FINANCIAL STATEMENTS OF AZAD GOVERNMENT OF THE STATE OF JAMMU & KASHMIR

FOR THE FINANCIAL YEAR 2018-19

ACCOUNTANT GENERAL AZAD JAMMU AND KASHMIR

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PREFACE

Financial Statements of Azad Government of the State of Jammu and Kashmir for the year ended 30th June, 2019 have been prepared by the Accountant General Azad Jammu and Kashmir under section 5 of the Controller General of Accounts (Appointment, Functions and Powers) Act, 2005 and are the responsibility of Controller General of Accounts (CGA).

In response to the changing nature of Stakeholders requirements for making informed decisions based on financial information and development in the Public Sector Accounting Standards, the role of CGA has transformed as now stakeholders expect high quality, reliable and relevant Financial Reports. The focus of the CGA is not limited to reporting historical results only, but is now constantly moving towards enhancing public value, by providing the legislature and executives, through the financial statements an insight of the Government's financial performance.

Auditor General prescribed New Accounting Model (NAM), which conforms to international best practices. It comprises of seven volumes and is based on Modified Cash Basis of Accounting in which, though cash basis of accounting is followed for recording Receipts and Expenditure the following additional concepts have also been introduced: -

- Commitment Accounting
- Physical and Financial Assets Accounting
- Liabilities Accounting

Commitment Accounting and Assets recording practices are not yet implemented. These Financial Statements have been prepared on cash basis of accounting and do not include accrued receipts and liabilities.

The current year's Financial Statements have been prepared under NAM and the format of International Public Sector Accounting Standards (IPSAS) Cash Basis – Financial Reporting

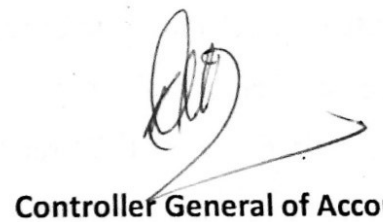
under the Cash Basis of Accounting has been adopted for the preparation of these Financial Statements.

These Financial Statements focus on Reporting the budgetary activity of the Government for the Financial Year 2018-2019 as laid down in the financial procedures of the Interim Constitution, 1974 which describes the Government funds as AJK Consolidated Fund and Public Account for which Annual Budget Statement is authorized by AJK Assembly in the form of Budgetary Grants.

Finally, it is important to emphasize the value of sustained and dedicated efforts towards excellence in Public Sector Financial Accounting and Reporting. Moving forward, management and staff of CGA are working hard to overcome the challenges and issues which can limit the quality, transparency and reliability of Financial Reports. Through excellent financial reporting, we are committed to support the decision making critical to the State's fiscal future

Islamabad, Pakistan

Dated: -



Controller General of Accounts

Auditor-General of Azad Jammu and Kashmir
Audit House, Constitution Avenue
Islamabad, Pakistan

Auditor's Report

I have audited the accompanying Financial Statements of the Government of Azad Jammu and Kashmir for the year ended June 30th, 2019 which comprises Statement of Cash Flows, Statement of Comparison of Budget and Actual Amounts by Functions, Statement of Comparison of Budget and Actual Expenditure by Departments for the year then ended and a summary of significant accounting policies and other explanatory notes to the Financial Statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and proper presentation of these Financial Statements in accordance with the applicable financial reporting framework.

Auditor's Responsibility

My responsibility is to express an opinion on these Financial Statements based on my audit in accordance with the requirements of Article 50-A of the Azad Jammu and Kashmir Interim Constitution, 1974 read with Section 8 of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Act, 2005. I conducted my audit in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) and other guidance issued by my department. The standards require that I perform procedures including risk assessment to obtain reasonable assurance whether the Financial Statements are free of material misstatement. The audit process includes examining, on a test basis, evidence supporting the amount and disclosures in the Financial Statements. It also includes assessing the accounting policies issued, as well as evaluating the overall Financial Statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my Opinion;

(a) These Financial Statements present, in all material respects, the financial position of the Government of Azad Jammu and Kashmir as at June 30th, 2018 and results of its operations, its cash flows and its expenditure and receipts, by appropriation by the year ended in accordance with the stated accounting policies of the Government of Azad Jammu and Kashmir.

(b) The sums expended have been applied, in all material respects, for the purposes authorized by the Azad Jammu & Kashmir Legislative Assembly and have, in all material respects, been booked to the relevant grants and appropriations.

Other Reports

Reports covering significant aspects of the financial governance or economical and effective utilization of public resources are submitted separately to the President of Azad Jammu and Kashmir under Article 50-A of the Azad Jammu and Kashmir Interim Constitution, 1974.

(Javaid Jehangir)
Auditor-General
Azad Jammu and Kashmir

Islamabad
Date: - 27 DEC 2019

AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR
Statement of Cash Receipts and Payments
For The Year Ended 30th June, 2019

	Note	2019 Rupees in Million		2018 Rupees in Million	
AJ & K CONSOLIDATED FUND					
		Receipt / Payment controlled by the Government	Receipt / Payment by Third Parties	Receipt / Payment controlled by the Government	Receipt / Payment by Third Parties
RECEIPTS					
Taxation	*8.2*	-	-	12,443	-
Taxation- AJ & K Government's own collection	*8.1 & 9*	22,745	-	8,512	-
Non-Tax Revenue and Other Receipts					
General Administration	*10*	999	-	704	-
Economic Services	*11*	988	-	2,550	-
Development Surcharge and Royalties	*12*	411	-	701	-
Others	*13*	13,675	-	9,732	-
		16,073	-	13,687	-
Grant in Aid	*14*	49,110	-	39,147	-
Borrowings					
Foreign Debt	*15*	1,921		2,680	-
Domestic Debt	*16*	34,934	-	34,075	-
		36,855	-	36,756	-
Capital Receipts					
Recovery of Loans and Advances	*17*	292	-	258	-
		292	-	258	-
TOTAL RECEIPTS		125,076	-	110,802	-

Statements of Cash Receipts and Payments
For The Year Ended 30th June, 2019

	Note	2019 Rupees in Million		2018 Rupees in Million	
		Receipt / Payment controlled by the Government	Receipt / Payment by Third Parties	Receipt / Payment controlled by the Government	Receipt / Payment by Third Parties
PAYMENTS					
Operations					
Salaries and Employee Benefits	*18*	65,349	-	59,587	-
Operating Expenses	*19.1*	15,763	-	12,118	-
Repair & Maintenance	*19.2*	1,009		990	
		82,120	-	72,694	-
			-		
Expenditure on					
Physical Assets	*20*	1,288	-	878	-
Civil Works	*21*	24,904	-	24,638	-
		26,192	-	25,516	-
Debt and Interest Payments					
Principal Repayment of Debt	*22*	4,742	-	4,097	-
Debt Services Re-Payment	*22.1*	10,045		9,721	
Loans to others	*22.2*	496	-	841	-
		15,283		14,659	
TOTAL PAYMENTS		123,595	-	112,869	-
NET PAYMENT OF A J&K GOVERNMENT CONSOLIDATED		1,481	-	(2,067)	-
NET RECEIPT OF PUBLIC ACCOUNT	*23*	4,160	-	6,332	-
INCREASE / (DECREASE) IN CASH		5,641	-	4,265	-
CASH AT THE BEGINNING OF THE YEAR		(1,831)	-	(6,096)	-
INCREASE / (DECREASE) IN CASH		5,641	-	4,265	-
CASH AT THE END OF THE YEAR	*24*	3,810	-	(1,831)	-

The annexed notes 1 to 28 form an integral part of these Financial Statements.

Accountant General Azad Jammu and Kashmir

AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR
Statement of Cash Flows
For The Year Ended 30th June, 2019

	Note	2019 Rupees in Million	2018 Rupees in Million
CASH FLOW FROM OPERATING ACTIVITIES			
Taxation-	*8.2*	-	12,443
Taxation- AJ&K Government's own collection	*8.1 & 9*	22,745	8,512
Non-Tax Revenue and Other Receipts	*10,11, 12,13*	16,073	13,687
Grants in Aid - Receipts	*14*	49,110	39,147
Operations- Payments		(82,120)	(72,694)
Cash from Operating Activities		5,808	1,094
CASH FLOW FROM INVESTING ACTIVITIES			
Recovery of Loans and Advances	*17*	292	258
Expenditure on Physical Assets	*20*	(1,288)	(878)
Expenditure on Civil Works	*21*	(24,904)	(24,638)
Cash used in Investing Activities		(25,900)	(25,258)
CASH FLOW FROM FINANCING ACTIVITIES			
Receipt of Foreign Debt	*15*	1,921	2,680
Receipt of Domestic Debt	*16*	34,934	34,075
Principal Repayment of Debt	*22*	(15,283)	(14,659)
Net Receipt of Public Account	*23*	4,160	6,332
Cash from Financing Activities		25,733	28,429
DECREASE IN CASH AND CASH EQUIVALENTS		5,641	4,265
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		(1,831)	(6,096)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	*24*	3,810	(1,831)

The annexed notes 1 to 28 form an integral part of these Financial Statements.

Accountant General Azad Jammu and Kashmir

AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR
Statement of Comparison of Budget and Actual Amounts by Function
For The Year Ended 30th June, 2019

	2019 (Rupees in Million)			2018 (Rupees in Million)		
	Budgeted Amounts		*Actual*	Budgeted Amounts		*Actual*
	Original	Revised	*Amounts*	Original	Revised	*Amounts*
RECEIPTS						
Revenue						
Taxation	23,385	22,821	22,745	6,659	5,767	8,529
Non-Taxation	62,915	63,779	65,265	64,576	67,233	63,979
Total revenue receipts	**86,300**	**86,600**	**88,011**	**71,235**	**73,000**	**72,508**
Capital						
Domestic Debt	38,476	34,994	35,226	33,730	35,443	35,512
Foreign Debt	1,800	1,800	1,921	1,800	1,800	2,680
Total capital receipts	**40,276**	**36,794**	**37,147**	**35,530**	**37,243**	**38,192**
TOTAL RECEIPTS	**126,576**	**123,393**	**125,158**	**106,765**	**110,243**	**110,700**
PAYMENTS						
Revenue						
General Public Service	37,677	40,617	39,773	27,495	34,353	36,468
Defence	214	200	189	181	182	167
Public Order and Safety Affairs	6,995	6,914	6,534	6,364	6,418	6,221
Economic Affairs	11,177	12,444	12,365	10,888	11,002	11,104
Environment Protection	13	12	10	13	12	11
Housing and Community Amenities	4,151	5,530	5,615	3,814	3,861	3,842
Health Affairs and Services	8,506	8,394	7,807	6,626	7,105	6,855
Recreation, Culture and Religion	374	370	352	338	341	315
Education Affairs and Services	25,300	23,747	23,264	22,551	21,420	21,223
Social Protection	4,190	3,166	2,730	4,860	2,197	1,981
Total Revenue Payments	**98,596**	**101,394**	**98,638**	**83,130**	**86,891**	**88,187**
Capital						
General Public Service	2,040	2,259	4,658	2,322	2,263	3,711
Economic Affairs	5,354	3,231	3,199	5,190	3,397	3,378
Environment Protection	60	57	55	60	52	52
Housing and Community Amenities	15,037	14,039	14,029	12,899	14,909	14,936
Health Affairs and Services	719	719	716	769	828	823
Recreation, Culture and Religion	240	197	197	240	211	210
Education Affairs and Services	1,950	1,684	1,960	1,700	1,565	1,486
Social Protection	100	90	89	100	55	42
Total capital payments	**25,500**	**22,275**	**24,903**	**23,280**	**23,280**	**24,638**
TOTAL PAYMENTS	**124,096**	**123,669**	**123,541**	**106,410**	**110,171**	**112,825**

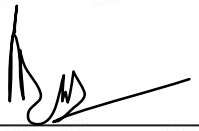
The annexed notes 1 to 28 form an integral part of these Financial Statements.

Accountant General Azad Jammu and Kashmir

AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR
Statement of Comparison of Budget and Actual Expenditure by Department
For the Year Ended 30th June, 2019

DEPARTMENT	2019 Rupees in Million			2018 Rupees in Million		
	Budgeted Amounts		*Actual Amounts*	Budgeted Amounts		*Actual Amounts*
	Original	Revised		Original	Revised	
Agriculture, Livestock & Cooperation	1,449	1,372	1,341	1,347	1,300	*1,275*
Board of Revenue	880	1,180	1,208	811	834	*833*
Education	25,300	23,747	23,264	22,551	21,420	*21,223*
Environment, Forestry, Wild life	1,157	1,204	1,191	1,016	1,051	*1,041*
Finance	21,875	23,045	21,839	16,809	18,943	*20,805*
Food	1,395	1,692	1,682	1,711	1,530	*1,258*
Health	8,506	8,394	7,807	6,626	7,105	*6,856*
Home and Tribal Affairs	5,780	5,585	5,208	5,253	5,253	*5,051*
Industries	290	304	294	263	276	*269*
Information	138	139	136	126	120	*116*
Law	1,429	1,529	1,515	1,292	1,347	*1,337*
Local Governance	557	542	534	493	495	*490*
Population, Planning and Welfare Department	406	399	388	270	280	*269*
Administration and Establishment	3,196	3,588	3,256	1,696	1,880	*1,878*
Works and Services	3,594	4,988	5,081	3,321	3,366	*3,352*
Zakat and Ushr	160	151	138	143	147	*130*
Sports, Culture, Archeology & Museum	76	80	77	69	74	*69*
Relief Rehabilitation and Settlement	1,016	1,078	1,077	769	894	*891*
Energy and Power	6,899	7,884	7,866	6,564	6,855	*7,270*
Ways and means	14,494	14,494	14,734	12,000	13,714	*13,774*
	98,596	101,394	98,638	83,130	86,884	88,187
Development Expenditure	25,500	22,275	24,903	23,280	23,280	24,638
TOTAL	124,096	123,669	123,541	106,410	110,164	112,825

The annexed notes 1 to 28 form an integral part of these Financial Statements.



Accountant General Azad Jammu and Kashmir

AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR
Notes to the Financial Statement
For The Year Ended 30thJune, 2019

1. REPORTINGENTITY

Azad Government - Azad Jammu & Kashmir (the Government) conducts its operations under the Rules of Business 1985. These rules were made pursuant to Section 58 of the Interim Constitution Act 1974 of the Azad Jammu & Kashmir (the Constitution) and envisages Azad Government as comprising of departments and their attached departments. Financial procedures describes the Government Funds as Consolidated Fund and Public Account of the Azad Jammu & Kashmir for which Annual Budget Statement is authorized by the Azad jammu & Kashmir Assembly in the form of budgetary grants. These Financial Statements focus on reporting the budgetary activity of the Government for the financial year 2018-2019.

Section 50-A of the Constitution confers the powers of defining the form, principles and methods of the accounts of the Azad Jammu & Kashmir to the Auditor General, with the approval of the President. New Accounting Model was prescribed by the Auditor General in 2001 which describes Government as an accounting and reporting entity comprising of;

a) Government Accounting Entities; for which the Accountant General Azad Jammu & Kashmir has the primary responsibility for accounting and reporting.
b) Self Accounting Entities; for which the Principal Accounting Officer has the primary responsibility for accounting and reporting. The Self Accounting Entities are as under:-

1. Public Works Department-Works and Services, Irrigation & Public Health Egineering
2. Forest/Wildlife Department
3. Electricity Department

2. BASIS OF CONSOLIDATION

The Financial Statements have been prepared by consolidating the accounts of all Government entities.

3. STATEMENT OF COMPLIANCE

These Financial Statements have been prepared in accordance with the New Accounting Model (NAM) which comprises of seven volumes. In 2001, Auditor General prescribed NAM. Implementation of NAM is an ongoing process. Commitment Accounting, asset and liability accounting practices have not yet been implemented.

4. ACCOUNTING CONVENTION AND BASIS OF CONSOLIDATION

These Financial Statements have been prepared under the Cash Basis of Accounting which recognizes transactions and events only when cash is received or paid by the entity. Assets and Liabilities in the disclosed notes based on a historical cost.

These Financial Statements have been prepared as per the requirements of NAM that supports best international practices. The statement of receipt and payments, statements of comparison of budget and actual amounts by function, statements of comparison of budget and actual expenditure by department and notes forming parts thereof have been prepared on the format of Cash Basis IPSAS - Financial Reporting under the Cash Basis of Accounting. The statement of cash flows, as required by IPSAS 2, has also been presented, as prescribed by Cash Basis IPSAS.

The Financial Statements for the financial year 2018-2019 have been prepared and presented in order to make a fair presentation of all the relevant financial information without making any change in the fundamentals applied and all policies have been applied on a basis consistent with the previous year.

5. REPORTING AND BUDGET PERIOD

The reporting and budget period of these Financial Statements is the financial year 2018-2019 (from 1st July, 2018 to 30th June, 2019).

6. REPORTING CURRENCY

The reporting currency of these Financial Statements is Pak Rupee, which is also the Azad Jammu & Kashmir Government's functional and presentation currency.

7. SIGNIFICANT ACCOUNTING POLICIES

7.1 Revenue recognition

Revenue is recognized on the date of receipt of money by the bank or clearance of cheque. Revenue is recognized on a gross basis and any related costs are recorded separately. Receipts representing recovery of any previous overpayment are adjusted against relevant expenditure, if it occurs in the same financial year.

7.2. Recognition of expenditure

Expenditure is recognized on the date when payment is made or cheque is issued. Financial year to which the payments pertain is determined by the date on which a cheque or payment advice is issued. Policies for recognition of expenditure are as follows;

a) Payments made through cheque

Expenditure is recognized on the date the cheque is issued.

b) Inter government transfers

Expenditure is recognized on the date the transfer is made by the transferor.

c) Payments directly in bank accounts

In case of direct payments into bank account, expenditure is recognized on the date the payment advice is issued to the bank.

d) Direct payments by State Bank of Pakistan (SBP)

In case of repayment of loans and other direct payments by the SBP, expenditure is recognized on the date State Bank of Pakistan advises the relevant accounting office.

e) Imprest payments

Expenditure is recognized when the required claim vouchers are submitted and imprest account is reimbursed.

7.3. Foreign currency

Transactions in foreign currencies are recorded in the books at the rates of exchange prevailing on the date of transaction. Exchange differences arising on settlement of these transactions are recognized in the statement of cash receipts and payments, but are not being disclosed separately.

7.4. Employee benefits

The government has following plans for its employees:

a) General Provident Fund

It is compulsory for employee to subscribe to the General Provident Fund from the date of appointment and monthly subscription is by way of deduction from monthly payroll at a uniform rate of subscription, as advised by the Government for a financial year as laid down in the Provident Fund Act and General Provident Fund Rules.GP Fund in AJ&K is non Interest bearing.

b) Pension

It is the entitlement of Government employees to a stream of payments after they retire from service. No liability for pension is recognized in the Financial Statements and pension payments made during the year are recorded as expenditure.

c) Encashment of leave

This represents liability arising from entitlements to the various forms of leave earned by Government employees. Provision is made and the expenditure is recognized on the basis of payments made during the year.

7.5. Investments

All investments made by the Government are initially measured at cost being the fair value of consideration given plus transaction costs that are directly attributable to their acquisition.

7.6. Cash and cash equivalents

For the purpose of Cash Flow Statement, cash and cash equivalents comprise cash with State Bank of

Pakistan lying in the AJ&K Government Account.

7.7. Liability

Liabilities are future sacrifices of economic benefits that the government is presently obliged to make as a result of the past transaction. All liabilities are recorded at historical cash value.

7.8. Public Debt

Public Debt comprise cash inflows from banks, similar lending agencies, commercial institutions and amounts owing in respect of non-cash assistance provided by third parties and foreign borrowings. All debts raised are classified as either floating or permanent debts depending on the nature of the transaction.

7.9. Assets

Assets are future economic benefits controlled by the Government as a result of past transactions or other past events.

7.10. Loan and advances

Loans and Advances include loans and advances due from autonomous bodies, financial and non-financial institutions, to Government servants for house building, purchase of conveyances and other loans. Loans to Government servants are Non-interest bearing.

Notes		2019 Rupees in Million	2018 Rupees in Million
8	**TAXATION**		
	Indirect Taxes		
8.1	Sales tax	3,567	2,979
8.2	80%Share from Azad Jmmu &Kashmir Council	-	12,443
	Federal excise		
		3,567	15,422
		3,567	15,422
9	**TAXATION - A J & K GOVERNMENT'S OWN COLLECTION**		
	Direct Taxes		
	Incom Tax-Agriculture		
	Income Tax	16,712	-
	Property Tax	62	61
	Land Revenue	49	178
	Tax on Profession, Trade and Callings	9	9
	Capital Value Tax on Immoveable Property		
		16,832	248
		16,832	248
	Indirect Taxes		
	Receipts Under Motor Vehicles Act	170	163
	Stamp Duties	272	244
	Provincial Excise	608	3,704
	Others Indirect Taxes	1,296	1,173
		2,347	5,284
		2,347	5,284
10	**GENERAL ADMINISTRATION RECEIPTS**		
	Fiscal Administration		
	Community Services	300	258
	Social Services	230	226
	Economic Regulations	-	10
	Law and Order	193	200
	Organs of State	277	11
		999	704
		999	704
11	**ECONOMIC SERVICES RECEIPTS**		
	Food and Agriculture	267	205
	Fisheries and Animal Husbandry	72	65
	Forest	233	172
	Others	416	2,108
		988	2,550
		988	2,550

Notes		2019 Rupees in Million	2018 Rupees in Million
12	**DEVELOPMENT SURCHARGE AND ROYALTIES**		
	Water Usage Charges Mangla	411	701
		411	701

12.1 The water usage charges on Mangla Dam received from Government of Pakistan under the water usage Surcharge Ordinance. In pursuance of the siad ordinanace, the Federal Government has to fix the amount of water usage for financial year and payments are made in instalments to Azad Jammu & Kashmir Government through State Bank of Pakistan.

13	**OTHER RECEIPTS**		
	Unclaimed deposits		
	Miscellaneous Receipts(Electricity)	13,675	9,732
		13,675	9,732
14	**GRANTS in AID**		
14.1	**Controlled by Govt:**		
	Non- Development Grants Revenue Deficite	49,110	13,147
	Non-Development Grants Fixed Grant in Aid	-	26,000
		49,110	39,147
		49,110	39,147
14.2	**Third Party Receipts**		
	Development Grants		-
		-	-
15	**FOREIGN DEBT - RECEIPTS**		
15.1	**Controlled by Govt:**		
	Federal Government/IDA	1,921	2,680
		1,921	2,680
15.2	**Third Party Receipts**		
	Foreign Lenders		-
		-	-
16	**DOMESTIC DEBT - RECEIPTS**		
	Permanent Debt Development Loan	20,200	20,200
	Permanent Debt Ways and Means Advance	14,734	13,774
	Loan From National Bank Of Pakistan	-	102
		34,934	34,075
		34,934	34,075

0 This represents borrowings from Federal Government. Repayment period and interest rate for these borrowings is determined in accordance with terms and conditions of each loan.

17	**RECOVERY OF LOANS AND ADVANCES**		
	Government Servants. House Building Advance	292	258
		292	258

Notes		2019 Rupees in Million	2018 Rupees in Million
18	**SALARIES AND EMPLOYEE BENEFITS**		
	Pay of Officers	10,139	9,593
	Pay of Other Staff	17,558	17,309
	Allowances	19,152	14,826
	Retirement Benefits	18,500	17,860
		65,349	59,587
		65,349	59,587
19	**OPERATING EXPENSES**		
19.1	**Controlled by Govt:**		
	Communication	39	34
	Entertainments and Gifts	2,411	1,823
	General Operating Expenses	13,313	10,261
		15,763	12,118
		15,763	12,118
19.2	**Repair & Maintenance**		
	Repair & Maintenance	1,009	990
		1,009	990
19.3	**Third Party Payments**		
	General Operating Expenses	-	-
		-	-
20	**PHYSICAL ASSETS**		
	Purchase of Other Assets	1,288	878
		1,288	878
21	**CIVIL WORKS**		
21.1	**Controlled by Govt:**		
	Other Works Capital Expenditure	24,904	24,638
		24,904	24,638
21.2	**Third Party Payments**		
	Other Works	-	-
		24,904	25,516
22	**REPAYMENT OF DEBT**		
	Principal Re-Payment		
	Domestic Debt	3,480	3,208
	Foreign Debt	1,209	845
	AJK Bank Loan	52	44
		4,742	4,097
		4,742	4,097
22.1	**Debt Services Re-Payment**		
	Domestic	9,858	9,564
	Foreign	187	157
		10,045	9,721
		15,283	14,659
22.2	**Loan & Advances**		
	Other Loans	496	841
		496	841

Notes		2019 Rupees in Million	2018 Rupees in Million
23	**NET RECEIPT / (PAYMENT) OF PUBLIC ACCOUNT**		
	Receipts		
	Trust & other Public Accounts	46,184	45,576
	Special Deposits	2,529	2,324
	State Provident Fund	1,772	1,761
		50,485	49,661
	Payments		
	Trust & other Public Accounts	43,521	39,225
	Special Deposits	1,929	3,400
	State Provident Fund	876	704
		46,325	43,329
		4,160	6,332
23.1	The Public Account consists of those moneys received by the Government for which it has a fiduciary duty, but not at liberty to appropriate for the general services of the Government, unless provided under an Act of AJ&K Legislative Assembly or rules made by President. The balances in the Public Account are carried forward at year end, to be used for the specific purpose for which they are established.		
24	**CASH AND BANK**		
	AJ & K Government Balance	3,810	(1,831)
		3,810	(1,831)
24.1	**AJ & K Government's Balance**		
	Public Account Balance	4,160	6,332
	Consolidated Fund Balance	1,481	(2,067)
		3,810	(1,831)
25	**ASSETS AND LIABILITIES**		
	Assets		
	Long Term Assets	186,872	161,967
	Investments	2,159	1,955
	Loans and Advances	5	4
	Current Assets	1,000	1,000
	Cash and Bank	3,810	(1,831)
		193,845	163,095
	Liabilities and equity		
	Public Debt	294,674	262,560
	Special Deposits and Trust Accounts	23,294	20,200
	Deferred Liabilities	7,561	6,664
	Revenue Account Balance	(131,683)	(126,329)
		193,845	163,095
25.1	These Financial Statements have been prepared under the cash basis of accounting, the information of assets and liability have been presented which are not mandatory disclosures as per IPSAS Cash Basis.		

Notes		2019 Rupees in Million	2018 Rupees in Million
26	**PUBLIC DEBT**		
	Domestic Debt		
	Government Securities		
	Opening Balance	255,825	225,002
	Add: Debt Receipts	34,934	34,075
	Less: Principal Repayments of Debt	(3,533)	(3,252)
	Closing Balance	287,227	255,825
	Foreign Debt		
	Opening Balance	6,735	4,900
	Add: Debt Receipts	1,921	2,680
	Less: Principal Repayments of Debt	(1,209)	(845)
	Closing Balance	7,447	6,735
		294,673	262,560

26.1 The amount of foreign debt is recorded in Pak Rupees at the rate of exchange prevailing on the date of transaction, which is the historical cash value. The foreign debt has not been revalued at the year end in accordance with Government policy stated in note 7.7, nor any foreign debt revaluation exchange differences have been recognized in the Financial Statement except for principal repayment of foreign debt.

27 AUTHORIZATION FOR ISSUE

Under Article 8 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Act, 2005, read with Article 50-A of the Azad Jammu and Kashmir Interim Constitution,1974 the Auditor General submits the certified Financial Statements of the Government of Azad Jammu & Kashmir together with the audit reports on these Financial Statements to the Presidant of the Azad Jammu &Kashmir who shall cause them to be laid before the Assembly. These Financial Statements have been authorized for issue on ----------.

28 GENERAL

28.1 Level of Precision

Figures in these consolidated Financial Statements have been rounded off to the nearest million of rupees, unless otherwise stated.

28.2 Corresponding Figures

Corresponding figures, wherever necessary, have been rearranged and reclassified for the purposes of comparison.

Accountant General Azad Jammu and Kashmir