



FINANCIAL STATEMENTS

of the
Government of Sindh

2023-2024





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2023-2024

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PREFACE

I am pleased to present the Financial Statements of the Government of Sindh for the year ended 30th June, 2024 together with the Auditors' Report thereon.

The Financial Statements of the Government of Sindh for the financial year 2023-24 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.

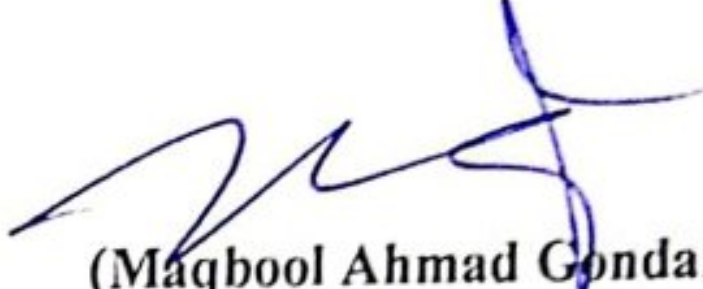
The current year's Financial Statements have been prepared under NAM and the format of International Public Sector Accounting Standards (IPSAS) Cash Basis – Financial Reporting under the Cash Basis of Accounting has been adopted for the preparation of these Financial Statements.

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.

Islamabad, Pakistan

Date: 17 DEC 2024


(Maqbool Ahmad Gondal)
Controller General of Accounts



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

Auditor's Report

I have audited the accompanying financial statements of the Government of Sindh, which comprise the statements of receipts and payments for the year ended 30th June, 2024, statements of cash flows, statements of comparison of budget and actual amounts by functions, statement of comparison of budget, actual expenditure by the department and statement of appropriation of grants by object for the year 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 Articles 169 and 170 (2) of the Constitution of the Islamic Republic of Pakistan read with Section 7 of the Auditor-General's (Functions, Power and Terms and Conditions of Service) Ordinance, 2001. I conducted my audit in accordance with the International Standards issued by the International Organization of Supreme Audit Institutions (ISSAIs) and by my department. Those Standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes examining, on a test check basis, evidence supporting the amounts and disclosures in the financial statements. The audit also includes assessing the accounting principles used and significant estimates made by the Government, as well as evaluating overall financial statements' presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion:

- a. These financial statements properly present, in all material respects, the financial position of Government of Sindh as at 30th June, 2024 and the results of its operations, its cash flow and its expenditure and receipts, for the year 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.

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


Emphasis of Matter:

Without further qualification, I draw your attention towards following issue:

1. It was observed that payments of Rs 1,987.804 million were released to various contractors on account of security deposits (PWD Deposits) in excess to the amounts received from them. Furthermore, a detailed analysis of previous years shows that no deductions were made from vendors/contractors in last ten years, but unjustified payments were made to them, which was not in order.
2. The expenditure of Rs 76,171 million was incurred on various heads of account by splitting up the expenditure to avoid tender. By keeping the individual amounts below the tendering threshold, the overall expenditure exceeded the prescribed tender limit.
3. Furthermore, it was observed that a payment of Rs 2,695.257million was made to various Drawing and Disbursing Officers (DDOs) instead of being directly transferred to the intended recipients. This method of routing payments through DDOs, rather than directly to the payees, raises serious concerns regarding the transparency and integrity of the financial transactions.

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.


(Muhammad Ajmal Gondal)
Auditor-General of Pakistan

Islamabad, Pakistan
Date: 18 DEC 2024

GOVERNMENT OF SINDH
Statement of Cash Receipts and Payments
For the Year Ended 30 June 2024

	Note	2024 (Rupees in Million)		2023 (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
PROVINCIAL CONSOLIDATED FUND					
RECEIPTS					
<i>Taxation- Transfer from Federal Government</i>	8	1,218,992	-	984,523	-
<i>Taxation- Provincial Government's Own Collection</i>	9	361,676	-	283,559	-
<i>Non-Tax Revenue and Other Receipts</i>					
General Administration	10	9,600	-	5,892	-
Economic Services	11	828	-	469	-
Development Surcharge and Royalties	12	97,529	-	61,952	-
Dividend and Profit Share-Non Financial Institutions		-	-	-	-
Others	13	63,376	-	27,424	-
		171,333	-	95,737	-
<i>Grants and Aid</i>	14	49,405	-	45,746	-
<i>Borrowings</i>					
Foreign Debt	15	199,878	23,721	132,654	-
Domestic Debt	16	90,140	-	56,200	-
		290,018	23,721	188,854	-
<i>Capital Receipts</i>	17	86	-	84	-
<i>Trading Activities</i>	18	78,655	-	120,055	-
TOTAL RECEIPTS		2,170,165	23,721	1,718,557	-


 Accountant General Sindh

GOVERNMENT OF SINDH
Statement of Cash Receipts and Payments
For the Year Ended 30 June 2024

	Note	2024 (Rupees in Million)		2023 (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
PAYMENTS					
<i>Operations</i>					
Salaries and Employee Benefits	19	771,724	-	601,117	-
Operating Expenses	19a	169,545	-	164,711	-
		941,269	-	765,828	-
<i>Transfers</i>					
Grants, Subsidies and Write-off of Loans	20	354,346	-	303,378	-
Other Transfer Payments	20a	105,975	-	45,176	-
		460,321	-	348,554	-
<i>Expenditure on</i>					
Physical Assets		121,302	-	157,847	-
Civil Works		446,749	23,721	291,401	-
Repairs and Maintenance		42,692	-	56,404	-
		610,743	23,721	505,652	-
<i>Debt and Interest Payments</i>					
Principal Repayment of Debt	21	100,483	-	95,929	-
Servicing of Debt	22	69,559	-	58,076	-
		170,042	-	154,005	-
<i>Other Payments</i>					
Loans and Advances	23	-	-	-	-
TOTAL PAYMENTS		2,182,375	23,721	1,774,040	-
NET RECEIPT OF PROVINCIAL CONSOLIDATED FUND		(12,210)	-	(55,483)	-
NET RECEIPT / (PAYMENT) OF PUBLIC ACCOUNT	24	24,464	-	64,216	-
NET INCREASE IN CASH DURING THE YEAR		12,254	-	8,733	-
CASH AT BEGINNING OF THE YEAR		100,390	-	91,657	-
NET INCREASE IN CASH DURING THE YEAR		12,254	-	8,733	-
CASH AT END OF THE YEAR	25	112,644	-	100,390	-

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 2024

	Note	2024 Rupees in Million	2023 Rupees in Million
CASH FLOWS FROM OPERATING ACTIVITIES			
Taxation-Transfers from Federal Government	8	1,218,992	984,523
Taxation-Provincial Government's Own Collection	9	361,676	283,559
Non-Tax Revenue & Other Receipts		171,333	95,737
Grants and Aid - Receipts	14	49,405	45,746
Trading Activities - Receipts	18	78,655	120,055
Operations - Payments		(941,269)	(765,828)
Servicing of Debt - Payments	22	(69,559)	(58,076)
Transfers-Payments		(460,321)	(348,554)
<i>Cash from Operating Activities</i>		408,912	357,161
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital Receipts	17	86	84
Payments for purchase of Physical Assets & on Civil Works & Others		(610,743)	(505,652)
Payments of Loans and Advances	23	-	-
<i>Cash used in Investing Activities</i>		(610,657)	(505,568)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts of Foreign Debt	15	199,878	132,654
Receipts of Domestic Debt	16	90,140	56,200
Principal Repayments of Debt	21	(100,483)	(95,929)
Net Receipts (Payment) of Public Account	24	24,464	64,216
<i>Cash from / (used in) Financing Activities</i>		213,999	157,140
NET INCREASE IN CASH AND CASH EQUIVALENTS		12,254	8,733
CASH & CASH EQUIVALENTS AT BEGINNING OF THE YEAR		100,390	91,657
CASH & CASH EQUIVALENTS AT END OF THE YEAR	25	112,644	100,390


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 2024

	2024 (Rupees in Million)			2023 (Rupees in Million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
RECEIPTS						
<u>Revenue</u>						
Taxation	1,704,531	1,666,035	1,580,668	1,313,775	1,325,183	1,268,082
Non-Taxation	183,203	221,883	220,738	134,733	140,750	141,483
Total Revenue Receipts	1,887,734	1,887,918	1,801,406	1,448,508	1,465,933	1,409,565
<u>Capital</u>						
Domestic Debt	174,950	144,950	90,140	122,000	107,000	56,200
Foreign Debt	260,919	234,376	199,878	87,094	143,262	132,654
Recovery of Loans & Advances	6,133	6,133	86	6,133	5,588	84
State Trading Activities	208,050	230,118	78,655	100,424	100,424	120,055
Miscellaneous Recoveries	-	-	-	-	-	-
Total Capital Receipts	650,052	615,576	368,759	315,651	356,275	308,992
TOTAL RECEIPTS	2,537,785	2,503,494	2,170,165	1,764,159	1,822,208	1,718,557
PAYMENTS						
<u>Revenue</u>						
General Public Service	405,921	488,083	473,198	349,895	384,979	373,606
Defence Affairs & Services	151	120	110	149	114	97
Economic Affairs	251,948	274,814	229,202	170,032	224,400	197,261
Public Order and Safety Affairs	173,155	171,673	165,442	152,212	142,823	132,844
Education Affairs and Services	345,482	341,113	318,386	303,169	254,829	249,573
Health Affairs and Services	228,762	224,212	212,487	209,930	200,090	193,233
Housing & Community Amenities	12,519	8,365	7,925	14,061	10,714	8,860
Recreation, Culture and Religion	19,944	19,015	17,666	18,347	20,393	19,701
Social Protection	20,724	17,110	14,558	33,761	39,990	38,193
Environment Protection	1,701	945	676	1,774	902	538
Total Revenue Payments	1,460,307	1,545,448	1,439,651	1,253,331	1,279,234	1,213,905
<u>Capital</u>						
General Public Service	393,731	354,582	238,000	201,143	214,861	162,132
Economic Affairs	331,295	248,631	184,544	172,999	259,928	207,075
Public Order and Safety Affairs	8,514	5,823	5,508	7,043	4,181	3,919
Education Affairs and Services	36,356	15,299	13,880	30,437	17,469	13,443
Health Affairs and Services	32,644	8,299	4,522	15,983	10,275	4,074
Housing and Community Amenities	39,456	23,573	18,281	24,377	16,518	13,010
Recreation, Culture and Religion	7,200	5,532	5,326	5,938	3,807	3,633
Social Protection	292,073	305,703	272,389	178,703	179,252	152,729
Environment Protection	831	353	274	821	140	121
Total Capital Payments	1,142,100	967,795	742,724	637,443	706,431	560,135
TOTAL PAYMENTS	2,602,406	2,513,243	2,182,375	1,890,774	1,985,665	1,774,040

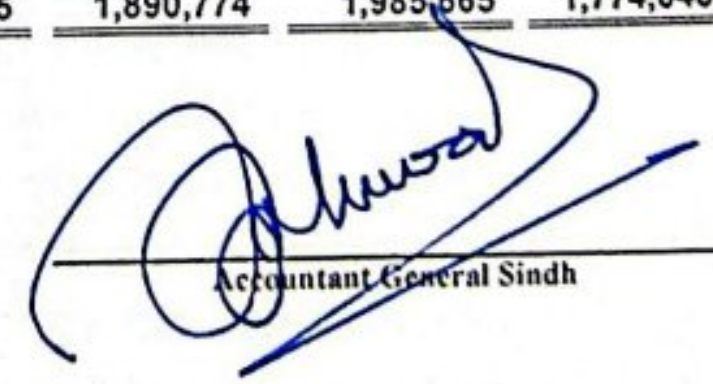
The annexed notes 1 to 28 form an integral part of these financial statements.


Accountant General Sindh

GOVERNMENT OF SINDH
Statement of Comparison of Budget and Actual Expenditure by Department
For the Year Ended 30 June 2024

DEPARTMENTS	2024 (Rupees in Million)			2023 (Rupees in Million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
1 AGRICULTURE SUPPLY & PRICES DEPARTMENT	40,145	43,512	38,962	29,687	44,549	33,910
2 AUQAF, RELIGIOUS AFFAIRS ZAKAT & USHR DEPARTMENT	1,675	1,335	1,187	1,495	1,311	1,140
3 BOARD OF REVENUE	11,837	12,883	9,095	14,548	13,948	10,431
4 CHIEF MINISTER	2,748	3,187	3,040	2,375	2,467	2,422
5 CHIEF MINISTER'S INSPECTION INQUIRIES	124	176	152	101	104	102
6 COLLEGE EDUCATION	34,244	30,931	28,952	33,008	27,088	25,769
7 COOPERATION DEPARTMENT	674	606	574	621	549	507
8 CULTURE, TOURISM & ANTIQUITIES DEPARTMENT	10,343	10,430	10,127	7,085	8,054	7,812
9 DEPARTMENT OF EMPOWERMENT OF DISABLED PERSONS	9,485	6,306	5,535	6,754	3,668	3,507
10 ENERGY DEPARTMENT	51,464	64,122	62,897	33,350	47,011	46,890
11 ENVIRONMENT DEPARTMENT	2,113	1,267	913	2,279	1,123	623
12 EXCISE, TAXATION & NARCOTICS DEPARTMENT	7,248	5,496	4,998	5,871	4,677	4,402
13 FINANCE DEPARTMENT	459,933	540,273	491,566	292,892	345,209	325,544
14 FOOD DEPARTMENT	322,338	323,161	172,230	179,773	255,387	201,358
15 FOREST, ENVIRONMENT & WILDLIFE DEPARTMENT	4,950	4,735	4,679	4,138	4,870	4,519
16 GOVERNOR'S SECRETARIAT/HOUSE	834	1,201	1,075	695	830	668
17 HEALTH DEPARTMENT	272,168	242,477	226,337	233,937	218,875	204,612
18 HOME DEPARTMENT	155,087	152,324	147,637	134,078	124,839	116,684
19 HUMAN RIGHTS DEPARTMENT	708	464	336	544	385	373
20 INDUSTRIES & COMMERCE DEPARTMENT	5,809	2,631	2,001	4,252	2,351	2,112
21 INFORMATION & ARCHIVES DEPARTMENT	9,707	9,530	9,264	9,308	12,052	12,027
22 INFORMATION TECHNOLOGY DEPARTMENT	1,985	1,343	757	1,658	475	298
23 INTER PROVINCIAL COORDINATION	81	77	69	98	66	62
24 INVESTMENT DEPARTMENT	4,716	729	336	4,625	4,301	4,118
25 IRRIGATION DEPARTMENT	104,786	95,952	91,021	69,056	106,787	99,648
26 KATCHI ABADIES DEPARTMENT	362	313	301	343	309	288
27 LABOUR & HUMAN RESOURCES DEPARTMENT	1,693	1,084	982	1,572	983	842
28 LAW/PARLIAMENTARY AFFAIRS, HUMAN RIGHTS	23,296	22,223	20,998	22,139	19,567	18,062
29 LIVESTOCK AND FISHERIES DEPARTMENT	13,432	9,965	9,604	10,862	9,806	9,358
30 LOCAL GOVERNMENT & HTP DEPARTMENT	187,553	193,167	181,058	173,859	160,629	157,859
31 MINES & MINERAL DEVELOPMENT DEPARTMENT	476	388	352	416	319	273
32 MINORITIES AFFAIRS DEPARTMENT	2,572	2,284	1,954	2,469	1,980	1,682
33 OMBUDSMAN FOR PROTECTION AGAINST WOMAN HARRASEMENT	133	109	105	134	90	86
34 PLANNING & DEVELOPMENT DEPARTMENT	61,626	15,610	12,536	56,646	54,728	31,002
35 POPULATION WELFARE DEPARTMENT	6,871	7,192	6,837	6,316	6,029	5,651
36 PROVINCIAL ASSEMBLY OF SINDH	4,337	3,813	3,052	3,223	3,346	2,986
37 PROVINCIAL MOHTASIBPROVINCIAL OMBUDSMAN	759	656	632	558	504	484
38 PUBLIC HEALTH ENGINEERING & RD DEPARTMENT	49,284	30,909	25,226	35,694	25,945	20,571
39 REHABILITATION DEPARTMENT	2,670	3,618	3,296	2,860	26,307	26,038
40 SCHOOL EDUCATION DEPARTMENT	291,116	279,457	259,734	255,822	208,181	202,534
41 SERVICES GENERAL ADMINISTRATION & COORDINATION	42,481	47,613	43,016	17,338	30,021	17,881
42 SOCIAL WELFARE DEPARTMENT	133,436	163,209	147,167	42,173	58,936	35,311
43 SOCIAL PROTECTION	3,134	450	172	15,434	467	164
44 SPORT AND YOUTH AFFAIRS DEPARTMENT	4,799	3,146	3,065	4,604	3,003	2,944
45 TRANSPORT & MASS TRANSIT DEPARTMENT	100,861	33,359	19,512	29,768	21,153	12,002
46 UNIVERSITIES AND BOARDS DEPARTMENT	42,459	35,796	34,033	35,081	27,519	26,663
47 WORKS & SERVICES DEPARTMENT	112,849	103,066	94,430	100,289	94,304	91,378
48 WOMEN DEVELOPMENT DEPARTMENT	1,006	666	572	944	562	442
	2,602,406	2,513,243	2,182,375	1,890,774	1,985,665	1,774,040

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 2024

1. REPORTING ENTITY

Provincial Government of Sindh (the Government) conducts its operations under the Rules of Business 1986. These rules were made pursuant to Article 139 of the Constitution of the Islamic Republic of Pakistan, 1973, (the Constitution) and envisage Provincial Government as comprising of Provincial departments and their attached departments. Financial procedures of the Constitution describe the Government as Provincial Consolidated Fund and Public Account of the Province for which Annual Budget Statement is authorized by the Provincial Assembly in the form of budgetary grants. These financial statements focus on reporting the budgetary activity of the Government for the financial year.

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

- a) Centralized Accounting Entities; for which the Accountant General has the primary responsibility for accounting and reporting.
- b) Self Accounting Entities; for which the Principal Accounting Officer has the primary responsibility for accounting and reporting. The Self Accounting Entities are as under;
 1. Forest
 2. Food
 3. PWD (Public Works Department)
- c) Exempt Entities; special purpose authorities/ organizations and all the Government owned corporations/ companies which are required to prepare their financial statements under their specific statute or Companies Ordinance, 1984 are classified as exempt entities. Financial statements of these entities are not consolidated in the financial statements of the Provincial Government. New investments made by the Provincial Government in such entities are capitalized and any grants to the entities are classified as an expense of the Provincial Government, if any, in the financial year to which they pertain. Return from these entities in the form of dividends or interest is classified as non-tax revenue.

2. BASIS OF CONSOLIDATION

The financial statements have been prepared by consolidating the accounts of all centralized and self-accounting entities.

3. STATEMENT OF COMPLIANCE

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

GOVERNMENT OF SINDH
Notes to the Financial Statements
For the Year Ended 30 June 2024

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 2023-2024 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 2023-2024 (from 1st July, 2023 to 30th June, 2024).

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 2024

- 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 2024

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 2024

<i>Note</i>	2024 Rupees in Million	2023 Rupees in Million
8. TAXATION-TRANSFERS FROM FEDERAL GOVERNMENT		
<i>Direct Taxes</i>		
Income tax	572,095	445,780
Wealth Tax	-	-
Capital Value Tax	2,029	903
	574,124	446,683
<i>Indirect Taxes</i>		
Sales Tax	416,562	355,736
Custom Duty	148,605	128,183
Federal Excise Duty	75,601	49,166
Federal Excise on Natural Gas	4,100	4,755
	644,868	537,840
	1,218,992	984,523
9. TAXATION-PROVINCIAL GOVERNMENT'S OWN COLLECTIONS		
<i>Direct Taxes</i>		
Income Tax	1,354	629
Income Tax - Agriculture	335	370
Property Tax	1	2
Capital Value Tax	275	304
Land Revenue	878	231
Tax on Profession, Trade & Callings	2,843	1,536
<i>Indirect Taxes</i>		
Sales Tax under Services	222,736	173,867
Provincial Excise Duty	7,004	6,116
Stamp Duties	17,108	15,039
Receipts Under Motor Vehicles Act	11,009	10,545
Others	100,976	76,456
	358,833	282,023
	361,676	283,559
10. GENERAL ADMINISTRATION RECEIPTS		
Organs of State	75	309
Fiscal Administration	4,253	1,498
Economic Regulations	349	392
Law and Order	3,600	2,275
Community Services	521	681
Social Services	802	737
	9,600	5,892

GOVERNMENT OF SINDH
Notes to the Financial Statements
For the Year Ended 30 June 2024

	<i>Note</i>	2024 Rupees in Million	2023 Rupees in Million
11. ECONOMIC SERVICES RECEIPTS			
Food and Agriculture		77	79
Fisheries & Animal Husbandry		24	23
Forest		147	43
Cooperation, Irrigation, Embankment Drainage		337	81
Mines & Mineral Resources		243	243
		<u>828</u>	<u>469</u>
12. DEVELOPMENT SURCHARGE AND ROYALTIES - RECEIPTS			
Development Surcharge on Gas	<i>12.1</i>	21,849	10,092
Royalty on Crude Oil	<i>12.2</i>	23,649	14,284
Royalty on Natural Gas	<i>12.2</i>	52,031	37,575
		<u>97,529</u>	<u>61,952</u>
12.1 The development surcharge on natural gas is levied under the Natural Gas Development Surcharge Ordinance, 1967. In pursuance of the said ordinance, the Federal Government has to fix the sale price for the consumers and prescribe a price for the gas companies. The difference between the two prices is the margin available to the government as Development Surcharge. The surcharge on natural gas is transferred to the provinces according to the production of gas in a province.			
12.2 Royalty on crude oil and natural gas is received under 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.			
13. OTHER RECEIPTS			
Sale of Land		42,469	8,745
Miscellaneous Receipts		20,907	18,679
		<u>63,376</u>	<u>27,424</u>
14. GRANTS AND AID - RECEIPTS			
Federal Grants	<i>14.1</i>	49,405	45,746
14.1 Federal Grants			
Development Grants		12,335	23,648
Non-Development Grants		37,070	22,098
		<u>49,405</u>	<u>45,746</u>

GOVERNMENT OF SINDH
Notes to the Financial Statements
For the Year Ended 30 June 2024

	<i>Note</i>	2024 Rupees in Million	2023 Rupees in Million
15. FOREIGN DEBT - RECEIPTS			
Permanent Debt-Federal Government		199,878	132,654
16. DOMESTIC DEBT - RECEIPTS			
Floating Debt	<i>16.1</i>	90,140	56,200
<p>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.</p>			
17. CAPITAL RECEIPTS			
Recovery of Loans and Advances		86	84
18. TRADING ACTIVITIES - RECEIPTS			
Sale of Wheat and Rice		78,655	120,055
19 SALARIES AND EMPLOYEE BENEFITS			
Pay of Officers		62,685	60,330
Pay of Other Staff		198,534	186,076
Allowances		261,070	174,266
Retirement Benefits		249,435	180,445
		<u>771,724</u>	<u>601,117</u>
19a OPERATIONS			
A02 - Project Pre-Investment		398	245
A03 - Operating Expenses		169,147	164,466
		<u>169,545</u>	<u>164,711</u>
20. GRANTS, SUBSIDIES AND WRITE-OFF OF LOANS			
Grants, Subsidies & Write-Off of Loans		354,346	303,378
Transfer from Loan and Advances		-	-
		<u>354,346</u>	<u>303,378</u>
20a OTHERS TRANSFER PAYMENT			
A06- TRANSFER		26,100	23,676
A11- INVESTMENT		79,875	21,500
		<u>105,975</u>	<u>45,176</u>

GOVERNMENT OF SINDH
Notes to the Financial Statements
For the Year Ended 30 June 2024

	2024 Rupees in Million	2023 Rupees in Million
21. PRINCIPAL REPAYMENT OF DEBT		
Foreign Debt	41,664	36,786
Domestic Debt	58,819	59,143
	<u>100,483</u>	<u>95,929</u>
21.1 Domestic Debt		
Permanent Debt	2,735	2,943
Floating Debt	56,083	56,200
	<u>58,819</u>	<u>59,143</u>
22. SERVICING OF DEBT		
Foreign Debt	23,673	13,811
Domestic Debt	24,991	19,561
General Provident Fund	20,895	24,704
	<u>69,559</u>	<u>58,076</u>
23. LOANS AND ADVANCES		
Non-Financial Institutions	-	-
24. NET RECEIPT / (PAYMENT) OF PUBLIC ACCOUNT		
<i>Receipts</i>		
Trust & Other Public Accounts	6,027,183	5,156,413
Special Deposits	422,238	290,163
State Provident Fund	42,339	41,559
	<u>6,491,760</u>	<u>5,488,134</u>
<i>Payments</i>		
Trust & Other Public Accounts	6,018,587	5,124,394
Special Deposits	421,501	273,559
State Provident Fund	27,208	25,965
	<u>6,467,296</u>	<u>5,423,919</u>
	<u>24,464</u>	<u>64,216</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 2024

	2024 Rupees in Million	2023 Rupees in Million
25. CASH AND BANK		
Provincial Government's Balance	112,644	100,390
26. ASSETS AND LIABILITIES		
<i>Assets</i>		
Long Term Assets	2,757,578	2,273,952
Investments	363,575	283,614
Loans and Advances	1,662	1,748
Current Assets	2,088	2,080
Cash at Bank	112,644	100,390
26.1	3,237,547	2,661,784
<i>Liabilities and Equity</i>		
Public Debt	303,390	113,855
Special Deposits and Trust Accounts	200,170	192,714
Deferred Liabilities	193,553	176,536
Capital Receipts	1,417	1,417
Residual Equity	2,539,017	2,177,262
26.1	3,237,547	2,661,784

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 _____

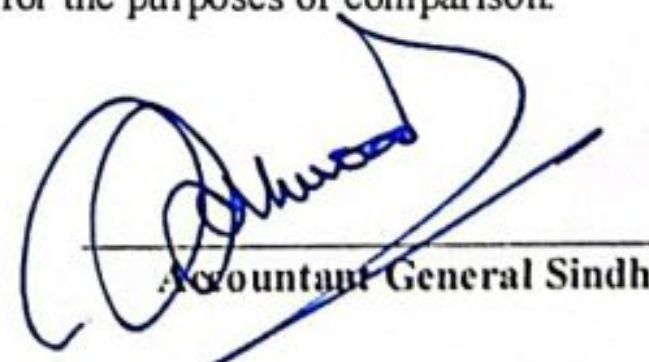
28. GENERAL

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.


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