



Financial Statements of the Government of Balochistan 2018-2019





**Financial Statements
of the
Government of Balochistan
2018-2019**

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PREFACE

I am pleased to present the Financial Statements of the Government of Balochistan for the year ended 30 June, 2019 together with the Auditor's Report thereon.

The Financial Statements of the Government of Balochistan for the financial year 2018-19 have been prepared by the Accountant General Balochistan under Section 5 of the Controller General of Accounts (Appointment, Functions and Powers) Ordinance, 2001 and are the responsibility of the Controller General of Accounts (CGA).

In response to the changing nature of stakeholders' requirements for making informed decision making based on financial information and developments in the public sector accounting standards, the role of CGA has transformed. Stakeholders now expect high quality, reliable and relevant financial reports and the focus of CGA is not limited to reporting historical results, but is now constantly moving towards enhancing public value, by providing the legislature and the executive through the Financial Statements an insight of the Government's financial performance.

In December 2000, Auditor General of Pakistan prescribed New Accounting Model (NAM) with the approval of the President of Pakistan under Article 170 of the Constitution of Islamic Republic of Pakistan. NAM, which conforms to international best practices, comprises of seven volumes and is based on Modified Cash Basis of Accounting in which, though cash basis of accounting is followed, the following additional concepts were introduced:

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

Commitment, asset and liability accounting practices are not yet implemented and 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 as laid down in the financial procedures of the Constitution which describes the Government as Provincial Consolidated Fund and Public Account for

which Annual Budget Statement is authorized by the Provincial 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 closely to address 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 nation's fiscal future.

“SD”

Accountant General
Balochistan, Pakistan

“SD”

Controller General of Accounts
Islamabad, Pakistan



Auditor General of Pakistan
Audit House, Constitution Avenue
Islamabad, Pakistan

Auditor's Report

I have audited the accompanying financial statements of the Government of Balochistan, which comprise the statement of receipts and payments for the year ended 30th June, 2019, statement of cash flows, statement of comparison of budget and actual amounts by function, statement of comparison of budget, actual expenditure by department and statement of appropriation of grants by object for the year then ended and a summary of significant accounting policies and other explanatory notes.

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 requirement of Article 169 & 170 (2) of the Constitution of the Islamic Republic of Pakistan read with Section 7 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001. I conducted by audit in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) and other guidance issued by my department. These 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 used, 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 properly present, in all material respects, the financial position of the Government of Balochistan as at 30th June, 2019, and the results of its operations, its cash flow and its expenditures and receipts, by appropriation for the year then ended in accordance with the stated accounting policies of the Government of Balochistan.
- b) The sums expended have been applied, in all material respects, for the purposes authorized by the Provincial 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 Governor under Article 171 of the Constitution of the Islamic Republic of Pakistan.

Islamabad, Pakistan
Dated: 31.12.2019

“SD”

(Javaid Jehangir)
Auditor General of Pakistan

GOVERNMENT OF BALOCHISTAN
Statement of Cash Receipts and Payments
For the Year Ended 30 June 2019

	Note	2019 (Rupees in million)		2018 (Rupees in million)	
		Receipts / Payments controlled by the Government	Payments by Third Parties	Receipts / Payments controlled by the Government	Payments by Third Parties
PROVINCIAL CONSOLIDATED FUND					
RECEIPTS					
<i>Taxation- Transfers from Federal Government</i>	8	225,570	-	204,230	-
<i>Taxation- Provincial Government's Own Collection</i>	9	11,133	-	9,290	-
<i>Non-Tax Revenue and Other Receipts</i>					
General Administration	10	943	-	982	-
Economic Services	11	724	-	766	-
Development Surcharge and Royalties	12	14,575	-	10,231	-
Dividend and Profit Share	13	200	-	123	-
Others	14	1,712	-	1,064	-
		18,154	-	13,166	-
<i>Grants and Aid</i>	15	22,205	-	18,653	-
<i>Borrowings</i>					
Receipts of Debt	16	488	-	1,142	-
<i>Capital Receipts</i>					
Recovery of Loans and Advances	17	68	-	94	-
<i>Trading Activities</i>	18	4,462	-	236	-
<i>Recoveries of Investment</i>	19	67	-	8,000	-
<i>Direct Payments by Lending / Donor agencies</i>	27	-	-	-	-
TOTAL RECEIPTS		282,147	-	254,811	-

GOVERNMENT OF BALOCHISTAN
Statement of Cash Receipts and Payments
For the Year Ended 30 June 2019

	Note	2019 (Rupees in million)		2018 (Rupees in million)	
		Receipts/ Payments controlled by the Government	Payments by Third Parties	Receipts/ Payments controlled by the Government	Payments by Third Parties
PAYMENTS					
<i>Operations</i>					
Salaries and Employee Benefits	20	148,761	-	132,261	-
Project Preinvestment Analysis		-	-	-	-
Operating Expenses		21,273	-	25,614	-
		170,034		157,875	
<i>Transfers</i>					
Grants, Subsidies and Write-off of Loans	21	28,846	-	33,074	-
Other Transfer Payments		1,171	-	1,383	-
		30,017		34,457	
<i>Expenditure on</i>					
Physical Assets		6,063	-	9,061	-
Civil Works		30,600	-	41,907	-
Repairs and Maintenance		3,290	-	3,859	-
		39,953		54,827	
<i>Debt and Interest Payments</i>					
Principal Repayment of Debt	22	9,277	-	5,629	-
Interest Payments	23	2,998	-	2,015	-
		12,275		7,644	
<i>Other Payments</i>					
Investments		8,000	-	5,000	-
<i>Direct Payments by Lending / Donor agencies</i>					
	27	-	-	-	-
TOTAL PAYMENTS		260,279	-	259,803	-
NET RECEIPT/ (PAYMENT) OF PROVINCIAL CONSOLIDATED FUND		21,868	-	(4,992)	-
NET RECEIPT OF PUBLIC ACCOUNT	24.1	(4,426)	-	7,188	-
INCREASE IN CASH		17,442	-	2,196	-
CASH AT BEGINNING OF THE YEAR		3,283	-	1,087	-
INCREASE IN CASH		17,442	-	2,196	-
CASH AT END OF THE YEAR	25	20,725	-	3,283	-

The annexed notes 1 to 31 form an integral part of these financial statements.

“SD”

 Accountant General Balochistan

GOVERNMENT OF BALOCHISTAN
Statement of Cash Flows
For the Year Ended 30 June 2019

	2019 Rupees in million	2018 Rupees in million
CASH FLOWS FROM OPERATING ACTIVITIES		
Taxation - Transfers from Federal Government	8 225,570	204,230
Taxation - Provincial Government's Own Collection	9 11,133	9,290
Non-Tax Revenue and Other Receipts	18,154	13,166
Grants and Aid - Receipts	15 22,205	18,653
State Trading - Receipts	18 4,462	236
Operations - Payments	(170,034)	(157,875)
Interest Payments	23 (2,998)	(2,015)
Transfers - Payments	(30,017)	(34,457)
<i>Cash from Operating Activities</i>	78,475	51,228
CASH FLOWS FROM INVESTING ACTIVITIES		
Recoveries of Loans and Advances	17 68	94
Expenditure on Physical Assets, Civil Works and Others	(39,953)	(54,827)
Investments	(7,933)	3,000
<i>Cash used in Investing Activities</i>	(47,818)	(51,733)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts of Debt	16 488	1,142
Principal Repayments of Debt	22 (9,277)	(5,629)
Net Receipt of Public Account	24.1 (4,426)	7,188
<i>Cash used in Financing Activities</i>	(13,215)	2,701
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,442	2,196
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	3,283	1,087
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	25 20,725	3,283

The annexed notes 1 to 31 form an integral part of these financial statements.

"SD"
Accountant General Balochistan

GOVERNMENT OF BALOCHISTAN
Statement of Comparison of Budget and Actual Amounts by Function
For the Year Ended 30 June 2019

	2019 (Rupees in Million)			2018 (Rupees in Million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
RECEIPTS						
<u>Revenue</u>						
Taxation	236,584	234,524	236,704	212,241	212,127	213,520
Non-Taxation	26,825	36,681	40,158	33,140	31,698	31,695
Income from Property and Enterprise	7,099	4,586	4,662	7,325	3,766	360
Total revenue receipts	270,508	275,791	281,524	252,706	247,591	245,575
<u>Capital</u>						
Receipt of Debt	19,804	2,314	488	18,352	17,117	1,142
Recoveries of Loans and Advances	85	70	68	113	96	94
Recoveries of Investment	200	67	67	5,200	5,000	8,000
Total capital receipts	20,089	2,451	623	23,665	22,213	9,236
TOTAL RECEIPTS	290,597	278,242	282,147	276,371	269,804	254,811
PAYMENTS						
<u>Revenue</u>						
General Public Services	81,595	82,391	62,168	80,061	84,733	50,431
Public Order and Safety Affairs	38,093	37,307	34,602	34,828	34,732	30,793
Economic Affairs	55,705	50,346	36,875	50,957	52,396	30,737
Environment Protection	374	275	237	425	279	236
Housing and Community Amenities	6,309	8,744	7,039	6,285	8,525	8,078
Health Affairs and Services	19,420	23,608	19,434	18,307	17,770	16,365
Recreation, Culture and Religion	2,028	2,715	2,402	1,946	2,649	2,167
Education Affairs and Services	56,542	51,510	47,701	45,791	46,169	45,741
Social Protection	3,972	1,978	941	3,957	2,238	1,984
Total revenue payments	264,038	258,874	211,399	242,557	249,491	186,532
<u>Capital</u>						
General Public Services	6,737	6,002	9,813	14,773	10,494	14,232
Public Order and Safety Affairs	1,324	875	746	1,874	2,216	1,857
Economic Affairs	38,551	22,081	21,284	33,086	32,411	28,995
Environment Protection	8,952	3,100	3,342	6,788	6,380	5,866
Housing and Community Amenities	7,566	6,910	4,668	8,933	10,302	9,965
Health Affairs and Services	7,503	3,101	2,473	6,013	5,950	5,148
Recreation, Culture and Religion	3,159	335	278	3,388	1,257	1,235
Education Affairs and Services	12,732	5,964	5,802	9,557	7,458	5,614
Social Protection	1,725	830	474	1,589	401	359
Total capital payment	88,249	49,198	48,880	86,001	76,869	73,271
TOTAL PAYMENTS	352,287	308,072	260,279	328,558	326,360	259,803

The annexed notes 1 to 31 form an integral part of these financial statements.

“SD”
Accountant General Balochistan

GOVERNMENT OF BALOCHISTAN

Statement of Comparison of Budget and Actual Expenditure by Departments For the Year Ended 30 June 2019

DEPARTMENTS	2019 (Rupees in million)			2018 (Rupees in million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
General Administration	15,478	15,428	13,648	15,359	13,216	11,599
Provincial Excise	715	923	852	807	746	656
Stamps	44	55	43	44	42	35
Pension	20,000	29,760	30,206	15,000	23,232	23,085
Administration of Justice	2,757	2,722	2,517	2,499	2,574	2,470
Legal Services & Law Affairs	327	408	359	345	354	310
Provincial Ombudsman	150	177	159	149	150	143
Police	23,085	20,381	19,769	20,945	19,911	18,093
Levies	8,914	8,877	7,632	8,079	7,352	6,263
Jails and Convict Settlements	830	909	805	834	866	760
Civil Defence	128	135	130	113	106	101
Civil Works	8,955	9,076	8,712	8,706	8,218	8,271
Public Health Services	3,829	6,338	4,745	3,705	5,747	5,505
Works Urban/B-WASA	1,205	1,205	1,205	1,205	1,529	1,529
Higher Education	8,535	6,728	6,186	7,780	6,311	5,952
Secondary Education	43,880	41,754	38,807	35,071	36,864	36,970
Archives	294	186	153	226	157	129
Health	23,272	26,468	22,006	21,085	20,655	19,087
Population Welfare	872	868	768	859	820	770
Manpower and Labor Management	1,692	1,408	1,150	1,264	1,115	1,050
Sports and Recreation Facilities	757	792	735	739	1,351	972
Social Security and Social Welfare	979	979	897	982	936	871
Natural Calamities	3,115	1,136	183	3,095	1,437	1,240
Auqaf	711	882	702	662	598	569
Food	442	622	567	428	412	367
Agriculture	8,678	8,338	7,885	8,288	7,376	7,244
Land Revenue	451	478	472	334	334	332
Animal Husbandry	3,966	3,022	2,749	3,889	2,521	2,500
Forestry	1,097	1,116	988	1,117	1,015	898
Fisheries	921	943	898	885	829	800
Cooperation	131	139	124	127	123	114
Irrigation	2,860	2,432	2,302	2,535	2,181	2,138
Rural Development	12,557	12,447	9,857	12,579	12,468	10,631
Industries	1,231	1,407	1,204	1,214	979	901
Stationery and Printing	122	71	52	110	73	50
Mineral Resources	2,040	1,482	1,414	1,773	1,957	1,907
Subsidies	-	1,675	1,675	-	2,139	-
Prosecution Department	291	319	211	289	300	192
Transport	93	73	61	81	67	60
Culture Services	198	385	324	178	149	107
Women Development	113	94	82	112	85	75
Investments	10,010	10,000	8,000	15,000	15,000	5,000
Energy	14,633	14,559	4,443	14,363	14,717	4,158
Information Technology	298	496	384	283	246	219
Environment Control	374	275	237	425	279	236
Debt Servicing and other Obligations	2,026	2,453	2,446	1,810	1,622	1,622
Public Debt Discharge	22,068	14,427	7,326	21,013	21,354	5,629
State Trading-Food	8,914	4,026	2,656	6,171	8,978	551
Development	88,249	49,198	41,553	86,001	76,869	67,642
<i>Payments of Provincial Government</i>	352,287	308,072	260,279	328,558	326,360	259,803
TOTAL PAYMENTS	352,287	308,072	260,279	328,558	326,360	259,803

The annexed notes 1 to 31 form an integral part of these financial statements.

“SD”

Accountant General Balochistan

GOVERNMENT OF BALOCHISTAN

Notes to the Financial Statements

For the Year Ended 30 June 2019

1. REPORTING ENTITY

Provincial Government Balochistan (the Government) conducts its operations under the Rules of Business 2007. These rules were made pursuant to Article 139 of the Constitution of the Islamic Republic of Pakistan, 1973 (the Constitution) and envisages Provincial Government as comprising of Provincial and their attached departments. Financial procedures of the Constitution describe the Government as Provincial Consolidated Fund and Public Account of the Province for which Annual Budget Statement is authorized by the Provincial Assembly in the form of budgetary grants. These financial statements focus on reporting the budgetary activity of the Government for the financial year.

Article 170 of the Constitution confers the powers of defining the form, principles and methods of the accounts of the Province to the Auditor General of Pakistan, with the approval of the President. New Accounting Model was prescribed by the Auditor General of Pakistan in 2000 which describes Provincial Government as an accounting and reporting entity comprising of;

- a) Centralized Accounting Entities; for which the Accountant General has the primary responsibility for accounting and reporting.
- b) Self Accounting Entities; There are no Self Accounting Entities for which the Principal Accounting Officer has the primary responsibility for accounting and reporting.
- c) Exempt Entities; special purpose authorities/organizations and all the Government owned corporations/ companies which are required to prepare their financial statements under their specific Statute or Companies Ordinance, 1984 are classified as exempt entities. Financial statements of these entities are not consolidated in the financial statements of the Provincial Government. New investments made by the Provincial Government in such entities are capitalized and any grants to the entities are classified as an expense of the Provincial Government, if any, in the financial year to which they pertain. Return from these entities in the form of dividend or interest is classified in the consolidated fund as non-tax revenue.

These financial statements include all centralized accounting entities.

2. BASIS OF CONSOLIDATION

These financial statements have been prepared by consolidating the accounts of all centralized accounting entities. Material inter-government transactions have been eliminated in consolidation.

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the New Accounting Model (NAM). In December 2000, Auditor General of Pakistan prescribed NAM with the approval of the President of Pakistan under Article 170 of the Constitution of Islamic Republic of Pakistan and the implementation of NAM is an on-going process. However commitment, asset and liability accounting practices have not yet been implemented and memorandum registers for assets and commitments do not exist and accounting of liabilities is not done in accordance with NAM.

4. ACCOUNTING CONVENTION AND BASIS OF PREPARATION

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 are on a historical cost basis.

These financial statements have been prepared as per the requirements of NAM that supports international best practices. Government of Pakistan is moving towards full implementation of the International Public Sector Accounting Standards (IPSASs) issued by the International Federation of Accountants (IFAC). The implementation process initially includes the adoption of Cash Basis IPSAS - Financial Reporting under the Cash Basis of Accounting. The statement of cash receipts and payments, statements of comparison of budget and actual amounts by function, statements of comparison of budget and actual expenditure by departments and notes forming part 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 - Cash flow Statements has also been presented, as encouraged by Cash Basis IPSAS.

The financial statements for the financial year 2018-19 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.

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2019

5. REPORTING AND BUDGET PERIOD

The reporting and budget period of these financial statements is the financial year 2018-19 (from 1 July, 2018 to 30 June, 2019).

6. REPORTING CURRENCY

The reporting currency of these financial statements is Pak Rupee which is Provincial Government's functional and presentational 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 the 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

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

Expenditure is recognized on the date the payment advice is issued to the Bank.

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

Expenditure is recognized on the date when State Bank of Pakistan advises repayment of loans and other direct payments to 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 the transaction. Exchange differences arising on settlement of these transactions are recognized in the statement of cash receipts and payments, but are not disclosed separately.

GOVERNMENT OF BALOCHISTAN

Notes to the Financial Statements

For the Year Ended 30 June 2019

7.4 Employee benefits

The government has following plans for its employees:

a) **General Provident Fund**

An employee compulsorily subscribes to the General Provident Fund from the date of appointment and monthly subscription is by way of deduction from the monthly payroll at a uniform rate of subscription, as advised by the Government for a financial year as laid down in the Provident Funds Act (XIX of 1925) and General Provident Fund Rules. The Government pays interest on provident fund balance and is recorded as expenditure in the financial year.

b) **Pension**

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

c) **Encashment of leave**

This represents liability arising from entitlements to the various forms of leave earned by government employees. No 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.

Subsequent to initial recognition, investments are carried at historical cost. Any dividend received against investments are recognized when received in the Provincial Consolidated Fund.

7.6 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash with the State Bank of Pakistan.

7.7 Liability

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

7.8 Public debt

Public Debt comprises of 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. Assets are recorded at cost and currently no depreciation is charged.

7.10 Loans and advances

These include loans and advances due from autonomous bodies, financial and non-financial institutions, Government servants for house building, purchase of conveyance and other loans. Loans to Government servants are interest bearing and interest is calculated in accordance with the General Financial Rules.

7.11 Payments by third parties

The Government also benefits from goods and services purchased on its behalf as a result of cash payments made by the third parties during the period by way of loans and contributions, in the shape of grants and aid. The payments made by the third parties do not constitute cash receipts or payments controlled by the Government as defined in the Cash Basis IPSAS - Financial Reporting under the Cash Basis of Accounting, but do benefit the Government, as the Government does not receive cash (including cash equivalents) directly from, or gain control of the bank accounts or similar facility established for its benefit by, the third parties. Payments by third parties, if any, are disclosed in the payments by third parties column on the face of statement of cash receipts and payments and notes to the financial statements.

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2019

	<i>Note</i>	2019 Rupees in million	2018 Rupees in million
8. TAXATION - TRANSFERS FROM FEDERAL GOVERNMENT			
<i>Direct taxes</i>			
Income Tax		86,711	79,998
		86,711	79,998
<i>Indirect Taxes</i>			
Sales Tax		86,926	82,080
Custom Duty		37,269	29,437
Federal Excise		14,335	12,575
Capital Value Tax - On Movable Property		329	140
		138,859	124,232
		<u>225,570</u>	<u>204,230</u>
9. TAXATION - PROVINCIAL GOVERNMENT'S OWN COLLECTION			
<i>Direct Taxes</i>			
Property Tax		213	122
Land Revenue		313	288
Tax on Profession		28	4
		554	414
<i>Indirect Taxes</i>			
Sales Tax on Services		8,796	7,163
Receipts Under Motor Vehicles Act		749	755
Stamp Duties		363	406
Provincial Excise		548	426
Capital Value Tax - On Immovable Property		74	91
Others		49	35
		10,579	8,876
		<u>11,133</u>	<u>9,290</u>
10. GENERAL ADMINISTRATION RECEIPTS			
Fiscal Administration		40	18
Organs of State		54	311
Community Services		90	98
Social Services		345	217
Economic Regulations		9	9
Law and Order		405	329
		<u>943</u>	<u>982</u>

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2019

	<i>Note</i>	2019 Rupees in million	2018 Rupees in million
11. ECONOMIC SERVICES - RECEIPTS			
Cooperation, Irrigation and Embankment Drainage		68	105
Food and Agriculture		145	308
Fisheries and Animal Husbandry		77	84
Forest		136	37
Others		298	232
		<u>724</u>	<u>766</u>
12. DEVELOPMENT SURCHARGE AND ROYALTIES - RECEIPTS			
Development Surcharge on Gas - Federal Receipts	<i>12.1</i>	741	3,800
Royalty on Natural Gas and Crude Oil - Federal Receipts	<i>12.2</i>	11,290	4,891
Mineral Royalties - Provincial Receipts		1,976	941
Mineral Royalties from Saindak - Provincial Receipts		547	594
Mineral Royalties from Chamalang - Provincial Receipts		21	5
		<u>14,575</u>	<u>10,231</u>
12.1	The development surcharge on natural gas is levied under the Natural Gas Development Surcharge Ordinance, 1967. In pursuance of the said Ordinance, the federal government has to fix the sale price for the consumers and prescribe a price for the gas companies. The difference between the two prices is the margin available to the Government as development surcharge. The surcharge on natural gas is transferred to the Provinces according to the production of gas in a Province.		
12.2	Royalty on crude oil and natural gas is received under the Pakistan Petroleum Production Rules, 1949 at the rate of 12.5% on the well head value of production. Federal Government collects royalty on crude oil and natural gas which is transferred to the Provinces on well head production basis after deduction of 2% collection charges.		
12.3	Mineral Royalties are Provincial Government's own collection from mineral resources extracted from various areas.		
13. DIVIDEND AND PROFIT SHARE			
Dividends Receipts	<i>13.1</i>	200	102
Interest on Loans and Advances		-	21
		<u>200</u>	<u>123</u>
13.1 Dividends Receipts			
Non-Financial Institutions		<u>200</u>	<u>102</u>

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2019

	<i>Note</i>	2019 Rupees in million	2018 Rupees in million
14. OTHER RECEIPTS			
Extra Ordinary Receipts - Sale of Land and Others		294	146
Miscellaneous Receipts - Recovery of Overpayments and Others		1,418	918
		<u>1,712</u>	<u>1,064</u>
15. GRANTS & AID			
Development Grants-Federal Receipts-C03603 & C03601		12,132	6,516
Non Development Grants-Federal Receipts C03604		9,792	10,320
Other Non Development Grants-Foreign Aided Project Grants Funded Receipt-C03634		281	1,817
		<u>22,205</u>	<u>18,653</u>
16. RECEIPTS OF DEBT			
Permanent Debt - Federal Government (Foreign Lenders)		488	1,142
		<u>488</u>	<u>1,142</u>
17. RECOVERY OF LOANS AND ADVANCES			
Non-financial Institutions		-	-
Government Servants		68	94
		<u>68</u>	<u>94</u>
18. STATE TRADING - RECEIPTS			
Sale of Wheat		4,462	236
19. RECOVERY OF INVESTMENTS			
Interest Receipts on Investments		-	-
Investment Receipts		67	8,000
		<u>67</u>	<u>8,000</u>
20. SALARIES AND EMPLOYEE BENEFITS			
Pay of Officers		19,158	18,138
Pay of Other Staff		49,163	48,593
Allowances		50,267	42,663
Retirement Benefits		30,173	22,867
		<u>148,761</u>	<u>132,261</u>
21. GRANTS, SUBSIDIES AND WRITE-OFF OF LOANS			
Subsidies		5,777	3,403
Grants Domestic		23,069	29,671
Writeoff of Loan and Advances		-	-
		<u>28,846</u>	<u>33,074</u>
22. PRINCIPAL REPAYMENT OF DEBT			
Domestic Debt	<i>22.1</i>	7,327	5,629
Floating Debt (State Trading)		1,950	-
		<u>9,277</u>	<u>5,629</u>
22.1 Domestic Debt			
Permanent Debt	<i>22.1.1</i>	7,327	5,629
22.1.1 This represents borrowings from Federal Government. Repayment period and interest rate for these borrowings are determined in accordance with terms and conditions of each loan.			

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2019

		2019 Rupees <u>in million</u>	2018 Rupees <u>in million</u>
23. SERVICING OF DEBT	<i>Note</i>		
Permanent Domestic Debt - Federal Government		603	506
Interest Payment - GP Fund		1,829	1,116
Interest Payment - Food Account		566	393
		<u>2,998</u>	<u>2,015</u>

24. NET RECEIPT OF PUBLIC ACCOUNT

Receipts

Trust and other Public Accounts	24.1	596,820	566,435
Special Deposits		7,848	22,230
General Provident Fund		6,748	5,846
		<u>611,416</u>	<u>594,511</u>

Payments

Trust and other Public Accounts	24.1	599,883	575,215
Special Deposits		12,708	9,602
General Provident Fund		3,251	2,506
		<u>615,842</u>	<u>587,323</u>

24.1	<u>(4,426)</u>	<u>7,188</u>
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24.1 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 Government, unless provided under an Act of Provincial Assembly or Rules made by the Governor. The balances in the public account are carried forward at year end, to be used for the specific purpose for which they are established.

		2019 Rupees <u>in million</u>	2018 Rupees <u>in million</u>
25. BOOK BALANCE	<i>Note</i>		
Provincial Government's Balance		20,725	3,283
		<u>20,725</u>	<u>3,283</u>

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2019

26. ASSETS AND LIABILITIES	<i>Note</i>	2019 Rupees in million	2018 Rupees in million
<i>Assets</i>			
Long Term Assets		660,826	619,272
Long Term Investment	26.1	14	14
Short Term Investments	26.2	5,193	5,193
Loans and Advances		62	130
Current Assets		(175)	92
Book Balance	25	20,725	5,479
	26.6	<u>686,645</u>	<u>630,180</u>
<i>Liabilities and equity</i>			
Public Debt		36,436	43,275
Special Deposits and Trust Accounts		39,152	39,893
Current Liabilities		168,833	171,540
Deferred Liabilities		(2,463)	(12,946)
Residual Equity		444,688	386,222
	26.3	<u>686,646</u>	<u>627,984</u>

26.1 Long term investment

Investment in Shares

Financial Institutions

	No. of Shares	Par value Rupees	2019 Rupees in million	2018 Rupees in million
ADBP 1974-75 Converted to ZTBL	37,875	10	0.379	0.379
Balochistan Cooperative Bank Limited	26,500	200	5.300	5.300
IDBP	606	100	0.061	0.061
Equity Participants Fund Karachi	3,595	100	0.359	0.359

Non-financial Institutions

Bolan Mining Enterprise (Joint Venture)			4.000	4.000
Charsada Sugar Mills	575	100	0.058	0.058
Hub Power Company Limited	358,607	10	3.586	3.586

Total Consolidated Fund Investment

13,743 13,743

26.1.1 The Federal Government liquidated the Federal Bank of Cooperatives and as per share of Government of Balochistan sent a cheque of amounting to Rs.19 million on June 11, 2014 to Government of Balochistan.

26.2 Short term investment

Treasury Bills	26.2.1	5,193	5,193
		<u>5,193</u>	<u>5,193</u>

26.3 These financial statements have been prepared under cash basis of accounting, the information of assets and liabilities have been presented on the basis of limited records as explained in note 3 and these are not mandatory but encouraged disclosures according to the Cash Basis IPSAS.

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2019

27. THIRD PARTY PAYMENTS

The information related to Third Party Payments was not provided by the Government of Balochistan.

- 27.1** Third Party Payments are those payments which are made directly by the Lending or Donor Agencies to the project authorities. These amounts are reflected in the Public Sector Development Programme as Foreign Project Assistance (FPA), and are not part of the Provincial Consolidated Fund. Further, these amounts include both foreign currency loans and donations from various International Organisations.

28. INVESTMENTS -PUBLIC ACCOUNT FUNDS	<i>Note</i>	2019 Rupees in million	2018 Rupees in million
Benevolent Fund		14,777	11,863
Pension Fund		10,774	4,689
Group Insurance		1,225	1,292
General Provident Fund		17,883	16,222
Balochistan Education Endowment Fund		8,000	8,000
Balochistan Investment Fund		935	3,690
Ground and Surface Water Tax on Commercial Entities		3	-
Balochistan Awami Endowment Fund		3,000	-
Artist Welfare Fund		200	-
	28.1	56,797	45,756

- 28.1** Government of Balochistan has made Investment Acts for General Provident Fund, Pension Fund, Group Insurance and Benevolent Fund as a guideline for making investments to meet its Public Accounts Liability.

29. CASH AND BANK BALANCE - PUBLIC ACCOUNT FUND	2019 Rupees in million	2018 Rupees in million
Benevolent Fund	15,056	12,092
Pension Fund	10,805	5,194
Group Insurance	1,383	1,360
General Provident Fund	18,152	16,249
Balochistan Education Endowment Fund	8,000	8,000
Balochistan Investment Fund	1,011	234
Ground and Surface Water Tax on Commercial Entities	3	-
Balochistan Awami Endowment Fund	3,000	-
Artist Welfare Fund	200	-
	29.1	43,129

- 29.1** These balances represent the closing cash balances in various commercial bank accounts opened for the purpose of managing investments out of public account. The cash balance includes amount invested as deposits in banks presented in

30. AUTHORIZATION FOR ISSUE

Under section 7 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, read with Article 171 of the Constitution, the Auditor - General submits the certified financial statements of the Government of Balochistan together with the audit report on these financial statements to the Governor of Balochistan who shall cause them to be laid before the Provincial Assembly. These financial statements have been authorized for issue on 31.12.2019.

31. GENERAL

31.1 Level of Precision

Figures in these financial statements have been rounded off to the nearest million of rupees, unless otherwise stated.

31.2 Corresponding Figures

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

"SD"
 Accountant General Balochistan