



FINANCIAL STATEMENTS
of the
Government of Balochistan
2017-2018





Financial Statements of the Government of Balochistan 2017-2018

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PREFACE

I am pleased to present the Financial Statements of the Government of Balochistan for the year ended 30 June, 2018 together with the Auditor's Report thereon.

The Financial Statements of the Government of Balochistan for the financial year 2017-18 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, 2018, 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, 2018, 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
Dated: 29 December, 2018.

(Javaid Jehangir)
Auditor General of Pakistan

GOVERNMENT OF BALOCHISTAN
Statement of Cash Receipts and Payments
For the Year Ended 30 June 2018

	<i>Note</i>	2018 (Rupees in million)		2017 (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	204,230	-	184,982	-
<i>Taxation- Provincial Government's Own Collection</i>	9	9,290	-	6,479	-
<i>Non-Tax Revenue and Other Receipts</i>					
General Administration	10	982	-	838	-
Economic Services	11	766	-	1,198	-
Development Surcharge and Royalties	12	10,231	-	21,361	-
Dividend and Profit Share	13	123	-	336	-
Others	14	1,064	-	1,817	-
		13,166	-	25,550	-
<i>Grants and Aid</i>	15	18,653	-	19,608	-
<i>Borrowings</i>					
Receipts of Debt	16	1,142	-	1,292	-
<i>Capital Receipts</i>					
Recovery of Loans and Advances	17	94	-	108	-
<i>Trading Activities</i>	18	236	-	1,575	-
<i>Recoveries of Investment</i>	19	8,000	-	-	-
<i>Direct Payments by Lending / Donor agencies</i>	27	-	-	-	-
TOTAL RECEIPTS		254,811	-	239,594	-

GOVERNMENT OF BALOCHISTAN
Statement of Cash Receipts and Payments
For the Year Ended 30 June 2018

	Note	2018 (Rupees in million)		2017 (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	132,261	-	113,127	-
Project Preinvestment Analysis		-	-	116	-
Operating Expenses		25,614	-	27,419	-
		157,875		140,662	
<i>Transfers</i>					
Grants, Subsidies and Write-off of Loans	21	33,074	-	42,915	-
Other Transfer Payments		1,383	-	968	-
		34,457	-	43,883	-
<i>Expenditure on</i>					
Physical Assets		9,061	-	10,257	-
Civil Works		41,907	-	45,029	-
Repairs and Maintenance		3,859	-	2,796	-
		54,827	-	58,082	-
<i>Debt and Interest Payments</i>					
Principal Repayment of Debt	22	5,629	-	7,533	-
Interest Payments	23	2,015	-	1,911	-
		7,644		9,444	
<i>Other Payments</i>					
Investments		5,000	-	4,000	-
<i>Direct Payments by Lending / Donor agencies</i>					
	27	-	-	-	-
TOTAL PAYMENTS		259,803	-	256,071	-
NET RECEIPT/ (PAYMENT) OF PROVINCIAL CONSOLIDATED FUND		(4,992)	-	(16,477)	-
NET RECEIPT OF PUBLIC ACCOUNT	24.1	7,188	-	1,621	-
INCREASE IN CASH		2,196	-	(14,856)	-
CASH AT BEGINNING OF THE YEAR		1,087	-	15,943	-
INCREASE IN CASH		2,196	-	(14,856)	-
CASH AT END OF THE YEAR	25	3,283	-	1,087	-

The annexed notes 1 to 31 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 2018

	Note	2018 Rupees in million	2017 Rupees in million
CASH FLOWS FROM OPERATING ACTIVITIES			
Taxation - Transfers from Federal Government	8	204,230	184,982
Taxation - Provincial Government's Own Collection	9	9,290	6,479
Non-Tax Revenue and Other Receipts		13,166	25,550
Grants and Aid - Receipts	15	18,653	19,608
State Trading - Receipts	18	236	1,575
Operations - Payments		(157,875)	(140,662)
Interest Payments	23	(2,015)	(1,911)
Transfers - Payments		(34,457)	(43,883)
<i>Cash from Operating Activities</i>		51,228	51,738
CASH FLOWS FROM INVESTING ACTIVITIES			
Recoveries of Loans and Advances	17	94	108
Expenditure on Physical Assets, Civil Works and Others		(54,827)	(58,082)
Investments		3,000	(4,000)
<i>Cash used in Investing Activities</i>		(51,733)	(61,974)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts of Debt	16	1,142	1,292
Principal Repayments of Debt	22	(5,629)	(7,533)
Net Receipt of Public Account	24.1	7,188	1,621
<i>Cash used in Financing Activities</i>		2,701	(4,620)
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,196	(14,856)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		1,087	15,943
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	25	3,283	1,087

The annexed notes 1 to 31 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 2018

	2018 (Rupees in Million)			2017 (Rupees in Million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
RECEIPTS						
<u>Revenue</u>						
Taxation	212,241	212,127	213,520	189,717	191,368	191,461
Non-Taxation	33,140	31,698	31,695	26,320	40,927	44,822
Income from Property and Enterprise	7,325	3,766	360	8,437	5,622	1,911
Total revenue receipts	252,706	247,591	245,575	224,474	237,917	238,194
<u>Capital</u>						
Receipt of Debt	18,352	17,117	1,142	23,013	16,940	1,292
Recoveries of Loans and Advances	113	96	94	184	109	108
Recoveries of Investment	5,200	5,000	8,000	5,200	-	-
Total capital receipts	23,665	22,213	9,236	28,397	17,049	1,400
TOTAL RECEIPTS	276,371	269,804	254,811	252,871	254,966	239,594
PAYMENTS						
<u>Revenue</u>						
General Public Services	80,061	84,733	50,431	68,532	68,932	50,432
Public Order and Safety Affairs	34,828	34,732	30,793	30,576	30,175	28,170
Economic Affairs	50,957	52,396	30,737	48,376	46,231	39,321
Environment Protection	425	279	236	260	197	156
Housing and Community Amenities	6,285	8,525	8,078	5,713	7,645	7,415
Health Affairs and Services	18,307	17,770	16,365	17,368	15,862	14,987
Recreation, Culture and Religion	1,946	2,649	2,167	1,332	2,091	1,838
Education Affairs and Services	45,791	46,169	45,741	42,175	39,606	39,270
Social Protection	3,957	2,238	1,984	3,841	1,759	1,470
Total revenue payments	242,557	249,491	186,532	218,173	212,498	183,059
<u>Capital</u>						
General Public Services	14,773	10,494	14,232	19,329	8,452	10,205
Public Order and Safety Affairs	1,874	2,216	1,857	468	1,300	1,188
Economic Affairs	33,086	32,411	28,995	21,240	27,741	32,464
Environment Protection	6,788	6,380	5,866	15,236	5,009	5,140
Housing and Community Amenities	8,933	10,302	9,965	3,468	5,403	9,447
Health Affairs and Services	6,013	5,950	5,148	3,536	7,014	6,452
Recreation, Culture and Religion	3,388	1,257	1,235	1,079	1,104	1,088
Education Affairs and Services	9,557	7,458	5,614	6,437	11,762	6,843
Social Protection	1,589	401	359	390	273	185
Total capital payment	86,001	76,869	73,271	71,182	68,058	73,011
TOTAL PAYMENTS	328,558	326,360	259,803	289,356	280,556	256,071

The annexed notes 1 to 31 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 2018

DEPARTMENTS	2018 (Rupees in million)			2017 (Rupees in million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
General Administration	15,359	13,216	11,599	14,838	12,513	10,938
Provincial Excise	807	746	656	734	660	591
Stamps	44	42	35	33	52	41
Pension	15,000	23,232	23,085	12,691	17,913	17,448
Administration of Justice	2,993	3,078	2,923	2,629	2,473	2,320
Police	20,945	19,911	18,093	19,651	19,908	18,837
Levies	8,079	7,352	6,263	6,827	6,419	5,772
Jails and Convict Settlements	834	866	760	813	725	647
Civil Defence	113	106	101	103	90	90
Civil Works	8,706	8,218	8,271	8,504	8,456	7,525
Public Health Services	3,705	5,747	5,505	3,096	4,536	4,626
Works Urban/B-WASA	1,205	1,529	1,529	815	1,529	1,529
Higher Education	7,780	6,311	5,952	13,702	8,407	6,787
Secondary Education	35,071	36,864	36,970	28,932	31,683	32,716
Archives	226	157	129	41	16	17
Health	21,085	20,655	19,087	17,368	14,857	14,987
Population Welfare	859	820	770	832	687	676
Manpower and Labor Management	1,264	1,115	1,050	1,057	981	924
Sports and Recreation Facilities	739	1,351	972	362	835	804
Social Security and Social Welfare	982	936	871	893	788	771
Natural Calamities	3,095	1,437	1,240	3,065	1,088	816
Auqaf	662	598	569	633	524	424
Food	428	412	367	422	368	319
Agriculture	8,288	7,376	7,244	7,429	6,558	6,493
Land Revenue	334	334	332	174	169	139
Animal Husbandry	3,889	2,521	2,500	3,105	2,301	2,239
Forestry	1,117	1,015	898	1,086	894	827
Fisheries	885	829	800	840	792	727
Cooperation	127	123	114	125	105	98
Irrigation	2,535	2,181	2,138	1,823	2,209	2,270
Rural Development	12,579	12,468	10,631	12,571	12,380	11,586
Industries	1,214	979	901	1,186	866	781
Stationery and Printing	110	73	50	105	68	58
Mineral Resources	1,773	1,957	1,907	1,636	1,279	1,266
Subsidies	-	2,139	-	-	-	-
Prosecution Department	289	300	192	233	212	157
Transport	81	67	60	68	64	48
Culture Services	178	149	107	123	139	133
Women Development	112	85	75	104	65	59
Investments	15,000	15,000	5,000	4,000	4,000	4,000
Energy	14,363	14,717	4,158	14,346	13,294	12,558
Information Technology	283	246	219	301	209	189
Environment Control	425	279	236	260	197	156
Debt Servicing and other Obligations	1,810	1,622	1,622	1,205	1,499	1,499
Public Debt Discharge	21,013	21,354	5,629	22,828	20,758	5,033
State Trading-Food	6,171	8,978	551	6,585	8,932	3,139
Development	86,001	76,869	67,642	71,182	68,058	73,011
<i>Payments of Provincial Government</i>	328,558	326,360	259,803	289,356	280,556	256,071
TOTAL PAYMENTS	328,558	326,360	259,803	289,356	280,556	256,071

The annexed notes 1 to 31 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 2018

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.

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 2017-18 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 2018

5. REPORTING AND BUDGET PERIOD

The reporting and budget period of these financial statements is the financial year 2017-18 (from 1 July, 2017 to 30 June, 2018).

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 2018

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 2018

	<i>Note</i>	2018 Rupees in million	2017 Rupees in million
8. TAXATION - TRANSFERS FROM FEDERAL GOVERNMENT			
<i>Direct taxes</i>			
Income Tax		79,998	71,235
		79,998	71,235
<i>Indirect Taxes</i>			
Sales Tax		82,080	76,214
Custom Duty		29,437	26,308
Federal Excise		12,575	10,980
Capital Value Tax - On Movable Property		140	148
		124,232	113,747
		<u>204,230</u>	<u>184,982</u>
9. TAXATION - PROVINCIAL GOVERNMENT'S OWN COLLECTION			
<i>Direct Taxes</i>			
Property Tax		122	126
Land Revenue		288	298
Tax on Profession		4	4
		414	428
<i>Indirect Taxes</i>			
Sales Tax on Services		7,163	4,463
Receipts Under Motor Vehicles Act		755	715
Stamp Duties		406	422
Provincial Excise		426	443
Capital Value Tax - On Immovable Property		91	97
Others		35	8
		8,876	6,051
		<u>9,290</u>	<u>6,479</u>
10. GENERAL ADMINISTRATION RECEIPTS			
Fiscal Administration		18	31
Organs of State		311	49
Community Services		98	128
Social Services		217	246
Economic Regulations		9	9
Law and Order		329	375
		<u>982</u>	<u>838</u>

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2018

	<i>Note</i>	2018 Rupees in million	2017 Rupees in million
11. ECONOMIC SERVICES - RECEIPTS			
Cooperation, Irrigation and Embankment Drainage		105	75
Food and Agriculture		308	824
Fisheries and Animal Husbandry		84	79
Forest		37	45
Others		232	175
		<u>766</u>	<u>1,198</u>
12. DEVELOPMENT SURCHARGE AND ROYALTIES - RECEIPTS			
Development Surcharge on Gas - Federal Receipts	<i>12.1</i>	3,800	14,687
Royalty on Natural Gas and Crude Oil - Federal Receipts	<i>12.2</i>	4,891	5,330
Mineral Royalties - Provincial Receipts		941	711
Mineral Royalties from Saindak - Provincial Receipts		594	630
Mineral Royalties from Chamalang - Provincial Receipts		5	3
		<u>10,231</u>	<u>21,361</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>	2018 Rupees in million	2017 Rupees in million
13. DIVIDEND AND PROFIT SHARE			
Dividends Receipts	<i>13.1</i>	102	3
Interest on Loans and Advances		21	333
		<u>123</u>	<u>336</u>
13.1 Dividends Receipts			
Non-Financial Institutions		<u>102</u>	<u>3</u>

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2018

	<i>Note</i>	2018 Rupees in million	2017 Rupees in million
14. OTHER RECEIPTS			
Extra Ordinary Receipts - Sale of Land and Others		146	830
Miscellaneous Receipts - Recovery of Overpayments and Others		918	987
		<u>1,064</u>	<u>1,817</u>
15. GRANTS & AID			
Development Grants-Federal Receipts		3,305	2,257
Development Grants-Provincial Receipts		3,211	5,430
Non Development Grants-Federal Receipts		10,320	10,015
Non Development Grants - Foreign Funded-Provincial Receipt		1,817	1,906
		<u>18,653</u>	<u>19,608</u>
16. RECEIPTS OF DEBT			
Permanent Debt - Federal Government (Foreign Lenders)		1,142	1,292
		<u>1,142</u>	<u>1,292</u>
17. RECOVERY OF LOANS AND ADVANCES			
Non-financial Institutions		-	-
Government Servants		94	108
		<u>94</u>	<u>108</u>
18. STATE TRADING - RECEIPTS			
Sale of Wheat		236	1,575
19. RECOVERY OF INVESTMENTS			
Interest Receipts on Investments		-	-
Investment Receipts		8,000	-
		<u>8,000</u>	<u>-</u>
20. SALARIES AND EMPLOYEE BENEFITS			
Pay of Officers		18,138	14,166
Pay of Other Staff		48,593	39,917
Allowances		42,663	41,733
Retirement Benefits		22,867	17,311
		<u>132,261</u>	<u>113,127</u>
21. GRANTS, SUBSIDIES AND WRITE-OFF OF LOANS			
Subsidies		3,403	12,325
Grants Domestic		29,671	30,590
Writeoff of Loan and Advances		-	-
		<u>33,074</u>	<u>42,915</u>
22. PRINCIPAL REPAYMENT OF DEBT			
Domestic Debt	<i>22.1</i>	5,629	5,033
Floating Debt (State Trading)		-	2,500
		<u>5,629</u>	<u>7,533</u>
22.1 Domestic Debt			
Permanent Debt	<i>22.1.1</i>	5,629	5,033

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 2018

	<i>Note</i>	2018 Rupees in million	2017 Rupees in million
23. SERVICING OF DEBT			
Permanent Domestic Debt - Federal Government		506	490
Interest Payment - GP Fund		1,116	1,009
Interest Payment - Food Account		393	412
		<u>2,015</u>	<u>1,911</u>

24. NET RECEIPT OF PUBLIC ACCOUNT

Receipts

Trust and other Public Accounts
Special Deposits
General Provident Fund

24.1

566,435	365,823
22,230	10,854
5,846	5,029
<u>594,511</u>	<u>381,706</u>

Payments

Trust and other Public Accounts
Special Deposits
General Provident Fund

24.1

575,215	(369,184)
9,602	(8,218)
2,506	(2,683)
<u>587,323</u>	<u>(380,085)</u>

24.1

<u>7,188</u>	<u>1,621</u>
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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, to be used for the specific purpose for which they are established.

	<i>Note</i>	2018 Rupees in million	2017 Rupees in million
25. BOOK BALANCE			
Provincial Government's Balance		3,283	1,087
		<u>3,283</u>	<u>1,087</u>

GOVERNMENT OF BALOCHISTAN
Notes to the Financial Statements
For the Year Ended 30 June 2018

26. ASSETS AND LIABILITIES	<i>Note</i>	2018 Rupees in million	2017 Rupees in million	
<i>Assets</i>				
Long Term Assets		619,272	551,630	
Long Term Investment	26.1	14	19	
Short Term Investments	26.2	5,193	5,193	
Loans and Advances		130	794	
Current Assets		92	329	
Book Balance	25	3,283	1,087	
	26.6	<u>627,984</u>	<u>559,052</u>	
<i>Liabilities and equity</i>				
Public Debt		43,275	50,197	
Special Deposits and Trust Accounts		39,893	22,439	
Current Liabilities		171,540	25,422	
Deferred Liabilities		(12,946)	(4,157)	
Residual Equity		386,222	465,151	
	26.3	<u>627,984</u>	<u>559,052</u>	
26.1 Long term investment				
Investment in Shares				
	No. of Shares	Par value	2018 Rupees in million	2017 Rupees in million
Financial Institutions				
		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
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>13,743</u>	<u>18,743</u>
26.1.1 The Federal Government liquidated the Federal Bank of Cooperatives and as per share of Government of Balochistan sent a cheque of amounting to Rs.19 million on June 11, 2014 to Government of Balochistan.				
26.2 Short term investment				
Treasury Bills	26.2.1	5,193	5,193	5,193
		<u>5,193</u>	<u>5,193</u>	
26.3 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
Notes to the Financial Statements
For the Year Ended 30 June 2018

27. THIRD PARTY PAYMENTS

The information related to Third Party Payments was not provided by the Government of Balochistan.

27.1 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.

28. INVESTMENTS -PUBLIC ACCOUNT FUNDS	<i>Note</i>	2018 Rupees in million	2017 Rupees in million
Benevolent Fund		11,863	9,522
Pension Fund		4,689	5,126
Group Insurance		1,292	1,337
General Provident Fund		16,222	15,936
Balochistan Education Endowment Fund		8,000	6,000
Balochistan Investment Fund		3,690	5,370
	28.1	45,756	43,291

28.1 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.

29. CASH AND BANK BALANCE - PUBLIC ACCOUNT FUND	2018 Rupees in million	2017 Rupees in million
Benevolent Fund	12,092	9,522
Pension Fund	5,194	5,126
Group Insurance	1,360	1,337
General Provident Fund	16,249	15,936
Balochistan Education Endowment Fund	8,000	6,000
Balochistan Investment Fund	234	5,195
	29.1	43,129

29.1 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.

30. AUTHORIZATION FOR ISSUE

Under section 7 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, read with Article 171 of the Constitution, the Auditor - General submits the certified financial statements of the 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 29 December, 2018.

31. GENERAL

31.1 Level of Precision

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

31.2 Corresponding Figures

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

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Accountant General Balochistan