	19.93	3.68	16.12	17.42	2.29
561	Gadag	30.44	37.68	12.04	25.71	32.65	9.57	35.27	46.28	13.21	30.51	40.93	10.43	22.99	26.58	9.11	17.66	20.75	7.44
562	Dharwad	25.80	41.18	5.15	20.93	36.17	4.50	26.22	47.84	5.01	21.98	42.29	4.62	24.92	31.90	5.73	18.56	26.36	4.09
563	Uttara Kannada	24.66	30.48	4.44	18.34	23.11	3.09	23.81	30.81	4.13	18.79	24.51	3.11	26.49	29.85	5.70	17.25	20.14	3.05
564	Haveri	30.54	35.04	6.57	27.81	32.70	5.45	37.35	44.34	7.74	33.50	40.53	6.35	18.07	19.76	2.38	16.15	18.12	2.40
565	Bellary	27.28	35.30	5.74	23.11	31.51	4.04	31.51	44.40	6.04	25.70	38.18	4.28	20.65	23.88	4.83	18.70	22.55	3.31
566	Chitradurga	38.42	43.46	2.82	33.42	38.54	2.97	43.59	51.65	2.92	38.76	46.59	3.25	30.23	31.96	2.40	25.42	27.70	2.14
567	Davanagere	30.76	39.24	3.62	26.38	35.04	2.72	36.19	48.72	4.14	31.67	44.12	3.09	20.00	23.30	1.75	15.66	19.11	1.57
568	Shimoga	30.47	40.59	3.82	26.20	35.56	3.25	33.34	47.51	4.29	29.51	42.53	3.72	24.31	28.68	1.77	18.99	23.13	1.48
569	Udupi	19.92	23.08	3.71	12.30	15.83	2.60	18.45	22.02	3.53	11.47	15.09	2.44	22.04	24.47	4.12	13.87	17.12	2.96
570	Chikmagalur	28.64	33.00	4.78	27.47	32.09	3.92	34.24	40.86	5.45	30.90	37.32	4.59	17.70	19.26	2.10	21.55	23.97	1.86
571	Tumkur	45.74	52.51	5.37	37.35	44.33	3.99	48.88	58.46	5.47	42.42	52.22	4.63	41.00	44.46	5.05	29.13	32.79	2.22
572	Bangalore	3.34	22.33	0.39	2.25	14.69	0.92	3.20	23.62	0.34	2.16	15.57	0.74	3.83	19.24	0.56	2.51	12.40	1.40
573	Mandya	48.93	54.62	7.24	44.64	50.89	6.12	53.28	60.86	8.31	49.73	57.71	7.18	40.97	44.03	3.48	34.75	38.45	2.97
574	Hassan	55.03	61.92	3.47	48.37	56.54	3.80	55.49	65.25	3.57	51.32	62.67	4.16	54.31	57.37	3.08	43.54	47.66	2.53
575	Dakshina Kannada	5.25	7.09	1.55	3.39	5.02	1.22	6.46	9.28	1.70	4.08	6.40	1.34	3.59	4.48	1.27	2.26	3.04	0.99
576	Kodagu	7.90	8.77	0.73	7.59	8.51	0.75	8.89	10.12	0.83	8.02	9.17	0.82	6.22	6.64	0.39	6.91	7.49	0.55
577	Mysore	35.84	50.05	2.44	26.58	40.42	1.98	36.68	54.22	2.55	28.46	45.38	2.13	33.84	41.82	1.97	22.16	30.48	1.51
578	Chamarajanagar	27.73	30.94	4.81	23.48	26.57	4.47	33.59	38.08	5.83	27.94	32.09	5.61	15.79	17.20	1.63	14.29	15.85	0.93
579	Gulbarga	24.53	30.45	2.86	20.26	26.39	2.56	30.18	40.83	2.74	24.67	34.42	2.72	15.50	17.01	3.36	12.88	15.15	2.11
580	Yadgir	32.19	35.75	6.81	29.09	32.92	6.60	43.22	49.53	7.86	38.48	45.07	7.73	17.19	18.38	4.25	16.18	17.58	3.95
581	Kolar	33.04	40.94	2.16	25.50	32.82	2.41	33.43	44.26	2.06	26.59	36.31	2.53	32.39	36.33	2.49	23.62	27.73	2.03
582	Chikkaballapura	40.56	46.33	3.99	33.17	39.21	4.25	42.96	51.52	4.07	35.52	43.73	4.52	37.17	39.82	3.69	29.64	33.12	3.51
583	Bangalore Rural	37.33	44.72	4.81	27.78	35.21	3.96	39.08	48.94	5.09	29.40	38.37	4.26	33.96	37.66	3.70	24.24	28.98	3.01
584	Ramanagara	44.57	53.01	2.78	39.16	48.13	3.34	46.69	57.28	3.07	40.60	51.46	3.65	40.94	46.33	1.98	36.52	42.55	2.46

Appendix 11.5 Percentage of Agricultural Labourers to Total Workers : Census 2011

State / District Code	State / District	Persons						Males						Females					
		2001		2011		2011		2001		2011		2011		2001		2011		2011	
		Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban
1	2	6	7	8	9	10	11	6	7	8	9	10	11	6	7	8	9	10	11
-	KARNATAKA	26.46	34.46	5.07	25.67	36.41	4.47	17.2	23.94	3.33	17.97	26.94	3.39	43.45	50.15	11.16	40.33	51.32	7.57
555	Belgaum	31.29	36.27	8.67	30.85	36.77	7.76	20.45	24.83	5.55	20.84	25.88	5.27	50.55	53.69	21.59	49.58	54.42	16.63
556	Bagalkot	37.91	45.35	12.36	37.07	46.76	11.16	23.63	29.7	7.79	25.09	32.91	7.94	61.42	67.08	27.09	57.07	66.69	19.42
557	Bijapur	39.92	45.72	9.93	37.9	44.39	8.35	26.28	31.36	6.35	26.47	32.24	5.73	65.4	69.05	25.92	56.96	62.4	16.4
558	Bidar	37.49	43.55	6.84	39.86	47.44	8.38	26.08	31.71	4.62	30.61	37.88	6.18	59.33	63.12	17.47	57.31	63.36	15.85
559	Raichur	44.83	52.41	10.77	42.45	50.34	9.97	28.15	34.89	6.12	29.57	36.98	6.62	70.66	75.53	27.41	60.76	66.77	19.18
560	Koppal	42.38	46.06	15.04	41.7	46.49	10.39	26.02	29.24	8.87	28.39	32.79	6.19	65.32	67.26	36.66	61.04	64.69	22.16
561	Gadag	39.23	46.2	21.52	40.41	49.27	19.8	24.65	31.13	11.65	28.32	36.34	12.88	61.66	65.66	46.16	60.65	67.83	36.89
562	Dharwad	27.25	41.16	8.59	26.46	43.93	7.61	16.48	28.23	4.95	17.58	32.04	5.22	49.49	59.19	22.82	46.48	62.97	15.9
563	Uttara Kannada	14.55	17.75	3.41	19.12	23.92	3.79	9.57	12.18	2.24	14.24	18.31	3.06	25.18	27.94	8.09	30.92	35.89	6.56
564	Haveri	43.69	48.74	16.76	42.63	48.94	13.79	31.07	35.05	14.2	32.63	37.91	12.23	66.8	71.23	25.91	63.14	69.48	19.04
565	Bellary	39.25	48.4	14.68	36.36	47.34	11.43	25.72	34.07	9.22	25.03	35.12	7.69	60.47	66.36	31.65	55.63	63.74	23.15
566	Chitradurga	33.45	37.73	3.2	34.36	39.58	3.36	21.62	25.47	2.21	24.36	29.17	2.52	52.17	54.94	7.64	49.32	53.57	5.91
567	Davanagere	34.54	43.73	5.13	33.81	44.33	5.07	23.63	31.46	3.61	25.19	34.46	3.91	56.12	64.34	10.66	51.22	61.65	8.68
568	Shimoga	31.36	39.81	9.12	31.57	42	6.03	21.7	29.01	6.72	23.71	33.25	4.79	52.08	58.39	19.52	48.66	57.61	10.76
569	Udupi	17.98	20.38	5.65	12.35	15.64	3.31	12.95	15.3	3.15	9.25	12.12	2.09	25.2	27.07	11.46	18.19	21.77	6.18
570	Chikmagalur	21.1	23.67	7.09	22.38	25.51	6.43	14.77	16.98	5.15	16.55	19.35	5.06	33.47	35.35	14.82	32.41	35.08	10.64
571	Tumkur	23.84	27.2	3.75	26.01	30.8	3.08	14.92	17.65	2.55	16.96	20.74	2.4	37.26	40.12	7.51	40.65	45.51	4.96
572	Bangalore	2.61	16.78	0.41	2.31	11.36	1.33	1.8	12.08	0.36	2.01	9.11	1.26	5.41	28.08	0.61	3.13	17.2	1.55
573	Mandya	24.52	26.73	8.38	24.81	27.73	6.82	16.96	18.78	6.11	17.6	19.94	5.13	38.39	40.19	16.3	38.8	41.94	11.8
574	Hassan	14.65	16.32	2.13	18.36	21.19	2.93	8.44	9.77	1.41	11.24	13.4	2.25	24.11	25.24	5.19	29.99	32.47	5.3
575	Dakshina Kannada	4.5	6.21	1.05	2.93	4.37	1.03	5.13	7.68	0.84	3.44	5.47	1.06	3.63	4.47	1.44	2.09	2.79	0.97
576	Kodagu	4.31	4.75	0.68	5.43	6.02	1.05	3.61	4.09	0.44	4.44	5	0.94	5.49	5.78	1.49	7.04	7.56	1.33
577	Mysore	22.55	31.03	2.61	23.66	35.27	3.04	16.22	23.5	2.04	18.05	27.99	2.58	37.67	45.88	4.89	36.85	49.88	4.51
578	Chamarajanagar	43.04	47.46	11.59	44.49	49.85	11.5	34.85	38.88	9.87	37.84	43.03	9.96	59.7	63.96	16.92	58.19	63.07	16.29
579	Gulbarga	39.65	48.37	7.73	38.2	49.16	6.6	24.21	31.82	4.59	27.06	36.84	5.05	64.34	69.79	20.43	56.81	66.41	11.21
580	Yadgir	40.61	44.69	11.5	42.84	47.96	12.76	22.46	25.47	5.6	27.45	31.82	7.05	65.3	68.94	25.9	64.02	68.34	26.24
581	Kolar	25.37	31.1	2.97	28.03	35.57	4.26	17.35	22.66	1.97	21.21	28.39	3.45	38.62	42.83	6.58	39.76	46.04	6.79
582	Chikkaballapura	29.47	33.4	4.57	32.35	37.75	6.46	20.64	24.53	2.97	24.86	30.14	4.97	41.99	44.51	10.14	43.61	48.02	10.48
583	Bangalore Rural	21.4	24.87	6.16	18.29	22.89	3.52	14.28	17.13	4.42	12.68	16.25	2.69	35.12	37.83	13.05	30.53	35.98	6.13
584	Ramanagara	19.62	23	2.92	19.28	23.44	2.65	13.28	16.02	1.99	13.76	17.14	2.27	30.43	33.88	5.46	29.43	33.98	3.71

Appendix 11.6 Percentage of Household Industry Workers to Total Workers : Census 2011

State / District Code	State / District	Persons						Males						Females					
		2001			2011			2001			2011			2001			2011		
		Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban
1	2	6	7	8	9	10	11	6	7	8	9	10	11	6	7	8	9	10	11
-	KARNATAKA	4.08	3.48	5.67	3.28	2.82	4.17	2.66	2.43	3.13	2.4	2.04	3	6.68	5.05	14.55	4.94	4.06	7.55
555	Belgaum	3.5	2.94	6.04	2.87	2.42	4.6	3.48	3.07	4.86	2.79	2.38	4.08	3.54	2.74	10.91	3	2.5	6.44
556	Bagalkot	7.51	4.45	18.04	5.48	2.59	13.2	7.49	4.67	14.85	5.45	2.77	11.33	7.56	4.14	28.29	5.52	2.32	18
557	Bijapur	2.94	2.77	3.85	2.74	2.36	4.44	3.08	3.06	3.2	2.57	2.29	3.58	2.68	2.3	6.77	3.02	2.47	7.1
558	Bidar	2.51	2.34	3.38	2.58	2.35	3.53	2.31	2.3	2.37	2.44	2.31	2.85	2.9	2.42	8.24	2.84	2.4	5.84
559	Raichur	1.98	1.73	3.09	2.11	1.94	2.85	2.02	1.85	2.6	2.05	1.9	2.5	1.9	1.57	4.82	2.21	1.97	3.82
560	Koppal	3.3	3.03	5.32	2.87	2.68	4.12	3.37	3.28	3.84	2.78	2.67	3.35	3.2	2.71	10.49	3	2.69	6.28
561	Gadag	3.65	2.7	6.07	3.12	2.08	5.56	3.59	3.1	4.58	3.12	2.42	4.48	3.74	2.18	9.8	3.13	1.58	8.23
562	Dharwad	2.88	2.22	3.77	2.1	1.46	2.78	2.58	2.46	2.7	2	1.65	2.3	3.5	1.88	7.97	2.31	1.15	4.46
563	Uttara Kannada	2.24	1.8	3.8	1.56	1.2	2.7	2.31	1.86	3.55	1.66	1.28	2.69	2.12	1.68	4.8	1.33	1.04	2.75
564	Haveri	4.15	2.96	10.44	2.77	2.03	6.14	3.17	2.77	4.88	2.27	1.92	3.6	5.93	3.28	30.33	3.8	2.23	14.68
565	Bellary	2.8	2.1	4.66	2.04	1.72	2.78	2.35	2.09	2.86	1.9	1.64	2.33	3.5	2.11	10.28	2.3	1.82	4.2
566	Chitradurga	3.34	3.12	4.91	3.06	2.61	5.77	2.9	2.83	3.26	2.75	2.26	4.95	4.04	3.53	12.29	3.53	3.07	8.24
567	Davanagere	3.86	2.33	8.74	3.59	2.63	6.22	2.64	2.19	3.77	2.73	2.33	3.66	6.28	2.57	26.8	5.33	3.16	14.19
568	Shimoga	2.54	2.13	3.63	1.93	1.67	2.58	2.15	1.96	2.54	1.74	1.51	2.2	3.38	2.42	8.33	2.35	1.95	4.04
569	Udupi	12.66	13	10.92	2.06	1.95	2.37	3.3	3.42	2.77	1.64	1.67	1.58	26.14	25.63	29.88	2.85	2.44	4.22
570	Chikmagalur	2.33	2.19	3.11	1.57	1.49	1.98	2.16	2.08	2.47	1.56	1.52	1.75	2.67	2.37	5.66	1.57	1.44	2.69
571	Tumkur	4.63	3.77	9.75	4.02	3.27	7.64	3.06	2.81	4.17	2.71	2.35	4.09	6.99	5.06	27.12	6.16	4.62	17.52
572	Bangalore	2.7	3.4	2.59	2.56	2.75	2.54	1.87	2.58	1.77	2.36	2.44	2.35	5.52	5.38	5.55	3.13	3.55	3.08
573	Mandya	2.09	1.87	3.74	2.05	1.85	3.23	1.55	1.57	1.41	1.64	1.62	1.79	3.09	2.37	11.9	2.83	2.29	7.48
574	Hassan	1.62	1.31	3.88	1.78	1.64	2.56	1.56	1.38	2.53	1.73	1.59	2.32	1.7	1.23	9.62	1.87	1.72	3.38
575	Dakshina Kannada	21.16	21.86	19.75	18.86	23.16	13.18	2.93	3.11	2.61	2.6	3.1	2.02	46.07	44.11	51.18	45.66	52.09	35.27
576	Kodagu	0.95	0.91	1.23	0.56	0.52	0.85	0.83	0.77	1.2	0.57	0.54	0.79	1.15	1.13	1.35	0.52	0.48	1.02
577	Mysore	1.95	1.03	4.09	2.14	1.77	2.8	1.15	0.88	1.68	1.83	1.62	2.15	3.85	1.34	13.86	2.88	2.08	4.88
578	Chamarajanagar	4.37	3.34	11.71	2.91	2.64	4.57	3.12	2.6	6.28	2.19	2.1	2.69	6.92	4.76	28.63	4.39	3.68	10.4
579	Gulbarga	2.26	2.23	2.38	2.38	2.04	3.36	2.18	2.37	1.69	2.25	2.04	2.73	2.38	2.04	5.16	2.6	2.05	5.22
580	Yadgir	3.14	2.07	10.76	2.41	1.87	5.58	2.66	2.25	4.97	2.2	1.94	3.4	3.78	1.84	24.88	2.7	1.78	10.73
581	Kolar	3.58	2.42	8.11	3.37	2.36	6.56	2.51	1.96	4.13	2.47	1.87	3.98	5.34	3.07	22.6	4.91	3.07	14.56
582	Chikkaballapura	2.9	2.49	5.46	3.17	2.17	7.95	2.74	2.43	4.15	2.82	1.81	6.63	3.11	2.57	10.03	3.7	2.66	11.5
583	Bangalore Rural	5.29	3.14	14.76	4.23	3.06	7.99	5.05	2.71	13.15	3.84	2.61	7.28	5.75	3.87	21.15	5.09	3.94	10.22
584	Ramanagara	4.33	2.63	12.72	3.33	2.08	8.36	3.12	2.17	7.04	2.75	1.67	6.41	6.39	3.36	28.29	4.41	2.76	13.76

Appendix 11.7 Percentage of Other Workers to Total Workers , Census 2011

State / District Code	State / District	Persons						Males						Females					
		2001			2011			2001			2011			2001			2011		
		Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban
1	2	6	7	8	9	10	11	6	7	8	9	10	11	6	7	8	9	10	11
-	KARNATAKA	40.21	23.03	86.14	47.44	26.49	88.8	48.42	28.06	90.32	53.61	30.66	90.91	25.16	15.53	71.55	35.71	19.93	82.73
555	Belgaum	27.59	16.5	77.97	32.48	19.74	82.17	36.15	22.4	82.93	39.27	24.42	85.11	12.38	7.51	57.44	19.76	12.13	71.67
556	Bagalkot	27.45	16.66	64.46	33.47	19.19	71.65	35.94	22.33	71.53	40.24	23.87	76.12	13.46	8.8	41.68	22.17	12.46	60.18
557	Bijapur	26.91	16.49	80.91	31.1	19.68	83.04	34.16	21.26	84.75	37.28	23.71	86.15	13.39	8.73	63.72	20.79	13.73	73.5
558	Bidar	35.1	24.79	87.28	37.45	25.92	85.35	43.96	31.71	90.6	44.71	31.78	88.18	18.17	13.35	71.39	23.76	16.17	75.77
559	Raichur	24.99	12.48	81.2	28.28	15.08	82.68	32.69	16.36	86.05	34.88	18.46	85.79	13.07	7.36	63.8	18.9	10.91	74.16
560	Koppal	23.95	17.12	74.66	30.48	22.57	82.05	32.07	22.7	81.93	37.79	28.13	86.61	12.57	10.1	49.16	19.84	15.2	69.27
561	Gadag	26.69	13.42	60.37	30.76	16.01	65.07	36.49	19.49	70.56	38.04	20.31	72.21	11.6	5.58	34.93	18.56	9.84	47.44
562	Dharwad	44.07	15.44	82.48	50.51	18.44	85.1	54.71	21.47	87.34	58.43	24.01	87.86	22.09	7.04	63.49	32.65	9.52	75.55
563	Uttara Kannada	58.54	49.97	88.35	60.99	51.76	90.42	64.31	55.14	90.08	65.32	55.9	91.14	46.22	40.52	81.41	50.5	42.93	87.65
564	Haveri	21.62	13.25	66.23	26.78	16.33	74.62	28.4	17.84	73.18	31.6	19.64	77.82	9.21	5.72	41.39	16.91	10.17	63.88
565	Bellary	30.67	14.2	74.91	38.49	19.43	81.74	40.42	19.44	81.89	47.38	25.06	85.7	15.38	7.64	53.24	23.37	11.89	69.34
566	Chitradurga	24.79	15.69	89.07	29.16	19.28	87.9	31.89	20.05	91.61	34.13	21.97	89.28	13.56	9.57	77.68	21.72	15.65	83.7
567	Davanagere	30.85	14.7	82.5	36.23	18	85.99	37.54	17.63	88.48	40.4	19.1	89.34	17.6	9.79	60.79	27.79	16.08	75.55
568	Shimoga	35.63	17.47	83.43	40.3	20.77	88.14	42.81	21.52	86.45	45.04	22.71	89.3	20.23	10.5	70.39	30	17.31	83.72
569	Udupi	49.44	43.54	79.72	73.28	66.59	91.72	65.3	59.26	90.55	77.63	71.12	93.89	26.62	22.83	54.54	65.08	58.66	86.63
570	Chikmagalur	47.93	41.15	85.02	48.59	40.91	87.67	48.83	40.08	86.93	50.98	41.81	88.59	46.17	43.02	77.42	44.47	39.51	84.81
571	Tumkur	25.8	16.52	81.13	32.62	21.6	85.3	33.14	21.07	87.82	37.91	24.69	88.89	14.74	10.37	60.33	24.06	17.08	75.3
572	Bangalore	91.35	57.48	96.61	92.88	71.2	95.2	93.13	61.72	97.53	93.47	72.87	95.65	85.24	47.3	93.27	91.24	66.85	93.98
573	Mandya	24.45	16.79	80.64	28.51	19.52	83.84	28.22	18.79	84.17	31.03	20.73	85.9	17.55	13.4	68.32	23.62	17.33	77.75
574	Hassan	28.71	20.45	90.52	31.49	20.62	90.71	34.5	23.6	92.49	35.71	22.34	91.26	19.88	16.16	82.1	24.59	18.14	88.79
575	Dakshina Kannada	69.09	64.84	77.65	74.81	67.45	84.57	85.48	79.93	94.85	89.88	85.03	95.59	46.71	46.94	46.11	49.99	42.09	62.76
576	Kodagu	86.84	85.57	97.35	86.42	84.96	97.35	86.67	85.02	97.53	86.97	85.28	97.45	87.14	86.44	96.77	85.53	84.47	97.09
577	Mysore	39.66	17.89	90.87	47.61	22.53	92.17	45.95	21.41	93.73	51.66	25.01	93.13	24.63	10.95	79.28	38.11	17.57	89.11
578	Chamarajanagar	24.86	18.26	71.89	29.12	20.95	79.46	28.44	20.44	78.02	32.03	22.78	81.74	17.59	14.08	52.81	23.13	17.4	72.38
579	Gulbarga	33.56	18.95	87.03	39.16	22.41	87.47	43.43	24.98	90.98	46.02	26.71	89.5	17.78	11.16	71.05	27.7	16.4	81.47
580	Yadgir	24.06	17.48	70.93	25.66	17.25	75.06	31.66	22.75	81.57	31.88	21.18	81.82	13.72	10.84	44.97	17.1	12.3	59.08
581	Kolar	38.01	25.53	86.77	43.1	29.26	86.77	46.7	31.12	91.83	49.72	33.43	90.04	23.65	17.77	68.34	31.71	23.17	76.62
582	Chikkaballapura	27.07	17.78	85.99	31.31	20.87	81.34	33.66	21.52	88.81	36.8	24.32	83.88	17.73	13.1	76.14	23.05	16.2	74.51
583	Bangalore Rural	35.97	27.27	74.27	49.7	38.84	84.54	41.59	31.22	77.34	54.07	42.77	85.78	25.17	20.65	62.1	40.14	31.1	80.64
584	Ramanagara	31.48	21.36	81.58	38.22	26.35	85.65	36.9	24.53	87.91	42.89	29.73	87.66	22.24	16.43	64.27	29.63	20.7	80.08

Appendix 11.8

Registrants on the Live Registers of Employment Exchanges in Karnataka - 2010-11 to 2013-14.

Year	Post Graduates	Graduates	Diploma Holders	ITI Certificate holders	Matriculates	Non-Matriculates	Total
2010-11	4803	52870	22881	57983	2,74,695	88367	5,01,599
2011-12	4813	52652	23279	57798	2,52,061	76697	4,67,300
2012-13	4834	50216	20901	55481	223076	66707	421215
2013-14 (upto Sept-2013)	4982	50321	19558	52664	211994	63046	402565

Appendix 11.9

Vacancies Notified & Placements made during 2010-11 to 2013-14

Year	Vacancies notified	Placements made
2010-11	7421	5936
2011-12	3202	8694
2012-13	3271	15069
2013-14 (upto Sept-2013)	1232	9452

Appendix 11.10

Employment in the Organised Sector in Karnataka

Year.	Public Sector.		Private Sector.		Public & Private Sectors.	
	Total	Women	Total	Women	Total	Women
1	2	3	4	5	6	7
2010-2011	1061.4	284.3	1233.1	471.2	2294.5	755.5
2011-2012	1065.8	286.3	1282.4	472.3	2348.2	758.6
2012-2013	1059.9	289.5	1289.0	475.0	2348.9	764.5
2013-2014 (up to June-2013)	1056.5	288.6	1289.9	468.2	2346.4	756.8

Appendix 11.11

District wise progress under MGNREGA in 2013-14 (upto Oct 2013)

Sl No	District	Total available funds(Rs in lakhs)	Expenditure (Rs. In Lakhs)	Persondays generated (Lakh)	Employment provided to Households (in No.)	Works		
						Under taken (Nos)	Completed (Nos)	Under progress (Nos)
1	Bagalkote	3784.26	3248.44	685370	17513	12077	860	11217
2	Bangalore	523.91	59.17	29674	1360	647	5	642
3	Bangalore rural	1613.46	1284.26	355805	7731	2054	262	1792
4	Belgaum	3778.75	2986.65	761824	25126	10464	201	10263
5	Bellary	2441.77	1893.69	513075	12759	5171	557	4614
6	Bidar	3676.1	2895.93	248125	8197	15029	109	14920
7	Bijapur	4165.96	3724.75	449074	11578	25768	60	25708
8	Chamaraja nagara	1919.67	1251.29	180178	6813	4266	33	4233
9	Chikkaballapura	1369.43	565.57	172020	7669	8349	11	8338
10	Chikmagalur	1502.71	1036.28	218597	9406	5460	361	5099
11	Chitradurga	10854.3	9997.79	688545	16029	16594	42	16552
12	Dakshina kannada	1020.87	408.59	130309	4549	5164	224	4940
13	Davanagere	11200.4	9589.48	1214398	32029	8583	520	8063
14	Dharwar	4556.82	4005.24	553160	16597	11633	926	10707
15	Gadag	2324.81	1266.44	280529	10855	5418	748	4670
16	Gulbarga	7676.75	6248.34	683337	15516	22742	179	22563
17	Hassan	3254.91	2631.91	362394	12717	14704	181	14523
18	Haveri	4863.56	3520.07	299684	9291	9379	45	9334
19	Kodagu	798.5	467.03	99299	3399	4924	79	4845
20	Kolar	4595.58	3565.3	335955	13124	7858	261	7597
21	Koppal	5424.5	2104.43	387994	9686	9682	145	9537
22	Mandya	2311.44	1375.4	247042	11429	5419	160	5259
23	Mysore	2093.21	1542.04	209517	8354	3684	876	2808
24	Raichur	4798.41	4113.8	1011257	21837	19395	266	19129
25	Ramanagara	3268.3	2396.74	338794	8157	8475	53	8422
26	Shimoga	2965.74	2465.63	537950	34260	7235	202	7033
27	Tumkur	7176.11	5990.05	1216583	31843	17578	841	16737
28	Udupi	875.93	101.86	52713	2813	2536	26	2510
29	Uttara kannada	1505.93	923.91	129953	8509	6492	205	6287
30	Yadgiri	4588.07	3290.94	203887	5915	13173	47	13126
	Total	110930.2	84951.02	12597042	385061	289953	8485	281468

Appendix 11.12

Average Wage/Salary earnings (in Rs.0.00) per day of age 15-59 Years, 2011-12
NSS 68th Round, July 2011- June 2012(Source NSSO, MOSPI, GOI)

Activity		Average Wage/Salary earnings (in Rs.0.00) per day of age 15-59 yrs by		
States		Wage / Salaried employees	Casual labourers in other than public works - Rural	Casual Labourers in other than public works - Urban
Andhra Pradesh	Male	369.30	167.65	193.52
	Female	238.41	111.19	126.60
	Person	346.87	141.53	178.34
Gujarat	Male	311.39	115.77	160.64
	Female	241.50	104.96	88.84
	Person	302.38	112.84	144.52
Karnataka	Male	416.69	162.94	192.24
	Female	312.17	99.86	101.77
	Person	391.45	142.40	174.05
Kerala	Male	432.23	345.14	335.76
	Female	308.28	169.61	167.56
	Person	384.81	314.88	309.90
Maharashtra	Male	483.37	133.69	173.18
	Female	360.68	92.83	95.91
	Person	459.32	117.36	154.62
Tamil Nadu	Male	378.79	196.65	227.66
	Female	264.53	110.41	126.53
	Person	349.75	169.93	208.34
All India	Male	417.08	149.32	182.04
	Female	307.72	103.28	110.62
	Person	395.82	138.62	170.10

Appendix 12.1

Generation, Imports, T&D Losses and Consumption of Power in Karnataka

Year	Power Generation installed capacity (MWs)	Electricity Generation in MUs	Import in MUs	Transmission & Distribution Loss (%)	Power Consumption in MUs
1998-99	4052.25	17245	6389	29.94	15906
1999-00	4423.87	21092	6056	38.00	16151
2000-01	4525.14	21119	6621	35.50	17867
2001-02	4411.54	19214	7609	35.86	18639
2002-03	4699.03	18105	9043	31.95	19888
2003-04	4713.90	18032	13178	30.88	21526
2004-05	5836.00	22677	14375	29.44	23173
2005-06	6278.71	24070	11453	29.38	24463
2006-07	6563.08	30719	11174	29.68	28454
2007-08	7278.94	30344	11634	25.16	29988
2008-09	8524.28	30188	11600	24.03	32020
2009-10	8685.91	31566	11009	22.07	33810
2010-11	11366.00	30474	16798	21.27	37216
2011-12	12056.00	43726	13202	20.20	42356
2012-13	13934.00	39884	17489	20.09	45657
2013-14*	14122.00	16401	6195	-	22886

*Up to September,2013

Source: Karnataka Power Transmission Corporation Limited

Appendix 12.2

Road length in Karnataka

(in Kms)

Year	National Highways	State Highways	Major District Roads	Other District Roads	Municipal Roads	Other Roads including Village Roads	All Roads (2 to 7)
1	2	3	4	5	6	7	8
1998-99	3524	10021	28247	1644	8366	93054	144856
1999-00	3728	9829	28247	1644	8366	96775	148589
2000-01	3728	9829	28247		8366	104034	154204
2001-02	3728	9829	28247		8366	104034	154204
2002-03	3728	9829	28247		8366	104034	154204
2003-04	3967	9590	28247		8366	94034	144204
2004-05	3973	17228	30760		8366	115574	175901
2005-06	3958	17405	32572		8366	146713	209014
2006-07	3958	18642	37671		8366	147212 ^{\$}	215849
2007-08	3958	20739	47763		8366	147212 ^{\$}	228038
2008-09	3982	20905	47836		8366	147212 ^{\$}	228301
2009-10	4490	20528	50436		8366	147212 ^{\$}	231032
2010-11	4490	20528	50436		8366	147212 ^{\$}	231032
2011-12	4490	20770	49959		8366	148412 ^{\$}	231997
2012-13	4490	20770	49959		8366	148412 ^{\$}	231997

Note: 1.Source: Public Works Department and RDPR Department

2. \$ includes ODR and village roads

Appendix 12.3

District & Bank Group-Wise Distribution of the Number of Reporting offices, Aggregate Deposits & Gross Bank Credit of All Scheduled Commercial Banks - June 2013

(Amount in Rs. Crore)

Sl. No	District	Total banks		
		Offices	Deposits	Credit
1	Bagalkote	193	4,265	4,771
2	Bangalore Rural	144	3,430	2,422
3	Bangalore Urban	1,775	3,11,543	2,06,617
4	Belgaum	466	13,520	9,579
5	Bellary	240	7,285	7,535
6	Bidar	125	2,132	1,753
7	Bijapur	173	3,830	3,636
8	Chamarajanagar	89	1,187	1,326
9	Chikkaballapura	110	1,831	1,909
10	Chikmagalur	183	3,982	2,861
11	Chitradurga	152	2,565	2,419
12	Dakshin Kannada	473	24,833	12,312
13	Davangere	160	3,803	3,770
14	Dharwad	298	10,919	8,313
15	Gadag	123	2,081	1,886
16	Gulbarga	182	5,444	4,351
17	Hassan	221	4,209	3,637
18	Haveri	157	2,357	2,145
19	Kodagu	132	2,954	1,693
20	Kolar	119	2,755	2,102
21	Koppal	118	1,957	2,316
22	Mandya	156	2,645	2,570
23	Mysore	366	16,922	10,444
24	Raichur	163	3,229	3,635
25	Ramanagara	127	3,297	2,148
26	Shimoga	219	6,674	3,901
27	Tumkur	231	4,709	4,704
28	Udipi	293	12,262	5,523
29	Uttar Kannad	231	6,206	1,756
30	Yadgir	67	1,056	1,185
Total		7,486	4,73,879	3,23,219

Appendix 12.4
Activity-wise RIDF projects sanctioned and amount disbursed under various tranches
(upto tranches RIDF XIX) As on 31-12-2013

Sl.No	Activity	No of Projects Sanctioned	No. of projects completed	No. PCRs Recd	Project Cost	NB_LOAN	Total Ref Drawn
1	Anganwadi	5,755	1959	1874	17358.89	14835.13	6935.54
2	Animal Husbandry	670	287	163	8738.40	8302.27	4142.28
3	Backward Class Hostel	112	3	3	9016.20	7663.85	2674.74
4	Drip Irrigation	175	63	55	1948.00	1850.30	1183.28
5	First Grade College	128	34	34	13189.99	11211.49	10575.11
6	Fish Jetty	17	0	0	2780.60	2641.57	1601.76
7	Godown	176	105	101	17323.11	16445.21	14194.16
8	Ground water Recharge	1,286	0	21	3124.00	2655.38	2363.80
9	Industrial Training Institute	30	3	3	8929.10	7589.74	3554.13
10	Major Irrigation Projects	1	1	1	15283.00	7275.00	7039.24
11	Medium Irrigation	6	6	6	14299.78	11885.03	10497.55
12	Micro Irrigation-Israeli Technology	10	8	8	415.79	395.05	242.23
13	Minor Irrigation	3,419	1871	1833	167818.15	153633.13	121612.42
14	Minor Irrigation Check Dams	532	43	58	2071.98	1967.90	1125.04
15	Moraji Desai Res School	14	14	14	5208.65	4427.34	3694.54
16	Polytechnic	9	0	0	6500.00	5525.00	1757.53
17	Pre University	1,714	392	352	27219.58	23138.62	15215.43
18	Primary Health Centres	259	132	134	11671.57	10016.63	5456.62
19	Primary Schools	3,633	3632	3366	6725.10	6052.59	6052.51
20	Raitha Sampark Kendras	294	0	0	6687.60	6353.22	1263.50
21	Reclamation of Wtr-Logd Areas	30	0	0	8000.00	7600.00	3215.38
22	Rural Bridges	1,348	749	732	63471.26	52630.43	37228.86
23	Rural Markets	694	632	548	9570.72	9070.34	8195.54
24	Rural Roads	8,372	5538	5225	442028.34	363952.94	285687.68
25	Rural Service Centre	788	0	0	11678.70	10128.14	3997.08
26	Secondary Schools	3,723	3088	2860	34708.76	29503.43	27194.19
27	Sericulture	11	11	11	499.55	474.60	323.73
28	Sujala Watershed Projects	59	0	0	17999.96	14399.90	8695.52
	Total	33,265	18,571	17,402	934,266.78	791,624.23	595,719.39

Appendix 12.5
No. of Post offices from 2006-07 to 2012-13

Districts	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Bangalore Urban	292	345	294	289	251	184	289
Bangalore Rural	355	122	181	171	180	203	133
Ramanagara	0	180	290	290	181	172	181
Chitradurga	295	294	294	293	320	308	317
Davanagere	172	172	172	172	259	152	262
Kolar	422	224	223	223	274	401	218
Chikkaballapura	0	198	198	198	147	210	198
Shimoga	476	476	475	475	357	471	355
Tumkur	570	569	569	559	566	562	560
Chikmagalur	310	310	310	310	305	300	302
Dakshina Kannada	550	549	562	562	549	424	473
Udupi	265	263	258	254	268	286	334
Hassan	421	421	420	420	421	418	419
Kodagu	220	220	220	220	216	212	216
Mandya	365	364	364	364	364	350	352
Mysore	288	285	285	285	282	436	392
Chamarajanagar	326	326	321	320	324	161	205
Southern Karnataka	5327	5318	5436	5405	5264	5250	5206
Belgaum	726	726	545	541	727	719	727
Bijapur	419	419	419	419	419	410	401
Bagalkot	330	330	430	430	330	327	339
Dharwad	218	218	218	218	217	210	213
Gadag	171	171	171	171	171	169	170
Haveri	259	259	259	260	258	257	259
Uttara Kannada	497	525	496	490	496	489	491
Bellary	454	426	454	454	454	444	446
Bidar	304	304	304	304	305	304	305
Gulbarga	622	622	622	620	421	411	333
Yadagiri					202	210	291
Raichur	290	290	290	290	290	286	287
Koppal	218	218	218	218	218	217	218
Northern Karnataka	4508	4508	4426	4415	4508	4453	4480
STATE	9835	9826	9862	9820	9772	9703	9686

Appendix 12.6
No. of Telephone exchanges from 2006-07 to 2012-13

Districts	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Bangalore Urban	129	139	159	169	183	183	196
Bangalore Rural	100	47	58	93	103	102	92
Ramanagara	0	0	0	0		12	12
Chitradurga	82	82	82	82	129	81	82
Davanagere	0	0	0	0		48	48
Kolar	144	144	144	143	143	73	73
Chikkaballapura	0	0	0	0		70	70
Shimoga	118	141	118	117	140	140	140
Tumkur	112	112	112	112	112	112	112
Chikmagalur	149	148	148	148	148	148	148
Dakshina Kannada	147	148	147	148	250	147	147
Udupi	103	103	103	103		103	103
Hassan	103	103	107	104	104	104	103
Kodagu	76	76	76	76	76	76	76
Mandya	65	65	65	65	64	64	63
Mysore	98	97	97	100	141	100	98
Chamarajanagar	41	41	41	41		41	41
Southern Karnataka	1467	1446	1457	1501	1593	1604	1604
Belgaum	190	189	190	189	189	189	189
Bijapur	112	110	111	110	192	192	109
Bagalkot	82	82	82	82		81	82
Dharwad	50	50	51	50	171	53	55
Gadag	63	62	63	63		64	63
Haveri	55	57	55	56		55	55
Uttara Kannada	152	152	152	152	152	152	152
Bellary	116	116	116	116	116	117	117
Bidar	80	80	80	81	81	81	81
Gulbarga	160	160	160	160	160	148	125
Yadagiri	0	0	0	0		13	35
Raichur	65	65	72	72	135	72	72
Koppal	57	57	62	62		63	63
Northern Karnataka	1182	1180	1194	1193	1196	1280	1198
STATE	2649	2626	2651	2694	2789	2884	2802

Appendix 12.7
No. of Telephones 2006-07 to 2012-13

Districts	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Bangalore Urban	796663	880435	859281	917290	872095	868968	713963
Bangalore Rural	66566	47073	39311	47953	57541	54610	22692
Ramanagara	0	44432	18011	8000		2413	1397
Chitradurga	34935	40637	27765	28130	53640	19890	18802
Davanagere	34189	36812	37858	37719		24651	23472
Kolar	82011	52404	35967	52437	56402	26187	24229
Chikkaballapura	0	31674	23841	6722		14153	13044
Shimoga	75387	91372	59150	54816	55715	53000	49367
Tumkur	68445	65099	48156	42784	39420	36292	31358
Chikmagalur	59968	61310	49236	44659	42336	41780	37400
Dakshina Kannada	174681	186446	153139	144095	210797	130194	123868
Udupi	108400	116502	88438	82480		70152	65745
Hassan	55253	69482	48013	40962	38958	38046	32973
Kodagu	47580	48591	39043	37160	36069	35450	31948
Mandya	36435	33349	23267	22873	17314	18017	17148
Mysore	93513	91748	230877	87875	86578	76996	72567
Chamarajanagar	16950	17389	12612	11274		10574	7932
Southern Karnataka	1750976	1914755	1793965	1667229	1566865	1521373	1287905
Belgaum	141860	137509	113463	108483	99921	83387	77075
Bijapur	42581	43801	35098	29045	48669	24944	22059
Bagalkot	40320	37437	28715	24977		22451	18290
Dharwad	76819	74736	64856	62875	100232	61197	59686
Gadag	29989	37448	24352	41938		19187	17130
Haveri	30199	32206	21202	18896		14268	13241
Uttara Kannada	87911	93913	79758	76758	74094	68580	61274
Bellary	53691	61465	43244	40143	38032	37641	32327
Bidar	35714	34326	26441	23200	22389	21937	18435
Gulbarga	54161	79080	52786	51156	49527	40438	29358
Yadagiri	0	0	0	0		7631	4468
Raichur	18496	35537	23623	24086	40727	13081	15691
Koppal	18614	28140	19029	19016		15763	13439
Northern Karnataka	630355	695598	532567	520573	473591	430505	382473
STATE	2381331	2610353	2326532	2187802	2040456	1951878	1670378

Appendix 12.8
Investment in Power Development in Karnataka

(Rs. in crore)

Year	Power Corporation		Power Transmission Corporation		Total
	Plan	Non-Plan	Plan	Non-Plan	(Col 4+5)
1	2	3	4	5	6
1998-99	582		323.60	378.09	701.69
1999-00	188		350.80	496.00	846.80
2000-01	354		281.50	611.00	892.50
2001-02	437		366.89	580.00	946.89
2002-03	301		558.06	524.10	1082.16
2003-04	429		212.70	746.31	959.01
2004-05	534		432.85	766.88	1199.73
2005-06	696		462.98	857.72	1320.70
2006-07	1063		213.04	656.51	869.55
2007-08	717		200.00	1555.12	1755.12
2008-09	1238		250.00	1558.93	1808.93
2009-10	952		0.00	1334.00	1334.00
2010-11	1026		0.00	1094.69	1094.69
2011-12	1106.4		0.00	945.00	945.00
2012-13	2363.2		0.00	936.00	936.00
2013-14(A) up to Sep-2013	1407.9		0.00	240.00	240.00

(A):Anticipated

Source 1: Karnataka Power Transmission Corporation Limited

2 : Karnataka Power Corporation Limited

Appendix 12.9
Progress of Rural Electrification in Karnataka
(Lakhs)

End of Year	Pumpsets energised (cumulative)
1998-99	11.32
1999-00	11.82
2000-01	12.64
2001-02	13.16
2002-03	14.02
2003-04	14.16
2004-05	14.34
2005-06	15.09
2006-07	17.05
2007-08	17.23
2008-09	17.53
2009-10	17.91
2010-11	18.23
2011-12	19.49
2012-13	20.50
2013-14(A)	20.59

(A):Anticipated

Source: Karnataka Power Transmission Corporation Limited

Appendix 12.10
Operational performance Statistics KSRTC

Sl. No	Item	2011-12 upto 31-03-2012	2012-13 upto 31-3-2013	2012-13 upto 30-9-12	2013-14 upto 30-9-13	% change
1	No. of buses as at the end of the year	7749	7902	7748	8196	5.78
2	% over aged buses	4.70	11.60	7.80	14.80	89.74
3	Routes operated at the end of the year (No.)	5554	5824	5544	5840	5.34
4	Route length at the end of the year.	5.35	5.50	5.28	5.56	5.30
5	Avg. Eff. Kms. operated /day (in lakh)	25.25	25.8	25.74	26.61	3.38
6	Avg. pass. carried/day (in lakh)	24.29	25.73	25.21	25.37	0.63
7	Avg. number of buses held	7620.70	7813.40	7788.10	8182.20	5.06
8	Avg. number of buses on road	6969.70	7184.00	7148.60	7453.40	4.26
9	% Fleet utilization	91.90	92.20	91.90	91.10	-0.87
10	Avg. Vehicle utilization (in kms.)	362	359	360	357	-0.83
11	Crew duty (in kms.)	99	100	99	95	-4.04
12	Total traffic receipts (Rs. in crore) inc. subsidy	2318.64	2592.33	1205.14	1394.80	15.74
13	Avg. seating capacity.	52	52	52	52	0.00
14	% Load factor	77.40	75.30	81.20	70.40	-13.30
15	Bus staff ratio (on sch.)	5.11	4.90	5.04	5.01	-0.60
16	Total vehicles (including scrapped vehicles held)	8465	8638	8026	8643	7.69

Source: Karnataka State Road Transport Corporation

Appendix: 12.11
Financial Performance of the KSRTC

(Rs. in crore)

Sl. No	Item	2011-12 upto 31-03-2012	2012-13 upto 31-3-2013	2012-13 upto 30-9-12	2013-14 upto 30-9-13	% change
1	Total receipts	2318.63	2592.33	1205.14	1394.80	15.74
2	Total expenses (Ex. Taxes)					
	a) Operating expenses	2221.89	2388.81	1098.00	1334.51	21.54
	b) Non operating expenses	77.32	73.65	31.99	33.35	4.25
3	Profit before taxes	136.24	129.87	95.72	77.81	-18.71
4	Total taxes	--				
	a) Passenger tax					
	b) Motor vehicle & other taxes	116.83	128.13	63.33	70.99	12.10
5	Total expenses	2299.22	2590.59	1193.32	1438.85	20.58
6	Net profit/loss (inc subsidy)	19.41	1.74	11.82	-44.05	
7	Prior period adjustment (profit/loss)	0.95	2.59			
8	Total profit/loss	19.41	1.74	11.82	-44.05	

Source: Karnataka State Road Transport Corporation

Appendix 12.12
Operational statistics of BMTC

Sl. No	Item	2011-12 upto 31-03-2012	2012-13 upto 31-3-2013	2012-13 upto 30-9-12	2013-14 upto 30-9-13	% change
1	Routes operated at the end of the year(No.)	2442	2430	2442	2430	-0.49
2	Routes length at the end of the year (Lakh Km)	0.57	0.57	0.57	0.57	0.00
3	Average Effective Kms. operated per day (Lakhs)	12.72	12.71	12.59	13.1	4.05
4	Average number of passengers carried per day (lakhs)	45.3	48.46	48	49	2.08
5	Avg. No. of buses held per day (No.)	6090.8	6327.8	6263.5	6542.5	4.45
6	Average number of buses on-road per day (No.)	5658	5745.1	5678.3	5971	5.15
7	Average Fleet utilization (% age)	92.9	90.8	90.6	91.3	0.77
8	Avg. Vehicle utilization (in Kms.)	224.6	221.1	221.6	219.4	-0.99
9	Total traffic receipts (Rs. In Crores)	1386.25	1516	757.06	889.16	17.45
10	Average seating capacity	45.5	44.1	45.5	44.1	-3.08
11	Average seat capacity utilization	1512.33	1401.19	743.11	669.14	-9.95
12	Bus staff ratio (on schedule as on 31 st March)	5.4	5.5	5.4	5.4	0.00
13	Total vehicles (including scrapped vehicle as on 31 st March) (No.)	6449	6699	6684	7197	7.68
14	Routes operated at the end of the year(No.)	2428.98	2504.48	2227.14	2400.80	7.80

Appendix 12.13
Financial statistics of BMTC

(Rs.in crore)

Sl. No	Item	2011-12 upto 31-03-2012	2012-13 upto 31-3-2013	2012-13 upto 30-9-12	2013-14 upto 30-9-13	% variation
1	Total receipts	1502.91	1660.46	813.59	962.31	18.28
	a)Traffic Revenue	1386.25	1516.00	757.06	889.16	17.45
	b) Non-traffic Revenue	116.66	144.46	56.53	73.15	29.40
2	Total expenses (Exsl. Taxes)	1404.75	1724.27	774.37	960.08	23.98
	a) Operating expenses	1383.32	1666.36	748.25	927.77	23.99
	b) Non-Operating expenses	21.43	57.91	26.12	32.31	23.70
3	Profit before taxes	98.36	-63.81	39.22	2.23	
4	Total taxes	76.94	84.14	41.85	49.44	18.14
	a) Passenger-tax					
	b) Motor vehicle & other taxes	76.94	84.14	41.85	49.44	18.14
5	Total expenses	1461.69	1808.41	816.22	1009.52	23.68
6	Net profit/loss	21.42	-147.95	-2.63	-47.21	
7	Prior period adjustment (profit/Loss)					
8	Total profit/Loss	21.42	-147.95	-2.63	-47.21	

Source:- B.M.T.C.

Appendix 12.14

Operational performance Statistics (NWKRTC)

Sl. No	Particulars	2011-12 upto 31-03-2012	2012-13 upto 31-3-2013	2012-13 upto 30-9-12	2013-14 upto 30-9-13	% variation
1	Routes operated at the end of the year (No.)	4053	3776	3789	3897	2.85
2	Route length at the end of the year (in lakhs)	3.82	3.59	3.61	3.71	2.77
3	Avg. Eff. Kms. operated /day (in lakh)	13.52	14.45	15	14.29	-4.73
4	Avg. pass. carried/day (in lakhs)	21.06	22.00	22.00	21.05	-4.32
5	Avg. number of buses held	4184	4523	4617	4451	-3.59
6	Avg. number of buses on road	3949.00	4209.50	4390.30	4135.90	-5.79
7	% Fleet utilization	94.40	93.10	95.10	92.90	-2.31
8	Avg. Vehicle utilization (in kms)	342	343	342	345	0.88
9	Total traffic receipts (Rs. In Crores)	1018.65	1157.23	678.33	576.00	-15.09
10	Avg. seating capacity.	52.00	52.00	51.00	52.00	1.96
11	% Load factor	65.60	66.50	64.50	67.20	4.19
12	Bus staff ratio (on schedules)	5.21	5.19	5.06	5.21	2.96
13	% age of overaged vehicles	17.10	21.50	24.50	18.30	-25.31
14	Total vehicles (including scrapped vehicles held)	4403	4718	4220	4744	12.42

Source:- NWKRTC

Appendix 12.15

Financial Performance of NWKRTC

(Rs. in crore)

Sl. No	Particulars	2011-12 upto 31-03.2012	2012-13 upto 31-03-13	2012-13 upto 30-9-12	2013-14 upto 30-9-13	% variation
1	Total receipts	1159.07	1313.99	628.98	726.81	15.55
2	Total expenses (Ex. Taxes)					
	a) Operating expenses	1076.30	1277.74	600.36	695.08	15.78
	b) Non operating expenses	57.21	40.79	30.22	30.26	0.13
3	Profit before taxes	25.56	-4.54	-1.60	1.47	
4	Total taxes	---				
	a) Passenger tax					
	b) Motor vehicle & other taxes	48.99	58.78	30.05	35.48	18.07
5	Total expenses	1182.50	1377.31	660.63	760.82	15.17
6	Net profit/loss	-23.43	-63.32	-31.65	-34.01	
7	Prior period adjustment (profit/loss)	---				
8	Total profit/loss	-23.43	-63.32	-31.65	-34.01	

Source:- NWKRTC

Appendix 12.16

Operational Statistics of NEKRTC

Sl. No	Item	2011-12 upto 31-03.2012	2012-13 upto 31-03-13	2012-13 upto 30-9-12	2013-14 upto 30-9-13	% variation
1	Routes operated at the end of the year (No.)	3431	3435	3431	3435	0.12
2	Routes length at the end of the year (Lakh Km.)	3.61	3.62	3.61	3.62	0.28
3	Average Effective Kms. operated per day (Lakhs)	12.2	12.3	12.4	12.64	1.94
4	Average Number of passengers carried per day (Lakhs)	13.05	13.25	13.08	13.3	1.68
5	Avg. No. of buses held per day (No.)	3991.80	4058.20	4049.80	4216.90	4.13
6	Average number of buses on-road per day (No.)	3554.5	3630.9	3627.9	3799.3	4.72
7	Average Fleet utilisation (% age)	89	89.5	89.6	90.1	0.56
8	Avg. Vehicle Utilisation (in Kms)	343	339	342	333	-2.63
9	Total traffic receipts (Rs. in Crores)	911.34	1019.76	508.30	599.00	17.84
10	Average seating capacity	53	52.4	52.6	54	2.66
11	Average seat capacity utilisation buses on road (Load factor) (% age)	64.90	72.30	70.10	64.40	-8.13
12	Bus Staff ratio (on schedule as on 31st March)	5.01	4.96	5.31	5.30	-0.19
13	Total vehicles (including scrapped vehicles as on 31st March) (No.)	4538	4642	4155	4394	5.75
14	% age of old age vehicles	11.60	12.30	11.50	14.00	21.74

Source:- NEKRTC

Appendix 12.17 Financial Statistics of NEKRTC

(Rs. in Crores)

Sl. No	Item	2011-12 upto 31-03.2012	2012-13 upto 31-03-13	2012-13 upto 30-9-12	2013-14 upto 30-9-13	% variation
1	Total receipts	975.38	1133.41	533.35	636.46	19.33
	a) Operating Reveune	911.34	1019.76	508.56	599.00	17.78
	b) Non-Operating expenses	64.34	113.65	25.05	37.46	49.54
2	Total expenses (Excl. taxes)	950.33	1100.90	522.28	602.54	15.37
	a) Operating expenses	915.36	880.33	422.04	486.35	15.24
	b) Non-Operating expenses	34.97	220.57	100.24	116.19	15.91
3	Profit before taxes	25.35	32.51	11.07	33.92	206.41
4	Total taxes	48.09	53.43	26.56	31.20	17.47
	a) Passenger-tax					
	b) Motor vehicle & other taxes	48.09	53.43	26.56	31.20	17.47
5	Total expenses	998.42	1154.33	548.84	633.74	15.47
6	Net profit /loss	-22.74	-20.92	-15.49	2.72	
7	Prior period adjustment (Profit /Loss)	4.67				
8	Total Profit /Loss	-18.07	-20.92	-15.49	2.72	

Source:- NEKRTC

Appendix 13.1
Management, Class and Gender-wise enrollment 2012-13

Class	Education			Pvt. Aided			Pvt. Unaided			Others			All		
	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total
I	279,914	305,861	585,775	49,857	47,804	97,661	258,163	197,939	456,102	4,055	3,933	7,988	591,989	555,537	1,147,526
II	282,885	281,790	564,675	49,809	47,214	97,023	228,060	182,304	410,364	4,426	4,350	8,776	565,180	515,658	1,080,838
III	282,265	287,387	569,652	50,398	47,447	97,845	211,996	170,539	382,535	4,304	3,907	8,211	548,963	509,280	1,058,243
IV	282,489	288,007	570,496	52,864	48,915	101,779	199,640	160,433	360,073	4,548	3,971	8,519	539,541	501,326	1,040,867
V	298,292	303,365	601,657	55,381	50,813	106,194	186,683	148,561	335,244	4,227	3,685	7,912	544,583	506,424	1,051,007
VI	292,270	293,487	585,757	62,020	55,328	117,348	167,688	131,588	299,276	14,430	15,884	30,314	536,408	496,287	1,032,695
VII	289,228	290,252	579,480	63,266	56,348	119,614	159,901	126,732	286,633	14,888	15,571	30,459	527,283	488,903	1,016,186
VIII	214,054	215,803	429,857	130,753	118,904	249,657	143,039	113,971	257,010	15,710	15,993	31,703	503,556	464,671	968,227
IX	161,248	157,463	318,711	144,497	135,275	279,772	132,297	105,995	238,292	14,069	14,780	28,849	452,111	413,513	865,624
X	144,209	149,557	293,766	136,395	133,018	269,413	118,812	95,663	214,475	12,498	10,718	23,216	411,914	388,956	800,870
I to V	1,425,845	1,466,410	2,892,255	258,309	242,193	500,502	1,084,542	859,776	1,944,318	21,560	19,846	41,406	2,790,256	2,588,225	5,378,481
VI to VII	581,498	583,739	1,165,237	125,286	111,676	236,962	327,589	258,320	585,909	29,318	31,455	60,773	1,063,691	985,190	2,048,881
I to VII	795,552	799,542	1,595,094	256,039	230,580	486,619	470,628	372,291	842,919	45,028	47,448	92,476	1,567,247	1,449,861	3,017,108
I to VIII	2,007,343	2,050,149	4,057,492	383,595	353,869	737,464	1,412,131	1,118,096	2,530,227	50,878	51,301	102,179	3,853,947	3,573,415	7,427,362
VIII to X	2,221,397	2,265,952	4,487,349	514,348	472,773	987,121	1,555,170	1,232,067	2,787,237	66,588	67,294	133,882	4,357,503	4,038,086	8,395,589
I to X	519,511	522,823	1,042,334	411,645	387,197	798,842	394,148	315,629	709,777	42,277	41,491	83,768	1,367,581	1,267,140	2,634,721
	2,526,854	2,572,972	5,099,826	795,240	741,066	1,536,306	1,806,279	1,433,725	3,240,004	93,155	92,792	185,947	5,221,528	4,840,555	10,062,083

Source: Education in Karnataka 2011-12: An Analytical report, SSA

Appendix 13.2

Management wise/ Class wise/ Category wise/Sex wise Enrolment - All Management (2012-13)

Class	General			SC			ST			OBC(Muslims and other Minority included)			Total		
	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total
Class 1	97,916	85,713	183,629	117,105	111,322	228,427	46,441	44,282	90,723	330,527	314,220	644,747	591,989	555,537	1,147,526
Class 2	92,828	81,114	173,942	111,857	102,697	214,554	43,820	39,988	83,808	316,675	291,859	608,534	565,180	515,658	1,080,838
Class 3	88,836	78,673	167,509	107,883	100,609	208,492	42,002	39,979	81,981	310,242	290,019	600,261	548,963	509,280	1,058,243
Class 4	87,754	77,489	165,243	105,759	97,947	203,706	40,894	38,321	79,215	305,134	287,569	592,703	539,541	501,326	1,040,867
Class 5	86,107	75,686	161,793	106,640	98,683	205,323	42,103	39,416	81,519	309,733	292,639	602,372	544,583	506,424	1,051,007
Class 6	82,114	71,552	153,666	103,760	95,275	199,035	41,046	38,071	79,117	309,488	291,389	600,877	536,408	496,287	1,032,695
Class 7	82,080	71,847	153,927	100,774	91,437	192,211	39,638	35,737	75,375	304,791	289,882	594,673	527,283	488,903	1,016,186
Class 8	94,230	83,951	178,181	95,234	83,936	179,170	37,054	33,629	70,683	277,038	263,155	540,193	503,556	464,671	968,227
Class 9	93,962	84,013	177,975	82,191	72,396	154,587	31,268	27,352	58,620	244,690	229,752	474,442	452,111	413,513	865,624
Class 10	88,821	82,089	170,910	72,371	65,529	137,900	26,502	24,174	50,676	224,220	217,164	441,384	411,914	388,956	800,870
1 to 5	453,441	398,675	852,116	549,244	511,258	1,060,502	215,260	201,986	417,246	1,572,311	1,476,306	3,048,617	2,790,256	2,588,225	5,378,481
6 to 7	164,194	143,399	307,593	204,534	186,712	391,246	80,684	73,808	154,492	614,279	581,271	1,195,550	1,063,691	985,190	2,048,881
6 to 8	258,424	227,350	485,774	299,768	270,648	570,416	117,738	107,437	225,175	891,317	844,426	1,735,743	1,567,247	1,449,861	3,017,108
1 to 7	617,635	542,074	1,159,709	753,778	697,970	1,451,748	295,944	275,794	571,738	2,186,590	2,057,577	4,244,167	3,853,947	3,573,415	7,427,362
1 to 8	711,865	626,025	1,337,890	849,012	781,906	1,630,918	332,998	309,423	642,421	2,463,628	2,320,732	4,784,360	4,357,503	4,038,086	8,395,589
8 to 10	277,013	250,053	527,066	249,796	221,861	471,657	94,824	85,155	179,979	745,948	710,071	1,456,019	1,367,581	1,267,140	2,634,721
1 to 10	894,648	792,127	1,686,775	1,003,574	919,831	1,923,405	390,768	360,949	751,717	2,932,538	2,767,648	5,700,186	5,221,528	4,840,555	10,062,083

Appendix 13.3

Incentives for children in schools

A. PRIMARY EDUCATION

Sl. No.	Particulars	2010-11	2011-12	2012-13	2013-14 (A)
1	Free Uniforms, Text Books and School Bags- I to VII Standard (Number in lakhs)				
	a) No. of students provided with Free Uniforms	46.00	57.03	54.49	54.43
	b) No. of students provided with School Bags	11.58	11.12	6.52	8.80
	c) No. of students provided with Text Books	57.19	62.57	42.73	41.89
2	Akshara Dasoha				
a)	No. of children provided with mid-day meal in school - I to X standard (Number in lakhs)				
	i) Government	52.83	53.12	46.62	47.13
	ii) Aided	13.93	9.90	14.86	14.35
b)	No. of Non-Government organisations involved	100	100	105	103
3	Distribution of Bicycles to student for VIII standard (Number in lakhs)				
	a) No. of Boys	2.74	2.72	2.64	2.78
	b) No. of Girls	2.69	2.62	2.65	2.70
	c) SC	1.40	1.45	1.09	1.13
	d) ST	0.60	0.62	1.04	0.45
4	Reimbursement of Non-Government fee (Number in lakhs)				
	a) No. of reimbursement of Non-Government fees - VI and VII	12.35	10.86		
	b) of which SC	5.48	3.56		
	c) of which ST	0.72	1.59		

A = Anticipated

B. SECONDARY EDUCATION

Sl. No.	Particulars	2010-11	2011-12	2012-13	2013-14 (A)
1	a) No. of Secondary Schools	13447	13500	14194	
	b) No. of Teachers	122401	122500	114347	
	c) Enrolment in VIII to X				
	i) Boys	1350548	1350600	1367581	
	ii) Girls	1253698	1253720	1267140	
	iii) Total	2604246	2604320	2634725	
2	Free Uniforms and Text Books provided for VIII to X std. (Number in lakhs)				
	a) Free Uniforms				
	i) Boys	6.03	6.20	6.90	6.58
	ii) Girls	4.99	5.18	4.55	5.30
	iii) Total	11.02	11.38	11.45	11.88
	b) Free Text Books				
	i) Boys	6.03	7.58	6.30	6.28
	ii) Girls	4.99	7.59	6.34	6.32
	iii) Total	11.02	15.17	12.64	12.60
3	Reimbursement of Non-Govt. Fees studying in Govt. High Schools (Number in lakhs)				
	a) No. of Girls Benefited	1.77	1.78		
	b) SCs Benefited	0.77	0.80		
	c) STs Benefited	0.13	0.20		
	d) Amount Rs. Lakhs	328.66	350.68		
4	Reimbursement of Examination Fees studying in Xth Standard (Number in lakhs)				
	a) No. of Girls Benefited	1.20	1.17	1.11	1.08
	b) No. of SCs Benefited	2.23	1.93	1.95	1.97
	c) No. of STs Benefited	0.75	0.67	0.65	0.61
	d) Amount (Rs. in Lakhs)	1053.66	1075.42	1180.02	1189.5

A = Anticipated, Source: Public Instruction Department, GOK

Appendix: 13.4

Plan and Non-plan expenditure on education

(Rs. Lakh)

Year	Plan	Non-plan
Primary Education		
2008-09	105736.76	366668.83
2009-10	83151.11	365686.04
2010-11	127541.13	407479.56
2011-12	123872.83	481372.82
2012-13 (RE)	271129.35	570465.04
2013-14 (BE)	336262.15	605531.84
Secondary Education		
2008-09	4044.12	215658.27
2009-10	52923.64	214898.75
2010-11	59930.77	249766.93
2011-12	86632.84	278237.75
2012-13(RE)	63871.72	345158.65
2013-14 (BE)	127512.39	389539.48
Higher Education		
2008-09	11008.81	58629.87
2009-10	14142.80	61079.13
2010-11	36110.78	107945.45
2011-12	30636.10	129759.96
2012-13(RE)	37870.91	151937.83
2013-14 (BE)	47514.21	191481.75

RE: Revised Estimates

BE: Budget Estimates

Appendix 13.5

Food Grain Whole Salers and Fair Price Shops in the State

Statement Showing the Catergorywise Wholesale Points and F.P.D.Existing in the State

SL. No.	DISTRICT	WHOLESALE POINT			FAIR PRICE SHOPS			
		KFCSC	CO.OP.	TOTAL	KFCSC	CO.OP.	INDIVIDUALS	TOTAL
1	North Range	3	2	5	19	153	141	313
2	South Range	4	2	6	24	130	107	261
3	East Range	3	0	3	23	90	103	216
4	West Range	2	2	4	21	191	163	375
5	Central Range	1	2	3	5	19	66	90
	Bangalore IR	13	8	21	92	583	580	1255
6	Bangalore (u)	2	6	8	0	140	404	544
7	Bangalore (R)	1	6	7	0	205	178	383
8	Bagalkot	8	4	12	5	539	135	679
9	Belgaum	7	11	18	2	887	854	1743
10	Bellary	11	0	11	0	366	242	608
11	Bidar	6	0	6	0	143	602	745
12	Bijapur	10	2	12	6	667	145	818
13	Chamarajnar	8	2	10	3	83	399	485
14	Chickballapur	4	2	6	0	100	469	569
15	Chickmagalore	6	4	10	6	296	240	542
16	Chitradurga	6	3	9	4	187	394	585
17	Davanagere	11	1	12	0	259	560	819
18	D.Kannada	5	3	8	0	321	245	566
19	Dharwad	7	1	8	3	254	288	545
20	Gadag	7	0	7	4	197	181	382
21	Gulbarga	9	0	9	0	166	826	992
22	Hassan	11	0	11	4	314	595	913
23	Haveri	4	3	7	14	302	140	456
24	Kodagu	2	4	6	4	189	128	321
25	Kolar	6	1	7	0	352	290	642
26	Koppala	4	0	4	1	145	311	457
27	Mandya	4	7	11	4	348	389	741
28	Mysore	10	7	17	1	362	706	1069
29	Ramnagar	4	3	7	0	174	394	568
30	Raichur	5	0	5	1	89	652	742
31	Shimoga	10	1	11	0	221	391	612
32	Tumkur	9	5	14	3	448	653	1104
33	Udupi	0	3	3	0	262	33	295
34	U.Kannada	4	10	14	12	254	188	454
35	Yadgir	2	1	3	0	150	243	393
	TOTAL	195	99	294	169	9003	11855	21027

Appendix 13.6

Godown Details of the State

Sl. No	DISTRICT	KFCSC	CO-OPERATIVE	CAPACITY IN MTS
1	Bagalakote	8	4	10027
2	Bangalore (U)	0	6	12650
3	Bangalore (R)	1	5	5050
4	Belgaum	7	11	18250
5	Bellary	11	0	6800
6	Bidar	6	0	5400
7	Bijapur	10	2	7400
8	Chamaraja nagar	6	2	6450
9	Chikamagalur	6	2	8200
10	Chikkaballapura	5	2	5200
11	Chitradurga	6	4	7440
12	Dakshina Kannada	5	4	3800
13	Davanagere	11	1	11105
14	Dharwad	7	1	4550
15	Gadag	6	1	7200
16	Gulbarga	9	0	18000
17	Haveri	4	3	8100
18	Hassan	11	0	7390
19	Kodagu	0	4	3620
20	Kolar	6	1	9040
21	Koppal	4	0	43500
22	Mandya	6	7	13880
23	Mysore	13	7	12164
24	Ramanagara	4	3	7545
25	Raichur	5	0	7250
26	Shimoga	10	1	14640
27	Tumkur	9	4	18560
28	Udupi	0	3	2250
29	Uttara Kannada	4	10	6010
30	Yadagir	2	1	60000
31	Bangalore IRA	16	8	127700
	TOTAL	198	97	479171

Appendix 13.7

Number of Kerosene Whole Salers & Kerosene Retailer in the State

SL. NO	NAME OF THE DISTRICT	WHOLE SALE POINTS			RETAIL POINTS			
		KFCSC	OTHERS	TOTAL	KFCSC	CO-OPERATIVE	OTHERS	TOTAL
1	Bagalakote	0	11	11	2	260	540	802
2	Bangalore (U)	0	14	14	0	48	986	1034
3	Bangalore (R)	0	6	6	0	0	341	341
4	Belgaum	0	24	24	2	887	824	1713
5	Bellary	0	13	13	0	54	1217	1271
6	Bidar	0	10	10	0	27	776	803
7	Bijapur	0	14	14	0	0	664	664
8	Chamaraja nagar	0	5	5	0	156	676	832
9	Chikamagalur	0	6	6	1	100	592	693
10	Chikkaballapura	0	7	7	0	102	791	893
11	Chitradurga	0	9	9	0	0	598	598
12	Dakshina Kannada	0	15	15	1	320	190	511
13	Davanagere	0	12	12	0	133	700	833
14	Dharwad	0	11	11	2	68	1077	1147
15	Gadag	0	9	9	0	3	313	316
16	Gulbarga	0	13	13	0	0	978	978
17	Haveri	0	13	13	0	39	726	765
18	Hassan	0	7	7	4	291	710	1005
19	Kodagu	0	4	4	4	177	109	290
20	Kolar	1	6	7	0	44	904	948
21	Koppal	0	3	3	1	56	488	545
22	Mandya	1	5	6	5	298	708	1011
23	Mysore	0	18	18	0	52	863	915
24	Ramanagara	0	4	4	0	0	295	295
25	Raichur	0	8	8	1	104	574	679
26	Shimoga	0	8	8	0	118	632	750
27	Tumkur	1	10	11	0	277	1043	1320
28	Udupi	1	8	9	0	264	25	289
29	Uttara Kannada	1	14	15	12	234	210	456
30	Yadagir	0	4	4	0	31	309	340
31	Bangalore IRA	1	30	31	36	413	1634	2083
TOTAL		6	321	327	71	4556	20493	25120

Appendix 13.8: District wise Ration Cards as on December 2013

SL No	District Name	AAY			BPL			BPL WITHOUT CYLINDER			APL WITH CYLINDER			APL WITHOUT CYLINDER			TOTAL
		AAY		TOTAL	BPL		TOTAL	BPL WITHOUT CYLINDER		TOTAL	APL WITH CYLINDER		TOTAL	APL WITHOUT CYLINDER			
		URBAN	RURAL		URBAN	RURAL		URBAN	RURAL		URBAN	RURAL		URBAN	RURAL		
1	Bagalkote	10686	36081	46767	54626	7183	61809	75559	170412	245971	16281	10126	26407	10921	54338	65259	
2	Bangalore urban	4238	8278	12516	5593	48346	53939	157185	133199	290384	39310	14872	54182	38724	17540	56264	
3	Bangalore rural	2774	11671	14445	9696	27324	37020	29268	111260	140528	4354	9539	13893	2520	15574	18094	
4	Belgaum	7299	75132	82431	31033	54174	85207	81889	453849	535738	115049	73768	188817	31902	188759	220661	
5	Bellary	11560	50512	62072	25767	11483	37250	80861	177123	257984	16625	11143	27768	11228	39638	50866	
6	Bidar	5445	34582	40027	8910	2796	11706	48225	179205	227430	6894	5623	12517	10311	54334	64645	
7	Bijapur	7848	35658	43506	10399	13113	23512	62962	199400	170763	13988	13988	27976	1597	20767	22364	
8	Chamrajnagar	3232	32538	35770	3089	22908	25997	21459	149304	170763	35092	28873	63965	1228	24696	25924	
9	Chikmagalur	2939	19787	22726	16244	39384	55628	17047	121683	138730	5319	8935	14254	1570	21418	22988	
10	Chitradurga	5996	36752	42748	8089	24762	32851	30546	222892	253438	5319	8935	14254	1570	21418	22988	
11	Dakshina kannada	2221	19383	21604	13299	30236	43535	16833	107030	123863	118798	76928	195726	5370	51506	56876	
12	Davanagere	7570	42813	50383	32870	32986	65856	67619	197206	264825	10032	13210	23242	2912	25503	28415	
13	Dharwar	8903	21160	30063	43079	5480	48559	109025	130437	239462	27328	4209	31537	13965	27241	41206	
14	Gadag	3219	25875	29094	20603	2816	23419	52821	105319	158140	9426	5023	14449	4618	24808	29426	
15	Gulbarga	8472	55799	64271	17295	4302	21597	106647	262428	369075	16569	5034	21603	17365	52776	70141	
16	Hassan	3757	19711	23468	18334	38261	56795	33518	283120	316638	18397	12336	30733	1745	21268	23013	
17	Haveri	8489	38824	47313	19688	15393	35081	32578	200796	233374	13983	9114	23097	2261	30161	32422	
18	Kodagu	819	9406	10225	2166	24243	26409	4359	53359	57718	26104	26104	52208	540	9830	10370	
19	Kolar	4989	24998	29987	16321	25685	42006	46595	183286	229881	13159	7876	21035	10200	15260	25460	
20	Koppal	3692	33942	37634	15834	4555	20389	28708	164670	193378	2290	4276	6566	2088	24443	26531	
21	Mandya	4632	30060	34692	11389	50580	61969	35098	280603	315701	27735	24419	52154	4326	43083	47409	
22	Mysore	5226	45368	50594	54384	92960	147344	86212	292426	378638	66525	32365	98890	15973	46278	62251	
23	Raichur	10050	43664	53714	4934	5031	9965	48736	175973	224709	7187	8897	16084	5955	45054	51009	
24	Shimoga	9379	28876	38255	50417	41047	91464	44152	136804	180956	25414	34654	60068	2611	34663	37274	
25	Tumkur	3653	45917	49570	21949	42146	64095	70408	340325	410733	13603	24119	37722	6468	56654	63122	
26	Udupi	1220	17563	18783	9434	22503	31937	9546	72379	81925	77084	55493	132577	4254	26755	31009	
27	Uttara kannada	1085	15139	16224	17378	25685	43063	29525	153997	183522	51076	36956	88032	5179	37938	43117	
28	Chikkaballapura	1969	26801	28770	17771	20231	38002	32611	181970	214581	4724	7902	12626	2112	19439	21551	
29	Ramanagara	1991	17046	19037	7576	15863	23439	34318	169201	203519	5001	8005	13006	4709	21242	25951	
30	Yadgir	4200	25254	29454	5987	2141	8128	20216	134018	154234	2826	1854	4680	2363	19581	21944	
31	Bangalore central	1565	0	1565	3041	0	3041	16743	0	16743	11643	0	11643	18540	0	18540	
32	Bangalore east	2643	0	2643	4213	0	4213	31396	0	31396	57900	0	57900	44638	0	44638	
33	Bangalore north	1730	0	1730	7194	0	7194	37792	0	37792	41665	0	41665	37570	0	37570	
34	Bangalore south	4881	0	4881	12663	0	12663	55670	0	55670	42056	0	42056	20773	0	20773	
35	Bangalore west	4192	0	4192	11936	0	11936	68625	0	68625	58705	0	58705	61542	0	61542	
		172564	928590	1101154	613401	753617	1367018	1724752	5543674	7268426	1013799	582418	1596217	413661	1119638	1533299	

Appendix 13.9
Health Institutions in Karnataka (As on 31-12-2013)

Sl. No.	District	District Hospital		Other Hospitals under HFW		Autonomous & Teaching Hospitals		Community Health Centres				Primary Health Centres		PHU with Maternity Annex		Urban PHCs		Health Centres under IPP	Mobile Health Clinics	Sub-Centres	Total Beds		
		Nos.	Beds	Nos.	Beds	Nos.	Beds	Nos.	Beds	Nos.	Beds	Nos.	Beds	Nos.	Beds	Nos.	Beds						
BANGALORE																							
1	BANGALORE (U)			7	1725	14	6273	3	300	5	220	8	520	105	688		2	12	55	195	9218		
2	BANGALORE (R)							4	400	2	60	6	460	48	321					167	781		
3	CHIKBALLAPUR	1	100					5	510	2	60	7	570	57	393	2	20		2	199	1083		
4	CHITRADURGA	1	450					5	500	11	330	16	830	85	510			3	6	283	1790		
5	DAVANAGERE	1	1030					5	500	6	180	11	680	105	686				4	301	2396		
6	KOLAR	1	400	2	305			4	400	2	60	6	460	63	434			3	18	275	1617		
7	RAMANAGARA	1	100					3	300	5	150	8	450	65	423	1	10		2	230	983		
8	SHIMOGA					1	1000	6	650	7	210	13	860	103	654	2	20	1	6	4	305	2540	
9	TUMKUR	1	400					9	900	5	150	14	1050	149	992	2	20	1	6	10	487	2468	
BELGAUM																							
10	BAGALKOTE	1	300					5	500	7	230	12	730	50	290					5	234	1326	
11	BELGAUM					1	1000	9	900	16	500	25	1400	150	848	1	10	2	12	5	549	3270	
12	BIJAPUR	1	400					4	400	9	270	13	670	67	366					2	4	309	1436
13	DHARWAD	1	250			2	1375	3	300	0	0	3	300	34	214					1	6	194	2145
14	GADAG	1	304					4	400	3	90	7	490	39	244					4	168	1038	
15	HAVERI	1	250					6	600	5	150	11	750	68	414	2	20			4	303	1434	
16	U. KANNADA	1	400					10	1000	3	110	13	1110	83	538	1	20	2	12	8	343	2080	
GULBARGA																							
17	BELLARY			1	288	2	1110	6	600	11	350	17	950	80	502					3	6	272	2856
18	BIDAR					1	1000	4	400	8	240	12	640	55	334	3	30	1	6	5	280	2010	
19	GULBARGA	1	750					6	600	16	480	22	1080	92	518					7	4	347	2360
20	KOPPAL	1	250					3	300	9	270	12	570	50	296					1	6	185	1122
21	RAICHUR					2	1200	4	400	6	180	10	580	56	330	1	10	1	6	6	5	223	2126
22	YADGIR	1	100					2	200	6	180	8	380	49	284					2	176	764	
MYSORE																							
23	CHNAGAR	1	250					3	350	2	60	5	410	60	434	1	16			6	245	1110	
24	CHIKMAGALUR	1	400					6	600	5	170	11	770	92	624	3	40	2	12	6	375	1846	
25	D. KANNADA	1	965	1	100			4	400	8	240	12	640	69	416					5	440	2121	
26	HASSAN					1	1000	7	950	14	420	21	1370	134	894	5	54	1	6	2	456	3324	
27	KODAGU	1	410					2	360	7	290	9	650	30	275					3	206	1341	
28	MANDYA					1	1000	6	600	10	300	16	900	114	871	3	26	2	12	1	385	2809	
29	MYSORE			1	50	4	2050	6	600	10	300	16	900	132	905	6	120	2	12	8	438	4037	
30	UDUPI	1	350					2	200	6	180	8	380	71	458	1	10			3	301	1198	
State Total		20	7859	12	2468	29	17008	146	15120	206	6430	352	21550	2355	15156	34	426	27	162	108	130	8871	64629

**Appendix 14.1
Department wise Consolidated Financial and Physical Progress Report under Karnataka Mahila Abhivrudhi Yojane for the year 2013-14
(upto Dec13)**

Sl. No	Name of the Department	Annual Allocation		1/3rd Allocation for Women		Progress for the month of Dec-13		Cumulative Progress at the end of Dec-13		Percentage		No. of Schemes
		Financial	Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial	Physical	
1	Agriculture	10052.44	2896425	33350.81	965475	3229.25	56170	10378.75	293149	31.12	30.36	22
2	Watershed	40440.00	-	13479.99	106611	9.32	2386	3621.61	37438	26.87	35.12	4
3	Sericulture	467.22	-	145.08	397495	9.68	25745	37.78	84558	26.04	21.27	3
4	Industries & Commerce	1766.17	39223	586.74	12949	2810.61	968.00	15545.11	5892.00	2649.40	45.50	5
5	Handloom & Textiles	6167.11	-	2055.70	45930	137.94	1667.00	662.51	26901	32.23	58.57	9
6	Forest Department	7115.40	-	853.84	3.770	123.78	0.547	438.65	1.963	51.37	52.07	5
7	Youth Services & Sports	1901.30	193020	626.22	64122	57.04	3522	2217.03	9210	354.03	14.36	10
8	Disabled & Senior Citizens Welfare	47031.00	810489	15691.08	268466	1733.58	259836	8836.31	262840	56.31	97.90	8
9	Backward Class Welfare	52327.38	935355	17267.83	311785	2975.00	97602	6820.56	134621	39.50	43.18	14
10	Social Welfare Dept	156574.36	-	70074.37	-	11244.84	-	30346.34	-	43.31	-	66
11	D.Devaraj Urs Backward Class Dev.Corp	20157.00	44573	7058.14	17822	849.80	2113	2130.23	7082	30.18	-	4
12	Minorities Dev. Corp.	17146.00	82634	5658.18	27269	27367.00	720	885.19	6183	15.64	22.67	8
13	Tribal Welfare Dept	6937.07	-	3469.28	252864	213.30	7868	1230.51	33340	35.47	13.18	9
14	Minorities Department	26555.79	900247	8884.59	309619	504.79	16450	3113.99	56020	35.05	18.09	21
15	Dr.B.R. Ambedkar SC/ST Dev.Corp.	24542.13	24151	12068.07	12194	321.95	2564	3539.97	7028	29.33	57.63	5
16	Fisheries	840.07	38751	324.820	14072	415.38	33909	392.00	11647	120.68	82.77	3
17	Animal Husbandry	1057.53	28577	892.74	25505	2.460	1184	140.270	11636	15.71	45.62	5
18	Horticulture	3106.89	114127	1025.27	37662	192.83	3042	698.10	16859	68.09	44.76	6
19	Employment & Training	28796.71	210622	9517.95	69532	696.84	12261	3629.05	28169	38.13	40.51	15
20	Municipal Administration	4169.60	52555	1798.14	24345	48.71	152	914.62	14704	50.86	60.40	4
21	R.D.P.R	98637.03	110319.73	85320.77	44276.57	6702.44	32868.73	9457.81	39084.66	11.09	88.27	2
22	Co-operative Societies	6650.05	155776	3364.80	88103	-	-	4608.69	87660	136.97	99.50	8
23	Education (Primary)	197509.96	-	65836.65	-	2837.24	-	8381.36	-	12.73	-	17
24	Housing	5000.00	20000	1650.00	6600	129.91	1004	2323.88	6504	140.84	98.55	6
25	Health Dept & RCH	217267.37	37427	77859.29	28307	831725	535615	36052.17	1350199	46.30	-	34
	Total	982215.58	6583952	438860.35	3086727	894338.69	1064778	156402.49	2491640	35.64	80.72	293

Note: As the physical target of Sl.No.6 Forest Dept & Sl.No.21 R.D.P.R are Lakh Human Days, physical target is not considered.

Appendix 14.2

Progress under schemes for distribution of subsidized sarees and dhoties

Year	Expenditure (Rs. lakh)	Beneficiaries (lakhs)
1990-91	409	37
1992-93	428	28
1993-94	422	21
1994-95	1002	30
1995-96	1425	32
1996-97	1738	36
1997-98	959	30
1998-99	728	13
1999-2000	1263	24
2000-01	541	11
2001-02	1250	20
2002-03	255	6
2003-04	300	4
2004-05	341	5
2005-06	275	5
2006-07	164	3
2007-08	173	3
2008-09	173	2
2009-10	170	2
2010-11	170	2
2011-12	125.74	1.32
2012-13	129.14	1.15

Source: Karnataka Handloom Development Corporation