



# **Financial Statements of the Government of Balochistan 2019-2020**







**Financial Statements  
of the  
Government of Balochistan  
2019-2020**

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## PREFACE

I am pleased to present the Financial Statements of the Government of Balochistan for the year ended 30 June, 2020 together with the Auditor's Report thereon.

The Financial Statements of the Government of Balochistan for the financial year 2019-20 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/-”

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**Accountant General**  
Balochistan, Pakistan

“Sd/-”

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**Controller General of Accounts**  
Islamabad, Pakistan



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

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## **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 30<sup>th</sup> June, 2020, 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 my 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 30<sup>th</sup> June, 2020, 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.

Islamabad, Pakistan  
Dated: 24.12.2020

“Sd/-”

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**(Javaid Jehangir)**  
**Auditor General of Pakistan**



**GOVERNMENT OF BALOCHISTAN**  
**Statement of Cash Receipts and Payments**  
**For the Year Ended 30 June 2020**

	<i>Note</i>	2020 (Rupees in million)		2019 (Rupees in million)	
		Receipts / Payments controlled by the Government	Payments by Third Parties	Receipts / Payments controlled by the Government	Payments by Third Parties
<b>PROVINCIAL CONSOLIDATED FUND</b>					
<b>RECEIPTS</b>					
<i>Taxation- Transfers from Federal Government</i>	8	282,619	-	225,570	-
<i>Taxation- Provincial Government's Own Collection</i>	9	16,448	-	11,133	-
<i>Non-Tax Revenue and Other Receipts</i>					
General Administration	10	731	-	943	-
Economic Services	11	858	-	724	-
Development Surcharge and Royalties	12	11,177	-	14,575	-
Dividend and Profit Share	13	200	-	200	-
Others	14	2,057	-	1,712	-
		15,023	-	18,154	-
<i>Grants and Aid</i>	15	34,821	-	22,205	-
<i>Borrowings</i>					
Receipts of Debt	16	3,319	-	488	-
<i>Capital Receipts</i>					
Recovery of Loans and Advances	17	37	-	68	-
<i>Trading Activities</i>	18	5,142	-	4,462	-
<i>Recoveries of Investment</i>	19	22	-	67	-
<i>Direct Payments by Lending / Donor agencies</i>	27	-	-	-	-
<b>TOTAL RECEIPTS</b>		<b>357,431</b>	<b>-</b>	<b>282,147</b>	<b>-</b>

**GOVERNMENT OF BALOCHISTAN**  
**Statement of Cash Receipts and Payments**  
**For the Year Ended 30 June 2020**

	Note	2020 (Rupees in million)		2019 (Rupees in million)	
		Receipts/ Payments controlled by the Government	Payments by Third Parties	Receipts/ Payments controlled by the Government	Payments by Third Parties
<b>PAYMENTS</b>					
<i>Operations</i>					
Salaries and Employee Benefits	20	156,872	-	148,761	-
Project Preinvestment Analysis		-	-	-	-
Operating Expenses		35,429	-	21,273	-
		<b>192,301</b>		<b>170,034</b>	
<i>Transfers</i>					
Grants, Subsidies and Write-off of Loans	21	40,292	-	28,846	-
Other Transfer Payments		1,551	-	1,171	-
		<b>41,843</b>		<b>30,017</b>	
<i>Expenditure on</i>					
Physical Assets		17,684	-	6,063	-
Civil Works		64,996	-	30,600	-
Repairs and Maintenance		4,829	-	3,290	-
		<b>87,509</b>		<b>39,953</b>	
<i>Debt and Interest Payments</i>					
Principal Repayment of Debt	22	9,404	-	9,277	-
Interest Payments	23	3,430	-	2,998	-
		<b>12,834</b>		<b>12,275</b>	
<i>Other Payments</i>					
Loans and Advances	26	-	-	-	-
Investments		11,500	-	8,000	-
<i>Direct Payments by Lending / Donor agencies</i>					
	27	-	-	-	-
<b>TOTAL PAYMENTS</b>		<b>345,987</b>	<b>-</b>	<b>260,279</b>	<b>-</b>
<b>NET RECEIPT/ (PAYMENT) OF PROVINCIAL CONSOLIDATED FUND</b>		<b>11,444</b>	<b>-</b>	<b>21,868</b>	<b>-</b>
<b>NET RECEIPT OF PUBLIC ACCOUNT</b>	24.1	<b>15,343</b>	<b>-</b>	<b>(4,426)</b>	<b>-</b>
<b>INCREASE IN CASH</b>		<b>26,787</b>	<b>-</b>	<b>17,442</b>	<b>-</b>
<b>CASH AT BEGINNING OF THE YEAR</b>		<b>20,725</b>	<b>-</b>	<b>3,283</b>	<b>-</b>
<b>INCREASE IN CASH</b>		<b>26,787</b>	<b>-</b>	<b>17,442</b>	<b>-</b>
<b>CASH AT END OF THE YEAR</b>	25	<b>47,512</b>	<b>-</b>	<b>20,725</b>	<b>-</b>

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

“Sd/-”  
Accountant General Balochistan

**GOVERNMENT OF BALOCHISTAN**  
**Statement of Cash Flows**  
**For the Year Ended 30 June 2020**

	2020 Rupees in million	2019 Rupees in million
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Taxation - Transfers from Federal Government	8      282,619	225,570
Taxation - Provincial Government's Own Collection	9      16,448	11,133
Non-Tax Revenue and Other Receipts	15      15,023	18,154
Grants and Aid - Receipts	18      34,821	22,205
State Trading - Receipts	23      5,142	4,462
Operations - Payments	(192,301)	(170,034)
Interest Payments	(3,430)	(2,998)
Transfers - Payments	(41,843)	(30,017)
<i>Cash from Operating Activities</i>	116,479	78,475
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Recoveries of Loans and Advances	17      37	68
Expenditure on Physical Assets, Civil Works and Others	(87,509)	(39,953)
Investments	(11,478)	(7,933)
<i>Cash used in Investing Activities</i>	(98,950)	(47,818)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts of Debt	16      3,319	488
Principal Repayments of Debt	22      (9,404)	(9,277)
Net Receipt of Public Account	24.1      15,343	(4,426)
<i>Cash used in Financing Activities</i>	9,258	(13,215)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	26,787	17,442
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	20,725	3,283
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	25      47,512	20,725

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

“Sd/-”  
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 Accountant General Balochistan

**GOVERNMENT OF BALOCHISTAN**  
**Statement of Comparison of Budget and Actual Amounts by Function**  
**For the Year Ended 30 June 2020**

	2020 (Rupees in Million)			2019 (Rupees in Million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
<b>RECEIPTS</b>						
<b><u>Revenue</u></b>						
Taxation	298,905	302,082	299,068	236,584	234,524	236,704
Non-Taxation	59,635	55,540	49,643	26,825	36,681	40,158
Income from Property and Enterprise	3,021	3,021	5,342	7,099	4,586	4,662
<b>Total revenue receipts</b>	<b>361,561</b>	<b>360,643</b>	<b>354,053</b>	<b>270,508</b>	<b>275,791</b>	<b>281,524</b>
<b><u>Capital</u></b>						
Receipt of Debt	10,488	2,906	3,319	19,804	2,314	488
Recoveries of Loans and Advances	75	127	37	85	70	68
Recoveries of Investment	89	-	22	200	67	67
<b>Total capital receipts</b>	<b>10,652</b>	<b>3,033</b>	<b>3,378</b>	<b>20,089</b>	<b>2,451</b>	<b>623</b>
<b>TOTAL RECEIPTS</b>	<b>372,213</b>	<b>363,676</b>	<b>357,431</b>	<b>290,597</b>	<b>278,242</b>	<b>282,147</b>
<b>PAYMENTS</b>						
<b><u>Revenue</u></b>						
General Public Services	79,352	72,624	61,837	81,595	82,391	62,168
Public Order and Safety Affairs	44,692	41,443	37,910	38,093	37,307	34,602
Economic Affairs	58,449	51,019	47,121	55,705	50,346	36,875
Environment Protection	464	337	259	374	275	237
Housing and Community Amenities	18,684	18,693	14,185	6,309	8,744	7,039
Health Affairs and Services	22,382	23,982	21,972	19,420	23,608	19,434
Recreation, Culture and Religion	2,844	3,303	2,685	2,028	2,715	2,402
Education Affairs and Services	62,431	58,083	52,613	56,542	51,510	47,701
Social Protection	4,282	6,667	6,203	3,972	1,978	941
<b>Total revenue payments</b>	<b>293,580</b>	<b>276,151</b>	<b>244,785</b>	<b>264,038</b>	<b>258,874</b>	<b>211,399</b>
<b><u>Capital</u></b>						
General Public Services	3,664	2,230	9,946	6,737	6,002	9,813
Public Order and Safety Affairs	2,940	2,218	1,552	1,324	875	746
Economic Affairs	56,066	56,705	54,064	38,551	22,081	21,284
Environment Protection	12,993	11,325	11,190	8,952	3,100	3,342
Housing and Community Amenities	9,141	8,197	5,552	7,566	6,910	4,668
Health Affairs and Services	7,974	6,819	5,290	7,503	3,101	2,473
Recreation, Culture and Religion	4,944	2,058	1,878	3,159	335	278
Education Affairs and Services	12,846	8,762	7,397	12,732	5,964	5,802
Social Protection	15,775	5,862	4,333	1,725	830	474
<b>Total capital payment</b>	<b>126,343</b>	<b>104,176</b>	<b>101,202</b>	<b>88,249</b>	<b>49,198</b>	<b>48,880</b>
<b>TOTAL PAYMENTS</b>	<b>419,923</b>	<b>380,327</b>	<b>345,987</b>	<b>352,287</b>	<b>308,072</b>	<b>260,279</b>

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

“Sd/-”  
Accountant General Balochistan

**GOVERNMENT OF BALOCHISTAN**  
**Statement of Comparison of Budget and Actual Expenditure by Departments**  
**For the Year Ended 30 June 2020**

DEPARTMENTS	2020 (Rupees in million)			2019 (Rupees in million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
General Administration	10,791	15,055	13,174	15,478	15,428	13,648
Provincial Excise	889	939	846	715	923	852
Stamps	44	44	42	44	55	43
Pension	33,784	33,614	32,468	20,000	29,760	30,206
Administration of Justice	3,048	3,536	3,015	2,757	2,722	2,517
Legal Services & Law Affairs	454	532	464	327	408	359
Provincial Ombudsman	194	221	182	150	177	159
Police	26,076	22,013	20,803	23,085	20,381	19,769
Levies	11,649	10,681	9,851	8,914	8,877	7,632
Jails and Convict Settlements	973	990	850	830	909	805
Civil Defence	145	136	125	128	135	130
Civil Works	9,905	10,771	10,032	8,955	9,076	8,712
Public Health Services	4,301	4,197	3,967	3,829	6,338	4,745
Works Urban/B-WASA	1,205	1,535	1,535	1,205	1,205	1,205
Higher Education	10,131	9,602	8,722	8,535	6,728	6,186
Secondary Education	48,012	44,806	40,291	43,880	41,754	38,807
Archives	394	227	177	294	186	153
Health	26,158	27,315	25,300	23,272	26,468	22,006
Population Welfare	1,091	947	862	872	868	768
Manpower and Labor Management	2,277	1,979	1,746	1,692	1,408	1,150
Sports and Recreation Facilities	995	1,173	1,013	757	792	735
Social Security and Social Welfare	1,560	2,119	1,970	979	979	897
Natural Calamities	1,400	3,415	3,320	3,115	1,136	183
Auqaf	1,025	1,032	759	711	882	702
Food	698	707	616	442	622	567
Agriculture	9,462	9,002	8,464	8,678	8,338	7,885
Land Revenue	258	251	186	451	478	472
Animal Husbandry	4,028	3,369	3,096	3,966	3,022	2,749
Forestry	1,421	1,136	1,003	1,097	1,116	988
Fisheries	1,467	1,591	1,507	921	943	898
Cooperation	145	149	126	131	139	124
Irrigation	2,676	2,528	2,382	2,860	2,432	2,302
Rural Development	12,823	12,631	8,398	12,557	12,447	9,857
Industries	1,376	1,350	1,128	1,231	1,407	1,204
Stationery and Printing	129	92	74	122	71	52
Mineral Resources	2,267	2,407	2,294	2,040	1,482	1,414
Subsidies	1,310	4,545	4,545	-	1,675	1,675
Prosecution Department	335	276	228	291	319	211
Transport	149	90	76	93	73	61
Culture Services	479	430	291	198	385	324
Women Development	129	149	126	113	94	82
Investments	15,500	11,500	11,500	10,010	10,000	8,000
Energy	14,704	3,837	3,266	14,633	14,559	4,443
Information Technology	325	569	357	298	496	384
Environment Control	464	337	259	374	275	237
Urban Planning	246	236	210	-	-	-
Planning and Development Department	752	1,622	1,544	-	-	-
Information Department	595	622	597	-	-	-
Inter Provincial Coordination Department	56	54	41	-	-	-
Chief Minister inspection team	112	241	226	-	-	-
Governor Secretariat	255	316	266	-	-	-
Provincial Assembly	1,504	1,423	1,046	-	-	-
Debt Servicing and other Obligations	2,769	2,769	2,769	2,026	2,453	2,446
Public Debt Discharge	14,340	7,737	7,737	22,068	14,427	7,326
State Trading-Food Development	6,305	7,306	6,650	8,914	4,026	2,656
	126,343	104,176	93,465	88,249	49,198	41,553
<b>Payments of Provincial Government</b>	<b>419,923</b>	<b>380,327</b>	<b>345,987</b>	<b>352,287</b>	<b>308,072</b>	<b>260,279</b>
<b>TOTAL PAYMENTS</b>	<b>419,923</b>	<b>380,327</b>	<b>345,987</b>	<b>352,287</b>	<b>308,072</b>	<b>260,279</b>

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

“Sd/-”

Accountant General Balochistan

# GOVERNMENT OF BALOCHISTAN

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

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#### 1. REPORTING ENTITY

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

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

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

These financial statements include all centralized accounting entities.

#### 2. BASIS OF CONSOLIDATION

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

#### 3. STATEMENT OF COMPLIANCE

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

#### 4. ACCOUNTING CONVENTION AND BASIS OF PREPARATION

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

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

The financial statements for the financial year 2019-20 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 2020**

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**5. REPORTING AND BUDGET PERIOD**

The reporting and budget period of these financial statements is the financial year 2019-20 (from 1 July, 2019 to 30 June, 2020).

**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 2020

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#### 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 2020**

	<i>Note</i>	<b>2020</b> <b>Rupees</b> <b>in million</b>	<b>2019</b> <b>Rupees</b> <b>in million</b>
<b>8. TAXATION - TRANSFERS FROM FEDERAL GOVERNMENT</b>			
<i>Direct taxes</i>			
Income Tax		105,122	86,711
		105,122	86,711
<i>Indirect Taxes</i>			
Sales Tax		107,738	86,926
Custom Duty		50,325	37,269
Federal Excise		19,235	14,335
Capital Value Tax - On Movable Property		199	329
		177,497	138,859
		<b>282,619</b>	<b>225,570</b>
<b>9. TAXATION - PROVINCIAL GOVERNMENT'S OWN COLLECTION</b>			
<i>Direct Taxes</i>			
Property Tax		687	213
Land Revenue		422	313
Tax on Profession		20	28
		1,129	554
<i>Indirect Taxes</i>			
Sales Tax on Services		10,656	8,796
Receipts Under Motor Vehicles Act		585	749
Stamp Duties		458	363
Provincial Excise		680	548
Capital Value Tax - On Immovable Property		152	74
Others		2,788	49
		15,319	10,579
		<b>16,448</b>	<b>11,133</b>
<b>10. GENERAL ADMINISTRATION RECEIPTS</b>			
Fiscal Administration		38	40
Organs of State		28	54
Community Services		123	90
Social Services		220	345
Economic Regulations		9	9
Law and Order		313	405
		<b>731</b>	<b>943</b>

**GOVERNMENT OF BALOCHISTAN**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

	<i>Note</i>	<b>2020 Rupees in million</b>	<b>2019 Rupees in million</b>
<b>11. ECONOMIC SERVICES - RECEIPTS</b>			
Cooperation, Irrigation and Embankment Drainage		63	68
Food and Agriculture		205	145
Fisheries and Animal Husbandry		109	77
Forest		109	136
Others		372	298
		<u>858</u>	<u>724</u>
<b>12. DEVELOPMENT SURCHARGE AND ROYALTIES - RECEIPTS</b>			
Development Surcharge on Gas - Federal Receipts	<i>12.1</i>	256	741
Royalty on Natural Gas and Crude Oil - Federal Receipts	<i>12.2</i>	8,537	11,290
Mineral Royalties - Provincial Receipts		1,726	1,976
Mineral Royalties from Saindak - Provincial Receipts		627	547
Mineral Royalties from Chamalang - Provincial Receipts		31	21
		<u>11,177</u>	<u>14,575</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>	<b>2020 Rupees in million</b>	<b>2019 Rupees in million</b>
<b>13. DIVIDEND AND PROFIT SHARE</b>			
Dividends Receipts	<i>13.1</i>	200	200
		<u>200</u>	<u>200</u>
<b>13.1 Dividends Receipts</b>			
Non-Financial Institutions		<u>200</u>	<u>200</u>

**GOVERNMENT OF BALOCHISTAN**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

	<i>Note</i>	<b>2020</b> <b>Rupees</b> <b>in million</b>	<b>2019</b> <b>Rupees</b> <b>in million</b>
<b>14. OTHER RECEIPTS</b>			
Extra Ordinary Receipts - Sale of Land and Others		1,233	294
Miscellaneous Receipts - Recovery of Overpayments and Others		824	1,418
		<u>2,057</u>	<u>1,712</u>
<b>15. GRANTS &amp; AID</b>			
Development Grants-Federal Receipts-C03603 & C03601		23,984	12,132
Non Development Grants-Federal Receipts C03604		10,837	9,792
Other Non Development Grants-Foreign Aided Project Grants Funded Receipt-C03634		-	281
		<u>34,821</u>	<u>22,205</u>
<b>16. RECEIPTS OF DEBT</b>			
Permanent Debt - Federal Government (Foreign Lenders)		3,319	488
		<u>3,319</u>	<u>488</u>
<b>17. RECOVERY OF LOANS AND ADVANCES</b>			
Non-financial Institutions		-	-
Government Servants		37	68
		<u>37</u>	<u>68</u>
<b>18. STATE TRADING - RECEIPTS</b>			
Sale of Wheat		5,142	4,462
<b>19. RECOVERY OF INVESTMENTS</b>			
Interest Receipts on Investments		-	-
Investment Receipts		22	67
		<u>22</u>	<u>67</u>
<b>20. SALARIES AND EMPLOYEE BENEFITS</b>			
Pay of Officers		18,909	19,158
Pay of Other Staff		48,537	49,163
Allowances		56,983	50,267
Retirement Benefits		32,443	30,173
		<u>156,872</u>	<u>148,761</u>
<b>21. GRANTS, SUBSIDIES AND WRITE-OFF OF LOANS</b>			
Subsidies		4,359	5,777
Grants Domestic		32,698	23,069
Loan & advances (Food)		3,235	-
		<u>40,292</u>	<u>28,846</u>
<b>22. PRINCIPAL REPAYMENT OF DEBT</b>			
Domestic Debt	<i>22.1</i>	7,737	7,327
Floating Debt (State Trading)		1,667	1,950
		<u>9,404</u>	<u>9,277</u>
<b>22.1 Domestic Debt</b>			
Permanent Debt	<i>22.1.1</i>	7,737	7,327

**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 2020**

		2020 Rupees <u>in million</u>	2019 Rupees <u>in million</u>
<b>23. SERVICING OF DEBT</b>	<i>Note</i>		
Permanent Domestic Debt - Federal Government		555	603
Interest Payment - GP Fund		2,214	1,829
Interest Payment - Food Account		661	566
		<u>3,430</u>	<u>2,998</u>

**24. NET RECEIPT OF PUBLIC ACCOUNT**

*Receipts*

Trust and other Public Accounts  
Special Deposits  
General Provident Fund

24.1

719,003
14,769
7,014
<u>740,786</u>

596,820
7,848
6,748
<u>611,416</u>

*Payments*

Trust and other Public Accounts  
Special Deposits  
General Provident Fund

24.1

711,193
11,604
2,646
<u>725,443</u>

599,883
12,708
3,251
<u>615,842</u>

24.1

<u>15,343</u>
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<u>(4,426)</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.

		2020 Rupees <u>in million</u>	2019 Rupees <u>in million</u>
<b>25. BOOK BALANCE</b>	<i>Note</i>		
Provincial Government's Balance		47,512	38,167
		<u>47,512</u>	<u>38,167</u>

**GOVERNMENT OF BALOCHISTAN**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

26. ASSETS AND LIABILITIES	<i>Note</i>	2020 Rupees in million	2019 Rupees in million
<i>Assets</i>			
Long Term Assets		754,291	660,826
Long Term Investment	26.1	14	14
Short Term Investments	26.2	5,193	5,193
Loans and Advances		25	62
Current Assets		(395)	(175)
Book Balance	25	47,512	20,725
	26.6	<u>806,640</u>	<u>686,645</u>
<i>Liabilities and equity</i>			
Public Debt		51,020	36,436
Special Deposits and Trust Accounts		202,144	39,152
Current Liabilities		20,550	168,833
Deferred Liabilities		(1,836)	(2,463)
Residual Equity		534,762	444,688
	26.3	<u>806,640</u>	<u>686,646</u>
<b>26.1 Long term investment</b>			
<b>Investment in Shares</b>			
	<b>No. of Shares</b>	<b>Par value Rupees</b>	<b>2020 Rupees in million</b>
			<b>2019 Rupees in million</b>
<b>Financial Institutions</b>			
ADBP 1974-75 Converted to ZTBL	37,875	10	0.379
Balochistan Cooperative Bank Limited	26,500	200	5.300
IDBP	606	100	0.061
Equity Participants Fund Karachi	3,595	100	0.359
<b>Non-financial Institutions</b>			
Bolan Mining Enterprise (Joint Venture)			4.000
Charsada Sugar Mills	575	100	0.058
Hub Power Company Limited	358,607	10	3.586
Total Consolidated Fund Investment			<u>13.743</u>
			<u>13.743</u>
<b>26.1.1</b> 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.			
<b>26.2.1 Short term investment</b>			
Treasury Bills	26.2.1	5,193	5,193
		<u>5,193</u>	<u>5,193</u>

**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.

**GOVERNMENT OF BALOCHISTAN**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

	<i>Note</i>	2020 Rupees in million	2019 Rupees in million
<b>28. INVESTMENTS -PUBLIC ACCOUNT FUNDS</b>			
Benevolent Fund		13,556	14,777
Pension Fund		7,805	10,774
Group Insurance		1,383	1,225
General Provident Fund		18,152	17,883
Balochistan Education Endowment Fund		8,000	8,000
Balochistan Investment Fund		1,011	935
Ground and Surface Water Tax on Commercial Entities		-	3
Balochistan Awami Endowment Fund		3,000	3,000
Artist Welfare Fund		200	200
Disaster Management Fund		2,000	-
Professional Developmnet Fund		2,000	-
Hawkers Welfare Fund		22	-
Viability Gap Fund		1,000	-
Offender Rehabilitation		500	-
Corona Emergency Fund		1,000	-
	<b>28.1</b>	<b>59,629</b>	<b>56,797</b>

**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.

		2020 Rupees in million	2019 Rupees in million
<b>29. CASH AND BANK BALANCE - PUBLIC ACCOUNT FUND</b>			
Benevolent Fund		17,535	15,056
Pension Fund		10,916	10,805
Group Insurance		2,309	1,383
General Provident Fund		18,386	18,152
Balochistan Education Endowment Fund		8,000	8,000
Balochistan Investment Fund		1,912	1,011
Ground and Surface Water Tax on Commercial Entities		-	3
Balochistan Awami Endowment Fund		4,000	3,000
Artist Welfare Fund		200	200
Disaster Management Fund		2,000	-
Professional Developmnet Fund		2,000	-
Hawkers Welfare Fund		22	-
Viability Gap Fund		1,000	-
Offender Rehabilitation		500	-
Corona Emergency Fund		1,000	-
	<b>29.1</b>	<b>69,780</b>	<b>57,610</b>

**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

**30 LOAN/ LIABILITY OF FOOD DEPARTMENT**

**30.1** An amount of Rs.3,722,038,396 is payable of account of loan taken by Food Department from various Commercial Banks

**31. AUTHORIZATION FOR ISSUE**

Under section 7 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, read with Article 171 of the Constitution, the Auditor - General submits the certified financial statements of the Government of Balochistan together with the audit report on these financial statements to the Governor of Balochistan who shall cause them to be laid before the Provincial Assembly. These financial statements have been authorized for issue on 24.12.2020.

**32. GENERAL**

**32.1 Level of Precision**

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

**32.2 Corresponding Figures**

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

“Sd/-”

Accountant General Balochistan