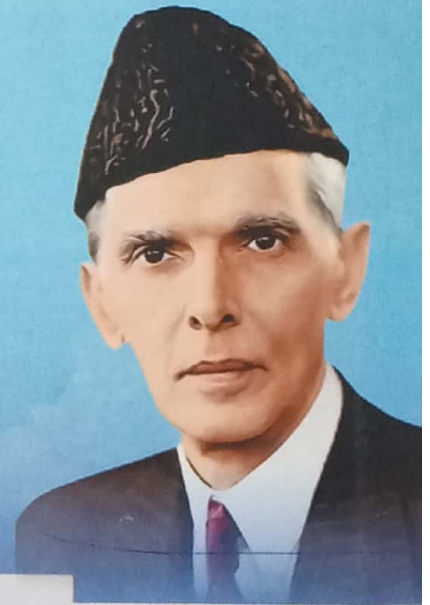




# FINANCIAL STATEMENTS of the Federal Government 2022-23



Government of Pakistan



# **FINANCIAL STATEMENTS**

of the

Federal Government

**Financial Year 2022 – 23**

**Government of Pakistan**

## **Controller General of Accounts**

CGA Complex  
Sector G-5/2, Islamabad  
Tel: (051) 9201322-25

## **Accountant General Pakistan Revenues**

AGPR Complex  
Sector G-8/4, Islamabad  
Tel: (051) 9260372-78

## CONTENTS

Pre Face.....	01-02
Management Analysis.....	03-16
Auditor's Report.....	17-18
Statement of Cash Receipts and Payments.....	19-20
Statement of Cash Flows.....	21
Statement of comparison of Budgeted and Actual Amounts by Function.....	22
Statement of comparison of Budgeted and Actual Expenditures by Division.....	23
Statement of Appropriation of Grants by Object.....	24-26
Notes to the Financial Statements.....	27-37

## PREFACE

I am pleased to present the Audited Financial Statements of the Federal Government for the year ended 30th June, 2023 together with the Auditors' Report thereon along with the management analysis report.

The Financial Statements of the Federal Government for the financial year 2022 - 23 have been prepared by the Accountant General Pakistan Revenues, Islamabad 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.

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 and Management Analysis report 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.

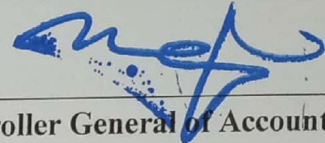
The format of International Public Sector Accounting Standards (IPSAS) Cash Basis - Financial Reporting under the Cash Basis of Accounting has been adopted for the preparation of these Financial Statements.

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 Federal Consolidated Fund and Public Account for which Annual Budget Statement is authorized by the Parliament 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.

Islamabad, Pakistan

Date:



Controller General of Accounts

20 DEC 2023

## MANAGEMENT ANALYSIS

### INTRODUCTION

The Financial Statements of the Federal Government provide a record of the Government's financial performance over the financial year 2022-23 in the statement of cash receipts and payments, its cash flows along with comparison with the revised budget approved by the Parliament in the statements of comparison of budget and actual amounts by function and actual expenditure by division.

The financial statements for the financial year 2022 - 23 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.

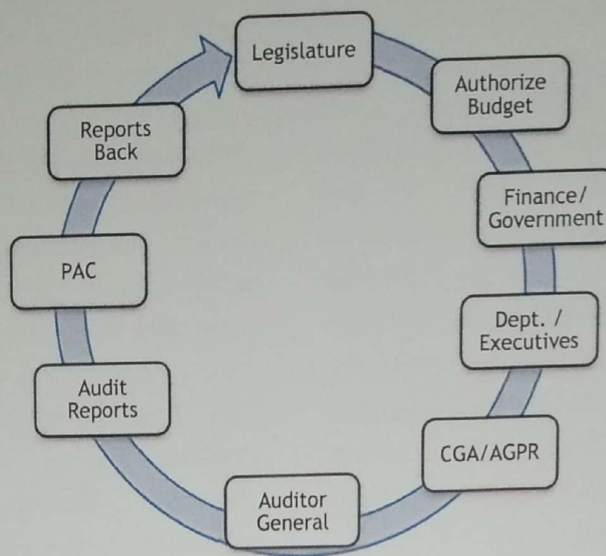
The financial statements have been prepared by the Accountant General Pakistan Revenues (AGPR) by consolidating the information relating to all Federal Government entities which it receives from AGPR sub offices and Self Accounting Entities.

### FINANCIAL MANAGEMENT

The financial management cycle starts with the preparation of annual budget statement which is approved by the parliament. A detailed elaboration of the financial management cycle is as follows;

1. Each year Ministry of Finance receives budget estimates from the Government agencies.
2. The annual budget is prepared on the basis of the resources available and priorities of the Government.
3. Parliament approves the budget.
4. Principal Accounting Officer sanctions the expenditure.
5. Controller General of Accounts is responsible for the regulation of preparation of annual financial statements. This task is accomplished through Accountant General Pakistan Revenues (AGPR) who has the prime responsibility for disbursements, keeping a record of transactions and preparation of annual financial statements of the Federal Government whereas for self accounting entities this task is accomplished by the Principal Accounting Officer (PAO).
6. Each year Auditor-General of Pakistan certifies the financial statements of federal, provincial and district governments.
7. Audited Financial Statements and Audit Reports are laid before the National Assembly. These reports are then discussed in the Public Accounts Committee who then reports back to the National Assembly.

## Financial Management Cycle



### GOVERNANCE STRUCTURE

Pakistan is a federal republic to be known as Islamic Republic of Pakistan and the territories of Pakistan comprises of the provinces of Balochistan, Khyber Pakhtunkhwa, Punjab and Sindh, Islamabad Capital Territory.

As per the Constitution of the Islamic Republic of Pakistan, 1973, the President of Pakistan has the executive authority of the federation with a Cabinet of Ministers headed by the Prime Minister to aid and advise the President in the discharge of his duties and all executive actions of the federal government shall be expressed to be taken in the name of the President. The executive authority of the federation extends to the matters with respect to which Parliament has power to make law including exercise of rights, authority and jurisdiction in relation to areas outside Pakistan.

To perform the executive function and to carry out the functions and fulfill the

responsibilities, the Constitution requires the President of Pakistan to make rules for the allocation and transaction of the business of the Federal Government. Under the provision of Article 90 and 99 of the Constitution, Rules of Business 1973 were made which define the administrative structure, allocation and transaction of the business of the Federal Government.

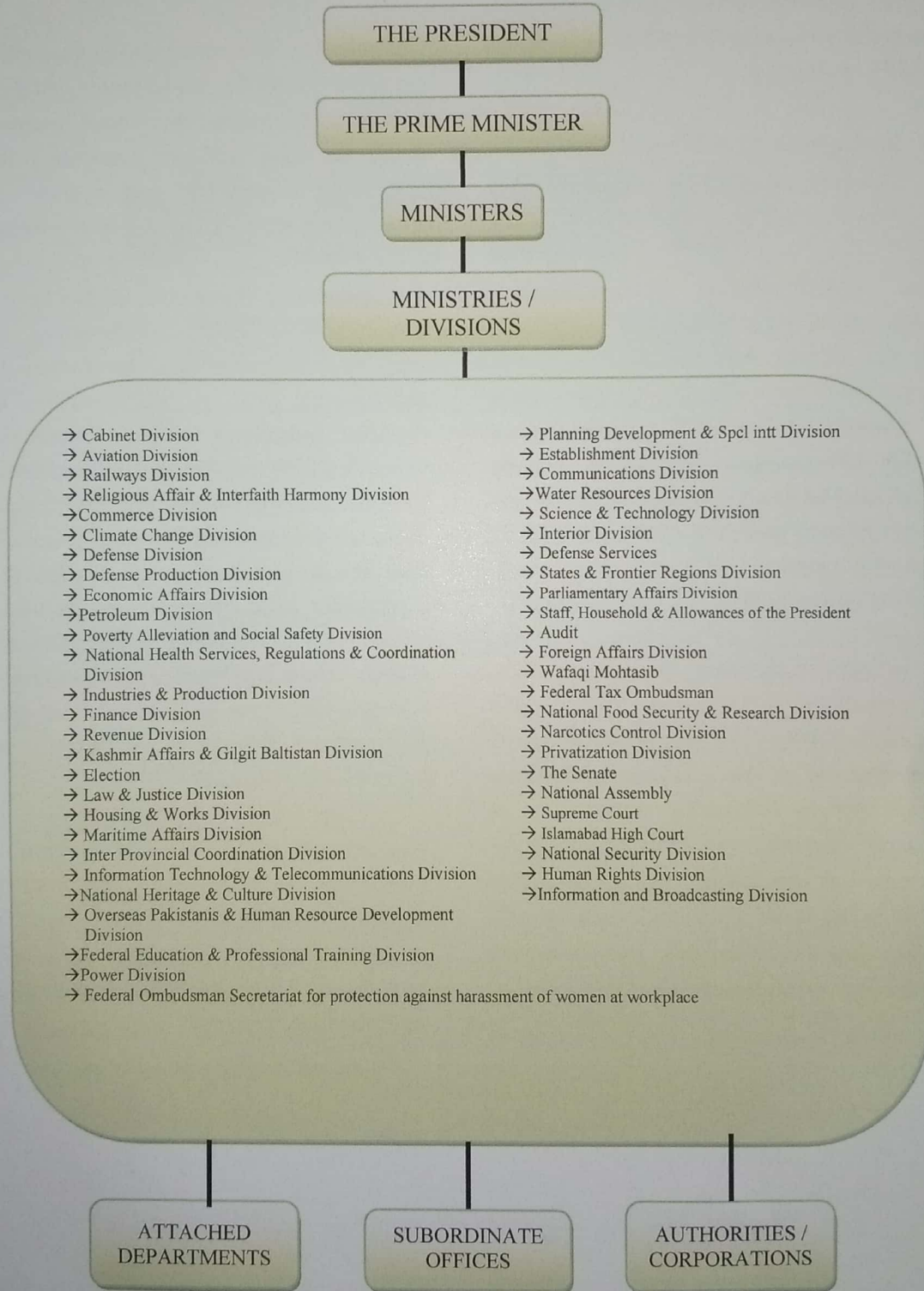
A Division is the basic self contained unit for the conduct of the business of the Federal Government and a division or group of divisions can be constituted as a Ministry with a Minister-in-Charge under Rules of Business, 1973. Each ministry or division may have attached departments working directly under it to perform specific functions. In addition Federal Government includes subordinate offices, special purpose authorities and commercial enterprises which perform functions on behalf of the Federal Government. Prime



Minister is responsible for important policy decisions and formulation of

ministries or divisions and allocation of business amongst them.

### Administrative Structure of the Federal Government



## FINANCIAL ACCOUNTING AND REPORTING FRAMEWORK

Public Sector Accounting practices in Pakistan are currently undergoing major reforms aimed at increasing transparency, streamlining accountability and improving overall financial management in line with international standards and practices, which mainly include;

- Implementation and Use of SAP
- Development and Implementation of New Accounting Model

The SAP solution being currently implemented on a nationwide basis covers all the District Accounts Offices (DAO) and Agency Sub-Offices at the lowest level. The solution covers all Accountant General (AG) Offices and Accountant General Pakistan Revenues (AGPR) sub-offices at the provincial level, the AGPR Head Office and the Controller General of Accounts (CGA) headquarters.

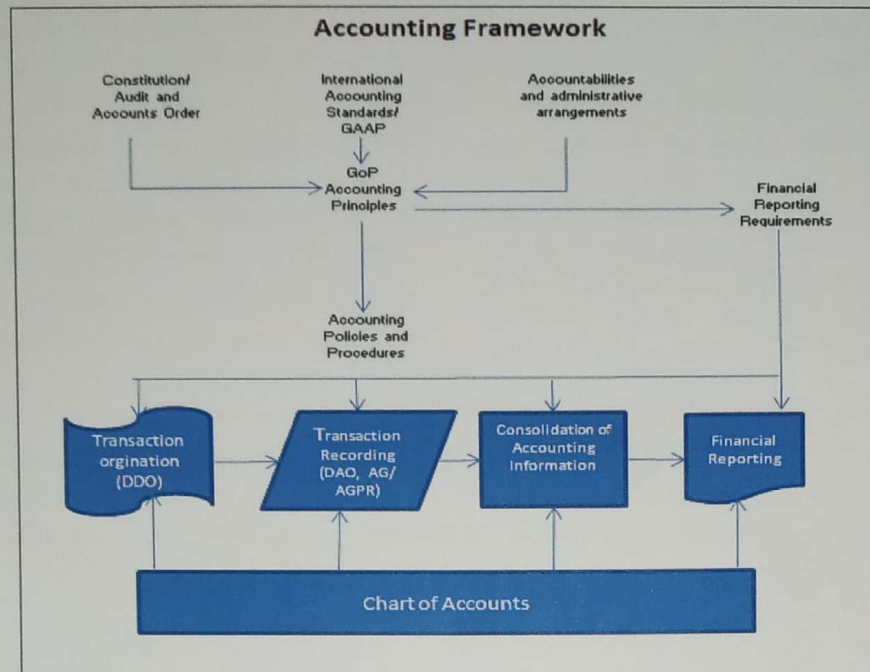
New Chart of Accounts was adopted from 1<sup>st</sup> July 2004. In December 2000, Auditor General of Pakistan prescribed NAM with the approval of the President of Pakistan under Article 170 of the Constitution of Islamic Republic of Pakistan. NAM is based on Modified Cash Basis of Accounting in which, 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 under the cash basis of accounting that recognizes transactions and events only when cash is received or paid by the entity.

The accounting framework of the Federal Government focuses 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 Federal Consolidated Fund and Public Account and consists of accounting principles, policies and procedures. The framework prescribes a particular basis of accounting, which is relevant and applicable to Pakistan, but also adopts, where applicable, the accounting concepts laid down in Generally Accepted Accounting Principles (GAAP) and International Standards.

The accounting framework integrates the accounting principles with the financial reporting requirements, the chart of accounts and the detailed accounting procedures. These linkages are shown in the following diagram:



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.

The Financial Statements include;

- Statement of Cash Receipts and Payments
- Statement of Cash Flows
- Statement of Comparison of Budgeted and Actual Amounts by Function
- Statement of Comparison of Budget and Actual Expenditure by Division
- Statement of Appropriation of Grants by Object
- Notes to the Financial Statements

The statements of comparison of budget and actual amounts by function and actual expenditure by division are presented on a gross basis, whereas receipts and payments of floating debt in the Statement of Cash Receipts and Payments and Statement of Cash Flows have been netted off for which a reconciliation has been presented on a net basis as disclosed in the notes to the financial statements.

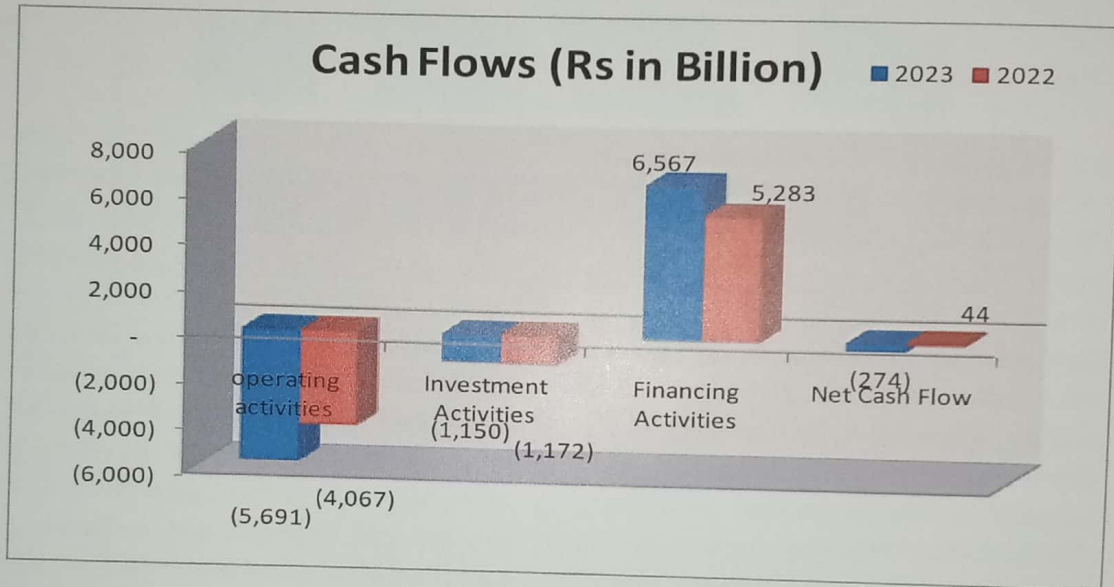
Assets and liabilities of the Federal Government are disclosed in the notes to the Financial Statements and are recorded on a historical cost basis and do not include accrued receipts and payments.

## FINANCIAL REVIEW

### CASH FLOWS

The net cash flows for the year has decreased by Rs. 273,910 million bringing the balance of cash and cash equivalents at end of the year from Rs. 930,491 million last year to a balance of Rs.656,581 million. Cash used in operating activities increased by 39.94%.

The outflows from investing activities have also increased by 1.82%, and the cash flows from financing activities raised by 24.32% as compared to previous year's activities.



### RECEIPTS AND PAYMENTS

#### RECEIPTS

##### *Taxation*

During the year under review tax receipts were Rs. 7,177,035 million as compared to Rs. 6,155,166 million for the previous financial year, which represents an increase of 16.6%. Out of total tax collections for the financial year 2022-2023, the Federal Government has transferred Rs. 4,097,393 million to the provinces. These transfers are made from all heads of taxes in accordance with the

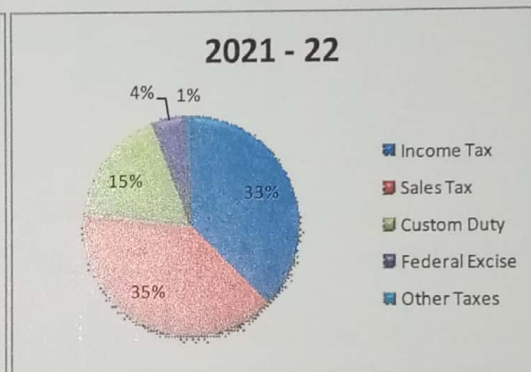
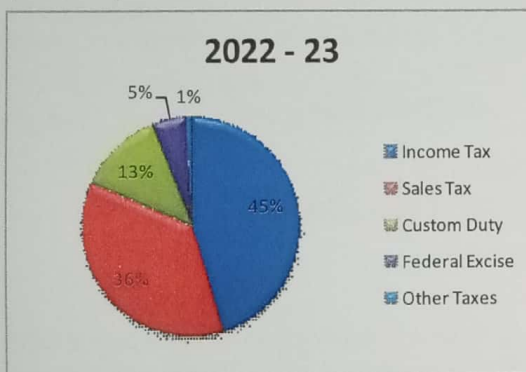
NFC award. The net tax reported after the transfers leaves the Federal Government with tax revenue of Rs 3,019,642 million against Rs. 2,671,647 million in comparison with the previous financial year.

The Federal Board of Revenue (FBR) introduced a wide-ranging tax and tariff reforms implemented under Tax Administration Reform Program (TARP). TARP was reportedly effectively implemented by widening the tax base by reducing exemptions, incentives and concessions, reducing multiplicity of rates, lowering tax rates, shifting the incidence of tax burden from production to consumption, moving away from the

excessive reliance on manufacturing and taxing all value additions including services, enhancing the neutrality between present and future consumption, enhancing the neutrality of the tax system to forms of business organizations and sources of finance, and re-engineering business process of the tax system to overcome the culture of tax avoidance and evasion.

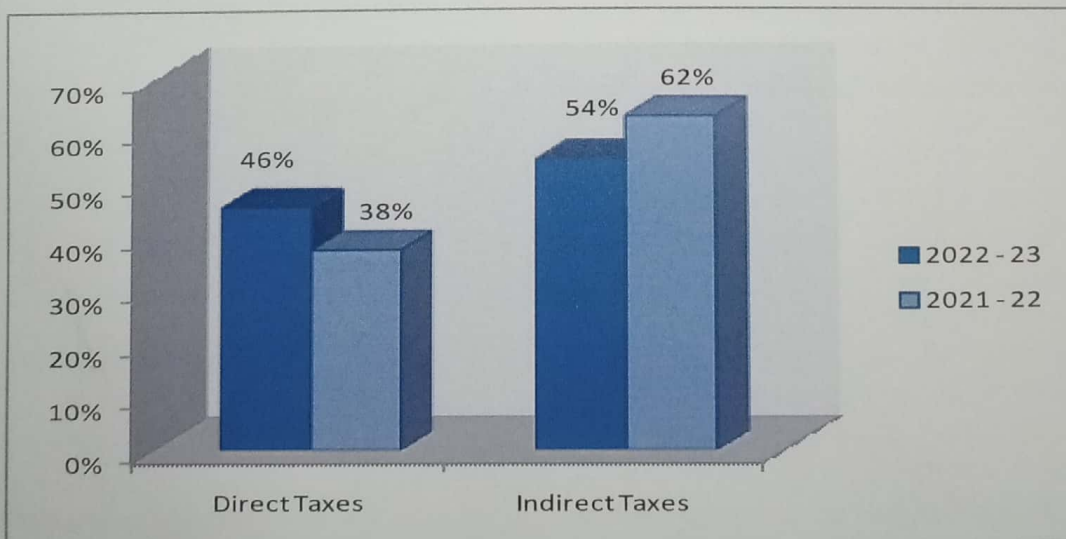
The basic philosophy of tax and tariff reform has been to move away from investment and production based taxes to income (direct taxes) and consumption (sales tax) based taxes. Pakistan has

succeeded in changing the composition of its taxes but much more effort will be needed to enhance the share of direct taxes in total taxes. A bird eye view of the tax composition is presented below;



The composition of direct taxes and indirect taxes for the year under review has

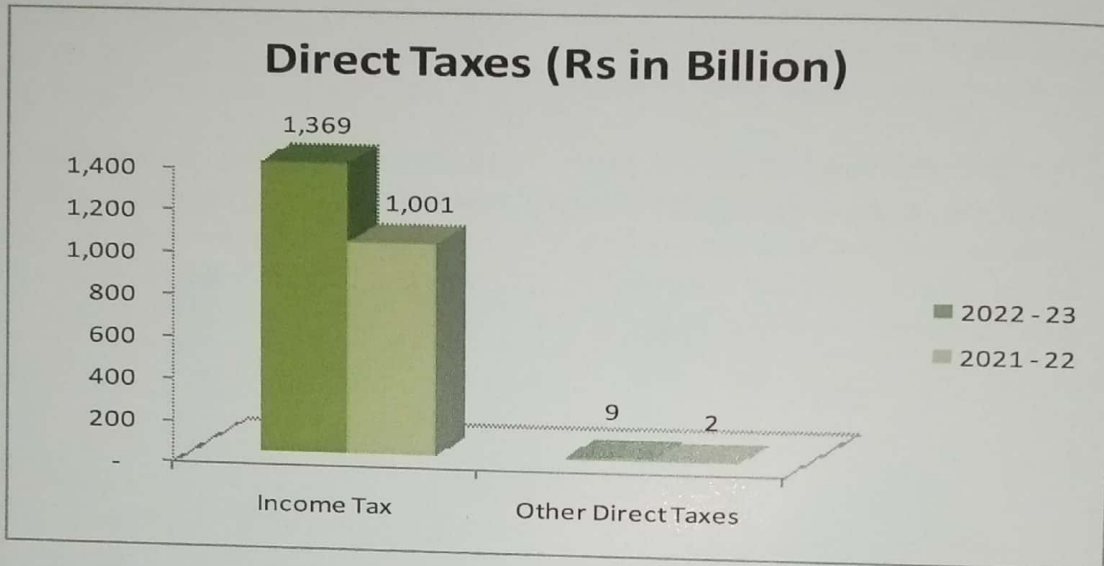
been; Direct taxes 46% and indirect taxes 54%, out of total taxes.



### Direct Taxes

The direct taxes are a major source of federal tax revenues after sales tax. Direct tax consists of Income Tax, withholding tax, capital value tax, tax on profession, trade and callings and other miscellaneous taxes.

The net collection of direct taxes has increased by Rs 375 billion as compared to previous year. Composition of direct taxes for the financial years is depicted below.

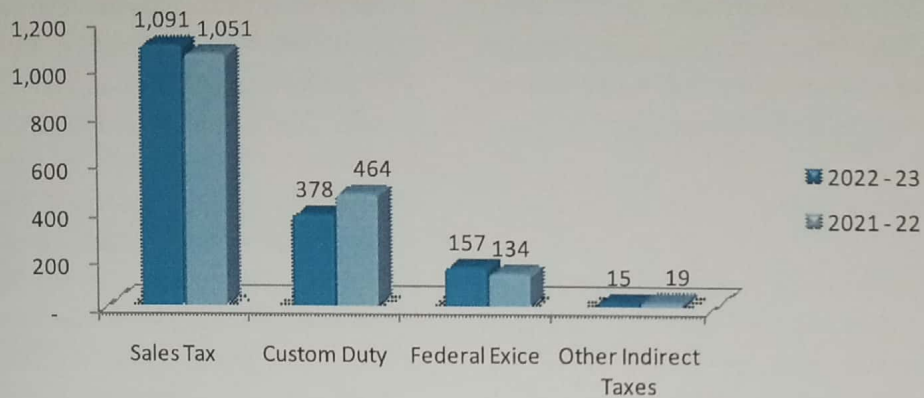


### Indirect Taxes

Indirect taxes are the largest contributor to federal tax revenues. Major contributors of Indirect taxes are sales tax, customs duty and federal excise duty. The total revenue from Indirect taxes for the current year amounted to Rs. 1,642 billion. Sales tax has emerged as the leading revenue source

in recent years. Due to its buoyant nature, the share of sales tax has come to 66.46% of the total indirect tax collected, customs to 23.01% and Federal Excise 9.59% of the total indirect taxes.

### Indirect Taxes (Rs in Billion)

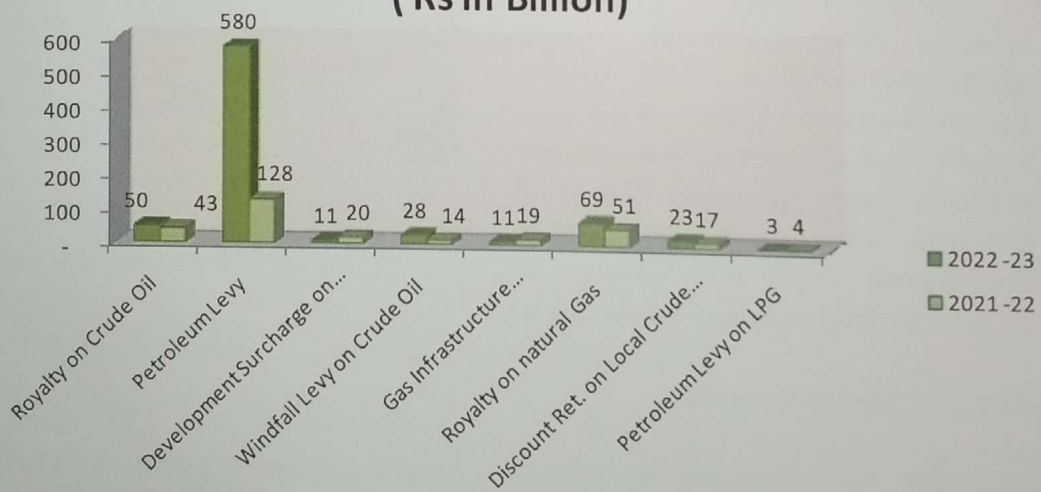


### Development Surcharge and Royalties

Items exhibiting major movements here are Petroleum Levy showing 354.71% increase from previous year and Royalty

on Natural Gas 35.7% increase from last year.

### Development Surcharge & Royalties (Rs in Billion)



### Borrowings

#### 1. Domestic Debt

During the year under review domestic debt receipts amounted to Rs. 9,823,845

million which consist of permanent debt and floating debt-net basis.

Permanent domestic debt raised during the current financial year was Rs. 7,285,985 million as compared to Rs. 6,525,073 million in the last financial year. The major sources were Pakistan Investment Bonds (Rs. 6,406,109 million) & Sukuk (Rs. 867,474) million.

## **2. Foreign Debt**

In the year under review, the receipts of foreign debt recorded were Rs. 2,879,570 million this year as compared to Rs. 3,083,403 million last year which represents a decrease of 6.61%. Amongst foreign lenders, Chinese sources loan amounted to Rs. 1,001,062 million during the year, Saudi Arabia Rs. 293,893 million. Other major donors were IMF Rs. 256,433 million, IDA Rs. 482,046 million, ADB Rs. 514,717 million.

### ***Dividend and profit share***

Dividend represents dividends received against the investments made by the Federal Government in financial and non-financial institutions. Non-financial institutions were the prime source of dividends received in the Federal Consolidated Fund. An increase of 43.29% in total dividend receipts was

### ***Recovery of loans and advances***

This item has witnessed an upward movement in aggregate. Compared to previous year, an increase of 36.38% in recoveries has been recorded. As far as recoveries from provinces are concerned, figure of last year stood at Rs. 276,177

recorded in comparison to the previous financial year; the current year's receipt amounted to Rs. 68,669 million. Out of total dividend income, dividend from OGDCL was Rs. 26,771 million, Pak Arab Refinery Ltd. Rs. 22,020 million and from GHPL was Rs. 5,000 million.

Share of profits represents distributable profits from the State Bank of Pakistan and any other authority to the Federal Government against the appropriation of their net profits from their investment holdings. The profit share received during the year was Rs. 371,186 million. Profit share from PTA amounted to Rs. 87,382 million this year.

The surplus profit of the SBP, after making provision of reserve fund dividend payments, is transferred to the Federal Government.

million compared to Rs. 382,351 million this year.



## PAYMENTS

The Federal Government's plan of better fiscal transparency and improving expenditure management is still at the forefront of policy despite the impediments faced by the country during this fiscal year. Total payments made from Federal Consolidated Fund during the current year increased by Rs. 4,525 billion (34.16%) from the previous year. Total payments made during the year amounted to Rs. 17,771 billions as compared to Rs. 13,246 billion last year.

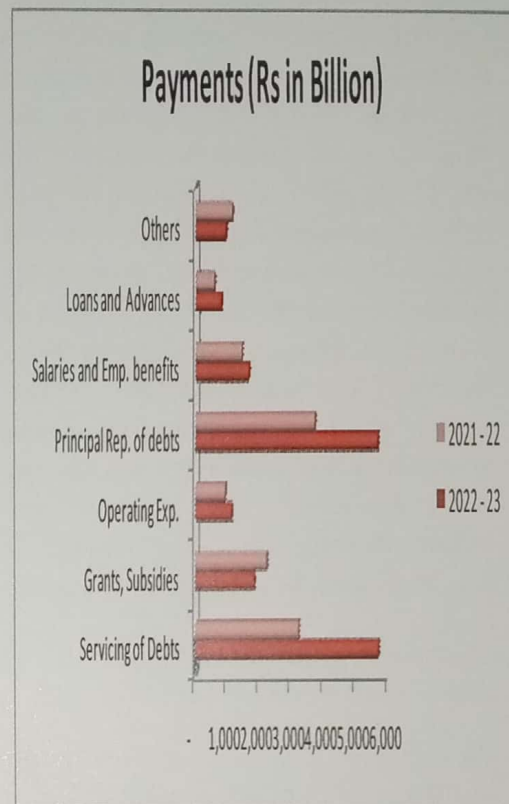
The major payments include salaries and employees benefits amounting to Rs. 1,661 billions, operating expenditure amounting to Rs. 1,130 billions, servicing of debt Rs. 5,702 billions, grants, subsidies and write-off of loans Rs. 1,839 billions and principal repayment of debts amounting to Rs. 5,700 billions. The Principal Repayment of Debt consisted of repayment of domestic debt of Rs. 2,459 billions and Rs. 3,241 billion for repayment of foreign debt. Out of total debt servicing payments of Rs. 5,702 billions, the domestic debt servicing cost was Rs. 4,942 billions and foreign debt servicing cost was Rs. 760 billions.

### THE BUDGET 2022-2023

The budget is the principal document by which the Government sets out its financial plan for each financial year, namely how much the plan will cost (i.e. expenditure) and how much and in what way, money will be raised to finance the expenditure (i.e. revenue). It consists of the following documents;

- Annual Budget Statement (article 80 of constitution)

The composition of payments made has been detailed below;



- Schedule of Authorized Expenditure - detailed estimates of Consolidated Fund - current expenditure and detailed estimates of Consolidated Fund - development expenditure (Article 83 of the constitution)
- Finance Act - the legal instrument through which the budget becomes an act of law.

## ***Medium-Term Budgetary Framework (MTBF)***

Previously the budget process was structured to provide only annual budget. This did not permit spending agencies to formulate their programs more than a year with uncertainty regarding the availability of resources beyond the annual budget. In order to allow these spending agencies to plan their programs in a consistent and coherent manner, the Government has initiated the process of putting in place a Medium - Term Budgetary Framework (MTBF). MTBF assists in improving the overall quality of planning and budgetary process and also enhancing the quality and effectiveness of public expenditure. It has introduced the concept of multi-year

### ***Analysis of Budget - Comparison of Actual With Budget***

Capital and Revenue are two major categories of receipts disclosed in the financial statements. An amount of Rs.

#### ***Budgeted Payments***

The detail below depicts the allocation of original and revised budget of expenditure. This entails distribution of original and revised budget on different

budgeting. MTBF will enable ministries to prioritize their spending plan within the indicated envelop and will, to a great extent, reduce the uncertainties that impede effective planning.

The MTBF reforms initiated in 2003 comprise two major components – the strategic or "top-down" component implemented in the Ministry of Finance and the "bottom up" component which introduces strengthened budget preparation through output based budgeting, progressively across the Federal Ministries.

4,700,562 million was budgeted as revenue receipts against which actual receipts collected were Rs. 4,643,531 million. Budgeted Capital receipts were Rs. 31,797,840 million and the actual receipts were of Rs. 35,739,170 million.

functions of the Government i.e. percentage of budget allocated originally and its subsequent revision in different functions.

**FEDERAL GOVERNMENT**  
**Statement of Comparison of Budgeted and Actual Amounts by Function**  
**For the Year Ended 30 June 2023**

Note	2023 (Rupees in million)			2022 (Rupees in million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
<b>RECEIPTS</b>						
<b>Revenue</b>						
Taxation	3,228,389	3,171,541	3,019,642	2,533,310	2,651,604	2,671,647
Non-taxation	1,819,495	1,529,021	1,623,889	1,996,111	1,208,614	1,087,935
<b>Total revenue receipts</b>	<b>5,047,884</b>	<b>4,700,562</b>	<b>4,643,531</b>	<b>4,529,421</b>	<b>3,860,218</b>	<b>3,759,582</b>
<b>Capital</b>						
Domestic debt	21,775,851	28,196,506	32,456,168	22,783,874	22,034,168	24,460,579
Foreign debt	5,516,377	3,278,678	2,879,570	2,714,977	3,891,667	3,083,403
Recoveries of loans and advances	253,576	322,656	403,432	273,352	305,697	295,809
<b>Total capital receipts</b>	<b>27,545,804</b>	<b>31,797,840</b>	<b>35,739,170</b>	<b>25,772,203</b>	<b>26,231,532</b>	<b>27,839,791</b>
<b>TOTAL RECEIPTS</b>	<b>32,593,688</b>	<b>36,498,402</b>	<b>40,382,701</b>	<b>30,301,624</b>	<b>30,091,750</b>	<b>31,599,373</b>
<b>PAYMENTS</b>						
<b>Revenue</b>						
General public services	6,480,929	7,991,314	8,051,138	5,837,367	5,960,901	5,982,193
Defence affairs and services	1,570,611	1,606,078	1,601,534	1,376,467	1,476,585	1,486,543
Public order and safety affairs	213,405	225,309	228,770	187,230	208,290	208,319
Economic affairs	352,725	542,149	536,250	267,648	609,278	601,024
Environment protection	10,349	4,740	4,698	14,763	10,601	10,087
Housing and community amenities	12,644	13,274	9,061	47,902	16,931	10,490
Health affairs and services	32,283	36,343	35,892	50,099	172,516	162,560
Recreation, culture and religion	15,956	17,491	17,560	15,018	15,911	15,752
Education affairs and services	138,882	144,510	146,938	68,289	55,789	54,957
Social protection	371,376	450,498	450,386	257,544	351,786	351,129
<b>Total revenue payments</b>	<b>9,199,160</b>	<b>11,031,707</b>	<b>11,082,227</b>	<b>8,122,327</b>	<b>8,878,588</b>	<b>8,883,054</b>
<b>Capital</b>						
General public services	24,199,507	29,211,344	29,214,724	23,718,376	22,247,326	22,298,305
Economic affairs	23,820	108,747	107,232	38,901	34,461	27,443
Recreation, culture and religion	-	-	-	51	51	51
<b>Total capital payments</b>	<b>24,223,328</b>	<b>29,320,090</b>	<b>29,321,956</b>	<b>23,757,328</b>	<b>22,281,838</b>	<b>22,325,799</b>
<b>TOTAL PAYMENTS</b>	<b>33,422,488</b>	<b>40,351,797</b>	<b>40,404,183</b>	<b>31,879,655</b>	<b>31,160,426</b>	<b>31,208,853</b>

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

*Atmarubi*

Accountant General Pakistan Revenues

**FINANCIAL SYSTEM, CONTROLS AND LEGAL COMPLIANCE**

**Financial System and Control**

The effectiveness and credibility of government policies is critically dependent on the availability of timely and accurate financial and management information, a framework of financial and accounting principles and procedures designed according to internationally accepted standards. The Government has made significant progress in its efforts to re-engineer its economic and financial management function to include as key elements of its strategy:

- Modern accounting system designed according to internationally recognized accounting principles and standards, and based on modern information technology to ensure ready availability of relevant, Accurate and timely information required by economic managers as a decision support system.
- Implementation of the world most advanced Enterprise Resource Planning (ERP) system, SAP has been implemented at AG offices. Two modules namely Financial and Controlling (SAP-FICO) and Human Resources (SAP-HR) are currently in

use. This system has contributed a lot in the preparation of financial statements. Additionally, procedures of Payroll and General Provident Fund have become more effective. Burden on the employees has been reduced and effectiveness ensured. Due to its advanced functionalities, tracking of each and every case of GP fund or payroll has become very easy and full information can be retrieved even after a number of years.

- Increasing professionalization of the elements of its civil services which deal with financial and economic management, requiring key competencies in staff training and appropriate human resource

The CGA has circulated the Principles for Internal Financial Control (PIFC) to Ministry of Finance and the Provincial Finance department as required under section 5(d) of the Controller General of

Accounts Ordinance, 2001. These principles have been based on the Committee of Sponsoring Organizations (COSO) Framework that confirms to best practices of internal controls standards.

These PIFC principles are discussed in twenty high levels internal financial controls governed by five major components namely control environment, risk assessment, control activities, information and communications and monitoring.

These concepts apply to all aspects of an organization's operations. However, they do not intend to limit or interfere with duly granted authority related to developing legislation, rule making, or other discretionary policy making in an organization and focuses on ensuring reliability of financial information being generated, safeguarding of assets as well

management policies emphasizing performance, experience and knowledge; and,

- Increasing partnership between the private and public sectors in their respective areas of comparative advantage.

The Government has implemented *New Accounting Model (NAM)* to improve expenditure management and fiscal transparency. NAM was approved subject to its implementation which is in process. Keeping in view the massive scale and complexity of government accounting significant progress has taken place. However, at present memorandum registers for assets and commitments do not exist and accounting of liabilities is still in the process of completion.

as compliance with laws and regulations affecting financial reporting, disbursements and financial control.

The role of Principal Accounting Officers (PAO) and Chief Finance and Account Officers (CFAO's) is to establish a control mechanism to exercise oversight responsibility relating to financial management including financial control and reporting and as an effective member of the audit committee established by the management.

### ***Legal Compliance***

All Federal Ministries, Self Accounting Entities and Government Departments are required to comply with a wide range of laws and regulations, including budgetary appropriations, employment, health and safety and others. The responsibility of compliance primarily rests with the Principal Accounting Officers and its compliance with relevant laws is conducted by the Auditor-General office as part of its financial statements audit.



### Auditor's Report

I have audited the accompanying financial statements of the Federal Government, which comprise the statements of receipts and payments for the year ended 30<sup>th</sup> June 2023, statement of cash flows, statement of comparison of budget and actual amounts by function, statement of comparison of budget, actual expenditure by division and statement of appropriation of grants by object for the year then ended and examined significant accounting policies and other explanatory notes.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit in accordance with the requirements of Article 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 & 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 fairly present, in all material respects, the financial position of the federal government as at 30 June, 2023 and its receipts and expenditures for the year in accordance with IPSAS cash basis format and other applicable accounting policies.
- (b) The sums expended have been applied, in all material respects, for the authorized and stated purposes.

### Emphasis of Matter:

Without qualifying my opinion, I draw your attention to the matter that after introduction of Treasury Single Account (TSA), draft accounting procedures are not followed in letter and spirit by PPOD as the same are still unapproved. Therefore, some GPOs are not booking receipts and payments in the proper head of accounts which resulted in to a negative balance of Rs 37.729 billion under various heads of accounts. Further, head-wise reconciliation of receipts and payments was not made with the bank accounts in violation of Rule 5(10) of Cash Management (Treasury Single Account) Rules, 2020. Finalization of accounting procedures and head-wise reconciliation of receipts with bank accounts is strongly recommended to mitigate the associated risks and uphold the integrity and effectiveness.

**Other Reports**

Reports covering significant aspects of the financial governance or economical and effective utilization of public resources are submitted separately to the President under Article 171 of the Constitution of the Islamic Republic of Pakistan.

**(Muhammad Ajmal Gondal)**  
**Auditor General of Pakistan**

Islamabad, Pakistan

Dated: 20 DEC 2023

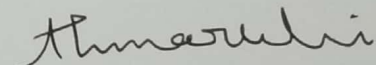
**FEDERAL GOVERNMENT**  
**Statement of Cash Receipts and Payments**  
**For the Year Ended 30 June 2023**

	Note	2023 (Rupees in Million)		2022 (Rupees in Million)	
		Receipts / Payments Controlled by Federal Government	Payments by Third Parties	Receipts / Payments Controlled by Federal Government	Payments by Third Parties
<b>FEDERAL CONSOLIDATED FUND</b>					
<b>RECEIPTS</b>					
<i>Taxation</i>					
Income tax		1,369,324	-	1,000,756	-
Sales tax		1,091,123	-	1,051,411	-
Custom duty		377,791	-	464,006	-
Federal excise		157,405	-	133,983	-
Other taxes		23,999	-	21,491	-
	7	3,019,642	-	2,671,647	-
<i>Non-Tax Revenue and Other Receipts</i>					
General administration receipts	8	14,106	-	14,393	-
Economic Services Receipts	9	7,029	-	2,849	-
Defence services receipts	10	21,194	-	17,728	-
Development surcharge and royalties	11	648,947	-	189,246	-
Citizenship, nationalization, passport and copyright		34,516	-	21,636	-
Interest on loans and advances	12	259,801	-	121,356	-
Dividend and profit share	13	527,877	-	624,928	-
Others		95,190	-	69,801	-
		1,608,660	-	1,061,937	-
<i>Grants and Aid</i>					
Development grants	14	8,002	95	9,367	574
<i>Borrowings</i>					
Foreign debt	15	2,696,985	182,585	2,850,016	233,387
Domestic permanent debt	16.1	7,285,985	-	6,525,073	-
Domestic floating debt-net	17	2,537,860	-	(27,548)	-
		12,520,830	182,585	9,347,541	233,387
<i>Capital Receipts</i>					
Recovery of loans and advances	18	403,432	-	295,807	-
Privatization Proceeds	19	-	-	-	-
Investment recovery		-	-	2	-
		403,432	-	295,809	-
<i>Trading Activities</i>					
	20	7,132	-	16,057	-
<b>TOTAL RECEIPTS</b>		<b>17,567,698</b>	<b>182,680</b>	<b>13,402,358</b>	<b>233,961</b>

**FEDERAL GOVERNMENT**  
**Statement of Cash Receipts and Payments**  
**For the Year Ended 30 June 2023**

	Note	2023 (Rupees in Million)		2022 (Rupees in Million)	
		Receipts / Payments Controlled by Federal Government	Payments by Third Parties	Receipts / Payments Controlled by Federal Government	Payments by Third Parties
<b>PAYMENTS</b>					
<i>Operations</i>					
Salaries and employees benefits	21	1,656,910	4,483	1,443,413	-
Operating expenses		1,129,844	-	827,580	95,537
		2,786,754	4,483	2,270,993	95,537
<i>Transfers</i>					
Grants, subsidies and write-off of loans		1,803,836	35,586	2,222,521	-
Other transfer payments		42,686	11	118,484	-
		1,846,522	35,597	2,341,005	-
<i>Expenditures on</i>					
Physical assets		357,345	19	415,766	-
Civil works		318,660	816	233,187	-
Others		9,859	1	9,114	-
		685,864	836	658,067	-
<i>Debt and Interest Payments</i>					
Principal repayments of debts	22	5,700,076	-	3,718,573	-
Servicing of debts	23	5,701,219	935	3,213,744	-
		11,401,295	935	6,932,317	-
<i>Other Payments</i>					
Loans and advances	24	654,112	140,829	441,010	138,424
Investments	25	214,633	-	368,445	-
		868,745	140,829	809,455	138,424
<b>TOTAL PAYMENTS</b>		<b>17,589,180</b>	<b>182,680</b>	<b>13,011,838</b>	<b>233,961</b>
<b>NET PAYMENT OF FEDERAL CONSOLIDATED FUND</b>		<b>(21,482)</b>	<b>-</b>	<b>390,521</b>	<b>-</b>
<b>NET RECEIPT OF PUBLIC ACCOUNT</b>	26	<b>(252,428)</b>	<b>-</b>	<b>(346,043)</b>	<b>-</b>
<b>INCREASE / (DECREASE) IN CASH</b>		<b>(273,910)</b>	<b>-</b>	<b>44,478</b>	<b>-</b>
<b>CASH AT THE BEGINNING OF THE YEAR</b>		<b>930,491</b>	<b>N/A*</b>	<b>886,013</b>	<b>N/A*</b>
<b>INCREASE / (DECREASE) IN CASH</b>		<b>(273,910)</b>	<b>N/A*</b>	<b>44,478</b>	<b>N/A*</b>
<b>CASH AT THE END OF THE YEAR</b>	27	<b>656,581</b>	<b>N/A*</b>	<b>930,491</b>	<b>N/A*</b>

The annexed notes 1 to 31 form an integral part of these financial statements.  
N / A\* = Not Applicable



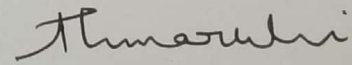
Accountant General Pakistan Revenues



**FEDERAL GOVERNMENT**  
**Statement of Cash Flows**  
**For the Year Ended 30 June 2023**

	Note	2023 Rupees in million	2022 Rupees in million
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Tax receipts	7	3,019,642	2,671,647
Non-tax revenue & other receipts		1,608,660	1,061,937
Development grants	14	8,002	9,367
Trading activities	20	7,132	16,057
Operations payments		(2,786,754)	(2,270,993)
Servicing of debt	23	(5,701,219)	(3,213,744)
Transfers		(1,846,522)	(2,341,005)
<i>Cash used in Operating Activities</i>		(5,691,059)	(4,066,734)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Recoveries of loans and advances	18	403,432	295,807
Privatization Proceeds	19	-	-
Investments recoveries		-	2
Expenditure on physical assets, civil works & others		(685,864)	(658,067)
Investments	25	(214,633)	(368,445)
Payments of loans and advances	24	(654,112)	(441,010)
<i>Cash used in Investing Activities</i>		(1,151,177)	(1,171,713)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipt of domestic permanent debt	16	7,285,985	6,525,073
Receipt of foreign debt	15	2,696,985	2,850,016
Domestic floating debt-net	17	2,537,860	(27,548)
Principal repayments of debt	22	(5,700,076)	(3,718,573)
Net receipt of public account	26	(252,428)	(346,043)
<i>Cash from Financing Activities</i>		6,568,326	5,282,925
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		(273,910)	44,478
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		930,491	886,013
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	27	<u>656,581</u>	<u>930,491</u>

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



Accountant General Pakistan Revenues

**FEDERAL GOVERNMENT**  
**Statement of Comparison of Budgeted and Actual Amounts by Function**  
**For the Year Ended 30 June 2023**

Note	2023 (Rupees in million)			2022 (Rupees in million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
<b>RECEIPTS</b>						
	<b>Revenue</b>			<b>Revenue</b>		
	3,228,389	3,171,541	3,019,642	2,533,310	2,651,604	2,671,647
	1,819,495	1,529,021	1,623,889	1,996,111	1,208,614	1,087,935
	<b>5,047,884</b>	<b>4,700,562</b>	<b>4,643,531</b>	<b>4,529,421</b>	<b>3,860,218</b>	<b>3,759,582</b>
	<b>Capital</b>			<b>Capital</b>		
	21,775,851	28,196,506	32,456,168	22,783,874	22,034,168	24,460,579
	5,516,377	3,278,678	2,879,570	2,714,977	3,891,667	3,083,403
	253,576	322,656	403,432	273,352	305,697	295,809
29	<b>27,545,804</b>	<b>31,797,840</b>	<b>35,739,170</b>	<b>25,772,203</b>	<b>26,231,532</b>	<b>27,839,791</b>
	<b>32,593,688</b>	<b>36,498,402</b>	<b>40,382,701</b>	<b>30,301,624</b>	<b>30,091,750</b>	<b>31,599,373</b>
<b>PAYMENTS</b>						
	<b>Revenue</b>			<b>Revenue</b>		
	6,480,929	7,991,314	8,051,138	5,837,367	5,960,901	5,982,193
	1,570,611	1,606,078	1,601,534	1,376,467	1,476,585	1,486,543
	213,405	225,309	228,770	187,230	208,290	208,319
	352,725	542,149	536,250	267,648	609,278	601,024
	10,349	4,740	4,698	14,763	10,601	10,087
	12,644	13,274	9,061	47,902	16,931	10,490
	32,283	36,343	35,892	50,099	172,516	162,560
	15,956	17,491	17,560	15,018	15,911	15,752
	138,882	144,510	146,938	68,289	55,789	54,957
	371,376	450,498	450,386	257,544	351,786	351,129
	<b>9,199,160</b>	<b>11,031,707</b>	<b>11,082,227</b>	<b>8,122,327</b>	<b>8,878,588</b>	<b>8,883,054</b>
	<b>Capital</b>			<b>Capital</b>		
	24,199,507	29,211,344	29,214,724	23,718,376	22,247,326	22,298,305
	23,820	108,747	107,232	38,901	34,461	27,443
	-	-	-	51	51	51
	<b>24,223,328</b>	<b>29,320,090</b>	<b>29,321,956</b>	<b>23,757,328</b>	<b>22,281,838</b>	<b>22,325,799</b>
29	<b>33,422,488</b>	<b>40,351,797</b>	<b>40,404,183</b>	<b>31,879,655</b>	<b>31,160,426</b>	<b>31,208,853</b>

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

*Humayun*

Accountant General Pakistan Revenues

**FEDERAL GOVERNMENT**  
**Statement of Comparison of Budgeted and Actual Expenditure by Division**  
**For the Year Ended 30 June 2023**

DIVISIONS	2023 (Rupees in million)			2022 (Rupees in million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
Aviation Division	14,908	15,485	15,474	5,041	3,183	3,173
Cabinet Division	142,319	114,801	114,755	403,497	465,643	457,210
Climate Change Division	10,201	4,691	4,648	14,795	10,634	10,119
Commerce Division	6,436	12,242	12,184	28,400	69,444	69,443
Communications Division	47,565	38,413	38,974	35,751	42,173	42,269
Defence Division	16,007	22,086	21,869	14,144	16,545	16,752
Defence Production Division	3,116	2,825	2,823	2,694	2,645	1,948
Defence Services	1,563,000	1,594,474	1,589,977	1,370,000	1,469,243	1,479,898
Economic Affairs Division	4,806,398	4,382,520	4,445,064	1,818,386	2,144,203	2,209,873
Establishment Division	6,628	6,581	6,500	5,849	5,651	5,609
Federal Education and Professional Training Division	138,799	145,710	148,084	137,804	125,598	124,319
Federal Ombudsman Secretariat for Protection Against Harassment of Women at Work Place	100	77	71	77	77	76
Finance Division	25,141,338	31,717,985	31,677,716	26,876,055	24,610,706	24,629,681
Foreign Affairs Division	27,341	36,648	36,331	23,137	27,387	27,234
Housing and Works Division	20,976	109,939	106,072	30,207	28,572	26,656
Human Rights Division	1,843	1,976	1,845	1,464	1,452	1,416
Industries and Production Division	36,561	52,074	52,020	16,632	60,860	60,832
Information and Broadcasting Division	10,829	14,835	14,968	10,074	11,720	11,659
Information Technology and Telecommunication Division	14,379	13,517	16,237	15,233	11,760	11,486
Interior Division	204,665	227,484	226,319	184,095	209,052	201,313
Inter-Provincial Coordination Division	5,571	3,651	3,524	5,396	2,342	2,257
Kashmir Affairs and Gilgit Baltistan Division	1,142	1,267	1,260	38,811	26,603	24,603
Law and Justice Division	14,846	13,952	14,318	18,175	14,335	14,514
Narcotics Control Division	3,843	3,831	3,862	4,023	3,940	3,927
National Food Security and Research Division	25,170	23,030	22,856	25,135	29,411	28,338
National Health Services, Regulations and Coordination Division	31,955	36,081	35,679	49,796	172,327	162,380
National Heritage and Culture Division	2,988	1,952	1,921	1,864	1,702	1,693
National Security Division	143	154	154	144	135	135
Overseas Pakistanis and Human Resource Development Division	1,880	1,868	1,996	1,626	1,728	1,732
Railways Division	77,963	73,157	73,160	72,326	64,911	61,899
Parliamentary Affairs Division	482	587	586	482	436	436
Petroleum Division	74,313	139,512	139,296	24,489	374,739	372,282
Planning, Development and Special Initiatives Division	47,966	32,128	71,027	112,177	16,126	16,075
Poverty Alleviation and Social Safety Division	372,820	424,106	423,852	2,754	10,751	10,588
Power Division	363,321	890,671	887,915	349,822	945,964	943,944
Privatization Division	237	234	231	215	215	214
Religious Affairs and Inter-Faith Harmony Division	1,285	1,270	1,310	1,231	3,545	3,502
Revenue Division	37,644	37,258	37,941	32,902	37,966	37,027
Science and Technology Division	17,328	14,820	14,802	18,542	13,431	13,365
States and Frontier Regions Division	787	780	769	2,621	3,290	3,349
Water Resources Division	93,942	96,875	96,279	92,996	82,136	81,363
Maritime Affairs Division	4,643	4,120	4,044	5,652	5,728	2,684
The Senate	3,746	3,746	3,709	3,748	3,144	3,108
National Assembly	6,161	6,161	6,198	5,581	5,270	5,200
Audit	6,096	6,236	6,277	5,953	5,996	5,992
Election	6,289	13,950	13,311	3,827	12,261	12,041
Federal Tax Ombudsman	306	320	321	279	295	293
Islamabad High Court	1,122	967	966	1,086	775	774
Staff Household and Allowances of The President	1,056	1,133	1,133	1,020	982	981
Supreme Court	3,091	2,679	2,618	2,810	2,555	2,355
Wafaqi Mohtasib	943	936	937	837	837	835
<b>TOTAL PAYMENTS</b>	<b>33,422,488</b>	<b>40,351,797</b>	<b>40,404,183</b>	<b>31,879,655</b>	<b>31,160,426</b>	<b>31,208,852</b>

Note

29

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

Accountant General Pakistan Revenues

FEDERAL GOVERNMENT  
Statement of Allocation of Grants by Object  
For the Year Ended 30 June 2023

(Rs. in million)

Grant Name	801 Machinery Related Expenditure	413 New/Up- Environment Analysis	403 Operating Expenses	404 Employment Benefits	405 Grants/Subsidies/White Off	406 Transfers	407 Interest Payment	408 Loans and Advances	409 Physical Assets	410 Principals/Programs of Loans	411 Investment	412 Civil Works	413 Repairs and Maintenance	Grant Total
1 - Chief Minister's Office	1,687	-	344	47	20	-	-	-	58	58	-	-	60	2,192
2 - Advertisements	8,308	-	1,322	85	85	-	-	-	106	106	-	-	-	10,335
3 - Cabinet	1,192	-	527	55	16	-	-	-	75	75	-	-	-	1,913
4 - Cabinet Division	10	-	310	-	-	-	-	-	-	-	-	-	-	703
5 - Information, Publicity and Propaganda	7,716	-	1,968	0	-	-	-	-	-	-	-	-	-	11,625
6 - Information, Publicity and Propaganda	1,232	-	174	-	-	-	-	-	-	-	-	-	-	1,409
7 - Atomic Energy	366	-	98	-	46	-	-	-	-	-	-	-	-	510
8 - Pakistan Nuclear Regulatory Authority	329	-	135	-	3	-	-	-	-	-	-	-	-	477
9 - State Planning (Housing Development Authority)	379	-	186	13	7	-	-	-	-	-	-	-	-	583
10 - State Planning (Housing Development Authority)	74	-	10	1	-	30,000	-	-	-	-	-	-	-	30,819
11 - National Disaster Management Authority	1,546	-	787	71	53	-	-	-	-	-	-	-	-	2,457
12 - National Disaster Management Authority	537	-	305	24	-	3,334	-	-	-	-	-	-	-	4,206
13 - National Disaster Management Authority	1,442	-	808	-	0	-	-	-	-	-	-	-	-	2,251
14 - National Disaster Management Authority	61	-	314	-	-	-	-	-	-	-	-	-	-	375
15 - National Disaster Management Authority	29	-	13	1	-	-	-	-	-	-	-	-	-	43
16 - National Disaster Management Authority	380	1	200	5	-	-	-	-	-	-	-	-	-	586
17 - National Disaster Management Authority	3,070	-	2,657	142	5,658	-	-	-	-	-	-	-	-	11,527
18 - National Disaster Management Authority	8,684	0	2,135	24	7,470	-	-	-	-	-	-	-	-	18,678
19 - National Disaster Management Authority	13,659	-	4,149	264	244	-	-	-	-	-	-	-	-	18,706
20 - National Disaster Management Authority	2,880	2	4,464	93	172	-	-	-	-	-	-	-	-	8,705
21 - National Disaster Management Authority	620,583	-	445,111	5	110	21	-	-	378,418	3	-	-	-	1,039,977
22 - National Disaster Management Authority	493	-	141	17	8	146	-	-	-	-	-	-	-	658
23 - National Disaster Management Authority	746	-	128	-	3,183	1,103	-	-	-	-	6,199	-	-	10,613
24 - National Disaster Management Authority	800	-	117	3	724,177	-	-	-	-	-	146,164	-	-	870,667
25 - National Disaster Management Authority	15,927	15	295	21	20	-	6,238	-	-	-	-	-	-	136,948
26 - National Disaster Management Authority	604	-	4,216	312	83	-	-	-	-	-	-	-	-	5,215
27 - National Disaster Management Authority	-	-	1,025	-	68,226	-	-	-	-	-	-	-	-	70,251
28 - National Disaster Management Authority	308	-	115	-	-	-	-	-	-	-	-	-	-	423
29 - National Disaster Management Authority	899	-	818	24	16	5	-	-	-	-	-	-	-	1,742
30 - National Disaster Management Authority	1,869	-	467	79	34	-	-	-	-	-	-	-	-	2,449
31 - National Disaster Management Authority	2,787	-	2,121	38	39	0	-	-	-	-	-	-	-	5,745
32 - National Disaster Management Authority	6,543	-	1,624	309	233	-	-	-	-	-	-	-	-	8,709
33 - National Disaster Management Authority	145	-	1,464	666,135	-	-	-	-	-	-	-	-	-	668,734
34 - National Disaster Management Authority	50	-	56	-	462,975	-	-	-	-	-	-	-	-	463,531
35 - National Disaster Management Authority	19,801	-	10,442	505	253	232	-	-	-	-	-	-	-	21,763
36 - National Disaster Management Authority	1,768	0	805	100	20	-	-	-	-	-	-	-	-	2,893
37 - National Disaster Management Authority	1,546	-	16,638	3	-	-	-	-	-	-	-	-	-	18,187
38 - National Disaster Management Authority	1,466	-	1,190	290	-	-	-	-	-	-	-	-	-	3,956
39 - National Disaster Management Authority	1,095	-	235	204	-	-	-	-	-	-	-	-	-	1,534
40 - National Disaster Management Authority	21	-	56	-	-	-	-	-	-	-	-	-	-	77
41 - National Disaster Management Authority	2,175	-	4,115	32	25	-	-	-	-	-	-	-	-	6,332
42 - National Disaster Management Authority	6,340	-	1,074	-	24	-	-	-	-	-	-	-	-	7,438
43 - National Disaster Management Authority	3,445	-	3,222	10	-	-	-	-	-	-	-	-	-	6,667
44 - National Disaster Management Authority	6,757	-	2,042	1,093	1	-	-	-	-	-	-	-	-	8,893
45 - National Disaster Management Authority	11,234	-	45,263	180	280	-	-	-	-	-	-	-	-	57,757
46 - National Disaster Management Authority	123,583	-	175	15	10	-	-	-	-	-	-	-	-	123,873
47 - National Disaster Management Authority	177	-	967	15	-	-	-	-	-	-	-	-	-	1,159
48 - National Disaster Management Authority	841	-	51	-	1,058	-	-	-	-	-	-	-	-	1,900
49 - National Disaster Management Authority	4,629	-	1,102	39	426	-	-	-	-	-	-	-	-	6,236
50 - National Disaster Management Authority	466	-	85	14	-	-	-	-	-	-	-	-	-	565
51 - National Disaster Management Authority	135	-	43	4	-	-	-	-	-	-	-	-	-	182
52 - National Disaster Management Authority	3,882	-	1,150	14	6	-	-	-	-	-	-	-	-	5,094
53 - National Disaster Management Authority	654	-	80	1	-	-	-	-	-	-	-	-	-	735
54 - National Disaster Management Authority	3,645	-	345	11	923	-	-	-	-	-	-	-	-	5,517
55 - National Disaster Management Authority	3,007	-	2,311	41	196	-	-	-	-	-	-	-	-	5,611
56 - National Disaster Management Authority	2,120	-	1,057	36	351	-	-	-	-	-	-	-	-	3,565
57 - National Disaster Management Authority	1,470	-	381	50	-	-	-	-	-	-	-	-	-	1,901
58 - National Disaster Management Authority	7,257	-	634	1,800	-	-	-	-	-	-	-	-	-	9,691
59 - National Disaster Management Authority	1,233	-	18,222	20	3,758	-	-	-	-	-	-	-	-	20,233
60 - National Disaster Management Authority	403	-	170	5	6	-	-	-	-	-	-	-	-	584
61 - National Disaster Management Authority	3,731	-	16,097	297	40,231	-	-	-	-	-	-	-	-	60,356

FEDERAL GOVERNMENT  
Statement of Appropriation of Grants by Object  
For the Year Ended 30 June 2023

Grants Name	A01 Employee Related Expenses	A02 Project Dev. Investment Analysis	A03 Operating Expenses	A04 Employees' Retirement Benefits	A05 Grants Subsidies and With Off Loan	A06 Transfers	A07 Interest Payment	A08 Loans and Advances	A09 Physical Assets	A10 Principal Payments of Loans	A11 Investment	A12 Civil Works	A13 Repairs and Maintenance	Grand Total
81 - Poverty Alleviation and Social Safety Division	141	-	61	7	0	5,016	-	-	-	-	-	-	2	5,246
82 - Disaster Preparedness and Response Programs (DRSP)	3,209	-	408,981	-	-	-	-	-	-	-	-	-	-	412,279
83 - Pakistan Bids to Aid	2,825	-	45	5	3,565	-	-	-	-	-	-	-	-	5,965
84 - Privatization Division	261	-	36	13	41,627	-	-	-	-	-	-	-	-	42,027
85 - Railway Division	711	-	474	19	56	43	-	-	-	-	-	-	-	1,217
86 - Science and Technology Division	6,704	186	1,040	2,229	11	11	-	-	-	-	-	-	-	11,437
87 - Social Welfare Division	597	-	101	29	30	-	-	-	-	-	-	-	-	759
88 - Water Resources Division	597	-	1,151	208	4	-	-	-	-	-	-	-	-	1,958
89 - Federal Miscellaneous Investments and Other Loans and Advances	969,845	205	1,051,458	674,366	1,568,725	41,845	6,238	267,396	346,891	-	36,325	-	-	3,018,724
<b>Total Current Expenditure</b>														5,318,971
<b>Development Expenditure:</b>														
92 - Development Expenditure of Aviation Division	1	-	198	-	-	-	-	-	-	-	-	-	-	199
93 - Development Expenditure of Customs Division	47	-	475	-	15,460	-	-	-	19	-	-	-	-	16,041
94 - Development Expenditure of Customs Division	19	-	137	-	-	-	-	-	-	-	-	-	-	156
95 - Development Expenditure of Customs Division	313	776	513	-	3,752	-	-	-	2,252	-	-	-	-	4,017
96 - Development Expenditure of Customs Division	200	-	192	-	-	-	-	-	-	-	-	-	-	392
97 - Development Expenditure of Customs Division	0	-	1,185	-	-	-	-	-	-	-	-	-	-	1,185
98 - Development Expenditure of Customs Division	13	11	331	420	-	-	-	-	420	-	-	-	-	1,404
99 - Development Expenditure of Customs Division	30	-	10	-	-	-	-	-	61	-	-	-	-	101
100 - Development Expenditure of Customs Division	47	-	17,247	-	-	-	-	-	2,148	-	-	-	-	17,412
101 - Development Expenditure of Customs Division	115	-	3,479	-	-	259	-	-	113	-	-	-	-	3,846
102 - Development Expenditure of Customs Division	47	-	11,974	-	31,374	-	-	-	-	-	-	-	-	43,825
103 - Development Expenditure of Higher Education Commission (HEC)	-	-	2,764	-	-	-	-	-	-	-	-	-	-	2,764
104 - Development Expenditure of National Vocational & Technical Training Commission (NAVTTC)	-	-	59	-	-	-	-	-	17	-	-	-	-	76
105 - Development Expenditure of National Heritage and Culture Division	11	-	5,533	-	-	-	-	-	38	-	-	-	-	5,582
106 - Development Expenditure of National Heritage and Culture Division	67	-	844	-	97,755	-	-	-	99	-	-	-	-	98,696
107 - Other Development Expenditure	59	-	13	-	-	-	-	-	87	-	-	-	-	159
108 - Development Expenditure of Human Rights Division	69	-	108	-	-	-	-	-	885	-	-	-	-	1,062
109 - Development Expenditure of Information Technology and Knowledge Division	88	2	5,348	-	180	-	-	-	210	-	-	-	-	5,826
110 - Development Expenditure of Information Technology and Knowledge Division	488	-	480	-	-	-	-	-	214	-	-	-	-	702
111 - Development Expenditure of Information Technology and Knowledge Division	154	-	224	-	-	-	-	-	318	-	-	-	-	472
112 - Development Expenditure of Interior Division	165	-	7	-	-	-	-	-	114	-	-	-	-	121
113 - Development Expenditure of Interior Division	461	-	1,865	-	5,612	287	-	-	87	-	-	-	-	7,812
114 - Development Expenditure of Interior Division	200	-	593	-	323	199	-	-	2,070	-	-	-	-	3,085
115 - Development Expenditure of Interior Division	306	83	419	-	2,599	4	-	-	51	-	-	-	-	3,462
116 - Development Expenditure of Interior Division	131	294	881	-	270	-	-	-	11	-	-	-	-	1,487
117 - Development Expenditure of Interior Division	508	-	21,991	-	94,304	101	-	-	1,151	-	-	-	-	97,555
118 - Development Expenditure of Interior Division	45	-	42	-	-	-	-	-	77	-	-	-	-	122
119 - Development Expenditure of Interior Division	45	-	1,988	-	-	-	-	-	1138	-	-	-	-	2,521
120 - Development Expenditure of Interior Division	135	-	59	-	269	-	-	-	209	-	-	-	-	333
121 - Development Expenditure of Interior Division	3	269	1,166	-	-	-	-	-	487	-	-	-	-	1,925
122 - Development Expenditure of Interior Division	3	269	1,166	-	-	-	-	-	487	-	-	-	-	1,925
123 - Development Expenditure of Interior Division	3,219	1,142	67,397	-	270,581	849	-	57,548	11,405	-	25,856	-	-	3,333,344
124 - Development Expenditure of Interior Division	3,219	1,142	67,397	-	270,581	849	-	57,548	11,405	-	25,856	-	-	3,333,344
125 - Development Expenditure of Interior Division	3,219	1,142	67,397	-	270,581	849	-	57,548	11,405	-	25,856	-	-	3,333,344
126 - Development Expenditure of Interior Division	3,219	1,142	67,397	-	270,581	849	-	57,548	11,405	-	25,856	-	-	3,333,344
127 - Development Expenditure of Interior Division	3,219	1,142	67,397	-	270,581	849	-	57,548	11,405	-	25,856	-	-	3,333,344
128 - Development Expenditure of Interior Division	3,219	1,142	67,397	-	270,581	849	-	57,548	11,405	-	25,856	-	-	3,333,344
129 - Development Expenditure of Interior Division	3,219	1,142	67,397	-	270,581	849	-	57,548	11,405	-	25,856	-	-	3,333,344
130 - Development Expenditure of Interior Division	3,219	1,142	67,397	-	270,581	849	-	57,548	11,405	-	25,856	-	-	3,333,344
131 - Development Expenditure of Interior Division	3,219	1,142	67,397	-	270,581	849	-	57,548	11,405	-	25,856	-	-	3,333,344
<b>Total Development Expenditure</b>														1,031,263
<b>Expenditure Charged upon Federal Consolidated Fund</b>														
A - Staff Household and Allowances of The President (Public)	355	-	63	6	1	-	-	-	0	-	-	-	-	425
B - Staff Household and Allowances of The President (Private)	546	-	109	11	1	-	-	-	33	-	-	-	-	699
C - Servicing of Foreign Debt	-	-	-	-	-	-	799,891	-	-	-	-	-	-	799,891
D - Foreign Loan Repayment	-	-	-	-	-	-	-	2,900,124	-	-	-	-	-	2,900,124
E - Repayment of Short Term Foreign Credits	-	-	-	-	-	-	-	310,967	-	-	-	-	-	310,967
F - Servicing of Domestic Debt	4,642	-	1,466	139	51	-	-	-	-	-	-	-	-	6,300
G - Servicing of Domestic Debt	4,642	-	1,466	139	51	-	-	-	-	-	-	-	-	6,300
H - Servicing of Domestic Debt	4,642	-	1,466	139	51	-	-	-	-	-	-	-	-	6,300
I - Servicing of Domestic Debt	4,642	-	1,466	139	51	-	-	-	-	-	-	-	-	6,300
J - Islamabad High Court	2,104	-	302	141	1	3	-	-	25,091,309	-	-	-	-	26,500,857
K - Election	836	-	105	34	58	-	-	-	83	-	-	-	-	1,078
L - Federal Ombudsman Government for Protection Against Harassment of Women at Work	31	-	36	1	-	-	-	-	0	-	-	-	-	74
M - Staff Household	484	-	419	21	1	-	-	-	9	-	-	-	-	933
N - Federal Tax Ombudsman	183	-	117	3	2	-	-	-	4	-	-	-	-	207
<b>Total Expenditure Charged upon Federal Consolidated Fund</b>	13,606	-	110,120	356	116	3	5,095,916	-	158	28,332,399	-	23	-	34,055,949
<b>Grand Total</b>	986,669	1,547	1,129,844	674,722	1,839,422	42,697	5,701,154	794,541	357,844	28,332,399	214,634	319,476	8,314	46,464,343



FEDERAL GOVERNMENT  
Statement of Appropriations of Grants by Object  
For the Year Ended 30 June 2023

Grants Name	A101 Employee Related Expenses	A102 Project/Pre-Investment Expenditure	A103 Operating Expenses	A104 Employee's Retirement Benefits	A105 Grants Subsidies and Write Off Loans	A106 Transfers	A107 Interest Payments	A108 Loans and Advances	A109 Physical Assets	A110 Principal Repayments of Loans	A111 Investment	A112 Cash Vouchers	A113 Borrowings and Maintenance	Grand Total
Grand Total - 2021-22 (Note 29)	853,999	1,222	923,117	559,416	2,222,921	118,484	3,213,744	579,434	415,766	21,681,627	368,445	223,187	7,892	23,077,281

(Rupees in millions)

*Amesuli*

Accountant General Pakistan Revenues

# FEDERAL GOVERNMENT

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 1. REPORTING ENTITY

Federal Government – Islamic Republic of Pakistan (“the Government”) conducts its operations under the Rules of Business 1973. These rules were made pursuant to Article 90 and 99 of the Constitution of the Islamic Republic of Pakistan, 1973 (“the Constitution”) and envisages Federal Government as comprising of ministries, divisions and attached departments. Financial procedures of the Constitution describes the Government as Federal Consolidated Fund and Public Account for which Annual Budget Statement is authorized by the Parliament 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 federation 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 Federal Government as an accounting and reporting entity comprising of;

a) Centralized Accounting Entities; for which the Accountant General Pakistan Revenues 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. Defence Services
2. Foreign Office
3. Pakistan Public Works Department
4. Geological Survey of Pakistan

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. Financial statements of these entities are not included in the financial statements of the Federal Government. New investments by the Federal Government in such entities are capitalized and any grants to the entities are classified as an expense of the Federal Government in the financial year to which they pertain. Return from these entities in the form of dividends or interest is classified as non-tax revenue.

These financial statements include all centralized and self accounting entities except for Pakistan Railways. Financial statements of Pakistan Railways are prepared on a basis other than cash.

#### 2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the New Accounting Model (NAM) which comprises of seven volumes. 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 ongoing 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.

# FEDERAL GOVERNMENT

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 3. 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. The statement of receipts and payments, statement of cash flows, statements of comparison of budget and actual amounts by function, statements of comparison of budget and actual expenditure by division 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 - Cash Flow Statements has also been presented, as encouraged by Cash Basis IPSAS.

The Financial Statements for the financial year 2022-23 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.

#### 4. REPORTING AND BUDGET PERIOD

The reporting and budget period of these financial statements is the financial year 2022-23 (from 1 July, 2022 to 30 June, 2023).

#### 5. REPORTING CURRENCY

The reporting currency of these financial statements is Pakistani Rupee.

#### 6. SIGNIFICANT ACCOUNTING POLICIES

##### 6.1. Recording of Receipts

Receipts are recorded on the date of receipt of money by the bank or clearance of cheque. These are recorded on a gross basis and any related costs are recorded separately. Receipt collected as a result of an overpayment made in the same financial year is adjusted against the relevant payment.

##### 6.2. Recording of Payments

Payments are recorded 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 recording of payments are as follows;

a) **Payments made through cheque**

Payment is recorded on the date the cheque is issued.

b) **Inter government transfers**

Payment is recorded on the date the transfer is made.

c) **Payments directly in bank accounts**

Payment is recorded on the date the payment is made by the bank.



**FEDERAL GOVERNMENT**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2023**

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

Repayment of loans and other direct payments by the SBP are recorded on the date of payment.

e) **Imprest payments**

Payment is recorded when the required claim vouchers are submitted and imprest account is reimbursed.

**6.3. Foreign currency transactions**

Cash receipts and payments arising from transactions in foreign currencies are recorded in Pakistani Rupee by applying the exchange rate between the Pakistani Rupee and the foreign currency at the date of the receipts and payments.

**6.4. Employee benefits**

The government has following plans for its employees:

a) **General Provident Fund**

An employee is compulsory subscribed 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**

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. No provision is made and the expenditure is recognized on the basis of payments made during the year.

**6.5. Investments**

Investments 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 dividends received against investments are recognized when received in the Federal Consolidated Fund.

**6.6. Cash and cash equivalents**

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

# **FEDERAL GOVERNMENT**

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2023**

#### **6.7. Reporting on net basis**

Floating debt includes treasury bills auctioned by the government in which the turnover is quick, the amounts are large and maturities are short. These have been reported on a net basis in compliance with IPSAS Cash Basis. A reconciliation of gross and net amounts is presented in note 29 to the financial statements.

#### **6.8. 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.

#### **6.9. Public Debt**

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

#### **6.10. 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.

#### **6.11. Loans and advances**

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

#### **6.12. Payments by third parties**

The payments made by the third parties do not constitute cash receipts or payments controlled by the Federal Government as defined in the Cash Basis IPSAS - Financial Reporting under the Cash Basis of Accounting, as the Federal 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 made by third parties are disclosed separately on face of the Statement of Cash Receipts and Payments.

**FEDERAL GOVERNMENT**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2023**

**7. TAXATION**

	Note	2023 (Rupees in million)			2022 (Rupees in million)		
		Tax Collected	Transfers	Net Tax Collected	Tax Collected	Transfers	Net Tax Collected
Income Tax	7.1	3,210,394	(1,841,070)	1,369,324	2,269,859	(1,269,103)	1,000,756
Sales Tax	7.2	2,591,450	(1,500,327)	1,091,123	2,532,231	(1,480,820)	1,051,411
Customs	7.3	917,894	(540,103)	377,791	1,010,692	(546,686)	464,006
Federal Excise	7.4	369,885	(212,480)	157,405	320,659	(186,676)	133,983
Others	7.5	27,412	(3,413)	23,999	21,725	(234)	21,491
		<b>7,117,035</b>	<b>(4,097,393)</b>	<b>3,019,642</b>	<b>6,155,166</b>	<b>(3,483,519)</b>	<b>2,671,647</b>

7.1. The Federal levy on income (Income Tax), with effect from July 01, 2002, is governed by the Income Tax Ordinance, 2001 and Income Tax Rules, 2002. It is an annual charge on the taxable income for a tax year, if it exceeds the maximum amount that is not chargeable to tax. Tax rates and method of calculating taxable income varies with fiscal status of the tax payer. The broad categories of taxpayers include companies, non salaried individuals, association of persons, Hindu undivided families and salaried individuals.

7.2. Sales Tax is a tax on consumption, levied on manufacturers and retailers as well as on the importers, wholesalers, distributors, dealers and specified services ranging from @ 17% to 22%. However, all the exports and other goods/ items mentioned in the fifth schedule to Sales Tax Act, 1990 or in a notification issued under section 4 of the Act are chargeable to tax @ 0%.

7.3. Goods imported into Pakistan are liable to custom duties at the rates specified in the first schedule to the Customs Act, 1969 (IV of 1969).

7.4. The federal excise duty is leviable under the Federal Excise Act, 2005 on exercisable goods produced or manufactured in Pakistan or imported into Pakistan or such goods as the Federal Government may, by notification in the official Gazette, specify, as are produced or manufactured in the non-tariff areas and are brought to the tariff areas for sale or consumption therein; and services, provided or rendered in Pakistan.

**7.5. TAXATION OTHERS**

*Direct Taxes*

Capital Value Tax		
Land Revenue		
Tax on Profession, Trade and Callings		
Other Direct Taxes		

*Indirect Taxes*

Receipts Under Motor Vehicles Act		
Stamp Duties		
Provincial Excise		
Others Indirect Taxes		

Note	2023 Rupees in million	2022 Rupees in million
------	------------------------------	------------------------------

	6,692	(130)
	1,281	1,929
	90	123
	490	470
	<b>8,553</b>	<b>2,392</b>
	9,627	12,207
	2,206	2,164
	255	246
	3,358	4,482
	<b>15,446</b>	<b>19,099</b>
	<b>23,999</b>	<b>21,491</b>

**8. GENERAL ADMINISTRATION RECEIPTS**

Social Services	4,299	1,042
Community Services	3,548	2,754
Fiscal Administration	2,594	2,707
Law and Order	1,802	1,455
Economic Regulations	1,296	1,942
Organs of State	548	4,440
Statistics	19	53
	<b>14,106</b>	<b>14,393</b>

**9. ECONOMIC SERVICES RECEIPTS**

Receipts under Oilfields and Mineral Development Act	1,687	832
Food and Agriculture	815	676
Fisheries and Animal Husbandry	334	238
Forest and Irrigation	2	3
Others	4,191	1,100
	<b>7,029</b>	<b>2,849</b>

**FEDERAL GOVERNMENT**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2023**

	Note	2023 Rupees in million	2022 Rupees in million
		4,796	4,637
		4,030	2,922
<b>10. DEFENCE SERVICES RECEIPTS</b>		2,295	2,686
Military Engineering Services		1,826	1,487
Air Force		1,803	1,211
Purchase and Sale of Stores, Equipment and Animals		1,545	1,475
Receipts on certain measures of Inter-Services Nature		1,429	838
Pakistan Navy		962	856
Ordinance and Clothing Factories		634	479
Administrative Services		1,874	1,137
Military Farms			
Procurement, Research & Product Development			
Defence Services Others		<u>21,194</u>	<u>17,728</u>

10.1. Defence services receipts mainly represent receipts realized on account of service charges in accordance with the protocol agreements, dues from civil agencies, sale & auction of obsolete stores, charges realized on account of use of army aviation facilities and leave salary etc. of armed forces personnel on deputation abroad.

	Note	2023 Rupees in million	2022 Rupees in million
<b>11. DEVELOPMENT SURCHARGE AND ROYALTIES</b>			
Royalty on Natural Gas	11.1	69,109	50,929
Royalty on Crude Oil	11.1	50,183	43,484
Discount Retained on Local Crude Price	11.2	23,081	16,504
Petroleum Levy		579,893	127,530
Windfall Levy on Crude Oil		27,731	14,397
Gas Infrastructure Development Cess		10,940	18,619
Development Surcharge on Gas		10,672	20,372
Petroleum Levy On LPG		3,419	3,659
		775,028	295,494
		(126,081)	(106,248)
Less: Provincial Share		<u>648,947</u>	<u>189,246</u>

11.1. Royalty on crude oil and natural gas is received under Pakistan Petroleum Production Rules, 1949 at the rate of 12.5% on the well head value of production.

11.2. Discount retained on local crude price is received from oil exploration companies selling petroleum products to refineries on the basis of prices prevailing at international markets. The profit margin available between sale price and cost of production is shared by exploration companies and Federal Government.

	Note	2023 Rupees in million	2022 Rupees in million
<b>12. INTEREST ON LOANS AND ADVANCES</b>			
Pakistan Investment Bonds		157,301	69,897
Provinces		61,801	33,580
Cash Loans		15,515	2,432
Azad Jammu & Kashmir		8,399	9,322
Cash Balances		6,697	1,581
Foreign Loans		5,600	564
Non-Financial Institutions		1,975	3,444
Local & Autonomous bodies		1,956	101
Government Servants		374	323
Financial Institutions		38	49
Others		145	62
		<u>259,801</u>	<u>121,356</u>
<b>13. DIVIDEND AND PROFIT SHARE</b>			
Dividends Receipts	13.1	68,669	47,922
Profit share	13.2	459,208	577,006
		<u>527,877</u>	<u>624,928</u>

**FEDERAL GOVERNMENT**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2023**

	Note	2023 Rupees in million	2022 Rupees in million
<b>13.1. Dividends Receipts</b>			
<b>Financial Institution</b>			
State Life Insurance Corporation		2,000	1,720
Pakistan Re-Insurance Corporation		903	306
National Investment Trust		292	94
Pak Iran Joint Investment Company		175	75
Pak Oman Investment Company		154	185
Pakistan Mortgage Refinance Company Limited (PMRCL)		135	-
Pak Brunei Investment Company		-	150
Others		-	10
		<b>3,659</b>	<b>2,540</b>
<b>Non-Financial Institution</b>			
Oil and Gas Development Corporation		26,771	20,731
Pak Arab Refinery Ltd		22,020	6,136
Govt Holding Pvt Ltd		5,000	5,000
Mari Petroleum Company Limited		4,750	3,360
Pakistan Petroleum Ltd		2,755	6,429
SNGPL		1,507	1,206
Pakistan National Shipping Corporation		1,156	347
Trading Corporation of Pakistan		390	-
Pakistan Mineral Development Corporation (Pvt) Limited		200	120
National Fertilizer Corporation of Pakistan (Pvt) Limited		200	100
Fauji Fertilizer Co Limited		114	132
Pakistan State Oil Co Ltd		-	1,055
Others		147	766
		<b>65,010</b>	<b>45,382</b>
		<b>68,669</b>	<b>47,922</b>
<b>13.2. Profit share</b>			
State Bank of Pakistan	13.2.1	371,186	473,574
Pakistan Telecommunication Authority		87,382	102,542
Others		640	890
		<b>459,208</b>	<b>577,006</b>

13.2.1. The share of profits from the State Bank of Pakistan represents distributable profits to the federal government against the appropriation of net profits of the bank.

	Note	2023 Rupees in million	2022 Rupees in million
<b>14. DEVELOPMENT GRANTS</b>			
<b>Foreign Governments</b>			
USA		1,224	-
Japan		821	-
Italy		227	-
Germany		20	65
China		-	204
		<b>2,292</b>	<b>269</b>
<b>Foreign Organisations</b>			
IBRD-MDTF		2,823	-
United States Agency for International Development (USAID)		2,679	3,007
Asian Development Bank (ADB)		303	232
EPI		-	3,230
MDTF		-	3,201
Others		-	2
		<b>5,805</b>	<b>9,672</b>
		<b>8,097</b>	<b>9,941</b>

**FEDERAL GOVERNMENT**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2023**

	Note	2023 Rupees in million	2022 Rupees in million
<b>15. FOREIGN DEBT - RECEIPTS</b>		<b>1,001,062</b>	<b>27,880</b>
China		514,717	264,405
Asian Development Bank (ADB)		482,046	272,612
International Development Association (IDA)		293,893	607,516
Saudi Arabia		256,433	184,544
IMF		127,575	8,317
Asian Infrastructure Investment Bank (AIIB)		83,587	163,554
Naya Pakistan Certificates		56,869	41,166
International Bank for Re-construction and Development (IBRD)		18,268	10,169
Turkey		15,041	243,782
Islamic Development Bank ST (IDB)		9,631	7,780
International Fund for Agricultural Development (IFAD)		6,883	903
Korea		5,134	1,899
France		3,684	14,183
Islamic Development Bank (IDB)		1,722	-
SCB (london)		301	670
Japan		228	1,162
Germany		-	466,434
China Development Bank		-	344,086
Dubai Bank		-	237,436
INPCC Ltd		-	165,788
Naya Pak Euro Bond		-	9,559
OPEC		-	9,537
Ajman Bank		-	21
Others		2,496	21
		<u>2,879,570</u>	<u>3,083,403</u>
<b>16. DOMESTIC DEBT - RECEIPTS</b>			
<i>Government Securities</i>			
Permanent Debt	16.1	7,285,985	6,525,073
Floating Debt-net	17	2,537,860	(27,548)
		<u>9,823,845</u>	<u>6,497,525</u>
<b>16.1 Permanent Debt</b>			
Pakistan Investment Bonds			
Sukuk		6,406,109	4,373,978
Premium Prize Bonds		867,474	1,633,395
Others		12,402	25,004
		-	492,696
		<u>7,285,985</u>	<u>6,525,073</u>
<b>17. DOMESTIC FLOATING DEBT-NET</b>			
<i>Floating Debt Receipts</i>			
Market Treasury Bills (Auction)		25,149,556	17,929,458
National Prize Bonds		20,627	6,048
Cash Credit Accomodation		-	-
		<u>25,170,183</u>	<u>17,935,506</u>
<i>Floating Debt Payments</i>			
Market Treasury Bills (Auction)		22,622,568	17,857,464
National Prize Bonds		9,755	105,590
		<u>22,632,323</u>	<u>17,963,054</u>
		<u>2,537,860</u>	<u>(27,548)</u>
<b>18. RECOVERY OF LOANS AND ADVANCES</b>			
Provinces			
Government Servants		382,351	276,177
Non-Financial Institution		10,475	9,808
Financial Institution		3,614	3,935
Others		414	100
		6,578	5,787
<b>19. PRIVATIZATION PROCEEDS</b>		<u>403,432</u>	<u>295,807</u>
Privatization Commission			
		-	-
		-	-

**FEDERAL GOVERNMENT**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2023**

	Note	2023 Rupees in million	2022 Rupees in million
<b>20. TRADING ACTIVITIES</b>			
Pakistan Post Office - Receipts		7,132	16,045
Others		-	12
		<u>7,132</u>	<u>16,057</u>
<b>21. SALARIES AND EMPLOYEES BENEFITS</b>			
Pay and Allowances		986,670	883,997
Retirement Benefits		674,723	559,416
		<u>1,661,393</u>	<u>1,443,413</u>
<b>22. PRINCIPAL REPAYMENTS OF DEBT</b>			
<b>Foreign Debt</b>			
Commercial Banks		1,438,767	925,431
Islamic Development Bank (IDB)		335,682	112,366
Sukuk Bonds		223,941	-
Asian Development Bank (ADB)		218,660	149,330
China		214,195	64,496
Saudi Arabia		173,561	22,106
Naya Pakistan Certificates		153,646	161,274
International Development Association (IDA)		150,504	111,811
Japan		105,129	38,503
France		64,185	21,213
Germany		30,003	10,289
International Bank for Re-construction and Development (IBRD)		25,952	17,548
Korea		21,538	6,119
USAID		17,863	5,799
CCC (USA)		17,332	-
Sweden		6,471	2,122
Switzerland		4,820	1,092
Kuwait		4,176	2,480
Canada		3,768	1,235
International Fund for Agricultural Development (IFAD)		2,290	1,687
OPEC		2,230	1,581
Euro Bond		-	170,713
Others		26,377	15,166
		<u>3,241,090</u>	<u>1,842,361</u>
<b>Domestic Debt-Permanent</b>			
Pakistan Investment Bonds		2,416,762	1,677,002
Bai Muajjal		23,792	183,161
Premium Prize Bonds		14,190	12,330
Pakistan Banao Certificates		4,088	3,713
Special U.S. Dollar Bonds		154	6
		<u>2,458,986</u>	<u>1,876,212</u>
		<u>5,700,076</u>	<u>3,718,573</u>
<b>23. SERVICING OF DEBT</b>			
Domestic Debt		4,942,263	2,857,177
Foreign Debt		759,891	356,567
		<u>5,702,154</u>	<u>3,213,744</u>
<b>24. LOANS AND ADVANCES</b>			
<b>Revenue Expenditure</b>			
<b>Capital Expenditure</b>			
Provincial Governments		559,696	350,108
National Highway Authority		119,828	80,093
Non-Financial Institutions		72,439	75,053
Pakistan International Airlines		15,000	21,850
Government Employees	24.1	12,356	10,844
Others		15,622	41,486
		<u>794,941</u>	<u>579,434</u>
		<u>794,941</u>	<u>579,434</u>

**FEDERAL GOVERNMENT**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2023**

	Note	2023 Rupees in million	2022 Rupees in million
24.1 Government Employees		9,748	8,306
House Building Advance		2,215	2,139
Motor Car Advance		381	394
Motor Cycle Advance		12	5
Cycle Advance		12,356	10,844

24.2 Advances to government employees are provided according to Rule 252, 253, 256, 262 and 263 of the General Financial Rules as per their entitlements.

	Note	2023 Rupees in million	2022 Rupees in million
<b>25. INVESTMENTS - PAYMENTS</b>			
IPPS		93,438	344,764
Pakistan Railways		25,327	14,592
PERF		52,726	-
DISCOs		35,000	2,164
IFC		1,583	1,510
IBRD		1,997	1,200
ISDB		2,593	1,172
Exim Bank		1,000	1,000
Others		969	2,043
		214,633	368,445

**26. NET RECEIPT OF PUBLIC ACCOUNT**

**Receipts**

National Saving Schemes	1,835,210	3,600,654
Deposits	802,373	630,891
State Provident Fund	95,023	93,790
Other Public Accounts	32,808,100	27,486,757
	35,540,706	31,812,092

**Payments**

National Saving Schemes	(2,261,238)	(3,776,226)
Deposits	(714,243)	(693,665)
State Provident Fund	(73,394)	(77,260)
Other Public Accounts	(32,744,259)	(27,610,984)
	(35,793,134)	(32,158,135)
	(252,428)	(346,043)

26.1. 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 Parliament or Presidential order. The balances in the public account are carried forward at year end, to be used for the specific purpose for which they are established.

	Note	2023 Rupees in million	2022 Rupees in million
<b>27. CASH AT BANK AND TREASURIES</b>			
Cash with State Bank of Pakistan (SBP)		656,826	930,746
Cash Balance with Treasuries		(245)	(255)
		656,581	930,491
<b>28. ASSETS AND LIABILITIES</b>			
<i>Assets</i>			
Long Term Assets			
Investments		5,436,609	4,759,769
Loans and Advances		1,838,101	1,623,467
Current Assets		4,773,136	4,381,627
Cash at Bank and Treasuries		28,216	19,994
		656,581	930,491
<i>Liabilities and Equity</i>			
Public Debt		12,732,643	11,715,348
Special Deposits and Trust Accounts			
Deferred liabilities		43,695,952	36,692,613
Capital Receipts		3,331,887	3,576,093
Residual Equity		114,629	114,629
		287,695	287,695
		(34,697,520)	(28,955,682)
		12,732,643	11,715,348



**FEDERAL GOVERNMENT**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2023**

28.1 These financial statements have been prepared under cash basis of accounting, the information of asset and liability have been presented which are not mandatory but encouraged disclosures as per international standards.

**29. COMPARISON OF BUDGET AND ACTUAL AMOUNTS**

The approved budget is developed on the same accounting basis (cash basis), functional classification basis and for the same period as for the financial statements. It encompasses the same entities as the financial statements – as identified in note 1 above.

The statements of comparison of budgeted and actual amounts by function and by division are presented on a gross basis, whereas receipts and payments of floating debt in the Statement of Cash Receipts and Payments have been netted off as explained in note 6.7 for which a reconciliation is presented below.

	Note	2023 Rupees in million	2022 Rupees in million
<b>Receipts</b>			
Receipts in Statement of Comparison of Budget and Actual Amounts by Function		40,382,701	31,599,373
Add: Floating debt-net	17	2,537,860	(27,548)
Less : Floating debt receipts	17	25,170,183	17,935,506
Less : Third party payments		182,680	233,961
Add : Third party not Included in Budget		-	-
Actual receipts in Statement of Cash Receipts and Payments		<u>17,567,698</u>	<u>13,402,358</u>
<b>Payments</b>			
Payments in Statements of Comparison of Budget & Actual Amounts by Function and Actual Expenditure by Division		40,404,183	31,208,852
Less : Floating debt payments	17	22,632,323	17,963,054
Less : Third party payments		182,680	233,961
Add : Third party not Included in Budget		-	-
Actual payments in Statement of Cash Receipts and Payments		<u>17,589,180</u>	<u>13,011,837</u>

**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 federal government together with the audit reports on these financial statements to the President of the Islamic Republic of Pakistan who shall cause them to be laid before the National Assembly. These financial statements have been authorized for issue on \_\_\_\_\_.

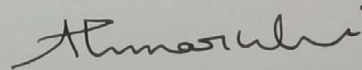
**31. GENERAL**

**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.

  
 Accountant General Pakistan Revenues