



FINANCIAL STATEMENTS
of the
Government of Balochistan
2016-2017





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Government of Balochistan
2016-2017

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PREFACE

I am pleased to present the Financial Statements of the Government of Balochistan for the year ended 30 June, 2017 together with the Auditor's Report thereon.

The Financial Statements of the Government of Balochistan for the financial year 2016-17 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”

Accountant General
Balochistan, Pakistan

“SD”

Controller General of Accounts
Islamabad, Pakistan



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

Auditor's Report

I have audited the accompanying financial statements of the Government of Balochistan, which comprise the statement of receipts and payments for the year ended 30th June, 2017, statement of cash flows, statement of comparison of budget and actual amounts by function, statement of comparison of budget, actual expenditure by 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 requirement 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 by audit in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) and other guidance issued by my department. These standards require that I perform procedures including risk assessment to obtain reasonable assurance whether the financial statements are free of material misstatement. The audit process includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. It also includes assessing the accounting policies used, as well as evaluating the overall financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion:

- a) These financial statements properly present, in all material respects, the financial position of the Government of Balochistan as at 30th June, 2017, and the results of its operations, its cash flow and its expenditures and receipts, by appropriation 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 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.

“SD”

Islamabad, Pakistan
Date: December 29, 2017.

(JavaidJehangir)
Auditor General of Pakistan

GOVERNMENT OF BALOCHISTAN
Statement of Cash Receipts and Payments
For the Year Ended 30 June 2017

	<i>Note</i>	2017 (Rupees in million)		2016 (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	184,982	-	158,358	-
<i>Taxation- Provincial Government's Own Collection</i>	9	6,479	-	4,013	-
<i>Non-Tax Revenue and Other Receipts</i>					
General Administration	10	838	-	1,079	-
Economic Services	11	1,198	-	805	-
Development Surcharge and Royalties	12	21,361	-	12,486	-
Dividend and Profit Share	13	336	-	318	-
Others	14	1,817	-	4,023	-
		25,550	-	18,711	-
<i>Grants and Aid</i>	15	19,608	-	25,768	-
<i>Borrowings</i>					
Receipts of Debt	16	1,292	-	-	-
<i>Capital Receipts</i>					
Recovery of Loans and Advances	17	108	-	596	-
<i>Trading Activities</i>	18	1,575	-	3,043	-
<i>Direct Payments by Lending / Donor agencies</i>	27	-	-	-	-
TOTAL RECEIPTS		239,594	-	210,489	-

GOVERNMENT OF BALOCHISTAN
Statement of Cash Receipts and Payments
For the Year Ended 30 June 2017

	Note	2017 (Rupees in million)		2016 (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	19	113,127	-	100,703	-
Project Preinvestment Analysis		116	-	-	-
Operating Expenses		27,419	-	24,544	-
		140,662		125,247	
<i>Transfers</i>					
Grants, Subsidies and Write-off of Loans	20	42,915	-	30,948	-
Other Transfer Payments		968	-	677	-
		43,883	-	31,625	-
<i>Expenditure on</i>					
Physical Assets		10,257	-	6,840	-
Civil Works		45,029	-	48,073	-
Repairs and Maintenance		2,796	-	3,395	-
		58,082	-	58,308	-
<i>Debt and Interest Payments</i>					
Principal Repayment of Debt	21	7,533	-	6,374	-
Servicing of Debt	22	1,911	-	1,678	-
		9,444		8,052	
<i>Other Payments</i>					
Investments		4,000	-	-	-
<i>Direct Payments by Lending / Donor agencies</i>					
	27		-		-
TOTAL PAYMENTS		256,071	-	223,232	-
NET RECEIPT/ (PAYMENT) OF PROVINCIAL CONSOLIDATED FUND		(16,477)	-	(12,743)	-
NET RECEIPT OF PUBLIC ACCOUNT	23	1,621	-	(10,094)	-
INCREASE IN CASH		(14,856)	-	(22,837)	-
CASH AT BEGINNING OF THE YEAR		15,943	-	38,780	-
INCREASE IN CASH		(14,856)	-	(22,837)	-
CASH AT END OF THE YEAR	25	1,087	-	15,943	-

The annexed notes 1 to 30 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 2017

	2017 Rupees in million	2016 Rupees in million
CASH FLOWS FROM OPERATING ACTIVITIES		
Taxation - Transfers from Federal Government	8 184,982	158,358
Taxation - Provincial Government's Own Collection	9 6,479	4,013
Non-Tax Revenue and Other Receipts	25,550	18,711
Grants and Aid - Receipts	15 19,608	25,768
Trading Activities - Receipts	18 1,575	3,043
Operations - Payments	(140,662)	(125,247)
Servicing of Debt - Payments	22 (1,911)	(1,678)
Transfers - Payments	(43,883)	(31,625)
<i>Cash from Operating Activities</i>	51,738	51,343
CASH FLOWS FROM INVESTING ACTIVITIES		
Recoveries of Loans and Advances	17 108	596
Expenditure on Physical Assets, Civil Works and Others	(58,082)	(58,308)
Investments	(4,000)	-
<i>Cash used in Investing Activities</i>	(61,974)	(57,712)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts of Debt	16 1,292	-
Principal Repayments of Debt	21 (7,533)	(6,374)
Net Receipt of Public Account	23 1,621	(10,094)
<i>Cash used in Financing Activities</i>	(4,620)	(16,468)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(14,856)	(22,837)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	15,943	38,780
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	24 1,087	15,943

The annexed notes 1 to 30 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 2017

	2017 (Rupees in Million)			2016 (Rupees in Million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
RECEIPTS						
<u>Revenue</u>						
Taxation	189,717	191,368	191,461	161,503	163,548	162,371
Non-Taxation	26,320	40,927	44,822	28,745	39,428	44,161
Income from Property and Enterprise	8,437	5,622	1,911	8,604	6,255	3,361
Total revenue receipts	224,474	237,917	238,194	198,852	209,231	209,893
<u>Capital</u>						
Receipt of Debt	23,013	16,940	1,292	12,826	12,139	-
Recoveries of Loans and Advances	184	109	108	648	624	596
Recoveries of Investment	5,200	-	-	5,200	-	-
Total capital receipts	28,397	17,049	1,400	18,674	12,763	596
TOTAL RECEIPTS	252,871	254,966	239,594	217,526	221,994	210,489
PAYMENTS						
<u>Revenue</u>						
General Public Services	68,532	68,932	50,432	53,521	48,589	34,601
Public Order and Safety Affairs	30,576	30,175	28,170	27,248	28,121	25,686
Economic Affairs	48,376	47,194	39,321	44,017	44,864	42,834
Environment Protection	260	197	156	241	190	132
Housing and Community Amenities	5,713	7,645	7,415	4,973	6,162	5,572
Health Affairs and Services	17,368	15,862	14,987	15,482	13,344	13,122
Recreation, Culture and Religion	1,332	2,091	1,838	1,387	1,631	1,438
Education Affairs and Services	42,175	39,606	39,270	38,369	36,797	35,207
Social Protection	3,841	1,759	1,470	3,785	2,159	1,704
Total revenue payments	218,173	213,461	183,059	189,023	181,857	160,296
<u>Capital</u>						
General Public Services	19,329	8,452	10,205	1,570	1,570	3,594
Public Order and Safety Affairs	468	1,300	1,188	932	1,849	1,030
Economic Affairs	21,240	27,741	32,464	22,767	31,730	28,099
Environment Protection	15,236	5,009	5,140	4,596	5,708	4,352
Housing and Community Amenities	3,468	5,403	9,447	8,265	15,899	13,266
Health Affairs and Services	3,536	7,014	6,452	3,840	4,470	2,826
Recreation, Culture and Religion	1,079	1,104	1,088	2,341	2,375	427
Education Affairs and Services	6,437	11,762	6,843	10,017	12,233	9,210
Social Protection	390	273	185	177	256	132
Total capital payment	71,182	68,058	73,011	54,505	76,090	62,936
TOTAL PAYMENTS	289,356	281,519	256,071	243,528	257,947	223,232

The annexed notes 1 to 30 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 2017

<i>DEPARTMENTS</i>	2017 (Rupees in million)			2016 (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	14,838	12,513	10,938	16,091	11,369	8,472
Provincial Excise	734	660	591	638	596	545
Stamps	33	52	41	22	62	2
Pension	12,691	17,913	17,448	12,000	11,841	12,784
Administration of Justice	2,629	2,473	2,320	2,373	2,223	2,012
Police	19,651	19,908	18,837	17,699	18,858	17,142
Levies	6,827	6,419	5,772	5,787	5,675	5,304
Jails and Convict Settlements	813	725	647	760	840	771
Civil Defence	103	90	90	100	82	77
Civil Works	8,504	8,456	7,525	7,899	8,961	8,299
Public Health Services	3,096	4,536	4,626	2,968	3,304	3,391
Works Urban/B-WASA	815	1,529	1,529	815	1,314	1,314
Higher Education	13,702	8,407	6,787	13,209	7,612	5,888
Secondary Education	28,932	31,683	32,716	25,118	29,559	29,306
Archives	41	16	17	42	12	13
Health	17,368	14,857	14,987	15,482	13,344	13,122
Population Welfare	832	687	676	744	798	684
Manpower and Labor Management	1,057	981	924	952	871	863
Sports and Recreation Facilities	362	835	804	397	662	567
Social Security and Social Welfare	893	788	771	831	724	704
Natural Calamities	3,065	1,088	816	3,055	1,558	1,121
Auqaf	633	524	424	619	530	417
Food	422	368	319	404	336	308
Agriculture	7,429	6,558	6,493	6,807	6,151	5,858
Land Revenue	174	169	139	158	204	180
Animal Husbandry	3,105	2,301	2,239	2,813	2,207	2,037
Forestry	1,086	894	827	945	832	777
Fisheries	840	792	727	620	663	620
Cooperation	125	105	98	122	103	95
Irrigation	1,823	2,209	2,270	1,839	2,240	2,196
Rural Development	12,571	12,380	11,586	7,461	7,461	7,074
Industries	1,186	866	781	1,113	900	681
Stationery and Printing	105	68	58	107	62	57
Mineral Resources	1,636	1,279	1,266	1,595	887	813
Subsidies	-	-	-	-	86	86
Prosecution Department	233	212	157	239	183	135
Transport	68	64	48	66	66	47
Culture Services	123	139	133	121	103	97
Women Development	104	65	59	95	52	49
Investments	4,000	4,000	4,000	-	-	-
Energy	14,346	13,294	12,558	14,334	18,097	17,725
Information Technology	301	209	189	326	255	229
Environment Control	260	197	156	241	190	131
Debt Servicing and other Obligations	1,205	1,499	1,499	1,542	1,220	1,220
Public Debt Discharge	22,828	20,758	5,033	16,115	16,389	4,789
Loans and Advances	-	-	-	-	-	-
State Trading-Food	6,585	8,932	3,139	4,359	2,375	2,294
Development	71,182	68,058	73,011	54,505	76,090	62,936
<i>Payments of Provincial Government</i>	289,356	280,556	256,071	243,528	257,947	223,232
TOTAL PAYMENTS	289,356	280,556	256,071	243,528	257,947	223,232

The annexed notes 1 to 30 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 2017

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 and reporting.
- b) Self Accounting Entities; There are no Self Accounting Entities for which the Principal Accounting Officer has the primary responsibility for accounting and reporting.
- 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.

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 2016-17 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 2017

5. REPORTING AND BUDGET PERIOD

The reporting and budget period of these financial statements is the financial year 2016-17 (from 1 July, 2016 to 30 June, 2017).

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 2017

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 2017

	<i>Note</i>	2017 Rupees in million	2016 Rupees in million
8. TAXATION - TRANSFERS FROM FEDERAL GOVERNMENT			
<i>Direct taxes</i>			
Income Tax		71,235	67,375
		71,235	67,375
<i>Indirect Taxes</i>			
Sales Tax		76,214	63,877
Custom Duty		26,308	15,002
Federal Excise		10,980	11,924
Capital Value Tax - On Movable and Immovable Property		245	181
		113,747	90,983
		184,982	158,358
9. TAXATION - PROVINCIAL GOVERNMENT'S OWN COLLECTION			
<i>Direct Taxes</i>			
Property Tax		126	91
Land Revenue		298	253
Tax on Profession, Trade and Callings		4	4
		428	348
<i>Indirect Taxes</i>			
Sales Tax on Services		4,463	2,357
Receipts Under Motor Vehicles Act		715	641
Stamp Duties		422	273
Provincial Excise		443	382
Others		8	12
		6,051	3,665
		6,479	4,013
10. GENERAL ADMINISTRATION RECEIPTS			
Fiscal Administration		31	21
Organs of State		49	44
Community Services		128	116
Social Services		246	182
Economic Regulations		9	13
Law and Order		375	703
		838	1,079

GOVERNMENT OF BALOCHISTAN

Notes to the Financial Statements

For the Year Ended 30 June 2017

	<i>Note</i>	2017 Rupees in million	2016 Rupees in million
11. ECONOMIC SERVICES - RECEIPTS			
Cooperation, Irrigation and Embankment Drainage		75	69
Food and Agriculture		824	479
Fisheries and Animal Husbandry		79	70
Forest		45	49
Printing and industries		<u>175</u>	<u>138</u>
		<u>1,198</u>	<u>805</u>
12. DEVELOPMENT SURCHARGE AND ROYALTIES - RECEIPTS			
Development Surcharge on Gas - Federal Receipts	<i>12.1</i>	14,687	5,755
Royalty on Natural Gas and Crude Oil - Federal Receipts	<i>12.2</i>	5,330	5,695
Mineral Royalties - Provincial Receipts		711	467
Mineral Royalties from Saindak - Provincial Receipts		630	554
Mineral Royalties from Chamalang - Provincial Receipts		<u>3</u>	<u>15</u>
		<u>21,361</u>	<u>12,486</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>	2017 Rupees in million	2016 Rupees in million
13. DIVIDEND AND PROFIT SHARE			
Dividends Receipts	<i>13.1</i>	3	29
Interest on Loans and Advances		<u>333</u>	<u>289</u>
		<u>336</u>	<u>318</u>
13.1 Dividends Receipts			
Non-Financial Institutions		<u>3</u>	<u>29</u>

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2017

	<i>Note</i>	2017 Rupees in million	2016 Rupees in million
14. OTHER RECEIPTS			
Extra Ordinary Receipts - Sale of Land and Others		830	415
Miscellaneous Receipts - Recovery of Overpayments and Others		987	3,608
		<u>1,817</u>	<u>4,023</u>
15. GRANTS & AID			
Development Grants		7,687	12,036
Non Development Grants		10,017	12,211
Non Development Grants - Foreign Funded		1,904	1,521
		<u>19,608</u>	<u>25,768</u>
16. RECEIPTS OF DEBT			
Permanent Debt - Federal Government (Foreign Lenders)		1,292	-
		<u>1,292</u>	<u>-</u>
17. RECOVERY OF LOANS AND ADVANCES			
Non-financial Institutions		-	465
Government Servants		108	131
		<u>108</u>	<u>596</u>
18. TRADING ACTIVITIES - RECEIPTS			
Sale of Wheat		1,575	3,043
19. SALARIES AND EMPLOYEE BENEFITS			
Pay of Officers		14,166	10,845
Pay of Other Staff		39,917	31,969
Allowances		41,733	45,201
Retirement Benefits		17,311	12,688
		<u>113,127</u>	<u>100,703</u>
20. GRANTS, SUBSIDIES AND WRITE-OFF OF LOANS			
Grants, Subsidies and Write-off of Loans		42,915	30,948
		<u>42,915</u>	<u>30,948</u>
21. PRINCIPAL REPAYMENT OF DEBT			
Domestic Debt	<i>21.1</i>	5,033	4,789
Floating Debt (State Trading)		2,500	1,585
		<u>7,533</u>	<u>6,374</u>
21.1 Domestic Debt			
Permanent Debt	<i>21.1.1</i>	5,033	4,789
21.1.1 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
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For the Year Ended 30 June 2017

		2017 Rupees <u>in million</u>	2016 Rupees <u>in million</u>
22. SERVICING OF DEBT	<i>Note</i>		
Permanent Domestic Debt - Federal Government		490	554
Interest Payment - GP Fund		1,009	650
Interest Payment - Food Account		412	-
		<u>1,911</u>	<u>1,204</u>
23. NET RECEIPT OF PUBLIC ACCOUNT			
<i>Receipts</i>			
Trust and other Public Accounts	23.1	365,823	226,011
Special Deposits		10,854	7,661
State Provident Fund		5,029	3,668
		<u>381,706</u>	<u>237,340</u>
<i>Payments</i>			
Trust and other Public Accounts	23.1	(369,184)	(239,169)
Special Deposits		(8,218)	(6,470)
State Provident Fund		(2,683)	(1,795)
		<u>(380,085)</u>	<u>(247,434)</u>
	23.1	<u>1,621</u>	<u>(10,094)</u>
23.1 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.			
24. CASH AND BANK	<i>Note</i>	2017 Rupees <u>in million</u>	2016 Rupees <u>in million</u>
Provincial Government's Balance		1,087	15,943
		<u>1,087</u>	<u>15,943</u>

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2017

25. ASSETS AND LIABILITIES	<i>Note</i>	2017 Rupees in million	2016 Rupees in million
<i>Assets</i>			
Long Term Assets		551,630	475,480
Long Term Investment	25.1	19	19
Short Term Investments	25.2	5,193	10,193
Loans and Advances		794	902
Current Assets		329	329
Cash and Bank		1,087	15,943
	25.6	<u>559,052</u>	<u>502,866</u>
<i>Liabilities and equity</i>			
Public Debt		50,197	50,648
Special Deposits and Trust Accounts		22,439	21,644
Current Liabilities		25,422	24,782
Deferred Liabilities		(4,157)	(1,086)
Residual Equity		465,151	406,878
	25.3	<u>559,052</u>	<u>502,866</u>

25.1 Long term investment

Investment in Shares

Financial Institutions

	No. of Shares	Par value Rupees	2017 Rupees in million	2016 Rupees in million
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
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>18.743</u>

25.2 Short term investment

Treasury Bills	25.2.1	5,193	5,193
Balochistan Education Endowment Fund			
		<u>5,193</u>	<u>5,193</u>

25.2.1 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 10 % based on the maturity period and offered rates.

25.3 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 according to the Cash Basis IPSAS.

GOVERNMENT OF BALOCHISTAN
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26. THIRD PARTY PAYMENTS

The information related to Third Party Payments is still outstanding.

26.1 Third Party Payments are those payments which are made directly by the Lending or 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.

	<i>Note</i>	2017 Rupees in million	2016 Rupees in million
27. INVESTMENTS -PUBLIC ACCOUNT FUNDS			
Benevolent Fund		9,522	7,440
Pension Fund		5,126	1,970
Group Insurance		1,337	1,468
General Provident Fund		15,936	14,771
Balochistan Education Endowment Fund		6,000	5,000
	27.1	37,921	30,649

27.1 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.

		2017 Rupees in million	2016 Rupees in million
28. CASH AND BANK BALANCE - PUBLIC ACCOUNT FUND			
Benevolent Fund		9,522	7,300
Pension Fund		5,126	2,022
Group Insurance		1,337	1,533
General Provident Fund		15,936	13,687
Balochistan Education Endowment Fund		6,000	5,000
	28.1	37,921	34,735

28.1 These balances represent the closing cash balances in various commercial bank accounts opened for the purpose of managing investments out of public account. The cash balance includes amount invested as deposits in banks presented in note 27.

29. 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 December 29, 2017.

30. GENERAL

30.1 Level of Precision

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

30.2 Corresponding Figures

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

"SD"
Accountant General Balochistan