



FINANCIAL STATEMENTS
of the
Federal Government
2016-17



Government of Pakistan



FINANCIAL STATEMENTS

of the

Federal Government

Financial Year 2016 – 17

Government of Pakistan

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, 2017 together with the Auditors' Report thereon along with the management analysis report.

The Financial Statements of the Federal Government for the financial year 2016-17 have been prepared by the Accountant General Pakistan Revenues, Islamabad under Section 5 of the Controller General of Accounts (Appointment, Functions and Powers) Ordinance, 2001 and are the responsibility of the Controller General of Accounts.

In response to the changing nature of stakeholders' requirements for making informed decision making based on financial information and developments in the public sector accounting standards, the role of CGA has transformed. Stakeholders now expect high quality, reliable and relevant financial reports and the focus of CGA is not limited to reporting historical results, but is now constantly moving towards enhancing public value, by providing the legislature and the executive through the Financial Statements and Management Analysis report an insight of the government's financial performance.

In December 2000, Auditor General of Pakistan prescribed New Accounting Model (NAM) with the approval of the President of Pakistan under Article 170 of the Constitution of Islamic Republic of Pakistan. NAM, which conforms to international best practices, comprises of seven volumes and is based on Modified Cash Basis of Accounting in which, though cash basis of accounting is followed, the following additional concepts were introduced:

- Commitment Accounting
- Physical and Financial Assets Accounting
- Liabilities Accounting

Commitment, asset and liability accounting practices are not yet implemented and these financial statements have been prepared on cash basis of accounting and do not include accrued receipts and liabilities.

The format of International Public Sector Accounting Standards (IPSAS) Cash Basis - Financial Reporting under the Cash Basis of Accounting has been adopted for the preparation of these Financial Statements.

These Financial Statements focus on reporting the budgetary activity of the Government for the financial year as laid down in the financial procedures of the Constitution which describes the Government as Federal Consolidated Fund and Public Account for which Annual Budget Statement is authorized by the Parliament in the form of budgetary grants.

Finally, it is important to emphasize the value of sustained and dedicated efforts towards excellence in public sector financial accounting and reporting. Moving forward, management and staff of CGA are working closely to address the challenges and issues which can limit the quality, transparency and reliability of financial reports. Through excellent financial reporting we are committed to support the decision making critical to the nation's fiscal future.

Islamabad, Pakistan
Date: **29 DEC 2017**


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 2016-17 in the statement of cash receipts and payments, its cash flows along with comparison with the revised budget approved by the Parliament in the statements of comparison of budget and actual amounts by function and actual expenditure by division.

The financial statements for the financial year 2016 - 17 have been prepared and presented in order to make a fair

presentation of all the relevant financial information without making any change in the fundamentals applied and all policies have been applied on a basis consistent with the previous year.

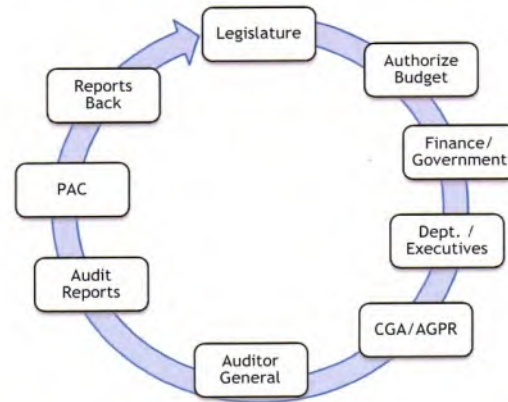
The financial statements have been prepared by the Accountant General Pakistan Revenues (AGPR) by consolidating the information relating to all Federal Government entities which it receives from AGPR sub offices and Self Accounting Entities.

FINANCIAL MANAGEMENT

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

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

Financial Management Cycle



GOVERNANCE STRUCTURE

Pakistan is a federal republic to be known as Islamic Republic of Pakistan and the territories of Pakistan comprises of the provinces of Balochistan, Khyber Pakhtunkhwa, Punjab and Sindh, Islamabad Capital Territory 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 define the administrative structure, allocation and transaction of the business of the Federal Government.

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

which perform functions on behalf of the Federal Government. Prime Minister is responsible for important

policy decisions and formulation of ministries or divisions and allocation of business amongst them.



FINANCIAL ACCOUNTING AND REPORTING FRAMEWORK

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

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

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

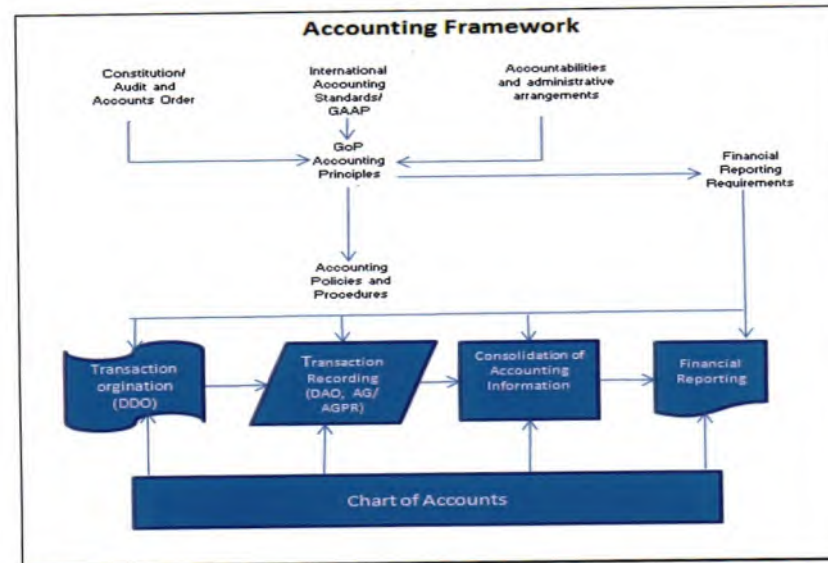
New Chart of Accounts was adopted from 1st July 2004. In December 2000, Auditor General of Pakistan prescribed NAM with the approval of the President of Pakistan under Article 170 of the Constitution of Islamic Republic of Pakistan. NAM is based on Modified Cash Basis of Accounting in which, though cash basis of accounting is followed, the following additional concepts were introduced:

- Commitment Accounting
- Physical and Financial Assets Accounting
- Liabilities Accounting

Commitment, asset and liability accounting practices are not yet implemented and these financial statements have been prepared under the cash basis of accounting that recognizes transactions and events only when cash is received or paid by the entity.

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

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



The format of International Public Sector Accounting Standards (IPSAS) Cash Basis - Financial Reporting under the Cash Basis of Accounting has been adopted for the preparation of these Financial Statements.

The Financial Statements include;

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

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

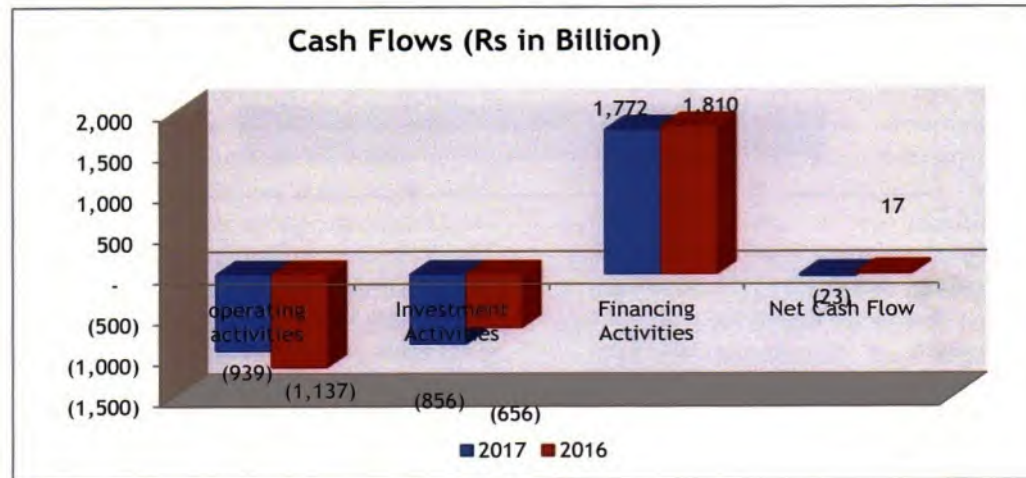
Assets and liabilities of the Federal Government are disclosed in the notes to the Financial Statements and are recorded on a historical cost basis and do not include accrued receipts and payments.

FINANCIAL REVIEW

CASH FLOWS

The net cash flows for the year have decreased by Rs. 22,527 million decreasing the balance of cash and cash equivalents at end of the year from Rs. 14,456 million last year to a negative balance of Rs.8,071 million. Cash used in operating activities decreased by 17.38%.

The outflows from investing activities have increased by 30.42%, whereas the cash flows from financing activities have shown a decrease by 2.09% as compared to previous year's activities.



RECEIPTS AND PAYMENTS

RECEIPTS

Taxation

During the year under review tax receipts were Rs. 3,336,230 million as compared to Rs. 3,110,380 million for the previous financial year, which represents an increase of 7.26%. Out of total tax collections for the financial year 2016-2017, the Federal Government has transferred Rs. 1,844,789 million to the provinces. These transfers are made from all heads of taxes in accordance with the

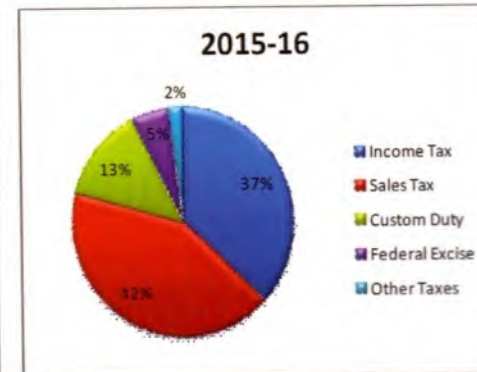
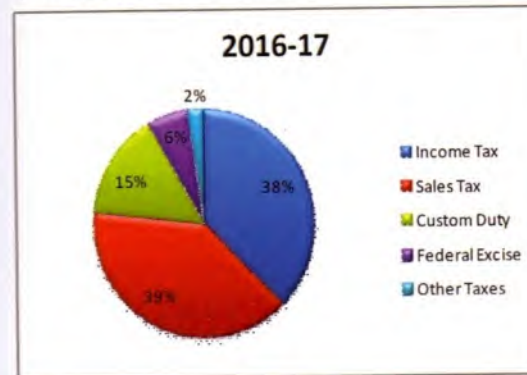
NFC award. The net tax reported after the transfers leaves the Federal Government with tax revenue of Rs 1,491,441 million against Rs. 1,337,326 million in comparison with the previous financial year.

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

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

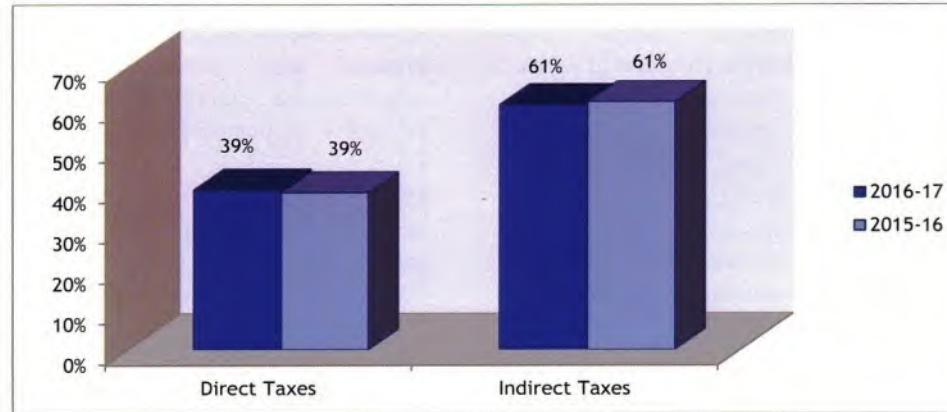
The basic philosophy of tax and tariff reform has been to move away from investment and production based taxes to income (direct taxes) and consumption (sales tax) based taxes. Pakistan has

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



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

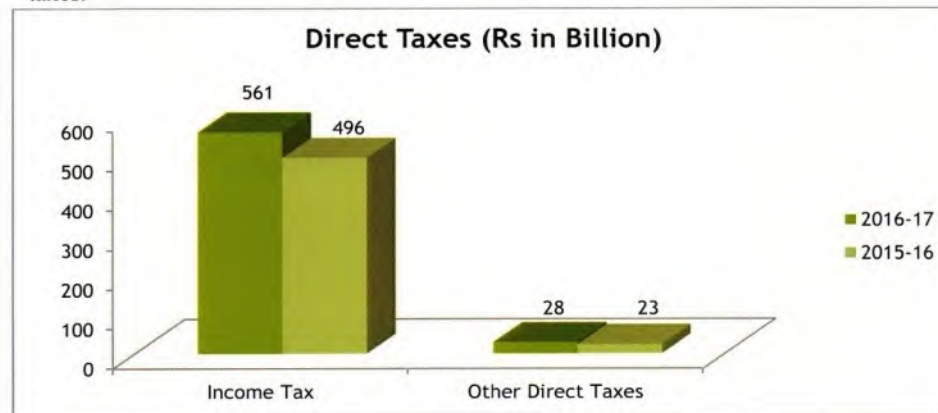
been; Direct taxes 39% and indirect taxes 61%, out of total taxes.



Direct Taxes

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

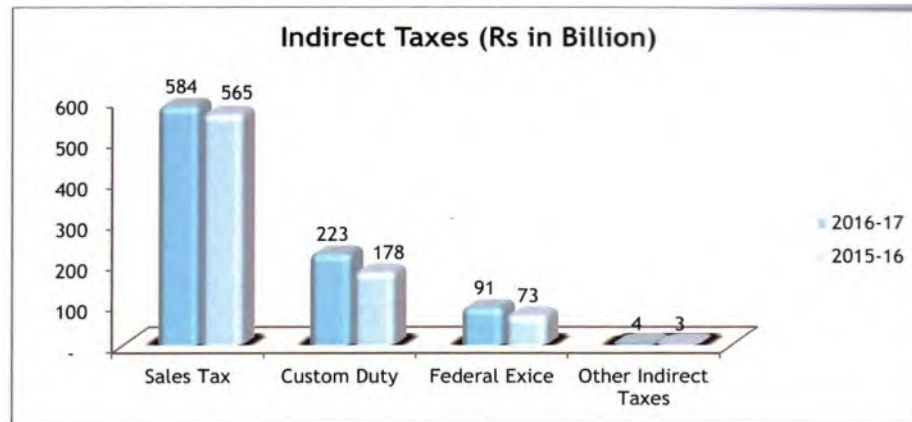
The net collection of direct taxes has increased by 70 billion as compared to previous year. Composition of direct taxes for the financial years is depicted below.



Indirect Taxes

Indirect taxes are the largest contributor to federal tax revenues. Indirect taxes comprise of sales tax, customs duty and federal excise duty. The total revenue from Indirect taxes for the current year amounted to Rs. 902 billion. Sales tax has emerged as the leading revenue source in

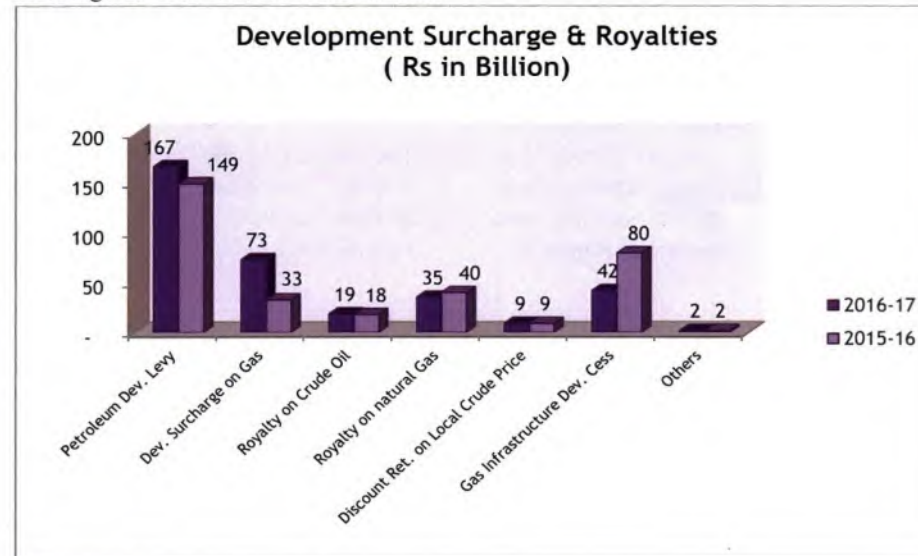
recent years. Due to its buoyant nature, the share of sales tax has come to 64.75% of the total indirect tax collected, customs to 24.71% and Federal Excise 10.13% of the total indirect taxes.



Development Surcharge and Royalties

Items exhibiting major movements here are Petroleum Development Levy showing 48.06% increase from previous year, Dev. Surcharge on Gas 21.12% increase from

last year. The Gas Infrastructure Dev. Cess increased by 12.15%.



Borrowings

1. Domestic Debt

During the year under review domestic debt receipts amounted to Rs. 2,908,188

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

Permanent domestic debt raised during the current financial year was Rs. 1,142,075 million as compared to Rs. 1,668,997 million in the last financial year. The major sources were Pakistan Investment Bonds (Rs. 922,163 million), Ijara Sukuk Bonds (Rs. 71,007 million), and National Prize Bonds (Rs. 145,903 million).

2. Foreign Debt

In the year under review, the burden of foreign debt on the Federal Government has increased by Rs 353,735 million. Receipts of foreign debt recorded were Rs. 1,058,349 million this year as compared to Rs. 704,614 million last year which represents an increase of 33.42%. Amongst foreign lenders, Chinese Loan amounted to Rs. 162,849 million during the year. Also Rs. 104,423 million was raised through Sukuk Bonds. Other major donors were Asian Development Bank (ADB) Rs. 154,904 million, International Development Association (IDA) Rs. 70,500 million, Islamic Development Bank (IDB) Rs. 56,330 million and Consortium of Commercial Banks Rs. 457,611 million.

Dividend and profit share

Dividend represents dividends received against the investments made by the

Recovery of loans and advances

This item has witnessed an upward movement in aggregate. Compared to previous year, an increase of 15.83% in recoveries has been recorded. As far as recoveries from provinces are concerned, figure of last year stood at Rs. 52,406

Federal Government in financial and non-financial institutions. Non-financial institutions were the prime source of dividends received in the Federal Consolidated Fund. A decrease of 23.86% in total dividend receipts was recorded in comparison to the previous financial year; the current year's receipt amounted to Rs. 69,704 million. Out of total dividend income, dividend from OGDCL was Rs. 21,421 million, Pak Arab Refinery Ltd Rs. 7,500 million and from Government Holdings Private Ltd was Rs. 20,000 million.

Share of profits represents distributable profits from the State Bank of Pakistan and any other authority to the Federal Government against the appropriation of their net profits from their investment holdings. The profit share received during the year was Rs. 261,393 million. Profit share from PTA amounted to Rs. 33,127 million this year.

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

million compared to Rs. 47,333 million this year.

PAYMENTS

The Federal Government's plan of better fiscal transparency and improving expenditure management is still at the forefront of policy despite the impediments faced by the country during this fiscal year. Total payments made from Federal Consolidated Fund during the current year increased by Rs. 1,768 billion (35.56%) from the previous year. Total payments made during the year amounted to Rs. 6,739 billion as compared to Rs. 4,972 billion last year.

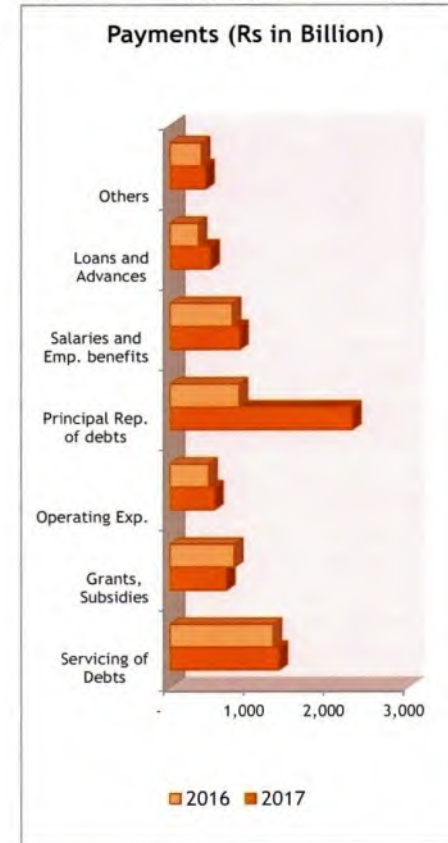
The major payments include salaries and employees benefits amounting to Rs. 874 billion, operating expenditure amounting to Rs. 558 billion, servicing of debt Rs. 1,364 billion, grants, subsidies and write-off of loans Rs. 706 billion and principal repayment of debts amounting to Rs. 2,282 billion. The Principal Repayment of Debt consisted of repayment of domestic debt of Rs. 1,738 billion and Rs. 544 billion for repayment of foreign debt. Out of total debt servicing payments of Rs. 1,364 billion, the domestic debt servicing cost was Rs. 1,236 billion and foreign debt servicing cost was Rs. 128 billion.

THE BUDGET 2016-2017

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)

The composition of payments made has been detailed below;



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

Medium-Term Budgetary Framework (MTBF)

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

Analysis of Budget - Comparison of Actual With Budget

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

Budgeted Payments

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

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

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

2,640,692 million was budgeted as revenue receipts against which actual receipts collected were Rs. 2,565,810 million. Capital receipts budgeted were Rs. 13,344,995 million and the actual receipts were of Rs. 16,082,806 million.

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

FEDERAL GOVERNMENT
Statement of Comparison of Budgeted and Actual Amounts by Function
For the Year Ended 30 June 2017

Note	2017 (Rupees in million)			2016 (Rupees in million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
RECEIPTS						
	Revenue					
	1,566,640	1,514,956	1,491,441	1,345,674	1,341,741	1,337,326
	1,235,881	1,125,736	1,074,369	1,141,656	1,177,193	899,756
	2,802,521	2,640,692	2,565,810	2,487,329	2,518,934	2,237,082
	Capital					
	8,756,071	12,247,898	14,939,006	8,752,370	9,526,433	10,735,580
	796,784	971,603	1,057,042	727,533	821,426	704,614
	101,890	107,720	86,747	89,860	101,869	74,890
	50,000	17,774	11	50,000	13,600	-
29	9,704,745	13,344,995	16,082,806	9,619,763	10,463,328	11,515,084
	12,507,266	15,985,687	18,648,616	12,107,093	12,982,262	13,752,166
PAYMENTS						
	Revenue					
	3,105,224	2,993,164	2,533,146	2,489,393	2,518,312	2,417,647
	863,167	843,941	889,155	783,130	777,775	793,966
	109,615	125,917	141,470	98,675	100,760	123,087
	129,644	145,305	134,371	150,792	132,321	167,605
	2,095	1,931	1,976	1,095	1,102	1,041
	4,745	4,964	2,978	4,186	3,849	4,748
	37,982	37,703	46,892	32,293	30,813	35,784
	8,659	11,471	12,876	8,371	9,868	10,298
	108,673	113,663	107,331	97,610	108,598	117,375
	2,509	4,607	4,678	2,886	3,272	3,993
	4,372,313	4,282,666	3,874,873	3,668,431	3,686,670	3,675,543
	Capital					
	9,058,930	12,885,712	14,888,433	9,253,744	9,980,465	10,166,643
	37,490	25,540	20,392	15,942	12,136	16,532
	9,096,420	12,911,252	14,908,825	9,269,686	9,992,601	10,183,174
29	13,468,733	17,193,918	18,783,698	12,938,117	13,679,271	13,858,718

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

Financial System and Control

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

- Modern accounting system designed according to internationally recognized accounting principles and standards, and based on modern information technology to ensure ready availability of relevant, Accurate and timely information required by economic managers as a decision support system.
- Implementation of the world most advanced Enterprise Resource Planning (ERP) system, SAP has been implemented at AG offices. Two modules namely Financial and Controlling (SAP-FICO) and Human Resources (SAP-HR) are currently in use. This system has contributed a lot in the preparation of financial statements. Additionally, procedures of Payroll and General Provident Fund have become more effective. Burden

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

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.

Accounts Ordinance, 2001. These principles have been based on the Committee of Sponsoring Organizations (COSO) Framework that conforms 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 Auditor-General office as part of its financial statements audit.

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

Auditor's Report

I have audited the accompanying financial statements of the Federal Government, which comprise the statements of receipts and payments for the year ended 30th June 2017, statement of cash flows, statement of comparison of budget and actual amounts by function, statement of comparison of budget, actual expenditure by division and statement of appropriation of grants by object for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and proper presentation of these financial statements in accordance with the applicable financial reporting framework.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit in accordance with the requirements of Article 169 & 170 (2) of the Constitution of the Islamic Republic of Pakistan read with Section 7 of the Auditor-General's (Functions, Powers and Terms & Conditions of Service) Ordinance, 2001. I conducted my audit in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) and other guidance issued by my department. These standards require that I perform procedures including risk assessment, to obtain reasonable assurance whether the financial statements are free of material misstatement. The audit process includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. It also includes assessing the accounting policies used, as well as evaluating the overall financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion:

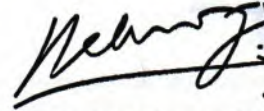
- (a) These financial statements properly present, in all material respects, the financial position of the federal government as at 30 June, 2017 and the results of its operations, its cash flow and its expenditures and receipts, by appropriation for the year then ended in accordance with the stated accounting policies of the Government of Pakistan.
- (b) The sums expended have been applied, in all material respects, for the purposes authorized by the Parliament and have, in all material respects, been booked to the relevant grants and appropriations.

Other Reports

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

Islamabad, Pakistan

Dated: **29 DEC 2017**



(Javid Jehangir)
Auditor- General of Pakistan

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

	Note	2017 (Rupees in Million)		2016 (Rupees in Million)	
		Receipts / Payments Controlled by Federal Government	Payments by Third Parties	Receipts / Payments Controlled by Federal Government	Payments by Third Parties
FEDERAL CONSOLIDATED FUND					
RECEIPTS					
Taxation					
Income tax		560,715	-	495,598	-
Sales tax		584,220	-	564,801	-
Custom duty		222,941	-	178,040	-
Federal excise		91,444	-	72,527	-
Other taxes		32,121	-	26,360	-
	7	1,491,441	-	1,337,326	-
Non-Tax Revenue and Other Receipts					
General administration receipts	8	6,890	-	6,957	-
Economic Services Receipts	9	12,498	-	9,463	-
Defence services receipts	10	68,042	-	107,098	-
Development surcharge and royalties	11	224,972	-	241,165	-
Citizenship, nationalization, passport and copyright		20,071	-	20,861	-
Interest on loans and advances	12	113,278	-	68,284	-
Dividend and profit share	13	331,097	-	353,785	-
Others		266,928	-	33,051	-
		1,043,776	-	840,664	-
Grants and Aid					
Development grants	14	19,332	9,927	48,680	-
Borrowings					
Foreign debt	15	1,043,464	14,885	668,930	35,684
Domestic permanent debt	16	1,142,075	-	1,668,997	-
Domestic floating debt-net	17	1,766,113	-	215,122	-
		3,951,652	14,885	2,553,049	35,684
Capital Receipts					
Recovery of loans and advances	18	86,747	-	74,890	-
Privatization Proceeds	19	11	-	-	-
		86,758	-	74,890	-
Trading Activities					
	20	11,261	-	10,412	-
TOTAL RECEIPTS		6,604,220	24,812	4,865,021	35,684

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

	Note	2017 (Rupees in Million)		2016 (Rupees in Million)	
		Receipts / Payments Controlled by Federal Government	Payments by Third Parties	Receipts / Payments Controlled by Federal Government	Payments by Third Parties
PAYMENTS					
<i>Operations</i>					
Salaries and employees benefits	21	873,751	-	781,584	-
Operating expenses		557,835	-	483,332	-
		1,431,586	-	1,264,915	-
<i>Transfers</i>					
Grants, subsidies and write-off of loans		706,039	-	803,448	-
Other transfer payments		13,416	-	14,511	-
		719,455	-	817,959	-
<i>Expenditures on</i>					
Physical assets		243,584	24,812	219,606	35,684
Civil works		142,101	-	116,097	-
Others		7,534	-	7,332	-
		393,219	24,812	343,035	35,684
<i>Debt and Interest Payments</i>					
Principal repayments of debts	22	2,281,968	-	866,725	-
Servicing of debts	23	1,363,926	-	1,291,023	-
		3,645,894	-	2,157,748	-
<i>Other Payments</i>					
Loans and advances	24	508,598	-	353,729	-
Investments	25	40,550	-	34,187	-
		549,148	-	387,916	-
TOTAL PAYMENTS		6,739,302	24,812	4,971,573	35,684
NET PAYMENT OF FEDERAL CONSOLIDATED FUND		(135,082)	-	(106,552)	-
NET RECEIPT OF PUBLIC ACCOUNT	26	112,555	-	123,867	-
INCREASE / (DECREASE) IN CASH		(22,527)	-	17,315	-
CASH AT THE BEGINNING OF THE YEAR		14,456	N/A*	(2,859)	N/A*
INCREASE / (DECREASE) IN CASH		(22,527)	N/A*	17,315	N/A*
CASH AT THE END OF THE YEAR	27	(8,071)	N/A*	14,456	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 2017

	Note	2017 Rupees in million	2016 Rupees in million
CASH FLOWS FROM OPERATING ACTIVITIES			
Tax receipts	7	1,491,441	1,337,326
Non-tax revenue & other receipts		1,043,776	840,664
Development grants	14	29,259	48,680
Trading activities	20	11,261	10,412
Operations payments		(1,431,586)	(1,264,915)
Servicing of debt	23	(1,363,926)	(1,291,023)
Transfers		(719,455)	(817,959)
<i>Cash used in Operating Activities</i>		(939,230)	(1,136,815)
CASH FLOWS FROM INVESTING ACTIVITIES			
Recoveries of loans and advances	18	86,747	74,890
Privatization Proceeds	19	11	-
Expenditure on physical assets, civil works & others		(393,219)	(343,035)
Investments	25	(40,550)	(34,187)
Payments of loans and advances	24	(508,598)	(353,729)
<i>Cash used in Investing Activities</i>		(855,609)	(656,061)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt of domestic permanent debt	16	1,142,075	1,668,997
Receipt of foreign debt	15	1,033,537	668,930
Domestic floating debt-net	17	1,766,113	215,122
Principal repayments of debt	22	(2,281,968)	(866,725)
Net receipt of public account	26	112,555	123,867
<i>Cash from Financing Activities</i>		1,772,312	1,810,191
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS		(22,527)	17,315
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		14,456	(2,859)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	27	(8,071)	14,456

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



Accountant General Pakistan Revenues

**Statement of Comparison of Budgeted and Actual Amounts by Function
For the Year Ended 30 June 2017**

	2017 (Rupees in million)			2016 (Rupees in million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
RECEIPTS						
Revenue						
Taxation	1,566,640	1,514,956	1,491,441	1,345,674	1,341,741	1,337,326
Non-taxation	1,235,881	1,125,736	1,074,369	1,141,656	1,177,193	899,756
Total revenue receipts	2,802,521	2,640,692	2,565,810	2,487,329	2,518,934	2,237,082
Capital						
Domestic debt	8,756,071	12,247,898	14,939,006	8,752,370	9,526,433	10,735,580
Foreign debt	796,784	971,603	1,057,042	727,533	821,426	704,614
Recoveries of loans and advances	101,890	107,720	86,747	89,860	101,869	74,890
Privatization Proceeds	50,000	17,774	11	50,000	13,600	-
Total capital receipts	9,704,745	13,344,995	16,082,806	9,619,763	10,463,328	11,515,084
TOTAL RECEIPTS	12,507,266	15,985,687	18,648,616	12,107,093	12,982,262	13,752,166
PAYMENTS						
Revenue						
General public services	3,105,224	2,993,164	2,533,146	2,489,393	2,518,312	2,417,647
Defence affairs and services	863,167	843,941	889,155	783,130	777,775	793,966
Public order and safety affairs	109,615	125,917	141,470	98,675	100,760	123,087
Economic affairs	129,644	145,305	134,371	150,792	132,321	167,605
Environment protection	2,095	1,931	1,976	1,095	1,102	1,041
Housing and community amenities	4,745	4,964	2,978	4,186	3,849	4,748
Health affairs and services	37,982	37,703	46,892	32,293	30,813	35,784
Recreation, culture and religion	8,659	11,471	12,876	8,371	9,868	10,298
Education affairs and services	108,673	113,663	107,331	97,610	108,598	117,375
Social protection	2,509	4,607	4,678	2,886	3,272	3,993
Total revenue payments	4,372,313	4,282,666	3,874,873	3,668,431	3,686,670	3,675,543
Capital						
General public services	9,058,930	12,885,712	14,888,433	9,253,744	9,980,465	10,166,642
Economic affairs	37,490	25,540	20,392	15,942	12,136	16,532
Total capital payments	9,096,420	12,911,252	14,908,825	9,269,686	9,992,601	10,183,174
TOTAL PAYMENTS	13,468,733	17,193,918	18,783,698	12,938,117	13,679,271	13,858,718

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


 Accountant General Pakistan Revenue

FEDERAL GOVERNMENT
Statement of Comparison of Budgeted and Actual Expenditure by Division
For the Year Ended 30 June 2017

DIVISIONS	2017 (Rupees in million)			2016 (Rupees in million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
Aviation Division	11,123	9,817	9,266	10,044	10,044	7,328
Cabinet Division	78,493	108,212	95,804	81,741	95,634	107,634
Capital Administration and Development Division	20,860	20,942	19,876	16,364	18,389	17,941
Climate Change Division	1,573	1,409	1,751	504	819	993
Commerce Division	5,487	5,481	7,608	5,999	5,213	6,083
Communications Division	28,527	32,437	30,334	22,375	22,095	25,835
Defence Division	10,257	8,913	9,282	9,829	10,169	9,613
Defence Production Division	2,921	3,021	1,893	1,491	1,807	1,417
Defence Services	858,047	838,047	884,610	779,140	773,090	789,662
Economic Affairs Division	895,167	1,004,914	962,463	727,029	741,336	609,121
Establishment Division	4,772	4,772	5,073	2,337	2,341	2,448
Federal Education and Professional Training Division	3,436	2,881	5,522	3,386	2,894	4,542
Finance Division	11,066,501	14,613,932	16,190,172	10,835,452	11,579,014	11,802,834
Foreign Affairs Division	16,359	15,859	16,475	15,179	15,148	16,144
Higher Education Commission	58,000	58,000	60,005	51,000	51,000	56,300
Housing and Works Division	10,359	10,046	14,925	6,419	6,479	9,262
Human Rights Division	477	763	443	-	544	291
Industries and Production Division	2,000	1,909	1,877	1,783	1,771	1,653
Information Technology and Telecommunications Division	4,667	4,667	4,582	4,313	4,147	5,594
Information, Broadcasting and National Heritage Division	7,679	9,806	11,092	7,937	9,424	9,731
Interior Division	94,933	111,556	127,361	84,942	84,898	109,836
Inter-Provincial Coordination Division	2,354	2,966	7,067	2,255	2,376	2,342
Kashmir Affairs and Gilgit-Baltistan Division	11,601	11,650	10,123	10,471	8,943	10,824
Law and Justice Division	8,491	8,274	7,336	8,454	8,245	7,386
Narcotics Control Division	2,439	2,728	2,758	2,249	2,219	2,370
National Food Security and Research Division	5,112	29,444	26,151	5,019	14,256	18,783
National Health Services, Regulations and Coordination Division	26,679	26,610	34,372	22,378	20,818	25,000
National Security Division	45	45	31	43	43	24
National History and Literary Heritage Division	769	1,370	1,388	-	105	87
Overseas Pakistanis and Human Resource Development Division	1,192	1,181	1,050	1,093	1,093	889
Pakistan Railways	41,000	55,875	38,487	41,000	26,284	25,780
Parliamentary Affairs Division	351	351	323	335	335	259
Petroleum and Natural Resources Division	1,466	1,466	8,263	1,182	1,182	3,661
Planning, Development and Reform Division	41,149	6,509	3,980	42,825	3,024	2,670
Ports and Shipping Division	13,521	1,847	1,749	12,665	8,814	8,767
Privatization Division	148	148	136	141	141	133
Religious Affairs and Inter-Faith Harmony Division	940	1,015	983	896	909	929
Revenue Division	22,818	23,437	24,148	21,487	21,791	20,450
Science and Technology Division	7,871	7,495	7,709	6,900	7,087	6,885
States and Frontier Regions Division	51,307	76,981	84,699	45,519	59,648	77,611
Statistics Division	2,409	20,859	19,141	2,184	4,211	2,249
Textile Industry Division	541	438	434	541	444	378
Water and Power Division	29,373	30,160	27,194	29,257	33,197	29,817
The Senate	1,982	2,072	2,053	1,739	1,733	1,722
National Assembly	3,469	3,469	3,283	2,997	2,997	2,759
Audit	3,970	3,970	4,196	3,795	3,795	3,809
Election	2,253	2,253	2,644	2,150	5,896	5,472
Federal Tax Ombudsman	178	218	217	165	165	166
Islamabad High Court	470	470	426	449	449	432
Staff, Household and Allowances of the President	863	942	961	801	918	967
Supreme Court	1,747	1,704	1,350	1,303	1,335	1,277
Wafaqi Mohtasib	587	587	632	560	560	559
TOTAL PAYMENTS	13,468,733	17,193,918	18,783,698	12,938,117	13,679,271	13,858,718

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


 Accountant General Pakistan Revenues

FEDERAL GOVERNMENT
Statement of Appropriations of Grants by Object
For the Year Ended 30 June 2017

(Rc. In million)

Grants View	A01 Employee Related Expenditure	A02 Procurement Investment Acquisition	A03 Operating Expenditure	A04 Employee Retirement Benefits	A05 Grants Subsidies and Waive Off Loans	A06 Transfers	A07 Interest Payment	A08 Leases and Advances	A09 Physical Assets	A10 Principal Repayments of Loans	A11 Investment	A12 Club Works	A13 Repairs and Maintenance	Grand Total
70 - Pakistan Ramens	17,982	-	1,271	38	53	30	-	-	1,182	-	-	35	134	20,119
71 - Other Expenditure of Interior Division	2,100	-	1,675	61	2,937	1	-	-	70	-	-	34	32	7,181
71A - Joint Investigation Team	-	-	383	5	26	513	-	-	18	-	-	-	45	1,459
71B - National Investigation Agency	1,668	-	1,292	56	2,911	1	-	-	52	-	-	-	-	5,827
71C - National Investigation Agency	17	-	2	1	215	1	-	-	2	-	-	-	-	332
71D - Other Expenditure of Kashmir, Affairs and Gilgit-Baltistan Division	-	-	-	-	-	-	-	-	-	-	-	-	-	3
72 - Gilgit-Baltistan	-	-	-	-	-	-	-	-	-	-	-	-	-	25
73 - Other and Justice Division	-	-	-	-	237	-	-	-	-	-	-	-	-	237
74 - Other Expenditure of Kashmir, Affairs and Gilgit-Baltistan Division	146	-	110	9	19	1	-	-	39	-	-	-	-	300
75 - Other and Justice Division	2,146	-	1,111	31	219	4	-	-	99	-	-	-	-	3,599
76 - Council of Islamic Ideology	267	-	50	-	2	-	-	-	4	-	-	-	-	320
77 - National Accountability Bureau	1,222	-	976	7	32	4	-	-	125	-	-	-	-	2,334
78 - National Accountability Bureau	2,655	-	1,849	19	249	191	-	-	38	-	-	-	-	4,932
79 - District Judiciary, Islamabad Capital Territory	1,689	-	1,066	55	23,760	2	-	-	39	-	-	-	-	25,571
80 - National Health Services, Regulations and Coordination Division	202	-	285	1	4	1	-	-	224	-	-	-	-	1,117
81 - National Health Services, Regulations and Coordination Division	205	-	343	21	7	7	-	-	54	-	-	-	-	1,058
82 - The Senate	343	-	109	9	6	1	-	-	1	-	-	-	-	460
83 - National Food Security and Research Division	543	-	41	18	3	-	-	-	6	-	-	-	-	600
84 - National Health Services, Regulations and Coordination Division	88	-	74	1	-	-	-	-	1	-	-	-	-	164
85 - National Health Services, Regulations and Coordination Division	417	-	188	13	11	4	-	-	12	-	-	-	-	625
86 - National Health Services, Regulations and Coordination Division	214	-	116	9	70	31	-	-	80	-	-	-	-	404
87 - National Health Services, Regulations and Coordination Division	274	-	215	4	35	1	-	-	1	-	-	-	-	506
88 - National Health Services, Regulations and Coordination Division	4,231	-	2,511	562	1,145	13	-	-	5	-	-	-	-	8,467
89 - National Health Services, Regulations and Coordination Division	87	-	25	4	3	2	-	-	4	-	-	-	-	115
90 - Frontier Regions	9,884	-	617	128	3	128	-	-	2	-	-	-	-	10,552
91 - Frontier Regions	27,421	-	1,515	119	375	11	-	-	13	-	-	-	-	29,844
92 - Frontier Regions	336	-	50	14	15	2	-	-	2	-	-	-	-	419
93 - Frontier Regions	268	-	151	4	1	2	-	-	2	-	-	-	-	428
94 - Frontier Regions	385	-	638	5	-	4	-	-	2	-	-	-	-	1,034
95 - Frontier Regions	-	-	-	-	500	-	-	-	-	-	-	-	-	500
100 - Maintenance Allowance (F.A. Rates)	551,290	208	328,892	312,526	591,481	11,682	123	25,852	252,082	-	1,963	114,478	6,467	2,194,754
101 - Maintenance Allowance (F.A. Rates)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
102 - Maintenance Allowance (F.A. Rates)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
103 - Maintenance Allowance (F.A. Rates)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
104 - Maintenance Allowance (F.A. Rates)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
105 - Other Loans and Advances (F.A. Rates)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
106 - Development Expenditure	16	-	10,247	-	29,970	-	-	-	50	-	-	107	-	40,917
107 - Development Expenditure of Cabinet Division	32	-	29	-	-	-	-	-	80	-	-	107	-	219
108 - Development Expenditure of Central Administration and Development Division	8	-	318	-	-	-	-	-	108	-	-	414	-	540
109 - Development Expenditure of Climate Change Division	7	-	179	-	-	-	-	-	1,664	-	-	-	-	2,050
110 - Development Expenditure of Commerce Division	8	-	44	-	65	-	-	-	12	-	-	-	-	129
111 - Development Expenditure of Communications Division	41	-	186	-	-	-	-	-	12	-	-	3,912	-	4,111
112 - Development Expenditure of Defence Division	-	-	-	-	-	-	-	-	-	-	-	-	-	-
113 - Development Expenditure of Finance Division	1,371	-	2,433	-	-	-	-	-	656	-	-	60	-	4,460
114 - Development Expenditure of Finance Division	124	-	38	-	14,742	-	-	-	656	-	-	-	-	15,560
115 - Other Development Expenditure	-	-	111,530	-	2,773	1,675	-	-	122	-	-	-	-	116,030
116 - Development Expenditure of Economic Affairs Division	-	-	-	-	2,521	-	-	-	-	-	-	-	-	2,521
117 - Development Expenditure of Economic Affairs Division	-	-	-	-	-	-	-	-	-	-	-	-	-	-
118 - Development Expenditure of Economic Affairs Division	-	-	-	-	2,240	-	-	-	-	-	-	-	-	2,240
119 - Development Expenditure of Economic Affairs Division	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120 - Development Expenditure of Economic Affairs Division	-	-	-	-	-	-	-	-	-	-	-	-	-	-
121 - Development Expenditure of Economic Affairs Division	-	-	-	-	-	-	-	-	-	-	-	-	-	-
122 - Development Expenditure of Economic Affairs Division	-	-	-	-	-	-	-	-	-	-	-	-	-	-
123 - Development Expenditure of Economic Affairs Division	-	-	-	-	-	-	-	-	-	-	-	-	-	-
124 - Development Expenditure of Economic Affairs Division	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125 - Development Expenditure of Economic Affairs Division	-	-	-	-	-	-	-	-	-	-	-	-	-	-
126 - Development Expenditure of Economic Affairs Division	-	-	-	-	-	-	-	-	-	-	-	-	-	-
127 - Development Expenditure of Economic Affairs Division	-	-	-	-	-	-	-	-	-	-	-	-	-	-
128 - Development Expenditure of Economic Affairs Division	-	-	-	-	-	-	-	-	-	-	-	-	-	-
129 - Development Expenditure of Economic Affairs Division	-	-	-	-	-	-	-	-	-	-	-	-	-	-
130 - Development Expenditure of Economic Affairs Division	-	-	-	-	-	-	-	-	-	-	-	-	-	-
131 - Development Expenditure of Economic Affairs Division	-	-	-	-	-	-	-	-	-	-	-	-	-	-
132 - Development Expenditure of Economic Affairs Division	-	-	-	-	-	-	-	-	-	-	-	-	-	-
133 - Development Expenditure of Economic Affairs Division	-	-	-	-	-	-	-	-	-	-	-	-	-	-
134 - Development Expenditure of Economic Affairs Division	-	-	-	-	-	-	-	-	-	-	-	-	-	-
135 - Development Expenditure of Economic Affairs Division	-	-	-	-	-	-	-	-	-	-	-	-	-	-

FEDERAL GOVERNMENT
Statement of Appropriation of Grants by Object
For the Year Ended 30 June 2017

Grants/Year	A01 Employee Related Expenses	A02 Project Pre- Investment Subsidies	A03 Operating Expenses	A04 Employees' Recruitment Budgets	A05 Grants Subsidies and Write Off Loans	A06 Transfers	A07 Interest Payment	A08 Loans and Advances	A09 Physical Assets	A10 Principal Repayments of Loans	A11 Investment	A12 Civil Works	A13 Repairs and Maintenance	Grand Total
135A - Development Expenditure of Federally Administered Tribal Areas Outside PSDP	-	-	8,339	-	-	-	-	-	-	-	-	-	-	8,339
136 - Development Expenditure of SAHIBAN Division Outside PSDP	-	-	7,755	-	-	-	-	-	-	-	-	-	-	7,755
137 - Development Expenditure of Water and Power Division	-	-	25,940	-	26,157	-	-	-	-	-	100	-	-	26,157
138 - Capital Outlay on Development of Atomic Energy	-	-	-	-	-	-	-	213,308	-	-	-	-	-	213,308
139 - Capital Outlay on Federal Investments	-	-	-	-	-	-	-	269,338	-	-	-	-	-	269,338
141 - External Development Loans and Advances to the Federal Government	-	-	-	-	-	-	-	-	-	-	-	10,906	-	10,906
143 - Capital Outlay on Civil Works	-	-	481	-	-	-	-	-	143	-	-	-	-	481
145 - Capital Outlay on Industrial Development	77	-	143	-	71	-	-	-	-	-	-	-	-	291
146 - Capital Outlay on Power and Shipping Divisions	16	-	7	-	-	-	-	-	78	-	-	-	-	91
147 - Capital Outlay on Pakistan Railways	-	-	4	-	-	-	-	-	-	-	-	677	222	903
Total Development Expenditure	3,052	170	215,921	2	114,272	2,288	-	482,646	4,841	-	38,487	27,123	329	899,231
Expenditure Charged upon Federal Consolidated Fund														
A - Staff, Household and Allowances of the President	628	-	114	5	100	38	-	-	55	-	-	-	-	20
B - Audit	2,883	-	993	120	133	3	-	-	31	-	-	-	-	33
C - Services of Domestic Staff	-	-	-	-	-	-	12,516,633	-	-	-	-	-	-	12,516,633
D - Debt	-	-	-	-	-	-	-	-	-	11,768,472	-	-	-	11,768,472
E - Services of Foreign Debt	-	-	3,153	-	-	-	128,170	-	-	-	-	-	-	131,323
F - Foreign Loan Repayment	-	-	-	-	-	-	-	-	-	452,216	-	-	-	452,216
G - Remission of Short Term Foreign Credits	-	-	-	-	-	-	-	-	-	92,898	-	-	-	92,898
H - Remission of Short Term Foreign Credits	1,042	-	187	53	3	2	-	-	48	-	-	-	-	1,272
I - Islamabad High Court	379	-	34	-	3	-	-	-	6	-	-	-	-	422
J - Election	1,248	-	1,222	29	40	1	-	-	74	-	-	-	-	2,443
K - Waqaf Mahsuls	331	-	263	9	6	1	-	-	15	-	-	-	-	615
L - Waqaf Mahsuls	331	-	263	9	6	1	-	-	15	-	-	-	-	615
M - Waqaf Mahsuls	6,664	-	6,023	217	20	46	-	-	232	-	-	-	-	13,162
Total Expenditure Charged upon Federal Consolidated Fund	12,887	-	18,887	303	306	46	1,269,863	-	232	143,178	-	-	110	15,606,161
Grand Total - 2017 (Note 29)	541,006	438	577,835	312,745	796,039	13,416	1,363,926	508,598	257,652	143,178	40,559	142,101	7,295	18,783,699
Grand Total - 2016 (Note 29)	531,794	111	483,332	257,790	803,447	14,513	1,291,023	353,278	235,290	97,181,886	34,187	116,097	2,220	13,858,713



Accountant General of Pakistan Revenue

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

1. REPORTING ENTITY

Federal Government – Islamic Republic of Pakistan (“the Government”) conducts its operations under the Rules of Business 1973. These rules were made pursuant to Article 90 and 99 of the Constitution of the Islamic Republic of Pakistan, 1973 (“the Constitution”) and envisages Federal Government as comprising of ministries, divisions and attached departments. Financial procedures of the Constitution describes the Government as Federal Consolidated Fund and Public Account for which Annual Budget Statement is authorized by the Parliament in the form of budgetary grants. These financial statements focus on reporting the budgetary activity of the government for the financial year.

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

- a) Centralized Accounting Entities; for which the Accountant General Pakistan Revenues has the primary responsibility for accounting and reporting.
- b) Self Accounting Entities; for which the Principal Accounting Officer has the primary responsibility for accounting and reporting. The Self Accounting Entities are as under;
 - 1. Defence Services
 - 2. Pakistan Post Office Department
 - 3. Foreign Office
 - 4. Pakistan Public Works Department
 - 5. Central Directorate of National Savings
 - 6. Pakistan Mint
 - 7. Geological Survey of Pakistan
 - 8. Pakistan Railways
- c) Exempt Entities; special purpose authorities/ organizations and all the Government owned corporations/ companies which are required to prepare their financial statements under their specific statute or Companies Ordinance, 1984. Financial statements of these entities are not included in the financial statements of the Federal Government. New investments by the Federal Government in such entities are capitalized and any grants to the entities are classified as an expense of the Federal Government in the financial year to which they pertain. Return from these entities in the form of dividends or interest is classified as non-tax revenue.

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

2. STATEMENT OF COMPLIANCE

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

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

3. ACCOUNTING CONVENTION AND BASIS OF PREPARATION

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

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

The Financial Statements for the financial year 2016-17 have been prepared and presented in order to make a fair presentation of all the relevant financial information without making any change in the fundamentals applied and all policies have been applied on a basis consistent with the previous year.

4. REPORTING AND BUDGET PERIOD

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

5. REPORTING CURRENCY

The reporting currency of these financial statements is Pakistani Rupee.

6. SIGNIFICANT ACCOUNTING POLICIES

6.1. Recording of Receipts

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

6.2. Recording of Payments

Payments are recorded on the date when payment is made or cheque is issued. Financial year to which the payments pertain is determined by the date on which a cheque or payment advice is issued. Policies for recording of payments are as follows;

a) Payments made through cheque

Payment is recorded on the date the cheque is issued.

b) Inter government transfers

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

c) Payments directly in bank accounts

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

FEDERAL GOVERNMENT

Notes to the Financial Statements

For the Year Ended 30 June 2017

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

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

e) Imprest payments

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

6.3. Foreign currency transactions

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

6.4. Employee benefits

The government has following plans for its employees:

a) General Provident Fund

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

b) Pension

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

c) Encashment of leave

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

6.5. Investments

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

6.6. Cash and cash equivalents

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

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

6.7. Reporting on net basis

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

6.8. Liability

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

6.9. Public Debt

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

6.10. Assets

Assets are future economic benefits controlled by the government as a result of past transactions or other past events. Assets are recorded at cost and currently no depreciation is charged.

6.11. Loans and advances

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

6.12. Payments by third parties

The payments made by the third parties do not constitute cash receipts or payments controlled by the Federal Government as defined in the Cash Basis IPSAS - Financial Reporting under the Cash Basis of Accounting, as the Federal Government does not receive cash (including cash equivalents) directly from, or gain control of the bank accounts or similar facility established for its benefit by, the third parties. Payments made by third parties are disclosed separately on face of the Statement of Cash Receipts and Payments.

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

7. TAXATION

	Note	2017 (Rupees in million)			2016 (Rupees in million)		
		Tax Collected	Transfers	Net Tax Collected	Tax Collected	Transfers	Net Tax Collected
Income Tax	7.1	1,297,241	(736,526)	560,715	1,169,977	(674,379)	495,598
Sales Tax	7.2	1,311,072	(726,852)	584,220	1,320,264	(755,463)	564,801
Customes	7.3	496,772	(273,831)	222,941	404,572	(226,532)	178,040
Federal Excise	7.4	197,911	(106,467)	91,444	188,055	(115,528)	72,527
Others	7.5	33,234	(1,113)	32,121	27,512	(1,152)	26,360
		3,336,230	(1,844,789)	1,491,441	3,110,380	(1,773,054)	1,337,326

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

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

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

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

Note	2017 Rupees in million	2016 Rupees in million
7.5. TAXATION OTHERS		
<i>Direct Taxes</i>		
Capital Value Tax	1,317	694
Land Revenue	346	301
Tax on Profession, Trade and Callings	47	44
Other Direct Taxes	26,682	22,416
	28,392	23,455
<i>Indirect Taxes</i>		
Receipts Under Motor Vehicles Act	2,930	2,105
Stamp Duties	669	612
Provincial Excise	98	94
Others Indirect Taxes	32	94
	3,729	2,905
	32,121	26,360

8. GENERAL ADMINISTRATION RECEIPTS

Social Services	1,438	1,650
Fiscal Administration	1,627	1,399
Community Services	1,618	1,249
Economic Regulations	753	1,206
Law and Order	1,243	1,116
Organs of State	207	303
Statistics	4	34
	6,890	6,957

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

	2017 Rupees in million	2016 Rupees in million
9. ECONOMIC SERVICES RECEIPTS		
Food and Agriculture	11,043	8,225
Fisheries and Animal Husbandry	261	212
Forest and Irrigation	15	18
Receipts under Oilfields and Mineral Development Act	352	371
Others	827	637
	<u>12,498</u>	<u>9,463</u>
10. DEFENCE SERVICES RECEIPTS		
Administrative Services	58,747	97,802
Military Engineering Services	2,883	2,597
Air Force	1,770	1,558
Purchase and Sale of Stores, Equipment and Animals	1,517	1,323
Pakistan Navy	775	895
Ordinance and Clothing Factories	712	816
Receipts on certain measures of Inter-Services Nature	268	713
Military Farms	472	512
Procurement, Research & Product Development	281	181
Defence Services Others	617	701
	<u>68,042</u>	<u>107,098</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.

	2017 Rupees in million	2016 Rupees in million
11. DEVELOPMENT SURCHARGE AND ROYALTIES		
Petroleum Development Levy	11.1 166,696	149,358
Development Surcharge on Gas	11.2 73,262	32,654
Royalty on Crude Oil	11.3 18,550	17,690
Royalty on Natural Gas	11.3 35,340	39,990
Discount Retained on Local Crude Price	11.4 9,097	9,108
Gas Infrastructure Development Cess	11.5 42,149	79,771
Windfall Levy on Crude Oil	1,649	1,634
Mineral Royalties	88	69
	346,831	330,274
Less: Provincial Share	(121,859)	(89,109)
	<u>224,972</u>	<u>241,165</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.

11.5. Gas Infrastructure Development Cess was levied vide "Gas Infrastructure Development Cess Act, 2011". The cess is chargeable from gas consumers, other than domestic sector consumers of the company aver and above the fixed sale price. The Cess shall be utilized for or in connection with Infrastructure Development of Iran Pakistan Pipeline Project, TAPI Pipeline Project, LNG or other projects or for equalization of other imported alternative fuel including LPG.

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

	Note	2017 Rupees in million	2016 Rupees in million
12. INTEREST ON LOANS AND ADVANCES			
Non-Financial Institutions		19,389	44,684
Provinces		13,596	9,753
Financial Institutions		610	1,441
Government Servants		128	115
Local & Autonomous bodies		24,397	97
Others		55,158	12,194
		<u>113,278</u>	<u>68,284</u>
13. DIVIDEND AND PROFIT SHARE			
Dividends Receipts	13.1	69,704	91,549
Profit share	13.2	261,393	262,236
		<u>331,097</u>	<u>353,785</u>
13.1. Dividends Receipts			
Financial Institution			
Pakistan Re-Insurance Corporation		404	337
National Insurance Corporation		1,000	-
Pak Oman Investment Company		246	185
Pak Iran Joint Investment Company		150	150
Pak Brunei Investment Company		150	100
National Investment Trust		71	78
National Bank of Pakistan		-	47
Others		184	10
		2,205	907
Non-Financial Institution			
Oil and Gas Development Corporation		21,421	18,702
Pak Arab Refinery Ltd		7,500	16,800
Govt Holding Pvt Ltd		20,000	15,000
Mari Gas Co Ltd		103	9,917
Pakistan Petroleum Ltd		8,652	8,319
National Engineering Services Pakistan		176	-
Pakistan Telecommunication Co Ltd		6,342	6,342
Privatisation Commission		-	5,627
National Fertilizer Corporation of Pakistan (Pvt) Limited		83	3,000
Trading Corporation of Pakistan		100	2,600
National Finance Corporation of Pakistan		-	2,000
State Life Insurance Corporation		1,038	897
Pakistan Security Printing Corporation		600	600
Pakistan State Oil Co Ltd		1,069	549
Pakistan Mineral Development Corporation (Pvt) Limited		100	-
Pakistan National Shipping Corporation		227	169
Pakistan Services Limited		4	-
Fauji Fertilizer Co Limited		84	71
Others		-	49
		67,499	90,642
		<u>69,704</u>	<u>91,549</u>
13.2. Profit share			
State Bank of Pakistan	13.2.1	227,785	227,894
Pakistan Telecommunication Authority		33,127	34,099
Others		481	243
		<u>261,393</u>	<u>262,236</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.			

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

	Note	2017 Rupees in million	2016 Rupees in million
14. DEVELOPMENT GRANTS			
Foreign Governments			
China		-	1,033
Germany		230	779
Japan		-	511
Italy		2,329	-
Others		-	7
		2,559	2,330
Foreign Organisations			
Department for International Development (DFID)		11,564	27,093
United States Agency for International Development (USAID)		5,858	14,808
GAVI		9,927	-
International Bank for Re-construction and Development (IBRD)		616	3,114
European Union		(1,289)	1,290
Others		24	45
		26,700	46,350
		29,259	48,680
15. FOREIGN DEBT - RECEIPTS			
International Development Association (IDA)		70,500	143,414
Asian Development Bank (ADB)		154,904	120,827
Islamic Development Bank ST (IDB)		56,330	104,280
Consortium of Commercial Banks		457,611	102,421
Asian Infrastructure Investment Bank		785	-
China		162,849	89,960
Euro Bond		-	52,132
Noor Bank (UAE)		-	35,341
Telenor GTL		-	14,420
International Bank for Re-construction and Development (IBRD)		26,037	12,659
Japan		1,131	7,721
Islamic Development Bank (IDB)		7,164	4,864
Dubai Islamic Bank		-	4,493
Kuwait		755	4,470
Turkey		524	3,568
International Fund for Agricultural Development (IFAD)		1,468	1,811
Germany		224	1,431
France		12,493	757
Italy		1,150	-
Sukuk Bond		104,423	-
Others		1	45
		1,058,349	704,614
16. DOMESTIC DEBT - RECEIPTS			
Government Securities			
Permanent Debt	16.1	1,142,075	1,668,997
Floating Debt-net	17	1,766,113	215,122
		2,908,188	1,884,119
16.1 Permanent Debt			
Pakistan Investment Bonds		922,163	1,006,023
Premium Prize Bonds		3,002	-
Ijara Sukuk Bond		71,007	314,380
Bai Muajjal		-	212,621
National Prize Bonds		145,903	135,959
Special U.S. Dollar Bonds		-	14
		1,142,075	1,668,997

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

	2017 Rupees in million	2016 Rupees in million
17. DOMESTIC FLOATING DEBT-NET		
Floating Debt Receipts		
6 Months Market Treasury Bills (Auction)	7,546,048	9,022,508
6 Months Market Treasury Bills purchased by SBP	6,250,800	44,075
Ways and Means Advances	83	-
	13,796,931	9,066,583
Floating Debt Payments		
6 Months Market Treasury Bills (Auction)	6,230,361	4,292,961
6 Months Market Treasury Bills purchased by SBP	5,799,530	4,558,056
Promissory Note	437	282
Treasury Notes to ADB	251	-
Ways and Means Advances	83	-
Treasury Bills for Payment to IBRD	-	154
General Capital Increase	156	8
	12,030,818	8,851,461
	1,766,113	215,122
18. RECOVERY OF LOANS AND ADVANCES		
Provinces	47,333	52,406
Financial Institution	7,043	4,711
Government Servants	4,237	3,529
Non-Financial Institution	22,991	10,363
Others	5,143	3,881
	86,747	74,890
19. PRIVATIZATION PROCEEDS		
PPL	11	-
	11	-
20. TRADING ACTIVITIES		
Pakistan Post Office - Receipts	11,261	10,412
	11,261	10,412
21. SALARIES AND EMPLOYEES BENEFITS		
Pay and Allowances	561,006	523,794
Retirement Benefits	312,745	257,790
	873,751	781,584
22. PRINCIPAL REPAYMENTS OF DEBT		
Foreign Debt		
Islamic Development Bank (IDB)	97,419	81,219
Asian Development Bank (ADB)	81,547	77,973
Euro Bonds	78,718	52,427
International Development Association (IDA)	29,364	26,804
Standard Chartered Bank	-	23,490
International Bank for Re-construction and Development (IBRD)	13,477	15,382
USAID	2,715	-
US EXIM Bank	1,144	-
China	67,706	13,978
Saudi Arabia	17,538	11,613
Japan	18,497	6,516
France	8,314	5,998
Commercial Banks	105,236	-
International Monetary Fund (IMF)	-	5,430
Korea	2,713	2,334
Germany	10,763	1,662
Dollar Bond N.C.C.	1,530	1,339
Kuwait	993	1,073

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

	Note	2017 Rupees in million	2016 Rupees in million
Austria		419	-
Sweden		845	-
Russia		670	-
Switzerland		547	-
Netherland		257	-
Canada		491	-
U.A.E		666	-
OPEC		637	666
International Fund for Agricultural Development (IFAD)		693	571
Turkey		-	140
Italian Credit		-	98
Others		1,415	6,594
		544,314	335,307
Domestic Debt-Permanent			
Sukuk Bonds		49,537	276,827
Pakistan Investment Bonds		1,427,273	196,930
Premium Prize Bonds		2,922	-
National Prize Bonds		45,292	57,353
Bai Muajjal		212,621	-
Special U.S. Dollar Bonds		4	43
FEBC		5	-
Others		-	265
		1,737,654	531,418
		2,281,968	866,725
23. SERVICING OF DEBT			
Domestic Debt		1,235,756	1,178,464
Foreign Debt		128,170	112,559
		1,363,926	1,291,023
24. LOANS AND ADVANCES			
Revenue Expenditure		-	-
Capital Expenditure			
Non-Financial Institutions		271,518	134,124
Provincial Governments		74,669	91,320
Private Sector		27,849	25,295
Government Employees	24.1	9,680	7,305
Others		124,882	95,685
		508,598	353,729
		508,598	353,729
24.1 Government Employees			
House Building Advance		7,891	5,884
Motor Car Advance		1,184	871
Motor Cycle Advance		601	543
Cycle Advance		4	7
		9,680	7,305

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.

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

	2017 Rupees in million	2016 Rupees in million
25. INVESTMENTS - PAYMENTS		
Pakistan Railways	38,487	25,780
Exim Bank of Pakistan	-	7,000
Distribution Companies	1,585	491
Islamic Development Bank	367	387
TAPI	-	280
Others	-	169
Pakistan Broadcasting Corporation	93	57
Pakistan Television Corporation	6	13
PASDEC Islamabad	-	6
Pakistan Textile City Limited	12	-
NIP Karachi	-	4
	<u>40,550</u>	<u>34,187</u>

26. NET RECEIPT OF PUBLIC ACCOUNT

Receipts

National Saving Schemes	862,885	1,077,143
Deposits	434,715	419,444
State Provident Fund	50,821	51,683
Other Public Accounts	2,999,704	10,046,634
	<u>4,348,125</u>	<u>11,594,904</u>

Payments

National Saving Schemes	(758,428)	(957,607)
Deposits	(360,844)	(390,695)
State Provident Fund	(32,737)	(28,850)
Other Public Accounts	(3,083,561)	(10,093,885)
	<u>(4,235,570)</u>	<u>(11,471,037)</u>
	<u>112,555</u>	<u>123,867</u>

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.

	2017 Rupees in million	2016 Rupees in million
27. CASH AT BANK AND TREASURIES		
Cash with State Bank of Pakistan (SBP)	(7,816)	14,763
Cash Balance with Treasuries	(255)	(307)
	<u>(8,071)</u>	<u>14,456</u>
28. ASSETS AND LIABILITIES		
Assets		
Long Term Assets	2,007,161	1,596,664
Investments	1,147,951	993,401
Loans and Advances	2,643,354	2,248,756
Current Assets	69,783	50,179
Cash at Bank and Treasuries	(8,071)	14,456
	<u>5,860,178</u>	<u>4,903,456</u>
Liabilities and Equity		
Public Debt	17,182,716	15,498,147
Special Deposits and Trust Accounts	2,983,375	2,853,746
Deferred liabilities	105,020	102,490
Capital Receipts	446,580	359,822
Residual Equity	(14,857,513)	(13,910,749)
	<u>5,860,178</u>	<u>4,903,456</u>

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

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

29. COMPARISON OF BUDGET AND ACTUAL AMOUNTS

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

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

	Note	2017 Rupees in Million	2016 Rupees in Million
Receipts			
Receipts in Statement of Comparison of Budget and Actual Amounts by Function		18,648,616	13,752,166
Add: Floating debt-net	17	1,766,113	215,122
Less : Floating debt receipts	17	13,796,931	9,066,583
Less : Third party Included in Budget		13,578	35,684
Actual receipts in Statement of Cash Receipts and Payments		<u>6,604,220</u>	<u>4,865,021</u>
Payments			
Payments in Statements of Comparison of Budget & Actual Amounts by Function and Actual Expenditure by Division		18,783,698	13,858,718
Less : Floating debt payments	17	12,030,818	8,851,461
Less : Third party Included in Budget		13,578	35,684
Actual payments in Statement of Cash Receipts and Payments		<u>6,739,302</u>	<u>4,971,573</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 **29 DEC 2017**

31. GENERAL

31.1. Level of Precision

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

31.2. Corresponding Figures

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



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