



# **Financial Statements of the Government of Balochistan 2021-2022**







**Financial Statements  
of the  
Government of Balochistan  
2021-2022**

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## PREFACE

I am pleased to present the Financial Statements of the Government of Balochistan for the year ended 30 June, 2022 together with the Auditor's Report thereon.

The Financial Statements of the Government of Balochistan for the financial year 2021-22 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/-”**  
**Controller General of Accounts**  
Islamabad, Pakistan



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

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## **Auditor's Report**

I have audited the accompanying financial statements of Government of Balochistan, which comprise the statement of receipts and payments for the year ended June 30, 2022, 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 and 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 my 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 June 30, 2022, 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  
Date: 20.12.2022

**“Sd/-”**  
**(Muhammad Ajmal Gondal)**  
Auditor General of Pakistan



**GOVERNMENT OF BALOCHISTAN**  
**Statement of Cash Receipts and Payments**  
**For the Year Ended 30 June 2022**

	<i>Note</i>	2022 (Rupees in million)		2021 (Rupees in million)	
		Receipts / Payments controlled by the Government	Payments by Third Parties	Receipts / Payments controlled by the Government	Payments by Third Parties
<b>PROVINCIAL CONSOLIDATED FUND</b>					
<b>RECEIPTS</b>					
<i>Taxation- Transfers from Federal Government</i>	8	295,728	-	253,230	-
<i>Taxation- Provincial Government's Own Collection</i>	9	23,503	-	18,369	-
<i>Non-Tax Revenue and Other Receipts</i>					
General Administration	10	1,244	-	1,172	-
Economic Services	11	2,484	-	1,239	-
Development Surcharge and Royalties	12	14,084	-	14,575	-
Dividend and Profit Share	13	1,201	-	-	-
Others	14	2,680	-	1,303	-
		21,693	-	18,289	-
<i>Grants and Aid</i>	15	30,505	-	41,109	-
<i>Borrowings</i>					
Receipts of Debt	16	6,096	-	1,950	-
<i>Capital Receipts</i>					
Recovery of Loans and Advances	17	837	-	42	-
<i>Trading Activities</i>	18	4,754	-	3,093	-
<i>Recoveries of Investment</i>	19	-	-	-	-
<i>Direct Payments by Lending / Donor agencies</i>	28	-	-	-	-
<b>TOTAL RECEIPTS</b>		<b>383,116</b>	<b>-</b>	<b>336,082</b>	<b>-</b>

**GOVERNMENT OF BALOCHISTAN**  
**Statement of Cash Receipts and Payments**  
**For the Year Ended 30 June 2022**

	Note	2022 (Rupees in million)		2021 (Rupees in million)	
		Receipts/ Payments controlled by the Government	Payments by Third Parties	Receipts/ Payments controlled by the Government	Payments by Third Parties
<b>PAYMENTS</b>					
<i>Operations</i>					
Salaries and Employee Benefits	20	188,551	-	169,799	-
Project Preinvestment Analysis		391	-	-	-
Operating Expenses		45,043	-	37,846	-
		233,985		207,645	
<i>Transfers</i>					
Grants, Subsidies and Write-off of Loans	21	45,193	-	31,164	-
Other Transfer Payments		921	-	1,510	-
		46,114	-	32,674	-
<i>Expenditure on</i>					
Physical Assets		10,563	-	19,402	-
Civil Works		86,382	-	68,039	-
Repairs and Maintenance		3,981	-	2,941	-
		100,926	-	90,382	-
<i>Debt and Interest Payments</i>					
Principal Repayment of Debt	23	6,323	-	5,632	-
Interest Payments	24	2,607	-	3,342	-
		8,930		8,974	
<i>Other Payments</i>					
Loans and Advances	22		-	377	-
Investments		14,300	-	3,201	-
<i>Direct Payments by Lending / Donor agencies</i>					
	28	-	-	-	-
<b>TOTAL PAYMENTS</b>		<b>404,255</b>	<b>-</b>	<b>343,253</b>	<b>-</b>
<b>NET RECEIPT/ (PAYMENT) OF PROVINCIAL CONSOLIDATED FUND</b>		<b>(21,139)</b>	<b>-</b>	<b>(7,171)</b>	<b>-</b>
<b>NET RECEIPT OF PUBLIC ACCOUNT</b>	25.1	<b>228</b>	<b>-</b>	<b>6,123</b>	<b>-</b>
<b>INCREASE IN CASH</b>		<b>(20,911)</b>	<b>-</b>	<b>(1,048)</b>	<b>-</b>
<b>CASH AT BEGINNING OF THE YEAR</b>		<b>46,464</b>	<b>-</b>	<b>47,512</b>	<b>-</b>
<b>INCREASE IN CASH</b>		<b>(20,911)</b>	<b>-</b>	<b>(1,048)</b>	<b>-</b>
<b>CASH AT END OF THE YEAR</b>	26	<b>25,553</b>	<b>-</b>	<b>46,464</b>	<b>-</b>

The annexed notes 1 to 33 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 2022**

	2022 Rupees in million	2021 Rupees in million
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Taxation - Transfers from Federal Government	8      295,728	253,230
Taxation - Provincial Government's Own Collection	9      23,503	18,369
Non-Tax Revenue and Other Receipts	21,693	18,289
Grants and Aid - Receipts	15      30,505	41,109
State Trading - Receipts	18      4,754	3,093
Operations - Payments	(233,985)	(207,645)
Interest Payments	24      (2,607)	(3,342)
Transfers - Payments	(46,114)	(32,674)
<b>Cash from Operating Activities</b>	<b>93,477</b>	<b>90,429</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Recoveries of Loans and Advances	17      837	42
Recovery of Investment	19      -	-
Expenditure on Physical Assets, Civil Works and Others	(100,926)	(90,382)
Payments of Loans and Advances	22      -	(377)
Investments	(14,300)	(3,201)
<b>Cash used in Investing Activities</b>	<b>(114,389)</b>	<b>(93,918)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts of Debt	16      6,096	1,950
Principal Repayments of Debt	23      (6,323)	(5,632)
Net Receipt of Public Account	25.1      228	6,123
<b>Cash used in Financing Activities</b>	<b>1</b>	<b>2,441</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(20,911)</b>	<b>(1,048)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>46,464</b>	<b>47,512</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>25      25,553</b>	<b>46,464</b>

The annexed notes 1 to 33 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 2022**

	2022 (Rupees in Million)			2021 (Rupees in Million)		
	Budgeted Amounts		Actual	Budgeted Amounts		Actual
	Original	Revised	Amounts	Original	Revised	Amounts
<b>RECEIPTS</b>						
<i><b>Revenue</b></i>						
Taxation	337,526	336,926	320,882	274,786	277,628	274,009
Non-Taxation	127,468	52,604	49,230	77,860	54,001	56,988
Income from Property and Enterprise	5,680	5,009	5,955	4,854	3,342	3,093
<b>Total revenue receipts</b>	<b>470,674</b>	<b>394,539</b>	<b>376,067</b>	<b>357,500</b>	<b>334,971</b>	<b>334,090</b>
<i><b>Capital</b></i>						
Receipt of Debt	11,300	3,806	6,212	8,663	1,950	1,950
Recoveries of Loans and Advances	1,791	860	837	1,274	61	42
Recoveries of Investment	111	-	-	111	-	-
<b>Total capital receipts</b>	<b>13,202</b>	<b>4,666</b>	<b>7,049</b>	<b>10,048</b>	<b>2,011</b>	<b>1,992</b>
<b>TOTAL RECEIPTS</b>	<b>483,876</b>	<b>399,205</b>	<b>383,116</b>	<b>367,548</b>	<b>336,982</b>	<b>336,082</b>
<b>PAYMENTS</b>						
<i><b>Revenue</b></i>						
General Public Services	87,281	78,044	56,381	72,670	66,533	55,096
Public Order and Safety Affairs	52,789	49,777	43,880	48,620	46,323	40,400
Economic Affairs	61,180	57,435	40,989	57,889	49,669	38,646
Environment Protection	538	444	300	451	334	270
Housing and Community Amenities	26,132	26,094	18,821	19,179	18,808	12,390
Health Affairs and Services	38,530	40,362	27,361	31,405	29,415	24,980
Recreation, Culture and Religion	3,719	3,965	3,343	3,140	3,174	2,437
Education Affairs and Services	71,904	70,263	65,902	70,358	63,200	54,260
Social Protection	4,788	5,207	4,467	5,320	4,915	3,520
<b>Total revenue payments</b>	<b>346,861</b>	<b>331,591</b>	<b>261,444</b>	<b>309,032</b>	<b>282,371</b>	<b>231,999</b>
<i><b>Capital</b></i>						
General Public Services	7,735	2,584	21,581	1,659	973	9,570
Public Order and Safety Affairs	2,121	1,503	1,366	2,209	2,068	1,965
Economic Affairs	133,877	74,647	76,713	82,016	54,450	58,170
Environment Protection	15,499	11,677	11,593	12,086	9,515	9,515
Housing and Community Amenities	9,527	4,706	4,651	13,897	9,925	9,059
Health Affairs and Services	15,292	7,348	6,320	7,688	7,213	4,511
Recreation, Culture and Religion	10,583	4,773	4,106	7,676	4,045	3,676
Education Affairs and Services	18,714	8,141	7,950	9,767	10,011	9,033
Social Protection	23,873	10,731	8,531	19,498	6,445	5,755
<b>Total capital payment</b>	<b>237,221</b>	<b>126,110</b>	<b>142,811</b>	<b>156,496</b>	<b>104,645</b>	<b>111,254</b>
<b>TOTAL PAYMENTS</b>	<b>584,082</b>	<b>457,701</b>	<b>404,255</b>	<b>465,528</b>	<b>387,016</b>	<b>343,253</b>

The annexed notes 1 to 33 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 2022**

DEPARTMENTS	2022 (Rupees in million)			2021 (Rupees in million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
General Administration	3,433	3,737	3,459	3,015	3,536	2,888
Provincial Excise	1,298	1,222	1,046	1,111	1,060	933
Stamps	53	52	48	54	53	50
Pension	46,685	41,423	40,540	38,169	39,589	39,223
Administration of Justice	4,057	3,679	3,696	3,629	4,285	3,417
Legal Services & Law Affairs	644	691	639	535	549	512
Provincial Ombudsman	294	259	233	231	244	207
Police	29,152	25,538	23,888	27,417	24,050	22,182
Levies	12,958	12,444	10,945	12,454	10,462	9,899
Jails and Convict Settlements	1,881	1,870	1,219	1,474	1,510	1,159
Civil Defence	219	206	195	171	155	131
Civil Works	6,748	6,557	5,998	11,398	10,432	8,162
Public Health Services	5,752	5,594	4,645	4,554	4,351	4,030
Works Urban/B-WASA	1,658	2,059	2,008	1,205	1,355	1,355
Higher Education	11,736	11,333	10,723	11,783	11,294	9,680
Secondary Education	53,256	51,727	48,266	51,873	46,525	40,017
Archives	560	397	260	425	319	211
Health	44,694	47,165	33,872	37,387	34,224	29,190
Population Welfare	1,225	1,017	942	1,192	1,090	915
Manpower and Labor Management	2,309	2,152	1,336	2,259	1,929	1,136
Sports and Recreation Facilities	1,495	1,526	1,137	1,042	1,035	865
Social Security and Social Welfare	2,226	1,995	1,674	2,268	1,989	1,473
Natural Calamities	1,180	2,061	1,875	1,670	1,762	1,111
Auqaf	847	683	566	915	750	521
Food	721	688	655	744	687	407
Agriculture	10,595	9,754	9,035	11,072	9,378	8,633
Land Revenue	330	289	251	293	273	210
Animal Husbandry	4,526	4,058	3,827	4,592	3,639	3,199
Forestry	1,540	1,275	1,121	1,605	1,249	1,005
Fisheries	1,168	1,199	1,072	1,233	1,103	837
Cooperation	204	140	130	207	144	124
Irrigation	3,154	2,796	2,596	3,724	3,375	3,006
Rural Development	18,261	18,033	11,801	12,996	12,730	6,714
Industries	1,921	2,083	1,921	1,762	1,638	1,218
Stationery and Printing	154	133	57	184	96	65
Mineral Resources	3,767	4,399	3,119	3,624	4,084	3,956
Subsidies	685	3,584	684	2,300	-	-
Prosecution Department	439	348	294	387	371	290
Transport	509	473	190	150	169	141
Culture Services	491	647	582	466	401	231
Women Development	313	280	161	337	222	138
Investments	14,050	14,050	14,050	3,000	3,000	3,000
Energy	7,260	7,567	5,280	6,852	6,849	6,567
Information Technology	457	418	326	398	557	295
Environment Control	538	444	300	450	334	271
Urban Planning	318	290	254	291	262	220
Planning and Development Department	1,382	1,738	1,679	1,285	1,707	1,598
Information Department	675	882	851	657	666	625
Inter Provincial Cordination Department	66	54	43	70	55	45
Chief Minister Secretariat	959	911	757	844	993	840
Home Department	2,815	4,452	2,493	2,068	4,439	2,387
Board of Revenue & Administration	4,179	3,956	3,549	4,797	3,942	3,439
Finance Department	5,080	1,620	1,447	8,896	1,769	1,388
Minorities Affairs Department	296	253	239	284	277	239
Building, Physical Planning & Housing	7,045	4,327	3,771	-	79	43
Governor Secretariat	295	266	228	305	347	299
Provincial Assembly	1,753	1,560	1,245	2,140	1,632	1,305
Debt Servicing and other Obligations	3,196	2,275	2,275	2,880	2,998	2,998
Public Debt Discharge	4,663	5,014	5,014	5,836	5,718	5,632
State Trading-Food Development	8,696	5,948	5,342	6,072	4,640	3,937
	237,221	126,110	118,406	156,496	104,645	98,684
<b>Payments of Provincial Government</b>	<b>584,082</b>	<b>457,701</b>	<b>404,255</b>	<b>465,528</b>	<b>387,016</b>	<b>343,253</b>
<b>TOTAL PAYMENTS</b>	<b>584,082</b>	<b>457,701</b>	<b>404,255</b>	<b>465,528</b>	<b>387,016</b>	<b>343,253</b>

The annexed notes 1 to 33 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 2022

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#### 1. REPORTING ENTITY

Provincial Government Balochistan (the Government) conducts its operations under the Rules of Business 2012. 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 2021-22 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 2022**

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**5. REPORTING AND BUDGET PERIOD**

The reporting and budget period of these financial statements is the financial year 2021-22 (from 1 July, 2021 to 30 June, 2022).

**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 2022

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#### 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 2022**

	<i>Note</i>	<b>2022</b> <b>Rupees</b> <b>in million</b>	<b>2021</b> <b>Rupees</b> <b>in million</b>
<b>8. TAXATION - TRANSFERS FROM FEDERAL GOVERNMENT</b>			
<i>Direct taxes</i>			
Income Tax		110,134	103,284
		110,134	103,284
<i>Indirect Taxes</i>			
Sales Tax		128,242	98,167
Custom Duty		39,700	32,334
Federal Excise		17,623	19,289
Capital Value Tax - On Movable Property		29	156
		185,594	149,946
		<u>295,728</u>	<u>253,230</u>
<b>9. TAXATION - PROVINCIAL GOVERNMENT'S OWN COLLECTION</b>			
<i>Direct Taxes</i>			
Property Tax		307	298
Land Revenue		773	703
Tax on Profession		27	21
		1,107	1,022
<i>Indirect Taxes</i>			
Sales Tax on Services		17,385	12,972
Receipts Under Motor Vehicles Act		880	862
Stamp Duties		464	523
Provincial Excise		805	728
Capital Value Tax - On Immovable Property		156	176
Others		2,706	2,086
		22,396	17,347
		<u>23,503</u>	<u>18,369</u>
<b>10. GENERAL ADMINISTRATION RECEIPTS</b>			
Fiscal Administration		118	141
Organs of State		103	24
Community Services		128	127
Social Services		240	269
Economic Regulations		8	8
Law and Order		647	603
		<u>1,244</u>	<u>1,172</u>

**GOVERNMENT OF BALOCHISTAN**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2022**

	<i>Note</i>	<b>2022 Rupees in million</b>	<b>2021 Rupees in million</b>
<b>11. ECONOMIC SERVICES - RECEIPTS</b>			
Cooperation, Irrigation and Embankment Drainage		488	144
Food and Agriculture		256	507
Fisheries and Animal Husbandry		99	131
Forest		62	45
Others		<u>1,579</u>	<u>412</u>
		<u><u>2,484</u></u>	<u><u>1,239</u></u>
<b>12. DEVELOPMENT SURCHARGE AND ROYALTIES - RECEIPTS</b>			
Development Surcharge on Gas - Federal Receipts	<i>12.1</i>	1,642	2,418
Royalty on Natural Gas and Crude Oil - Federal Receipts	<i>12.2</i>	6,797	7,530
Federal Excise Duty on Natural Gas - Receipts		1,651	-
Mineral Royalties - Provincial Receipts		2,279	3,294
Mineral Royalties from Saindak - Provincial Receipts		<u>1,692</u>	<u>1,309</u>
		<u><u>14,084</u></u>	<u><u>14,575</u></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.

	<i>Note</i>	<b>2022 Rupees in million</b>	<b>2021 Rupees in million</b>
<b>13. DIVIDEND AND PROFIT SHARE</b>			
Dividends Receipts	<i>13.1</i>	<u>1,201</u>	-
		<u><u>1,201</u></u>	<u><u>-</u></u>
<b>13.1 Dividends Receipts</b>			
Non-Financial Institutions		<u>1,201</u>	-

# GOVERNMENT OF BALOCHISTAN

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

	<i>Note</i>	2022 Rupees in million	2021 Rupees in million
<b>14. OTHER RECEIPTS</b>			
Extra Ordinary Receipts - Sale of Land and Others		904	480
Miscellaneous Receipts - Recovery of Overpayments and Others		1,776	823
		<u>2,680</u>	<u>1,303</u>
<b>15. GRANTS &amp; AID</b>			
Development Grants-Federal Receipts-C03603 & C03601		20,204	30,612
Non Development Grants-Federal Receipts C03604		10,180	10,000
Other Non Development Grants-Foreign Aided Project Grants Funded Receipt-C03634		121	497
		<u>30,505</u>	<u>41,109</u>
<b>16. RECEIPTS OF DEBT</b>			
Permanent Debt - Federal Government (Foreign Lenders)		6,096	1,950
		<u>6,096</u>	<u>1,950</u>
<b>17. RECOVERY OF LOANS AND ADVANCES</b>			
Non-financial Institutions		809	-
Government Servants		28	42
		<u>837</u>	<u>37</u>
<b>18. STATE TRADING - RECEIPTS</b>			
Sale of Wheat		4,754	3,093
		<u>4,754</u>	<u>3,093</u>
<b>19. RECOVERY OF INVESTMENTS</b>			
Interest Receipts on Investments		-	-
Investment Receipts		-	-
		<u>-</u>	<u>-</u>
<b>20. SALARIES AND EMPLOYEE BENEFITS</b>			
Pay of Officers		20,756	19,569
Pay of Other Staff		50,781	49,781
Allowances		76,540	61,265
Retirement Benefits		40,474	39,184
		<u>188,551</u>	<u>169,799</u>
<b>21. GRANTS, SUBSIDIES AND WRITE-OFF OF LOANS</b>			
Subsidies		5,091	2,822
Grants Domestic		40,102	28,342
Loan & advances (Food)		-	-
		<u>45,193</u>	<u>31,164</u>
<b>22. LOAN &amp; ADVANCES</b>			
Loan & Advances		-	377
		<u>-</u>	<u>377</u>
<b>23. PRINCIPAL REPAYMENT OF DEBT</b>			
Domestic Debt	<i>23.1</i>	5,014	5,632
Floating Debt (State Trading)		1,309	-
		<u>6,323</u>	<u>5,632</u>
<b>23.1 Domestic Debt</b>			
Permanent Debt	<i>23.1.1</i>	5,014	7,737

**23.1.1** 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 2022**

		2022	2021
	<i>Note</i>	Rupees in million	Rupees in million
<b>24. SERVICING OF DEBT</b>			
Permanent Domestic Debt - Federal Government		167	-
Permanent Foreign Debt - Federal Government		508	652
Interest Payment - GP Fund		1,600	2,347
Interest Payment - Food Account		332	343
		2,607	3,342

**25. NET RECEIPT OF PUBLIC ACCOUNT**

*Receipts*

Trust and other Public Accounts  
Special Deposits  
General Provident Fund

900,172	746,750
18,356	15,060
6,863	7,399
925,391	769,209

*Payments*

Trust and other Public Accounts  
Special Deposits  
General Provident Fund

900,089	744,683
16,590	13,156
8,484	5,247
925,163	763,086

*25.1* 228 6,123

**25.1** 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.

		2022	2021
	<i>Note</i>	Rupees in million	Rupees in million
<b>26. BOOK BALANCE</b>			
Provincial Government's Balance		25,553	46,464
		25,553	74,299

**GOVERNMENT OF BALOCHISTAN**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2022**

27. ASSETS AND LIABILITIES	<i>Note</i>	2022 Rupees in million	2021 Rupees in million
<i>Assets</i>			
Long Term Assets		1,008,356	865,545
Long Term Investment	27.1	14	14
Short Term Investments	27.2	5,193	5,193
Loans and Advances		2,757	359
Current Assets		(1,042)	(675)
Book Balance	26	25,553	46,464
	27.6	<u>1,040,831</u>	<u>916,900</u>
<i>Liabilities and equity</i>			
Public Debt		51,357	50,275
Special Deposits and Trust Accounts		54,104	53,641
Current Liabilities		141,326	174,880
Deferred Liabilities		(1,402)	(1,535)
Residual Equity		795,446	639,639
	27.3	<u>1,040,831</u>	<u>916,900</u>
<b>27.1 Long term investment</b>			
<b>Investment in Shares</b>			
	<b>No. of Shares</b>	<b>Par value Rupees</b>	<b>2022 Rupees in million</b>
			<b>2021 Rupees in million</b>
<b>Financial Institutions</b>			
ADBP 1974-75 Converted to ZTBL	37,875	10	0.379
Balochistan Cooperative Bank Limited	26,500	200	5.300
IDBP	606	100	0.061
Equity Participants Fund Karachi	3,595	100	0.359
<b>Non-financial Institutions</b>			
Bolan Mining Enterprise (Joint Venture)			4.000
Charsada Sugar Mills	575	100	0.058
Hub Power Company Limited	358,607	10	3.586
Total Consolidated Fund Investment			<u>13.743</u>
			<u>13.743</u>
<b>27.1.1</b> 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.			
<b>27.2.1 Short term investment</b>			
Treasury Bills	27.2.1	5,193	5,193
		<u>5,193</u>	<u>5,193</u>

**28. THIRD PARTY PAYMENTS**

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

- 28.1** 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.

**GOVERNMENT OF BALOCHISTAN**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2022**

		2022 Rupees in million	2021 Rupees in million
<b>29. INVESTMENTS -PUBLIC ACCOUNT FUNDS</b>	<i>Note</i>		
Benevolent Fund		19,682	17,535
Pension Fund		16,391	14,306
Group Insurance		1,807	2,309
General Provident Fund		18,353	18,320
Balochistan Education Endowment Fund		8,930	8,000
Balochistan Investment Fund		3,295	1,913
Balochistan Awami Endowment Fund		4,200	4,000
Artist Welfare Fund		200	200
Disaster Management Fund		2,142	2,000
Professional Developmnet Program Fund		2,042	2,000
Hawkers Welfare Fund		2,023	22
Viability Gap Fund		1,144	1,000
Offender Rehabilitation and Social Integration Fund		572	500
Project Development Fund		1,145	1,000
Balochistan Employees Housing finance Fund		3,000	-
Balochistan Enterprise Development Fund		2,000	-
Balochistan Lawyer's Welfare Endowment Fund		50	-
Balochistan Minorities Welfare Fund		500	-
Balochistan Special Persons support Fund (KUMAK)		2,035	-
Balochistan Women Economic Empowerment Fund		500	-
Balochistan Fishermen Welfare Endowment Fund		1,000	-
Food Security Fund		2,066	-
Corona Virus Emergency Fund		1,381	1,335
	<b>29.1</b>	<b>94,458</b>	<b>74,440</b>

**29.1** 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.

		2022 Rupees in million	2021 Rupees in million
<b>30. CASH AND BANK BALANCE - PUBLIC ACCOUNT FUND</b>			
Benevolent Fund		18,297	19,682
Pension Fund		17,647	16,391
Group Insurance		1,882	1,807
General Provident Fund		21,386	18,353
Balochistan Education Endowment Fund		9,850	8,000
Balochistan Investment Fund		1,118	3,295
Balochistan Awami Endowment Fund		6,234	4,000
Artist Welfare Fund		400	200
Disaster Management Fund		2,105	2,000
Professional Developmnet Program Fund		2,022	2,000
Hawkers Welfare Fund		2,023	22
Viability Gap Fund		1,251	1,000
Offender Rehabilitation and Social Integration Fund		1,126	500
Project Development Fund		1,252	1,000
Balochistan Employees Housing finance Fund		3,000	-
Balochistan Enterprise Development Fund		2,000	-
Balochistan Lawyer's Welfare Endowment Fund		50	-
Balochistan Minorities Welfare Fund		500	-
Balochistan Special Persons support Fund (KUMAK)		2,035	-
Balochistan Women Economic Empowerment Fund		500	-
Balochistan Fishermen Welfare Endowment Fund		1,000	-
Food Security Fund		2,065	-
Corona Virus Emergency Fund		1,437	1,381
	<b>30.1</b>	<b>99,180</b>	<b>79,631</b>

**30.1** 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 note 30.

**GOVERNMENT OF BALOCHISTAN**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2022**

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**31 LOAN/ LIABILITY OF FOOD DEPARTMENT & UNIVERSITY OF BALOCHISTAN**

**31.1** An amount of Rs.3,219,498,325/- loan from various Commercial Banks and Rs.2,426,250,000/- loan from Government of Balochistan was taken by Food Department. The total amount of outstanding loan of Food Department is Rs.5,645,748,325/-.

**31.2** An amount of Rs.377,000,000/- loan given to University of Balochistan by Government of Balochistan.

**32. 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 20.12.2022.

**33. GENERAL**

**33.1 Level of Precision**

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

**33.2 Corresponding Figures**

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

“Sd/-”

Accountant General Balochistan