



# FINANCIAL STATEMENTS

of the  
Government of Sindh

2022-2023





# **FINANCIAL STATEMENTS**

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**Government of Sindh**

**2022-2023**

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## PREFACE

I am pleased to present the Financial Statements of the Government of Sindh for the year ended 30<sup>th</sup> June, 2023 together with the Auditors' Report thereon.

The Financial Statements of the Government of Sindh for the financial year 2022-23 have been prepared by the Accountant General Sindh under Section 5 of the Controller General of Accounts (Appointment, Functions and Powers) Ordinance, 2001 and are the responsibility of the Controller General of Accounts (CGA).

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

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

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

Commitment, asset and liability accounting practices are not yet implemented and these financial statements have been prepared on cash basis of accounting and do not include accrued receipts and liabilities.

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

These Financial Statements focus on reporting the budgetary activity of the Government for the financial year as laid down in the financial procedures of the Constitution which describes the Government as Provincial Consolidated Fund and Public Account for which Annual Budget Statement is authorized by the Provincial Assembly in the form of Budgetary Grants.

Finally, it is important to emphasize the value of sustained and dedicated efforts towards excellence in public sector financial accounting and reporting. Moving forward, management and staff of CGA are working closely to address the challenges and issues which can limit the quality, transparency and reliability of financial reports. Through excellent financial reporting we are committed to support the decision making critical to the nation's fiscal future.



(Maqbool Ahmad Gondal)  
Controller General of Accounts

Islamabad, Pakistan  
Date:



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

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**Auditor's Report**

I have audited the accompanying Financial Statements of the Government of Sindh, which comprises 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 the department and statement of appropriation of grants by object for the year then ended and a summary of significant accounting policies and other explanatory notes.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit in accordance with the 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 and Conditions of Service) Ordinance, 2001. I conducted my audit in accordance with the International Standards for the 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 check 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) The financial statements properly present, in all material respects, the financial position of the Government of Sindh as at 30<sup>th</sup> June 2023 and the results of its operations, its cash flows and its expenditures and receipts, by appropriation for the year then ended in accordance with the stated accounting policies of the Government of Sindh.

- b) The sums expended have been applied, in all material respects, for the purposes authorized by the Provincial Assembly and have, in all material respects, been booked to the relevant grants and appropriations.

**Other Reports**

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

Islamabad, Pakistan  
Date: 19 DEC 2023

  
(Muhammad Ajmal Gondal)  
Auditor General of Pakistan

**GOVERNMENT OF SINDH**  
**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 the Government	Receipts / Payments by Third Parties	Receipts / Payments Controller by the Government	Receipts / Payments by Third Parties
<b>PROVINCIAL CONSOLIDATED FUND</b>					
<b>RECEIPTS</b>					
<i>Taxation- Transfer from Federal Government</i>	8	984,523	-	842,959	-
<i>Taxation- Provincial Government's Own Collection</i>	9	283,559	-	268,029	-
<i>Non-Tax Revenue and Other Receipts</i>					
General Administration	10	5,892	-	4,341	-
Economic Services	11	469	-	1,095	-
Development Surcharge and Royalties	12	61,952	-	59,331	-
Dividend and Profit Share-Non Financial Institutions		-	-	3	-
Others	13	27,424	-	9,325	-
		95,737	-	74,095	-
<i>Grants and Aid</i>	14	45,746	-	35,740	-
<i>Borrowings</i>					
Foreign Debt	15	132,654	-	27,544	-
Domestic Debt	16	56,200	-	65,640	-
		188,854	-	93,184	-
<i>Capital Receipts</i>	17	84	-	85	-
<i>Trading Activities</i>	18	120,055	-	82,114	-
<b>TOTAL RECEIPTS</b>		<b>1,718,557</b>	<b>-</b>	<b>1,396,207</b>	<b>-</b>

  
 Accountant General Sindh

**GOVERNMENT OF SINDH**  
**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 the Government	Receipts / Payments by Third Parties	Receipts / Payments Controller by the Government	Receipts / Payments by Third Parties
<b>PAYMENTS</b>					
<i>Operations</i>					
Salaries and Employee Benefits	19	601,117	-	557,602	-
Operating Expenses	19a	164,711	-	115,449	-
		765,828	-	673,051	-
<i>Transfers</i>					
Grants, Subsidies and Write-off of Loans	20	303,378	-	206,359	-
Other Transfer Payments	20a	45,176	-	54,718	-
		348,554	-	261,077	-
<i>Expenditure on</i>					
Physical Assets		157,847	-	77,660	-
Civil Works		291,401	-	199,100	-
Repairs and Maintenance		56,404	-	34,975	-
		505,652	-	311,735	-
<i>Debt and Interest Payments</i>					
Principal Repayment of Debt	21	95,929	-	95,506	-
Servicing of Debt	22	58,076	-	35,456	-
		154,005	-	130,962	-
<i>Other Payments</i>					
Loans and Advances	23	-	-	-	-
<b>TOTAL PAYMENTS</b>		<b>1,774,040</b>	<b>-</b>	<b>1,376,825</b>	<b>-</b>
NET RECEIPT OF PROVINCIAL CONSOLIDATED FUND		(55,483)	-	19,382	-
NET RECEIPT / (PAYMENT) OF PUBLIC ACCOUNT	24	64,216	-	23	-
NET INCREASE IN CASH DURING THE YEAR		8,733	-	19,405	-
CASH AT BEGINNING OF THE YEAR		91,657	-	72,252	-
NET INCREASE IN CASH DURING THE YEAR		8,733	-	19,405	-
CASH AT END OF THE YEAR	25	100,390	-	91,657	-

The annexed notes 1 to 28 form an integral part of these financial statements.

  
Accountant General Sindh

**GOVERNMENT OF SINDH**  
**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>			
Taxation-Transfers from Federal Government	8	984,523	842,959
Taxation-Provincial Government's Own Collection	9	283,559	268,029
Non-Tax Revenue & Other Receipts		95,737	74,095
Grants and Aid - Receipts	14	45,746	35,740
Trading Activities - Receipts	18	120,055	82,114
Operations - Payments		(765,828)	(673,051)
Servicing of Debt - Payments	22	(58,076)	(35,456)
Transfers-Payments		(348,554)	(261,077)
<i>Cash from Operating Activities</i>		357,161	333,354
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital Receipts	17	84	85
Payments for purchase of Physical Assets & on Civil Works & Others		(505,652)	(311,735)
Payments of Loans and Advances	23	-	-
<i>Cash used in Investing Activities</i>		(505,568)	(311,650)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts of Foreign Debt	15	132,654	27,544
Receipts of Domestic Debt	16	56,200	65,640
Principal Repayments of Debt	21	(95,929)	(95,506)
Net Receipts (Payment) of Public Account	24	64,216	23
<i>Cash from / (used in) Financing Activities</i>		157,140	(2,299)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		8,733	19,405
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		91,657	72,252
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE YEAR</b>	25	100,390	91,657

*The annexed notes 1 to 28 form an integral part of these financial statements.*

  
Accountant General Sindh

**GOVERNMENT OF SINDH**

**Statement of Comparison of Budget and Actual Amounts by Function  
For the Year Ended 30 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>						
Revenue						
Taxation	1,313,775	1,325,183	1,268,082	1,111,033	1,109,565	1,110,989
Non-Taxation	134,733	140,750	141,483	102,872	107,494	109,835
Total Revenue Receipts	1,448,508	1,465,933	1,409,565	1,213,905	1,217,059	1,220,824
<b>Capital</b>						
Domestic Debt	122,000	107,000	56,200	115,000	82,000	65,640
Foreign Debt	87,094	143,262	132,654	71,164	46,097	27,544
Recovery of Loans & Advances	6,133	5,588	84	5,101	5,101	85
State Trading Activities	100,424	100,424	120,055	81,064	81,064	82,114
Miscellaneous Recoveries	-	-	-	-	-	-
Total Capital Receipts	315,651	356,275	308,992	272,329	214,262	175,383
<b>TOTAL RECEIPTS</b>	<b>1,764,159</b>	<b>1,822,208</b>	<b>1,718,557</b>	<b>1,486,234</b>	<b>1,431,321</b>	<b>1,396,207</b>
<b>PAYMENTS</b>						
<b>Revenue</b>						
General Public Service	349,895	384,979	373,606	313,004	308,044	297,193
Defence Affairs & Services	149	114	97	138	86	86
Economic Affairs	170,032	224,400	197,261	150,093	141,968	131,293
Public Order and Safety Affairs	152,212	142,823	132,844	146,824	124,659	122,585
Education Affairs and Services	303,169	254,829	249,573	276,831	221,739	213,433
Health Affairs and Services	209,930	200,090	193,233	184,750	190,600	177,353
Housing & Community Amenities	14,061	10,714	8,860	11,236	8,049	8,047
Recreation, Culture and Religion	18,347	20,393	19,701	13,954	13,020	12,733
Social Protection	33,761	39,990	38,193	38,481	16,228	13,168
Environment Protection	1,774	902	538	1,833	928	464
Total Revenue Payments	1,253,331	1,279,234	1,213,905	1,137,145	1,025,321	976,354
<b>Capital</b>						
General Public Service	201,143	214,861	162,132	184,056	194,904	166,608
Economic Affairs	172,999	259,928	207,075	146,715	154,141	97,767
Public Order and Safety Affairs	7,043	4,181	3,919	3,379	2,800	2,701
Education Affairs and Services	30,437	17,489	13,443	23,361	16,444	11,475
Health Affairs and Services	15,983	10,275	4,074	11,719	8,297	4,768
Housing and Community Amenities	24,377	16,518	13,010	20,043	15,863	10,710
Recreation, Culture and Religion	5,938	3,807	3,633	5,906	4,678	4,273
Social Protection	178,703	179,252	152,729	95,152	110,094	102,094
Environment Protection	821	140	121	718	80	79
Total Capital Payments	637,443	706,431	660,135	491,049	607,299	400,472
<b>TOTAL PAYMENTS</b>	<b>1,890,774</b>	<b>1,985,665</b>	<b>1,774,040</b>	<b>1,628,194</b>	<b>1,532,620</b>	<b>1,376,825</b>

The annexed notes 1 to 28 form an integral part of these financial statements.

  
Accountant General Sindh

**GOVERNMENT OF SINDH**  
**Statement of Comparison of Budget and Actual Expenditure by Department**  
**For the Year Ended 30 June 2023**

**DEPARTMENTS**

	2023 (Rupees in Million)			2022 (Rupees in Million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
1 AGRICULTURE SUPPLY & PRICES DEPARTMENT	20,007	44,640	33,910	30,150	25,064	20,911
2 AUQAF, RELIGIOUS AFFAIRS ZAKAT & USHR DEPARTMENT	1,405	1,311	1,140	1,439	1,333	1,121
3 BOARD OF REVENUE	14,640	13,946	10,431	11,827	11,532	6,615
4 CHIEF MINISTER	2,375	2,407	2,422	3,251	9,974	8,802
5 CHIEF MINISTER'S INSPECTION INQUIRIES	101	104	102	99	98	85
6 COLLEGE EDUCATION	33,000	27,000	25,709	26,890	23,892	21,550
7 COOPERATION DEPARTMENT	621	549	507	565	451	446
8 CULTURE, TOURISM & ANTIQUITIES DEPARTMENT	7,005	6,054	7,612	5,802	5,294	5,143
9 DEPARTMENT OF EMPOWERMENT OF DISABLED PERSONS	6,754	3,008	3,607	4,902	2,998	2,961
10 ENERGY DEPARTMENT	33,350	47,011	46,890	26,747	31,045	30,853
11 ENVIRONMENT DEPARTMENT	2,270	1,123	623	2,190	1,094	524
12 EXCISE, TAXATION & NARCOTICS DEPARTMENT	5,671	4,677	4,402	3,983	4,972	4,433
13 FINANCE DEPARTMENT	202,802	345,209	325,544	274,899	286,892	278,102
14 FOOD DEPARTMENT	170,773	255,387	201,358	152,722	175,592	128,470
15 FOREST, ENVIRONMENT & WILDLIFE DEPARTMENT	4,130	4,870	4,519	3,657	5,321	5,011
16 GOVERNOR'S SECRETARIAT/HOUSE	605	830	668	570	737	599
17 HEALTH DEPARTMENT	233,937	218,675	204,612	202,510	204,008	186,967
18 HOME DEPARTMENT	134,078	124,839	116,684	128,973	105,211	105,137
19 HUMAN RIGHTS DEPARTMENT	544	385	373	250	243	242
20 INDUSTRIES & COMMERCE DEPARTMENT	4,252	2,351	2,112	6,542	2,839	2,427
21 INFORMATION & ARCHIVES DEPARTMENT	9,308	12,052	12,027	6,056	6,839	6,807
22 INFORMATION TECHNOLOGY DEPARTMENT	1,658	475	298	2,422	574	499
23 INTER PROVINCIAL COORDINATION	98	66	62	64	61	48
24 INVESTMENT DEPARTMENT	4,625	4,301	4,116	3,045	1,418	1,184
25 IRRIGATION DEPARTMENT	60,056	106,787	99,648	62,141	59,007	53,884
26 KATCHI ABADIES DEPARTMENT	343	309	288	319	220	214
27 LABOUR & HUMAN RESOURCES DEPARTMENT	1,572	983	842	1,484	1,039	888
28 LAW/PARLIAMENTARY AFFAIRS, HUMAN RIGHTS	22,139	19,567	18,062	18,732	19,858	18,297
29 LIVESTOCK AND FISHERIES DEPARTMENT	10,862	9,806	9,358	10,460	8,805	8,261
30 LOCAL GOVERNMENT & HTP DEPARTMENT	173,859	160,629	157,859	129,979	118,538	113,480
31 MINES & MINERAL DEVELOPMENT DEPARTMENT	416	319	273	408	335	266
32 MINORITIES AFFAIRS DEPARTMENT	2,469	1,980	1,682	1,888	1,682	1,513
33 OMBUDSMAN FOR PROTECTION AGAINST WOMAN HARASSMENT	134	90	86	115	94	90
34 PLANNING & DEVELOPMENT DEPARTMENT	56,646	54,728	31,002	47,711	39,392	24,179
35 POPULATION WELFARE DEPARTMENT	6,316	6,029	5,651	5,764	5,986	5,373
36 PROVINCIAL ASSEMBLY OF SINDH	3,223	3,346	2,986	3,008	3,201	2,448
37 PROVINCIAL MOHTASIB/PROVINCIAL OMBUDSMAN	558	504	484	505	457	440
38 PUBLIC HEALTH ENGINEERING & RD DEPARTMENT	35,694	25,945	20,571	28,508	22,741	17,597
39 REHABILITATION DEPARTMENT	2,860	26,307	26,038	4,140	2,818	2,232
40 SCHOOL EDUCATION DEPARTMENT	255,822	208,181	202,534	240,301	187,595	178,339
41 SERVICES GENERAL ADMINISTRATION & COORDINATION	17,338	30,021	17,881	15,645	14,915	11,391
42 SOCIAL WELFARE DEPARTMENT	42,173	58,936	35,311	55,492	33,749	28,423
43 SOCIAL PROTECTION	15,434	487	164	-	-	-
44 SPORT AND YOUTH AFFAIRS DEPARTMENT	4,604	3,003	2,944	3,669	3,219	3,136
45 TRANSPORT & MASS TRANSIT DEPARTMENT	20,768	21,153	12,002	24,838	23,118	9,785
46 UNIVERSITIES AND BOARDS DEPARTMENT	35,081	27,519	26,663	26,649	14,371	13,669
47 WORKS & SERVICES DEPARTMENT	100,289	94,304	91,378	46,084	65,892	63,580
48 WOMEN DEVELOPMENT DEPARTMENT	944	562	442	892	676	388
	<b>1,890,774</b>	<b>1,988,666</b>	<b>1,774,040</b>	<b>1,828,194</b>	<b>1,532,620</b>	<b>1,376,825</b>

The annexed notes 1 to 28 form an integral part of these financial statements.

  
 Accountant General Sindh

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

**4. ACCOUNTING CONVENTION AND BASIS OF PREPARATION**

These financial statements have been prepared under the cash basis of accounting which recognizes transactions and events only when cash is received or paid by the entity. Assets and liabilities in the disclosed notes are on a historical cost basis.

These financial statements have been prepared as per the requirements of NAM that supports international best practices. Government of Pakistan is moving towards full implementation of Cash Basis IPSAS – Financial Reporting under the Cash Basis of Accounting. These financial statements comply with Cash Basis IPSAS except for consolidation of state owned enterprises. The statement of cash receipts and payments, statements of comparison of budget and actual amounts by function, statements of comparison of budget and actual expenditure by 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 - Cash Flow Statements has also been presented, as encouraged by Cash Basis IPSAS.

The financial statements for the financial year 2020-2021 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 Provincial 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**

Expenditure is recognized on the date, payment advice is issued to the bank.

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

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

Expenditure is recognized on the date when State Bank of Pakistan advises repayment of loans and other direct payments to the relevant accounting office.

e) **Imprest payments**

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

**7.3. Foreign currency**

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

**7.4. Employee Benefits**

The government has following plans for its employees:

a) **General Provident Fund**

An employee 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**

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.

**7.5. Investments**

All investments made by the Government are initially measured at cost being the fair value of consideration given plus transaction costs that are directly attributable to their acquisition. Subsequent to initial recognition, investments are carried at historical cost. Any dividends received against investments are recognized when received in the Provincial Consolidated Fund.

**7.6. Cash and Cash Equivalents**

For the purpose of cash flow statement, cash and cash equivalents comprise cash with SBP.

**7.7. Liability**

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

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

**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. Assets are recorded at cost and currently no depreciation is charged.

**7.10. Loans and Advances**

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

**7.11. Payments by third parties**

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

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

	Note	2023 Rupees in Million	2022 Rupees in Million
<b>8. TAXATION-TRANSFERS FROM FEDERAL GOVERNMENT</b>			
<i>Direct Taxes</i>			
Income tax		445,780	307,043
Wealth Tax		-	-
Capital Value Tax		903	54
		<b>446,683</b>	<b>307,097</b>
<i>Indirect Taxes</i>			
Sales Tax		355,736	353,445
Custom Duty		128,183	134,315
Federal Excise Duty		49,166	42,350
Federal Excise on Natural Gas		4,755	5,752
		<b>537,840</b>	<b>535,862</b>
		<b>984,523</b>	<b>842,959</b>
<b>9. TAXATION-PROVINCIAL GOVERNMENT'S OWN COLLECTIONS</b>			
<i>Direct Taxes</i>			
Income Tax		629	707
Income Tax - Agriculture		370	940
Property Tax		2	26
Capital Value Tax		304	306
Land Revenue		231	1,276
Tax on Profession, Trade & Callings		<b>1,536</b>	<b>3,255</b>
<i>Indirect Taxes</i>			
Sales Tax under Services		173,867	145,825
Provincial Excise Duty		6,116	5,742
Stamp Duties		15,039	15,820
Receipts Under Motor Vehicles Act		10,545	12,455
Others		76,456	84,932
		<b>282,023</b>	<b>264,774</b>
		<b>283,559</b>	<b>268,029</b>
<b>10. GENERAL ADMINISTRATION RECEIPTS</b>			
Organs of State		309	116
Fiscal Administration		1,498	1,206
Economic Regulations		392	284
Law and Order		2,275	1,978
Community Services		681	366
Social Services		737	391
		<b>5,892</b>	<b>4,341</b>

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

	<i>Note</i>	2023 Rupees in Million	2022 Rupees in Million
<b>11. ECONOMIC SERVICES RECEIPTS</b>			
Food and Agriculture		79	64
Fisheries & Animal Husbandry		23	28
Forest		43	478
Cooperation, Irrigation, Embankment Drainage		81	274
Mines & Mineral Resources		243	251
		<u>469</u>	<u>1,095</u>
<b>12. DEVELOPMENT SURCHARGE AND ROYALTIES - RECEIPTS</b>			
Development Surcharge on Gas	<i>12.1</i>	10,092	14,378
Royalty on Crude Oil	<i>12.2</i>	14,284	12,410
Royalty on Natural Gas	<i>12.2</i>	37,575	32,543
		<u>61,952</u>	<u>59,331</u>
<b>12.1</b> The development surcharge on natural gas is levied under the Natural Gas Development Surcharge Ordinance, 1967. In pursuance of the said ordinance, the Federal Government has to fix the sale price for the consumers and prescribe a price for the gas companies. The difference between the two prices is the margin available to the government as Development Surcharge. The surcharge on natural gas is transferred to the provinces according to the production of gas in a province.			
<b>12.2</b> 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. Federal Government collects royalty on crude oil and natural gas which is transferred to the provinces on well head production basis after deduction of 2% collection charges.			
<b>13. OTHER RECEIPTS</b>			
Sale of Land		8,745	3,417
Miscellaneous Receipts		18,679	5,908
		<u>27,424</u>	<u>9,325</u>
<b>14. GRANTS AND AID - RECEIPTS</b>			
Federal Grants	<i>14.1</i>	45,746	35,740
<b>14.1 Federal Grants</b>			
Development Grants		23,648	13,233
Non-Development Grants		22,098	22,507
		<u>45,746</u>	<u>35,740</u>

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

	<i>Note</i>	<b>2023 Rupees in Million</b>	<b>2022 Rupees in Million</b>
<b>15. FOREIGN DEBT - RECEIPTS</b>			
Permanent Debt-Federal Government		132,654	27,544
<b>16. DOMESTIC DEBT - RECEIPTS</b>			
Floating Debt	16.1	56,200	65,640
16.1 Floating debt represents the borrowings of temporary nature such as Ways and Means Advances or Cash Credit Accommodation from the State Bank of Pakistan. These are repayable within twelve months.			
<b>17. CAPITAL RECEIPTS</b>			
Recovery of Loans and Advances		84	85
<b>18. TRADING ACTIVITIES - RECEIPTS</b>			
Sale of Wheat and Rice		120,055	82,114
<b>19 SALARIES AND EMPLOYEE BENEFITS</b>			
Pay of Officers		60,330	40,085
Pay of Other Staff		186,076	125,734
Allowances		174,266	233,529
Retirement Benefits		180,445	158,254
		<u>601,117</u>	<u>557,602</u>
<b>19a OPERATIONS</b>			
A02 - Project Pre-Investment		245	174
A03 - Operating Expenses		164,466	115,275
		<u>164,711</u>	<u>115,449</u>
<b>20. GRANTS, SUBSIDIES AND WRITE-OFF OF LOANS</b>			
Grants, Subsidies & Write-Off of Loans		303,378	206,359
Transfer from Loan and Advances		-	-
		<u>303,378</u>	<u>206,359</u>
<b>20a OTHERS TRANSFER PAYMENT</b>			
A06- TRANSFER		23,676	17,054
A11- INVESTMENT		21,500	37,664
		<u>45,176</u>	<u>54,718</u>

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

	Note	2023 Rupees in Million	2022 Rupees in Million
<b>21. PRINCIPAL REPAYMENT OF DEBT</b>			
Foreign Debt		36,786	24,791
Domestic Debt	21.1	59,143	70,715
		<u>95,929</u>	<u>95,506</u>
<b>21.1 Domestic Debt</b>			
Permanent Debt		2,943	5,075
Floating Debt		56,200	65,640
		<u>59,143</u>	<u>70,715</u>
<b>22. SERVICING OF DEBT</b>			
Foreign Debt		13,811	6,242
Domestic Debt		19,561	18,566
General Provident Fund		24,704	10,648
		<u>58,076</u>	<u>35,456</u>
<b>23. LOANS AND ADVANCES</b>			
Non-Financial Institutions		-	-
<b>24. NET RECEIPT / (PAYMENT) OF PUBLIC ACCOUNT</b>			
<i>Receipts</i>			
Trust & Other Public Accounts	24.1	5,156,413	4,143,432
Special Deposits		290,163	103,041
State Provident Fund		41,559	22,162
		<u>5,488,134</u>	<u>4,268,635</u>
<i>Payments</i>			
Trust & Other Public Accounts	24.1	5,124,394	4,158,678
Special Deposits		273,559	88,172
State Provident Fund		25,965	21,762
		<u>5,423,919</u>	<u>4,268,612</u>
	24.1	<u>64,216</u>	<u>23</u>

24.1 The public account consists of those moneys received by the Government for which it has a fiduciary duty, but not at liberty to appropriate for the general services of Government, unless provided under an Act of Provincial Assembly or rules made by the Governor. The balances in the public account are carried forward at year end and to be used for the specific purpose for which they are established.

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

	2023 Rupees in Million	2022 Rupees in Million
<b>25. CASH AND BANK</b>		
Provincial Government's Balance	100,390	91,656
<b>26. ASSETS AND LIABILITIES</b>		
<i>Assets</i>		
Long Term Assets	2,273,952	1,951,302
Investments	283,614	262,114
Loans and Advances	1,748	1,832
Current Assets	2,080	2,061
Cash at Bank	100,390	91,656
<b>26.1</b>	<b>2,661,784</b>	<b>2,308,965</b>
<i>Liabilities and Equity</i>		
Public Debt	113,855	20,930
Special Deposits and Trust Accounts	192,714	145,632
Deferred Liabilities	176,536	159,383
Capital Receipts	1,417	1,417
Residual Equity	2,177,262	1,981,603
<b>26.1</b>	<b>2,661,784</b>	<b>2,308,965</b>

26 These financial statements have been prepared under cash basis of accounting, the information of assets and liabilities have been presented on the basis of limited records as explained in Note 3 and this is not mandatory but encouraged disclosure as per Cash Basis IPSAS. The assets are disclosed in the financial statements in compliance with the requirements in NAM as function wise (function of the government). Related expenditure as made in Investment above has been appropriately disclosed in line item "Other Transfer Payments" in the Statement of Cash Receipts and Payments and Cash Flows Statement pertaining to current year and previous. Previous year disclosure was different but insignificant payment during previous year does not impair management's assertion of true and fair presentation during that year.

**27. AUTHORIZATION FOR ISSUE**

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

19 DEC 2023

**28. GENERAL**

**28.1 Level of Precision**

Figures in these 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 Sindh

**Controller General of Accounts**  
CGA Complex  
Sector G-5/2, Islamabad  
Tel: (051) 9201322-25

**Accountant General Sindh**  
Audit Complex  
University Road, N.I.P.A Chowrangi Karachi  
Tel: (021) 99244755