



FINANCIAL STATEMENTS of the Federal Government 2018-19



Government of Pakistan



FINANCIAL STATEMENTS
of the
Federal Government
Financial Year 2018 – 19

Government of Pakistan

Controller General of Accounts

CGA Complex

Sector G-5/2, Islamabad

Tel: (051) 9201322-25

Accountant General Pakistan Revenues

AGPR Complex

Sector G-8/4, Islamabad

Tel: (051) 9260372-78

CONTENTS

Pre Face	1
Management Analysis	3
Auditor's Report	17
Statement of Cash Receipts and Payments	19
Statement of Cash Flows	21
Statement of comparison of Budgeted and Actual Amounts by Function	22
Statement of comparison of Budgeted and Actual Expenditures by Division	23
Statement of Appropriation of Grants by Object	24
Notes to the Financial Statements	27



PREFACE

I am pleased to present the Audited Financial Statements of the Federal Government for the year ended 30 June, 2019 together with the Auditors' Report thereon along with the management analysis report.

The Financial Statements of the Federal Government for the financial year 2018-19 have been prepared by the Accountant General Pakistan Revenues, Islamabad 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.

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 and Management Analysis report 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 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 Federal Consolidated Fund and Public Account for which Annual Budget Statement is authorized by the Parliament 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.



Controller General of Accounts

Islamabad, Pakistan

Date: 31 DEC 2019

MANAGEMENT ANALYSIS

INTRODUCTION

The Financial Statements of the Federal Government provide a record of the Government's financial performance over the financial year 2018-19 in the statement of cash receipts and payments, its cash flows along with comparison with the revised budget approved by the Parliament in the statements of comparison of budget and actual amounts by function and actual expenditure by division.

The financial statements for the financial year 2018 - 19 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.

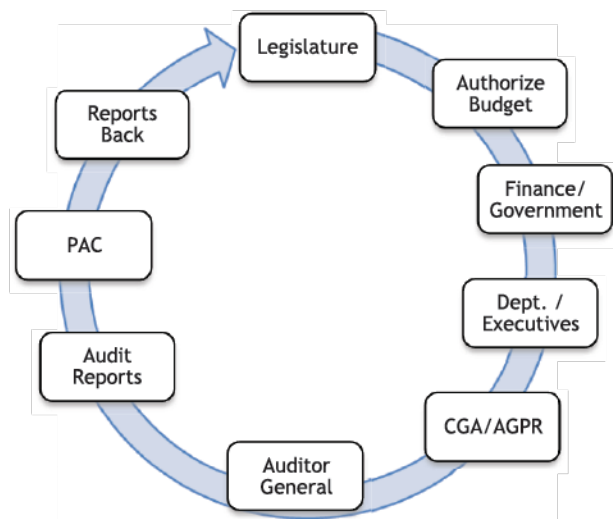
The financial statements have been prepared by the Accountant General Pakistan Revenues (AGPR) by consolidating the information relating to all Federal Government entities which it receives from AGPR sub offices and Self Accounting Entities.

FINANCIAL MANAGEMENT

The financial management cycle starts with the preparation of annual budget statement which is approved by the parliament. A detailed elaboration of the financial management cycle is as follows;

1. Each year Ministry of Finance receives budget estimates from the Government agencies.
2. The annual budget is prepared on the basis of the resources available and priorities of the Government.
3. Parliament approves the budget.
4. Principal Accounting Officer sanctions the expenditure.
5. Controller General of Accounts is responsible for the regulation of preparation of annual financial statements. This task is accomplished through Accountant General Pakistan Revenues (AGPR) who has the prime responsibility for disbursements, keeping a record of transactions and preparation of annual financial statements of the Federal Government whereas for self accounting entities this task is accomplished by the Principal Accounting Officer (PAO).
6. Each year Auditor-General of Pakistan certifies the financial statements of federal, provincial and district governments.
7. Audited Financial Statements and Audit Reports are laid before the National Assembly. These reports are then discussed in the Public Accounts Committee who then reports back to the National Assembly.

Financial Management Cycle



GOVERNANCE STRUCTURE

Pakistan is a federal republic to be known as Islamic Republic of Pakistan and the territories of Pakistan comprises of the provinces of Balochistan, Khyber Pakhtunkhwa, Punjab and Sindh, Islamabad Capital Territory.

As per the Constitution of the Islamic Republic of Pakistan, 1973, the President of Pakistan has the executive authority of the federation with a Cabinet of Ministers headed by the Prime Minister to aid and advise the President in the discharge of his duties and all executive actions of the federal government shall be expressed to be taken in the name of the President. The executive authority of the federation extends to the matters with respect to which Parliament has power to make law including exercise of rights, authority and jurisdiction in relation to areas outside Pakistan.

To perform the executive function and to carry out the functions and fulfill the

responsibilities, the Constitution requires the President of Pakistan to make rules for the allocation and transaction of the business of the Federal Government. Under the provision of Article 90 and 99 of the Constitution, Rules of Business 1973 were made which define the administrative structure, allocation and transaction of the business of the Federal Government.

A Division is the basic self contained unit for the conduct of the business of the Federal Government and a division or group of divisions can be constituted as a Ministry with a Minister-in-Charge under Rules of Business, 1973. Each ministry or division may have attached departments working directly under it to perform specific functions. In addition Federal Government includes subordinate offices, special purpose authorities and commercial enterprises which perform functions on behalf of the Federal Government. Prime

Minister is responsible for important policy decisions and formulation of

ministries or divisions and allocation of business amongst them.



FINANCIAL ACCOUNTING AND REPORTING FRAMEWORK

Public Sector Accounting practices in Pakistan are currently undergoing major reforms aimed at increasing transparency, streamlining accountability and improving overall financial management in line with international standards and practices, which mainly include;

- Implementation and Use of SAP R/3
- Development and Implementation of New Accounting Model

The SAP R/3 solution being currently implemented on a nationwide basis covers all the District Accounts Offices (DAO) and Agency Sub-Offices at the lowest level. The solution covers all Accountant General (AG) Offices and Accountant General Pakistan Revenues (AGPR) sub-offices at the provincial level, the AGPR Head Office and the Controller General of Accounts (CGA) headquarters.

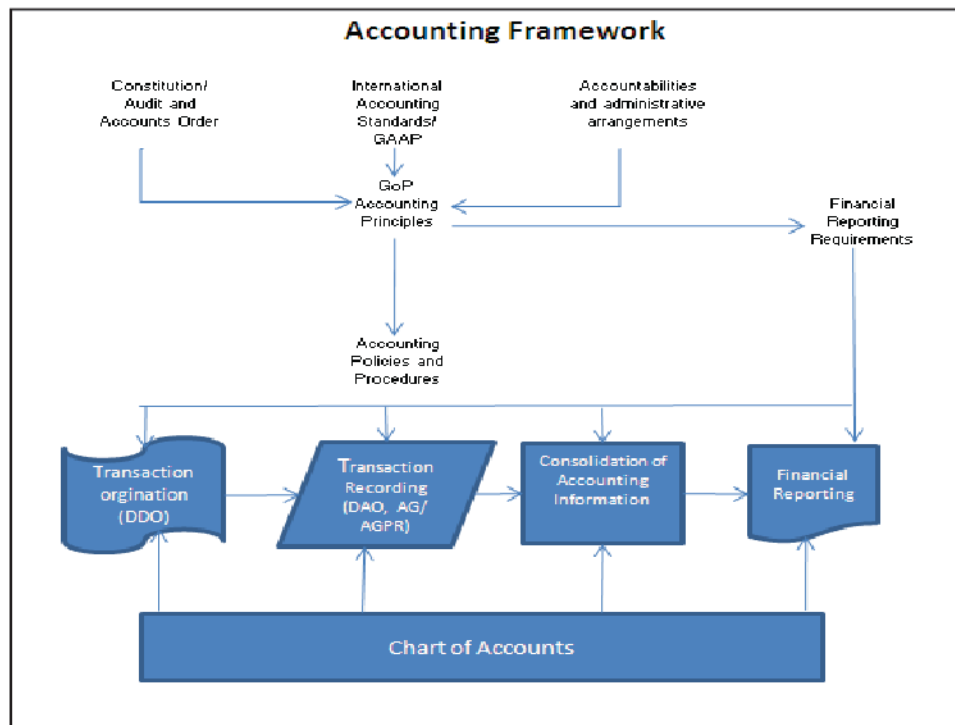
New Chart of Accounts was adopted from 1st July 2004. In December 2000, Auditor General of Pakistan prescribed NAM with the approval of the President of Pakistan under Article 170 of the Constitution of Islamic Republic of Pakistan. NAM is based on Modified Cash Basis of Accounting in which, though cash 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 under the cash basis of accounting that recognizes transactions and events only when cash is received or paid by the entity.

The accounting framework of the Federal Government focuses 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 Federal Consolidated Fund and Public Account and consists of accounting principles, policies and procedures. The framework prescribes a particular basis of accounting, which is relevant and applicable to Pakistan, but also adopts, where applicable, the accounting concepts laid down in Generally Accepted Accounting Principles (GAAP) and International Standards.

The accounting framework integrates the accounting principles with the financial reporting requirements, the chart of accounts and the detailed accounting procedures. These linkages are shown in the following diagram:



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.

The Financial Statements include;

- Statement of Cash Receipts and Payments
- Statement of Cash Flows
- Statement of Comparison of Budgeted and Actual Amounts by Function
- Statement of Comparison of Budget and Actual Expenditure by Division
- Statement of Appropriation of Grants by Object
- Notes to the Financial Statements

The statements of comparison of budget and actual amounts by function and actual expenditure by division are presented on a gross basis, whereas receipts and payments of floating debt in the Statement of Cash Receipts and Payments and Statement of Cash Flows have been netted off for which a reconciliation has been presented on a net basis as disclosed in the notes to the financial statements.

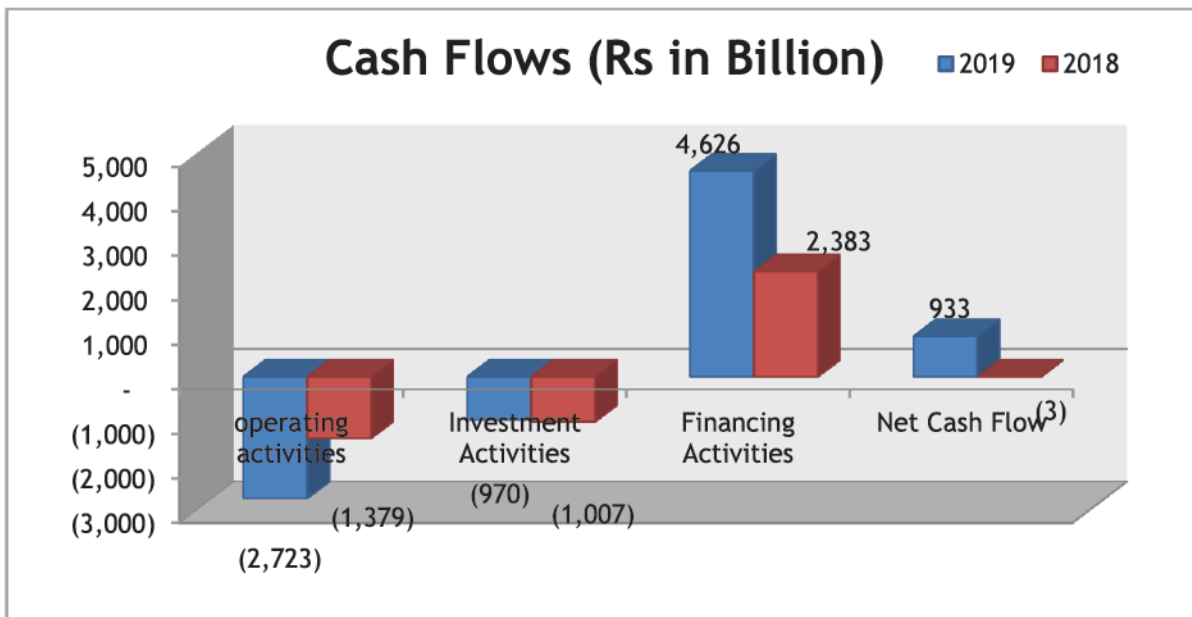
Assets and liabilities of the Federal Government are disclosed in the notes to the Financial Statements and are recorded on a historical cost basis and do not include accrued receipts and payments.

FINANCIAL REVIEW

CASH FLOWS

The net cash flows for the year have increased by Rs. 932,534 million decreasing the balance of cash and cash equivalents at end of the year from Rs. 8,071 million last year to a negative balance of Rs.10,797 million. Cash used in operating activities increased by

97.53%. The outflows from investing activities have decreased by 3.65%, whereas the cash flows from financing activities have shown an increase by 94.13% as compared to previous year's activities.



RECEIPTS AND PAYMENTS

RECEIPTS

Taxation

During the year under review tax receipts were Rs. 4,056,279 million as compared to Rs. 4,050,981 million for the previous financial year, which represents an increase of 0.13%. Out of total tax collections for the financial year 2018-2019, the Federal Government has transferred Rs. 2,319,068 million to the provinces. These transfers are made from all heads of taxes in accordance with the

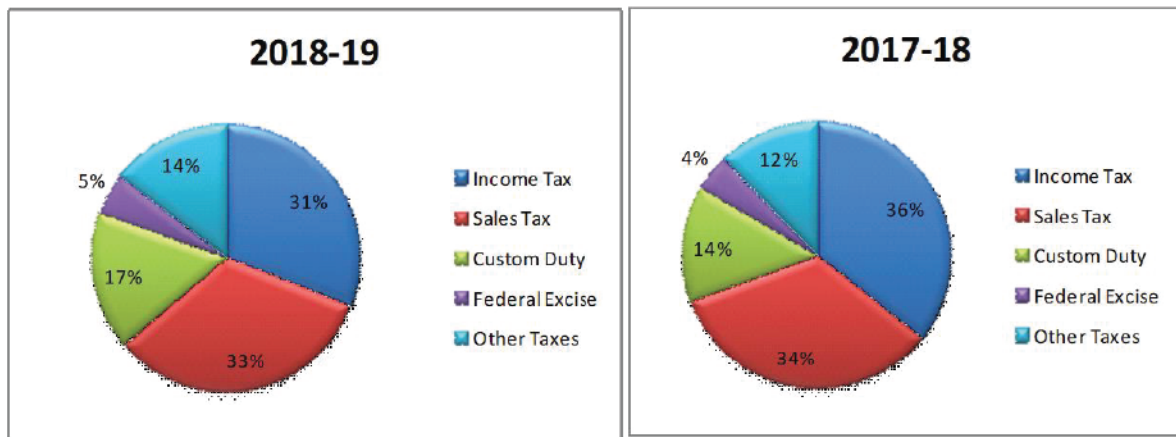
NFC award. The net tax reported after the transfers leaves the Federal Government with tax revenue of Rs 1,737,211 million against Rs. 1,893,663 million in comparison with the previous financial year.

The Federal Board of Revenue (FBR) introduced a wide-ranging tax and tariff reforms implemented under Tax Administration Reform Program (TARP). TARP was reportedly effectively implemented by widening the tax base by reducing exemptions, incentives and concessions, reducing multiplicity of rates, lowering tax rates, shifting the incidence of tax burden from production to consumption, moving away from the

excessive reliance on manufacturing and taxing all value additions including services, enhancing the neutrality between present and future consumption, enhancing the neutrality of the tax system to forms of business organizations and sources of finance, and re-engineering business process of the tax system to overcome the culture of tax avoidance and evasion.

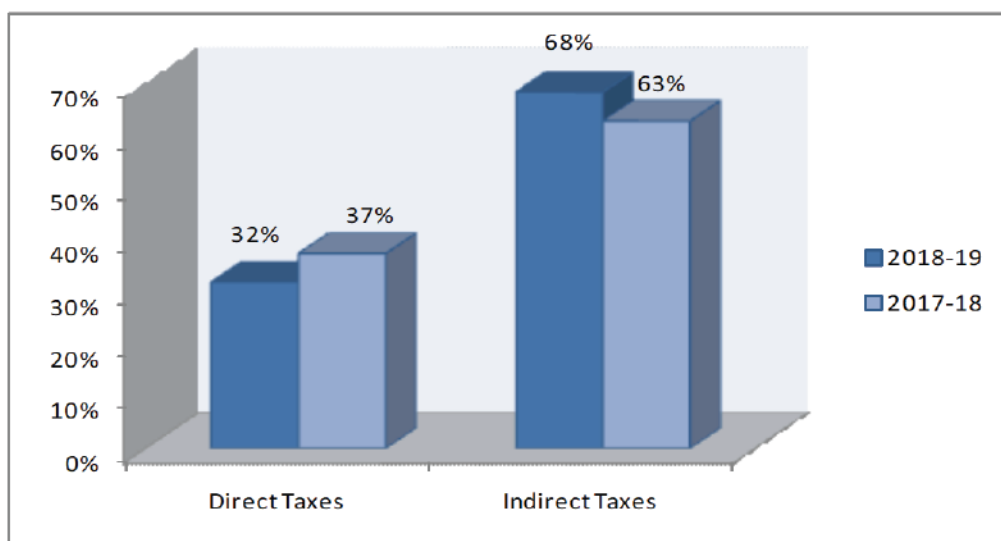
The basic philosophy of tax and tariff reform has been to move away from investment and production based taxes to income (direct taxes) and consumption (sales tax) based taxes. Pakistan has

succeeded in changing the composition of its taxes but much more effort will be needed to enhance the share of direct taxes in total taxes. A bird eye view of the tax composition is presented below;



The composition of direct taxes and indirect taxes for the year under review has

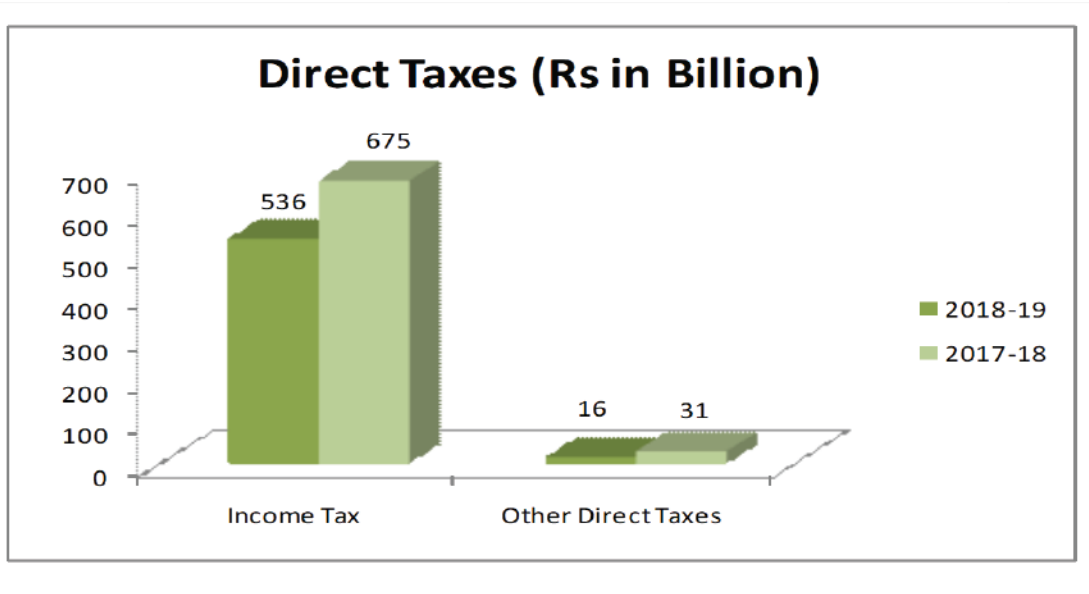
been; Direct taxes 32% and indirect taxes 68%, out of total taxes.



Direct Taxes

The direct taxes are a major source of federal tax revenues after sales tax. Direct tax consists of Income Tax, withholding tax, capital value tax, tax on profession, trade and callings and other miscellaneous taxes.

The net collection of direct taxes has decreased by Rs 153 billion as compared to previous year. Composition of direct taxes for the financial years is depicted below.

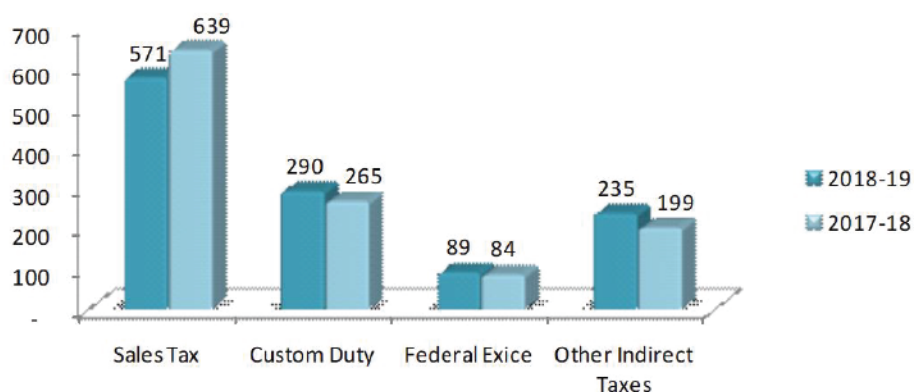


Indirect Taxes

Indirect taxes are the largest contributor to federal tax revenues. Indirect taxes comprise of sales tax, customs duty and federal excise duty, petroleum development levy, gas infrastructure development cess. The total revenue from Indirect taxes for the current year amounted to Rs. 1,185 billion. Sales tax

has emerged as the leading revenue source in recent years. Due to its buoyant nature, the share of sales tax has come to 48.21% of the total indirect tax collected, customs to 24.46% and Federal Excise 7.5% of the total indirect taxes.

Indirect Taxes (Rs in Billion)

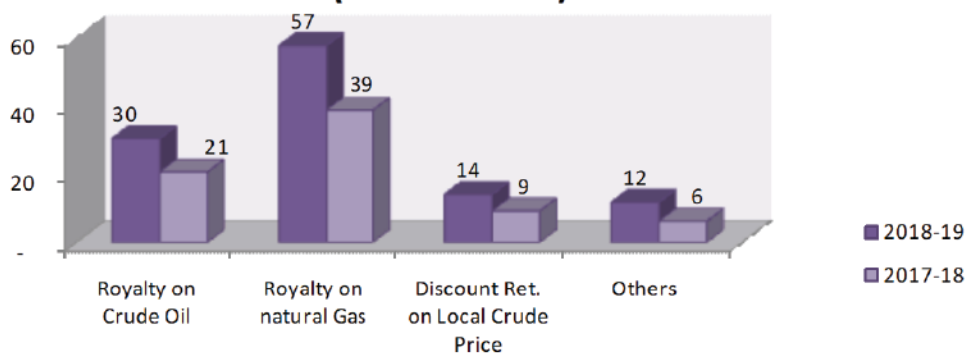


Development Surcharge and Royalties

Items exhibiting major movements here are Royalty on crude oil showing 47.54% increase from previous year, Royalty on

Natural Gas 48.72% increase from last year.

Development Surcharge & Royalties (Rs in Billion)



Borrowings

1. Domestic Debt

During the year under review domestic debt receipts amounted to Rs. 5,191,332

million which consist of permanent debt and floating debt-net basis.

Permanent domestic debt raised during the current financial year was Rs. 8,580,419 million as compared to Rs. 257,235 million in the last financial year. The major sources were Pakistan Investment Bonds (Rs. 8,239,463 million), Sukuk (Rs. 177,825 million), and National Prize Bonds (Rs. 154,502 million).

2. Foreign Debt

In the year under review, the burden of foreign debt on the Federal Government has increased by Rs 111,274 million. Receipts of foreign debt recorded were Rs. 1,374,463 million this year as compared to Rs. 1,263,189 million last year which represents an increase of 8.81%. Amongst foreign lenders, Chinese sources loan amounted to Rs. 865,383 million during the year. Also Rs. 124,084 million was raised from IDB ST. Other major donors were Noor Bank Rs. 91,961 million, ADB Rs. 71,955 million, IDA Rs. 71,662 million and SUISSEE Banks Rs. 67,569 million.

Dividend and profit share

Dividend represents dividends received against the investments made by the Federal Government in financial and non-financial institutions. Non-financial institutions were the prime source of dividends received in the Federal

Recovery of loans and advances

This item has witnessed an upward movement in aggregate. Compared to previous year, an increase of 32.27% in recoveries has been recorded. As far as recoveries from provinces are concerned, figure of last year stood at Rs. 55,077

Consolidated Fund. An increase of 4.78% in total dividend receipts was recorded in comparison to the previous financial year; the current year's receipt amounted to Rs. 60,202 million. Out of total dividend income, dividend from OGDCL was Rs. 34,582 million, Pak Arab Refinery Ltd. Rs. 7,800 million and from Government Holdings Private Ltd was Rs. 5,000 million.

Share of profits represents distributable profits from the State Bank of Pakistan and any other authority to the Federal Government against the appropriation of their net profits from their investment holdings. The profit share received during the year was Rs. 12,520 million. Profit share from PTA amounted to Rs. 17,378 million this year.

The surplus profit of the SBP, after making provision of reserve fund dividend payments, is transferred to the Federal Government.

million compared to Rs. 71,393 million this year.

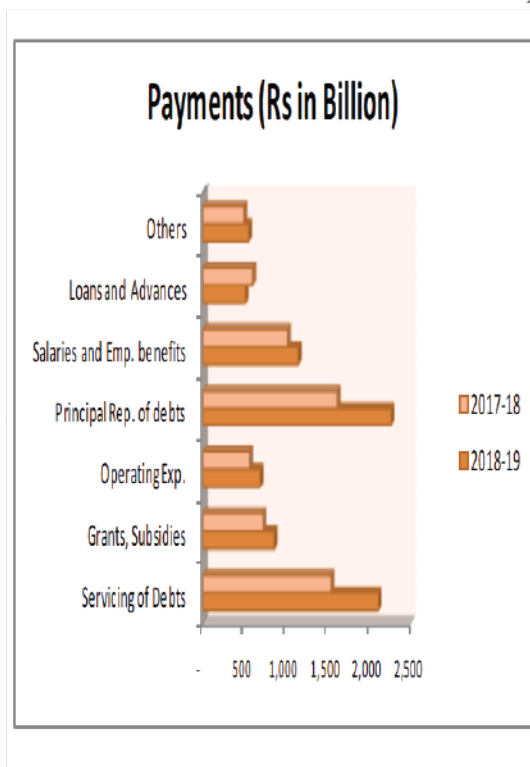
PAYMENTS

The Federal Government's plan of better fiscal transparency and improving expenditure management is still at the forefront of policy despite the impediments faced by the country during this fiscal year. Total payments made from Federal Consolidated Fund during the current year increased by Rs. 1,562 billion (23.88%) from the previous year. Total payments made during the year amounted to Rs. 8,104 billions as compared to Rs. 6,542 billion last year.

The major payments include salaries and employees benefits amounting to Rs. 1,143 billions, operating expenditure amounting to Rs. 688 billions, servicing of debt Rs. 2,100 billions, grants, subsidies and write-off of loans Rs. 857 billions and principal repayment of debts amounting to Rs. 2,255 billions. The Principal Repayment of Debt consisted of repayment of domestic debt of Rs. 1,281 billions and Rs. 974 billion for repayment of foreign debt. Out of total debt servicing payments of Rs. 2,100 billions, the domestic debt servicing cost

was Rs. 1,830 billions and foreign debt servicing cost was Rs. 270 billions.

The composition of payments made has been detailed below;



THE BUDGET 2018-2019

The budget is the principal document by which the Government sets out its financial plan for each financial year, namely how much the plan will cost (i.e. expenditure) and how much and in what way, money will be raised to finance the expenditure (i.e. revenue). It consists of the following documents;

- Annual Budget Statement (article 80 of constitution)

- Schedule of Authorized Expenditure - detailed estimates of Consolidated Fund - current expenditure and detailed estimates of Consolidated Fund - development expenditure (Article 83 of the constitution)
- Finance Act - the legal instrument through which the budget becomes an act of law.

Medium-Term Budgetary Framework (MTBF)

Previously the budget process was structured to provide only annual budget. This did not permit spending agencies to formulate their programs more than a year with uncertainty regarding the availability of resources beyond the annual budget. In order to allow these spending agencies to plan their programs in a consistent and coherent manner, the Government has initiated the process of putting in place a Medium - Term Budgetary Framework (MTBF). MTBF assists in improving the overall quality of planning and budgetary process and also enhancing the quality and effectiveness of public expenditure. It has introduced the concept of multi-year

Analysis of Budget - Comparison of Actual With Budget

Capital and Revenue are two major categories of receipts disclosed in the financial statements. An amount of Rs.

Budgeted Payments

The detail below depicts the allocation of original and revised budget of expenditure. This entails distribution of original and revised budget on different

budgeting. MTBF will enable ministries to prioritize their spending plan within the indicated envelop and will, to a great extent, reduce the uncertainties that impede effective planning.

The MTBF reforms initiated in 2003 comprise two major components – the strategic or "top-down" component implemented in the Ministry of Finance and the "bottom up" component which introduces strengthened budget preparation through output based budgeting, progressively across the Federal Ministries.

2,592,096 million was budgeted as revenue receipts against which actual receipts collected were Rs. 2,060,798 million. Capital receipts budgeted were Rs. 36,887,189 million and the actual receipts were of Rs. 47,833,053 million.

functions of the Government i.e. percentage of budget allocated originally and its subsequent revision in different functions.

FEDERAL GOVERNMENT
Statement of Comparison of Budgeted and Actual Amounts by Function
For the Year Ended 30 June 2019

RECEIPTS	Note	2019 (Rupees in million)			2018 (Rupees in million)		
		Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
		Original	Revised		Original	Revised	
Revenue							
Taxation		2,350,854	2,007,818	1,737,211	2,003,581	1,893,663	
Non-taxation		727,834	584,278	323,587	949,574	577,994	
Total revenue receipts		3,078,688	2,592,096	2,060,798	2,953,155	2,471,657	
Capital							
Domestic debt		21,535,843	35,360,883	46,262,769	13,478,153	27,875,090	
Foreign debt		1,087,992	1,366,475	1,475,466	810,742	1,263,189	
Recoveries of loans and advances		152,989	159,831	94,818	112,537	71,685	
Privatization Proceeds		-	-	-	-	2,000	
Total capital receipts	29	22,776,824	36,887,189	47,833,053	14,401,432	29,211,964	
TOTAL RECEIPTS		25,855,512	39,479,285	49,893,851	17,354,587	31,683,621	
PAYMENTS							
Revenue							
1 General public services		3,117,653	3,374,331	3,503,604	2,729,486	2,736,368	
2 Defence affairs and services		1,103,220	1,139,355	1,186,614	924,883	1,025,868	
3 Public order and safety affairs		136,600	136,068	174,822	115,322	147,124	
4 Economic affairs		226,644	204,294	261,598	167,424	163,305	
5 Environment protection		2,064	1,342	1,745	1,956	1,682	
6 Housing and community amenities		17,101	3,936	2,600	4,056	4,328	
7 Health affairs and services		43,896	18,248	27,347	63,897	35,406	
8 Recreation, culture and religion		13,200	12,785	12,814	11,707	12,992	
9 Education affairs and services		139,755	121,017	125,392	131,904	126,352	
10 Social protection		3,555	3,227	4,351	2,666	3,450	
Total revenue payments		4,803,687	5,014,603	5,300,887	4,153,301	4,256,875	
Capital							
1 General public services		22,496,665	36,168,084	43,971,603	14,191,989	27,519,339	
4 Economic affairs		18,641	26,278	4,383	26,653	17,617	
Total capital payments		22,515,306	36,194,362	43,975,986	14,218,642	27,536,956	
TOTAL PAYMENTS	29	27,318,994	41,208,965	49,276,873	18,371,943	31,793,831	

The annexed notes 1 to 31 form an integral part of these financial statements.

FINANCIAL SYSTEM, CONTROLS AND LEGAL COMPLIANCE

Financial System and Control

The effectiveness and credibility of government policies is critically dependent on the availability of timely and accurate financial and management information, a framework of financial and accounting principles and procedures designed according to internationally accepted standards. The Government has made significant progress in its efforts to re-engineer its economic and financial management function to include as key elements of its strategy:

- Modern accounting system designed according to internationally recognized accounting principles and standards, and based on modern information

technology to ensure ready availability of relevant, Accurate and timely information required by economic managers as a decision support system.

- Implementation of the world most advanced Enterprise Resource Planning (ERP) system, SAP has been implemented at AG offices. Two modules namely Financial and Controlling (SAP-FICO) and Human Resources (SAP-HR) are currently in use. This system has contributed a lot in the preparation of financial statements. Additionally, procedures of Payroll and General Provident Fund have become more effective. Burden on the employees has been reduced and effectiveness ensured. Due to its

advanced functionalities, tracking of each and every case of GP fund or payroll has become very easy and full information can be retrieved even after a number of years.

- Increasing professionalization of the elements of its civil services which deal with financial and economic management, requiring key competencies in staff training and appropriate human resource management policies emphasizing performance, experience and knowledge; and,

The CGA has circulated the Principles for Internal Financial Control (PIFC) to Ministry of Finance and the Provincial Finance department as required under section 5(d) of the Controller General of

Accounts Ordinance, 2001. These principles have been based on the Committee of Sponsoring Organizations (COSO) Framework that confirms to best practices of internal controls standards. These PIFC principles are discussed in twenty high levels internal financial controls governed by five major components namely control environment, risk assessment, control activities, information and communications and monitoring.

These concepts apply to all aspects of an organization's operations. However, they do not intend to limit or interfere with duly granted authority related to developing legislation, rule making, or other discretionary policy making in an organization and focuses on ensuring reliability of financial information being generated, safeguarding of assets as well as compliance with laws and regulations

- Increasing partnership between the private and public sectors in their respective areas of comparative advantage.

The Government has implemented *New Accounting Model (NAM)* to improve expenditure management and fiscal transparency. NAM was approved subject to its implementation which is in process. Keeping in view the massive scale and complexity of government accounting significant progress has taken place. However, at present memorandum registers for assets and commitments do not exist and accounting of liabilities is still in the process of completion. affecting financial reporting, disbursements and financial control.

The role of Principal Accounting Officers (PAO) and Chief Finance and Account Officers (CFAO's) is to establish a control mechanism to exercise oversight responsibility relating to financial management including financial control and reporting and as an effective member of the audit committee established by the management.

Legal Compliance

All Federal Ministries, Self Accounting Entities and Government Departments are required to comply with a wide range of laws and regulations, including budgetary appropriations, employment, health and safety and others. The responsibility of compliance primarily rests with the Principal Accounting Officers and its compliance with relevant laws is conducted by the Auditor-General office as part of its financial statements audit

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

Auditor's Report

I have audited the accompanying financial statements of the Federal Government, which comprise the statements of receipts and payments for the year ended 30th June 2019, statement of cash flows, statement of comparison of budget and actual amounts by function, statement of comparison of budget, actual expenditure by division 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 audit in accordance with the requirements of Article 169 & 170 (2) of the Constitution of the Islamic Republic of Pakistan read with Section 7 of the Auditor-General's (Functions, Powers and Terms & Conditions of Service) Ordinance, 2001. I conducted 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 from 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 presentation of financial statements. I believe that audit provides a reasonable basis for opinion.

In my opinion:

- (a) These financial statements properly present, in all material respects, the financial position of the federal government as at 30th June, 2019 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 Pakistan.
- (b) The sums expended have been applied, in all material respects, for the purposes authorised by the Parliament 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 President under Article 171 of the Constitution of the Islamic Republic of Pakistan.

Islamabad, Pakistan
Dated: 31 DEC 2019



(Javaid Jehangir)
Auditor General of Pakistan

FEDERAL GOVERNMENT
Statement of Cash Receipts and Payments
For the Year Ended 30 June 2019

	Note	2019 (Rupees in Million)		2018 (Rupees in Million)	
		Receipts / Payments Controlled by Federal Government	Payments by Third Parties	Receipts / Payments Controlled by Federal Government	Payments by Third Parties
FEDERAL CONSOLIDATED FUND					
RECEIPTS					
<i>Taxation</i>					
Income tax	5011	536,323	-	675,179	-
Sales tax	5029	571,213	-	639,388	-
Custom duty	5030,512	289,851	-	265,470	-
Federal excise	5034,85	88,903	-	83,689	-
Other taxes		250,921	-	229,937	-
	7	1,737,211	-	1,893,663	-
<i>Non-Tax Revenue and Other Receipts</i>					
General administration receipts	8	8,475	-	7,591	-
Economic Services Receipts	9	2,013	-	1,582	-
Defence services receipts	10	16,848	-	12,977	-
Development surcharge and royalties	11	34,670	-	14,319	-
Citizenship, nationalization, passport and copyright	0803,8	23,014	-	18,361	-
Interest on loans and advances	12	71,855	-	101,384	-
Dividend and profit share	13	90,957	-	306,482	-
Others		45,111	-	85,475	-
		292,943	-	548,171	-
<i>Grants and Aid</i>					
Development grants	14	15,807	15,576	18,082	11,600
<i>Borrowings</i>					
Foreign debt	15	1,374,463	101,003	1,263,189	-
Domestic permanent debt	16	8,580,419	-	257,235	-
Domestic floating debt-net	17	(3,389,087)	-	2,366,340	-
		6,565,795	101,003	3,886,764	-
<i>Capital Receipts</i>					
Recovery of loans and advances	18	94,818	-	71,685	-
Privatization Proceeds	19	-	-	2,000	-
Investment recovery	5013,16	-	-	-	-
		94,818	-	73,685	-
<i>Trading Activities</i>					
	20	14,837	-	11,741	-
TOTAL RECEIPTS		8,721,411	116,579	6,432,106	11,600

FEDERAL GOVERNMENT
Statement of Cash Receipts and Payments
For the Year Ended 30 June 2019

	Note	2019 (Rupees in Million)		2018 (Rupees in Million)	
		Receipts / Payments Controlled by Federal Government	Payments by Third Parties	Receipts / Payments Controlled by Federal Government	Payments by Third Parties
PAYMENTS					
<i>Operations</i>					
Salaries and employees benefits	21	1,142,725	-	1,016,118	-
Operating expenses		688,224	82,782	563,860	-
		1,830,949	82,782	1,579,978	-
<i>Transfers</i>					
Grants, subsidies and write-off of loans		856,885	-	723,938	-
Other transfer payments		12,045	-	10,104	-
		868,930	-	734,042	-
<i>Expenditures on</i>					
Physical assets		336,085	33,797	259,550	11,600
Civil works		169,202	-	169,356	-
Others		8,909	-	7,930	-
		514,196	33,797	436,836	11,600
<i>Debt and Interest Payments</i>					
Principal repayments of debts	22	2,255,237	-	1,611,241	-
Servicing of debts	23	2,099,758	-	1,536,285	-
		4,354,995	-	3,147,526	-
<i>Other Payments</i>					
Loans and advances	24	510,272	-	597,245	-
Investments	25	25,091	-	46,689	-
		535,363	-	643,934	-
TOTAL PAYMENTS		8,104,433	116,579	6,542,316	11,600
NET PAYMENT OF FEDERAL CONSOLIDATED FUND		616,977	-	(110,210)	-
NET RECEIPT OF PUBLIC ACCOUNT	26	315,557	-	107,484	-
INCREASE / (DECREASE) IN CASH		932,534	-	(2,726)	-
CASH AT THE BEGINNING OF THE YEAR		(10,797)	N/A*	(8,071)	N/A*
INCREASE / (DECREASE) IN CASH		932,534	N/A*	(2,726)	N/A*
CASH AT THE END OF THE YEAR	27	921,737	N/A*	(10,797)	N/A*

The annexed notes 1 to 31 form an integral part of these financial statements.
N / A* = Not Applicable



Accountant General Pakistan Revenues

FEDERAL GOVERNMENT
Statement of Cash Flows
For the Year Ended 30 June 2019

	Note	2019 Rupees in million	2018 Rupees in million
CASH FLOWS FROM OPERATING ACTIVITIES			
Tax receipts	7	1,737,211	1,893,663
Non-tax revenue & other receipts		292,943	548,171
Development grants	14	31,383	18,082
Trading activities	20	14,837	11,741
Operations payments		(1,830,949)	(1,579,978)
Servicing of debt	23	(2,099,758)	(1,536,285)
Transfers		(868,930)	(734,042)
Cash used in Operating Activities		(2,723,264)	(1,378,648)
CASH FLOWS FROM INVESTING ACTIVITIES			
Recoveries of loans and advances	18	94,818	71,685
Privatization Proceeds	19	-	2,000
Expenditure on physical assets, civil works & others		(529,772)	(436,836)
Investments	25	(25,091)	(46,689)
Payments of loans and advances	24	(510,272)	(597,245)
Cash used in Investing Activities		(970,317)	(1,007,085)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt of domestic permanent debt	16	8,580,419	257,235
Receipt of foreign debt	15	1,374,463	1,263,189
Domestic floating debt-net	17	(3,389,087)	2,366,340
Principal repayments of debt	22	(2,255,237)	(1,611,241)
Net receipt of public account	26	315,557	107,484
Cash from Financing Activities		4,626,115	2,383,007
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS		932,534	(2,726)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		(10,797)	(8,071)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	27	921,737	(10,797)

The annexed notes 1 to 31 form an integral part of these financial statements.


Accountant General Pakistan Revenues

FEDERAL GOVERNMENT
Statement of Comparison of Budgeted and Actual Amounts by Function
For the Year Ended 30 June 2019

	Note	2019 (Rupees in million)			2018 (Rupees in million)		
		Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
		Original	Revised		Original	Revised	
RECEIPTS							
Revenue							
Taxation		2,350,854	2,007,818	1,737,211	2,003,581	1,883,405	1,893,663
Non-taxation		727,834	584,278	323,587	949,574	819,002	577,994
Total revenue receipts		3,078,688	2,592,096	2,060,798	2,953,155	2,702,407	2,471,657
Capital							
Domestic debt		21,535,843	35,360,883	46,262,769	13,478,153	23,471,928	27,875,090
Foreign debt		1,087,992	1,366,475	1,475,466	810,742	1,203,754	1,263,189
Recoveries of loans and advances		152,989	159,831	94,818	112,537	134,415	71,685
Privatization Proceeds		-	-	-	-	-	2,000
Total capital receipts	29	22,776,824	36,887,189	47,833,053	14,401,432	24,810,097	29,211,964
TOTAL RECEIPTS		25,855,512	39,479,285	49,893,851	17,354,587	27,512,504	31,683,621
PAYMENTS							
Revenue							
1 General public services		3,117,653	3,374,331	3,503,605	2,729,486	2,781,089	2,736,368
2 Defence affairs and services		1,103,220	1,139,355	1,186,614	924,883	1,002,474	1,025,868
3 Public order and safety affairs		136,600	136,068	174,822	115,322	124,266	147,124
4 Economic affairs		226,644	204,294	261,598	167,424	191,176	163,305
5 Environment protection		2,064	1,342	1,745	1,956	2,013	1,682
6 Housing and community amenities		17,101	3,936	2,600	4,056	3,672	4,328
7 Health affairs and services		43,896	18,248	27,347	63,897	35,973	35,406
8 Recreation, culture and religion		13,200	12,785	12,814	11,707	14,841	12,992
9 Education affairs and services		139,755	121,017	125,392	131,904	127,466	126,352
10 Social protection		3,555	3,227	4,351	2,666	2,811	3,450
Total revenue payments		4,803,687	5,014,603	5,300,888	4,153,301	4,285,781	4,256,875
Capital							
1 General public services		22,496,665	36,168,084	43,971,603	14,191,989	24,139,877	27,519,339
4 Economic affairs		18,641	26,278	4,383	26,653	27,840	17,617
Total capital payments		22,515,306	36,194,362	43,975,986	14,218,642	24,167,717	27,536,956
TOTAL PAYMENTS	29	27,318,994	41,208,965	49,276,874	18,371,943	28,453,498	31,793,831


The annexed notes 1 to 31 form an integral part of these financial statements.


Accountant General Pakistan Revenues

FEDERAL GOVERNMENT
Statement of Comparison of Budgeted and Actual Expenditure by Division
For the Year Ended 30 June 2019

DIVISIONS	Note	2019 (Rupees in million)			2018 (Rupees in million)		
		Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
		Original	Revised		Original	Revised	
Aviation Division		12,284	9,862	10,160	11,502	9,261	9,458
Cabinet Division		72,659	84,549	183,447	80,554	72,230	71,818
Capital Administration and Development Division		35,200	-	134	24,772	22,371	26,066
Climate Change Division		1,417	412	943	1,384	1,440	1,171
Commerce Division		6,412	5,456	5,928	6,112	5,610	5,627
Communications Division		24,132	9,802	17,413	38,295	37,881	37,369
Defence Division		9,327	8,784	11,360	8,347	8,818	10,332
Defence Production Division		3,508	3,161	3,299	5,119	4,450	2,968
Defence Services		1,097,949	1,134,501	1,180,603	917,949	995,949	1,020,605
Economic Affairs Division		1,315,738	1,709,415	1,599,775	650,344	885,127	985,472
Establishment Division		4,896	4,728	6,607	4,320	4,569	4,603
Federal Education and Professional Training Division		5,813	16,269	19,435	4,225	4,198	7,640
Finance Division		24,189,821	37,750,827	45,658,122	16,016,369	25,885,826	29,088,376
Foreign Affairs Division		18,914	18,713	21,502	16,755	16,555	18,035
Higher Education Commission		-	-	-	62,184	62,184	65,528
Housing and Works Division		9,891	8,020	8,040	14,166	11,606	16,779
Human Rights Division		738	446	442	626	511	536
Industries and Production Division		3,048	6,658	6,286	3,869	1,829	1,796
Information Technology and Telecommunication Division		7,121	4,880	5,828	5,239	6,342	4,615
Information, Broadcasting and National Heritage Division		-	-	-	-	-	-
Information and Broadcasting Division		8,958	9,200	10,279	8,220	9,716	10,184
Interior Division		132,866	120,164	161,160	103,712	111,599	130,485
Inter-Provincial Coordination Division		5,460	3,658	2,239	4,829	5,693	9,027
Kashmir Affairs and Gilgit Baltistan Division		18,979	15,630	16,385	18,914	17,564	16,209
Law and Justice Division		8,774	8,905	9,444	8,332	8,130	7,657
Narcotics Control Division		2,854	2,716	2,843	2,660	2,596	2,589
National Food Security and Research Division		5,850	4,666	5,372	5,355	15,422	17,843
National Health Services, Regulations and Coordination Division		27,038	13,661	21,311	50,552	24,267	21,112
National Security Division		51	51	39	147	47	43
National History and Literary Heritage Division		1,636	1,206	1,228	1,282	1,130	1,141
Overseas Pakistanis and Human Resource Development Division		1,341	1,385	3,813	1,244	1,244	3,588
Pakistan Railways		30,411	22,793	23,259	42,900	22,020	18,625
Parliamentary Affairs Division		395	382	332	366	396	401
Petroleum Division		1,907	27,262	11,806	-	17,217	3,689
Petroleum and Natural Resources Division		-	-	-	1,467	232	888
Planning, Development and Reform Division		32,350	5,586	4,977	87,838	5,256	3,514
Ports and Shipping Division		-	-	-	13,500	3,419	1,827
Postal Services Division		18,664	18,664	23,884	-	33	37
Power Division		245	432	650	-	237	1,869
Privatization Division		166	174	169	154	154	148
Religious Affairs and Inter Faith Harmony Division		1,116	1,849	2,885	1,037	2,803	2,805
Revenue Division		28,779	27,628	30,086	24,922	25,163	25,434
Science and Technology Division		12,043	8,744	8,823	8,822	7,691	7,594
States and Frontier Regions Division		65,012	92,044	107,973	58,486	71,722	79,568
Statistics Division		2,557	2,194	2,292	2,491	2,804	2,180
Textile Industry Division		-	-	-	618	242	249
Textile Division		712	469	483	-	178	154
Water and Power Division		-	-	-	35,094	4,266	1,992
Water Resource Division		62,262	21,155	46,180	-	31,940	21,317
The Senate		2,995	2,995	2,831	2,359	2,359	2,347
National Assembly		4,155	4,155	3,503	3,820	3,820	3,441
Maritime Affairs Division		10,901	3,211	1,837	-	-	-
Audit		4,623	4,623	5,570	4,184	4,184	4,524
Election		2,531	2,455	21,675	2,348	8,999	8,807
Federal Tax Ombudsman		243	250	241	225	261	257
Islamabad High Court		527	527	526	487	487	450
Staff Household and Allowances of the President		1,036	976	952	960	963	975
Supreme Court		1,964	1,964	1,806	1,817	1,817	1,382
Wafaqi Mohtesib		722	708	696	670	670	685
TOTAL PAYMENTS	29	27,318,994	41,208,965	49,276,874	18,371,943	28,453,498	31,793,831

The annexed notes 1 to 31 form an integral part of these financial statements.


Accountant General Pakistan Revenues

FEDERAL GOVERNMENT
Statement of Appropriation of Grants by Object
For the Year Ended 30 June 2019

(Rs. in millions)

Grants Name	AB1 Employees Related Expenditure	AB2 Project Pre- Investment Analysis	AB3 Operating Expenditure	AB4 Employment Retirement Benefits	AB5 Grants Subsidies and Write Off Loans	AB6 Transfers	AB7 Interest Payment	AB8 Loans and Advances	AB9 Physical Assets	AB10 Principal Repayments of Loans	AB11 Investment	AB12 Civil Works	AB13 Repairs and Maintenance	Grand Total
Current Expenditure														
1 - Cabinet	107	-	45	-	-	-	-	-	-	-	-	-	0	151
2 - Cabinet Division	723	-	6,473	32	42	3	-	-	44	-	-	-	15	7,333
3 - Emergency Relief and Reparation	3	-	197	-	-	-	-	-	16	-	-	-	899	1,115
4 - Other Expenditure of Cabinet Division	526	-	202	2	5,059	0	-	-	202	-	-	-	2	5,804
5 - Aviation Division	61	-	70	5	2	-	-	-	0	-	-	-	11	149
6 - Airports Security Force	5,975	-	1,123	102	221	3	-	-	201	-	-	-	142	7,767
7 - Meteorology	1,064	-	155	23	121	-	-	-	19	-	-	-	8	1,392
8 - Capital Administration And Development Division	2,069	-	8	8	-	-	-	-	0	-	-	-	0	94
9 - Establishment Division	519	-	530	44	81	-	-	-	0	-	-	-	3	2,756
10 - Federal Public Service Commission	519	-	232	18	13	-	-	-	2	-	-	-	2	3,409
11 - Other Expenditure of Establishment Division	516	-	153	20	42	3,058	-	-	11	-	-	-	0	3,690
12 - National Security Division	719	-	184	21	42	-	-	-	0	-	-	-	0	940
13 - National Security Office	180	-	67	11	7	-	-	-	3	-	-	-	4	262
14 - Arms and Ammunition Inspection Commission	34	-	8	2	-	-	-	-	0	-	-	-	0	45
15 - Atomic Energy	-	-	9,964	-	-	-	-	-	-	-	-	-	-	9,964
16 - Stations and Printing	89	-	111	3	2	0	-	-	0	-	-	-	0	106
17 - Climate Change Division	221	-	107	3	20	1	-	-	48	-	-	-	5	365
18 - Commerce Division	1,856	2	2,230	87	1,148	11	-	-	23	-	-	-	56	5,437
19 - Textile Division	275	-	109	2	23	-	-	-	1	-	-	-	18	428
20 - Communications Division	4,913	-	905	13	137	15	-	-	808	-	-	-	143	6,932
21 - Other Expenditure of Communications Division	1,111	-	1,136	5	3,311	0	-	-	21	-	-	-	1	3,584
22 - Defence Division	975	-	217	28	33	0	-	-	20	-	-	-	9	1,282
23 - Survey of Pakistan	6,486	-	180	4	457	11	-	-	7	-	-	-	42	7,187
24 - Federal Government Educational Institutions in Cantonnments and Garrisons	439,941	-	289,807	-	-	-	-	-	306,026	-	-	144,829	-	1,180,603
25 - Defence Services	125	-	61	8	8	-	-	-	936	-	-	-	4	1,139
26 - Defence Production Division	183	-	459	4	183	0	-	-	1	-	-	-	2	650
27 - Power Division	248	-	75	8	10,750	0	-	-	9	-	-	-	2	11,093
28 - Petroleum Division	416	-	98	15	45	0	-	-	2	-	-	-	4	579
29 - Geological Survey of Pakistan	98	-	-	-	-	-	-	-	-	-	-	-	-	98
30 - Federal Education and Professional Training Division	11,352	7	2,685	199	208	199	-	-	72	-	-	-	105	14,828
31 - Finance Division	1,361	-	310	26	4	26	-	-	24	-	-	-	27	1,794
32 - Controller General of Accounts	4,620	-	922	276	614	1	-	-	1,447	-	-	-	28	7,908
33 - Pakistan Mint	369	-	182	3	14	0	-	-	15	-	-	-	6	588
34 - National Savings	1,766	-	1,325	5	189	0	-	-	164	-	-	-	19	3,468
35 - Other Expenditure of Finance Division	76	-	642	-	16,106	-	-	-	4	-	-	-	1	16,834
36 - Superannuation Allowances and Pensions	-	-	-	407,265	-	-	-	-	-	-	-	-	-	407,265
37 - Grants-In-Aid and Miscellaneous Adjustments Between The Federal and Provincial Governments	-	-	-	-	105,863	-	-	-	-	-	-	-	-	105,863
38 - Subsidies and Miscellaneous Expenditure	-	-	200	-	491,304	-	-	-	-	-	-	-	-	491,504
39 - Higher Education Commission	332	-	11,226	-	56,366	-	-	-	-	-	-	-	-	67,592
40 - Economic Affairs Division	291	-	107	17	356	6,023	-	-	1	-	-	-	2	6,840
41 - Revenue Division	2,301	-	1,902	39	16	6	-	-	3	-	-	-	31	4,693
42 - Federal Board of Revenue	3,689	-	1,352	254	531	8	-	-	85	-	-	-	181	6,004
43 - Customs	1,012	-	2,471	341	1,082	16	-	-	257	-	-	-	151	3,902
44 - Inland Revenue	3,392	-	6,990	96	35	2	-	-	642	-	-	-	51	13,942
45 - Foreign Affairs	127	0	2,938	3	187	50	-	-	113	-	-	-	263	3,180
46 - Other Expenditure of Foreign Affairs Division	137	-	611	74	28	1	-	-	10	-	-	-	2	1,459
47 - Overseas Works Division	116	-	17	8	-	-	-	-	3	-	-	-	4	149
48 - Civil Works	86	-	128	1	-	0	-	-	1	-	-	-	6	433
49 - Federal Lodges	293	-	212	7	4,715	3	-	-	1	-	-	-	2	5,130
50 - Industries and Production Division	2	-	0	-	-	-	-	-	-	-	-	-	-	2
51 - Department of Investment Promotion and Supplies	648	-	273	3	-	-	-	-	0	-	-	-	0	925
52 - Other Expenditure of Industries and Production Division	465	-	202	24	35	8	-	-	9	-	-	-	13	755
53 - Information and Broadcasting Division	180	-	126	11	13	3	-	-	11	-	-	-	6	338
54 - Directorate of Publications, Newsletters and Documents	440	-	478	24	45	3	-	-	11	-	-	-	14	1,017
55 - Press Information Department	435	-	249	0	-	-	-	-	13	-	-	-	10	707
56 - Information Services Abroad	5,916	-	1,503	-	1	-	-	-	-	-	-	-	-	7,420
57 - Other Expenditure of Information and Broadcasting Division	604	-	466	12	11	1	-	-	5	-	-	-	17	1,117
58 - National History and Literary Heritage Division	529	-	943	2	2	0	-	-	28	-	-	-	45	4,405
59 - Information Technology and Telecommunication Division	8,432	-	937	14	327	14	-	-	1,153	-	-	-	14	2,039
60 - Interior Division	871	-	2,813	11	31	12	-	-	66	-	-	-	66	9,584
61 - Islamabad	51,368	-	25,511	25	344	22	-	-	10,376	-	-	-	25	4,578
62 - Passport Organisation	10,365	-	301	4	26	4	-	-	91	-	-	-	72	10,864
63 - Civil Armed Forces	-	-	-	-	-	-	-	-	-	-	-	-	-	-
64 - Frontier Constabulary	-	-	-	-	-	-	-	-	-	-	-	-	-	-

FEDERAL GOVERNMENT
Statement of Appropriation of Grants by Object
For the Year Ended 30 June 2019

(Rs. in million)

Grants Name	A01 Employees Related Expenses	A02 Project Pre-Feasibility Studies	A03 Operating Expenses	A04 Employer's Retirement Benefits	A05 Grants Subsidies and Write Off Loans	A06 Transfers	A07 Interest Payment	A08 Loans and Advances	A09 Physical Assets	A10 Principal Repayments of Loans	A11 Investment	A12 Civil Works	A13 Repairs and Maintenance	Grand Total
70 - Pakistan Coast Guards	1,611	-	213	20	2	0	-	-	158	-	-	-	48	2,052
71 - Pakistan Rangers	20,822	-	1,973	67	1,688	0	-	-	1,973	-	-	64	177	25,003
72 - Other Expenditure of Interior Division	-	-	2,596	51	195	58	31	-	31	-	-	-	49	6,997
73 - Inter-Provincial Coordination Division	611	-	-	6	671	6	-	-	6	-	-	-	3	1,304
74 - Kashmir Affairs and Gilgit Baltistan Division	83	-	34	4	227	0	-	-	2	-	-	-	2	352
75 - Other Expenditure of Kashmir Affairs and Gilgit Baltistan Division	19	-	6	1	7	-	-	-	34	-	-	-	1	791
76 - Gilgit Baltistan	-	-	-	-	585	-	-	-	-	-	-	-	-	585
77 - Law and Justice Division	431	-	116	7	2	1	-	-	3	-	-	-	3	562
78 - Other Expenditure of Law and Justice Division	2,893	-	581	63	275	1	-	-	74	-	-	-	48	3,936
79 - Council of Islamic Ideology	104	0	25	0	-	0	-	-	2	-	-	-	2	134
80 - District Judiciary, Islamabad Capital Territory	338	-	75	4	12	-	-	-	4	-	-	-	-	437
81 - National Accountability Bureau	1,935	-	1,957	8	4	2	-	-	45	-	-	-	38	3,990
82 - Maritime Affairs Division	493	-	191	15	58	1	-	-	18	-	-	1	-	791
83 - Narcotics Control Division	1,781	-	538	7	47	311	-	-	58	-	-	-	41	2,783
84 - National Assembly	2,055	-	1,225	16	163	1	-	-	24	-	-	-	19	3,503
85 - The Senate	1,710	-	901	11	88	12	-	-	88	-	-	-	21	2,811
86 - National Food Security and Research Division	3,017	-	1,341	45	81	300	-	-	11	300	-	-	20	4,815
87 - National Health Services, Regulations and Coordination Division	5,955	-	3,449	114	358	631	-	-	218	-	-	-	294	11,018
88 - Overseas Pakistanis and Human Resource Development Division	793	-	2,949	26	14	1	-	-	15	-	-	-	15	3,813
89 - Parliamentary Affairs Division	228	-	94	7	-	0	-	-	4	-	-	-	2	332
90 - Planning, Development and Reform Division	808	-	209	4	29	0	-	-	4	-	-	-	1	1,071
91 - Postal Services Division	20	-	3,520	8,426	302	51	22	-	167	-	-	16	265	23,928
92 - Pakistan Post Office Department	11,029	-	20	2	-	-	-	-	2	-	-	-	-	26
93 - National Information Commission	109	-	151	8	69	39	-	-	1	-	-	-	15	460
94 - Interfaith Harmony Division	213	-	151	8	69	39	-	-	1	-	-	-	15	460
95 - Religious Affairs and Inter Faith Harmony Division	314	-	215	9	1,830	4	-	-	4	-	-	-	27	2,378
96 - Other Affairs of Religious Affairs and Inter Faith Harmony Division	314	-	215	9	1,830	4	-	-	4	-	-	-	27	2,378
97 - Science and Technology Division	135	-	270	4	14	14	-	-	4	-	-	-	4	438
98 - Other Expenditure of Science and Technology Division	4,566	169	497	1,791	753	21	-	-	14	-	-	-	28	7,841
99 - States and Frontier Regions Division	80	-	22	1	2	1	-	-	1	-	-	-	1	123
100 - Frontier Regions	110	-	110	2	251	-	-	-	17	-	-	-	362	12,913
101 - Federally Administered Tribal Areas	26,363	-	1,644	555	99	177	-	-	23	-	-	-	9	29,062
102 - Maintenance Allowances To Ex-Rulers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
103 - Afghan Refugees	386	-	335	17	14	0	-	-	3	-	-	-	8	762
104 - Statistics Division	1,667	-	379	76	29	0	-	-	379	-	-	-	17	2,169
105 - Water Resource Division	209	-	59	8	4	1	-	-	4	-	-	-	3	285
106 - Federal Miscellaneous Investments	-	-	-	-	-	-	-	-	-	-	1,533	-	-	1,533
107 - Other Loans and Advances by the Federal Government	0	-	-	-	-	-	-	-	63,248	-	-	-	-	63,248
Total Current Expenditure	709,985	178	409,968	420,717	705,073	11,224	22	63,248	326,409	-	1,533	145,292	8,155	2,801,805
Development Expenditure	1,453	-	2,051	-	-	-	-	-	155	-	-	949	0	4,607
108 - Development Expenditure of Cabinet Division	22	-	7,535	-	19,200	-	-	-	40	-	-	200	-	27,000
109 - Development Expenditure of Aviation Division	-	-	20	-	22	-	-	-	22	-	-	810	-	852
110 - Development Expenditure of Capital Administration and Development Division	-	-	-	-	-	-	-	-	-	-	-	-	-	-
111 - Development Expenditure of Establishment Division	-	-	-	-	-	-	-	-	-	-	-	40	-	40
112 - Development Expenditure of SUPARCO	22	-	842	0	-	-	-	-	19,000	-	-	413	-	20,277
113 - Development Expenditure of Climate Change Division	34	-	544	-	-	-	-	-	0	-	-	-	1	579
114 - Development Expenditure of Commerce Division	1	-	-	-	-	-	-	-	-	-	-	490	-	491
115 - Development Expenditure of Textile Division	5	-	11	-	36	-	-	-	4	-	-	-	-	55
116 - Development Expenditure of Communications Division	50	158	87	1	3,335	-	-	-	100	-	-	3,264	1	6,897
117 - Development Expenditure of Defence Production Division	3	-	3	-	-	-	-	-	2,160	-	-	91	-	194
119 - Development Expenditure of Federal Education and Professional Training Division	1,453	-	2,051	-	-	-	-	-	-	-	-	-	-	2,160
121 - Development Expenditure of Finance Division	28	51	9,122	-	19,322	0	-	-	155	-	203	89	0	28,815
122 - Other Development Expenditure	0	-	118,342	-	4,943	688	-	-	-	-	-	-	-	124,003
123 - Development Expenditure Outside Public Sector Development Programme	-	-	-	-	55,780	-	-	-	9	-	-	-	-	174,910
124 - Development Expenditure of Economic Affairs Division	-	-	2	-	-	-	-	-	-	-	-	-	-	2
125 - Development Expenditure of Economic Affairs Division Outside PSDP	27	-	2,688	-	2,251	-	-	-	109	-	-	574	-	3,569
126 - Development Expenditure of External Relations Division	1	-	6	-	-	-	-	-	1	-	-	-	-	8
127 - Development Expenditure of Information and Broadcasting Division	0	-	32	-	10	-	-	-	-	-	-	-	-	42
128 - Development Expenditure of National History and Literary Heritage Division	1	-	45	-	-	-	-	-	49	-	-	17	-	111
129 - Development Expenditure of Information Technology and Telecommunications Division	50	-	15	-	-	-	-	-	5	-	-	1,354	0	1,424
130 - Development Expenditure of Interior Division	483	25	165	-	152	0	-	-	399	-	-	10,127	31	11,381
131 - Development Expenditure of Inter-Provincial Coordination Division	0	-	-	-	866	-	-	-	-	-	-	68	-	935
132 - Development Expenditure of Kashmir Affairs and Gilgit Baltistan Division	44	-	14,330	-	-	0	-	-	239	-	-	791	9	15,413
133 - Development Expenditure of Law and Justice Division	8	-	9	-	-	-	-	-	-	-	-	366	0	385
134 - Development Expenditure of Narcotics Control Division	-	-	8	-	-	-	-	-	-	-	-	52	-	60

FEDERAL GOVERNMENT
Statement of Appropriation of Grants by Object
For the Year Ended 30 June 2019

(Rs. in million)

18/7

18/23

18/31

18/32

18/33

18/34

18/35

18/36

18/37

18/38

18/39

18/40

18/41

18/42

18/43

18/44

18/45

18/46

18/47

Grants Name	A01	A02	A03	A04	A05	A06	A07	A08	A09	A10	A11	A12	A13	Grand Total
	Employees Related Expenses	Project Pre-Investment Analysis	Operating Expenses	Employees' Retirement Benefits	Grants Subsidies and Write Off Loans	Transfers	Interest Payment	Loans and Advances	Physical Assets	Principal Repayments of Loans	Investment	Civil Works	Repairs and Maintenance	
135 - Development Expenditure of National Food Security and Research Division	53	-	462	-	2	-	-	-	18	-	-	12	9	557
136 - Development Expenditure of National Health Services, Regulations and Coordination Division	117	1	8,146	2	554	7	-	-	1,414	-	-	51	2	10,293
137 - Development Expenditure of Planning, Development and Reform Division	191	24	234	-	-	0	-	-	3,455	-	-	-	2	3,906
138 - Development Expenditure of Science and Technology Division	58	4	108	-	-	96	-	-	127	-	-	144	8	544
139 - Development Expenditure of Federally Administered Tribal Areas	251	-	46,545	-	-	-	-	-	-	-	-	-	-	46,796
139-A - Development Expenditure of Federally Administered Tribal Areas Outside PSDP	-	-	11,852	-	-	-	-	-	-	-	-	-	-	11,852
139-B - Development Expenditure of Saifom Division Outside PSDP	-	-	6,456	-	-	-	-	-	-	-	-	-	-	6,456
140 - Development Expenditure of Statistics Division	7	-	115	-	-	-	-	-	-	-	-	-	1	123
141 - Development Expenditure of Water Resources Division	-	-	-	-	45,996	-	-	-	-	-	-	-	-	45,996
142 - Capital Outlay On Development of Atomic Energy	-	-	109,742	-	-	-	-	-	-	-	-	-	-	109,742
143 - Capital Outlay On Petroleum Division	7	-	25	-	-	-	-	-	2	-	96	-	2	127
144 - Capital Outlay On Federal Investments	-	-	-	-	-	-	-	100,657	-	-	-	-	-	100,657
145 - Development Loans and Advances by the Federal Government	-	-	-	-	-	-	-	346,567	-	-	-	-	-	346,567
146 - Federal Development Loans and Advances by the Federal Government	-	-	-	-	-	-	-	-	-	-	-	3,015	-	3,015
148 - Capital Outlay On Civil Works and Advances by the Federal Government	-	-	83	-	-	-	-	-	-	-	-	-	-	83
149 - Capital Outlay On Industrial Development	49	-	49	-	26	-	-	-	37	-	-	69	-	161
150 - Capital Outlay On Maritime Affairs Division	2	69	4	-	-	0	-	-	28	-	-	925	18	1,046
151 - Capital Outlay On Pakistan Railways	-	-	-	-	-	-	-	-	-	-	23,259	-	-	23,259
Total Development Expenditure	2,962	333	339,676	2	151,471	792	-	447,024	27,578	-	23,558	23,910	88	1,017,194

Expenditure Charged upon Federal Consolidated Fund

Grants Name	A01	A02	A03	A04	A05	A06	A07	A08	A09	A10	A11	A12	A13	Grand Total
	Employees Related Expenses	Project Pre-Investment Analysis	Operating Expenses	Employees' Retirement Benefits	Grants Subsidies and Write Off Loans	Transfers	Interest Payment	Loans and Advances	Physical Assets	Principal Repayments of Loans	Investment	Civil Works	Repairs and Maintenance	
A - Staff Household and Allowances of the President	726	-	134	13	39	18	-	-	2	-	-	-	20	952
B - Audit	3,512	-	1,359	164	225	2	1,829,431	-	231	-	-	-	76	5,570
C - Servicing of Domestic Debt	-	-	-	-	-	-	-	-	-	42,352,672	-	-	-	42,352,672
D - Servicing of Foreign Debt	-	-	-	-	-	-	270,305	-	-	828,520	-	-	-	270,305
E - Servicing of Foreign Debt	-	-	-	-	-	-	-	-	-	145,481	-	-	-	145,481
F - Foreign Loans Repayment	-	-	229	25	15	2	2	-	20	-	-	-	18	1,806
G - Repayment of Short-Term Foreign Credits	1,496	-	459	0	3	0	-	-	21	-	-	-	3	526
H - Supreme Court	2,093	-	19,260	25	36	5	-	-	230	-	-	-	25	21,675
I - Islamabad High Court	383	-	258	19	14	1	-	-	13	-	-	-	9	696
J - Election	142	-	83	1	10	0	-	-	2	-	-	-	3	241
K - Waqaf Mohallah	-	-	21,362	248	341	28	2,099,756	-	519	43,326,673	-	-	155	45,457,875
L - Federal Tax Ombudsman	8,812	-	771,006	420,967	856,886	12,045	2,099,758	510,272	354,306	43,326,673	25,091	169,402	8,399	49,276,874
Grand Total - 2019 (Note 29)	721,758	510	771,006	420,967	856,886	12,045	2,099,758	510,272	354,306	43,326,673	25,091	169,402	8,399	49,276,874
Grand Total - 2018 (Note 29)	659,169	497	563,860	356,949	723,938	10,104	1,536,285	597,245	259,550	26,862,756	46,689	169,356	7,433	31,793,431

Accountant General Pakistan Revenue

FEDERAL GOVERNMENT

Notes to the Financial Statements

For the Year Ended 30 June 2019

1. REPORTING ENTITY

Federal Government – Islamic Republic of Pakistan (“the Government”) conducts its operations under the Rules of Business 1973. These rules were made pursuant to Article 90 and 99 of the Constitution of the Islamic Republic of Pakistan, 1973 ("the Constitution") and envisages Federal Government as comprising of ministries, divisions and attached departments. Financial procedures of the Constitution describes the Government as Federal Consolidated Fund and Public Account for which Annual Budget Statement is authorized by the Parliament 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 federation 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 Federal Government as an accounting and reporting entity comprising of;

- a) Centralized Accounting Entities; for which the Accountant General Pakistan Revenues has the primary responsibility for accounting and reporting.
- b) Self Accounting Entities; for which the Principal Accounting Officer has the primary responsibility for accounting and reporting. The Self Accounting Entities are as under;
 1. Defence Services
 2. Pakistan Post Office Department
 3. Foreign Office
 4. Pakistan Public Works Department
 5. Central Directorate of National Savings
 6. Pakistan Mint
 7. Geological Survey of Pakistan
 8. Pakistan Railways
- 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. Financial statements of these entities are not included in the financial statements of the Federal Government. New investments by the Federal Government in such entities are capitalized and any grants to the entities are classified as an expense of the Federal Government in the financial year to which they pertain. Return from these entities in the form of dividends or interest is classified as non-tax revenue.

These financial statements include all centralized and self accounting entities except for Pakistan Railways. Financial statements of Pakistan Railways are prepared on a basis other than cash.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the New Accounting Model (NAM) which comprises of seven volumes. In December 2000, Auditor General of Pakistan prescribed NAM with the approval of the President of Pakistan under Article 170 of the Constitution of Islamic Republic of Pakistan and the implementation of NAM is an ongoing process. 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.

FEDERAL GOVERNMENT

Notes to the Financial Statements

For the Year Ended 30 June 2019

3. 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. The statement of receipts and payments, statement of cash flows, statements of comparison of budget and actual amounts by function, statements of comparison of budget and actual expenditure by division and notes forming parts thereof have been prepared on the format of Cash Basis IPSAS - Financial Reporting under the Cash Basis of Accounting. The statement of cash flows as required by IPSAS 2 - Cash Flow Statements has also been presented, as encouraged by Cash Basis IPSAS.

The Financial Statements for the financial year 2018-19 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.

4. REPORTING AND BUDGET PERIOD

The reporting and budget period of these financial statements is the financial year 2018-19 (from 1 July, 2018 to 30 June, 2019).

5. REPORTING CURRENCY

The reporting currency of these financial statements is Pakistani Rupee.

6. SIGNIFICANT ACCOUNTING POLICIES

6.1. Recording of Receipts

Receipts are recorded on the date of receipt of money by the bank or clearance of cheque. These are recorded on a gross basis and any related costs are recorded separately. Receipt collected as a result of an overpayment made in the same financial year is adjusted against the relevant payment.

6.2. Recording of Payments

Payments are recorded 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 recording of payments are as follows;

a) Payments made through cheque

Payment is recorded on the date the cheque is issued.

b) Inter government transfers

Payment is recorded on the date the transfer is made by the transferor.

c) Payments directly in bank accounts

Payment is recorded on the date the payment is made by the bank.

FEDERAL GOVERNMENT

Notes to the Financial Statements

For the Year Ended 30 June 2019

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

Repayment of loans and other direct payments by the SBP, payment is recorded on the date State Bank of Pakistan advises the relevant accounting office.

e) Imprest payments

Payment is recorded when the required claim vouchers are submitted and imprest account is reimbursed.

6.3. Foreign currency transactions

Cash receipts and payments arising from transactions in foreign currencies are recorded in Pakistani Rupee by applying the exchange rate between the Pakistani Rupee and the foreign currency at the date of the receipts and payments.

6.4. Employee benefits

The government has following plans for its employees:

a) General Provident Fund

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

b) Pension

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

c) Encashment of leave

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

6.5. Investments

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

6.6. Cash and cash equivalents

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

FEDERAL GOVERNMENT

Notes to the Financial Statements

For the Year Ended 30 June 2019

6.7. Reporting on net basis

Floating debt includes treasury bills auctioned by the government in which the turnover is quick, the amounts are large and maturities are short. These have been reported on a net basis in compliance with IPSAS Cash Basis. A reconciliation of gross and net amounts is presented in note 29 to the financial statements.

6.8. Liability

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

6.9. Public Debt

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

6.10. 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.

6.11. Loans and advances

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

6.12. Payments by third parties

The payments made by the third parties do not constitute cash receipts or payments controlled by the Federal Government as defined in the Cash Basis IPSAS - Financial Reporting under the Cash Basis of Accounting, as the Federal 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 made by third parties are disclosed separately on face of the Statement of Cash Receipts and Payments.

FEDERAL GOVERNMENT
Notes to the Financial Statements
For the Year Ended 30 June 2019

7. TAXATION

	Note	2019 (Rupees in million)			2018 (Rupees in million)		
		Tax Collected	Transfers	Net Tax Collected	Tax Collected	Transfers	Net Tax Collected
Income Tax	7.1	1,413,036	(876,713)	536,323	1,487,550	(812,371)	675,179
Sales Tax	7.2	1,459,172	(887,959)	571,213	1,485,306	(845,918)	639,388
Customs	7.3	685,575	(395,724)	289,851	608,374	(342,904)	265,470
Federal Excise	7.4	238,232	(149,329)	88,903	213,492	(129,803)	83,689
Others	7.5	260,264	(9,343)	250,921	256,259	(26,322)	229,937
		4,056,279	(2,319,068)	1,737,211	4,050,981	(2,157,318)	1,893,663

7.1. The Federal levy on income (Income Tax), with effect from July 01, 2002, is governed by the Income Tax Ordinance, 2001 and Income Tax Rules, 2002. It is an annual charge on the taxable income for a tax year, if it exceeds the maximum amount that is not chargeable to tax. Tax rates and method of calculating taxable income varies with fiscal status of the tax payer. The broad categories of taxpayers include companies, non salaried individuals, association of persons, Hindu undivided families and salaried individuals.

7.2. Sales Tax is a tax on consumption, levied on manufacturers and retailers as well as on the importers, wholesalers, distributors, dealers and specified services ranging from @ 17% to 22%. However, all the exports and other goods/ items mentioned in the fifth schedule to Sales Tax Act, 1990 or in a notification issued under section 4 of the Act are chargeable to tax @ 0%.

7.3. Goods imported into Pakistan are liable to custom duties at the rates specified in the first schedule to the Customs Act, 1969 (IV of 1969).

7.4. The federal excise duty is leviable under the Federal Excise Act, 2005 on exercisable goods produced or manufactured in Pakistan or imported into Pakistan or such goods as the Federal Government may, by notification in the official Gazette, specify, as are produced or manufactured in the non-tariff areas and are brought to the tariff areas for sale or consumption therein; and services, provided or rendered in Pakistan.

7.5. TAXATION OTHERS

Note	2019 Rupees in million	2018 Rupees in million
Direct Taxes		
E017,18 Capital Value Tax	2,768	2,518
E014 Land Revenue	279	283
E016 Tax on Profession, Trade and Callings	50	54
Other Direct Taxes	13,014	27,663
	16,111	30,518
Indirect Taxes		
E0005 Petroleum Development Levy	206,280	143,184
E0003 Gas Infrastructure Development Cess	21,471	15,176
E023 Receipts Under Motor Vehicles Act	4,319	4,120
E027 Stamp Duties	777	663
E005 Provincial Excise	94	101
E0004 Development Surcharge on Gas	(1,545)	453
Others Indirect Taxes	3,414	35,722
	234,810	199,419
	250,921	229,937
8. GENERAL ADMINISTRATION RECEIPTS		
O005 Law and Order	1,555	1,212
O003 Economic Regulations	1,540	1,355
O007 Community Services	1,474	1,450
O003-09 Fiscal Administration	1,419	1,252
O003-20 Social Services	1,365	1,272
O004 Statistics	705	790
O001 Organs of State	417	260
	8,475	7,591

FEDERAL GOVERNMENT
Notes to the Financial Statements
For the Year Ended 30 June 2019

	Note	2019 Rupees in million	2018 Rupees in million
9. ECONOMIC SERVICES RECEIPTS			
C0303 Receipts under Oilfields and Mineral Development Act		573	327
C031 Food and Agriculture		454	244
C032 Fisheries and Animal Husbandry		208	206
C033,34 Forest and Irrigation		23	27
C033-35 Others		755	778
		<u>2,013</u>	<u>1,582</u>
10. DEFENCE SERVICES RECEIPTS			
C02509 Military Engineering Services		3,572	3,352
C02515 Purchase and Sale of Stores, Equipment and Animals		2,677	1,473
C02511,12 Pakistan Navy		2,611	1,092
C02510 Air Force		2,342	2,119
C02514 Receipts on certain measures of Inter-Services Nature		1,306	915
C02502 Administrative Services		1,127	935
C02512 Ordinance and Clothing Factories		869	860
C02503 Military Farms		845	608
C02513 Procurement, Research & Product Development		546	686
Defence Services Others		952	937
		<u>16,848</u>	<u>12,977</u>

10.1. Defence services receipts mainly represent receipts realized on account of service charges in accordance with the protocol agreements, dues from civil agencies, sale & auction of obsolete stores, charges realized on account of use of army aviation facilities and leave salary etc. of armed forces personnel on deputation abroad.

	Note	2019 Rupees in million	2018 Rupees in million
11. DEVELOPMENT SURCHARGE AND ROYALTIES			
C03015 Royalty on Crude Oil	11.1	30,348	20,570
C03016 Royalty on Natural Gas	11.1	57,434	38,620
C03010 Discount Retained on Local Crude Price	11.2	13,932	9,110
C03015 Windfall Levy on Crude Oil		7,793	3,904
C03017 Petroleum Levy On LPG		3,743	2,122
C03019 Mineral Royalties		114	104
		113,364	74,430
C0301,3, Less: Provincial Share		(78,694)	(60,111)
		<u>34,670</u>	<u>14,319</u>

11.1. Royalty on crude oil and natural gas is received under Pakistan Petroleum Production Rules, 1949 at the rate of 12.5% on the well head value of production.

11.2. Discount retained on local crude price is received from oil exploration companies selling petroleum products to refineries on the basis of prices prevailing at international markets. The profit margin available between sale price and cost of production is shared by exploration companies and Federal Government.

	Note	2019 Rupees in million	2018 Rupees in million
12. INTEREST ON LOANS AND ADVANCES			
C012 Provinces		22,935	16,222
Pakistan Investment Bonds		17,085	-
Azad Jammu & Kashmir		10,043	9,721
C017,18 National Highway Authority		8,072	68,735
Sukuk		5,461	-
C014 Financial Institutions		2,771	-
Karachi Port Trust		1,802	882
C015 Non-Financial Institutions		1,343	5,052
C016 Government Servants		217	150
C019 Local & Autonomous bodies		-	4
Others		2,126	618
		<u>71,855</u>	<u>101,384</u>

FEDERAL GOVERNMENT
Notes to the Financial Statements
For the Year Ended 30 June 2019

	Note	2019 Rupees in million	2018 Rupees in million
13. DIVIDEND AND PROFIT SHARE			
Dividends Receipts	13.1	60,202	57,454
Profit share	13.2	30,755	249,028
		<u>90,957</u>	<u>306,482</u>
13.1. Dividends Receipts			
C01501 Financial Institution			
National Insurance Corporation		410	1,500
Pakistan Re-Insurance Corporation		269	471
Industrial Development Bank (IDB)		250	-
Pak Oman Investment Company		215	215
Pak Brunei Investment Company		150	150
National Investment Trust		53	432
Pak Iran Joint Investment Company		-	50
		<u>1,347</u>	<u>2,818</u>
C01512 Non-Financial Institution			
Oil and Gas Development Corporation		34,582	30,633
Pak Arab Refinery ltd		7,800	-
Govt Holding Pvt Ltd		5,000	5,000
PTCL		4,757	-
Pakistan Petroleum Ltd		1,996	13,311
SNGPL		1,417	1,507
Pakistan State Oil Co Ltd		806	1,649
State Life Insurance Corporation		549	1,214
Trading Corporation of Pakistan		200	200
Pakistan National Shipping Corporation		173	229
Mari Petroleum Company Limited		140	116
Pakistan Mineral Development Corporation (Pvt) Limited		88	120
Fauji Fertilizer Co Limited		86	65
National Fertilizer Corporation of Pakistan (Pvt) Limited		-	100
Pakistan Services Limited		-	7
Others		1,261	485
		<u>58,855</u>	<u>54,636</u>
		<u>60,202</u>	<u>57,454</u>
13.2. Profit share			
C02211 State Bank of Pakistan	13.2.1	12,520	233,187
C01506 Pakistan Telecommunication Authority		17,378	14,901
C015-010 Others		857	940
		<u>30,755</u>	<u>249,028</u>

13.2.1. The share of profits from the State Bank of Pakistan represents distributable profits to the federal government against the appropriation of net profits of the bank.

	Note	2019 Rupees in million	2018 Rupees in million
14. DEVELOPMENT GRANTS			
C034 Foreign Governments			
Saudi Arabia		4,619	998
United Kingdom		3,038	-
Germany		69	201
Korea		33	-
Canada		17	-
Turkey		-	1,105
		<u>7,776</u>	<u>2,304</u>

FEDERAL GOVERNMENT
Notes to the Financial Statements
For the Year Ended 30 June 2019

	Note	2019 Rupees in million	2018 Rupees in million
Foreign Organisations			
United States Agency for International Development (USAID)		5,681	7,935
MDTF		1,513	-
Asian Development Bank (ADB)		620	-
SAARC		41	-
GAVI		15,576	11,600
Department for International Development (DFID)		-	4,726
European Union		-	2,504
International Bank for Re-construction and Development (IBRD)		-	497
Others		176	116
		23,607	27,378
		31,383	29,682
15. FOREIGN DEBT - RECEIPTS			
E03001 China Development Bank		313,614	115,524
China		294,762	192,820
China Safe Deposit		257,007	-
Islamic Development Bank ST (IDB)		124,084	210,531
Noor Bank		91,961	-
Asian Development Bank (ADB)		71,955	91,637
International Development Association (IDA)		71,662	62,894
SUISSEE (Banks)		67,569	83,811
ICBC		42,024	107,903
Ajman Bank		38,801	-
Dubai Bank		23,140	5,883
International Bank for Re-construction and Development (IBRD)		19,905	30,185
France		11,748	4,081
Japan		6,688	4,630
International Fund for Agricultural Development (IFAD)		2,807	1,752
Asian Infrastructure Investment Bank (AIIB)		2,796	2,866
Islamic Development Bank (IDB)		532	3,207
Kuwait		379	239
Germany		33	1,094
Bank Holder		-	263,320
CITI Bank		-	28,114
Bank of China		-	23,085
SCB		-	21,541
Italy		-	1,367
Others		33,999	6,705
		1,475,466	1,263,189
16. DOMESTIC DEBT - RECEIPTS			
<i>Government Securities</i>			
E031 Permanent Debt	16.1	8,580,419	257,235
E032 Floating Debt-net	17	(3,389,087)	2,366,340
		5,191,332	2,623,575
16.1 Permanent Debt			
Pakistan Investment Bonds		8,239,463	118,990
Sukuk		177,825	-
National Prize Bonds		154,502	134,617
Premium Prize Bonds		4,221	3,617
Pakistan Banao Certificates		3,807	-
FADRA		601	-
Dollar Bearer Certificate		-	11
		8,580,419	257,235

FEDERAL GOVERNMENT
Notes to the Financial Statements
For the Year Ended 30 June 2019

	Note	2019 Rupees in million	2018 Rupees in million
17. DOMESTIC FLOATING DEBT-NET			
Floating Debt Receipts			
6 Months Market Treasury Bills (Auction)		18,456,980	17,312,406
6 Months Market Treasury Bills purchased by SBP		19,225,370	10,305,449
		37,682,350	27,617,855
Floating Debt Payments			
6 Months Market Treasury Bills (Auction)		18,820,695	16,076,771
6 Months Market Treasury Bills purchased by SBP		22,250,040	9,174,145
Promissory Note		523	443
General Capital Increase		179	156
		41,071,437	25,251,515
		(3,389,087)	2,366,340
18. RECOVERY OF LOANS AND ADVANCES			
E021 Provinces		71,393	55,077
E024 Non-Financial Institution		10,705	6,261
E025 Government Servants		7,304	5,216
E023 Financial Institution		364	529
E024,6,7 Others		5,052	4,602
		94,818	71,685
19. PRIVATIZATION PROCEEDS			
E019 Privatization Commission		-	2,000
		-	2,000
20. TRADING ACTIVITIES			
Q035 Pakistan Post Office - Receipts		14,826	11,741
E011,2,3 Others		11	-
		14,837	11,741
21. SALARIES AND EMPLOYEES BENEFITS			
Pay and Allowances		721,758	659,169
Retirement Benefits		420,967	356,949
		1,142,725	1,016,118
22. PRINCIPAL REPAYMENTS OF DEBT			
Foreign Debt			
Commercial Banks		367,150	127,492
Islamic Development Bank (IDB)		155,520	98,182
Asian Development Bank (ADB)		100,596	82,981
International Development Association (IDA)		49,768	37,731
China		42,651	16,611
Japan		41,423	677
France		16,292	12,127
International Bank for Re-construction and Development (IBRD)		15,446	14,787
Germany		9,689	7,391
USAID		6,381	4,776
Korea		4,834	3,276
Saudi Arabia		4,372	3,399
US EXIM Bank		2,027	1,383
Kuwait		1,606	1,215
Sweden		1,498	1,022
OPEC		1,286	31,433
Russia		1,188	810
International Fund for Agricultural Development (IFAD)		1,075	889
Switzerland		1,014	714
Canada		870	594

FEDERAL GOVERNMENT
Notes to the Financial Statements
For the Year Ended 30 June 2019

	Note	2019 Rupees in million	2018 Rupees in million
U.A.E		807	677
Netherland		645	513
Austria		398	432
Dollar Bond N.C.C.		-	1,850
Euro Bond		141,495	-
Italian Credit		198	137
Turkey		195	154
Others		5,578	2,034
		974,002	453,287
Domestic Debt-Permanent			
Pakistan Investment Bonds		850,586	1,123,363
Sukuk		314,380	-
National Prize Bonds		114,424	33,242
Premium Prize Bonds		1,794	1,303
Special U.S. Dollar Bonds		46	46
Pakistan Banao Certificates		4	-
FEBC		1	0
		1,281,235	1,157,954
		2,255,237	1,611,241
23. SERVICING OF DEBT			
Domestic Debt		1,829,453	1,363,158
Foreign Debt		270,305	173,127
		2,099,758	1,536,285
24. LOANS AND ADVANCES			
Revenue Expenditure		-	-
Capital Expenditure		-	-
A003 Non-Financial Institutions		245,095	220,959
A002 Provincial Governments		125,528	129,662
A00001 Private Sector		39,519	40,834
A001 Government Employees	24.1	11,784	10,165
A00 Others		88,346	195,625
		510,272	597,245
		510,272	597,245
24.1 Government Employees			
S101 House Building Advance		9,503	8,018
S102 Motor Car Advance		1,792	1,583
S103 Motor Cycle Advance		484	559
S104 Cycle Advance		5	5
		11,784	10,165
24.2 Advances to government employees are provided according to Rule 252, 253, 256, 262 and 263 of the General Financial Rules as per their entitlements.			
		2019	2018
		Rupees	Rupees
		in million	in million
25. INVESTMENTS - PAYMENTS			
Pakistan Railways		23,259	18,625
Islamic Development Bank		933	777
Pakistan Television Corporation		96	13
Distribution Companies		-	27,272
Pakistan Broadcasting Corporation		-	2
Others		803	-
		25,091	46,689

FEDERAL GOVERNMENT
Notes to the Financial Statements
For the Year Ended 30 June 2019

	Note	2019 Rupees in million	2018 Rupees in million
26. NET RECEIPT OF PUBLIC ACCOUNT			
Receipts			
National Saving Schemes		2,517,018	1,241,103
Deposits		523,512	427,648
State Provident Fund		87,567	58,396
Other Public Accounts		5,470,613	11,882,210
		8,598,709	13,609,357
Payments			
National Saving Schemes		(2,254,290)	(1,139,753)
Deposits		(470,251)	(398,483)
State Provident Fund		(43,191)	(38,527)
Other Public Accounts		(5,515,420)	(11,925,110)
		(8,283,152)	(13,501,873)
		315,557	107,484

26.1. 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 Parliament or Presidential order. The balances in the public account are carried forward at year end, to be used for the specific purpose for which they are established.

	Note	2019 Rupees in million	2018 Rupees in million
27. CASH AT BANK AND TREASURIES			
Cash with State Bank of Pakistan (SBP)		921,952	(10,561)
Cash Balance with Treasuries		(215)	(236)
		921,737	(10,797)
		(0.04)	
28. ASSETS AND LIABILITIES			
Assets			
Long Term Assets		2,975,151	2,436,067
Investments		1,219,731	1,194,640
Loans and Advances		3,397,615	3,240,599
Current Assets		72,587	58,698
Cash at Bank and Treasuries		921,737	(10,797)
		8,586,821	6,919,207
Liabilities and Equity			
Public Debt		23,869,800	19,458,239
Special Deposits and Trust Accounts		3,405,332	3,077,129
Deferred liabilities		108,908	107,665
Capital Receipts		287,695	520,265
Residual Equity		(19,084,914)	(16,244,091)
		8,586,821	6,919,207
		(0.04)	

28.1 These financial statements have been prepared under cash basis of accounting, the information of asset and liability have been presented which are not mandatory but encouraged disclosures as per international standards.

29. COMPARISON OF BUDGET AND ACTUAL AMOUNTS

The approved budget is developed on the same accounting basis (cash basis), functional classification basis and for the same period as for the financial statements. It encompasses the same entities as the financial statements – as identified in note 1 above.

The statements of comparison of budgeted and actual amounts by function and by division are presented on a gross basis, whereas receipts and payments of floating debt in the Statement of Cash Receipts and Payments have been netted off as explained in note 6.7 for which a reconciliation is presented below.

FEDERAL GOVERNMENT
Notes to the Financial Statements
For the Year Ended 30 June 2019

	Note	2019 Rupees in Million	2018 Rupees in Million
Receipts			
Receipts in Statement of Comparison of Budget and Actual Amounts by Function		49,893,851	31,683,621
Add: Floating debt-net	17	(3,389,087)	2,366,340
Less : Floating debt receipts	17	37,682,350	27,617,855
Less : Third party payments		116,579	-
Add : Third party not Included in Budget		15,576	-
Actual receipts in Statement of Cash Receipts and Payments		<u>8,721,411</u>	<u>6,432,106</u>
Payments			
Payments in Statements of Comparison of Budget & Actual Amounts by Function and Actual Expenditure by Division		49,276,874	31,793,831
Less : Floating debt payments	17	41,071,437	25,251,515
Less : Third party payments		116,579	-
Add : Third party not Included in Budget		15,576	-
Actual payments in Statement of Cash Receipts and Payments		<u>8,104,434</u>	<u>6,542,316</u>

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 federal government together with the audit reports on these financial statements to the President of the Islamic Republic of Pakistan who shall cause them to be laid before the National Assembly. These financial statements have been authorized for issue on **31 DEC 2019**

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.



Accountant General Pakistan Revenues

Accountant General Pakistan Revenues
AGPR Complex
Sector G-8/4, Islamabad
Tel: (051) 9260372-78

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