

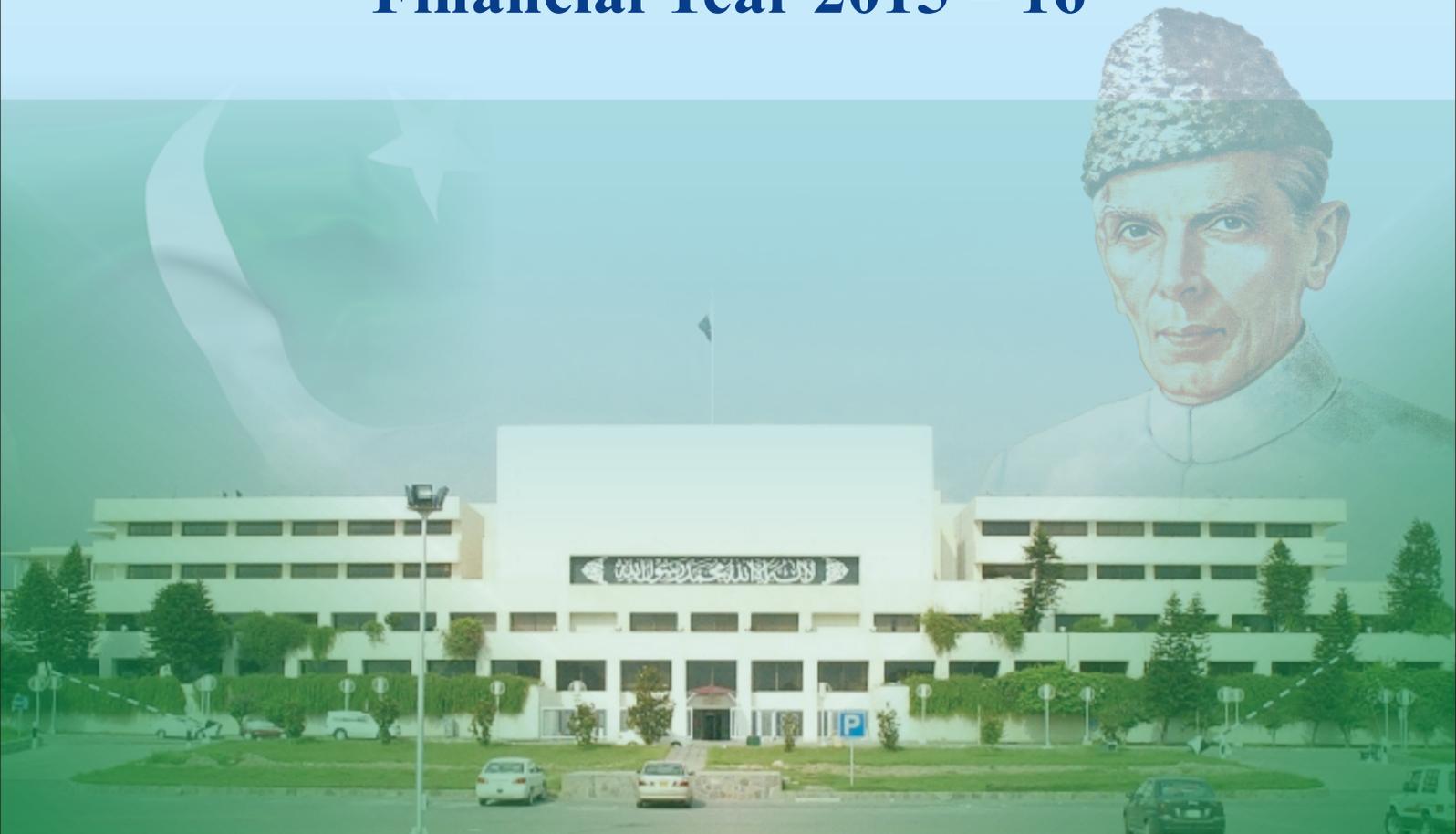


FINANCIAL STATEMENTS

of the

Federal Government

Financial Year 2015 – 16



Government of Pakistan



FINANCIAL STATEMENTS
of the
Federal Government
Financial Year 2015 – 16

Government of Pakistan

Controller General of Accounts

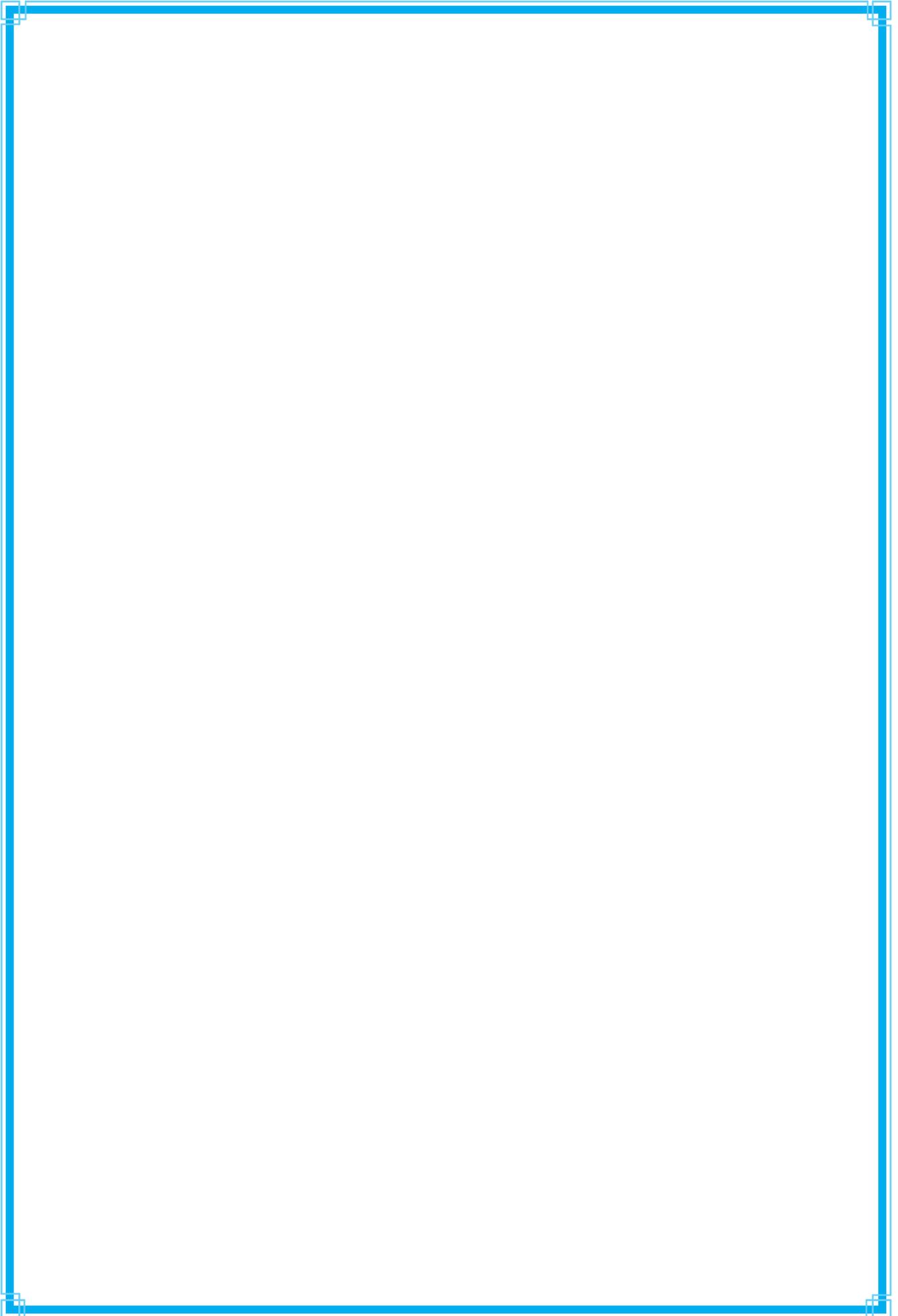
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PREFACE

I am pleased to present the Audited Financial Statements of the Federal Government for the year ended 30 June, 2016 together with the Auditors' Report thereon along with the management analysis report.

The Financial Statements of the Federal Government for the financial year 2015-16 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:

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 2015-16 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 2015 - 16 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.

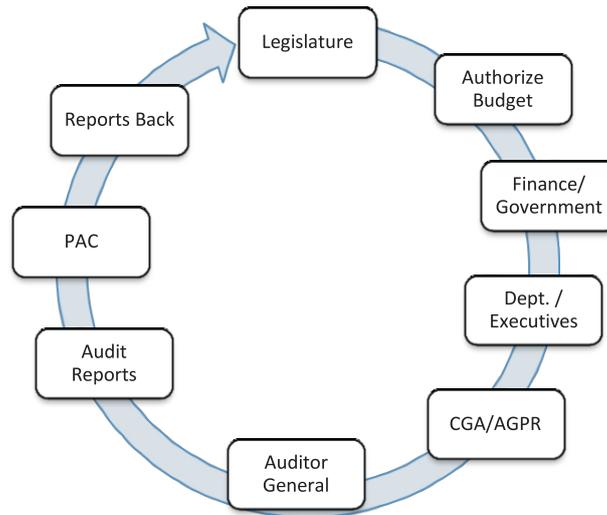
FINANCIAL MANAGEMENT

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
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.

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).

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.

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 include;

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

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

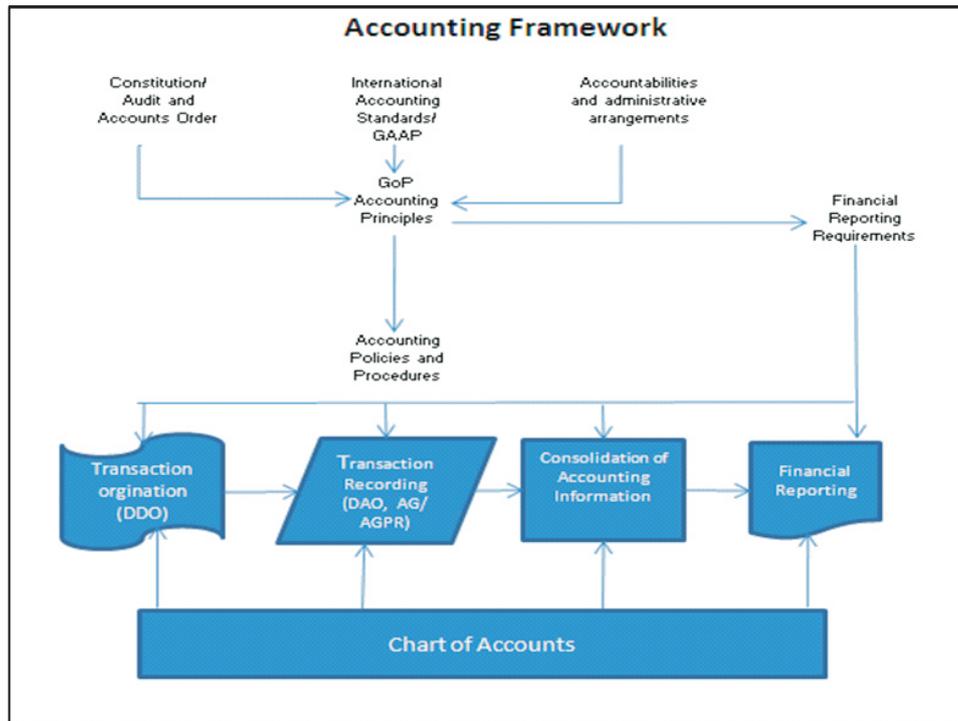
New Chart of Accounts was adopted from 1st July 2004. In December 2000, Auditor General of Pakistan prescribed NAM with the approval of the President of Pakistan under Article 170 of the Constitution of Islamic Republic of Pakistan. NAM is based on Modified Cash Basis of Accounting in which, though cash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

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

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

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

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



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

The Financial Statements include;

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

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

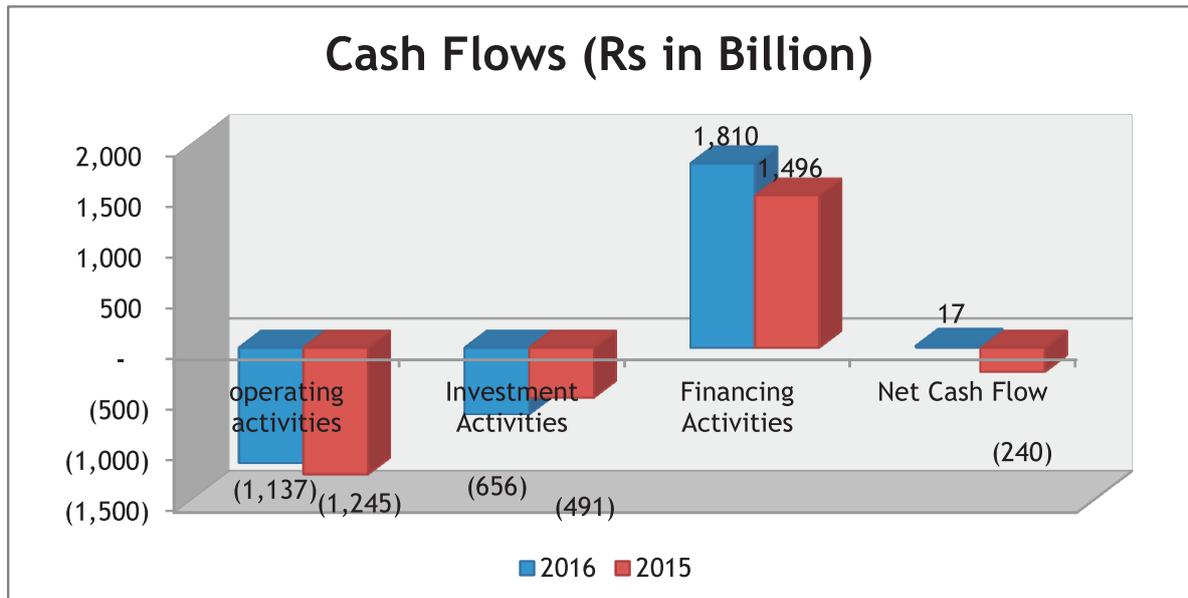
Assets and liabilities of the Federal Government are disclosed in the notes to the Financial Statements and are recorded on a historical cost basis and do not include accrued receipts and payments.

FINANCIAL REVIEW

CASH FLOWS

The net cash flows for the year have increased by Rs. 257,690 million increasing the balance of cash and cash equivalents at end of the year from negative balance of Rs. 2,859 million last year to a balance of Rs.14,456 million. Cash used in

operating activities decreased by 8.71%. The outflow from investing activities has increased by 33.51%. The cash flows from financing activities have increased by 20.98%.



RECEIPTS AND PAYMENTS

RECEIPTS

Taxation

During the year under review tax receipts were Rs. 3,110,380 million as compared to Rs. 2,570,485 million for the previous financial year, which represents an increase of 21%. Out of total tax collections for the financial year 2015-2016, the Federal Government has transferred Rs. 1,773,054 million to the provinces. These transfers are made from all heads of taxes in accordance with the

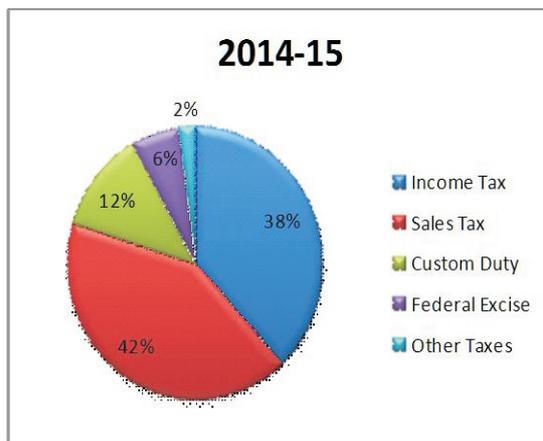
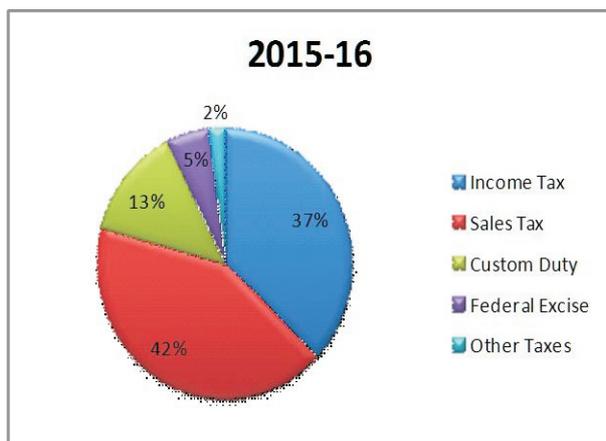
NFC award. The net tax reported after the transfers leaves the Federal Government with tax revenue of Rs 1,337,326 million against Rs. 1,127,269 million in comparison with the previous financial year.

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.

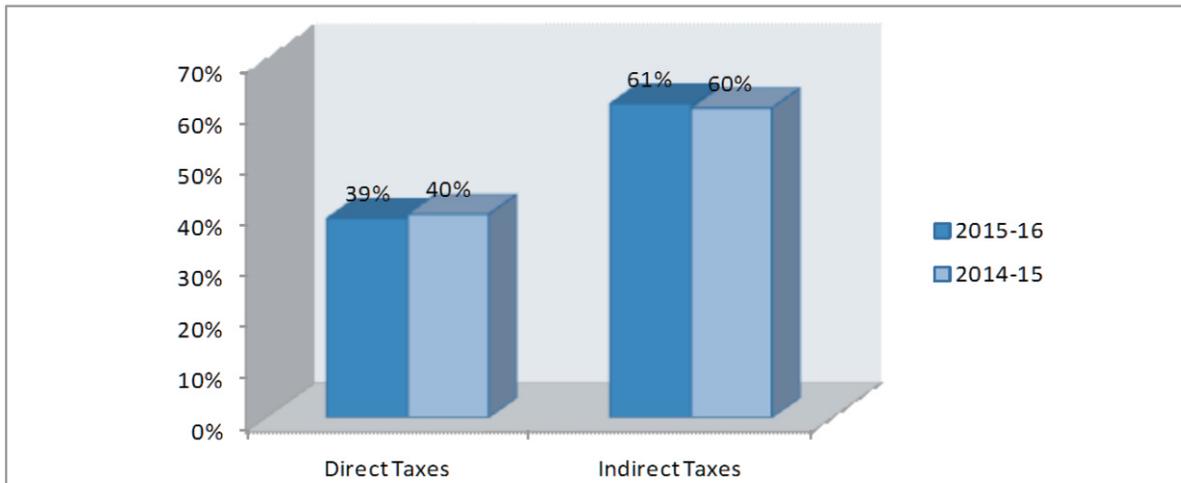
The basic philosophy of tax and tariff reform has been to move away from investment and production based taxes to income (direct taxes) and consumption (sales tax) based taxes. Pakistan has

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

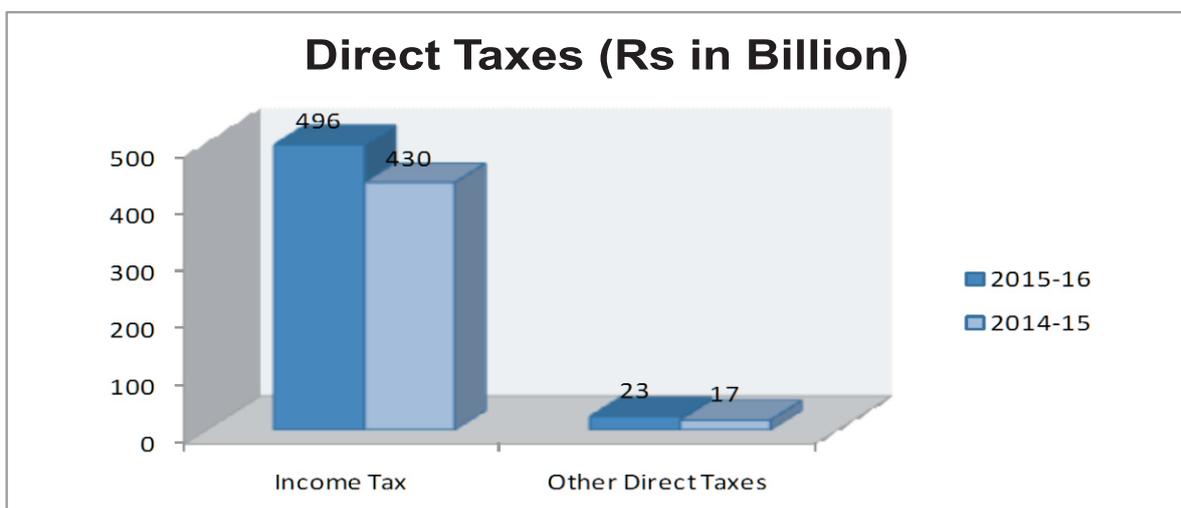
been; Direct taxes 39% and indirect taxes 61% out of total taxes.



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.

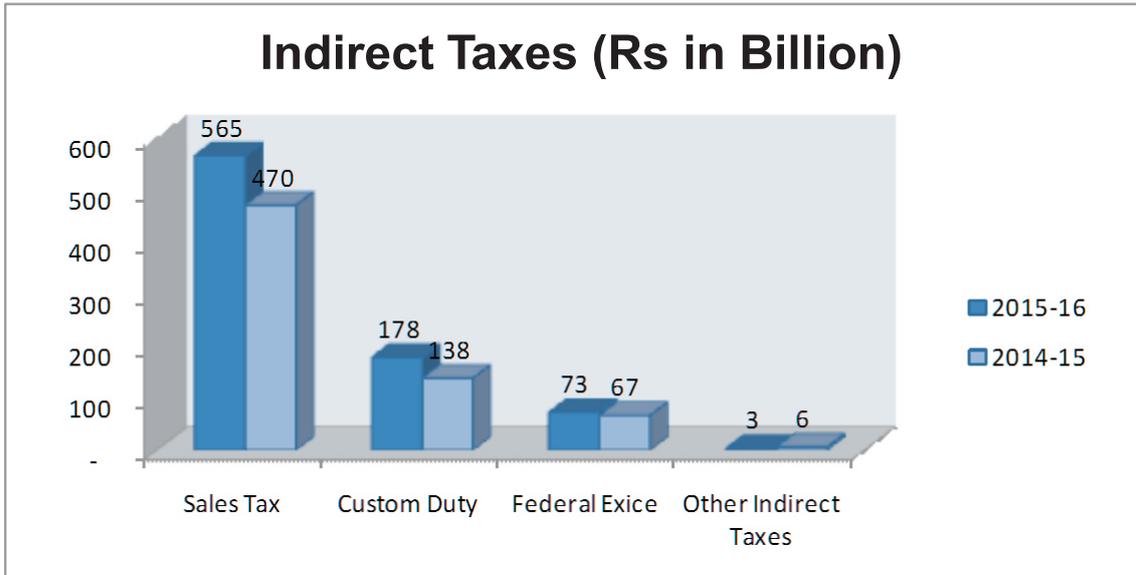
The net collection of direct taxes has increased by 72 billion as compared to previous year. Composition of direct taxes for the financial years is depicted below.



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. 818 billion. Sales tax has emerged as the leading revenue source in

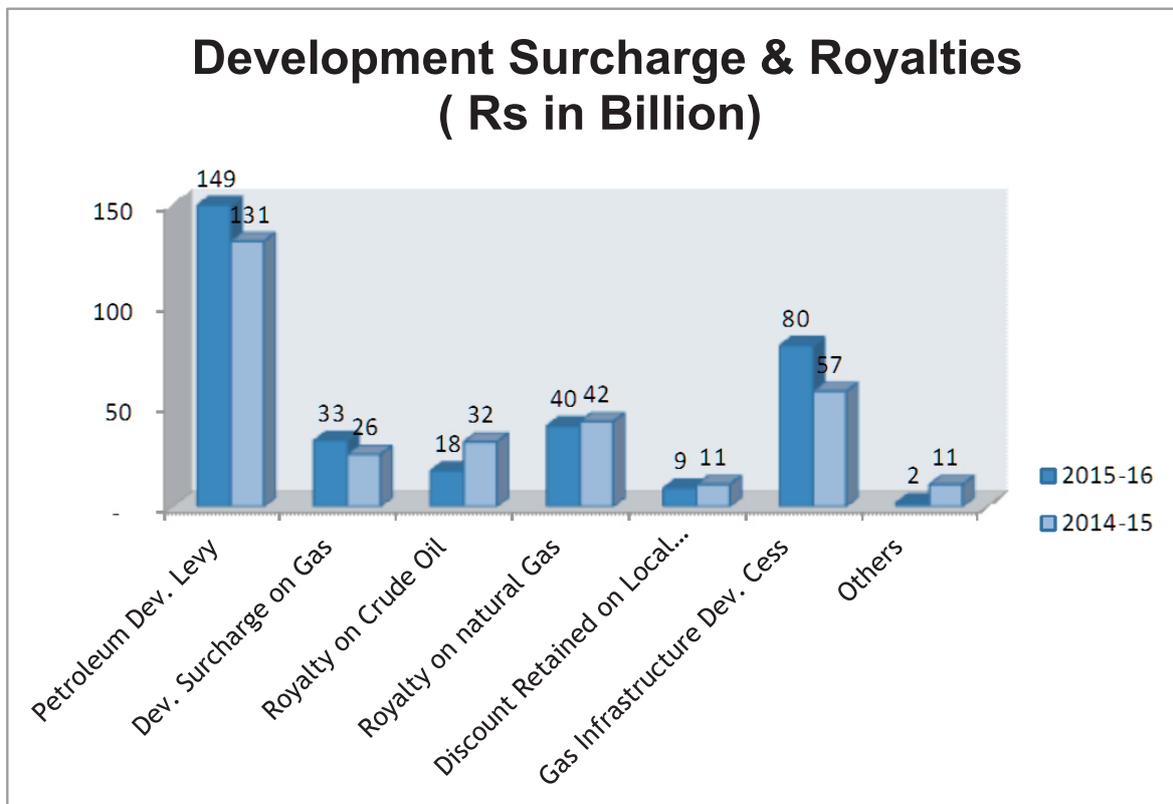
recent years. Due to its buoyant nature, the share of sales tax has come to 69.02% of the total indirect tax collected, customs to 21.76% and Federal Excise 8.86% of the total indirect taxes.



Development Surcharge and Royalties

Items exhibiting major movements here are Petroleum Development Levy showing 12.02% increase from previous year, Dev. Surcharge on Gas 20.99% increase from

last year. The Gas Infrastructure Dev. Cess increased by 28.52%.



Borrowings

1. Domestic Debt

During the year under review domestic debt receipts amounted to Rs. 1,884,119

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

Permanent domestic debt raised during the current financial year was Rs. 1,668,997 million as compared to Rs. 1,183,797 million in the last financial year. The major sources were Pakistan Investment Bonds (Rs. 1,006,023 million), Ijara Sukuk Bonds (Rs. 314,380 million), Bai Muajjal (Rs. 212,621 million).

2. Foreign Debt

In the year under review, the burden of foreign debt on the Federal Government has increased by Rs 239,036 million. Receipts of foreign debt recorded were Rs. 704,614 million this year as compared to Rs. 465,578 million last year which represents an increase of 51.34%. Amongst foreign lenders, Chinese Loan amounted to Rs. 89,960 million during the year. Other major donors were Asian Development Bank (ADB) Rs. 120,827 million, International Development Association (IDA) Rs. 143,414 million, Islamic Development Bank (IDB) Rs. 104,280 million and Consortium of Commercial Banks Rs. 102,421 million.

Dividend and profit share

Dividend represents dividends received against the investments made by the Federal Government in financial and non-financial institutions. Non-financial institutions were the prime source of dividends received in the Federal Consolidated Fund. An increase of 23.37% in total dividend receipts was recorded in comparison to the previous financial year; the current year's receipt amounted to Rs. 91,549 million. Out of total dividend income, dividend from OGDCL was Rs. 18,702 million, Pak Arab Refinery Ltd Rs. 16,800 million and from Government Holdings Private Ltd was Rs. 15,000 million.

Share of profits represents distributable profits from the State Bank of Pakistan and Pakistan Post Office to the Federal Government against the appropriation of their net profits from their investment holdings. The profit share received during the year was Rs. 262,236 million. Profit share from State Bank of Pakistan has shown a decrease of 42.88% from the previous year.

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

Recovery of loans and advances

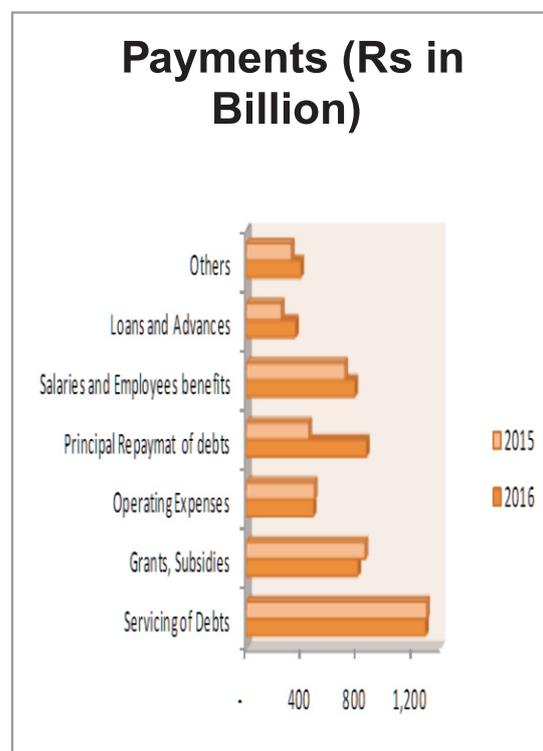
This item has witnessed a major movement in aggregate. Compared to previous year, an increase of 40.61% in recoveries has been recorded. As far as recoveries from provinces are concerned, figure of last year stood at Rs. 41,064 million compared to Rs. 52,406 million this year.

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. 588 billion (13.41%) from the previous year. Total payments made during the year amounted to Rs. 4,972 billion as compared to Rs. 4,384 billion last year.

The major payments include salaries and employees benefits amounting to Rs. 782 billion, operating expenditure amounting to Rs. 483 billion, servicing of debt Rs. 1,291 billion, grants, subsidies and write-off of loans Rs. 803 billion and principal repayment of debts amounting to Rs. 867 billion. The Principal Repayment of Debt consisted of repayment of domestic debt of Rs. 531 billion and Rs. 335 billion for repayment of foreign debt. Out of total debt servicing payments of Rs. 1,291 billion, the domestic debt servicing cost was Rs. 1,178 billion and foreign debt servicing cost was Rs. 112 billion.

The composition of payments made has been detailed below;



THE BUDGET 2015-2016

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.

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.

2,518,934 million was budgeted as revenue receipts against which actual receipts collected were Rs. 2,237,082 million. Capital receipts budgeted were Rs. 10,463,328 million and the actual receipts were of Rs. 11,515,084 million.

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 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 2016

	2016 (Rupees in million)			2015 (Rupees in million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
RECEIPTS						
Revenue						
Taxation	1,345,674	1,341,741	1,337,326	1,219,897	1,119,924	1,127,269
Non-taxation	1,141,656	1,177,193	899,756	1,052,228	1,288,171	996,467
Total revenue receipts	2,487,329	2,518,934	2,237,082	2,272,125	2,408,095	2,123,736
Capital						
Domestic debt	8,752,370	9,526,433	10,735,580	14,646,618	9,143,427	9,964,019
Foreign debt	727,533	821,426	704,614	623,807	662,357	465,578
Recoveries of loans and advances	89,860	101,869	74,890	68,803	75,613	53,262
Privatization Proceeds	50,000	13,600	-	198,000	17,774	18,951
Total capital receipts	9,619,763	10,463,328	11,515,084	15,537,228	9,899,171	10,501,810
TOTAL RECEIPTS	12,107,093	12,982,262	13,752,166	17,809,353	12,307,266	12,625,546
PAYMENTS						
Revenue						
General public services	2,489,393	2,518,312	2,417,647	2,797,290	2,744,472	2,428,665
Defence affairs and services	783,130	777,775	793,966	701,284	722,841	712,632
Public order and safety affairs	98,675	100,760	123,087	90,507	89,828	101,895
Economic affairs	150,792	132,321	167,605	142,876	150,865	145,212
Environment protection	1,095	1,102	1,041	961	946	973
Housing and community amenities	4,186	3,849	4,748	4,826	4,052	4,565
Health affairs and services	32,293	30,813	35,784	38,158	39,298	36,217
Recreation, culture and religion	8,371	9,868	10,298	7,547	8,251	8,649
Education affairs and services	97,610	108,598	117,375	85,991	93,950	101,702
Social protection	2,886	3,272	3,993	2,691	3,709	4,122
Total revenue payments	3,668,431	3,686,670	3,675,543	3,872,131	3,858,212	3,544,632
Capital						
General public services	9,253,744	9,980,465	10,166,643	14,711,142	9,308,983	9,612,699
Economic affairs	15,942	12,136	16,532	5,989	5,659	9,038
Total capital payments	9,269,686	9,992,601	10,183,174	14,717,131	9,314,642	9,621,737
TOTAL PAYMENTS	12,938,117	13,679,271	13,858,718	18,589,261	13,172,854	13,166,369

FINANCIAL SYSTEM, CONTROLS AND LEGAL COMPLIANCE

Financial System and Control

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

- Modern accounting system designed according to internationally recognized

accounting principles and standards, and based on modern information technology to ensure ready availability of relevant, Accurate and timely information required by economic managers as a decision support system.

- Implementation of the world most advanced Enterprise Resource Planning (ERP) system, SAP has been implemented at AG offices. Two modules namely Financial and Controlling (SAP-FICO) and Human Resources (SAP-HR) are currently in use. This system has contributed a lot in the preparation of financial statements. Additionally, procedures of

Payroll and General Provident Fund have become more effective. Burden on the employees has been reduced and effectiveness ensured. Due to its advanced functionalities, tracking of each and every case of GP fund or payroll has become very easy and full information can be retrieved even after a number of years.

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

- 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 Auditor-General 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

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 2016, 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, 2016 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:

(Rana Assad Amin)
Auditor -General of Pakistan

FEDERAL GOVERNMENT
Statement of Cash Receipts and Payments
For the Year Ended 30 June 2016

	Note	2016 (Rupees in Million)		2015 (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					
<i>Taxation</i>					
Income tax		495,598	-	429,563	-
Sales tax		564,801	-	469,812	-
Custom duty		178,040	-	138,091	-
Federal excise		72,527	-	66,708	-
Other taxes		26,360	-	23,095	-
	7	1,337,326	-	1,127,269	-
<i>Non-Tax Revenue and Other Receipts</i>					
General administration receipts	8	6,957	-	7,323	-
Economic Services Receipts	9	9,463	-	2,208	-
Defence services receipts	10	107,098	-	157,494	-
Development surcharge and royalties	11	241,165	-	214,674	-
Citizenship, nationalization, passport and copyright		20,861	-	18,748	-
Interest on loans and advances	12	68,284	-	32,794	-
Dividend and profit share	13	353,785	-	476,842	-
Others		33,051	-	32,041	-
		840,664	-	942,124	-
<i>Grants and Aid</i>					
Development grants	14	48,680	-	44,669	-
<i>Borrowings</i>					
Foreign debt	15	668,930	35,684	465,578	-
Domestic permanent debt	16	1,668,997	-	1,183,797	-
Domestic floating debt-net	17	215,122	-	(2,403)	-
		2,553,049	35,684	1,646,972	-
<i>Capital Receipts</i>					
Recovery of loans and advances	18	74,890	-	53,262	-
Privatization Proceeds	19	-	-	18,951	-
		74,890	-	72,213	-
<i>Trading Activities</i>					
	20	10,412	-	9,674	-
TOTAL RECEIPTS		4,865,021	35,684	3,842,921	-

FEDERAL GOVERNMENT
Statement of Cash Receipts and Payments
For the Year Ended 30 June 2016

	Note	2016 (Rupees in Million)		2015 (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	781,584	-	709,532	-
Operating expenses		483,332	-	490,322	-
		1,264,915	-	1,199,854	-
<i>Transfers</i>					
Grants, subsidies and write-off of loans		803,448	-	856,958	-
Other transfer payments		14,511	-	12,251	-
		817,959	-	869,209	-
<i>Expenditures on</i>					
Physical assets		219,606	35,684	170,983	-
Civil works		116,097	-	94,558	-
Others		7,332	-	8,047	-
		343,035	35,684	273,588	-
<i>Debt and Interest Payments</i>					
Principal repayments of debts	22	866,725	-	451,149	-
Servicing of debts	23	1,291,023	-	1,299,926	-
		2,157,748	-	1,751,075	-
<i>Other Payments</i>					
Loans and advances	24	353,729	-	252,366	-
Investments	25	34,187	-	37,652	-
		387,916	-	290,018	-
TOTAL PAYMENTS		4,971,573	35,684	4,383,744	-
NET PAYMENT OF FEDERAL CONSOLIDATED FUND		(106,552)	-	(540,823)	-
NET RECEIPT OF PUBLIC ACCOUNT	26	123,867	-	300,448	-
INCREASE / (DECREASE) IN CASH		17,315	-	(240,375)	-
CASH AT THE BEGINNING OF THE YEAR		(2,859)	N/A*	237,516	N/A*
INCREASE / (DECREASE) IN CASH		17,315	N/A*	(240,375)	N/A*
CASH AT THE END OF THE YEAR	27	14,456	N/A*	(2,859)	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 2016

	Note	2016 Rupees in million	2015 Rupees in million
CASH FLOWS FROM OPERATING ACTIVITIES			
Tax receipts	7	1,337,326	1,127,269
Non-tax revenue & other receipts		840,664	942,124
Development grants	14	48,680	44,669
Trading activities	20	10,412	9,674
Operations payments		(1,264,915)	(1,199,854)
Servicing of debt	23	(1,291,023)	(1,299,926)
Transfers		(817,959)	(869,209)
<i>Cash used in Operating Activities</i>		(1,136,815)	(1,245,253)
CASH FLOWS FROM INVESTING ACTIVITIES			
Recoveries of loans and advances	18	74,890	53,262
Privatization Proceeds	19	-	18,951
Expenditure on physical assets, civil works & others		(343,035)	(273,588)
Investments	25	(34,187)	(37,652)
Payments of loans and advances	24	(353,729)	(252,366)
<i>Cash used in Investing Activities</i>		(656,061)	(491,393)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt of domestic permanent debt	16	1,668,997	1,183,797
Receipt of foreign debt	15	668,930	465,578
Domestic floating debt-net	17	215,122	(2,403)
Principal repayments of debt	22	(866,725)	(451,149)
Net receipt of public account	26	123,867	300,448
<i>Cash from Financing Activities</i>		1,810,191	1,496,271
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS		17,315	(240,375)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		(2,859)	237,516
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	27	14,456	(2,859)

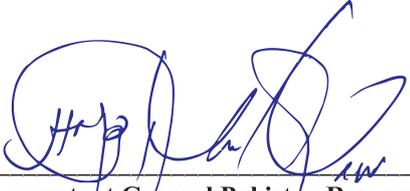
The annexed notes 1 to 31 form an integral part of these financial statements.


Accountant General Pakistan Revenues

FEDERAL GOVERNMENT
Statement of Comparison of Budgeted and Actual Amounts by Function
For the Year Ended 30 June 2016

Note	2016 (Rupees in million)			2015 (Rupees in million)		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Revised		Original	Revised	
RECEIPTS						
	Revenue			Capital		
	1,345,674	1,341,741	1,337,326	1,219,897	1,119,924	1,127,269
	1,141,656	1,177,193	899,756	1,052,228	1,288,171	996,467
	2,487,329	2,518,934	2,237,082	2,272,125	2,408,095	2,123,736
	8,752,370	9,526,433	10,735,580	14,646,618	9,143,427	9,964,019
	727,533	821,426	704,614	623,807	662,357	465,578
	89,860	101,869	74,890	68,803	75,613	53,262
	50,000	13,600	-	198,000	17,774	18,951
29	9,619,763	10,463,328	11,515,084	15,537,228	9,899,171	10,501,810
TOTAL RECEIPTS	12,107,093	12,982,262	13,752,166	17,809,353	12,307,266	12,625,546
PAYMENTS						
	2,489,393	2,518,312	2,417,647	2,797,290	2,744,472	2,428,665
	783,130	777,775	793,966	701,284	722,841	712,632
	98,675	100,760	123,087	90,507	89,828	101,895
	150,792	132,321	167,605	142,876	150,865	145,212
	1,095	1,102	1,041	961	946	973
	4,186	3,849	4,748	4,826	4,052	4,565
	32,293	30,813	35,784	38,158	39,298	36,217
	8,371	9,868	10,298	7,547	8,251	8,649
	97,610	108,598	117,375	85,991	93,950	101,702
	2,886	3,272	3,993	2,691	3,709	4,122
	3,668,431	3,686,670	3,675,543	3,872,131	3,858,212	3,544,632
	9,253,744	9,980,465	10,166,643	14,711,142	9,308,983	9,612,699
	15,942	12,136	16,532	5,989	5,659	9,038
	9,269,686	9,992,601	10,183,174	14,717,131	9,314,642	9,621,737
TOTAL PAYMENTS	12,938,117	13,679,271	13,858,718	18,589,261	13,172,854	13,166,369

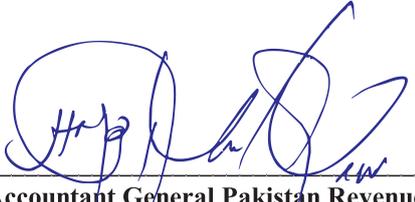
The annexed notes 1 to 31 form an integral part of these financial statements.


Accountant General Pakistan Revenues

FEDERAL GOVERNMENT
Statement of Comparison of Budgeted and Actual Expenditure by Division
For the Year Ended 30 June 2016

DIVISIONS	Note	2016 (Rupees in million)			2015 (Rupees in million)		
		Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
		Original	Revised		Original	Revised	
Aviation Division		10,044	10,044	7,328	1,489	1,310	1,428
Cabinet Secretariat		81,741	95,634	107,634	81,597	103,293	132,862
Capital Administration and Development Division		16,364	18,389	17,941	16,065	15,256	15,814
Climate Change Division		504	819	993	456	442	419
Commerce Division		5,999	5,213	6,083	5,237	5,217	3,795
Communications Division		22,375	22,095	25,835	20,512	30,139	31,415
Defence Division		9,829	10,169	9,613	9,444	11,391	10,802
Defence Production Division		1,491	1,807	1,417	1,492	1,389	1,286
Defence Services		779,140	773,090	789,662	698,259	717,871	707,803
Economic Affairs Division		727,029	741,336	609,121	667,259	633,847	510,963
Establishment Division		2,337	2,341	2,448	3,667	4,124	4,265
Federal Education and Professional Training Division		3,386	2,894	4,542	4,530	3,693	4,168
Finance Division		10,835,452	11,579,014	11,802,834	16,620,711	11,258,117	11,329,868
Foreign Affairs Division		15,179	15,148	16,144	14,289	14,288	15,043
Higher Education Commission		51,000	51,000	56,300	43,000	43,050	47,549
Housing and Works Division		6,419	6,479	9,262	5,410	7,553	6,579
Human Rights Division		-	544	291	-	-	-
Industries and Production Division		1,783	1,771	1,653	2,045	1,559	1,526
Information Technology and Telecommunications Division		4,313	4,147	5,594	3,586	3,295	3,638
Information, Broadcasting and National Heritage Division		7,937	9,424	9,731	7,345	7,433	7,854
Interior Division		84,942	84,898	109,836	74,220	74,158	86,477
Inter-Provincial Coordination Division		2,255	2,376	2,342	1,952	3,097	2,842
Kashmir Affairs and Gilgit-Baltistan Division		10,471	8,943	10,824	10,584	10,314	13,849
Law, Justice and Human Rights Division		8,454	8,245	7,386	8,332	7,294	6,282
Narcotics Control Division		2,249	2,219	2,370	1,690	1,772	1,997
National Food Security and Research Division		5,019	14,256	18,783	4,276	4,102	3,988
National Health Services, Regulations and Coordination Division		22,378	20,818	25,000	28,574	29,870	26,221
National Security Division		43	43	24	50	50	21
National History and Literary Heritage Division		-	105	87	-	-	-
Overseas Pakistanis and Human Resource Development Division		1,093	1,093	889	1,016	1,016	1,664
Pakistan Railways		41,000	26,284	25,780	39,166	36,907	31,366
Parliamentary Affairs Division		335	335	259	312	312	241
Petroleum and Natural Resources Division		1,182	1,182	3,661	900	921	4,084
Planning, Development and Reform Division		42,825	3,024	2,670	82,405	1,608	2,685
Ports and Shipping Division		12,665	8,814	8,767	3,194	2,565	2,462
Privatization Division		141	141	133	131	131	130
Religious Affairs and Inter-Faith Harmony Division		896	909	929	910	917	976
Revenue Division		21,487	21,791	20,450	19,386	19,550	19,389
Science and Technology Division		6,900	7,087	6,885	6,036	6,311	6,730
States and Frontier Regions Division		45,519	59,648	77,611	41,590	53,313	60,344
Statistics Division		2,184	4,211	2,249	1,968	2,006	1,958
Textile Industry Division		541	444	378	678	458	416
Water and Power Division		29,257	33,197	29,817	42,977	39,807	42,492
The Senate		1,739	1,733	1,722	1,539	1,610	1,550
National Assembly		2,997	2,997	2,759	2,609	2,609	2,433
Audit		3,795	3,795	3,809	3,517	3,517	3,522
Election		2,150	5,896	5,472	1,974	2,450	2,254
Federal Tax Ombudsman		165	165	166	145	145	151
Islamabad High Court		449	449	432	415	415	394
Staff, Household and Allowances of the President		801	918	967	743	749	763
Supreme Court		1,303	1,335	1,277	1,206	1,206	1,131
Wafaqi Mohtasib		560	560	559	372	407	482
TOTAL PAYMENTS	29	12,938,117	13,679,271	13,858,718	18,589,261	13,172,854	13,166,369

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 2016

(Rs. In million)

Grants Name	A01	A02	A03	A04	A05	A06	A07	A08	A09	A10	A11	A12	A13	Grand Total
	Employees Related Expenses	Protective Investment Analysis	Operating Expenses	Employees' Retirement Benefits	Grants Subsidies and Write Off Loans	Transfers	Interest Payment	Loans and Advances	Physical Assets	Principal Repayments of Loans	Investment	Civil Works	Repairs and Maintenance	
Current Expenditure:														
1 - Cabinet	94	-	84	-	-	-	-	-	-	-	-	-	-	178
2 - Cabinet Division	1,116	-	5,498	23	28	-	-	-	239	-	-	-	32	6,991
3 - Emergency Relief and Rehabilitation	-	-	300	-	-	-	-	-	-	-	-	-	-	300
4 - Other Expenditure of Cabinet Division	1,263	-	937	2	4,008	-	-	-	57	-	-	-	654	954
5 - Aviation Division	4,250	-	72	38	82	-	-	-	171	-	-	-	5	6,273
6 - Airports Security Force	836	-	110	16	14	-	-	-	14	-	-	-	05	1,001
7 - Airports Administration and Development Division	10,961	-	5,163	170	65	467	-	-	238	-	-	1	308	17,366
8 - Capital Advances	1,544	-	496	36	23	7	-	-	9	-	-	-	8	2,124
9 - Establishment Division	1,544	-	187	13	35	1,221	-	-	3	-	-	-	3	553
10 - Federal Public Service Commission	438	-	106	14	0	-	-	-	48	-	-	0	7	1,868
11 - Other Expenditure of Establishment Division	16	-	7	0	-	-	-	-	1	-	-	-	0	24
12 - National Security Division	498	-	106	9	40	42	-	-	65	-	-	-	17	817
13 - Prime Minister's Office	141	-	72	2	3	2	-	-	-	-	-	-	4	223
14 - Board of Investment	32	-	8,005	-	-	-	-	-	-	-	-	-	1	44
15 - Prime Minister's Inspection Commission	75	-	4	-	-	-	-	-	0	-	-	-	-	8,005
16 - Atomic Energy	260	-	1,179	12	488	-	-	-	27	-	-	-	0	82
17 - Stationery and Printing	1,485	-	1,436	36	1,260	-	-	-	53	-	-	-	13	981
18 - Climate Change Division	3,531	-	705	8	13	-	-	-	222	-	-	-	40	5,934
19 - Commerce Division	152	-	32	2	3,309	-	-	-	0	-	-	-	104	4,590
20 - Communications Division	9,339	-	3,358	4,356	159	42	-	-	172	-	-	21	248	17,595
21 - Other Expenditure of Communications Division	72	-	273	5	441	-	-	-	20	-	-	-	5	1,878
22 - Defence Division	806	-	62	13	30	-	-	-	16	-	-	-	13	942
23 - Survey of Pakistan	4,384	-	60	34	11	-	-	-	34	-	-	-	90	4,508
24 - Federal Government Educational Institutions In Continents and Garrison	306,984	-	192,324	-	247	-	-	-	193,802	-	-	96,443	-	789,543
25 - Federal Education and Professional Training Division	96	-	42	5	23	-	-	-	347	-	-	-	-	517
26 - Finance Division	955	11	399	10	200	3	-	-	8	-	-	-	13	1,509
27 - Controller General of Accounts	3,800	-	730	118	87	15	-	-	27	-	-	-	12	1,398
28 - Pakistan Mint	310	-	143	2	7	0	-	-	36	-	-	-	33	5,397
29 - National Savings	1,360	-	802	5	93	0	-	-	38	-	-	-	22	2,322
30 - Other Expenditure of Finance Division	69	-	1,28	2	14,135	1	-	-	1	-	-	-	-	14,337
31 - Superannuation Allowances and Pensions	0	-	-	251,010	-	-	-	-	-	-	-	-	-	251,010
32 - Grants-In-Aid and Miscellaneous Adjustments between the Federal and Provincial Governments	-	-	-	-	87,656	-	-	-	-	-	-	-	-	87,656
33 - Subsidies and Miscellaneous Expenditure	0	-	95	-	513,175	-	-	-	8	-	-	-	-	513,278
34 - Higher Education Commission	248	-	745	6	47,173	-	-	-	1	-	-	-	2	56,300
35 - Economic Affairs Division	75	-	44	1	7	4,408	-	-	2	-	-	-	2	5,418
36 - Privatization Division	251	-	30	6	17	-	-	-	0	-	-	-	-	133
37 - Federal Board of Revenue	1,504	-	1,469	29	6	144	-	-	80	-	-	-	3	313
38 - Customs	4,987	-	1,977	101	173	190	-	-	133	-	-	-	52	3,284
39 - Inland Revenue	1,858	-	1,176	151	341	369	-	-	140	-	-	-	132	6,513
40 - Statistics Division	88	-	328	41	28	-	-	-	240	-	-	-	16	1,018
41 - Foreign Affairs	61,129	-	4,656	3	71	-	-	-	906	-	-	-	70	2,382
42 - Other Expenditure of Foreign Affairs Division	114	-	1,986	8	83	-	-	-	537	-	-	93	236	11,725
43 - Housing and Works Division	1,071	-	199	39	30	-	-	-	21	-	-	-	1	2,131
44 - Estate Offices	82	-	13	4	1	0	-	-	4	-	-	6	1,998	3,351
45 - Federal Lodges	164	-	57	7	-	-	-	-	6	-	-	-	-	116
46 - Industries and Production Division	5	-	284	1	-	-	-	-	-	-	-	-	-	85
47 - Department of Investment Promotion and Supplies	523	-	284	1	-	-	-	-	1	-	-	-	3	239
48 - Other Expenditure of Industries and Production Division	139	-	77	3	22	11	-	-	16	-	-	-	16	807
49 - Information, Broadcasting and National Heritage Division	338	-	2,000	13	8	6	-	-	32	-	-	-	6	2,405
50 - Directorate of Publications, Newsbooks and Documents	297	-	212	-	-	-	-	-	11	-	-	-	6	526
51 - Information Services Abroad	3,766	-	1,820	-	15	-	-	-	-	-	-	-	-	5,601
52 - Other Expenditure of Information, Broadcasting and National Heritage Division	62	-	1,516	4	-	-	-	-	(01)	-	-	-	-	87
53 - National History and Library Heritage	2,859	-	1,100	10	33	1	-	-	8	-	-	45	368	4,810
54 - Information Technology and Telecommunication Division	456	-	789	36	152	34	-	-	75	-	-	-	8	1,663
55 - Inter Provincial Coordination Division	6,511	-	1,478	7	1	0	-	-	5	-	-	-	51	7,647
56 - Islamabad	420	-	3,487	0	436	182	-	-	7,029	-	-	165	417	54,197
57 - Passport Organisation	42,881	-	247	1	68	2	-	-	129	-	-	69	57	74,488
58 - Civil Armed Forces	6,873	-	252	1	5	0	-	-	118	-	-	-	77	1,742
59 - Frontier Constabulary	1,289	-	-	-	-	-	-	-	-	-	-	-	-	-
60 - Pakistan Coast Guards	-	-	-	-	-	-	-	-	-	-	-	-	-	-

FEDERAL GOVERNMENT
Statement of Appropriation of Grants by Object
For the Year Ended 30 June 2016

(Rs. In million)

Grants Name	A01 Employees Related Expenses	A02 Project Pre- Investment Analysis	A03 Operating Expenses	A04 Employees' Retirement Benefits	A05 Grants Subsidies and Write Off Loans	A06 Transfers	A07 Interest Payment	A08 Loans and Advances	A09 Physical Assets	A10 Principal Repayments of Loans	A11 Investment	A12 Civil Works	A13 Repairs and Maintenance	Grand Total
68 - Pakistan Rangers	16,424	-	1,531	39	62	1	-	-	2,416	-	-	55	158	20,786
69 - Other Expenditure of Interior Division	2,101	-	1,675	45	184	67	-	-	118	0	-	-	29	4,220
70 - Narcotics Control Division	1,395	-	390	5	343	4	-	-	32	-	-	-	37	2,205
71 - Kashmir Affairs and Gilgit-Baltistan Division	71	-	19	4	208	1	-	-	-	-	-	-	2	304
72 - Other Expenditure of Kashmir Affairs and Gilgit-Baltistan Division	18	-	7	0	-	-	-	-	-	-	-	-	0	26
73 - Gilgit-Baltistan	-	-	-	-	227	-	-	-	-	-	-	-	-	227
74 - Law, Justice and Human Rights Division	298	-	106	7	13	-	-	-	2	-	-	-	-	424
75 - Other Expenditure of Law, Justice and Human Rights Division	2,541	-	37	27	64	2	-	-	103	-	-	-	5	2,959
76 - Council of Islamic Ideology	54	0	46	-	-	-	-	-	-	-	-	-	-	100
77 - National Accountability Bureau	256	-	42	1	4	-	-	-	5	-	-	-	3	310
78 - National Accountability Bureau	1,222	-	1,231	7	8	-	-	-	92	-	-	-	37	2,500
78A - Human Rights Division	137	-	74	2	69	0	-	-	4	-	-	-	4	291
79 - National Assembly	1,366	-	1,242	8	92	7	-	-	29	-	-	-	15	2,750
80 - The Senate	1,024	-	551	9	52	12	-	-	47	-	-	-	26	1,722
81 - National Food Security and Research Division	2,465	-	1,114	51	14,321	2	-	-	1	-	-	-	19	17,973
82 - National Health Services, Regulations and Coordination Division	1,398	-	214	8	51	4	-	-	7	-	-	-	11	1,692
83 - Overseas Pakistanis and Human Resource Development Division	528	-	309	16	8	1	-	-	17	-	-	-	10	889
84 - Parliamentary Affairs Division	183	-	673	7	7	1	-	-	1	-	-	-	1	259
85 - Petroleum and Natural Resources Division	334	-	56	2	2	0	-	-	5	-	-	-	6	405
86 - Geological Survey	84	-	-	-	-	-	-	-	-	-	-	-	-	84
87 - Other Expenditure of Petroleum and Natural Resources Division	722	-	172	20	4	3	-	-	6	-	-	-	11	937
88 - Planning, Development and Reform Division	393	-	187	7	13	2	-	-	13	-	-	-	30	676
89 - Ports and Shipping Division	168	-	76	5	104	26	-	-	20	-	-	-	3	403
90 - Ports and Shipping Division	236	-	252	6	38	1	-	-	8	-	-	-	6	527
91 - Religious Affairs and Inter-Faith Harmony Division	116	-	116	3	0	-	-	-	4	-	-	-	2	402
92 - Other Expenditure of Religious Affairs and Inter-Faith Harmony Division	3,922	71	1,759	893	30	16	-	-	3	-	-	-	33	5,522
93 - Science and Technology Division	8,038	-	1,829	4	1	1	-	-	1	-	-	-	1	10,173
94 - States and Frontier Regions Division	18,603	-	14,321	0	340	10	-	-	12	-	-	-	21	33,307
95 - Federally Administered Tribal Areas	1	-	-	-	-	-	-	-	-	-	-	-	-	1
96 - Maintenance Allowances To Ex-Rulers	314	-	39	14	0	0	-	-	1	-	-	-	7	374
99 - Afghan Refugees	220	-	87	3	36	2	-	-	2	-	-	-	6	356
100 - Textile Industry Division	360	-	974	8	-	2	-	-	1	-	-	-	3	1,348
101 - Water and Power Division	0	-	-	-	1,000	2	-	-	-	-	8,057	-	-	9,059
102 - Federal Miscellaneous Investments	0	-	-	-	-	-	-	24,798	-	-	-	-	-	24,798
103 - Other Loans and Advances by the Federal Government	0	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Expenditure	514,480	84	289,037	257,592	600,431	104,555	6	24,798	209,155	0	8,057	96,951	6,689	2,107,433
Development Expenditure	3	-	7,535	-	13,103	-	-	-	161	-	-	326	-	21,128
104 - Development Expenditure of Cabinet Division	-	-	16	-	-	-	-	-	9	-	-	-	-	900
105 - Development Expenditure of Aviation Division	-	-	-	-	-	-	-	-	-	-	-	-	-	-
106 - Development Expenditure of Capital Administration and Development Division	-	-	-	-	-	-	-	-	-	-	-	-	-	-
106A - Development Expenditure of Establishment Division	29	-	40	-	-	-	-	-	153	-	-	356	1	578
107 - Development Expenditure of Finance Division	1	-	0	-	-	-	-	-	23	-	-	-	0	27
108 - Development Expenditure of Finance Division	5	-	154	-	-	-	-	-	591	-	-	250	-	1,000
109 - Development Expenditure of Finance Division	7	-	9	-	-	-	-	-	2	-	-	-	0	14
110 - Development Expenditure of Finance Division	5	-	2	-	-	0	-	-	126	-	-	15	-	142
111 - Development Expenditure of Finance Division	104	-	37	-	65	-	-	-	927	-	-	322	-	1,451
112 - Development Expenditure of Finance Division	1,145	-	1,754	4	-	-	-	-	900	-	-	-	-	3,803
113 - Development Expenditure of Finance Division	83	-	1,785	-	32,293	0	-	-	278	-	-	32	-	29,443
114 - Development Expenditure of Finance Division	0	-	-	-	8,665	-	-	-	-	-	-	-	-	8,665
115 - Other Development Expenditure	-	-	-	-	7,207	4,000	-	-	-	-	280	-	-	11,487
116 - Development Expenditure of Finance Division	-	-	102,675	-	-	-	-	-	-	-	-	-	-	102,675
117 - Development Expenditure of Finance Division	-	-	-	-	1,354	-	-	-	-	-	-	-	-	1,354
118 - Development Expenditure of Finance Division	2	-	11	-	-	0	-	-	38	-	-	120	-	172
119 - Development Expenditure of Finance Division	6	-	106	5	-	-	-	-	5	-	-	-	4	121
120 - Development Expenditure of Finance Division	4	-	6	-	-	0	-	-	47	-	-	16	-	73
121 - Development Expenditure of Information Technology and Telecommunications Division	-	-	21	-	12	-	-	-	58	-	-	510	0	664
122 - Development Expenditure of Information Technology and Telecommunications Division	62	-	129	-	241	101	-	-	416	-	-	-	-	887
123 - Development Expenditure of Information Technology and Telecommunications Division	629	19	1,304	60	16	1	-	-	3,528	-	-	5,462	315	11,274
124 - Development Expenditure of Information Technology and Telecommunications Division	37	-	81	0	-	-	-	-	-	-	-	-	-	105
125 - Development Expenditure of Information Technology and Telecommunications Division	32	-	206	-	-	-	-	-	1,247	-	-	82	-	1,602
127 - Development Expenditure of Information Technology and Telecommunications Division	257	-	531	1	0	-	-	-	8	-	-	11	-	1,006
128 - Development Expenditure of Information Technology and Telecommunications Division	82	7	1,810	4	21,361	-	-	-	38	-	-	5	-	23,307
129 - Development Expenditure of Information Technology and Telecommunications Division	82	-	1,645	-	-	3	-	-	1	-	-	-	2	1,733
130 - Development Expenditure of Information Technology and Telecommunications Division	105	1	81	-	-	37	-	-	362	-	-	321	-	910

FEDERAL GOVERNMENT
Statement of Appropriation of Grants by Object
For the Year Ended 30 June 2016

(Rs. In million)

Grants Name	A01 Employees Related Expenses	A02 Project Pre- Investment Analysis	A03 Operating Expenses	A04 Employees' Retirement Benefits	A05 Grants Subsidies and Write Off Loans	A06 Transfers	A07 Interest Payment	A08 Loans and Advances	A09 Physical Assets	A10 Principal Repayments of Loans	A11 Investment	A12 Civil Works	A13 Repairs and Maintenance	Grand Total
131 - Development Expenditure of Federally Administered Tribal Areas	258	-	28,198	0	-	-	-	-	-	-	-	-	28,457	
131A - Development Expenditure of Fata (outside PSDP)	-	-	2,016	-	-	-	-	-	-	-	-	-	2,016	
132 - Development Expenditure of Textile Industry Division	7	-	14	-	28,469	-	-	-	0	-	-	-	28,490	
133 - Development Expenditure of Water and Power Division	0	-	(6)	-	-	-	-	-	-	-	-	-	59,816	
134 - Capital Outlay On Development of Atomic Energy	-	-	26,699	-	-	-	-	-	33,117	-	-	-	59,816	
135 - Capital Outlay On Federal Investments	-	-	-	-	-	-	-	-	-	-	70	-	70	
136 - Development Loans and Advances by the Federal Government	-	-	-	-	-	-	-	174,448	-	-	-	-	174,448	
137 - External Development Loans and Advances by the Federal Government	-	-	-	-	-	-	-	154,483	-	-	-	-	154,483	
139 - Capital Outlay On Foreign Affairs Division	1	-	-	-	-	-	-	-	-	-	-	-	-	
140 - Capital Outlay On Pakistan Development	73	-	318	-	-	-	-	-	-	-	5,276	-	5,643	
141 - Capital Outlay On Petroleum And Mineral Resources	5	-	2,016	-	43	-	-	-	206	-	-	4	2,297	
142 - Capital Outlay On Ports And Shipping Division	16	-	1,474	-	-	-	-	-	3,599	-	-	2,978	8,091	
143 - Capital Outlay On Pakistan Railways	-	-	-	-	-	-	-	-	-	-	25,780	-	25,780	
Total Development Expenditure	3,062	27	188,932	5	112,829	4,312	-	328,931	45,658	-	26,130	19,146	369	729,400
Expenditure Charged upon Federal Consolidated Fund														
A - Staff, Household and Allowances of the President	557	-	104	8	112	36	-	-	134	-	-	-	16	967
B - Audit	2,672	-	948	94	36	3	-	-	20	-	-	-	35	3,809
C - Servicing of Domestic Debt	-	-	-	-	-	-	1,178,458	-	-	-	-	-	-	1,178,458
D - Repayment of Domestic Debt	-	-	-	-	-	-	-	-	-	9,382,879	-	-	-	9,382,879
E - Servicing of Foreign Debt	-	-	-	-	-	-	112,559	-	-	-	-	-	-	112,559
F - Foreign Loans Repayment	-	-	-	-	-	-	-	-	-	258,741	-	-	-	258,741
G - Repayment Of Short Term Foreign Credits	-	-	-	-	-	-	-	-	-	76,566	-	-	-	76,566
H - Supreme Court	920	-	177	62	-	-	-	-	47	-	-	-	67	1,277
I - Islamabad High Court	381	-	84	1	-	-	-	-	-	-	-	-	5	432
J - Election	1,287	-	3,853	18	30	2	-	-	244	-	-	-	30	5,473
K - National Muteleeb	208	-	208	10	-	-	-	-	-	-	-	-	-	426
L - Federal Tax Collection	124	-	-	-	-	-	-	-	-	-	-	-	-	124
Total Expenditure Charged upon Federal Consolidated Fund	6,252	-	5,363	193	187	46	1,291,018	-	477	9,718,186	-	-	163	11,021,886
Grand Total - 2016 (Note 29)	523,794	111	483,332	257,790	803,447	14,513	1,291,023	353,728	255,290	9,718,186	34,187	116,097	7,220	13,858,718
Grand Total - 2015 (Note 29)	497,020	301	490,322	212,512	856,958	12,251	1,299,925	252,366	170,983	9,233,775	37,653	94,558	7,747	13,166,369



Accountant General Pakistan Revenues

FEDERAL GOVERNMENT

Notes to the Financial Statements

For the Year Ended 30 June 2016

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.

FEDERAL GOVERNMENT

Notes to the Financial Statements

For the Year Ended 30 June 2016

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.

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 2015-16 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 2015-16 (from 1 July, 2015 to 30 June, 2016).

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.

FEDERAL GOVERNMENT

Notes to the Financial Statements

For the Year Ended 30 June 2016

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.

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.

FEDERAL GOVERNMENT

Notes to the Financial Statements

For the Year Ended 30 June 2016

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.

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.

FEDERAL GOVERNMENT

Notes to the Financial Statements

For the Year Ended 30 June 2016

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 2016

7. TAXATION

	Note	2016 (Rupees in million)			2015 (Rupees in million)		
		Tax Collected	Transfers	Net Tax Collected	Tax Collected	Transfers	Net Tax Collected
Income Tax	7.1	1,169,977	(674,379)	495,598	990,609	(561,046)	429,563
Sales Tax	7.2	1,320,264	(755,463)	564,801	1,087,802	(617,990)	469,812
Customes	7.3	404,572	(226,532)	178,040	306,220	(168,129)	138,091
Federal Excise	7.4	188,055	(115,528)	72,527	162,248	(95,540)	66,708
Others	7.5	27,512	(1,152)	26,360	23,606	(511)	23,095
		3,110,380	(1,773,054)	1,337,326	2,570,485	(1,443,216)	1,127,269

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

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

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

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

7.5. TAXATION OTHERS

Direct Taxes

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

Note	2016 Rupees in million	2015 Rupees in million
------	------------------------------	------------------------------

	694	660
	301	276
	44	47
	22,416	16,172
	23,455	17,155
	2,105	1,731
	612	506
	94	168
	94	3,535
	2,905	5,940
	26,360	23,095

Indirect Taxes

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

8. GENERAL ADMINISTRATION RECEIPTS

Social Services	1,650	1,559
Fiscal Administration	1,399	2,511
Community Services	1,249	1,196
Economic Regulations	1,206	641
Law and Order	1,116	1,190
Organs of State	303	218
Statistics	34	8
	6,957	7,323

FEDERAL GOVERNMENT
Notes to the Financial Statements
For the Year Ended 30 June 2016

	Note	2016 Rupees in million	2015 Rupees in million
9. ECONOMIC SERVICES RECEIPTS			
Food and Agriculture		8,225	598
Fisheries and Animal Husbandry		212	248
Forest and Irrigation		18	10
Receipts under Oilfields and Mineral Development Act		371	741
Others		637	611
		<u>9,463</u>	<u>2,208</u>
10. DEFENCE SERVICES RECEIPTS			
Administrative Services		97,802	148,637
Military Engineering Services		2,597	2,500
Air Force		1,558	1,250
Purchase and Sale of Stores, Equipment and Animals		1,323	1,009
Pakistan Navy		895	1,130
Ordinance and Clothing Factories		816	1,135
Receipts on certain measures of Inter-Services Nature		713	674
Military Farms		512	461
Procurement, Research & Product Development		181	132
Defence Services Others		701	566
		<u>107,098</u>	<u>157,494</u>

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

	Note	2016 Rupees in million	2015 Rupees in million
11. DEVELOPMENT SURCHARGE AND ROYALTIES			
Petroleum Development Levy	11.1	149,358	131,356
Development Surcharge on Gas	11.2	32,654	25,816
Royalty on Crude Oil	11.3	17,690	31,988
Royalty on Natural Gas	11.3	39,990	42,049
Discount Retained on Local Crude Price	11.4	9,108	10,926
Gas Infrastructure Development Cess	11.5	79,771	57,021
Windfall Levy on Crude Oil		1,634	10,921
Mineral Royalties		69	55
		<u>330,274</u>	<u>310,132</u>
Less: Provincial Share		<u>(89,109)</u>	<u>(95,458)</u>
		<u>241,165</u>	<u>214,674</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 2016

	Note	2016 Rupees in million	2015 Rupees in million
12. INTEREST ON LOANS AND ADVANCES			
Non-Financial Institutions		44,684	7,910
Provinces		9,753	13,320
Financial Institutions		1,441	1,596
Interest on Loans and Advances to Govt. Servants		115	123
District Governments		97	13
Others		12,194	9,832
		<u>68,284</u>	<u>32,794</u>
13. DIVIDEND AND PROFIT SHARE			
Dividends Receipts	13.1	91,549	74,208
Profit share	13.2	262,236	402,634
		<u>353,785</u>	<u>476,842</u>
13.1. Dividends Receipts			
Financial Institution			
Pakistan Re-Insurance Corporation		337	673
Pak Oman Investment Company		185	123
Pak Iran Joint Investment Company		150	75
Pak Brunei Investment Company		100	100
National Investment Trust		78	67
National Bank of Pakistan		47	34
Industrial Development Bank Limited		-	500
Habib Bank Ltd		-	138
Allied Bank Ltd		-	52
Others		10	-
		907	1,762
Non-Financial Institution			
Oil and Gas Development Corporation		18,702	31,439
Pak Arab Refinery Ltd		16,800	4,320
Govt Holding Pvt Ltd		15,000	8,500
Mari Gas Co Ltd		9,917	-
Pakistan Petroleum Ltd		8,319	15,973
Pakistan Telecommunication Co Ltd		6,342	7,928
Privatisation Commission		5,627	-
National Fertilizer Corporation of Pakistan (Pvt) Limited		3,000	-
Trading Corporation of Pakistan		2,600	100
National Finance Corporation of Pakistan		2,000	2,000
State Life Insurance Corporation		897	564
Pakistan Security Printing Corporation		600	600
Pakistan State Oil Co Ltd		549	611
Pakistan National Shipping Corporation		169	167
Fauji Fertilizer Co Limited		71	157
Others		49	87
		90,642	72,446
		<u>91,549</u>	<u>74,208</u>
13.2. Profit share			
State Bank of Pakistan	13.2.1	227,894	399,000
Others		34,342	3,634
		<u>262,236</u>	<u>402,634</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 2016

	Note	2016 Rupees in million	2015 Rupees in million
14. DEVELOPMENT GRANTS			
Foreign Governments			
China		1,033	103
Germany		779	1,336
Japan		511	294
Others		7	461
		2,330	2,194
Foreign Organisations			
Department for International Development (DFID)		27,093	26,474
United States Agency for International Development (USAID)		14,808	9,309
International Bank for Re-construction and Development (IBRD)		3,114	4,561
European Union		1,290	2,084
NORD		-	37
International Development Research Centre (IDRC)		-	10
Others		45	-
		46,350	42,475
		48,680	44,669
15. FOREIGN DEBT - RECEIPTS			
International Development Association (IDA)		143,414	118,166
Asian Development Bank (ADB)		120,827	46,231
Islamic Development Bank ST (IDB)		104,280	-
Consortium of Commercial Banks		102,421	5,127
Chinese Loan		89,960	62,834
Euro Bond		52,132	-
Noor Bank (UAE)		35,341	-
Telenor GTL		14,420	-
International Bank for Re-construction and Development (IBRD)		12,659	2,982
Yen Credit from Japan		7,721	10,690
Islamic Development Bank (IDB)		4,864	104,097
Dubai Islamic Bank		4,493	-
Kuwait		4,470	716
Turkey(ECO Trade)		3,568	-
International Fund for Agricultural Development (IFAD)		1,811	1,620
Germany		1,431	-
French Credit		757	-
Sukuk Bond		-	101,630
United Arab Emirates		-	10,074
German Export Credit		-	862
O.P.E.C. Special Fund Loan		-	117
Others		45	432
		704,614	465,578
16. DOMESTIC DEBT - RECEIPTS			
<i>Government Securities</i>			
Permanent Debt	16.1	1,668,997	1,183,797
Floating Debt-net	17	215,122	(2,403)
		1,884,119	1,181,394
16.1 Permanent Debt			
Pakistan Investment Bonds		1,006,023	1,021,757
Ijara Sukuk Bond		314,380	-
Bai Muajjal		212,621	-
National Prize Bonds		135,959	162,020
Special U.S. Dollar Bonds		14	20
		1,668,997	1,183,797

FEDERAL GOVERNMENT
Notes to the Financial Statements
For the Year Ended 30 June 2016

	Note	2016 Rupees in million	2015 Rupees in million
17. DOMESTIC FLOATING DEBT-NET			
Floating Debt Receipts			
6 Months Market Treasury Bills (Auction)		9,022,508	3,536,784
6 Months Market Treasury Bills purchased by SBP		44,075	5,243,438
Cash Credit Accomodation		-	-
		9,066,583	8,780,222
Floating Debt Payments			
6 Months Market Treasury Bills (Auction)		4,292,961	3,300,539
6 Months Market Treasury Bills purchased by SBP		4,558,056	5,481,552
Promissory Note		282	282
Treasury Bills for Payment to IBRD		154	154
General Capital Increase		8	98
		8,851,461	8,782,625
		215,122	(2,403)
18. RECOVERY OF LOANS AND ADVANCES			
Provinces		52,406	41,064
Financial Institution		4,711	4,638
Government Servants		3,529	2,929
Non-Financial Institution		10,363	2,207
Others		3,881	2,424
		74,890	53,262
19. PRIVATIZATION PROCEEDS			
Pakistan Petroleum Ltd		-	15,212
Habib Bank Limited		-	2,283
Allied Bank Limited		-	1,453
United Bank Limited		-	3
		-	18,951
20. TRADING ACTIVITIES			
Pakistan Post Office - Receipts		10,412	9,674
		10,412	9,674
21. SALARIES AND EMPLOYEES BENEFITS			
Pay and Allowances		523,794	497,020
Retirement Benefits		257,790	212,512
		781,584	709,532
22. PRINCIPAL REPAYMENTS OF DEBT			
Foreign Debt			
Islamic Development Bank (IDB)		81,219	44,575
Asian Development Bank (ADB)		77,973	73,364
Euro Bonds		52,427	-
International Development Association (IDA)		26,804	25,715
Standard Chartered Bank		23,490	17,553
International Bank for Re-construction and Development (IBRD)		15,382	15,843
Chinese Loan		13,978	11,675
Saudi Arabia		11,613	12,379
Yen Credit from Japan		6,516	5,207
French Credit		5,998	5,389
International Monetary Fund (IMF)		5,430	57,403
Korea		2,334	1,939
German Loan		1,662	1,699
Dollar Bond N.C.C.		1,339	-
Kuwait		1,073	766
OPEC		666	454
International Fund for Agricultural Development (IFAD)		571	537

FEDERAL GOVERNMENT
Notes to the Financial Statements
For the Year Ended 30 June 2016

	2016 Rupees in million	2015 Rupees in million
Mortgage Re-Finance Company	-	1,200
Poverty Alleviation Fund with IDB	-	498
Islamic Cooperation for the Insurance of Investment & Export Credit	-	6
	<u>34,187</u>	<u>37,652</u>

26. NET RECEIPT OF PUBLIC ACCOUNT

Receipts

National Saving Schemes	1,077,143	1,008,243
Deposits	419,444	316,538
State Provident Fund	51,683	47,410
Other Public Accounts	10,046,634	535,799
	<u>11,594,904</u>	<u>1,907,990</u>

Payments

National Saving Schemes	(957,607)	(746,998)
Deposits	(390,695)	(271,473)
State Provident Fund	(28,850)	(23,717)
Other Public Accounts	(10,093,885)	(565,354)
	<u>(11,471,037)</u>	<u>(1,607,542)</u>
	<u>123,867</u>	<u>300,448</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.

	2016 Rupees in million	2015 Rupees in million
27. CASH AT BANK AND TREASURIES		
Cash with State Bank of Pakistan (SBP)	14,763	(2,563)
Cash Balance with Treasuries	(307)	(296)
	<u>14,456</u>	<u>(2,859)</u>

28. ASSETS AND LIABILITIES

Assets

Long Term Assets	1,596,664	1,258,393
Investments	993,401	959,214
Loans and Advances	2,248,756	1,895,027
Current Assets	50,179	55,235
Cash at Bank and Treasuries	14,456	(2,859)
	<u>4,903,456</u>	<u>4,165,010</u>

Liabilities and Equity

Public Debt	15,498,147	13,776,139
Special Deposits and Trust Accounts	2,853,746	2,738,848
Deferred liabilities	102,490	98,577
Capital Receipts	359,822	284,932
Residual Equity	(13,910,749)	(12,733,486)
	<u>4,903,456</u>	<u>4,165,010</u>

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.

FEDERAL GOVERNMENT
Notes to the Financial Statements
For the Year Ended 30 June 2016

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	2016 Rupees in Million	2015 Rupees in Million
Receipts			
Receipts in Statement of Comparison of Budget and Actual Amounts by Function		13,752,166	12,625,546
Add: Floating debt-net	17	215,122	(2,403)
Less : Floating debt receipts	17	9,066,583	8,780,222
Less : Third party Adjustment		35,684	-
Actual receipts in Statement of Cash Receipts and Payments		<u>4,865,021</u>	<u>3,842,921</u>
Payments			
Payments in Statements of Comparison of Budget & Actual Amounts by Function and Actual Expenditure by Division		13,858,718	13,166,369
Less : Floating debt payments	17	8,851,461	8,782,625
Less : Third party Adjustment		35,684	-
Actual payments in Statement of Cash Receipts and Payments		<u>4,971,573</u>	<u>4,383,744</u>

30. AUTHORIZATION FOR ISSUE

Under section 7 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, read with Article 171 of the Constitution, the Auditor-General submits the certified financial statements of the federal government together with the audit reports on these financial statements to the President of the Islamic Republic of Pakistan who shall cause them to be laid before the National Assembly. These financial statements have been authorized for issue on _____.

31. GENERAL

31.1. Level of Precision

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

31.2. Corresponding Figures

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



Accountant General Pakistan Revenues

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

Controller General of Accounts
CGA Complex
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Tel: (051) 9201322-25