

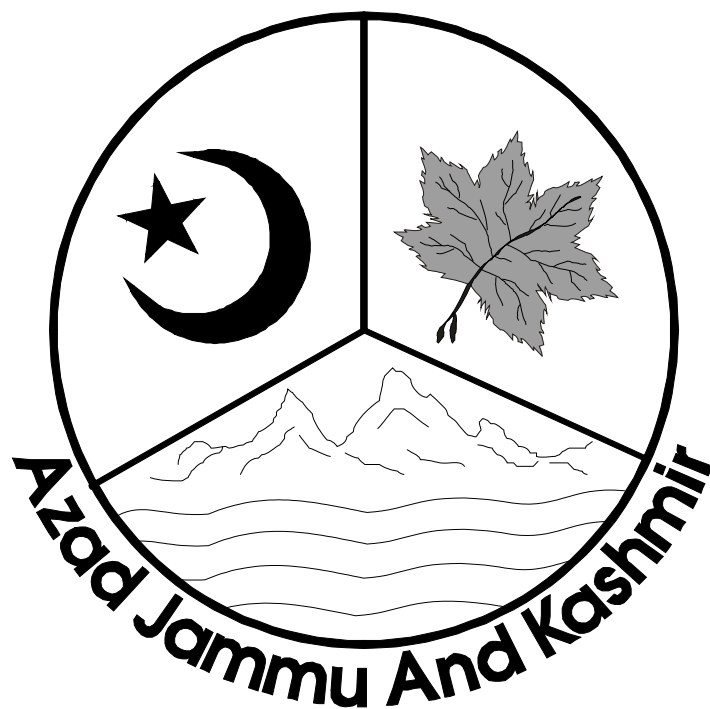
**FINANCIAL STATEMENTS OF  
AZAD GOVERNMENT OF THE STATE OF  
JAMMU AND KASHMIR**



**FOR THE FINANCIAL YEAR  
2022-23**

**ACCOUNTANT GENERAL AZAD JAMMU & KASHMIR**

**FINANCIAL STATEMENTS OF  
AZAD GOVERNMENT OF THE STATE OF  
JAMMU AND KASHMIR**



**FOR THE FINANCIAL YEAR  
2022-2023**

**ACCOUNTANT GENERAL AZAD JAMMU & KASHMIR**

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## PREFACE

Financial Statements of Azad Government of the State of Jammu and Kashmir for the year ended 30<sup>th</sup> June, 2023 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 2022-2023 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: December 21, 2023**



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**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 Azad Government of the State of Jammu and Kashmir for the year ended June 30<sup>th</sup>, 2023 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 Section 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.

### *Basis of Qualification*

- (i) The expenditure of Rs. 2622.000 million has not been authorised by the Azad Jammu & Kashmir Legislative Assembly.
- (ii) The advance payments of Rs. 1136.903 million have not been adjusted in the books of Accounts.

### *In my Opinion,*

Except for the effect of adjustment, as described in the preceding paragraphs;

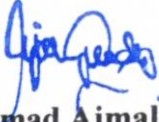
- (a) These Financial Statements present, in all material respects, the financial position of the Azad Government of State of Jammu and Kashmir as at June 30<sup>th</sup>, 2023 and results of its operations, its cash flows and its expenditure and receipts, by appropriation for the year ended in accordance with the stated accounting policies of the Azad Government of State of Jammu and Kashmir.

- (b) The sums expended have been applied, in all material respects, for the purposes authorised 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 Government of the State of Jammu and Kashmir under Article 50-A of the Azad Jammu and Kashmir Interim Constitution, 1974

**Islamabad, Pakistan**  
**Dated: December 21, 2023**

  
**(Muhammad Ajmal Gondal)**  
Auditor-General of  
Azad Jammu and Kashmir

**AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR**  
**Statement of Cash Receipts and Payments**  
**For The Year Ended 30<sup>th</sup> June, 2023**

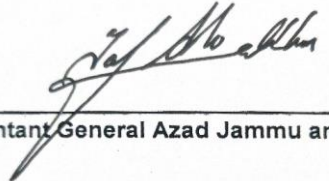
<b>AJ &amp; K CONSOLIDATED FUND</b>	<i>Note</i>	2023 Rupees in Million		2022 Rupees in Million	
		Receipt / Payment controlled by the Government	Receipt / Payment by Third Parties	Receipt / Payment controlled by the Government	Receipt / Payment by Third Parties
<b>RECEIPTS</b>					
<i>Taxation</i>	8.2	-	-		-
<i>Taxation- AJ &amp; K Government's own collection</i>	8.1 & 9	42,243	-	31,809	-
<i>Non-Tax Revenue and Other Receipts</i>					
General Administration	10	2,529	-	1,466	-
Economic Services	11	1,734	-	1,053	-
Development Surcharge and Royalties	12	-	-	385	-
Others	13	18,223	-	16,946	-
		22,485	-	19,851	-
Grant in Aid	14	59,500	-	59,258	-
<i>Borrowings</i>					
Foreign Debt	15	-	-	292	-
Domestic Debt	16	35,851	-	35,798	-
		35,851	-	36,090	-
<i>Capital Receipts</i>					
Recovery of Loans and Advances	17	851	-	591	-
		851	-	591	-
<b>TOTAL RECEIPTS</b>		<b>160,930</b>	<b>-</b>	<b>147,600</b>	<b>-</b>



**Statements of Cash Receipts and Payments  
For The Year Ended 30<sup>th</sup> June, 2023**

	Note	2023 Rupees in Million		2022 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
<b>PAYMENTS</b>					
<b>Operations</b>					
Salaries and Employee Benefits	18	98,668	-	83,389	-
Operating Expenses	19.1	22,263	-	19,277	-
Repair & Maintenance	19.2	1,396	-	1,738	-
		122,327	-	104,405	-
<b>Expenditure on</b>					
Physical Assets	20	2,432	-	3,336	-
Civil Works	21	20,928	-	22,548	-
		23,360	-	25,884	-
<b>Debt and Interest Payments</b>					
Principal Repayment of Debt	22	6,505	-	5,676	-
Debt Services Re-Payment	22.1	8,399	-	9,322	-
Loans to others	22.2	955	-	2,173	-
		15,858	-	17,171	-
<b>TOTAL PAYMENTS</b>		<b>161,545</b>	<b>-</b>	<b>147,461</b>	<b>-</b>
<b>NET PAYMENT OF A J&amp;K GOVERNMENT CONSOLIDATED FUND</b>		<b>(615)</b>	<b>-</b>	<b>139</b>	<b>-</b>
<b>NET RECEIPT OF PUBLIC ACCOUNT</b>	23	<b>489</b>	<b>-</b>	<b>2,308</b>	<b>-</b>
<b>INCREASE / (DECREASE) IN CASH</b>		<b>(126)</b>	<b>-</b>	<b>2,447</b>	<b>-</b>
<b>CASH AT THE BEGINNING OF THE YEAR</b>		<b>18,550</b>	<b>-</b>	<b>16,103</b>	<b>-</b>
<b>INCREASE / (DECREASE) IN CASH</b>		<b>(126)</b>	<b>-</b>	<b>2,447</b>	<b>-</b>
<b>CASH AT THE END OF THE YEAR</b>	24	<b>18,424</b>	<b>-</b>	<b>18,550</b>	<b>-</b>

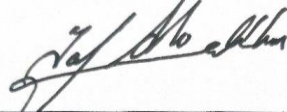
The annexed notes 1 to 28 form an integral part of these Financial Statements.

  
 Accountant General Azad Jammu and Kashmir

**AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR**  
**Statement of Cash Flows**  
**For The Year Ended 30<sup>th</sup> June, 2023**

	Note	2023 Rupees in Million	2022 Rupees in Million
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Taxation-	8.2	-	-
Taxation- AJ&K Government's own collection	8.1 & 9	42,243	31,809
Non-Tax Revenue and Other Receipts	10,11, 12,13	22,485	19,851
Grants in Aid - Receipts	14	59,500	59,258
Operations- Payments		(122,327)	(104,405)
<b>Cash from Operating Activities</b>		1,902	6,513
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Recovery of Loans and Advances	17	851	591
Expenditure on Physical Assets	20	(2,432)	(3,336)
Expenditure on Civil Works	21	(20,928)	(22,548)
<b>Cash used in Investing Activities</b>		(22,509)	(25,293)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Receipt of Foreign Debt	15	-	292
Receipt of Domestic Debt	16	35,851	35,798
Principal Repayment of Debt	22	(15,858)	(17,171)
Net Receipt of Public Account	23	489	2,308
<b>Cash from Financing Activities</b>		20,482	21,227
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>		(126)	2,447
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		18,550	16,103
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	24	<u>18,424</u>	<u>18,550</u>


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 30<sup>th</sup> June, 2023**

	2023 (Rupees in Million)			2022 (Rupees in Million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
<b>RECEIPTS</b>						
<b><u>Revenue</u></b>						
Taxation	36,500	41,571	41,638	31,500	31,500	31,119
Non-Taxation	116,387	100,977	98,345	96,900	96,398	95,681
<b>Total revenue receipts</b>	<b>152,887</b>	<b>142,548</b>	<b>139,983</b>	<b>128,400</b>	<b>127,898</b>	<b>126,800</b>
<b><u>Capital</u></b>						
Domestic Debt	28,000	20,947	20,947	26,000	20,800	20,800
Foreign Debt		500		2,000	2,000	-
<b>Total capital receipts</b>	<b>28,000</b>	<b>21,447</b>	<b>20,947</b>	<b>28,000</b>	<b>22,800</b>	<b>20,800</b>
<b>TOTAL RECEIPTS</b>	<b>180,887</b>	<b>163,995</b>	<b>160,930</b>	<b>156,400</b>	<b>150,698</b>	<b>147,600</b>
<b>PAYMENTS</b>						
<b><u>Revenue</u></b>						
General Public Service	50,054	53,916	55,865	46,349	49,430	49,289
Defence	389	411	428	351	349	344
Public Order and Safety Affairs	9,624	9,499	10,051	9,599	8,517	8,451
Economic Affairs	19,170	31,670	19,529	18,814	19,781	19,701
Environment Protection	16	16	16	11	12	12
Housing and Community Amenities	3,275	3,407	3,422	1,924	1,916	1,961
Health Affairs and Services	11,873	11,453	11,234	11,510	10,222	10,086
Recreation, Culture and Religion	590	625	604	499	565	560
Education Affairs and Services	32,300	34,408	33,744	33,470	29,154	29,113
Social Protection	22,909	5,596	5,723	5,873	7,951	5,395
<b>Total Revenue Payments</b>	<b>150,200</b>	<b>151,000</b>	<b>140,617</b>	<b>128,400</b>	<b>127,898</b>	<b>124,912</b>
<b><u>Capital</u></b>						
General Public Service	780	770	769	1,500	1,219	1,219
Economic Affairs	4,350	3,384	3,378	4,000	2,443	2,427
Environment Protection	100	72	72	70	42	42
Housing and Community Amenities	18,193	13,238	13,224	16,990	15,529	15,499
Goverance/Misc	497	319	319	-	-	-
Health Affairs and Services	1,800	1,638	1,634	1,750	875	850
Recreation, Culture and Religion	410	516	516	290	183	183
Education Affairs and Services	2,170	907	909	3,200	2,383	2,202
Social Protection	200	108	108	200	127	126
<b>Total Capital Payments</b>	<b>28,500</b>	<b>20,952</b>	<b>20,928</b>	<b>28,000</b>	<b>22,800</b>	<b>22,548</b>
<b>TOTAL PAYMENTS</b>	<b>178,700</b>	<b>171,952</b>	<b>161,545</b>	<b>156,400</b>	<b>150,698</b>	<b>147,461</b>

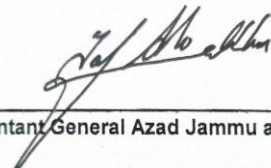
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Accountant General Azad Jammu and Kashmir

**AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR**  
**Statement of Comparison of Budget and Actual Expenditure by Department**  
**For the Year Ended 30<sup>th</sup> June, 2023**

DEPARTMENT	2023 Rupees in Million			2022 Rupees in Million		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
Agriculture, Livestock & Cooperation	1,671	1,918	1,898	1,696	1,518	1,535
Board of Revenue, Stamps	1,267	1,558	1,552	1,164	1,831	1,799
Education	32,300	34,408	33,744	33,470	29,154	29,113
Environment, Forestry, Wild life	1,583	1,634	1,648	1,524	1,451	1,459
Finance	51,514	37,002	37,534	31,309	34,818	32,216
Food	4,011	16,454	4,249	3,092	3,997	3,993
Health	11,873	11,453	11,234	11,510	10,222	10,086
Home and Tribal Affairs	7,890	7,245	7,760	7,857	6,823	6,761
Industries	481	480	480	599	610	606
Information	232	234	233	187	225	226
Law	2,123	2,665	2,719	2,092	2,044	2,034
Local Governance	708	753	764	665	659	655
Population, Planning and Welfare Department	618	662	663	591	580	569
Administration and Establishment	3,415	3,507	5,152	3,085	4,033	3,983
Works and Services	4,579	4,765	4,819	4,175	4,445	4,527
Zakat and Ushr	219	231	218	198	204	200
Sports, Culture, Archeology & Museum	139	161	153	114	136	134
Relief Rehabilitation and Settlement	1,149	1,783	1,784	1,074	1,121	1,119
Energy and Power	9,429	9,088	9,110	8,999	9,030	8,898
Ways and means	15,000	15,000	14,904	15,000	14,998	14,998
	150,200	151,000	140,617	128,400	127,898	124,912
<b>Development Expenditure</b>	<b>28,500</b>	<b>20,952</b>	<b>20,928</b>	<b>28,000</b>	<b>22,800</b>	<b>22,548</b>
<b>TOTAL</b>	<b>178,700</b>	<b>171,952</b>	<b>161,545</b>	<b>156,400</b>	<b>150,698</b>	<b>147,461</b>

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 30<sup>th</sup> June, 2023**

**1 REPORTING ENTITY**

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 2022-23.

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 Engineering
  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 2022-2023 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 2022-2023 (from 1<sup>st</sup> July, 2022 to 30<sup>th</sup> June, 2023).

**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.

Subsequent to initial recognition, investments are carried forward at historical cost. Any dividends received against investments are recognized when received in the AJ & K Government Consolidated Fund.

**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	2023 Rupees in Million	2022 Rupees in Million
<b>8 TAXATION</b>		
<i>Indirect Taxes</i>		
8.1 Sales tax	7,010	5,541
8.2 80%Share from Azad Jmmu &Kashmir Council	-	-
Federal excise	-	-
	<b>7,010</b>	<b>5,541</b>
	<u>7,010</u>	<u>5,541</u>
<b>9 TAXATION - A J &amp; K GOVERNMENT'S OWN COLLECTION</b>		
<i>Direct Taxes</i>		
<i>Incom Tax-Agriculture</i>		
Income Tax	30,776	23,016
Property Tax	88	101
Land Revenue	120	159
Tax on Profession, Trade and Callings	31	24
Capital Value Tax on Immoveable Property	<b>31,016</b>	<b>23,299</b>
	<u>31,016</u>	<u>23,299</u>
<i>Indirect Taxes</i>		
Receipts Under Motor Vehicles Act	190	196
Stamp Duties	366	399
Provincial Excise	517	396
Others Indirect Taxes	3,144	1,978
	<b>4,217</b>	<b>2,969</b>
	<u>4,217</u>	<u>2,969</u>
<b>10 GENERAL ADMINISTRATION RECEIPTS</b>		
<i>Fiscal Administration</i>		
Community Services	452	208
Social Services	482	713
Defence Services	5	-
Economic Regulations	-	-
Law and Order	222	210
Organs of State	1,368	335
	<b>2,529</b>	<b>1,466</b>
	<u>2,529</u>	<u>1,466</u>
<b>11 ECONOMIC SERVICES RECEIPTS</b>		
Food and Agriculture	360	179
Fisheries and Animal Husbandry	104	108
Forest	575	407
Others	695	360
	<b>1,734</b>	<b>1,053</b>
	<u>1,734</u>	<u>1,053</u>



Notes	2023 Rupees in Million	2022 Rupees in Million
<b>12 DEVELOPMENT SURCHARGE AND ROYALTIES</b>		
Water Usage Charges Mangla	-	385
	<u>-</u>	<u>385</u>
<b>12.1</b> The water usage charges on Mangla Dam received from Government of Pakistan under the water usage Surcharge Ordinance. In pursuance of the said ordinance, 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.		
<b>13 OTHER RECEIPTS</b>		
Unclaimed deposits		
Miscellaneous Receipts(Electricity)	18,223	16,946
	<u>18,223</u>	<u>16,946</u>
<b>14 GRANTS in AID</b>		
<b>14.1 Controlled by Govt:</b>		
Variable Grant in lieu of Federal Taxes share	59,500	59,258
Non-Development Grants Fixed Grant in Aid	-	-
	<u>59,500</u>	<u>59,258</u>
	<u>59,500</u>	<u>59,258</u>
<b>14.2 Third Party Receipts</b>		
Development Grants	-	-
	<u>-</u>	<u>-</u>
<b>15 FOREIGN DEBT - RECEIPTS</b>		
<b>15.1 Controlled by Govt:</b>		
Federal Government/IDA	-	292
	<u>-</u>	<u>292</u>
<b>15.2 Third Party Receipts</b>		
Foreign Lenders	-	-
	<u>-</u>	<u>-</u>
<b>16 DOMESTIC DEBT - RECEIPTS</b>		
Permanent Debt Development Loan	20,947	20,800
Permanent Debt Ways and Means Advance	14,904	14,998
	<u>35,851</u>	<u>35,798</u>
	<u>35,851</u>	<u>35,798</u>
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.		
<b>17 RECOVERY OF LOANS AND ADVANCES</b>		
Government Servants. House Building Advance	851	591
	<u>851</u>	<u>591</u>

Notes	2023 Rupees in Million	2022 Rupees in Million
<b>18 SALARIES AND EMPLOYEE BENEFITS</b>		
Pay of Officers	15,620	10,643
Pay of Other Staff	27,493	17,932
Allowances	24,073	30,259
Retirement Benefits	31,483	24,555
	<u>98,668</u>	<u>83,389</u>
	<u>98,668</u>	<u>83,389</u>
<b>19 OPERATING EXPENSES</b>		
<b>19.1 Controlled by Govt:</b>		
Communication	82	38
Entertainments and Gifts	9,519	9,862
General Operating Expenses	12,662	9,377
	<u>22,263</u>	<u>19,277</u>
	<u>22,263</u>	<u>19,277</u>
<b>19.2 Repair &amp; Maintenance</b>		
Repair & Maintenance	1,396	1,738
	<u>1,396</u>	<u>1,738</u>
<b>19.3 Third Party Payments</b>		
General Operating Expenses	-	-
	<u>-</u>	<u>-</u>
<b>20 PHYSICAL ASSETS</b>		
Purchase of Other Assets	2,432	3,336
	<u>2,432</u>	<u>3,336</u>
<b>21 CIVIL WORKS</b>		
<b>21.1 Controlled by Govt:</b>		
Other Works Capital Expenditure	20,928	22,548
	<u>20,928</u>	<u>22,548</u>
<b>21.2 Third Party Payments</b>		
Other Works	-	-
	<u>20,928</u>	<u>22,548</u>
<b>22 REPAYMENT OF DEBT</b>		
<b>Principal Re-Payment</b>		
Domestic Debt	2,419	2,913
Foreign Debt	4,086	2,763
	<u>6,505</u>	<u>5,676</u>
	<u>6,505</u>	<u>5,676</u>
<b>22.1 Debt Services Re-Payment</b>		
Domestic	7,257	8,740
Foreign	1,142	582
	<u>8,399</u>	<u>9,322</u>
	<u>15,858</u>	<u>17,171</u>
<b>22.2 Loan &amp; Advances</b>		
Other Loans	955	2,173
	<u>955</u>	<u>2,173</u>

Notes	2023 Rupees in Million	2022 Rupees in Million
<b>23 NET RECEIPT / (PAYMENT) OF PUBLIC ACCOUNT</b>		
<i>Receipts</i>		
Trust & other Public Accounts	50,325	52,562
Special Deposits	3,396	6,107
State Provident Fund	2,794	2,057
	<b>56,515</b>	<b>60,726</b>
<i>Payments</i>		
Trust & other Public Accounts	50,664	53,169
Special Deposits	3,571	3,710
State Provident Fund	1,791	1,540
	<b>56,026</b>	<b>58,418</b>
	<b>489</b>	<b>2,308</b>
<b>23.1</b>	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.	
<b>24 CASH AND BANK</b>		
AJ & K Government Balance	18,424	18,550
	<b>18,424</b>	<b>18,550</b>
<b>24.1 AJ &amp; K Government's Balance</b>		
Public Account Balance	489	2,308
Consolidated Fund Balance	(615)	139
	<b>18,424</b>	<b>18,550</b>
<b>25 ASSETS AND LIABILITIES</b>		
<i>Assets</i>		
Long Term Assets	280,185	259,258
Loans and Advances	6,317	6,213
Current Assets	1,000	1,000
Closing Balance	18,424	18,550
	<b>305,927</b>	<b>285,021</b>
<i>Liabilities and equity</i>		
Public Debt	420,799	391,453
Special Deposits and Trust Accounts	29,378	29,891
Deferred Liabilities	10,661	9,658
Revenue Account Balance	(154,911)	(145,982)
	<b>305,927</b>	<b>285,021</b>

**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	2023 Rupees in Million	2022 Rupees in Million
<b>26 PUBLIC DEBT</b>		
<b>Domestic Debt</b>		
<b>Government Securities</b>		
Opening Balance	388,792	355,908
Add: Debt Receipts	35,851	35,798
Less: Principal Repayments of Debt	(2,419)	(2,913)
Closing Balance	422,224	388,792
<b>Foreign Debt</b>		
Opening Balance	2,660	5,130
Add: Debt Receipts	-	292
Less: Principal Repayments of Debt	(4,086)	(2,763)
Closing Balance	(1,426)	2,660
	<b>420,798</b>	<b>391,452</b>

**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 President of the Azad Jammu & Kashmir who shall cause them to be laid before the Assembly. These Financial Statements have been authorized for issue on December 21, 2023.

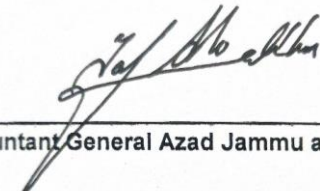
## **28 GENERAL**

### **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