

CONTENTS

	PAGE
Preface.....	1
Auditor's Report.....	3
Statement of Cash Receipt and Payments.....	5
Statement of Cash Flows.....	7
Statement of Comparison of Budget and Actual Amounts by Function...	8
Statement of Comparison of Budget and Actual Expenditure by Departments.....	9
Annexed Notes to the Financial Statements.....	10

PREFACE

I am pleased to present the Financial Statements of the Government of Balochistan for the year ended 30 June, 2013 together with the Auditors' Report thereon.

The Financial Statements of the Government of Balochistan for the financial year 2012-13 have been prepared by the Accountant General Balochistan under Section 5 of the Controller General of Accounts (Appointment, Functions and Powers) Ordinance, 2001 and are the responsibility of the Controller General of Accounts (CGA).

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

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

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

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

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

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

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

"Sd"

Controller General of Accounts

Islamabad, Pakistan

Date:



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

Auditor's Report

The Office of the Auditor General of Pakistan has audited the accompanying Financial Statements of the Government of Balochistan, which comprise the statement of cash receipts and payments for the year ended 30th June, 2013, statement of cash flows, statement of comparison of budget and actual amounts by function, statement of comparison of budget and actual expenditure by department for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility

These Financial Statements have been prepared by the Accountant General Balochistan on behalf of the Controller General of Accounts under Section 5 of the Controller General of Accounts (Appointment, Functions and Powers) Ordinance, 2001.

Auditor's Responsibility

The responsibility of the Auditor General's office is to express an opinion on these Financial Statements based on the audit in accordance with the requirement of Article 169 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.

Basis of Opinion

The audit was conducted in accordance with the auditing standards issued by the International Organization of Supreme Audit Institutions. These standards require that audit is planned and performed to obtain reasonable assurance to the effect that the Financial Statements are free of material misstatement. The audit process includes examining, on test check basis, evidence supporting the amounts and disclosures in the Financial Statements. It also includes assessing the accounting principles used, as well as evaluating overall presentation of the Financial Statements. The audit results provide a reasonable basis for our opinion.

In our opinion:

- a) These Financial Statements present fairly, in all material respects, the financial performance of the Government of Balochistan for the year ended 30th June, 2013, its cash flows, statement of comparison of budget and actual amounts by function and statement of comparison of budget and actual expenditure by department for the year then ended in accordance with the stated accounting policies of the Government of Balochistan.
- b) The sums expended have been applied, in all material respects, for the purposes authorized by the Provincial Assembly.

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:

"Sd"
Auditor General of Pakistan

GOVERNMENT OF BALOCHISTAN
Statement of Cash Receipts and Payments
For the Year Ended 30 June 2013

	Note	2013 (Rupees in Million)		2012 (Rupees in Million)	
		Receipts / Payments controlled by the Government	Payments by Third Parties	Receipts / Payments controlled by the Government	Payments by Third Parties
PROVINCIAL CONSOLIDATED FUND					
RECEIPTS					
<i>Taxation- Transfers from Federal Government</i>	8	116,529	-	98,435	-
<i>Taxation- Provincial Government's Own Collection</i>	9	1,107	-	1,032	-
<i>Non-Tax Revenue and Other Receipts</i>					
General Administration	10	514	-	442	-
Economic Services	11	465	-	620	-
Development Surcharge and Royalties	12	13,692	-	11,296	-
Dividend and Profit Share	13	530	-	126	-
Others	14	2,529	-	1,169	-
		17,730	-	13,653	-
<i>Grants and Aid</i>	15	27,853	-	28,596	-
<i>Borrowings</i>					
Receipts of Debt	16	760	-	1,554	-
<i>Capital Receipts</i>					
Recovery of Loans and Advances	17	166	-	152	-
<i>Trading Activities</i>	18	2,372	-	830	-
<i>Recoveries of Investment</i>	19	-	-	8,000	-
<i>Direct Payments by Lending / Donor agencies</i>	28	-	-	-	-
TOTAL RECEIPTS		166,517	-	152,252	-

GOVERNMENT OF BALOCHISTAN
Statement of Cash Receipts and Payments
For the Year Ended 30 June 2013

	Note	2013 (Rupees in Million)		2012 (Rupees in Million)	
		Receipts/ Payments controlled by the Government	Payments by Third Parties	Receipts/ Payments controlled by the Government	Payments by Third Parties
PAYMENTS					
<i>Operations</i>					
Salaries and Employee Benefits	20	72,575	-	58,489	-
Project Preinvestment Analysis		-	-	2	-
Operating Expenses		17,841	-	11,454	-
		90,416		69,945	
<i>Transfers</i>					
Grants, Subsidies and Write-off of Loans	21	11,466	-	9,094	-
Other Transfer Payments		243	-	191	-
		11,709	-	9,285	-
<i>Expenditure on</i>					
Physical Assets		1,515	-	3,779	-
Civil Works		36,249	-	43,205	-
		37,764	-	46,984	-
<i>Debt and Interest Payments</i>					
Principal Repayment of Debt	22	9,957	-	11,376	-
Servicing of Debt	23	2,408	-	3,133	-
		12,365		14,509	
<i>Other Payments</i>					
Loans and Advances	24	273	-	-	-
Investments		2,200	-	5,000	-
<i>Direct Payments by Lending / Donor agencies</i>					
	28	-	-	-	-
TOTAL PAYMENTS		154,727	-	145,723	-
NET RECEIPT/ (PAYMENT) OF PROVINCIAL CONSOLIDATED FUND		11,790	-	6,529	-
NET RECEIPT OF PUBLIC ACCOUNT	25	(4,081)	-	(82)	-
INCREASE IN CASH		7,709	-	6,447	-
CASH AT BEGINNING OF THE YEAR		(136)	-	(14,782)	-
PRIOR YEAR ADJUSTMENT	26.1	7,503	-	8,199	-
INCREASE IN CASH		7,709	-	6,447	-
CASH AT END OF THE YEAR	26	15,076	-	(136)	-

The annexed notes 1 to 32 form an integral part of these financial statements.

"Sd"
Accountant General Balochistan

GOVERNMENT OF BALOCHISTAN
Statement of Cash Flows
For the Year Ended 30 June 2013

	2013 Rupees in Million	2012 Rupees in Million
CASH FLOWS FROM OPERATING ACTIVITIES		
Taxation - Transfers from Federal Government	8 116,529	98,435
Taxation - Provincial Government's Own Collection	9 1,107	1,032
Non-Tax Revenue and Other Receipts	17,730	13,653
Grants and Aid - Receipts	15 27,853	28,596
Trading Activities - Receipts	18 2,372	830
Operations - Payments	(90,416)	(69,945)
Servicing of Debt - Payments	23 (2,408)	(3,133)
Transfers - Payments	(11,709)	(9,285)
Cash from Operating Activities	61,058	60,183
CASH FLOWS FROM INVESTING ACTIVITIES		
Recoveries of Loans and Advances	17 166	152
Recovery of Investment	19 -	8,000
Expenditure on Physical Assets, Civil Works and Others	(37,764)	(46,984)
Payments of Loans and Advances	24 (273)	-
Investments	(2,200)	(5,000)
Cash used in Investing Activities	(40,071)	(43,832)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts of Debt	16 760	1,554
Principal Repayments of Debt	22 (9,957)	(11,376)
Net Receipt of Public Account	25 (4,081)	(82)
Cash used in Financing Activities	(13,278)	(9,904)
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,709	6,447
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	(136)	(14,782)
PRIOR YEAR ADJUSTMENT	26.1 7,503	8,199
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	26 15,076	(136)

The annexed notes 1 to 32 form an integral part of these financial statements.

"Sd"

 Accountant General Balochistan

GOVERNMENT OF BALOCHISTAN

Statement of Comparison of Budget and Actual Amounts by Function

For the Year Ended 30 June 2013

	2013 (Rupees in Million)			2012 (Rupees in Million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
RECEIPTS						
<i>Revenue</i>						
Taxation	132,451	131,733	117,636	111,551	113,709	99,467
Non-Taxation	19,314	31,000	45,583	32,494	39,460	42,249
Income from Property and Enterprise	7,574	9,693	2,372	9,985	8,265	830
Total revenue receipts	159,339	172,426	165,591	154,030	161,434	142,546
<i>Capital</i>						
Receipt of Debt	14,303	14,252	760	1,631	1,258	1,554
Recoveries of Loans and Advances	1,089	633	166	2,181	1,079	152
Recoveries of Investment	5,200	-	-	-	8,200	8,000
Total capital receipts	20,592	14,885	926	3,812	10,537	9,706
Receipts of Provincial Government	179,931	187,311	166,517	157,842	171,971	152,252
TOTAL RECEIPTS	179,931	187,311	166,517	157,842	171,971	152,252
PAYMENTS						
<i>Revenue</i>						
General Public Services	60,570	53,573	30,507	54,032	62,309	34,508
Public Order and Safety Affairs	14,169	17,309	17,939	11,561	12,927	13,057
Economic Affairs	28,896	26,413	21,607	29,552	30,636	21,089
Environment Protection	136	131	93	87	101	55
Housing and Community Amenities	3,638	3,846	3,639	6,368	6,498	3,789
Health Affairs and Services	9,851	9,749	8,916	8,869	8,869	7,603
Recreation, Culture and Religion	926	837	725	173	246	204
Education Affairs and Services	22,471	23,033	25,540	19,256	20,645	21,635
Social Protection	3,455	3,491	1,983	3,309	3,368	610
Total revenue payments	144,112	138,382	110,949	133,207	145,599	102,550
<i>Capital</i>						
General Public Services	5,361	5,361	195	5,724	5,724	17
Public Order and Safety Affairs	86	314	235	201	670	588
Economic Affairs	20,087	29,156	29,457	15,435	25,779	26,847
Environment Protection	2,074	4,245	3,489	2,247	3,786	3,615
Housing and Community Amenities	2,959	4,805	5,445	2,238	4,514	6,463
Health Affairs and Services	1,417	1,939	1,532	1,463	2,150	1,945
Recreation, Culture and Religion	304	304	112	285	285	290
Education Affairs and Services	2,359	2,359	2,168	2,800	2,885	2,866
Social Protection	1,172	1,318	1,145	959	1,225	542
Total capital payment	35,819	49,801	43,778	31,352	47,018	43,173
TOTAL PAYMENTS	179,931	188,183	154,727	164,559	192,617	145,723

The annexed notes 1 to 32 form an integral part of these financial statements.

"Sd"
Accountant General Balochistan

GOVERNMENT OF BALOCHISTAN
Statement of Comparison of Budget and Actual Expenditure by Departments
For the Year Ended 30 June 2013

<i>DEPARTMENTS</i>	2013 (Rupees in Million)			2012 (Rupees in Million)		
	Budgeted Amounts		<i>Actual</i> <i>Amounts</i>	Budgeted Amounts		<i>Actual</i> <i>Amounts</i>
	Original	Revised		Original	Revised	
General Administration	13,628	12,861	7,375	11,334	11,445	7,050
Provincial Excise	466	466	389	339	371	357
Stamps	12	21	1	10	10	2
Other Taxes and Duties	-	-	-	23	211	210
Pension	7,500	8,500	7,209	5,500	5,935	5,392
Administration of Justice	1,610	1,545	1,453	1,481	1,481	1,206
Police	7,575	9,307	10,508	6,409	7,750	8,785
Levies	3,669	3,778	3,382	3,149	3,149	2,559
Jails and Convict Settlements	608	535	505	465	487	454
Civil Defence	68	56	57	34	38	45
Civil Works	5,917	5,661	6,010	4,147	4,616	5,124
Public Health Services	2,180	2,179	2,173	2,279	2,279	2,084
Works Urban/B-WASA	652	730	730	652	752	752
Education	22,458	23,020	25,528	19,243	20,632	21,624
Archives	13	13	12	13	12	11
Health	9,851	9,749	8,916	8,869	8,869	7,603
Population Welfare	16	22	23	16	18	17
Manpower and Labor Management	642	708	689	551	594	561
Sports and Recreation Facilities	179	199	154	115	182	139
Social Security and Social Welfare	504	539	549	432	532	519
Culture Services	75	75	66	58	64	64
Natural Calamities	3,045	3,045	1,539	3,030	3,030	270
Auqaf	339	304	303	245	272	229
Food	268	290	274	216	245	233
Agriculture	5,218	4,593	4,480	4,670	4,670	3,611
Land Revenue	122	114	112	104	104	105
Animal Husbandry	1,939	1,730	1,719	1,623	1,623	1,451
Forestry	734	598	579	734	734	529
Fisheries	385	374	354	310	309	271
Cooperation	68	73	71	58	59	55
Irrigation	1,789	1,540	1,338	4,071	4,241	4,228
Rural Development	6,718	3,837	3,612	5,623	5,623	2,903
Industries	639	747	599	492	492	362
Stationery and Printing	73	76	57	30	35	35
Mineral Resources	392	620	573	337	404	383
Energy	4,079	4,272	4,268	-	1,720	1,709
Subsidies	-	-	-	-	300	-
Debt Servicing and other Obligations	3,341	2,272	1,897	3,816	3,816	3,133
Transport	40	40	33	32	37	29
Provincial Public Safety & PCCB	-	-	-	22	22	8
Women Development	29	45	35	31	33	27
Public Debt Discharge	17,408	17,468	12,157	20,618	21,376	11,376
Loans and Advances	750	350	276	100	100	-
State Trading-Food	6,675	5,259	723	9,926	9,926	2,045
Investments	12,000	10,500	-	12,000	17,000	5,000
Information Technology	302	140	128	-	-	-
Environment Control	136	131	93	-	-	-
Development	35,819	49,801	43,778	31,352	47,019	43,173
<i>Payments of Provincial Government</i>	179,931	188,183	154,727	164,559	192,617	145,723
TOTAL PAYMENTS	179,931	188,183	154,727	164,559	192,617	145,723

The annexed notes 1 to 32 form an integral part of these financial statements.

"Sd"

Accountant General Balochistan

GOVERNMENT OF BALOCHISTAN

Notes to the Financial Statements

For the Year Ended 30 June 2013

1. REPORTING ENTITY

Provincial Government Balochistan (the Government) conducts its operations under the Rules of Business 2007. These rules were made pursuant to Article 139 of the Constitution of the Islamic Republic of Pakistan, 1973 (the Constitution) and envisages Provincial Government as comprising of Provincial and their attached departments. Financial procedures of the Constitution describe the Government as Provincial Consolidated Fund and Public Account of the Province for which Annual Budget Statement is authorized by the Provincial Assembly in the form of budgetary grants. These financial statements focus on reporting the budgetary activity of the Government for the financial year.

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

- a) Centralized Accounting Entities; for which the Accountant General has the primary responsibility for accounting
- b) Self Accounting Entities; There are no Self Accounting Entities for which the Principal Accounting Officer has the
- c) Exempt Entities; special purpose authorities/organizations and all the Government owned corporations/ companies which are required to prepare their financial statements under their specific Statute or Companies Ordinance, 1984 are classified as exempt entities. Financial statements of these entities are not consolidated in the financial statements of the Provincial Government. New investments made by the Provincial Government in such entities are capitalized and any grants to the entities are classified as an expense of the Provincial Government, if any, in the financial year to which they pertain. Return from these entities in the form of dividend or interest is classified in the consolidated fund as non-tax revenue.

Under Balochistan Local Government Ordinance, 2001 (replaced by Local Government Act 2010), district governments were established. Under the 2001 Ordinance the district government consisted of Zila Nazim and district administration. Auditor General of Pakistan under section 114 of the said Ordinance prescribed Local Government Accounts Manual for These financial statements include all centralized accounting entities.

2. BASIS OF CONSOLIDATION

These financial statements have been prepared by consolidating the accounts of all centralized accounting entities. Material inter-government transactions have been eliminated in consolidation.

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the New Accounting Model (NAM). In December 2000, Auditor General of Pakistan prescribed NAM with the approval of the President of Pakistan under Article 170 of the Constitution of Islamic Republic of Pakistan and the implementation of NAM is an on-going process. However commitment, asset and liability accounting practices have not yet been implemented and memorandum registers for assets and commitments do not exist and accounting of liabilities is not done in accordance with NAM.

4. ACCOUNTING CONVENTION AND BASIS OF PREPARATION

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

These financial statements have been prepared as per the requirements of NAM that supports international best practices. Government of Pakistan is moving towards full implementation of the International Public Sector Accounting Standards (IPSASs) issued by the International Federation of Accountants (IFAC). The implementation process initially includes the adoption of Cash Basis IPSAS - Financial Reporting under the Cash Basis of Accounting. The statement of cash receipts and payments, statements of comparison of budget and actual amounts by function, statements of comparison of budget and actual expenditure by departments and notes forming part thereof have been prepared on the format of Cash Basis IPSAS - Financial Reporting under the Cash Basis of Accounting. The statement of cash flows as required by IPSAS 2 - Cash flow Statements has also been presented, as encouraged by Cash Basis IPSAS.

The financial statements for the financial year 2012-13 have been prepared and presented in order to make a fair presentation of all the relevant financial information without making any change in the fundamentals applied and all policies have been applied on a basis consistent with the previous year.

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2013

5. REPORTING AND BUDGET PERIOD

The reporting and budget period of these financial statements is the financial year 2012-13 (from 1 July, 2012 to 30 June, 2013).

6. REPORTING CURRENCY

The reporting currency of these financial statements is Pak Rupee which is Provincial Government's functional and presentational currency.

7. SIGNIFICANT ACCOUNTING POLICIES

7.1 Revenue recognition

Revenue is recognized on the date of receipt of money by the Bank or clearance of cheque. Revenue is recognized on a gross basis and any related costs are recorded separately. Receipts representing recovery of any previous overpayment are adjusted against the relevant expenditure, if it occurs in the same financial year.

7.2 Recognition of expenditure

Expenditure is recognized on the date when payment is made or cheque is issued. Financial year to which the payments pertain is determined by the date on which a cheque or payment advice is issued. Policies for recognition of expenditure

a) Payments made through cheque

Expenditure is recognized on the date the cheque is issued.

b) Inter Government transfers

Expenditure is recognized on the date the transfer is made by the transferor.

c) Payments directly in Bank accounts

Expenditure is recognized on the date the payment advice is issued to the Bank.

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

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

e) Imprest payments

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

7.3 Foreign currency

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

GOVERNMENT OF BALOCHISTAN

Notes to the Financial Statements

For the Year Ended 30 June 2013

7.4 Employee benefits

The government has following plans for its employees:

a) General Provident Fund

An employee compulsorily subscribes to the General Provident Fund from the date of appointment and monthly subscription is by way of deduction from the monthly payroll at a uniform rate of subscription, as advised by the Government for a financial year as laid down in the Provident Funds Act (XIX of 1925) and General Provident Fund Rules. The Government pays interest on provident fund balance and is recorded as expenditure in the financial year.

b) Pension

The entitlement of Government employees to a stream of payments after they retire from service. No liability for pension is recognized in the financial statements and pension payments made during the year are recorded as

c) Encashment of leave

This represents liability arising from entitlements to the various forms of leave earned by government employees. No provision is made and the expenditure is recognized on the basis of payments made during the year.

7.5 Investments

All investments made by the Government are initially measured at cost being the fair value of consideration given plus transaction costs that are directly attributable to their acquisition.

Subsequent to initial recognition, investments are carried at historical cost. Any dividend received against investments are recognized when received in the Provincial Consolidated Fund.

7.6 Cash and cash equivalents

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

7.7 Liability

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

7.8 Public debt

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

7.9 Assets

Assets are future economic benefits controlled by the Government as a result of past transactions or other past events. Assets are recorded at cost and currently no depreciation is charged.

7.10 Loans and advances

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

7.11 Payments by third parties

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

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2013

	<i>Note</i>	2013 Rupees in Million	2012 Rupees in Million
8. TAXATION - TRANSFERS FROM FEDERAL GOVERNMENT			
<i>Direct taxes</i>			
Income Tax		45,335	36,440
Capital Value Tax		-	-
		45,335	36,440
<i>Indirect Taxes</i>			
Sales Tax		51,491	42,364
Custom Duty		12,218	10,061
Federal Excise		7,485	9,570
		71,194	61,995
		116,529	98,435
9. TAXATION - PROVINCIAL GOVERNMENT'S OWN COLLECTION			
<i>Direct Taxes</i>			
Property Tax		59	56
Land Revenue		49	51
Tax on Profession, Trade and Callings		2	1
		110	108
<i>Indirect Taxes</i>			
Receipts Under Motor Vehicles Act		418	366
Stamp Duties		170	168
Provincial Excise		401	379
Others		8	11
		997	924
		1,107	1,032
10. GENERAL ADMINISTRATION RECEIPTS			
Fiscal Administration		25	15
Organs of State		16	12
Community Services		85	33
Social Services		94	111
Economic Regulations		5	6
Law and Order		289	265
		514	442

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2013

	<i>Note</i>	2013 Rupees in Million	2012 Rupees in Million
11. ECONOMIC SERVICES - RECEIPTS			
Cooperation, Irrigation and Embankment Drainage		62	107
Food and Agriculture		131	108
Fisheries and Animal Husbandry		50	42
Forest		40	42
Printing and industries		182	238
Communication and Works		-	83
		<u>465</u>	<u>620</u>

**12. DEVELOPMENT SURCHARGE
AND ROYALTIES - RECEIPTS**

Development Surcharge on Gas	<i>12.1</i>	3,943	4,587
Royalty on Natural Gas and Crude Oil	<i>12.2</i>	4,850	4,380
Mineral Royalties		424	331
Mineral Royalties from Sandak		4,462	1,985
Mineral Royalties from Chamalang		13	6
Mineral Royalties from Duddar		-	7
		<u>13,692</u>	<u>11,296</u>

12.1 The development surcharge on natural gas is levied under the Natural Gas Development Surcharge Ordinance, 1967. In pursuance of the said Ordinance, the federal government has to fix the sale price for the consumers and prescribe a price for the gas companies. The difference between the two prices is the margin available to the Government as development surcharge. The surcharge on natural gas is transferred to the Provinces according to the production of gas in a Province.

12.2 Royalty on crude oil and natural gas is received under the Pakistan Petroleum Production Rules, 1949 at the rate of 12.5% on the well head value of production. Federal Government collects royalty on crude oil and natural gas which is transferred to the Provinces on well head production basis after deduction of 2% collection charges.

12.3 Mineral Royalties are Provincial Government's own collection from mineral resources extracted from various areas.

	<i>Note</i>	2013 Rupees in Million	2012 Rupees in Million
13. DIVIDEND AND PROFIT SHARE			
Dividends Receipts	<i>13.1</i>	18	33
Interest on Loans and Advances		512	93
		<u>530</u>	<u>126</u>
13.1 Dividends Receipts			
Non-Financial Institutions		<u>18</u>	<u>33</u>

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2013

	<i>Note</i>	2013 Rupees in Million	2012 Rupees in Million
14. OTHER RECEIPTS			
Sale of Land		141	12
Miscellaneous Receipts		<u>2,388</u>	<u>1,157</u>
		<u>2,529</u>	<u>1,169</u>
15. GRANTS & AID			
Development Grants		<u>10,240</u>	11,855
Non Development Grants		<u>17,613</u>	<u>16,741</u>
		<u>27,853</u>	<u>28,596</u>
16. RECEIPTS OF DEBT			
Recovery of Loan from Food Account		-	931
Permanent Debt - Federal Government (Foreign Lenders)		<u>760</u>	<u>623</u>
		<u>760</u>	<u>1,554</u>
17. RECOVERY OF LOANS AND ADVANCES			
Non-financial Institutions		-	-
Government Servants		<u>166</u>	<u>152</u>
		<u>166</u>	<u>152</u>
18. TRADING ACTIVITIES - RECEIPTS			
Sale of Wheat		<u>2,372</u>	<u>830</u>
19. RECOVERY OF INVESTMENTS			
Investment Receipts		<u>-</u>	<u>8,000</u>
		<u>-</u>	<u>8,000</u>
20. SALARIES AND EMPLOYEE BENEFITS			
Pay of Officers		7,061	6,835
Pay of Other Staff		23,322	21,758
Allowances		34,983	24,504
Retirement Benefits		7,209	5,392
		<u>72,575</u>	<u>58,489</u>
21. GRANTS, SUBSIDIES AND WRITE-OFF OF LOANS			
Grants, Subsidies and Write-off of Loans		<u>11,466</u>	<u>9,094</u>
		<u>11,466</u>	<u>9,094</u>
22. PRINCIPAL REPAYMENT OF DEBT			
Domestic Debt	<i>22.1</i>	<u>9,957</u>	<u>11,376</u>
22.1 Domestic Debt			
Permanent Debt	<i>22.1.1</i>	<u>9,957</u>	<u>11,376</u>
		<u>9,957</u>	<u>11,376</u>

22.1.1 This represents borrowings from Federal Government. Repayment period and interest rate for these borrowings are determined in accordance with terms and conditions of each loan.

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2013

	<i>Note</i>	2013 Rupees in Million	2012 Rupees in Million
23. SERVICING OF DEBT			
Permanent Domestic Debt - Federal Government		1,513	2,106
Interest Payment - GP Fund		895	1,027
		2,408	3,133
24. LOANS AND ADVANCES			
Government Employees	24.1	273	-
24.1 Government Employees			
House Building Advance	24.1.1	273	-
		-	-

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

25. NET RECEIPT OF PUBLIC ACCOUNT

Receipts

Trust and other Public Accounts
Special Deposits
State Provident Fund

25.1

73,541	80,576
16,441	1,964
3,034	1,827
93,016	84,367

Payments

Trust and other Public Accounts
Special Deposits
State Provident Fund

25.1

(73,704)	(80,201)
(18,398)	(1,822)
(4,995)	(2,426)
(97,097)	(84,449)

25.1

(4,081)	(82)
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25.1 The Public Account consists of those moneys received by the Government for which it has a fiduciary duty, but not at liberty to appropriate for the general services of Government, unless provided under an Act of Provincial Assembly or Rules made by the Governor. The balances in the public account are carried forward at year end, to be used for the specific purpose for which they are established.

	<i>Note</i>	2013 Rupees in Million	2012 Rupees in Million
26. CASH AND BANK			
Provincial Government's Balance	26.1	15,076	(136)
		15,076	(136)

26.1 The Government of Balochistan had an overdraft with the State Bank of Pakistan, which through an arrangement with the Federal Government of Pakistan has been blocked and deducted at source on grants from the Federal Government. Currently the Account balance of Government of Balochistan with the State Bank of Pakistan is Rs. 8,070 million while the balance of Blocked overdraft is Rs. 8,183 million. An amount of Rs. 7,503 million (2011-12: Rs. 8,199 million) has been adjusted as prior year adjustment against the overdraft amounts deducted at source during the previous years. The overdraft balance has been adjusted in to the accounts resulting a positive cash balance as at June 30, 2013 and the overdraft balance (block account) with the State Bank of Pakistan as at that date is Rs. 5,183 million.

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2013

27. ASSETS AND LIABILITIES	<i>Note</i>	2013 Rupees in Million	2012 Rupees in Million
<i>Assets</i>			
Long Term Assets		315,542	271,765
Long Term Investment	27.1	19	20
Short Term Investments	27.2	5,000	5,000
Loans and Advances		1,146	1,195
Current Assets		78	78
Cash and Bank		15,076	(136)
	27.3	<u>336,861</u>	<u>277,922</u>
<i>Liabilities and equity</i>			
Public Debt		5,200	(23,924)
Special Deposits and Trust Accounts		5,937	21,449
Current Liabilities		12,225	-
Deferred Liabilities		(1,230)	(1,212)
Residual Equity		314,729	281,609
	27.3	<u>336,861</u>	<u>277,922</u>

27.1 Long term investment

27. Investment in Shares

Financial Institutions	No. of Shares	Par value	2013 Rupees in Million	2012 Rupees in Million
		Rupees		
ADBP 1974-75 Converted to ZTBL	37,875	10	0.379	0.379
Balochistan Cooperative Bank Limited	26,500	200	5.300	5.300
IDBP	606	100	0.061	0.061
Equity Participants Fund Karachi	3,595	100	0.359	0.359
Federal Bank of Cooperatives	50	100,000	5.000	5.000
Non-financial Institutions				
Bolan Mining Enterprise (Joint Venture)			4.000	4.000
Unilever Pakistan Limited	16,482	50	-	0.824
Charsada Sugar Mills	575	100	0.058	0.058
Hub Power Company Limited	358,607	10	3.586	3.586
Total Consolidated Fund Investment			<u>18.743</u>	<u>19.567</u>

The shares in Unilever Pakistan Limited were divested as a result of de-listing of the shares of the Company from the stock exchanges of Karachi, Lahore and Islamabad. An initial offer price of Rs. 9,700 per share was received from the majority share holders of Unilever Overseas Holdings Limited, United Kingdom, which was subsequently closed at Rs. 15,000 per share. A total of Rs. 247 million, against the shares held, was received in the Consolidated Fund of the Government of Balochistan during the financial year ended 30 June 2013.

27.2 Short term investment

Treasury Bills	27.2.1	5,000	5,000
Loan to Food Account II	27.2.2	-	-
		<u>5,000</u>	<u>5,000</u>

27.2.1 These are short term investment in Treasury Bills purchased from the National Bank of Pakistan having various maturity period bearing interest rates ranging from approximately 9 % to 12 % based on the maturity period and offered rates.

27.2.2 This amount pertains to the loan provided to the food department at an annual interest rate of 10% under a contra arrangement from Non-food Account I to Food Account II. An amount of Rs. 465 million was outstanding as at the 30 June 2013, out of a total loan of Rs. 1,861 million. Since this is an inter entity transaction, therefore the amount is eliminated and shown as nil in the balance sheet.

27.3 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 these are not mandatory but encouraged disclosures as per international standards.

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2013

28. THIRD PARTY PAYMENTS

The Planning and Development Department, Government of Balochistan has represented to this office that there were no third party payments or services during the year ended June 30, 2013 and therefore are presented as nil.

28.1 Third Party Payments are those payments which are made directly by the Lending / Donor Agencies to the project authorities. These amounts are reflected in the Public Sector Development Programme as Foreign Project Assistance (FPA), and are not part of the Provincial Consolidated Fund. Further, these amounts include both foreign currency loans and donations from various International Organisations.

	2013	2012
<i>Note</i>	Rupees in Million	Rupees in Million
29. INVESTMENTS -PUBLIC ACCOUNT FUND		
Benevolent Fund	1,953	2,415
Pension Fund	1,300	940
Group Insurance	529	680
General Provident Fund	3,259	1,615
29.1	7,041	5,650

29.1 Government of Balochistan has made Investment Acts for General Provident Fund, Pension Fund, Group Insurance and Benevolent Fund as a guideline for making investments to meet its Public Accounts Liability.

	2013	2012
	Rupees in Million	Rupees in Million
30. CASH AND BANK BALANCE - PUBLIC ACCOUNT FUND		
Benevolent Fund	1,377	2,165
Pension Fund	195	142
Group Insurance	292	151
General Provident Fund	2,523	400
30.1	4,387	2,858

30.1 These balances represent the closing cash balances in various commercial bank accounts opened for the purpose of managing investments out of public account.

31. AUTHORIZATION FOR ISSUE

Under section 7 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, read with Article 171 of the Constitution, the Auditor - General submits the certified financial statements of the Government of Balochistan together with the audit report on these financial statements to the Governor of Balochistan who shall cause them to be laid before the Provincial Assembly. These financial statements have been authorized for issue on _____ 2013.

32. GENERAL

32.1 Level of Precision

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

32.2 Corresponding Figures

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

"Sd"
Accountant General Balochistan