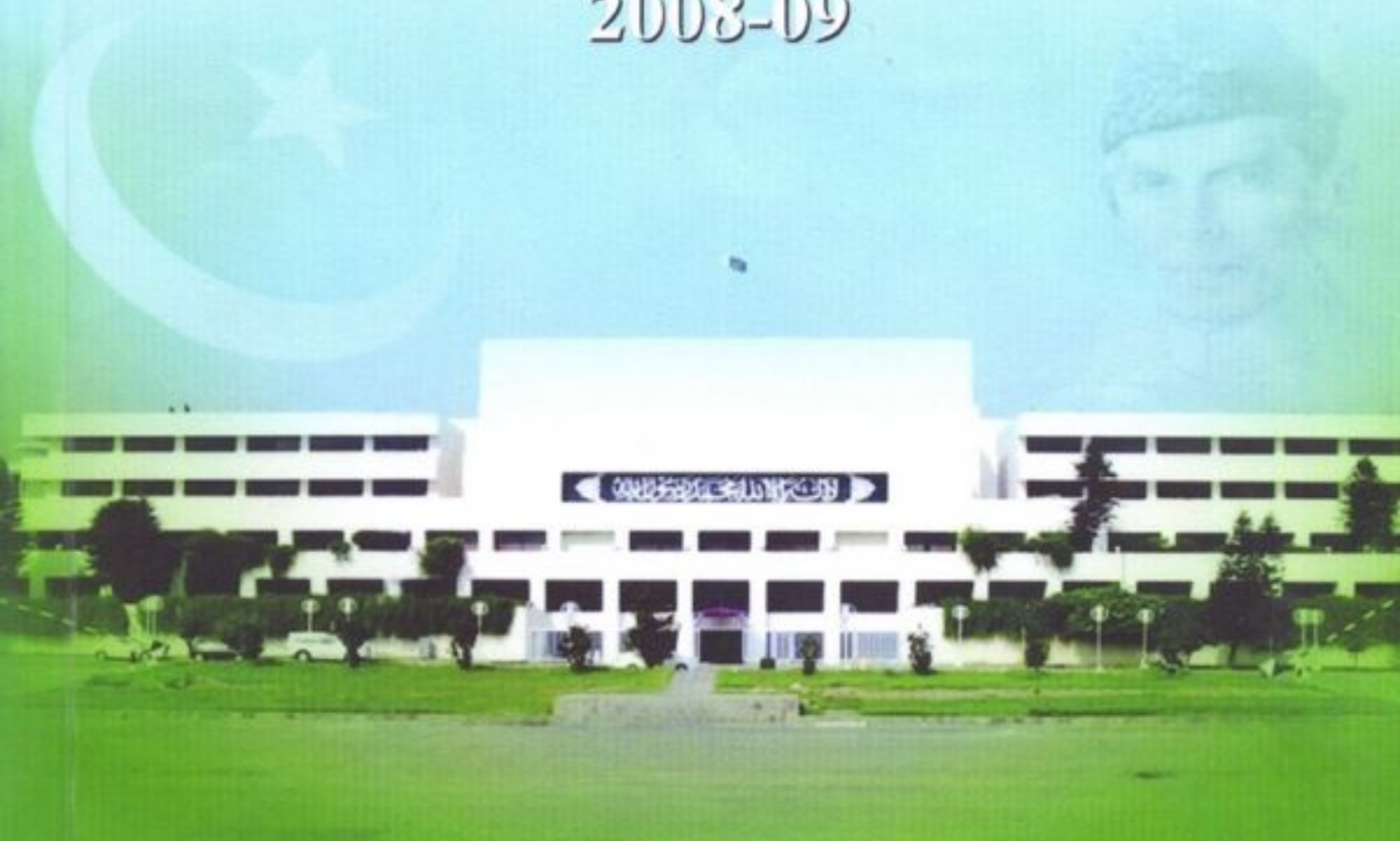




FINANCIAL STATEMENTS

of the
Federal Government

2008-09



Government of Pakistan



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Federal Government

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Controller General of Accounts

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PREFACE

I am pleased to present the Audited Financial Statements of the Federal Government for the year ended 30 June, 2009 together with the Auditor's Report thereon along with the Management Analysis Report.

The Financial Statements of the Federal Government for the financial year 2008-09 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 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 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.

Islamabad, Pakistan
Date: 15 JAN 2010



Controller General of Accounts

MANAGEMENT ANALYSIS

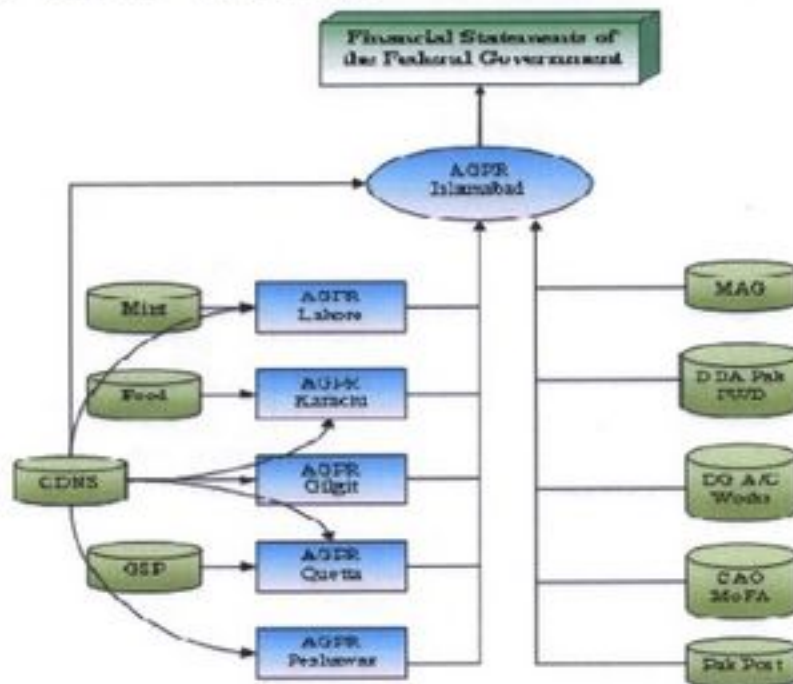
INTRODUCTION

The Financial Statements of the Federal Government provide a record of the Government's financial performance over the financial year 2008-09 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. These financial statements have been prepared as per the requirements of New Accounting Model (NAM) on cash basis of accounting.

The financial statements for the financial year 2008 - 09 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 for which a snapshot of information flow for preparation of financial statements is presented below.



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. Based on the resources available and priorities of the Government the annual budget is prepared.
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 where as 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, North West Frontier Province, Punjab and Sindh, Islamabad Capital Territory and Federally Administered Tribal Areas.

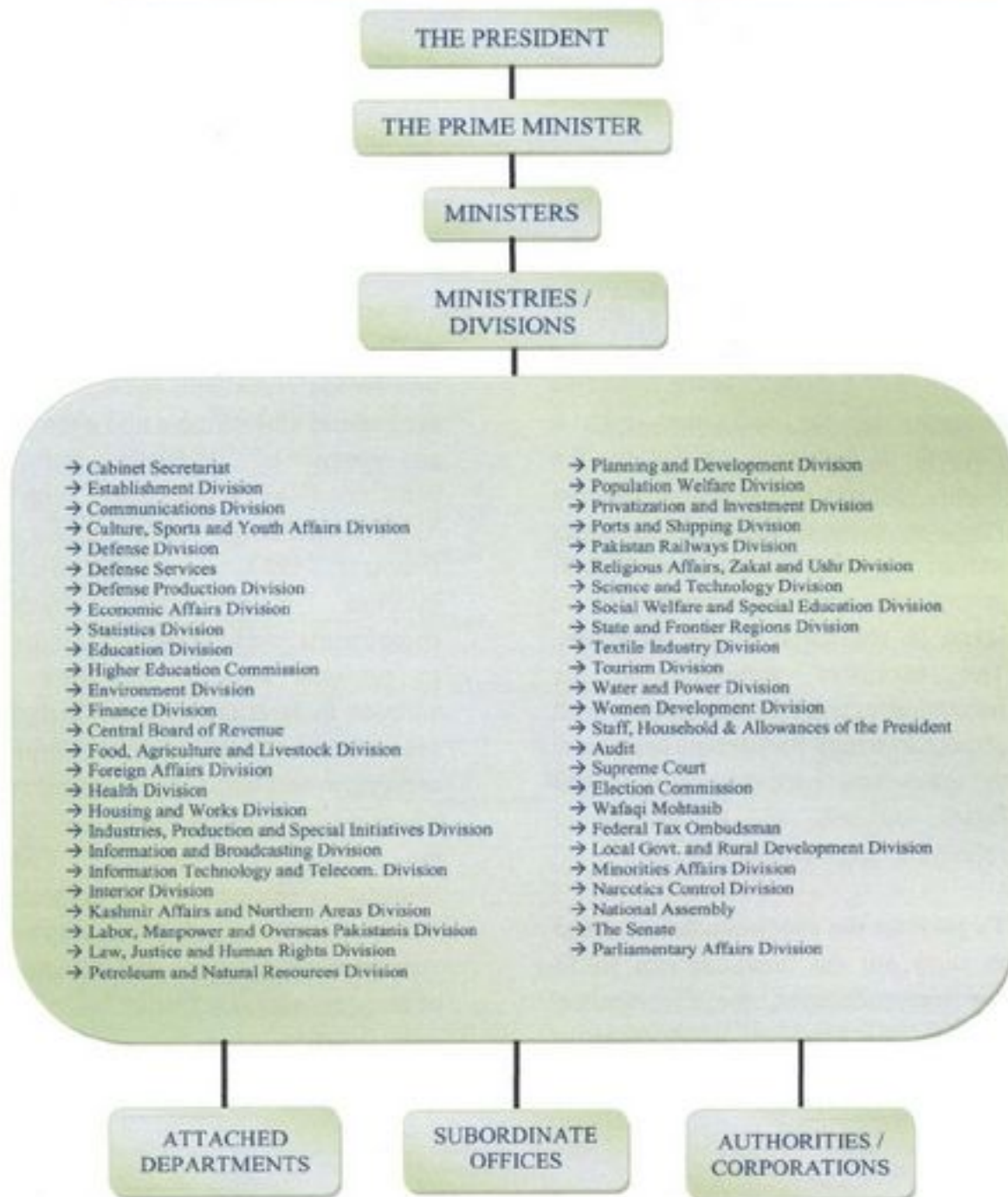
As per the Constitution of the Islamic Republic of Pakistan, 1973, the President of Pakistan has the executive authority of the federation with a Cabinet of Ministers headed by the Prime Minister to aid and advise the President in the discharge of his duties and all executive actions of the federal government 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 defines 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.

ADMINISTRATIVE STRUCTURE OF THE FEDERAL GOVERNMENT



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 includes;

- 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 and the Federal Government's Financial Statements for the current financial year have been prepared as per the requirements of 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. NAM is based on Modified Cash Basis of Accounting in which, though cash basis of accounting is followed, the

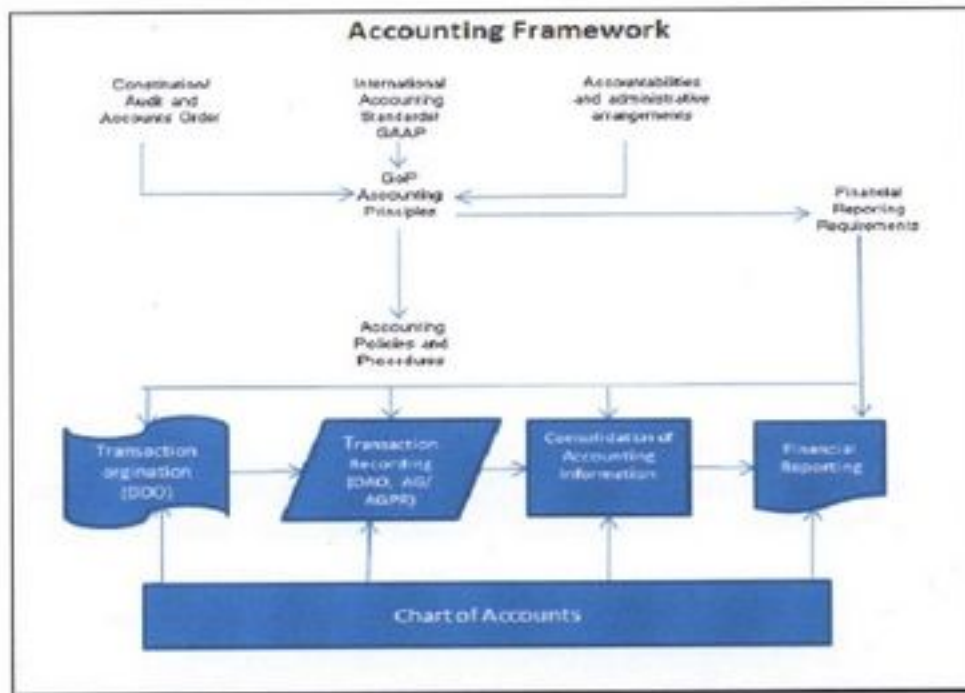
following additional concepts were introduced:

- 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 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 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 current year's Financial Statements have been prepared under NAM and adopt the format of International Public Sector Accounting Standards (IPSAS) Cash Basis - Financial Reporting under the Cash Basis of Accounting. The Financial Statements include;

- Statement of Receipts and Payments
- Statement of Cash Flows
- Statement of Comparison of Budget 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.

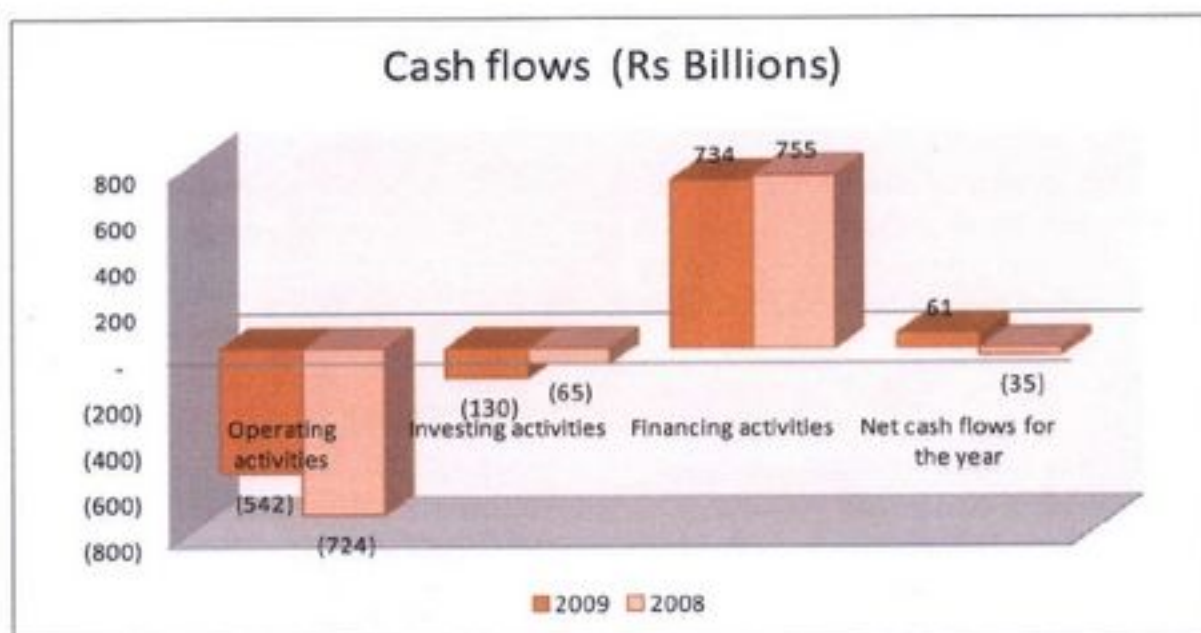
Assets and liabilities of the Federal Government are disclosed in the notes to the Financial Statements and are recorded on a historical cost basis and do not include accrued receipts and payments.

FINANCIAL REVIEW

CASH FLOWS

The net cash flows have improved this year Rs. 61,156 million (2008: negative Rs. 34,586 million) increasing by 277%. Net cash and cash equivalents at end of the year have increased to Rs. 55,622 million (2008: negative Rs. 5,534 million). Cash used in operating activities

increased by 25.15% (2008: 13.66%), mainly due to increased tax and non-tax revenue. The deficit in investing activities has increased by 100% (2008: 122%). The cash from financing activities has decreased by 3% (2008: increased by 88.77%)



RECEIPTS AND PAYMENTS

RECEIPTS

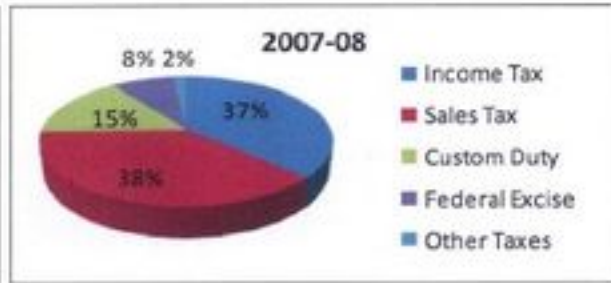
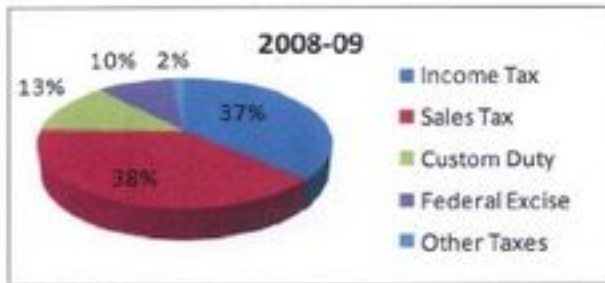
Taxation

During the year under review tax receipts were Rs. 1,145,109 million (2008: Rs. 993,568 million), which represents an increase of 15.25%. Out of total tax collections for the financial year 2007-2008, the Federal Government has transferred Rs. 469,218 million to the provinces. These transfers are made from

all heads of taxes in accordance with a predetermined base. The net tax reported after the transfers leaves the Federal Government with a tax revenue of Rs 675,891 million (2008: Rs.594,432 million), thereby showing an increase of 13.17%. At its entirety, tax collection has improved, reasons for which are discussed in the next paragraph.

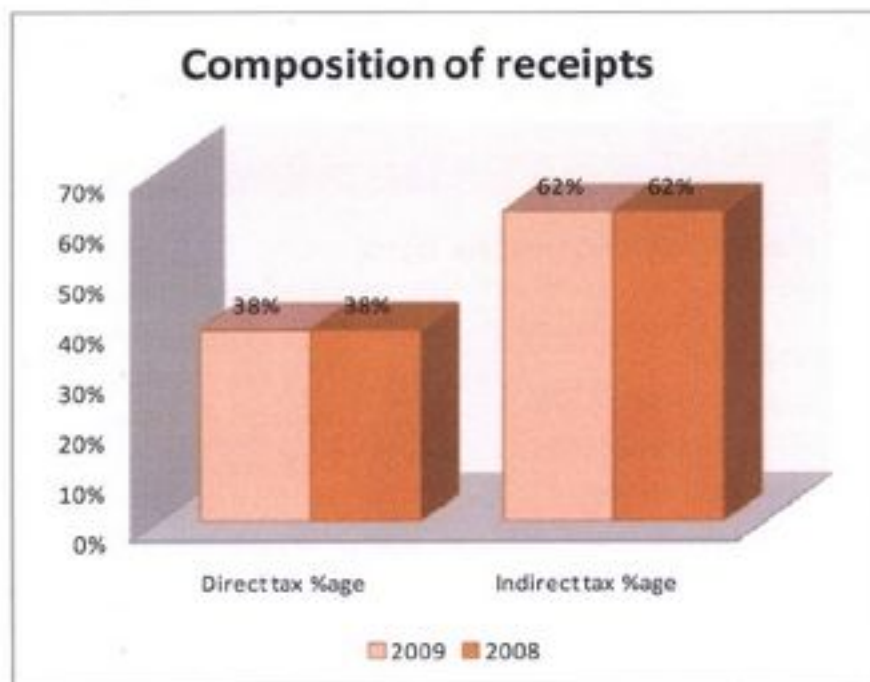
The basic philosophy of tax and tariff reform has been to move away from investment and production based taxes to income (direct taxes) and consumption (sales tax) based taxes. Pakistan has succeeded in changing the composition of

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 (both direct and indirect tax) is presented below.



The composition of direct taxes remained at 38% and that of indirect taxes was 62% out of total taxes. This increasing percentage of indirect taxes points towards

additional efforts needs to be made to enhance the tax base and as a result direct taxes.



Direct Taxes

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

The net collection of direct taxes has grown at pace of 13.66% from Rs. 227

billion in 2007 – 2008 to Rs. 258 billion in 2008 - 2009. The major changes have been observed in income tax 12.27% increase, and other Direct Taxes 57.14% increase.

The major chunk of direct taxes was obtained from Income Tax which was 95.74% of total direct taxes for the year 2008-09.

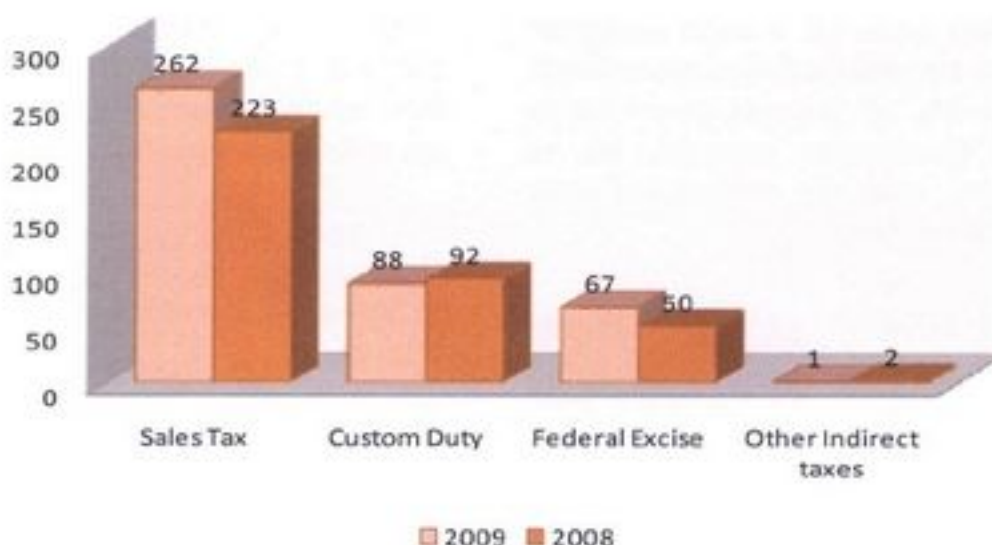


Indirect Taxes

Indirect taxes are the largest contributor to federal tax revenues. Indirect taxes comprise sales tax, customs duty, federal excise duty and other indirect tax. The total revenue from Indirect taxes for the current year amounted to Rs. 418 billion which shows a 13.9% increase from the

last year. Sales tax has emerged as the leading revenue sources in recent years. Due to its buoyant nature, the share of sales tax has come to 62.68% of the total indirect tax collected, customs to 21.05% and Federal Excise 16.03% of the total indirect taxes.

Indirect taxes (Rs billions)



Development Surcharge and Royalties

Major line item in Development Surcharge and Royalties is Petroleum Development Levy (PDL) which comprises 54.63% of gross amount Rs. 195,266 million. Last year it represented only 10.90% of the gross amount Rs. 89,595. PDL is also the item exhibiting major movement i.e., increase of 992% (2008: 68% decrease)

Petroleum Development Levy (PDL) is calculated on the production cost of petroleum companies. The higher the production cost, the higher is the PDL figure. In the year under review, due to hike in international oil prices, production cost of companies have increased comparing to last year, thereby resulting in increased PDL.

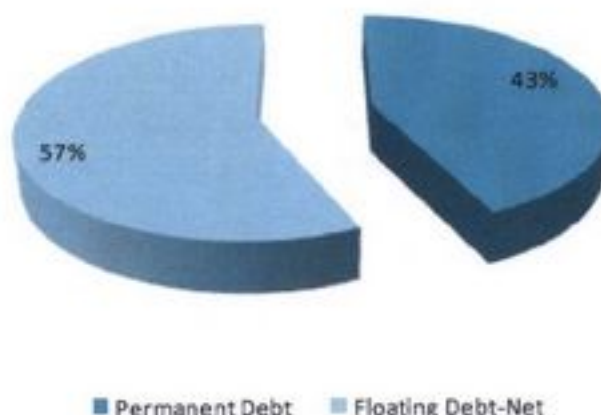
Borrowings

1. Domestic Debt

During the year under review domestic debt receipts amounted to Rs. 472 billion (2008: Rs. 706.54 billion) which consist of permanent debt and floating debt reported on a net basis Rs. 204.3 billion (2008: 176.98 billion) and Rs. 267.91 billion (2008: 529.56 billion) respectively. An

increase of 15% in domestic permanent debt receipts and decrease of 49% in Domestic floating debt – Net was witnessed in the current year. The composition of Domestic debt into its two components Permanent debt and Floating debt-net was 57:43 this year as highlighted below.

Domestic Debt receipts



The major sources of permanent domestic debt receipts were sale of National Prize Bonds Rs. 107,794 million (2008: 107,560 million) and Pakistan Investment Bonds Rs. 68,622 million (2008: Rs. 69,417 million). While major sources of Domestic floating debt – net receipts were 6 month market treasury bills:

- Part of which were purchased by SBP, net amount being Rs. 6,955 billion (2008: 650,768 million); and
- Part of which were sold through auction net amount being Rs. 261,034 million (2008: negative 121,041 million);

2. Foreign Debt

In the year under review, the burden of foreign debt on the Federal Government has increased. Receipts of foreign debt recorded were Rs. 313,563 million (2008: Rs. 176,272 million) which represents 78% increase. 4 major sources of foreign debts are as follows:

- Asian Development Bank (ADB) was the leading lender who lent Rs. 123,119 million (2008: Rs. 91,235 million) during the year.

- International Development Association was the second leading lender who provided loan amounting to Rs. 66,909 million (2008: 14,351 million)
- Then Islamic development Bank, who provided a loan of Rs. 57,391 (2008: Rs. 58,205 million); and
- Then Chinese loan amounting to Rs. 44,409 million (2008: 5,202 million)

Asian Development Bank provided 35% more loan as compared to last year while International Development Association and Chinese loan increased by 366% and 754% respectively

Dividend and profit share

Dividend represents dividends received against the investments made by the Federal Government in financial and non-financial institutions. In current year, dividend received from both Financial institutions and Non-financial institutions have reduced as compared to last year; dividend received from financial institutions and Non-financial institutions were Rs. Rs. 981 million (2008: Rs. 4,131 million) and Rs. 57,534 million (2008: 71,862 million) respectively.

A decrease of 23% (2008: increase of 27%) in total dividend receipts was recorded, the current year's receipt amounted to Rs. 58,515 million (2008: Rs. 75,993 million).

Non-financial institutions were the prime source of dividends received in the Federal Consolidated Fund. Out of total dividend income, dividend from OGDCL was Rs. 33,299 million (2008: Rs. 35,552 million) i.e. 57% (2008: 47%) of total dividend income.

The reason for the decrease of total dividend income as compared to last year was due to: non-payment of dividend by Saudi Pak Industrial & Agricultural Investment Co. (Pvt) Ltd., State life insurance Corporation Pakistan Telecommunication Company Limited (PTCL) and Pakistan Steel Mills Corporation; and reduction in dividend by Oil and Gas Development Company Limited (OGDCL), Pakistan Petroleum Limited, etc.

Share of profits represents distributable profits from the State Bank of Pakistan and Pakistan Telecommunication Authority to the Federal Government against the appropriation of their net profits from their investment holdings. Total profit share received during the year was Rs. 161,163 million, 100% of this amount relates to State Bank of Pakistan (2008: Rs.92,266 million out of which Rs. 87,251 million was from State Bank of Pakistan and Rs. 5,015 million from Pakistan Telecommunication Authority.) Profit share from State Bank of Pakistan has shown 84.71% increase from last year (2008: 25% increase). The surplus profit of the SBP, after making provision of reserve fund dividend payments, is transferred to the Federal Government.

Privatization proceeds

Net privatization proceeds amounting to Rs. 1,290 million were from Hazara Phosphate Fertilizer Company (2008: Rs.50 million from Lasbella & Bolan Textile Mills).

Recovery of loans and advances

Recovery of loans and advances amounted to Rs. 27,123 million (2008: 68,384 million) which represents 60% decrease as compared to last year. Reduction in recovery amount can be attributed to:

- Provinces, recovery amounts to Rs. 19,690 million (2008: 25,378 million) which represents 22% decrease.
- Non-financial institutions, recovery amounts to Rs. 1,767 million (2008: 34,147 million) which represents 95% decrease

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. 226.20 billion (11.15%) over the previous year. Total payments made during the year amounted to Rs. 2,254 billion as compared to Rs. 2,027.84 billion last year.

The major payments include operating expenditure amounting to Rs. 443.33 billion, servicing of debt Rs. 652 billion, grants, subsidies and write off of loans Rs. 500.55 billion and principal repayment of debts amounting to Rs. 341.71 billion.

The Principal Repayment of Debt consisted of repayment of domestic debt of Rs. 136.8 billion and Rs. 204.91 billion for repayment of foreign debt. Out of total debt servicing payments of Rs. 652.438 billion, the domestic debt servicing cost was Rs. 581.442 billion and foreign debt servicing cost was Rs. 71.560 billion.

Compared to the payments in the previous years, major increases have been witnessed in the areas of:

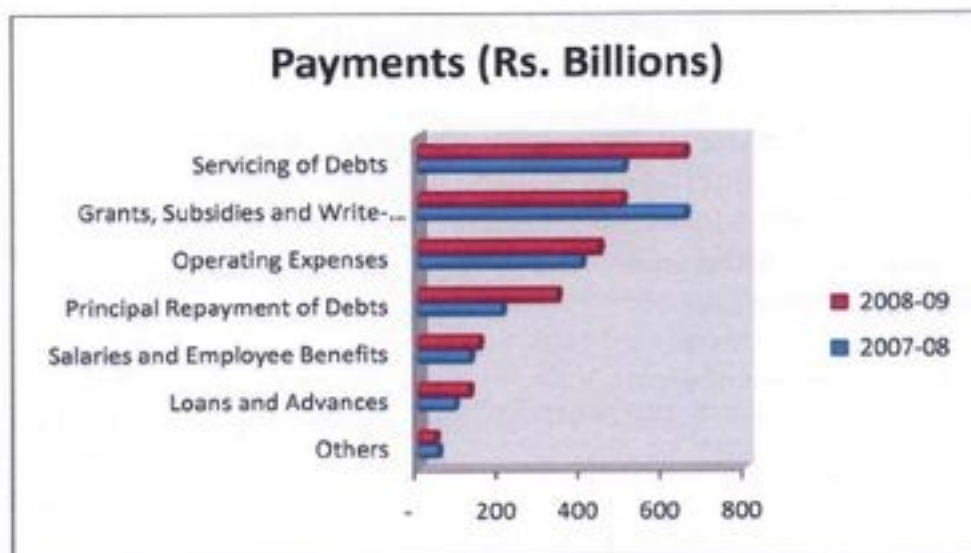
- Salaries and employees benefits, 18%;

- Operating expenses, 11%;
- Other transfer payments, 40%;
- Principal repayment of debts, 66%;
- Servicing of debt with 29%; and
- Payments of loan and advances, 38%

Major areas of decrease noticed are

- Grants, Subsidies and write-off of loans, 23%; and
- Investments, 45%.

The composition of payments made has been detailed below:



Payments - Comparison of two years

THE BUDGET 2008-2009

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 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. Bottom up component has successfully been implemented at 25 pilot ministries.

Roll Out In Other Ministries/ Divisions

Using the Guidelines and Budget Call Circular a total of 25 MTBF ministries have carried out a detailed process of defining their goals, outcomes and outputs for the 3 year MTBF period. A detailed methodology has been applied for linking budgetary allocations at the Spending Unit level to the high-level outputs and targeted outcomes of each ministry. In addition, indicators are being identified for each output (line of service delivery) and targets set for service delivery for the financial year. The process of training and capacity-building which has been a feature of the MTBF since 2005 has been continued both for the staff of ministries new to MTBF and in the ministries which have been within MTBF for several years. The ministries have been encouraged to take ownership of their budgetary preparation and determination of the strategic allocations of resources in line with their ministry's priorities within the overall budgetary allocation to the ministry.

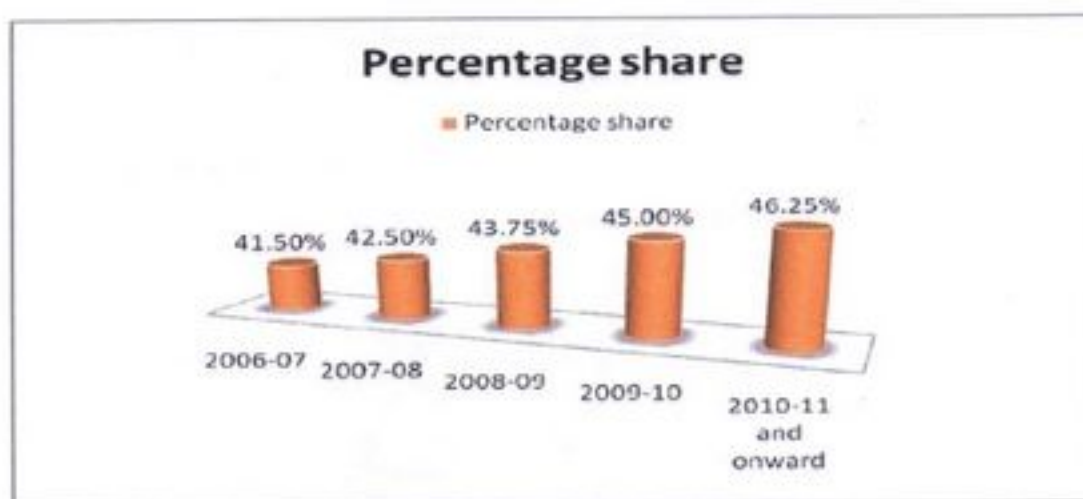
National Finance Commission (NFC) Award

According to NFC award 1997 and its amendment under the Distribution of Revenue and Grant-in-Aid Amendment Order 2006, *Provinces shall be assigned in each financial year a share equal to the percentage of the net proceeds of the following taxes and duties levied and collected by the Federal Government:*

- (a) *Income tax*
- (b) *Wealth Tax*
- (c) *Capital Value Tax*

- (d) *Taxes on Sales & Purchase of goods*
- (e) *Sales tax on services (Central Excise Mode)*
- (f) *Export Duty on Cotton*
- (g) *Custom Duty*
- (h) *Federal Excise Duty*
- (i) *Any other tax which may be levied by the Federal Government.*

The percentage decided to be transferred in the following years are as follows:

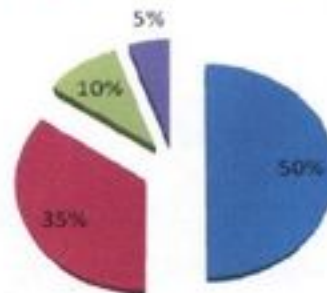


Out of the sum assigned to the Provincial Governments under Article 3 an amount equal to the net proceeds of 1/6th of Sales Tax is decided to be distributed amongst the provinces at the following ratio and the

Provincial Governments shall further transfer the whole of such amount to the District Governments and Cantonment Boards without retaining any part thereof:

Provincial share from 1/6th of Sales Tax

■ Punjab ■ Sindh ■ N.W.F.P ■ Baluchistan

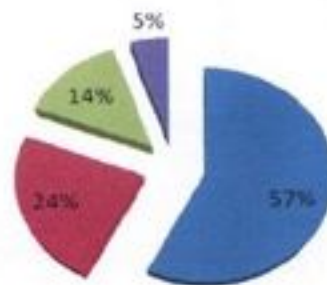


The balance was distributed amongst the provinces on the basis of their respective

population in the percentage as shown in the graph below:

Provincial share (excl 1/6th of sales tax amount)

■ Punjab ■ Sindh ■ N.W.F.P ■ Baluchistan



Grants in Aid

Grants in aid are distributed amongst the provinces according to the ratios provided below.

Punjab	11.00%
Sindh	21.00%
N.W.F.P	35.00%
Balochistan	33.00%

Provincial share calculation

Transfer to provinces from taxes fall under two categories:

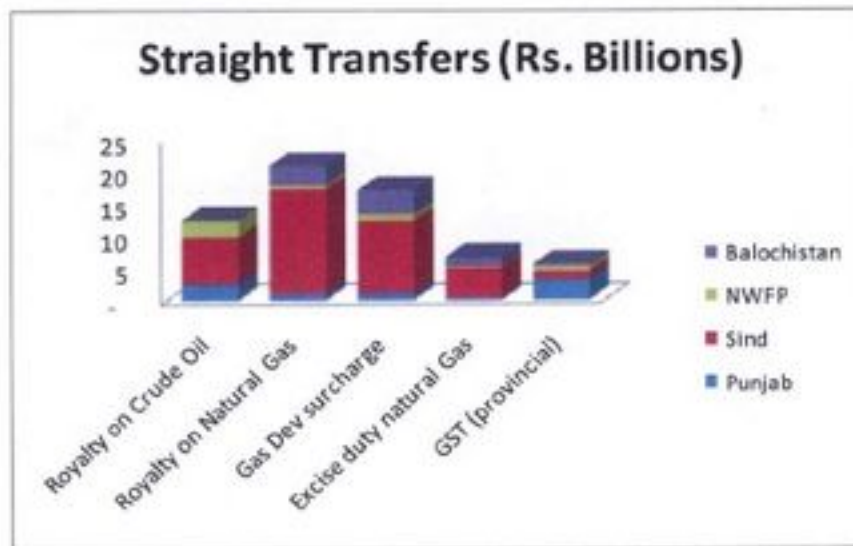
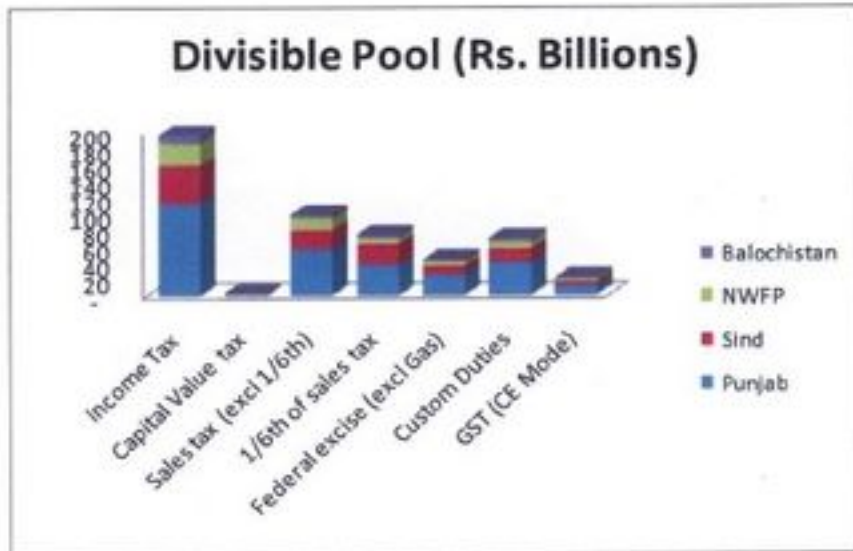
- Divisible pool
- Straight transfers

The figure of divisible pool is arrived at by deducting 6% in case of income tax and 5% on other components as collection charges by Federal Government. Divisible pool amounts are shared amongst

Federal and all Provincial Governments according to the agreed ratios given above.

The straight transfers are made to provinces after retaining 2% of collection charges.

Provincial Transfers (Budget)



The 7th NFC Award of 2009 has changed the basis of Provincial share calculation. 7th NFC award gives 82% weightage to population, 10.3% to poverty, 5% to revenue collection and 2.7% to area for calculating share of provinces.

According to this award, Provincial share of divisible pool would increase from 47.5% to 56% in the first year of NFC and 57.5% in the remaining four years of the award. The results of this NFC award will be appearing in the financial statements of year 2009-10.

Analysis of Budget – Budgeted and actual receipts

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

An amount of Rs. 1,111 billion (2008: Rs. 902.2 billion) was budgeted as

revenue receipts against which actual receipts collected were Rs. 1,211.3 billion (2008: Rs. 964.1 billion).

Capital receipts budgeted were Rs. 3,009 billion (2008: Rs. 2,423 billion) and the actual receipts were of Rs. 4,914 billion (2008: Rs. 2,832.7 billion).

Comparison of budgeted and actual receipts (in figures)

	2009			2008		
	Original Budget	Revised Budget	Actual Receipts	Original Budget	Revised Budget	Actual Receipts
	-----Rs. Billions'-----			-----Rs. Billions'-----		
Revenue Receipts	1,111.0	1,223.7	1,211.4	902.2	941.7	964.1
Capital Receipts	3,009.5	4,879.0	4,914.1	2,422.6	2,464.1	2,832.7
	4,120.5	6,102.7	6,125.5	3,324.8	3,405.8	3,796.8

Comparison of budgeted and actual receipts (in percentage)

	2009			2008		
	Original Budget	Revised Budget	Actual Receipts	Original Budget	Revised Budget	Actual Receipts
	-----Rs. Billions'-----			-----Rs. Billions'-----		
Revenue Receipts	-	10%	9%	-	4%	7%
Capital Receipts	-	62%	63%	-	2%	17%

The following tabular representation depicts the allocation of original budget and incremental change in revised budget. This entails distribution of original budget

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

Function	Rs. Billions			
	Original budget	%age allocation	Revised Budget	Incremental %age allocation (B-A)/A
	A		B	
2009				
General Public Service	989.6	57.07%	1,125.1	13.69%
Defence Affairs	297.6	17.16%	311.9	4.80%
Economic Affairs	326.5	18.83%	220.3	-32.53%
Public Order and Safety Affairs	30.2	1.74%	29.5	-2.35%
Education Affairs and Services	49.2	2.84%	45.4	-7.84%
Health Affairs and Services	25.0	1.44%	18.8	-25.08%
Housing and Community Amenities	5.4	0.31%	5.4	1.58%
Recreation, Culture and Religion	3.9	0.22%	5.0	27.67%
Social Protection	6.3	0.36%	6.4	1.64%
Environment Protection	0.2	0.01%	0.2	0.00%
	1,733.9	100%	1,767.9	1.96%
2008				
General Public Service	782.7	57.92%	978.7	25.03%
Defence Affairs	275.6	20.40%	277.8	0.81%
Economic Affairs	181.0	13.39%	405.6	124.10%
Public Order and Safety Affairs	29.0	2.14%	28.7	-0.72%
Education Affairs and Services	49.0	3.63%	45.8	-6.41%
Health Affairs and Services	19.9	1.47%	19.6	-1.62%
Housing and Community Amenities	5.5	0.41%	4.5	-18.21%
Recreation, Culture and Religion	3.8	0.28%	3.7	-2.14%
Social Protection	4.6	0.34%	5.5	18.16%
Environment Protection	0.2	0.01%	0.2	0.55%
	1,351.3	100%	1,770.2	30.99%

Major monetary line items in the original budget are General Public Service 57.07% (2008: 57.92%), Defence Affairs 17.16% (2008: 20.40%) and Economic Affairs 18.83% (2008: 13.39%).

In the revised budget, percentage wise major incremental increases are in General Public service 13.69% (2008: 25.03%) and recreation culture and Religion 27.67% (2008: -2.14%); major incremental

decreases in revised budget are Economic affairs -32.53% (2008: 124.10%), Health Affairs and services -25.08% (2008: -1.62%), and Education affairs and services -7.84% (2008: -6.41%). The total incremental change in revised budget is 1.96% (2008: 30.99%)

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, General Provident Fund has 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,
- 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.

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 define the minimum level of quality acceptable for internal control in Government and provide the basis against which internal controls are to be evaluated.

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 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 Auditors Generals Office as part of its financial statement audit.

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

Auditor's Report

The Office of the Auditor General of Pakistan has audited the accompanying Financial Statements of the Federal Government, which comprise the statement of cash receipts and payments for the year ended 30th June 2009, statement of cash flows, statement of comparison of budget and actual amounts by function, statement of comparison of budget and actual expenditure by division, 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

These financial statements have been prepared by the Accountant General Pakistan Revenues on behalf of Controller General of Accounts under Section 5 of the Controller General of Accounts (Appointment, Function and Powers) Ordinance 2001.

Auditor's Responsibility

The responsibility of the Auditor General's Office is to express an opinion on these Financial Statements based on the audit in accordance with the requirement of Article 169 of the Constitution of the Islamic Republic of Pakistan read with Section 7 of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001.

Basis of Opinion

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

In our opinion:

- (a) These Financial Statements present fairly, in all material respects, the financial performance of the Federal Government for the year ended 30th June 2009, its cash flows, statement of comparison of budget and actual amounts by function, statement of comparison of budget and actual expenditure by division and statement of appropriation of grants by object 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.

Emphasis of Matter

Without qualifying our opinion, we draw attention to statement of cash receipts and payments and note 6.12 to the Financial Statements relating to payments by third parties. Under Cash Basis IPSAS disclosure of third party payments is mandatory part of the General Purpose Financial Statements and should be disclosed separately on the face of the statement of cash receipts and payments. The Federal Government has disclosed third party payments as nil on the basis that neither the Federal Government has been formally advised by the third party or the recipients nor such payments have otherwise been verified. The existing accounting and financial reporting system of the Federal Government needs to be strengthened to fully capture third party payments.

Other Reports

Reports covering significant aspects of the financial governance or economical and effective utilization of public resources are submitted separately to the President by the Auditor General's Office under Article 171 of the Constitution of the Islamic Republic of Pakistan.

Islamabad, Pakistan

Date : **10 FEB 2010**



Auditor General of Pakistan

FEDERAL GOVERNMENT
Statement of Cash Receipts and Payments
For the Year Ended 30 June 2009


		2009 (Rupees in Million)		2008 (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>					
		247,349	-	219,659	-
		261,703	-	223,446	-
		87,994	-	91,738	-
		66,793	-	50,165	-
		12,052	-	9,424	-
	7	675,891	-	594,432	-
<i>Non-Tax Revenue and Other Receipts</i>					
	8	3,676	-	3,388	-
	9	675	-	2,188	-
	10	77,861	-	47,549	-
	11	138,465	-	34,480	-
		8,593	-	7,466	-
	12	37,577	-	50,110	-
	13	219,678	-	168,259	-
		30,347	-	24,297	-
		516,872	-	337,737	-
<i>Grants and Aid</i>					
	14	10,766	-	25,672	-
<i>Borrowings</i>					
	15	313,563	-	176,272	-
	16	204,296	-	176,979	-
	17	267,906	-	529,562	-
		785,765	-	882,813	-
<i>Capital Receipts</i>					
	18	1,290	-	50	-
	19	27,123	-	68,384	-
		33	-	2	-
		28,446	-	68,436	-
<i>Trading Activities</i>					
	20	7,834	-	6,268	-
TOTAL RECEIPTS		2,028,574	-	1,915,358	-

FEDERAL GOVERNMENT
Statement of Cash Receipts and Payments
For the Year Ended 30 June 2009

	Note	2009 (Rupees in Million)		2008 (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					
PAYMENTS					
<i>Operations</i>					
Salaries and Employee Benefits	27	149,729	-	126,635	-
Operating Expenses		443,328	-	399,172	-
		593,057	-	525,807	-
<i>Transfers</i>					
Grants, Subsidies and Write-off of Loans		500,555	-	653,258	-
Other Transfer Payments		7,366	-	5,243	-
		507,921	-	658,501	-
<i>Expenditures on</i>					
Physical Assets		8,969	-	10,198	-
Civil Works		12,036	-	11,563	-
Others		3,533	-	3,792	-
		24,538	-	25,553	-
<i>Debt and Interest Payments</i>					
Principal Repayment of Debts	22	341,717	-	206,021	-
Servicing of Debts	23	652,438	-	503,975	-
		994,155	-	709,996	-
<i>Other Payments</i>					
Loans and Advances	24	124,487	-	90,040	-
Investments	25	9,879	-	17,938	-
		134,366	-	107,978	-
TOTAL PAYMENTS		2,254,037	-	2,027,835	-
NET PAYMENT OF FEDERAL		(228,463)	-	(112,477)	-
NET RECEIPT OF PUBLIC ACCOUNT	26	289,619	-	77,891	-
INCREASE / (DECREASE) IN CASH		61,156	-	(34,586)	-
CASH AT BEGINNING OF THE YEAR		(5,534)	N/A*	29,052	N/A*
INCREASE / (DECREASE) IN CASH		61,156	N/A	(34,586)	N/A
CASH AT END OF THE YEAR	27	55,622	N/A	(5,534)	N/A

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

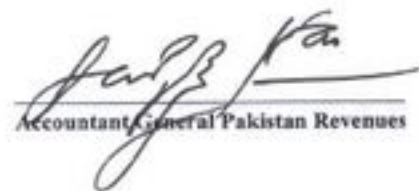
N/A* = Not Applicable


Accountant General Pakistan Revenues

FEDERAL GOVERNMENT
Statement of Cash Flows
For the Year Ended 30 June 2009

	Note	2009 Rupees in Million	2008 Rupees in Million
CASH FLOWS FROM OPERATING ACTIVITIES			
Tax Receipts	7	675,891	594,432
Non-Tax Revenue & Other Receipts		516,872	337,737
Development Grants - Receipts	14	10,766	25,672
Trading Activities - Receipts	20	7,834	6,268
Operations		(593,057)	(525,807)
Servicing of Debt	23	(652,438)	(503,975)
Transfers		(507,921)	(658,501)
<i>Cash used in Operating Activities</i>		(542,053)	(724,174)
CASH FLOWS FROM INVESTING ACTIVITIES			
Privatization Proceeds	18	1,290	50
Recoveries of Loans and Advances	19	27,123	68,384
Investments Recoveries		33	2
Expenditure on Physical Assets, Civil Works & Others		(24,538)	(25,553)
Investments	25	(9,879)	(17,938)
Payments of Loans and Advances	24	(124,487)	(90,040)
<i>Cash used in Investing Activities</i>		(130,458)	(65,095)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt of Domestic Permanent Debt	16	204,296	176,979
Receipt of Foreign Debt	15	313,563	176,272
Domestic Floating Debt- Net	17	267,906	529,562
Principal Repayments of Debt	22	(341,717)	(206,021)
Net Receipt of Public Account	26	289,619	77,891
<i>Cash from Financing Activities</i>		733,667	754,683
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		61,156	(34,586)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		(5,534)	29,052
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	27	55,622	(5,534)


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 2009

Note	2009 (Rupees in Million)			2008 (Rupees in Million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
RECEIPTS						
	Revenue					
	733,513	691,765	675,891	615,714	602,340	594,432
	377,387	531,972	535,472	286,461	339,376	369,676
	1,110,900	1,223,737	1,211,363	902,175	941,716	964,108
	Total Revenue Receipts					
	Capital					
	2,666,212	4,487,874	4,572,142	2,077,013	2,153,984	2,587,991
	283,776	351,000	313,563	229,686	242,314	176,271
	25,106	1,290	1,290	75,000	1,650	50
	34,358	38,888	27,123	40,895	66,155	68,384
	-	-	33	-	-	2
	3,009,452	4,879,052	4,914,151	2,422,594	2,464,103	2,832,698
	4,110,352	6,102,789	6,125,514	3,324,769	3,405,819	3,796,806
29	TOTAL RECEIPTS					
PAYMENTS						
	Revenue					
	989,600	1,125,117	1,111,396	782,746	978,655	907,398
	297,576	311,857	334,957	275,612	277,834	287,912
	326,495	220,289	199,511	180,985	405,596	391,707
	30,171	29,461	36,375	28,950	28,741	30,380
	49,243	45,383	45,393	48,990	45,848	41,334
	25,040	18,761	18,453	19,904	19,582	16,519
	5,364	5,449	3,544	5,520	4,515	7,114
	3,882	4,956	4,603	3,823	3,741	3,972
	6,299	6,402	5,172	4,630	5,471	5,334
	210	210	157	182	183	145
	1,733,880	1,767,885	1,759,561	1,351,342	1,770,166	1,691,815
	Total Revenue Payments					
	Capital					
	2,829,315	4,784,558	4,581,159	2,217,061	2,253,716	2,209,043
	15,777	8,842	13,257	18,604	15,878	8,426
	2,845,092	4,793,400	4,594,416	2,235,665	2,269,594	2,217,469
	4,578,972	6,561,285	6,353,977	3,587,007	4,039,760	3,909,284
29	TOTAL PAYMENTS					

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


 Accountant General Pakistan Revenues

FEDERAL GOVERNMENT

Statement of Comparison of Budget and Actual Expenditure by Division

For the Year Ended 30 June 2009

DIVISIONS	2009 (Rupees in Million)			2008 (Rupees in Million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
Cabinet Secretariat	56,068	74,267	59,439	54,290	43,818	40,153
Establishment Division	3,276	2,170	2,084	3,130	2,930	3,248
Commerce Division	4,586	4,265	3,263	5,399	4,072	5,413
Communications Division	10,623	11,510	12,523	10,074	9,693	10,797
Culture Division	834	624	605	726	662	899
Defence Division	9,518	7,095	8,325	9,045	7,537	10,541
Defence Services	294,907	308,453	331,753	273,542	275,805	286,456
Defence Production Division	1,871	2,617	2,408	1,356	1,334	748
Economic Affairs Division	252,016	321,940	359,312	169,177	182,415	182,007
Statistics Division	857	841	849	739	758	700
Education Division	9,609	7,499	6,380	9,519	7,392	6,600
Higher Education Commission	15,766	15,766	15,766	15,766	15,766	12,546
Environment Division	2,481	2,980	791	1,862	1,891	717
Finance Division	3,646,546	5,588,947	5,365,054	2,771,098	3,246,629	3,124,988
Revenue Division	11,203	10,344	9,565	9,969	8,964	8,935
Food, Agriculture and Livestock Division	22,206	15,913	8,386	17,201	17,253	13,907
Foreign Affairs Division	8,639	8,570	9,626	7,788	7,528	7,487
Health Division	22,961	16,895	16,538	17,898	17,510	14,296
Housing and Works Division	6,579	5,383	5,994	3,953	4,162	4,948
Industries, Production and Special Initiatives Division	11,136	2,811	2,762	10,125	7,095	4,570
Information and Broadcasting Division	2,925	2,957	3,586	2,610	2,776	3,019
Information Technology and Telecom. Division	3,444	2,252	2,149	4,555	3,685	3,576
Interior Division	28,851	28,536	32,910	29,764	27,508	30,693
Kashmir Affairs and Northern Areas Division	18,160	19,621	20,619	15,994	16,348	17,606
Labour and Manpower Division	3,660	703	346	3,408	3,388	3,348
Overseas Pakistanis Division	2,352	-	358	213	238	240
Law, Justice and Human Rights Division	-	1,760	1,197	2,792	1,794	1,114
Local Govt. and Rural Development Division	4,626	3,566	3,091	4,637	2,241	2,146
Minorities Affairs Division	124	207	199	117	117	87
Narcotics Control Division	989	862	928	716	798	1,031

FEDERAL GOVERNMENT
Statement of Comparison of Budget and Actual Expenditure by Division
For the Year Ended 30 June 2009

DIVISIONS	Note	2009 (Rupees in Million)			2008 (Rupees in Million)		
		Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
		Original	Revised		Original	Revised	
National Assembly		1,147	1,147	1,128	1,107	1,107	720
The Senate		704	704	656	663	662	559
Parliamentary Affairs Division		162	162	95	156	145	58
Petroleum and Natural Resources Division		1,278	706	1,639	1,323	876	4,190
Planning and Development Division		11,838	10,520	2,135	14,760	3,225	3,397
Population Welfare Division		4,513	4,513	2,784	4,515	4,516	3,653
Privatization Division		174	174	59	161	181	175
Ports and Shipping Division		495	263	148	889	1,189	568
Pakistan Railways Division		7,505	5,890	5,366	8,328	7,973	7,265
Religious Affairs, Zakat and Ushr Division		348	377	388	326	340	346
Science and Technology Division		5,804	5,506	3,465	5,804	5,457	3,808
Social Welfare and Special Education Division		7,630	7,479	2,197	5,899	7,923	8,538
Sports Division		687	549	440	849	778	594
State and Frontier Regions Division		17,243	18,337	16,513	14,693	14,860	15,782
Textile Industry Division		722	354	332	873	284	272
Tourism Division		184	179	166	315	202	264
Water and Power Division		58,590	28,096	26,126	65,359	63,591	51,994
Women Development Division		261	192	155	235	222	263
Youth Affairs Division		90	1,229	119	205	59	50
Staff, Household & Allowances of the President		354	349	343	316	328	328
Audit		1,206	1,206	1,244	997	1,097	1,108
Supreme Court and High Court		420	420	602	316	316	268
Election Commission		599	601	468	1,280	2,147	2,062
Wafaqi Mohtasib		149	149	171	126	126	153
Federal Tax Ombudsman		56	62	60	49	49	53
Investment Division		-	-	101	-	-	-
Human rights Division		-	-	47	-	-	-
Livestock and Dairy Development Division		-	9	10	-	-	-
Special Initiatives Division		-	2,738	207	-	-	-
Postal Services Division		-	20	8	-	-	-
TOTAL PAYMENTS	29	4,578,972	6,561,285	6,353,977	3,587,007	4,039,760	3,909,284

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 2009

Grant No.	Grant Name	AR10-1	AR11-2	AR12-1	AR12-2	AR1	AR2	AR3	AR4	AR5	AR6	AR7	AR8	AR9	AR10	AR11	AR12	AR13	Grand Total
		Pay of Officers	Pay of Other Staff	Regular Allowances	Other Allowances	Employee Related Expenses	Project Investment Analysis	Operating Expenses	Employee Retirement Benefits	Grants Subsidies and Write off Loans	Transfers	Interest Payments	Loans & Advances	Physical Assets	Principal Repayments of Loans	Investments	Civil Works	Repairs & Maintenance	
	Current Expenditure																		
1	Cabinet	34	-	34	1	75	-	67	-	-	-	-	-	-	-	-	-	0.04	141
2	Cabinet Division	151	251	221	21	646	-	1,242	0.85	0.77	4	-	0.67	19	-	-	-	19	1,931
3	Emergency Relief And Reparation	-	-	-	-	-	-	372	-	83	-	-	-	2,390	-	-	-	83	2,911
4	Other Expenditure of Cabinet Division	11	9	17	1	38	-	434	0.10	1,093	0.15	-	-	0.25	-	-	-	0.75	2,166
5	Inter Provincial Coordination Division	3	2	2	0.48	8	-	4	0.21	-	0.14	-	-	3	-	-	-	0.39	15
6	Establishment Division	80	37	45	11	173	-	234	7	464	2	-	-	2	-	-	-	2	884
7	Federal Public Service Commission	35	33	35	8	111	-	78	0.27	0.48	0.14	-	-	4	-	-	-	2	195
8	Other Expenditure of Establishment	29	41	39	10	119	-	244	0.31	38	345	-	-	3	-	-	-	3	744
9	Prime Minister's Secretariat	43	62	91	15	214	-	79	0.12	78	34	-	-	3	-	-	-	11	481
10	National Accountability Bureau	62	68	119	10	200	-	165	-	0.60	0.55	-	-	1	-	-	-	5	413
11	National Reconstruction Bureau	7	10	15	4	36	-	25	0.10	-	0.18	-	-	1	-	-	0.29	1	42
12	Chief Executive's Inspection Commission	6	2	5	1	14	-	5	0.04	-	0.03	-	-	0.43	-	-	-	0.48	20
13	Atomic Energy	-	-	-	-	-	-	3,473	-	-	-	-	-	-	-	-	-	-	3,473
14	Stationery And Printing	2	18	13	0.25	34	-	9	-	-	-	-	-	0.32	-	-	-	0.15	43
15	Commerce Division	47	171	204	159	670	-	556	0.53	1,900	0.81	-	-	4	-	-	-	20	3,351
16	Communications Division	138	204	1,069	34	1,535	-	482	0.23	4	9	-	-	266	-	-	-	37	2,333
17	Other Expenditure of Communications Division	6	5	5	1	17	-	88	-	2,012	-	-	-	-	-	-	-	0.07	2,117
17A	Postal Services Division	0.09	9.03	0.06	0.05	0.23	-	0.32	-	-	0.02	-	-	7	-	-	-	-	8
18	Pakistan Post office Department	118	1,997	1,668	147	3,930	-	1,598	1,029	45	338	-	-	237	-	-	19	115	7,325
19	Culture Division	25	34	62	4	104	-	69	1	0.40	3	-	-	0.75	-	-	-	25	264
20	Other Expenditure of Culture Division	-	-	-	-	-	-	8	-	156	-	-	-	-	-	-	-	-	164
21	Deliver Division	192	668	903	39	1,802	-	538	1	4	2	-	-	236	26	-	2	262	2,662
22	Meteorology	50	135	119	6	310	-	75	1	2	0.07	-	-	7	-	-	2	7	485
23	Survey of Pakistan	33	164	130	4	331	-	83	0.90	4	0.95	-	-	10	-	-	-	4	432
24	Federal Government Educational Institutions in cantonments and Gurdians	602	558	609	54	1,822	-	89	-	9	0.02	-	-	0.24	-	-	-	2	1,923
25	Defence Services	-	-	-	-	-	-	11,753	-	-	-	-	-	-	-	-	-	-	11,753
26	Defence Production Division	10	13	32	3	37	-	22	0.34	0.69	2	-	-	1,864	-	-	-	1	1,920
27	Economic Affairs Division	22	25	24	14	85	-	67	0.84	0.90	43	-	-	4	-	-	-	3	204
28	Statistics Division	131	206	185	8	530	-	184	1.17	3	0.30	-	-	5	-	-	-	9	731
29	Education Division	49	37	61	13	181	-	344	5	8	8	-	-	10	-	-	-	6	561
30	Higher Education Commission	-	-	-	-	-	-	3,730	-	12,036	-	-	-	-	-	-	-	-	15,767
31	Education	48	37	25	6	145	0.26	54	0.25	640	13	-	-	1	-	-	-	6	860
32	Federal Government Educational Institutions in The Capital And Federal Areas	570	831	747	90	2,238	-	129	0.01	-	8	-	-	43	-	-	-	60	2,498
33	Environment Division	23	21	24	3	71	0.06	34	0.18	0.36	23	-	-	0.71	-	-	-	5	153
34	Forest	11	22	25	1	59	-	14	-	-	0.05	-	-	-	-	-	-	0.50	73
35	Zoological Survey Department	5	7	4	0.05	11	-	2	-	-	-	-	-	-	-	-	-	0.14	12
36	Finance Division	98	111	109	78	396	-	142	3	2	18	-	-	14	-	-	-	10	585
37	Comptroller General of Accounts	170	671	442	99	1,342	0.03	296	7	4	0.25	-	-	6	-	-	-	10	1,689
38	Private Mint	3	48	34	20	117	-	62	0.38	2	0.04	-	-	17	-	-	-	6	204
39	National Savings	156	216	192	13	617	-	312	0.77	6	0.41	-	-	84	-	-	-	6	1,008
40	Other Expenditure of Finance Division	1	11	7	1	21	-	4,519	0.05	4	82	-	-	0.02	-	-	-	0.83	4,626
41	Superannuation Allowances And Pensions	0.01	-	-	-	0.01	-	-	71,469	0.29	-	-	-	-	-	-	-	-	71,469
42	Grants-In-Aid And Miscellaneous Adjustments Between The Federal Government And Provincial Governments	-	-	-	-	-	-	-	-	40,568	-	-	-	-	-	-	-	-	40,568
43	Subsidies And Miscellaneous Expenditure	-	-	-	-	-	-	74	-	312,430	-	-	-	-	-	-	-	-	312,504

FEDERAL GOVERNMENT

Statement of Appropriation of Grants by Object For the Year Ended 30 June 2009

Grant No.	Grant Name	AM1-1	AM1-2	AM2-1	AM2-2	AM3	AM4	AM5	AM6	AM7	AM8	AM9	AM10	AM11	AM12	AM13	Grand Total		
		Pay of Officers	Pay of Other Staff	Regular Allowances	Other Allowances	Employer Related Expenses	Project Pro-Investment Analysis	Operating Expenses	Employer Retirement Benefits	Grants Subsidies and Write-off Loans	Transfers	Interest Payments	Loans & Advances	Physical Assets	Principal Repayments of Loans	Investments		Civil Works	Repairs & Maintenance
44	Revenue Division	13	25	31	5	101	-	20	-	-	0.94	-	-	0.16	-	-	2	123	
45	Federal Board of Revenue	106	103	310	32	552	-	626	2	3	34	-	-	11	-	-	26	1,305	
46	Land Customs And Central Excise	141	723	1,355	44	2,563	-	452	3	18	19	-	-	16	-	-	56	2,827	
47	Sales Tax	17	46	82	11	156	-	119	-	4	3	-	-	6	-	-	9	296	
48	Taxes On Income And Corporation Tax	201	1,126	2,228	60	3,679	-	612	6	17	43	-	-	13	-	-	48	4,438	
49	Food, Agriculture And Livestock Division	26	38	38	15	117	-	36	0.80	2	218	-	-	4	-	-	5	492	
49A	Livestock And Dairy Development Division	1	0.07	0.34	1	2	-	3	-	0.27	-	-	-	4	-	-	0.22	18	
50	Agriculture Research	-	-	-	-	-	-	-	-	994	-	-	-	-	-	-	-	994	
51	Other Expenditure of Food, Agriculture And Livestock Division	91	114	133	8	546	-	134	14	32	0.74	-	-	0.13	-	-	9	533	
52	Foreign Affairs Division	66	99	92	27	283	-	178	8	0.98	-	-	-	18	-	-	25	503	
53	Foreign Affairs	121	727	2,126	862	3,856	-	2,983	7	-	26	-	-	106	-	-	111	128	7,227
54	Other Expenditure of Foreign Affairs	-	-	-	-	-	-	1,268	-	48	30	-	-	-	-	-	-	-	1,827
55	Health Division	21	35	30	8	93	0.46	53	2	4	0.86	-	-	4	-	-	2	160	
56	Medical Services	393	413	571	19	1,999	-	1,284	-	552	174	-	-	29	-	-	129	3,666	
57	Public Health	16	37	37	2	92	-	25	-	182	-	-	-	2	-	-	1	303	
58	Housing And Works Division	11	15	13	3	43	-	16	0.17	1	0.49	-	-	2	-	-	1	63	
59	Civil Works	107	208	179	4	499	-	231	-	3	-	-	-	16	-	-	13	926	1,688
60	State offices	7	22	15	2	46	-	8	0.08	0.72	-	-	-	3	-	-	-	0.23	59
61	Federal Lodges	0.17	20	14	0.07	25	-	1	-	-	-	-	-	-	-	-	-	0.10	36
62	Industries And Production Division	19	24	22	6	71	-	32	0.69	2	0.65	-	-	-	-	-	-	2	108
63	Department of Investment Promotion And Supplies	5	5	6	-	16	-	1	-	1	-	-	-	-	-	-	-	-	19
64	Other Expenditure of Industries And Production Division	4	5	6	0.19	15	-	14	-	317	-	-	-	0.01	-	-	-	0.09	347
65	Information And Broadcasting Division	28	22	26	12	88	-	112	3	24	4	-	-	3	-	-	7	241	
66	Directorate of Publications Newsrels	10	21	17	3	51	-	28	0.23	-	0.44	-	-	0.23	-	-	-	1	82
67	Press Information Department	31	50	49	13	143	-	206	0.14	0.70	2	-	-	11	-	-	-	4	366
68	Information Services Abroad	11	49	115	41	216	-	161	-	-	0.88	-	-	4	-	-	-	5	387
69	Other Expenditure of Information And Broadcasting Division	-	-	-	-	-	-	437	-	2,024	-	-	-	-	-	-	-	-	2,462
70	Information Technology And Telecommunications Division	32	15	25	3	76	-	1,400	-	65	0.54	-	-	4	-	-	-	4	1,530
71	Interior Division	32	56	55	11	153	-	149	0.92	11	5	-	-	3	-	-	-	7	329
72	Islamabad	57	790	1,295	13	2,115	-	300	0.10	43	11	-	-	67	-	-	-	24	2,581
73	Prosper Organization	11	50	38	0.76	190	-	536	-	2	0.62	-	-	-	-	-	-	2	679
74	Civil Armed Forces	222	4,931	6,799	45	13,996	-	1,251	-	-	0.34	-	-	426	-	-	79	210	14,062
75	Frontier Constabulary	15	1,138	999	427	2,579	-	134	-	-	0.55	-	-	46	-	-	36	35	2,849
76	Pakistan Coast Guards	16	188	211	7	422	-	53	-	-	0.10	-	-	5	-	-	-	24	594
77	Pakistan Rangers	193	2,590	2,840	48	5,631	-	599	0.52	-	2.29	-	-	463	-	-	12	104	6,811
78	Other Expenditure of Interior Division	93	215	249	12	569	-	983	0.56	66	18	-	-	8	-	-	-	10	1,654
79	Kashmir Affairs And Northern Areas Division	8	5	7	5	25	-	8	0.28	159	0.36	-	-	2	-	-	-	0.51	190
80	Other Expenditure of Kashmir Affairs And Northern Areas Division	5	20	17	0.10	42	-	24	-	10,306	-	-	-	-	-	-	-	0.07	10,372
81	Northern Areas	251	671	522	48	1,491	-	523	0.34	3,171	15	-	0.40	3	-	-	-	46	5,248
82	Labour And Manpower Division	42	56	54	4	156	-	92	1	3	0.71	-	-	1	-	-	-	3	257

FEDERAL GOVERNMENT

Statement of Appropriation of Grants by Object

For the Year Ended 30 June 2009

Grant No.	Grant Name	AH1-1	AH1-2	AH1-1	AH1-2	AH1	AH2	AH3	AH4	AH5	AH6	AH7	AH8	AH9	AH10	AH11	AH12	AH13	Grand Total
		Pay of Officers	Pay of Other Staff	Regular Allowances	Other Allowances	Employee Related Expenses	Project Pro- Investment Analysis	Operating Expenses	Employee Retirement Benefits	Grants Subsidies and Write off Loans	Transfers	Interest Payments	Loans & Advances	Physical Assets	Principal Repayments of Loans	Investments	Civil Works	Repairs & Maintenance	
83	Other Expenditure of Labour And Manpower Division	8	8	11	0.29	27	-	9	0.13	-	-	-	-	0.01	-	-	-	0.19	37
84	Overseas Pakistanis Division	13	39	106	30	187	-	119	-	-	0.18	-	-	6	-	-	-	6	358
85	Law And Justice Division	23	26	40	7	96	-	33	0.83	27	0.49	-	-	7	-	-	-	0.53	21
86	Human Rights Division	6	5	7	0.68	19	-	8	-	0.89	0.10	-	-	0.38	-	-	-	-	11
87	Other Expenditure of Law And Justice Division	162	120	210	10	509	-	145	0.51	92	0.58	-	-	31	-	-	-	-	790
88	Local Government & Rural Development Division	15	19	18	2	54	0.02	37	0.11	0.52	0.69	-	-	5	-	-	0.25	3	161
89	Minorities Affairs Division	4	6	6	0.83	17	-	19	0.24	145	16	-	-	0.24	-	-	-	-	199
90	Narcotics Control Division	49	139	176	25	382	-	191	0.16	0.31	50	-	-	15	-	-	-	12	630
91	National Assembly	136	55	172	102	464	-	398	0.20	3	4	-	-	46	-	-	-	13	1,123
92	The Senate	65	46	103	80	294	-	102	0.29	3	9	-	-	8	-	-	-	10	656
93	Parliamentary Affairs Division	14	6	11	10	41	-	48	0.05	0.71	0.18	-	-	4	-	-	-	1	95
94	Petroleum And Natural Resources Division	21	21	22	7	71	-	77	0.51	0.12	0.67	-	-	2	-	-	-	2	153
95	Geological Survey	46	51	63	-	160	-	35	0.93	1	0.02	-	-	2	-	-	-	3	203
96	Other Expenditure of Petroleum And Natural Resources Division	-	-	-	-	-	-	49	-	-	-	-	-	-	-	-	-	-	49
97	Planning And Development Division	67	59	37	29	203	-	96	2	71	3	-	-	1	-	-	-	4	381
98	Population Welfare Division	24	28	29	8	89	-	86	2	0.80	0.72	-	-	2	-	-	-	4	183
99	Privatization Division	3	3	3	0.32	9	-	5	-	0.74	46	-	-	0.83	-	-	-	0.14	59
100	Investment Division	0.69	-	0.23	0.02	0.74	-	1	-	-	0.04	-	-	-	-	-	-	0.20	2
101	Board of Investment	16	16	16	3	51	-	37	-	-	1	-	-	7	-	-	-	2	99
102	Ports And Shipping Division	11	20	22	3	56	-	32	-	-	0.50	-	-	0.36	-	-	-	-	9
103	Pakistan Railways	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
104	Religious Affairs And Zakat & Ushr	15	22	19	2	58	-	36	0.89	1	0.41	-	-	6	-	-	-	1	104
105	Council of Islamic Ideology	7	6	9	1	25	1	13	-	-	0.13	-	-	2	-	-	-	0.28	39
106	Other Expenditure of Religious Affairs	13	24	15	6	76	-	138	-	23	0.46	-	-	4	-	-	-	3	245
107	Scientific And Technological Research Division	10	11	15	3	38	-	154	0.44	0.33	62	-	-	0.51	-	-	-	1	258
108	Other Expenditure of Scientific And Technological Research Division	10	10	10	1	32	0.40	13	-	2,496	-	-	-	0.41	-	-	-	2	2,548
109	Social Welfare And Special Education Division	98	105	114	19	336	-	109	0.65	1,280	0.78	-	-	1	-	-	-	29	1,756
110	Other Expenditure of Social Welfare And Special Education Division	3	2	3	0.05	7	-	8	-	44	-	-	-	0.04	-	-	-	0.05	59
111	Spats Division	5	5	5	0.99	16	-	11	-	280	0.18	-	-	3	-	-	-	0.48	310
111A	Special Initiatives Division	1	1	1	0.14	3	-	6	-	-	0.05	-	-	9	-	-	-	0.14	17
112	States And Frontier Regions Division	8	10	9	2	28	-	10	0.75	0.60	0.45	-	-	2	-	-	-	0.70	43
113	Frontier Regions	22	1,536	905	4	2,468	-	19	-	-	0.48	-	-	2	-	-	-	2	3,471
114	Federally Administered Tribal Areas	583	2,972	2,251	143	5,939	-	817	-	346	25.70	-	-	16	0.16	-	1,822	254	8,424
115	Maintenance Allowances To Ex-Rulers	-	-	-	0.63	0.63	-	-	-	-	-	-	-	-	-	-	-	-	1
116	Alghan Refugees	21	64	42	11	138	-	13	-	0.30	-	-	-	0.51	-	-	-	1	154
117	Textile Industry Division	9	5	7	2	24	-	40	0.46	45	0.32	-	-	5	-	-	-	2	113
118	Tourism Division	15	13	14	1	45	-	37	-	0.60	0.63	-	-	0.35	-	-	-	2	86

FEDERAL GOVERNMENT

Statement of Appropriation of Grants by Object
For the Year Ended 30 June 2009

Grant No.	Grant Name	AR1-1	AR1-2	AR1-1	AR1-2	AR1	AR2	AR3	AR4	AR5	AR6	AR7	AR8	AR9	AR10	AR11	AR12	AR13	Grand Total
		Pay of Officers	Pay of Other Staff	Regular Allowances	Other Allowances	Employee Related Expenses	Project Pro-Investment Analysis	Operating Expenses	Employee Retirement Benefits	Grants Subsidies and Write off Loans	Transfers	Interest Payments	Loan & Advances	Physical Assets	Principal Repayments of Loans	Investments	Civil Works	Repairs & Maintenance	
119	Other Expenditure of Tourism Division	-	-	-	-	-	-	5	-	34	-	-	-	-	-	-	-	-	79
120	Water And Power Division	24	20	23	3	49	-	58	0.75	159	3	-	3	-	-	-	-	3	298
121	Women Development Division	7	9	9	2	27	-	23	-	6	1	-	0.14	-	-	-	-	2	62
122	Youth Affairs Division	5	3	4	1	13	-	41	-	52	0.28	-	0.49	-	-	-	-	0.73	107
123	Capital Outlay On Purchase of Food	3	6	3	-	13	-	(91)	-	-	-	-	7	-	-	-	-	-	6
124	Capital Outlay On Purchase of Fertilizer	1	2	2	0.08	5	-	0.75	0.15	-	-	-	-	-	-	-	-	-	0.94
125	Capital Outlay On Purchase By Kashmir	-	-	-	-	-	-	1,056	-	-	-	-	0.7	-	-	-	-	-	969
126	Capital Outlay On Land Reforms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
127	Federal Miscellaneous Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,480	-	-	4,480
128	Other Loans And Advances By The Federal Government	0.08	0.18	0.13	-	0.39	-	0.03	0.47	-	-	-	9,030	-	-	-	-	-	0.81
	Total Current Expenditures	7,008	16,951	32,608	3,297	49,774	2	371,989	72,995	490,404	1,834	-	9,823	6,412	27	4,480	1,296	2,998	941,829
	Development Expenditures																		
129	Dev. Exp of Cabinet Division	2	2	-	-	3	-	18,409	-	144	-	-	0.03	-	-	-	78	0.05	18,675
129A	Other Dev. Exp of Cabinet Division	-	-	-	-	-	-	15,271	-	322	-	-	-	-	-	-	-	-	15,593
130	Dev. Exp of Establishment Division	-	0.23	0.05	-	0.27	-	3	-	258	-	-	-	-	-	-	-	-	261
131	Dev. Exp of National Reconstruction Bureau	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
132	Dev. Exp of Commerce Division	13	4	0.08	0.01	17	2	17	-	-	0.02	-	11	-	-	64	0.21	-	111
133	Dev. Exp of Communications Division	-	-	-	-	-	1	236	-	500	-	-	-	-	-	14	-	-	752
134	Dev. Exp of Culture Division	3	2	0.08	0.05	5	-	13	-	-	0.01	-	0.15	-	-	116	43	-	177
135	Dev. Exp of Defence Division	5	17	5	0.11	27	-	1,471	-	1,277	-	-	75	-	-	36	0.11	-	2,887
136	Dev. Exp of Federal Government Educational Institutions In Cantonments And Garrison	-	-	-	-	-	-	-	-	-	3	-	-	-	-	11	-	-	15
137	Dev. Exp of Defence Division	-	-	-	-	-	-	-	-	-	-	-	480	-	-	-	-	-	480
138	Dev. Exp of Economic Affairs Division	0.33	0.36	0.04	-	0.73	-	6	-	2,375	-	-	1,326	-	-	-	-	-	3,988
139	Dev. Exp of Statistics Division	1	37	33	3	78	-	37	-	-	0.06	-	0.05	-	-	-	-	2	117
140	Dev. Exp of Education Division	10	2	2	0.68	14	-	495	-	798	25	-	82	-	-	1,048	0.05	-	2,461
141	Dev. Exp of Environment Division	0.05	0.21	0.41	0.14	0.82	-	549	-	-	-	-	-	-	-	-	-	-	553
142	Dev. Exp of Finance Division	20	9	64	4	97	-	629	-	16,074	0.13	-	412	-	-	441	1	-	18,267
143	Other Development Expenditure	-	0.09	0.03	0.34	0.18	-	5	-	17,527	-	-	-	-	-	-	-	0.01	17,536
144	Development Expenditure Outside Public Sector Development Programme	-	-	-	-	-	-	151	-	21,703	3,234	-	-	-	-	-	-	-	25,088
145	Dev. Exp of Revenue Division	2	0.43	0.05	0.37	3	-	367	-	-	-	-	2	-	-	202	2	-	575
146	Dev. Exp of Food, Agriculture And Livestock Division	82	32	34	12	149	0.54	259	1	5,493	0.15	-	11	119	-	34	1	-	6,076
147	Dev. Exp of Agriculture Research	-	-	-	-	-	-	-	-	347	-	-	-	-	-	-	-	-	347
148	Dev. Exp of Health Division	125	91	151	3,576	3,942	0.68	6,823	2	-	29	-	664	-	-	792	165	-	12,409
149	Dev. Exp of Information And Broadcasting Division	1	2	-	0.43	3	-	2	-	37	0.01	-	-	7	-	-	-	0.05	50
150	Dev. Exp of Information Technology And Telecommunication Division	38	15	22	0.47	95	1	25	-	207	0.15	-	35	-	-	230	0.21	-	399
151	Dev. Exp of Interior Division	76	83	81	6	248	-	470	0.18	-	3,175	-	121	-	-	425	34	-	3,481
152	Dev. Exp of Kashmir Affairs And Northern Areas Division	1	4	3	-	9	-	3,351	-	-	-	-	-	-	-	-	-	-	3,368

FEDERAL GOVERNMENT

Statement of Appropriation of Grants by Object
For the Year Ended 30 June 2009

Grant No.	Grant Name	AM1-1	AM1-2	AM2-1	AM2-2	AM3	AM4	AM5	AM6	AM7	AM8	AM9	AM10	AM11	AM12	AM13	Grand Total		
		Pay of Officers	Pay of Other Staff	Regular Allowances	Other Allowances	Employee Related Expenses	Project Pro- Investment Analysis	Operating Expenses	Employee Retirement Benefits	Grants Subsidies and Write off Loans	Transfers	Interest Payments	Loans & Advances	Physical Assets	Principal Repayments of Loans	Investments		Civil Works	Repairs & Maintenance
153	Dev. Exp of Labour And Manpower Division	8	5	6	1	20	-	30	-	-	0.05	-	-	1	-	-	0.50	52	
154	Development Expenditure Of Overseas Pakistanis Division	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
155	Dev. Exp of Law And Justice Division	7	3	20	2	32	-	207	-	0.50	0.04	-	-	1	-	1	0.51	242	
156	Dev. Exp of Local Government And Rural Development Division	-	-	0.12	-	0.12	-	2,991	-	-	-	-	-	-	-	-	0.06	2,991	
157	Dev. Exp of Narcotics Control Division	-	-	-	-	-	-	275	-	-	-	-	-	2	-	-	-	278	
158	Dev. Exp of Petroleum And Natural Resources Division	2	1	0.17	0.14	3	10	2	-	967	0.02	-	-	3	-	111	0.01	1,127	
159	Dev. Exp of Planning And Development Division	58	13	10	5	88	-	1,549	-	-	0.18	-	-	6	-	100	3	1,754	
160	Dev. Exp of Population Welfare Division	30	60	59	7	157	0.79	223	0.01	2,204	0.54	-	-	5	-	5	6	2,601	
161	Dev. Exp of Scientific And Technological Research Division	1	1	0.56	0.12	3	-	3	-	656	0.30	-	-	0.50	-	-	0.07	663	
162	Dev. Exp of Social Welfare And Special Education Division	31	44	47	6	129	-	139	-	11	-	-	-	43	-	56	7	384	
163	Dev. Exp of Sports Division	0.05	0.02	0.03	0.02	0.12	-	0.39	-	-	-	-	-	2	-	127	-	130	
164	Dev. Exp of Federally Administered Tribal Areas	37	228	103	11	577	0.50	2,140	-	75	50	1	0.01	99	-	2,501	167	5,411	
165	Dev. Exp of Textile Industry Division	7	1	-	-	8	-	13	-	-	-	-	-	-	-	196	-	217	
166	Dev. Exp of Tourism Division	0.34	0.01	-	0.05	0.42	-	0.18	-	-	-	-	-	0.02	-	-	-	1	
167	Dev. Exp of Water And Power Division	0.14	0.16	0.22	-	0.52	-	1	-	25,808	-	-	-	-	-	18	-	25,828	
168	Dev. Exp of Women Development Division	3	2	0.02	-	4	-	67	-	-	-	-	-	-	-	-	-	92	
169	Development Expenditure Of Youth Affairs Division	-	-	-	-	-	-	11	-	-	-	-	-	-	-	-	-	11	
170	Capital Outlay On Development Of Atomic Energy	-	-	-	-	-	-	13,617	-	-	-	-	-	-	-	-	-	13,617	
171	External Development Loans And Advances By The Federal Government	-	-	-	-	-	-	-	-	-	-	-	70,725	-	-	-	-	70,725	
172	Capital Outlay On Federal Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	33	-	-	33	
173	Development Loans And Advances By The Federal Government	-	-	-	-	-	-	-	-	-	-	-	34,605	-	-	-	-	34,605	
174	Capital Outlay On Works Of Foreign Affairs Division	1	1	0.28	0.11	3	-	0.14	-	-	-	-	-	0.06	-	65	-	68	
175	Capital Outlay On Civil Works	-	-	-	-	-	-	136	-	-	-	-	-	-	-	4,012	-	4,148	
176	Capital Outlay On Industrial Development	1	3	2	-	6	-	7	-	2,276	-	-	-	-	-	-	-	2,289	
176A	Capital Outlay On Special Initiatives	(1)	0.29	(2)	-	(3)	-	-	-	193	-	-	-	-	-	-	-	190	
177	Capital Outlay On Petroleum And Natural Resources	10	5	10	0.64	26	20	19	-	25	-	-	-	2	-	2	3	97	
178	Capital Outlay On Ports And Shipping Division	-	-	-	-	-	-	50	-	-	-	-	-	-	-	-	-	50	
179	Capital Outlay On Pakistan Railways	-	-	-	-	-	-	-	-	-	-	-	-	-	5,366	-	-	5,366	
	Total Development Expenditure	409	606	441	3,626	6,545	37	76,571	3	100,077	5,510	1	114,686	2,109	-	5,299	10,740	453	315,194

FEDERAL GOVERNMENT

Statement of Appropriation of Grants by Object

For the Year Ended 30 June 2009

Grant No.	Grant Name	AM11-1	AM11-2	AM12-1	AM12-2	AM1	AM2	AM3	AM4	AM5	AM6	AM7	AM8	AM9	AM10	AM11	AM12	AM13	Grand Total	
		Pay of Officers	Pay of Other Staff	Regular Allowances	Other Allowances	Employee Related Expenses	Project Pro- Investment Analysis	Operating Expenses	Employers Retirement Benefits	Grants Subsidies and Write off Loans	Transfers	Interest Payments	Loans & Advances	Physical Assets	Principal Repayments of Loans	Investments	Civil Works	Repairs & Maintenance		
Expenditures Charged Upon Federal Consolidated Fund																				
A	Staff Household And Allowances of The President	28	53	75	5	84	-	80	0.05	65	20	-	-	5	-	-	-	-	11	343
B	Servicing of Foreign Debt	-	-	-	-	-	-	-	-	-	-	71,560	-	-	-	-	-	-	-	71,560
C	Foreign Loans Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	130,284	-	-	-	-	130,284
D	Repayment of Short Term Foreign Credits	-	-	-	-	-	-	-	-	-	-	-	-	-	74,632	-	-	-	-	74,632
E	Audit	291	240	298	32	862	-	320	5	8	1	-	-	25	-	-	-	-	12	1,344
F	Servicing of Domestic Debt	-	-	-	-	-	-	-	-	-	0.51	580,877	-	-	-	-	-	-	-	580,878
G	Repayment of Domestic Debt	-	-	-	-	-	-	-	-	-	-	510	-	-	4,236,206	-	-	-	-	4,236,716
H	Supreme Court	89	36	122	37	304	-	94	-	-	0.76	-	-	117	-	-	-	-	3	519
I	Islamabad High Court	18	8	25	2	63	-	11	-	-	0.04	-	-	9	-	-	-	-	1	83
J	Electron	73	99	106	15	287	-	156	2	2	0.89	-	-	7	-	-	0.01	-	14	468
K	Wafaj Moteen	22	36	45	5	108	-	61	0.08	-	0.06	-	-	-	-	-	-	-	2	171
L	Federal Tax Ombudsman	5	6	10	0.34	22	-	34	-	-	0.03	-	-	4	-	-	-	-	1	60
Total Expenditures Charged Upon Federal Consolidated Fund		525	478	687	118	1,807	-	766	8	75	23	652,947	-	168	4,461,120	-	0.01	42	5,096,957	
Grand Total- 2009 (Note 29)		8,134	28,095	33,926	6,961	77,126	39	443,328	72,684	590,555	7,367	652,948	124,487	8,969	4,461,148	9,878	12,037	3,495	6,253,977	
Grand Total- 2008 (Note 29)		6,714	22,711	26,133	6,363	61,921	42	399,172	64,714	653,258	5,343	503,975	90,569	90,198	2,087,471	17,938	11,563	1,730	3,099,284	

The annexed notes 1 to 11 form an integral part of these financial statements.


Accountant General Pakistan Revenues

FEDERAL GOVERNMENT

Notes to the Financial Statements

For the Year Ended 30 June 2009

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 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. Food Wing (Ministry of Food and Agriculture)
- 9. Pakistan Railways

- c) Exempt Entities; special purpose authorities/ organisations 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 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 and are separately presented.

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. 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 2009

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. Government of Pakistan is moving towards full implementation of Cash Basis IPSAS - Financial Reporting under the Cash Basis of Accounting. The statement of cash receipts and payments, statement of cash flows, statement of comparison of budget and actual amounts by function, statement 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 and statement of appropriation of grants by object have also been presented, as encouraged by Cash Basis IPSAS.

The Financial Statements for the financial year 2008-09 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 2008-09 (from 1 July, 2008 to 30 June, 2009).

5. REPORTING CURRENCY

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

6. SIGNIFICANT ACCOUNTING POLICIES

6.1. 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 relevant expenditure, if it occurs in the same financial year.

6.2. 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 are as follows:

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.

FEDERAL GOVERNMENT
Notes to the Financial Statements
For the Year Ended 30 June 2009

c) Payments directly in bank accounts

Expenditure is recognized on the date, payment advice is issued to the bank.

d) Direct payments by 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.

6.3. Foreign currency transactions

Cash receipts and payments arising from transactions in foreign currencies are recorded in Pak Rupee by applying to the foreign currency amount the exchange rate between the Pak Rupee and the foreign currency at the date of the receipts and payments. Exchange differences arising on settlement of these transactions are recognized in the statement of cash receipts and payments, but are not disclosed separately.

6.4. Employee benefits

The government has following plans for its employees:

a) General Provident Fund

An employee is compulsory subscribe 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 form 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. Dividend received against investments are recognized when received in the Federal Consolidated Fund.

FEDERAL GOVERNMENT

Notes to the Financial Statements

For the Year Ended 30 June 2009

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.

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 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.

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

These include loans and advances due from provincial governments, 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.

6.12. 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.

FEDERAL GOVERNMENT
Notes to the Financial Statements
For the Year Ended 30 June 2009

7. TAXATION

	Note	2009 (Rupees in million)			2008 (Rupees in million)		
		Tax		Net Tax	Tax		Net Tax
		Collected	Transfers	Collected	Collected	Transfers	Collected
Income Tax	7.1	414,386	(167,037)	247,349	363,869	(144,210)	219,659
Sales Tax	7.2	451,745	(190,042)	261,703	377,428	(153,982)	223,446
Customs	7.3	148,403	(60,409)	87,994	150,663	(58,925)	91,738
Federal Excise	7.4	117,454	(50,661)	66,793	92,142	(41,977)	50,165
Others	7.5	13,121	(1,069)	12,052	9,466	(2,904)	9,424
		1,145,109	(469,218)	675,891	993,568	(401,998)	594,432

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 form @ 16% to 21%. However, all the exports and other goods/ items mentioned in the fifth schedule to Sales Tax Act, 1990 or in notifications 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 excisable 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

Direct Taxes

Capital Value Tax	
Tax on Profession, Trade and Callings	
Land Revenue	
Other Direct Taxes	

Indirect Taxes

Receipts Under Motor Vehicles Act	
Stamp Duties	
Provincial Excise	
Others Indirect Taxes	

2009
Rupees
in Million

2008
Rupees
in Million

2,361	2,645
15	376
166	139
8,156	4,220
10,698	7,380
863	745
330	415
65	132
96	752
1,354	2,044
12,052	9,424

FEDERAL GOVERNMENT
Notes to the Financial Statements
For the Year Ended 30 June 2009

	2009 Rupees in Million	2008 Rupees in Million
8. GENERAL ADMINISTRATION RECEIPTS		
Fiscal Administration	451	390
Community Services	704	905
Social Services	973	930
Economic Regulations	397	431
Law and Order	1,115	623
Organs of State	32	98
Statistics	4	11
	<u>3,676</u>	<u>3,388</u>
9. ECONOMIC SERVICES RECEIPTS		
Receipts under Oilfields and Mineral Development Act	268	736
Special Communication Organization Receipts	-	1,180
Food and Agriculture	291	201
Fisheries and Animal Husbandry	75	55
Forest and Irrigation	41	16
	<u>675</u>	<u>2,188</u>
10. DEFENCE SERVICES RECEIPTS		
Administrative Services	72,396	42,910
General Headquarters	1,807	-
Military Engineering Services	954	926
Air Force	866	893
Pakistan Navy	507	369
Procurement, Research & Product Development	202	323
Receipts on Certain Measures of Inter-Services Nature	608	949
Military Farms	178	-
Defence Services Others	343	1,179
	<u>77,861</u>	<u>47,549</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.

FEDERAL GOVERNMENT
Notes to the Financial Statements
For the Year Ended 30 June 2009

	Note	2009 Rupees in Million	2008 Rupees in Million
11. DEVELOPMENT SURCHARGE AND ROYALTIES			
Petroleum Development Levy	11.1	106,675	9,772
Development Surcharge on Gas	11.2	16,946	20,732
Royalty on Crude Oil	11.3	13,916	13,434
Royalty on Natural Gas	11.3	32,095	21,535
Discount Retained on Local Crude Price	11.4	25,583	24,122
Mineral Royalties		51	-
		195,266	89,595
Less: Provincial Share		(56,801)	(55,115)
		<u>138,465</u>	<u>34,480</u>

- 11.1. Petroleum development levy is imposed through Finance Ordinance, 2001 at per liter price of various selected products notified by the Government.
- 11.2. 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.
- 11.3. 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.
- 11.4. 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	2009 Rupees in Million	2008 Rupees in Million
12. INTEREST ON LOANS AND ADVANCES			
Interest on Domestic Loan	12.1	34,653	47,820
Interest on Loans and Advances to Govt. Servants		59	52
Loans and Advances - Others		2,865	2,238
		<u>37,577</u>	<u>50,110</u>

12.1. Interest On Domestic Loan

Provinces	17,277	19,879
Azad Kashmir Govt.	-	322
District Governments	273	235
Financial Institutions	3,784	4,425
Non-Financial Institutions	13,319	22,959
	<u>34,653</u>	<u>47,820</u>

- 12.1.1. Interest on loans and advances granted by the Federal Government is chargeable in accordance with the terms and conditions of each loan. Interest rate is determined by the finance division in accordance with the actual borrowing cost of the Federal Government and is charged using simple interest rate on an yearly basis.

FEDERAL GOVERNMENT
Notes to the Financial Statements
For the Year Ended 30 June 2009

	Note	2009 Rupees in Million	2008 Rupees in Million
13. DIVIDEND AND PROFIT SHARE			
Dividends Receipts	13.1	58,515	75,993
Profit Share	13.2	161,163	92,266
		<u>219,678</u>	<u>168,259</u>

13.1. Dividends Receipts

Financial Institution

National Insurance Corporation	500	500
Pakistan Re-Insurance Corporation	382	12
Saudi Pak Industrial & Agricultural Investment Co. (Pvt) Ltd.	-	3,000
State Life Insurance Corporation	-	513
Others	99	106
	<u>981</u>	<u>4,131</u>

Non-Financial Institution

Oil and Gas Development Company Limited (OGDCL)	33,299	35,552
Govt Holding (Pvt) Limited	8,500	9,000
Pakistan Petroleum Limited	6,506	12,662
Pak Arab Refinery	6,000	3,600
Saindak Metal (Pvt) Limited	1,000	1,000
Pakistan State Oil Company Limited	766	1,138
Sui Northern Gas Pipe Lines Limited	692	593
Sui Southern Gas Company Limited	507	203
Pakistan Security Printing Corporation	150	-
Fauji Fertilizer Co Limited	48	-
Pakistan Telecommunication Company Limited (PTCL)	-	6,342
Pakistan Steel Mills Corporation	-	1,000
Others	66	772
	<u>57,834</u>	<u>71,862</u>
	<u>58,515</u>	<u>75,993</u>

13.2. Profit Share

State Bank of Pakistan	13.2.1	161,163	87,251
Pakistan Telecommunication Authority		-	5,015
		<u>161,163</u>	<u>92,266</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.

	2009 Rupees in Million	2008 Rupees in Million
14. DEVELOPMENT GRANTS		
<i>Foreign Grants</i>		
United Kingdom	8,688	6,471
European Commission	1,142	-
Turkey	803	-
Saudi Arabia	-	18,828
International Bank for Re-construction and Development	-	136
Others	133	237
	<u>10,766</u>	<u>25,672</u>

FEDERAL GOVERNMENT
Notes to the Financial Statements
For the Year Ended 30 June 2009

	2009 Rupees in Million	2008 Rupees in Million
15. FOREIGN DEBT - RECEIPTS		
Asian Development Bank	123,119	91,235
Islamic Development Bank	57,391	58,205
Loans from International Development Association	66,909	14,351
Chinese Loan	44,409	5,202
Loans from International Bank for Re-construction and Development	7,423	3,384
Standard Chartered Bank	3,960	-
German Export Credit	2,928	32
Kuwait	2,782	157
Dollar Bond N.C.C.	1,498	1,325
Yen Credit from Japan	2,017	193
International Fund for Agricultural Development	444	164
O.P.E.C. Special Fund Loan	646	-
French Credit	37	2,024
	<u>313,563</u>	<u>176,272</u>
16. DOMESTIC PERMANENT DEBT - RECEIPTS		
National Prize Bonds	107,794	107,560
Pakistan Investment Bonds	68,622	69,417
Ijara Sukuk Bond	27,848	-
Special U.S. Dollar Bonds	32	2
	<u>204,296</u>	<u>176,979</u>
17. DOMESTIC FLOATING DEBT-NET		
<i>Floating Debt- Receipts</i>		
6 Months Market Treasury Bills purchased by SBP	2,607,947	1,796,921
6 Months Market Treasury Bills (Auction)	1,759,879	614,031
Treasury Bills for Ways and Means	20	60
	<u>4,367,846</u>	<u>2,411,012</u>
<i>Floating Debt- Payments</i>		
6 Months Market Treasury Bills purchased by SBP	2,600,992	1,146,153
6 Months Market Treasury Bills (Auction)	1,498,845	735,072
Treasury Bills for Ways and Means	20	60
Promissary Note	83	165
	<u>4,099,940</u>	<u>1,881,450</u>
	<u>267,906</u>	<u>529,562</u>
18. PRIVATIZATION PROCEEDS		
Hazara Phosphate Fertilizer Company	1,290	-
Lasbella & Bolan Textile Mills	-	50
	<u>1,290</u>	<u>50</u>

FEDERAL GOVERNMENT
Notes to the Financial Statements
For the Year Ended 30 June 2009

	2009 Rupees in Million	2008 Rupees in Million
19. RECOVERY OF LOANS AND ADVANCES		
Provinces	19,690	25,378
Non-Financial Institution	1,767	34,147
Financial Institution	4,276	3,409
Government Servants	1,342	1,165
District Governments/TMAs	-	9
Others	48	4,276
	<u>27,123</u>	<u>68,384</u>
20. TRADING ACTIVITIES		
Pakistan Post Office - Receipts	7,825	6,268
Sale of Wheat	9	-
	<u>7,834</u>	<u>6,268</u>
21. SALARIES AND EMPLOYEE BENEFITS		
Pay of Officers	8,134	6,714
Pay of Other Staff	28,095	22,711
Regular Allowances	33,936	26,133
Other Regular Allowances	6,961	6,363
Retirement Benefits	72,603	64,714
	<u>149,729</u>	<u>126,635</u>
22. PRINCIPAL REPAYMENTS OF DEBT		
<i>Foreign Debt</i>		
Islamic Development Bank (ST) (IDB)	75,136	2,513
Euro Bond	40,029	-
Asian Development Bank	32,425	20,976
International Bank for Re-construction and Development	18,612	16,264
International Development Association	12,427	8,982
Chinese Loan	7,953	6,052
Others	6,401	6,898
Yen Credit from Japan	3,848	2,946
Korea	2,639	3,707
French Credit	2,136	2,319
Italian Credit	1,811	1,655
Dollar Bond N.C.C.	1,498	1,325
	<u>204,915</u>	<u>73,637</u>
<i>Domestic Debt- Permanent</i>		
National Prize Bonds	91,610	98,521
Pakistan Investment Bonds	41,853	14,469
Govt. Bonds Issued to HBL	-	9,805
Special U.S. Dollar Bonds	1,213	2,194
Federal Investment Bonds	1	2,150
Others	2,125	5,245
	<u>136,802</u>	<u>132,384</u>
	<u>341,717</u>	<u>206,021</u>

FEDERAL GOVERNMENT
Notes to the Financial Statements
For the Year Ended 30 June 2009

	Note	2009 Rupees in Million	2008 Rupees in Million
23. SERVICING OF DEBT			
Domestic Debt		580,878	442,590
Foreign Debt		71,560	61,385
		652,438	503,975
24. LOANS AND ADVANCES			
Revenue Expenditure		1,337	1,012
Capital Expenditure			
Provincial Governments		56,338	37,820
Non-Financial Institutions		24,821	12,547
District Governments		22,978	22,625
Government Employees	24.1	2,060	1,814
Others		16,953	14,222
		123,150	89,028
		124,487	90,040
24.1. Government Employees			
House Building Advance		1,649	1,479
Motor Car Advance		193	149
Motor Cycle Advance		213	180
Cycle Advance		5	6
		2,060	1,814
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.			
25. INVESTMENTS - PAYMENTS			
Pakistan Railways		5,366	7,264
E.C.O. Trade and Development Bank		1,888	1,481
P.L.A. Corporation		934	892
Islamic Development Bank		642	779
Poverty Alleviation Fund with IDB		413	-
Karachi Shipyard and Engineering Works Ltd		316	175
NIP Karachi		195	-
Pakistan Dairy Development Co.		90	-
Pakistan Television Corporation		33	326
Pak. China Investment Company		2	3,227
Pak. Borneo Investment Co. Ltd.		-	1,741
Pak. Oman Investment Company		-	1,500
Pakistan Iron Investment Co.		-	500
Utility Stores Corporation of Pakistan		-	53
		9,879	17,938

FEDERAL GOVERNMENT
Notes to the Financial Statements
For the Year Ended 30 June 2009

	2009 Rupees in Million	2008 Rupees in Million
26. NET RECEIPT OF PUBLIC ACCOUNT		
<i>Receipts</i>		
Other Public Accounts	4,063,621	2,942,645
National Saving Schemes	1,286,480	494,172
Deposits	398,888	343,694
State Provident Fund	20,830	16,819
	5,769,819	3,797,330
<i>Payments</i>		
Other Public Accounts	(4,076,248)	(2,926,767)
National Saving Schemes	(1,036,963)	(411,703)
Deposits	(352,350)	(370,415)
State Provident Fund	(14,639)	(10,554)
	(5,480,200)	(3,719,439)
	289,619	77,891

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	2009 Rupees in Million	2008 Rupees in Million
27. CASH AT BANK AND TREASURIES			
Cash with State Bank of Pakistan (SBP)		55,856	(5,296)
Cash Balance with Treasuries		(234)	(238)
		55,622	(5,534)
28. ASSETS AND LIABILITIES			
<i>Assets</i>			
Long Term Assets		237,755	211,878
Investments		475,652	465,773
Loans and Advances		977,438	852,539
Current Assets		14,041	32,321
Cash at Bank and Treasuries		55,622	(5,534)
	28.1	1,760,508	1,556,977
<i>Liabilities and Equity</i>			
Public Debt		3,676,660	3,232,201
Special Deposits and Trust Accounts		1,336,517	1,068,768
Deferred liabilities		77,306	75,349
Capital Receipts		264,007	262,591
Residual Equity		(3,593,982)	(3,081,932)
	28.1	1,760,508	1,556,977

28.1. These financial statements have been prepared under cash basis of accounting, the information of assets and liabilities have been presented on the basis of limited records as explained in note 2 and these are not mandatory but encouraged disclosures as per Cash Basis IPSAS.

FEDERAL GOVERNMENT
Notes to the Financial Statements
For the Year Ended 30 June 2009

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.

The Statements of Comparison of Budgeted and Actual Amounts by Function, by Division and Appropriation of Grants by Object 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:

	<i>Note</i>	2009 in Million	2008 in Million
Receipts			
Actual Receipts in Statement of Comparison of Budget and Actual Amounts by Function		6,125,514	3,796,806
Add: Floating debt-net	17	267,906	529,562
Less : Floating debt receipts	17	(4,367,846)	(2,411,012)
Actual Receipts in Statement of Cash Receipts and Payments		<u>2,025,574</u>	<u>1,915,358</u>
Payments			
Actual Payments in Statements of Comparison of Budget & Actual Amounts by Function, Actual Expenditure by Division and Appropriation of grants by object		6,353,977	3,909,284
Less : Floating debt payments	17	(4,099,940)	(1,881,450)
Actual Payments in Statement of Cash Receipts and Payments		<u>2,254,037</u>	<u>2,027,835</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

10 FEB 2010
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

Controller General of Accounts

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Sector G-5/2, Islamabad
Tel: (051) 9201322-25

Accountant General Pakistan Revenues

AGPR Complex
Sector G-8/4, Islamabad
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