

KARNATAKA BUDGET 2010-2011 HIGHLIGHTS

Overview of Budget 2010-2011

	(Rs. in Crores)
• Total Receipts	: 68,564
▪ Revenue Receipts	: 53,639
▪ Capital Receipts	: 14,925
• Total Expenditure	: 70,063
▪ Revenue Expenditure	: 53,138
▪ Capital Expenditure	: 16,925
• Fiscal Deficit	: 9708
	(2.96 percent of GSDP)
• Revenue Surplus :	500
	(0.15 percent of GSDP)

Allocations from Budget

- The allocation for plan and non-plan expenditure of various departments from the State Budget is as follows:

Agriculture & Horticulture	Rs.2094 Crore
Education & Higher Education	Rs.10505 Crore
Urban Development	Rs. 5883 Crore
Energy	Rs.3547 Crore
Irrigation	Rs.5180 Crore
RD&PR	Rs.3442 Crore
Public Works	Rs.2909 Crore
Revenue	Rs.2764 Crore
Health & Medical Education	Rs.2673 Crore
Home	Rs.2345 Crore
Social Welfare	Rs.2671 Crore
Women & Child Development	Rs.1832 Crore
Housing	Rs. 928 Crore
- High priority for social sector.
 - Education budget increased by Rs 1605 crore
 - Health budget up by Rs 384 crore.
- Social services constitute 38 per cent of total expenditure while economic services will take 32 %. The balance will be used for general services and grant-in-aid to the local bodies.

State Plan Size

- State Plan Size has been increased by 19 percent to Rs 31000 crore. It is among the largest plan size in per capita terms for the States.

Major Sectors**Agriculture and Allied Sectors**

- **Support to farmers**
 - Rs 2500 crore provided for supplying free electricity to irrigation pump sets and Bhagyajyothi/Kuteerjyothi
 - Rs 320 crores provided for facilitating farmers to get subsidised loans from commercial banks and cooperative institutions
 - Scheme for special assistance of Rs 2 per litre of milk collected through cooperative institutions to be continued
 - Rs 100 crore for promoting organic farming
 - Rs 40 crore provided to continue Yashaswini scheme
 - Quantity of sales tax free diesel being provided to fishermen of coastal areas will be increased from 75000 to 85000 KL.
 - Reduction in user fee for obtaining RTC copy from Rs 15 to Rs 10
- **Agriculture infrastructure**
 - 'Jalasiri' will be started to build at least 2 lakh water harvesting structures – Expenditure of Rs 500 crores
 - 'Nirantara Jyoti' will be implemented in 126 Talukas for improving electricity supply to irrigation pump sets and the rural habitations in 2 years – Rs 1200 crore investment in 2010-11 for implementation in 70 talukas. Distribution Companies to be provided capital assistance.

- Establishment of a hi-tech rice technology park in Karatagi in Gangavathi Taluka – Rs 10 crores to be invested by State Marketing Federation
- Rs 1 crore will be spent in every taluka through APMCs for providing infrastructure to village market yards
- **New institutions**
 - Establishment of ‘Antharganga Micro-irrigation Corporation’ with a capital of Rs 100 crores
 - Establishment of Karnataka Mango Development Board – provision of Rs 10 crore
 - Establishment of a food processing development corporation – capital support of Rs 10 crores
 - Establishment of an Agriculture University in Shimoga- provision of Rs 10 crore
 - Establishing horticulture colleges in Mysore, Hiriuru, Sirsi and Koppal-Rs 5 crore each
 - Veterinary college to be established in Athani – provision of Rs 5 crore
 - Establishment of a sugar institute in Mandya district
- **Support to institutions**
 - Rs 600 crore from State and Central Governments for revival of credit cooperative institutions and banks
 - Rs 400 crore as working capital to the Karnataka Marketing Federation
 - Modernisation of Mysore Sugar Company –Rs 20 crores
- **Extension services**
 - ‘Bhu chethana’ programme to be extended in 15 more districts-Rs 15 crore to be provided to Krishi Vigyan Kendras.

Rural Development

- **Panchayat administration**
 - 50% of the seats to be reserved for women for further strengthening women's role in Panchayat Raj Institutions

- **Rural infrastructure**
 - Rs 1000 crores for Suvarna Gramodaya Yojane for comprehensive development of villages
 - Pradhan Mantri Gram Sadak Yojana- State contribution of Rs 100 crore
 - Separate provision of Rs 632 crore under State schemes for upgradation of another 5000 km of rural roads
 - An amount of Rs 1000 crore including central assistance will be utilised in 2010-11 for drinking water supply schemes in rural areas
 - Drinking water supply scheme from Kabini river will be prepared for Rs 100 crore for villages of Chamarajanagar district
 - Drinking water supply scheme for Sirigere town and enroute villages will be implemented at a cost of Rs 25 crore
 - Drinking water scheme for villages of Tumkur district from Hemavathy canal will be implemented at a cost of Rs 25 crore

- **Wage employment**
 - About 18 crore man-days to be generated with an expenditure of Rs 3000 crore under NREGA, in 2010-11

Development of Backward Areas

- Allocation of Rs 2580 crore made for implementing the development programmes in backward talukas
- Rs 300 crore for H'ble Legislators Area Development Scheme

Primary and Secondary Education

- State's endeavour to ensure that every school going child acquires education at least up to 10th standard
- Rs 100 crore for providing necessary facilities in the schools and PU colleges
- The scheme of free bicycles to high school students to be continued with an allocation of Rs 200 crore
- Rs 80 crore for construction of buildings for 250 PU colleges
- 74 Model High Schools to be established under Rashtriya Madhayamika Siksha Abhiyan. Programmes have also been formulated for development of 545 High Schools.
- A special allocation of Rs 5 crore will be provided for government teachers to acquire graduate and post graduate degrees

Higher Education

- Rs. 10 crore each to be provided for universities at Tumkur and Davangere and Women's university at Bijapur. Rs 5 crore to be provided for Kananda university at Hampi.
- A new university called Vijayanagar University will be established at Bellary; for which Rs.10 crore is being provided.
- To improve the infrastructure in engineering colleges, a sum of Rs.80 crore will be spent under the World Bank assisted project of TEQUIP.
- Rs.76 crore will be provided for buildings and equipments for 10 engineering colleges and 22 polytechnics started recently.
- Rs.50 crore to be provided for extending facility for teaching science and commerce courses in 100 degree colleges
- A provision of Rs.10 crore will be made for special training in language skills, effective communication and personality development in government colleges

Health & Family Welfare

- 31 per cent increase in plan support for Health
- Rs 40 crore for **'Vajpayee Arogya Shri'** Yojana
- Upgradation of 142 taluk hospitals into first referral hospitals - Rs.100 crore provided for construction and upgradation of health care institutions including taluk hospitals.
- Free maternity services for rural women at primary health centers. An assistance of Rs.1000 will be given to those women who get maternity care in private hospitals.
- From the year 2010-11 a scheme will be formulated to provide free medical checkup for all girl children registered under the Bhagyalakshmi scheme; free medical treatment will also be provided.
- Recruitment of 5021 para-medical staff for healthcare institutions at various levels.

Medical Education

- Rs 20 crore for increasing admission capacity of selected medical colleges
- Provision of Rs. 10 crore for establishing a super-speciality hospital at the Vijayanagar Institute of Medical Sciences, Bellary with private participation.
- An amount of Rs. 20 crore will be provided for completing the construction work of Shimoga Medical College.
- For providing cardiac treatment under the Hrudaya Sanjivini scheme and kidney treatment to poor people, a provision of Rs.10 crore is being made.
- Rs.5 crore is being provided to establish cancer treatment facilities at Hubli by establishing a branch of Kidwai Institute of Oncology.
- It is proposed to make available 15 acres of land and to give a grant of Rs. 5 crore to the Matha Amrutamayi Institution for establishing a super-speciality hospital in Kengeri, Bangalore.

Ayush Health care

- Establishment of Indian Institute for Ayush health care with support from Government of India
- Rs.5 crore will be given for upgrading the Government Ayurveda hospitals in Bangalore, Mysore and Bellary

Social Welfare

- Allocation for Special Component Plan and Tribal Sub Plan increased from Rs 2916.6 crore and Rs 1144 crore in 2009-10 to Rs 3358.78 crore and 1344.19 crore respectively in 2010-11.
- Pooled funds for welfare of SC/ST persons increased to Rs 800 crore from Rs 600 crore
- For development of Morarji Desai Residential Schools and Kittur Chenamma Residential Schools as well as for construction of buildings for about 150 schools a sum of Rs 150 crore is provided.
- The expenditure limit per month on food will be increased from Rs 450 and 650 to Rs.650 and Rs.750 in pre-matric and post matric hostels respectively. Similar increase in respect of students in grant-in-aid hostels.
- An amount of Rs.20 crore is being provided for starting model student hostels in 10 districts
- An amount of Rs.20 crore will be provided for building Jagjivanram Bhavans in 10 districts of the State.

Development of Backward Classes

- An amount of Rs.20 crore will be provided for supporting economic activities of communities from the Backward Classes, such as Kammara, Kumbara, Akkasaliga, Agasa, and others working in traditional occupations.
- An amount of Rs.3 crore will be provided to establish 'Kumbakala Abhivrudhi Mandali'.

Minority Welfare

- An amount of Rs. 167 crore was provided for minority welfare in 2009-10, which is being increased to Rs. 207 crore in 2010-11.
- An amount of Rs.10 crore will be provided for skill development training in various professions through Minorities Development Department.
- An amount of Rs.10 crore is provided for construction of Shadi Mahals/Kalyana Mantapas.
- An amount of Rs. 5 crore will be provided for constructing a Haj Bhavan in Bangalore.
- An amount of Rs. 3 crore will be provided for special language training to enable minority students to change their medium of instruction for higher education.
- Rs.1 crore will be provided for the development of Tavakkal Mastan Darga of Bangalore and Mardan-e-Faib near Shivana Samudra.

Women and Child Welfare

- Rs.380 crore is provided to continue the Bhagyalakshmi scheme during 2010-11.
- The government proposes to start a Comprehensive Nutrition Mission. A provision of Rs. 5 crore will be made for this.
- A grant of Rs.10 crore will be provided to the Apparel Training & Design Centre (ATDC) for setting up district centres for training for garment industry.
- Contributory Pension Scheme will be introduced to cover 50,000 Anganawadi workers and assistants in the State. Rs.10 crore will be allocated for this purpose during 2010-11.
- Rs. 20 crore will be provided for giving grants to the institutions running schools for taking care of the children suffering from mental retardation, autism and blindness.

Housing

- During 2008-09 and 2009-10 about 5.35 lakh houses have been constructed under Indira Awas, Ashraya and Dr Ambedkar Yojana in rural areas. Besides, 75,000 houses have already been started in the flood-affected areas. Required assistance will be provided to donor agencies for completion of these houses before June 2010
- An improved rural housing scheme to be formulated by increasing the unit cost from Rs 40,000 to Rs 60,000 with a beneficiary contribution of Rs 10,000. It is proposed to construct 1.50 lakh houses during the year under the modified scheme
- 50,000 houses to be built under the Vajpayee Housing Scheme with a unit cost of Rs 1.25 lakh by pooling Government subsidy, bank loan and beneficiary's contribution
- To solve the problem of inadequate housing for the middle class in cities and small towns it is proposed to start 'Nanna Mane' scheme
- Rs 75 crore will be provided for providing free sites to siteless families in rural areas
- Benefit of interest waiver for beneficiaries of Ashraya scheme who repay instalments due on March 31, 2010 by December 2010

Development of Energy Sector

- The total power generation capacity of the State has now reached 8000 MW, and it is possible to double this in the next five years. For this, action is being initiated to establish thermal power plants of 4000 MW capacity at Koodagi in Bijapur District, 2400 MW at Yermarus and Yedlapur of Raichur District and 1100 MW at Bellary, apart from launching gas based power plants of 3500 mw capacity at Bidadi and Tadri through Karnataka Power Corporation Ltd. Also 2400 MW capacity thermal power plant is being established at Chattisgarh with private participation.

- Rs.500 crore of capital support will be provided to the Karnataka Power Corporation and Power Transmission and Distribution Companies during 2010-11.

Water Resources and Irrigation

- During 2010-11, 14 major and medium irrigation projects including Upper Krishna Project Stage-I and II, Karanja, Bennethora, Amarja, Ghataprabha 3rd Stage, and Ubrani-Amrutapura would be completed and 56000 hectares of land (more than 1.35 lakh acres) would be provided with additional irrigation. Besides, field channels would be constructed in 2 lakh hectares of land.
- In 2010-11, Rs. 4256 crore would be provided for major and medium irrigation projects including Accelerated Irrigation Benefit Programmes.

Minor Irrigation

- Out of the State Budget, Rs. 100 crore is being allocated for rejuvenation of 1000 small irrigation tanks and to provide employment opportunities under National Rural Employment Guarantee Scheme.
- An amount of Rs. 40 crore is being provided for construction of 37 tanks under Centrally assisted Accelerated Irrigation Benefit Programme in Kolar, Chikkabalapur, Belagavi, Dharwad, Haveri, Gadag, Gulbarga and Bidar Districts.
- Rs.100 crore will be provided for construction of barrages, check-dams and lift irrigation schemes in different parts of the State during 2010-11. It is decided to provide Rs. 842 crore for about 2000 irrigation works taken up by the Minor Irrigation Department during this year.

Development of Road Network

- To upgrade all the State Highways from single lane roads to double lane roads in the coming three years.

Rs. 3000 crore will need to be spent. During 2010-11 Rs.250 crore is provided for this purpose.

- An amount of Rs. 737 crores has been provided under State Plan and Non-plan budget for up-gradation of Major District Roads.
- Rs.30 crore will be provided to construct bridges in Harihara and Honnali Talukas across the Tungabhadra river. Rs. 15 crore will be provided for construction of a bridge across Krishna River in Bijapur District.
- With a view to provide good road connectivity in Kodagu District, a Special Package of Rs. 25 crore will be provided.
- State Government would contribute upto Rs 600 crore as its share for various long demanded railway projects
- An amount of Rs.10 crore is being provided to establish a project development fund for preparing necessary project reports for infrastructure projects

Urban Development

- For providing infrastructure facilities in Bengaluru and to improve transport facilities through metro, mono-rail and good roads as well as water and sewage services to all areas, programmes amounting to Rs 18,872 crore will be implemented in the next three years.
- **'Mukhyamanthri Nagarothana Yojane'** will be started from 2010-11 with an allocation of Rs.600 crore for development programmes, such as drinking water, sewerage system and road development, for urban areas
- Infrastructure facilities such as improvement of city roads, improvement of footpaths, construction of over bridges and under bridges will be taken up through the Bruhat Bengaluru Mahanagara Palike at an expenditure of Rs. 3000 crore.
- Rs. 1000 crore will be spent through the Bangalore Development Authority for construction of multi-storeyed vehicle parking centres and improvement of

10 important traffic routes in various parts of Bangalore.

- Rs.200 crore will be allocated for improvement of 25 tanks of the city through Bangalore Development Authority
- A project of Rs. 425 crore for providing drinking water and sanitation facilities to the villages newly added to the jurisdiction of the BBMP will be started through the Bangalore Water Supply and Sewerage Board.
- The 24/7 water supply scheme will be extended to other 16 cities in the state.
- An amount of Rs. 50 crore will be provided to make a four-lane road between the twin cities of Hubli – Dharwar.
- Rs. 25 crore will be provided for the improvement of infrastructure facilities of the new District Headquarters of Yadgir.
- A special grant of Rs. 25 crore will be provided to Udupi Municipal Council for city development on the occasion its Amrutha Mahotsava
- An amount of Rs.5 crore will be provided to the Vishveswaraiah Technological University for establishing a post-graduate study center in urban development subjects.

Industries

- Global Investors Meet to be organized in June 2010
- Approval for an over-all investment of Rs. 1.90 lakh crore in various sectors including automobile, aerospace and electronic hardware sectors
- Establishment of Information Technology Infrastructure Region in an area of 12,000 acres near Bengaluru International Airport.
- A well-equipped export centre will be established at Mysore for exporting industrial products.
- One Time Settlement scheme introduced by the Karnataka State Finance Corporation, to help the small scale industries, will be extended up to

December, 2010; and an amount of Rs. 25 crore will be provided from Government.

- As per the new mining policy already adopted in the State, priority is being given to the industries, which use the State's mineral-wealth within the state by value-addition. With this, instead of exporting the mineral wealth to foreign countries, it would be possible to create employment opportunities within the State.
- Under Suvarna Vastra Neeti, an amount of Rs. 60 crore has been provided for giving assistance to garment units to create job opportunities for 5,000 to 10,000 persons each in ten districts.
- Rs. 10 crore will be provided to increase the working capital of Karnataka Handloom Development Corporation.
- A grant of Rs. 10 crore will be provided under Special Development Plan for establishing Industrial Areas in the backward Taluks through Karnataka Small Scale Industries Development Corporation.

Tourism

- An amount of Rs. 204 crore provided for development of tourism infrastructure in the State
- For promotion of tourism, entrepreneurs will be permitted to purchase up to 5 acres of agricultural land, at 100 selected tourist centres in the State for the construction of hotels. Concessional loan at the interest rate of 10% will be made available through Karnataka State Finance Corporation. Such enterprises will also be given VAT exemption for a period of 3 years.
- A 'theme park' will be developed at a cost of Rs. 50 crore at the renowned world heritage site Hampi
- An amount of Rs. 5 crore will be provided for developing roads and infrastructure at the famous tourist place of Sringeri.

Information Technology – Biotechnology

- Rs. 10 crore is being provided to establish at least 100 more BPO centres during 2010-11.
- Rs. 10 crore will be provided for implementation of Semi Conductor policy during 2010-11.
- Rs. 10 crore is being provided for encouraging new bio-technology units under the Bio-Technology Policy of the State

Employment and Training

- A new grant-in-aid system will be implemented to provide a grant of Rs.6000 for every student per annum to the private industrial training institutes already started in the State. Rs. 50 crore is provided for this purpose.
- From 2010-11 government land up to 5 acres will be provided at half the guidance value in every District to private managements for establishing Industrial Training Institutes.
- For establishing a new industrial training center, 25 per cent of the capital cost, up to a maximum of Rs. 25 lakh, will be provided as grant. Additional grant of 10 per cent will be provided to institutes established in the backward talukas. Rs. 50 crores is provided for this purpose.

Labour Welfare

- An amount of Rs. 15 crore is provided to extend Rashtriya Swasthya Bima Yojana to other districts.
- For benefit of the workers in unorganized sectors, it is proposed to make a matching contribution of Rs. 1200 every year by the State Government for a period of three years under the New Pension Scheme. Concerned workers are required to contribute a minimum of Rs.100 every month for this purpose. Rs 20 crore provided for the contribution.

Forest and Ecology

- Rs. 5 crore will be allocated for development of a new forest and wildlife study center by utilizing the land and buildings of the Water Resources Department available near Chakra project of Hosanagar Taluk.
- Rs. 3 crore will be allocated for electric fencing works to provide security to the Nagarahole Wild Life Sanctuary.

Kannada and Culture

- An amount of Rs. 50 crore will be provided for preparing and implementing special programmes for development of Kannada language.
- It is proposed to hold the World Kannada Conference in Belagavi during 2010-11. An amount of Rs.10 crore will be provided for this purpose.
- Rs. 10 crore will be provided for the activities of the Border Area Development Authority.
- Rs. 3 crore will be provided for construction of Sahitya Bhavana at Gadag and Rs.1 crore will be provided for constructing a memorial at Koliwada, birthplace of poet Kumaravyasa.
- Rs. 1 crore will be provided for constructing a memorial at the place visited by Mahatma Gandhi in Kengeri in Bangalore Urban District.
- Free travel facility will be provided in the Karnataka State Road Transport Corporation Buses for National Awardees.
- Rs. 2 crore will be provided for construction of Kannada Samskruthi Bhavana at Belagavi.
- An amount of Rs 20 crore will be given to establish Sahyadri Heritage Development Authority at Shimoga for the development of traditional areas in Shimoga, Chikmagalur and Uttar Kannada districts.

Information Department

- A grant of Rs. 5 crore will be provided for construction of Kannada Film Industry Amrutha Mahotsava Bhavana.

- Rs.10 crore will be provided for construction of a memorial for the film actor late Shri Vishnuvardhan. Rs.4 crore will be released for the ongoing works of Dr. Raj Kumar memorial.
- Rs. 5 crores will be provided for the construction of Press / Media Bhavan at Bangalore. Rs. 3 crores will be provided for construction of Media Bhavans at District headquarters.
- The monthly honorarium of Rs.1000 to journalists, will be increased to Rs.2000.

Youth Services and Sports

- During the year 2010-11, a total of Rs. 98 crore is provided for Youth Services and Sports Department.
- Rs. 5 crore will be utilized for providing synthetic track for organizing athletic meets at Mysore, Shimoga and Gulbarga.
- Rs. 2 crore will be provided for construction of a stadium at the new district headquarters of Yadgir.
- For the development of gymnasium (Garadi Mane) in rural areas an amount of Rs.2 crore will be provided.

Revenue Department

- An amount of Rs. 5 crore will be provided in 2010-11 to conduct survey and mark the boundaries of the lands allotted to various individuals and organizations by the Government.
- Mapping of properties through GIS based survey, which is already under implementation in 5 cities of the State, will be extended to 10 more cities.
- Rs. 150 crore is being provided for Suvarna Soudha during 2010-11.
- Rs. 30 crore is provided for construction of District Offices Complexes in the new districts of Yadgir and Chikkaballapur and District Offices Complex at Bellary, and to complete the District office complexes already under construction. Rs.25 crores is provided for the construction of Taluk level Mini Vidhana Soudhas.

Muzarai Department

- Tasdeek allowance of Rs.600 a month being paid to a total of 27000 religious and Muzarai institutions in the State will be enhanced to Rs.1000.
- Rs. 5 crore will be provided to complete the works under the jurisdiction of Kudalasangama Development Authority and Rs. 5 crore will be provided for the balance works of Basava Kalyana Development Authority.
- Rs. 10 crore is provided for the works of Kaginele Development Authority and Rs. 5 crore is provided for completing the works of Shravanabelagola Bahubali Temple complex.
- Rs. 10 crore is provided for the development works of Yedyur Siddalingeshwara kshethra.
- Rs. 5 crore is being provided during this year for construction of guest houses at Tirupathi for the benefit of the pilgrims from Karnataka.
- Similarly, Rs. 5 crore is being provided for construction of a guest house at Shabarimalai.
- Assistance being provided to the Pilgrims of Manasa Sarovara is being enhanced to Rs.3 crore.
- Rs. 2 crores will be provided for the development of Dattatreya peetha of Devalagangapura in Gulbarga district.
- An amount of Rs. 5 crore will be provided for development of infrastructure facilities at Adichunchanagiri kshethra in Nagamangala taluka.
- An amount of Rs. 3 crore will be provided for development of Shri Someshwar Kshethra at Rambhapuri in Chikmagalur district. An amount of Rs.1 crore will be given for the development of Hariharpura kshethra in the same district.

Home Department

- The total grant for Home Department increased to Rs.2345 crore from Rs.2092 crore in 2009-10
- The allowance being paid to the police personnel for working on holidays will be enhanced from Rs. 50 to Rs. 100 a day

- Rs. 50 crore and Rs.25 crore provided for construction and repair of houses for police personnel respectively
- Rs. 40 crore provided for shifting of District Prisons from the city centres of Dharwad, Mangalore, Raichur, Kolar, Bidar, Mysore, Davanagere, Bellary and Hassan to the outskirts. Rs. 5 crore for modernization of prisons in the State.
- Rs. 5 crore provided for establishing the new Commissionerate and staff at Mangalore. Rs. 2 crore provided for the development of the Commissionerate at Hubli-Dharwad.
- Rs. 5 crore will be provided for setting up of Commando Training Centre at Kudremukh, Chikmagalur by utilizing the existing buildings and other basic facilities.
- Rs.25 crore will be provided for setting up new Fire Force Stations under K-safe scheme. Rs.10 crore is being provided for purchase of three Aerial Platforms for providing fire extinguishing services to the multi-storeyed buildings in big cities.

Sainik Welfare

- 50% rebate in the Property Tax payable on the houses owned and occupied by the Soldiers, Ex-soldiers or their families with effect from 2010-11.

Law Department

- An amount of Rs. 10 crore provided for building and furniture/equipment for courts in the State. Rs. 1 crore will be given for providing digital library facilities for the benefit of the courts in the State.
- Rs. 10 crore provided to create infrastructure facilities in the Law University established at Hubli.
- An amount of Rs.2 crore for constructing a building for State Advocate Association in the court complex at Bangalore.
- A grant of Rs. 50 lakh for the Karnataka Advocates Welfare Fund.

Transport Department

- Rs.25 crore each will be given to the Karnataka State Road Transport Corporation, North West Road Transport Corporation and North East Road Transport Corporation for providing infrastructure.

Information Technology in Administration

- The number of the existing 60 Bangalore One centres will be doubled during 2010-11. Rs. 6 crore will be allocated for establishing Citizen Service Centres and Citizen Information Network under the name of 'Karnataka One' in other cities of the State.

Modernisation of the Administrative Machinery

- The implementation of the programmes under 'Anusthana Parva' will be continued and completed during the year 2010-11.
- The 'Janaspandana' programme will be continued to be conducted on the first Saturday of the month at hobli headquarters.
- The progress of all Government works/projects of over Rs.50 crore will be reviewed every month by a High-power Committee headed by the Chief Secretary.
- A separate allocation will be made for the expenditure on training.

Government Employees

- To simplify the process of transfers, full powers will be given to the heads of the departments and district level officers in respect of Group C and D employees.
- The Small Savings Department will be reorganized as the Department of Pensions. This will facilitate in resolving the pending issues of pensioners at the district level.
- The amount of gratuity admissible on superannuation will be increased from Rs. 3.5 lakh to Rs. 6 lakh
- Uniform allowance which was earlier given to the D Group employees will be re-introduced.

Non-tax revenue

- Toll fee of Rs.500 per trip for every goods vehicle weighing more than 16 tons except those carrying machinery.

Tax Proposals**Commercial Taxes****• Value Added Tax – reliefs**

- VAT exemption on paddy, rice, wheat, pulses and products of rice and wheat extended for one more year from 1.4.2010.
- Tax on Masala Powder Mixtures, Macaroni, Sports Trophies, Shields and Medals, all kinds of scrap, Electric generators of less than 15 KVA, railway concrete sleepers, school bags costing up to Rs 200, reduced from 12.5 % to 5 %.
- The minimum annual turnover limit for registration increased from Rs. 2 lakhs to Rs. 5 lakhs.
- The maximum annual turnover limit for opting for Composition Tax Payment Scheme increased from Rs.15 lakhs to Rs.25 lakhs.
- Annual turnover limit for compulsory audit of accounts of dealers increased from Rs.40 lakhs to Rs.60 lakhs.
- Optional scheme for dealers in medicines to pay tax based on the MRP even on sale of other goods.
- Advance Ruling Mechanism for dealers to seek clarifications and advance rulings to be introduced.

• Additional resource mobilisation measures

- VAT rate 4% increased to 5% on all goods except declared goods.
- VAT rate of 12.5% increased to 13.5%.
- VAT rate of 12.5% on tobacco products increased to 15%.
- Levy of VAT on tobacco products on MRP basis.

- **Luxury Tax**
 - Luxury tax on hotels with daily room rents from Rs.1,000 to Rs.2,000 increased from 6% to 8%.
 - Luxury tax on hotels with daily room rents exceeding Rs.2,000 increased from 10% to 12%.
- **Entry Tax**
 - Provision for collection of Entry Tax on sugar at the point of sale by sugar factories.
- **Facility to tax payers**
 - Facility for electronic submission of returns and other documents and also payment of tax.
- **Karasamadhana Scheme**
 - Relief extended in payment of interest if sales tax arrears are paid before June 30th 2010.

State Excise

- 10% growth expected through normal growth and intensification of enforcement activities.
- Rs. 7,500 Crore of revenue expected
- **Karasamadhana Scheme**
 - Relief extended in payment of interest if excise arrears are paid before June 30th 2010.

Stamps and Registration

- Revision in stamp duty rate
 - Stamp duty on sale agreement reduced from 0.25% to 0.1% limited to a maximum of Rs.20,000/-.
 - Stamp duty on joint development agreements and GPA at 1% of market value limited to a maximum of Rs.1.5 lakhs.
 - Stamp duty on agreements relating to shares, debentures and other marketable securities reduced from Rs.200 to Rs.50 and on note or

memos given to brokers, depositors and fixed at 0.01% limited to a maximum of Rs.50.

- Stamp duty on DTD reduced from 0.25% to 0.1% limited to a maximum of Rs.50,000.
- Amendment to Act to plug evasion of stamp duty in transfer of apartment/flat.
- Provision for adjustment of duty when property is sold to GPA holders.
- Rationalisation of fee for cancellation of deeds
- Stamp duty on Amalgamation and demerger of companies reduced from 5% to 3%.
- Levy of stamp duty at 1% on TDR agreements.
- Further rationalisation in stamp duty on lease and licence of properties for duration of less than 1 year stamp duty of 0.5% and a maximum of Rs.500 for residential buildings levied. From 1 year to 10 years 1% on average annual rent and advance, from 10 years to 20 years 2%, above 20 years up to 30 years 3%.
- Exemption in stamp duty and registration fee on clearance certificates relating to loans availed by farmers, rain water harvesting units, student education, non-conventional energy source units like solar, biogas and houses built under Indira Avas Yojane
- Total stamp duty and registration fee exemption on documents relating to transfer for public purposes to local bodies and urban development authorities.

Motor Vehicles Tax

- Estimated collection of revenue for the year 2010-11 is Rs.2200 Crore
- Increase in quarterly tax on two wheelers purchased by Central Government employees from Rs. 25 to Rs. 125 and on other vehicles from Rs. 187.50 to Rs. 500.
- Lifetime tax scheme extended to light goods vehicles upto 5,500 kgs. This scheme applicable to even goods vehicles already in use.

- Increase in quarterly tax on stage carriages from Rs.500 to Rs.600 per seat
- Increase in quarterly tax on stage carriers with special permits from Rs. 700 to Rs. 1000 per seat
- Increase in life time tax on two wheelers.
- Increase in life time tax on cars and jeeps.
- Increase in quarterly tax on omni buses with national permits from Rs.2,500 per seat to Rs.2,750.
- Life time tax of 10% levied on all construction equipment vehicles such as cranes, mobile cranes, forklift, etc.
