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# **SECTION I**

## REVENUE RECEIPTS

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## **1. REVENUE RECEIPTS**

**1.1** The main sources of revenue receipts of the federal government are tax revenue and non-tax revenue.

### **TAX REVENUE**

**1.2** Tax revenue is of two types, direct and indirect. Direct taxes are comprised of Income Tax, Workers Welfare Tax, Workers Participation Fund and Capital Value Tax. The indirect taxes are comprised of Customs, Sales Tax, Federal Excise, Carbon Surcharge on POL, Carbon Surcharge on CNG, Other Taxes (ICT) and Airport Tax. The major part of the revenue is administered by the Federal Board of Revenue.

### **NON-TAX REVENUE**

**1.3** The non-tax revenue of the federal government is administered by various ministries/divisions and comprises of following sources:

- i) Income from property and enterprise;
- ii) Receipts from civil administration and other functions;
- iii) Miscellaneous receipts.

**1.4** The summary of budget and revised estimates for fiscal year 2008-2009 and budget estimates for fiscal year 2009-2010 are given on the following pages.

## SUMMARY OF REVENUE RECEIPTS

(Rs. in Million)

		2008-2009	2008-2009	2009-2010
		<b>Budget</b>	<b>Revised</b>	<b>Budget</b>
<b>B</b>	<b>* TAX REVENUE</b>	<b><u>1251461.9</u></b>	<b><u>1180462.0</u></b>	<b><u>1493559.7</u></b>
<b>B01</b>	<b>Direct taxes</b>	<b>496000.0</b>	<b>461000.0</b>	<b>565600.0</b>
B011	Income Tax	477000.0	443341.0	544531.0
B01501	Workers Welfare Tax	3500.0	0.0	0.0
B01502	Workers Participation Fund	9000.0	11618.0	13861.0
B017	Capital Value Tax	6500.0	6041.0	7208.0
<b>B02</b>	<b>Indirect taxes</b>	<b>755461.9</b>	<b>719462.0</b>	<b>927959.7</b>
B020-22	Customs	170000.0	145000.0	162200.0
B023	Sales Tax	472000.0	457000.0	499400.0
B024-25	Federal Excise	112000.0	116000.0	152800.0
	Carbon Surcharge on POL	0.0	0.0	112000.0
B026	Other Taxes (ICT)	1401.9	1402.0	1499.7
B03064	Airport Tax	60.0	60.0	60.0
<b>C</b>	<b><u>NON TAX REVENUE</u></b>	<b><u>427776.0</u></b>	<b><u>603140.3</u></b>	<b><u>513646.1</u></b>
<b>C01</b>	<b><u>Income from Property</u></b>	<b><u>128068.0</u></b>	<b><u>107806.8</u></b>	<b><u>118719.2</u></b>
	<b><u>and Enterprise</u></b>			
C010	Profits(PTA/Pak. Post office)	6409.0	161.0	1300.0
C012	Interest (Provinces)	16999.9	18468.3	16819.1
C013-18	Interest (PSEs & others)	22659.1	24235.7	25371.5
C019	Dividends	82000.0	64941.8	75228.6

\* Out of which FBR collection has been estimated at Rs.1179.0 billion for RE 2008-2009 and at Rs.1380.0 billion for BE 2009-2010.

contd.

## SUMMARY OF REVENUE RECEIPTS

(Rs. in Million)

		2008-2009	2008-2009	2009-2010
		<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
<b>C02</b>	<b><u>Receipts from Civil Admn.</u></b>	<b><u>183086.7</u></b>	<b><u>236915.2</u></b>	<b><u>281013.6</u></b>
	<b><u>and Other Functions</u></b>			
C021-24	General Administration	1618.1	1000.5	1020.5
C02211	SBP Profit	110000.0	150000.0	150000.0
C025	Defence	70003.0	84255.8	128199.5
C026	Law and Order	403.0	642.6	713.4
C027	Community Services	747.1	665.7	709.2
C028	Social Services	315.5	350.6	371.0
<b>C03</b>	<b><u>Miscellaneous Receipts</u></b>	<b><u>116621.4</u></b>	<b><u>258418.3</u></b>	<b><u>113913.3</u></b>
C031-34	Economic Services	2155.1	1743.6	1778.1
C03806	Citizenship, Naturalization & Passport Fees	8175.0	8225.0	8950.0
C03901	Petroleum Development Levy	14000.0	129237.0	0.0
C03902	Development Surcharge on Gas	17374.9	26283.3	29937.0
C03905	Royalty on Oil	12742.5	15124.0	7973.0
C03906	Royalty on Gas	21299.9	31213.0	27057.0
	Discount Retained on Local Crude Price	23508.0	23676.0	15045.0
	Others	17366.0	22916.4	23173.2
	<b>Gross Federal Revenue Receipts</b>	<b><u>1679237.9</u></b>	<b><u>1783602.3</u></b>	<b><u>2007205.8</u></b>
	<b>Less : Provincial Share</b>	<b><u>568337.7</u></b>	<b><u>559864.5</u></b>	<b><u>655217.4</u></b>
	<b>Net Federal Revenue Receipts</b>	<b><u>1110900.2</u></b>	<b><u>1223737.7</u></b>	<b><u>1351988.4</u></b>

## 2. FEDERAL TAXES

2.1 Federal Board of Revenue (FBR) administer federal taxes like direct taxes which includes income tax Revenue, Capital Value Tax, Workers Welfare Fund and Workers Welfare Participation Fund and indirect taxes consists of Sale Tax, Federal Excise and Customs Duty which are levied on transactions and commodities. For FY 2008-09, revenue target of Rs.1,250 billion was fixed. However, events like political unrest in the country, load shedding, and higher inflation have resulted into slow down of the economy, since revenue generation is linked with the overall macroeconomic position, the adverse situation has also seriously hampered the revenue realization efforts. Thus the revenue target was revised downward to Rs.1,179 billion. The budget for fiscal year 2009-10 has been estimated to be Rs. 1,377.5 billion, which is higher by 16.8% over the revised estimates of FY 2008-09.

2.2 Detailed analyses of individual taxes are highlighted below :

2.3 **Direct Taxes:** The Direct Taxes comprise of Income Tax, Capital Value Tax and Workers Welfare Fund / Workers Participation Fund. The Workers Welfare Fund / Workers Participation Fund were collected by the Income Tax Department on behalf of M/o Labour, Manpower and Overseas Pakistanis Division. The budget estimates of Direct Taxes was originally fixed at Rs.496 billion for FY 2008-09. However, final estimates for FY 2008-09 have been revised downward to Rs.461 billion.

2.3 The Capital Value Tax is leviable on purchase of commercial, non-commercial property, residential flats and purchase of shares, modarba certificates. The original estimates of Capital Value Tax for fiscal year 2008-09 were Rs.6.5 billion which has now been revised to Rs.6.0 billion.

2.4 Workers Welfare Fund / Workers Participation Fund is chargeable under the Workers Welfare Act. The revised estimates for receipts in fiscal year 2008-2009 is Rs.11.6 billion against originally fixed at Rs.12.5 billion.

2.5 During the first nine months, Direct Tax collection has been Rs.307.6 billion, which is 19.4% higher over the corresponding period of past fiscal year.

2.6 The budget and revised estimates for 2008-2009 and budget estimates for 2009-2010 on account of direct taxes are tabulated below.

		<b>DIRECT TAXES</b>		
		<b>(Rs. in Million)</b>		
		<b>2008-2009</b>	<b>2008-2009</b>	<b>2009-2010</b>
		<b>Budget</b>	<b>Revised</b>	<b>Budget</b>
B011	Income Tax	477000.000	443341.000	544531.000
B01501	Workers Welfare Tax	3500.000	0.000	0.000
B01502	Workers Participation Fund	9000.000	11618.000	13861.000
B017-18	Capital Value Tax	6500.000	6041.000	7208.000
<b>TOTAL</b>		<b>496000.000</b>	<b>461000.000</b>	<b>565600.000</b>

### 3. INDIRECT TAXES

The indirect taxes are comprises of customs duty, Sale Tax, Federal Excise, Carbon Surcharge on POL, Carbon Surcharge on CNG, Other Taxes (ICT) and Airport Tax.

3.2 The summary position is tabulated below.

		<b>INDIRECT TAXES</b>		
		<b>(Rs. in Million)</b>		
		<b>2008-2009</b>	<b>2008-2009</b>	<b>2009-2010</b>
		<b>Budget</b>	<b>Revised</b>	<b>Budget</b>
B020-22	Customs	170000.000	145000.000	162200.000
B023	Sales Tax	472000.000	457000.000	499400.000
B024-25	Federal Excise	112000.000	116000.000	152800.000
	Carbon Surcharge on POL	0.000	0.000	112000.000
B026	Other Taxes (ICT)	1401.900	1401.980	1499.700
	Airport tax	60.000	60.000	60.000
	<b>TOTAL</b>	<b>755461.900</b>	<b>719461.980</b>	<b>927959.700</b>

3.3 A brief description of customs, sales tax, federal excise duties, other taxes (ICT) and airport tax is given in the following pages.

### 3.1 CUSTOMS

3.1.1 Custom duties are levied on the goods imported into or exported out of the country at the rates prescribed in the Pakistan Customs Tariff. The Customs duties in addition to generating revenues are also used as an effective tool to protect domestic industries against foreign competition, restrict the consumption of imported luxury goods, and to curb speculative and unnecessary imports.

3.1.2 There are a number of socio-economic factors which determine tariff rate structure. However, the general scheme followed is that luxury and non-essential imports are subject to higher rates than those used for development processes. Moreover, duties on raw materials and industrial requirements are lower than on semi-finished and manufactured items. Presently tariff rates on imports have been structured in a cascading manner categorizing the goods as raw material, semi finished and finished goods with tariff rates of 0-5%, 10%-15% and 20%-25% respectively. Capital goods, plant and machinery are, however, given preferential treatment by keeping the applicable tariff rates in lower slabs.

3.1.3 In addition to various exemptions on plant and machinery, a number of incentives in the form of concessionary rates have also been extended to the raw material and components imported for the manufacture capital goods, intermediary goods, household goods, hospital equipments, medicines, gems and jewelry, furniture, marble, horticulture, surgical equipments and medical devices etc.

3.1.4 Keeping in view above broad parameters the custom duty initiatives were taken during the budget 2008-09 with the policy objectives of Industrial incentives for growth and expansion, discouraging import of nonessential and luxury items and minimizing the cost of doing business.

3.1.5 The measures taken to achieve these objectives includes :-

**Relief Measures :**

- \* The local industry producing water dispensers, hooks & eyes, aluminum alloy, electric irons, mini choppers, vacuum cleaners, Central heating gas boilers, mini ovens, gas heaters, gas stoves/ cooling ranges with ovens, air handling equipments, central heating equipments, UPS, Chlorinated paraffin, chrysotile cement pipes, sheets & fittings and perforated steel products have been provided inputs at 0%, 5% and 10% rates of duty.
- \* Fully dedicated CNG buses exempted from duty.



- \* Pharmaceutical industry given specified active ingredients, chemicals and packing materials at 5% duty.
- \* Eighteen medicines used for cancer/heart treatment etc. exempted for customs duty.
- \* Bitumen, JP4&JP8 exempted from duty. Duty rate on base oil for lubricating oils reduced from 20% to 10%.
- \* Rice seeds, energy saving lamps, dredgers, specified solar energy equipments exempted from customs duty.
- \* Power plants imported by WAPDA on temporary basis exempted from custom duty.
- \* Reduction of duty on calcium carbide from 15% to 5%, PTA from 15% 7.5%, PSF 6.5% 4.5%, Caustic soda from Rs.5000/MT to Rs.4000/MT, Printing screens from 15% to 10%, nickel not alloyed from 5% to 0%, Textile buckram from 25% to 10%.

**Revenue Measures :**

- \* Duty rates on non-essential & luxury items have been increased. Hence, duty rate on dairy products, fruits, chewing gum, chocolate, processed food, fruit juices, aerated waters, ceramic products air - conditioners/ refrigerators, electric fans, toasters, micro wave ovens, televisions, furniture and lighting equipment etc increased from 25% to 35%. Duty rates on cosmetics increased from 20-25% to 35%. Duty rate on electric ovens/cooking ranges etc. increased from 20% to 30%.
- \* Customs duty @ Rs.500/0 per set levied on import of mobile phone.
- \* Customs duty on betel leaves increased from Rs.150/kg to Rs.200/kg.
- \* Duty rate increased on sulphonic acid from 10% to 15%.

- \* Duty rate increased on CKD/SKD of sewing machines machines from 5% to 20%.
- \* A uniform rate of 30% specified for import of special purpose vehicles.
- \* Increase in duty rates on import of cars/jeeps above 1800 cc from 90% to 100%. Fixed duty/tax rates on old and used cars/jeeps increased by 10%.

**Investment / trade facilitative measures :**

- \* Manufacturers and particularly soap manufacturers based in AJ&K have been extended concessionary duty regime in line with SRO 565(1)/2006, as available to Pakistan based manufacturers.
- \* Specified industries/projects have been de-linked from the manufacturing condition for import of required machinery, equipments and raw materials etc.
- \* Tariff based system (TBS) for auto sector has further been improved.
- \* Release of held up indemnity bonds is eased out.

3.1.6 The budgetary target for collection of customs duties was fixed at Rs. 170 (14%) out of total revenue target of Rs.1250 Billion. Initially due to commodity prices, collection of Customs duties reflected considerable increase during the first four months of this Financial Year (July - October 2008) when compared with the corresponding period of 2007-08. However, subsequently since November, 2008, this increasing trend has reversed resulting in a sharp corresponding decline in duty collection and that trend continues to date.

### **2008-09 Projections :**

3.1.7 Considering the existing pace of revenue collection the projections for the 2008-09 stand at Rs.145 Billion. The collection from July, 2008 to March, 2009 is to the tune of Rs.105.4 Billion which is 3.4% higher than the corresponding period of the last year.

### **Reasons for the short fall:**

- i) Target projections for any financial year are based on actual collection during the preceding financial year giving due consideration to other variables. While normal variations are adjusted for these unprecedented recession as witnessed now was not anticipated. Therefore, the actual customs revenue collection during the last year when international commodity prices were at their peak can not be considered as a basis for collection during the period when international prices are at lowest and further decline anticipated. During current financial year (July-March) the share of dutiable and Duty free imports in total revenue remained 48.4% and 51.6 % as compared to 50/1% and 49.9% respectively during corresponding period of last year. This decline is further depicted by the fact that effective rate on total and dutiable imports has reduced to 5.6% and 11.5% in FY 2008-09 from 6.5% and 12.9% in 2007-08, respectively.
- ii) The commodity prices of down stream industry of petroleum like plastics, chemicals, dyes etc. have crashed. Similarly the the prices of iron and steel products have also registered a considerable fall. More than 2,500 out of 6,793 tariff lines of Pakistan Customs Tariff constitute basic and secondary raw material and intermediate goods have shown unprecedented peaks and dips during the period under consideration. Dutiable import value of edible oils has increased by 11% but due to

specific rates duty on edible oils, customs duty did not show any increase; rather there is a decrease of 7% in duty collection on these products because its quantity has decreased by 13% during the period July-March, 2008-09 when compared with corresponding period of previous financial year. Automotive sector has been one of the major revenue spinners. Last year upto March, customs duty Rs.4,610.7 million was collected from import of vehicles which has decreased this year, upto March to Rs. 3,118.1 million showing decline of 32.4%.

- iii) Although FBR is following a policy of discouraging undue exemptions still cost of exemption under various SROs has remained very high to the tune of Rs.42.7 billion during July-March, 2009 as compared to Rs.28.1 billion during the corresponding period of previous. This indicates an increase of 34% in imports under various exemption SROs, FTAs and PTAS. The duty free imports during July-March, 2008-09 under chapter 99 of Customs Tariff (relating to diplomatic imports, Privileged persons's imports, imports by hospitals/charitable institutions and temporary imports etc.) is to the tune of Rs.53.7 billion which is 63% higher than the corresponding period of the last year. Similarly, duty free imports during July-March, 2008-09 of the items subjected to 0% in tariff is to the tune of Rs.684.5 billion, which is 13% higher than the corresponding period of the last year. Major increase has been witnessed in the duty free import of wheat, fertilizers, seeds and POL products etc.

3.1.8 All these above narrated facts depict a mixed picture of customs collection with initial increase in duty collection followed by sharp decline in revenue collection under this head due to unprecedented economic recession world wide. Though the Customs duty of Rs.105.4 billion is 3.4% higher than the collection during the corresponding period of last year, yet it is Rs.3 billion short of proportionate target of Rs.108 billion for this period. However, all out efforts are being made to achieve annual budgetary target of Rs.145 billion by collection through normal import regime and special management initiatives by focusing on areas like detection of cases of misdeclaration and revenue realized, applications of correct values, disposal of litigation cases & consequent recovery of adjudged amount, recovery of pending arrears, swift disposal of auctionable goods, encashment of ripe securities recovery through post clearance audit, anti smuggling measures, monitoring the misuse of Afghan Trade and checking undue payment of refund & rebate.

3.1.9 Item-wise detail of budget and revised estimates 2008-09 and budget estimates 2009-2010 in respect of customs duties is given in the following table:

### CUSTOMS

		(Rs. in Million)		
S.No	Items	2008-2009 Budget	2008-2009 Revised	2009-2010 Budget
1)	Misc. Chemicals products	2206.000	2139.000	2551.000
2)	Iron, steel & manufactures thereof	6712.000	6794.000	8107.000
3)	Machinery(Electric)	18686.000	14075.000	16794.000
4)	Minerals, fuel oils(POL)	19092.000	21413.000	25547.000
5)	Plastic & Articles thereof	6740.000	6952.000	8294.000
6)	Vehicles and parts	31688.000	18327.000	21865.000
7)	Animals or Vegetable Fats	19714.000	16776.000	20015.000
8)	Machinery (Non-Electric)	12993.000	13900.000	16586.000
9)	Organic Chemicals	4301.000	3613.000	4311.000
10)	Paper and Paper Board	4402.000	4897.000	5842.000
11)	Coffee, Tea, Mat and Spices	1912.000	2435.000	2906.000
12)	Rubber and Articles Thereof	1948.000	1399.000	1668.000
13)	Tanning or Dying Extracts	2001.000	2231.000	2662.000
14)	Man Made Filaments	1796.000	1762.000	2102.000
15)	Articles of Iron and Steel	2505.000	3044.000	3632.000
16)	Other items	44804.000	34830.000	30756.000
<b>GROSS COLLECTIONS :</b>		<b>181500.000</b>	<b>154587.000</b>	<b>173638.000</b>
<b>REFUND AND REBATES :</b>		<b>11500.000</b>	<b>9587.000</b>	<b>11438.000</b>
<b>NET COLLECTIONS :</b>		<b>170000.000</b>	<b>145000.000</b>	<b>162200.000</b>

## **3.2 SALES TAX**

3.2.1 Sales tax is a tax on consumption, levied on manufacturers & retailers with an annual turnover of more than Rs.5 million, as well as on the importers, wholesalers, distributors, dealers and specified services @ 16%. Generally except few commodities having 18.5% and 21% rate of sale tax. However, all the exports and other goods/items mentioned in the Fifth Schedule to the Sales Tax act, 1990 or in a notification issued under section 4 of the Act are chargeable to tax @ zero percent. The items mentioned in the Sixth Schedule or in a notification issued under section 13 of the Sales Tax Act, 1990 are exempt from the levy. These exemptions include basic foodstuff, agricultural produce (not subject to any further process), medicines, books, and life animals, etc. The tax is levied in VAT mode i.e. on value addition basis and allowing adjustment of tax paid on inputs.

3.2.2 The scope of tax was initially restricted to manufacturers, but the tax base was gradually broadened and later extended to the importers (in 1997), wholesalers, dealers, distributors & retailers (in 1998) and to specified services (in the year 2000).

3.2.3 Under provision ordinances sales tax on services such as advertisement on TV and radio, clearing agents, stevedores, hotel & restaurants is chargeable at standard rate of 16% with input tax adjustment facility.

3.2.4 During the first nine months of current fiscal year, revenue collection on account of Sales Tax has been Rs.231.1 billion as against Rs.258.6 billion collected in the comparable period of past fiscal year. The growth in revenue has been 24.2%. The budget estimates for fiscal year 2008-2009 was Rs.472 billion, which has now been revised downward to Rs.457 billion. For fiscal year 2009-2010, budget of Rs.499.4 billion is estimated.

### **3.3 FEDERAL EXCISE**

3.3.1 Historically, excise taxation has played a very important role in the taxation structure of Pakistan. Excises are normally levied to systematically regulate the consumption of luxury goods. Before partition, different commodity-specific excise regulations which were amalgamated into the Central Excises and Salt Act 1944, which was adopted by the government of Pakistan at the time of independence.

3.3.2 Ever since the creation of Pakistan excise duties and sales tax have been co-existing. Currently, all the commodities chargeable to excise duty are also liable to sales tax. Thus in order to increase the compatibility between excises and VATs, the government took a historical step in the Budget 2005-06 to introduce an entirely new version of excise legislation. Accordingly in the budget, the Federal Excise Act 2005 was promulgated besides the Federal Excise Rules, 2005.

3.3.3 Under the new excise legislation, the expression "central excise duty" has been renamed as "Federal Excise Duty". Positive schedule has been attached to the Act for excisable goods and services with conditional exemptions scheduled separately. Cost-free registration has taken over traditional licensing regime with no fee or renewals and sales tax registrations will be valid and applicable for excise purpose as well. Physical controls have been replaced with self-assessment and self-compliance.



3.3.4 The standard rate of excise duty is 15% chargeable on both domestic production and imported substitutes of excisable goods. This rate is applicable even on excisable services. However, the effective rate of excise duty is prescribed in the First Schedule to the 2005 Act. Effective rates differ from the standard statutory rate in the POL products and cement are generally charged to fixed amounts of duty (specific rate of duty) and cigarettes are charged and excise duty on higher rate with composite duty structure on quantity-cum-price slab basis. Minimum prices of cigarettes for the purpose of duty assessment have been fixed to rule out the possibilities of market distortions and valuation malpractices. The excise classification was transposed to Harmonized Commodity Description and Coding system in 1994. A separate chapter 98 has been introduced for the classification of services. Several new services were added in chapter 98 in the Budget 2005-06.

3.3.5 In excise regime, there are six major revenue spinners including cigarettes, beverages, POL Products, cement and natural gas and special excise duty. Nearly 76% of excise duty collection (domestic) is expected to be received from these six commodities.

3.3.6 The receipts from federal excise were budgeted at Rs.112.0 billion for fiscal year 2008-2009. However, the target has been revised to Rs.116.0 billion. The budget for fiscal year 2009-2010 is estimated to be Rs.152.8 billion. Details are given in the following table.

## FEDERAL EXCISE

(Rs. in Million)

	2008-2009	2008-2009	2009-2010
	Budget	Revised	Budget
1. Beverage	4144.000	4838.000	5755.000
2. Beverage concentrate	3068.000	5040.000	5996.000
3. Cement	19674.000	19067.000	22682.000
4. Cigarettes & tobacco	36600.000	35916.000	42729.000
5. Natural gas	6833.000	5600.000	6662.000
6. Perfumery & cosmetics	842.000	1033.000	1229.000
7. Petroleum gases	23.000	13.000	16.000
8. P.O.L. products	3170.000	3686.000	4384.000
9. Insurance	2217.000	3293.000	3918.000
10. Imported goods	16464.000	7067.000	8407.000
11. 1% Special Excise Duty	10800.000	14361.000	17085.000
12. Arrears	359.000	406.000	483.000
13. Other Services	7806.000	15680.000	33454.000
<b>GROSS TOTAL :</b>	<b>112000.000</b>	<b>116000.000</b>	<b>152800.000</b>
<b>TOTAL (NET) :</b>	<b>112000.000</b>	<b>116000.000</b>	<b>152800.000</b>

#### 4. NON - TAX RECEIPTS

4.1 Non-tax receipts of the federal government comprise of (i) income from property and enterprise, (ii) receipts from civil administration, and (iii) miscellaneous receipts of the federal ministries, divisions and departments.

4.2 The summary of non-tax receipts for 2008-2009 revised and 2009-2010 budget is given below.

##### SUMMARY OF NON-TAX RECEIPTS

		(Rs.in Million)		
		2008-2009	2008-2009	2009-2010
		Budget	Revised	Budget
C01	Income from property and enterprise	128067.955	107806.751	118719.151
C02	Receipts from civil admn. and other functions	183086.676	236915.221	281013.635
C03	Miscellaneous receipts	116621.389	258418.318	113913.294
<b>TOTAL</b>		<b>427776.020</b>	<b>603140.290</b>	<b>513646.080</b>

4.3 The following pages contain detailed description and estimates of non-tax receipts.

## 5. INCOME FROM PROPERTY & ENTERPRISE

Income from property & enterprise comprise of profits, interest receipts and dividends from government investments. Estimates of receipts from these sources are given below.

### 5.1 PROFITS

		(Rs.in Million)		
		2008-2009	2008-2009	2009-2010
		Budget	Revised	Budget
C01002	Pakistan Post Office	629.000	161.000	1300.000
C01008	Pakistan Telecom Authority	5780.000	0.000	0.000
<b>TOTAL</b>		<b>6409.000</b>	<b>161.000</b>	<b>1300.000</b>

5.1.1 The Pakistan Post Office Department was expecting additional revenue on account of revision of in land postal tariff. However, the issue of revision of tariff have not yet been finalized. Accordingly, the revised estimates of Post Office Department is reduced. The Pakistan Telecommunication Authority (PTA) was established to regulate the establishment, operation and maintenance of telecommunication systems and the provision of telecommunication services in Pakistan. They issues licenses for telecom services against a one time initial license fee and, thereafter, an annual license fee.

## **5.2 INTEREST RECEIPTS**

5.2.1 Interest on loans granted by the federal government to provincial governments, local bodies, financial institutions, non-financial institutions, commercial departments and government servants is reflected in this section. The interest is chargeable in accordance with the terms and conditions of each loan.

5.2.2 Unless specified otherwise, every loan other than foreign loan advanced by the federal government to the provincial governments is repayable over a period of 25 years. Moratorium of 5 years is allowed on recovery of principal. Simple interest is realized at a rate yearly determined by the Finance Division, according to the actual borrowing cost of the Federal Government.

5.2.3 The estimates in respect of interest receipts from provinces, public sector enterprises, financial institutions, government servants and others are given in the following table :

## INTEREST RECEIPTS

		(Rs.in Million)		
		2008-2009	2008-2009	2009-2010
		Budget	Revised	Budget
<b>C012</b>	<b><u>PROVINCES</u></b>	<b>(PROVINCE-WISE BREAK UP)</b>		
	<b>PUNJAB</b>	<b>9949.501</b>	<b>10491.695</b>	<b>9752.951</b>
	Interest-Cash loans	7243.710	7243.709	6593.816
	Interest-Foreign loans	2705.783	3247.978	3159.132
	Interest-USAID local currency loans	0.008	0.008	0.003
	<b>SINDH</b>	<b>3573.490</b>	<b>3814.570</b>	<b>3471.070</b>
	Interest-Cash loans	2775.553	2750.755	2467.212
	Interest-Foreign loans	797.934	1063.812	1003.857
	Interest-UNSAID local currency loans	0.003	0.003	0.001
	<b>NWFP</b>	<b>2675.880</b>	<b>3271.919</b>	<b>3055.003</b>
	Interest-Cash loans	2035.512	2019.276	1942.251
	Interest-Foreign loans	640.366	1252.641	1112.751
	Interest-UNSAID local currency loans	0.002	0.002	0.001
	<b>BALUCHISTAN</b>	<b>800.983</b>	<b>890.069</b>	<b>540.070</b>
	Interest-Cash loans	523.250	523.250	184.902
	Interest-Foreign loans	277.732	366.818	355.168
	Interest-UNSAID local currency loans	0.001	0.001	0.000
	<b>TOTAL - PROVINCES</b>	<b>16999.854</b>	<b>18468.253</b>	<b>16819.094</b>

contd.

## INTEREST RECEIPTS

		(Rs.in Million)		
		2008-2009	2008-2009	2009-2010
		Budget	Revised	Budget
<b>C012</b>	<b><u>PROVINCES</u></b>			
	<b>(LOAN-WISE BREAK UP)</b>			
	<b>Interest: Cash loans</b>			
	Punjab	7243.710	7243.709	6593.816
	Sindh	2775.553	2750.755	2467.212
	NWFP	2035.512	2019.276	1942.251
	Balochistan	523.250	523.250	184.902
	<b>TOTAL</b>	<b>12578.025</b>	<b>12536.990</b>	<b>11188.181</b>
	<b>Interest: Foreign loans</b>			
	Punjab	2705.783	3247.978	3159.132
	Sindh	797.934	1063.812	1003.857
	NWFP	640.366	1252.641	1112.751
	Balochistan	277.732	366.818	355.168
	<b>TOTAL</b>	<b>4421.815</b>	<b>5931.249</b>	<b>5630.908</b>
	<b>Interest: UNSAID local currency loans</b>			
	Punjab	0.008	0.008	0.003
	Sindh	0.003	0.003	0.001
	NWFP	0.002	0.002	0.001
	Balochistan	0.001	0.001	0.000
	<b>TOTAL</b>	<b>0.014</b>	<b>0.014</b>	<b>0.005</b>
	<b>TOTAL - PROVINCES</b>	<b>16999.854</b>	<b>18468.253</b>	<b>16819.094</b>

contd.

## INTEREST RECEIPTS

(Rs.in Million)				
		2008-2009	2008-2009	2009-2010
		Budget	Revised	Budget
<b>C013</b>	<b><u>LOCAL BODIES</u></b>			
	<b>Interest-Cash loans</b>			
	P.B.C.	117.020	136.207	196.041
	NHA	16475.121	18241.332	18955.738
	SNGPL	1.091	1.151	0.987
	OGRA	13.290	13.290	0.000
	<b>TOTAL</b>	<b>16606.522</b>	<b>18391.980</b>	<b>19152.766</b>
	<b>Interest - Foreign loans</b>			
	GIK Institute	4.040	5.355	3.789
	N.L.C.	111.036	111.036	99.032
	Karachi Port Trust	43.701	43.701	32.635
	PAEC	4.548	4.548	2.832
	SKMT	1.386	1.579	1.544
	CDA	128.740	202.132	189.048
	NHA	604.034	604.034	522.271
	PPAF	79.078	78.322	86.081
	<b>TOTAL</b>	<b>976.563</b>	<b>1050.707</b>	<b>937.232</b>
	<b>TOTAL - LOCAL BODIES</b>	<b>17583.085</b>	<b>19442.687</b>	<b>20089.998</b>

contd.



## INTEREST RECEIPTS

(Rs.in Million)

		2008-2009 Budget	2008-2009 Revised	2009-2010 Budget
<b>C014</b>	<b><u>FINANCIAL INSTITUTIONS</u></b>			
	<b>Interest-Cash loans</b>			
	PICIC	0.126	0.000	0.000
	<b>TOTAL</b>	<b>0.126</b>	<b>0.000</b>	<b>0.000</b>
	<b>Interest - Foreign loans</b>			
	NDFC/LTCF	3538.000	3914.470	3680.860
	Bankers Equity	0.000	0.000	0.000
	IDBP	260.709	260.709	235.546
	Ist Dawood Leasing Co. Ltd.	6.336	6.336	5.472
	English Leasing Ltd.	0.030	0.030	0.025
	Net Work Leasing	0.988	0.988	0.678
	Pakistan Industrial & Commercial Leasing	9.529	9.529	7.246
	<b>TOTAL</b>	<b>3815.592</b>	<b>4192.062</b>	<b>3929.827</b>
	<b>TOTAL - FINANCIAL INSTITUTIONS</b>	<b>3815.718</b>	<b>4192.062</b>	<b>3929.827</b>

contd.

## INTEREST RECEIPTS

(Rs.in Million)

	2008-2009 Budget	2008-2009 Revised	2009-2010 Budget
<b>C015 <u>NON - FINANCIAL INSTITUTIONS</u></b>			
<b><u>A : WAPDA</u></b>			
<b>Interest-Cash loans</b>			
WAPDA (Water Wing)	1752.472	1759.996	1743.947
WAPDA (Power Wing)	1768.602	1448.337	1526.370
TESCO	0.000	38.811	37.549
QESCO	0.000	19.862	19.862
GENCO-I	0.000	51.826	45.591
GENCO-II	0.000	82.395	56.761
GENCO-III	0.000	296.071	294.317
GENCO-IV	0.000	4.166	3.868
NTDC	0.000	237.385	211.912
<b>Interest-Foreign loans</b>			
WAPDA (Power Wing)	5788.324	3599.436	3209.477
TESCO	0.000	14.119	11.598
GENCO-I	0.000	86.557	70.481
GENCO-II	0.000	112.898	88.856
GENCO-III	0.000	4.436	3.410
GENCO-IV	0.000	0.056	0.037
NTDC	0.000	1248.446	1019.736
<b>TOTAL - WAPDA</b>	<b>9309.398</b>	<b>9004.797</b>	<b>8343.772</b>

contd.

## INTEREST RECEIPTS

	(Rs.in Million)		
	2008-2009 Budget	2008-2009 Revised	2009-2010 Budget
<b><u>B : AUTONOMOUS BODIES / CORPORATIONS</u></b>			
<b>Interest-Foreign loans</b>			
Pakistan Railways	733.223	775.355	694.958
Karachi Fish Harbour Authority	17.282	17.282	16.218
Askari Cement, Wah	275.336	275.336	123.776
PTA	18.267	18.267	10.148
Dandot Cement	2.781	2.781	0.000
<b>TOTAL</b>	<b>1046.889</b>	<b>1089.021</b>	<b>845.100</b>
<b>TOTAL NON-FINANCIAL INSTITUTIONS</b>	<b>10356.287</b>	<b>10093.818</b>	<b>9188.872</b>

contd.

## INTEREST RECEIPTS

(Rs.in Million)

		2008-2009 Budget	2008-2009 Revised	2009-2010 Budget
<b>C016</b>	<b><u>GOVERNMENT SERVANTS</u></b>			
	Cant/Garrison Edu. Institutions	3.680	2.840	2.982
	AGPR, Islamabad	20.726	22.766	25.043
	AGPR, Sub-Office, Lahore	8.764	8.555	9.410
	AGPR, Sub-Office, Karachi	10.665	10.625	11.157
	AGPR, Sub-Office, Peshawar	6.070	3.369	3.537
	AGPR, Sub-Office, Quetta	0.524	0.416	0.437
	AGPR, Sub-Office, Gilgit	0.500	0.500	0.650
	Defence	7.500	7.500	8.000
	Pakistan Post Office Deptt.	3.940	3.800	4.000
	Pakistan PWD	0.174	0.399	0.549
	Pakistan Mint	0.193	0.223	0.233
	CAO (Ministry of Foreign Affairs)	0.625	1.249	1.284
	Central Dte. of National Savings	1.554	1.603	1.602
	Geological Survey of Pakistan	0.430	0.310	0.320
	Directorate of Food	0.026	0.016	0.016
	<b>TOTAL GOVT. SERVANTS</b>	<b>65.371</b>	<b>64.171</b>	<b>69.220</b>
<b>C017</b>	<b><u>AJK &amp; Others</u></b>			
	<b>Interest-Cash loans:</b>			
	Government of A J & K	3692.548	3692.548	3993.543
	<b>Interest-Foreign loans:</b>			
	Government of A J & K	69.789	72.859	95.527

**contd.**

## INTEREST RECEIPTS

	(Rs.in Million)		
	2008-2009	2008-2009	2009-2010
	Budget	Revised	Budget
<b>Interest-Other loans:</b>			
Guarantee fee on foreign			
loans (EAD)	1886.928	1897.567	1904.515
Interest on Euro Bonds (Swap)	2109.375	2700.000	0.000
<b>TOTAL AJK &amp; OTHERS</b>	<b>7758.640</b>	<b>8362.974</b>	<b>5993.585</b>
<b>C018 <u>COMMERCIAL DEPARTMENTS</u></b>			
Pakistan Post Office Department	80.000	80.000	100.000
<b>TOTAL COMMERCIAL DEPTTS.</b>	<b>80.000</b>	<b>80.000</b>	<b>100.000</b>
<b>TOTAL (PSEs &amp; OTHERS)</b>	<b>39659.101</b>	<b>42235.712</b>	<b>39371.502</b>
<b>ESTIMATED SHORTFALL</b>	<b>17000.000</b>	<b>18000.000</b>	<b>14000.000</b>
<b>NET - TOTAL (PSEs &amp; OTHERS)</b>	<b>22659.101</b>	<b>24235.712</b>	<b>25371.502</b>
<b>TOTAL - PROVINCES</b>	<b>16999.854</b>	<b>18468.253</b>	<b>16819.094</b>
<b>GRAND TOTAL - INTEREST</b>	<b>39658.955</b>	<b>42703.965</b>	<b>42190.596</b>

### 5.3 DIVIDENDS ON GOVERNMENT INVESTMENTS

5.3.1 Dividends represent return on federal government's investment in the share capital of financial institutions and commercial enterprises. The receipt of dividend varies from year to year depending upon profits earned each year by these bodies and declaration of dividends on share capital.

5.3.2 The details of the estimates are given below :

#### DIVIDENDS

		(Rs.in Million)		
Name of Organization	2008-2009	2008-2009	2009-2010	
	Budget	Revised	Budget	
<b>C01901 FINANCIAL INSTITUTIONS</b>	<b>464.000</b>	<b>272.586</b>	<b>276.000</b>	
1 National Bank of Pakistan	19.000	19.000	20.000	
2 United Bank Limited	10.000	10.000	10.000	
3 National Investment Trust	40.000	40.000	40.000	
4 Allied Bank Limited	18.000	22.586	25.000	
5 Habib Bank Limited	27.000	27.000	27.000	
6 Pakistan Oman Investment Co. Ltd.	350.000	154.000	154.000	
<b>C01902 NON-FINANCIAL INSTITUTIONS</b>	<b>81536.000</b>	<b>64669.200</b>	<b>74952.555</b>	
1. Fauji Fertilizer Co. Ltd.	38.000	37.302	37.302	
2. Government Holding Private Ltd.	7000.000	8500.000	8500.000	
3. Mari Gas Company Ltd.	23.000	23.645	24.000	
4. National Insurance Corporation	500.000	500.000	500.000	
5. National Power Construction Corp.	3.000	6.000	6.000	

**contd.**

## DIVIDENDS

		(Rs.in Million)		
		2008-2009	2008-2009	2009-2010
		Budget	Revised	Budget
6	NESPAK	0.650	0.750	0.750
7	OGDCL	40000.000	35000.000	36000.000
8	Pak Arab Refinery Ltd.	3000.000	6000.000	3000.000
9	Pak Environmental Planning and Architectural Consultants Ltd.	0.050	0.050	0.050
10	Pak Automobile Corporation	1.238	0.000	0.000
11	Pakistan Re-Insurance Corporation	120.000	120.000	120.000
12	Pakistan Mineral Dev. Corporation	18.000	30.000	30.000
13	Pakistan National Shipping Corp.	200.000	200.000	200.000
14	Pakistan Petroleum Ltd.	7100.000	6505.844	6505.844
15	Pakistan Security Printing Corp.	175.000	150.000	175.000
16	Pakistan State Oil	1000.000	1000.000	765.000
17	PTCL	4200.000	4200.000	6200.000
18	SNGPL	600.000	691.912	691.912
19	SSGCL	460.000	507.000	200.000
20	State Life Insurance Corporation	280.000	100.000	200.000
21	Pakistan Services Limited (PC)	0.337	0.337	0.337
22	PERAC	4.500	4.500	4.500
23	Tourism Development Corporation	0.860	0.860	0.860
24	Pakistan Television	5.000	5.000	5.000
25	Pakistan Steel Mill	2000.000	0.000	500.000
26	PIDC	75.000	75.000	75.000
27	PEAL	0.000	11.000	11.000
28	Saindak Metals Limited	0.000	1000.000	2200.000
29	Others	14731.365	0.000	9000.000
<b>TOTAL - DIVIDENDS</b>		<b>82000.000</b>	<b>64941.786</b>	<b>75228.555</b>

## **6. RECEIPTS FROM CIVIL ADMINISTRATION AND OTHER FUNCTIONS**

### **6.1 GENERAL ADMINISTRATION RECEIPTS**

#### **6.1.1 ORGANS OF STATE**

6.1.1.1 These receipts are realized on account of fees from the candidates appearing in the examinations of Federal Public Service Commission and tuition fees charged by the Pakistan Forest Institute. The estimates of receipts on this account are given below :

		(Rs.in Million)		
		2008-2009	2008-2009	2009-2010
		Budget	Revised	Budget
<b>C021</b>	<b>ORGANS OF STATE</b>	<b>39.980</b>	<b>41.707</b>	<b>43.526</b>
	Federal Public Service Commission	34.660	36.387	38.206
	Pakistan Forest Institute	5.320	5.320	5.320

#### **6.1.2 FISCAL ADMINISTRATION**



#### **AUDIT FEES**

6.1.2.1 The department of the Auditor General charges fees from autonomous bodies/corporations/departments, which do not fall within its normal audit jurisdiction, for auditing their accounts. This fee is deposited in the government account.

#### **STATE BANK RECEIPTS**

6.1.2.2 The surplus profit of the State Bank, after making usual provision for reserve funds and payment of dividend, is transferred to the federal government. The State Bank also pays dividend on the share capital of the Federal Government. The value of coins that are minted and come in circulation in one year are also deposited by the State Bank in Government Account.

#### **PAKISTAN MINT**

6.1.2.3 The Pakistan Mint's receipts are mainly from the disposal of dross & scrap and also from the minting of defence, sports and academic medals.

#### **PENSION & GRATUITY CONTRIBUTION**

6.1.2.4 These receipts pertain to pension and gratuity contributions by the borrowing departments in respect of officials on deputation with them.

6.1.2.5 The estimates of receipts from fiscal administration are given on the following page.

---

	<b>(Rs.in Million)</b>		
	<b>2008-2009</b>	<b>2008-2009</b>	<b>2009-2010</b>

	<b>Budget</b>	<b>Revised</b>	<b>Budget</b>
<b>C022 FISCAL ADMINISTRATION</b>	<b><u>111158.050</u></b>	<b><u>150558.809</u></b>	<b><u>150557.003</u></b>
Audit Fee	1.359	2.313	2.057
SBP Profit	110000.000	150000.000	150000.000
Currency Dividend from SBP	9.646	9.646	9.646
Coinage Account	1100.000	500.000	500.000
Pakistan Mint	46.750	46.750	45.000
Receipts-in-Aid of Superannuation (Pension & Gratuity Contribution)	0.295	0.100	0.300

### 6.1.3 ECONOMIC REGULATION

6.1.3.1 The receipts on this account comprise of insurance fees realized under Insurance Act, 1989. Estimates is given below :

(Rs.in Million)			
	<b>2008-2009 Budget</b>	<b>2008-2009 Revised</b>	<b>2009-2010 Budget</b>
<b>C023 ECONOMIC REGULATION</b>	<b><u>420.000</u></b>	<b><u>400.000</u></b>	<b><u>420.000</u></b>
Fees realized under Insurance Act, 1989	420.000	400.000	420.000
<b>TOTAL - GENERAL ADMN. (Excluding SBP Profit)</b>	<b><u>1618.030</u></b>	<b><u>1000.516</u></b>	<b><u>1020.529</u></b>

### 6.2 DEFENCE SERVICES RECEIPTS

6.2.1 These receipts are realized mainly on account of service charges in accordance with the protocol agreements, dues from civil agencies, sale & auction of obsolete stores and charges realized on account of use of army aviation facilities etc. The non-effective receipts include leave salary etc. of armed forces personnel on deputation abroad.

6.2.2 The estimates of defence receipts are given below :

		(Rs.in Million)		
		2008-2009	2008-2009	2009-2010
		Budget	Revised	Budget
<b>C025</b>	<b><u>DEFENCE SERVICES</u></b>	<b><u>70002.996</u></b>	<b><u>84255.783</u></b>	<b><u>128199.492</u></b>
	Effective	3775.252	4031.386	4217.492
	Non-effective	84.000	105.349	107.000
	Miscellaneous	66029.930	80000.000	123750.000
	Service Charges	113.814	119.048	125.000

### 6.3 LAW AND ORDER RECEIPTS

6.3.1 These receipts represent the proceeds from fines imposed by Insurance Appellate Tribunals, Drug Courts and Special Judges under the administrative control of Law, Justice and Human Rights Division. These also include fines, fees and recoveries of the Supreme Court of Pakistan, civil armed forces and frontier watch & ward. The fees realized on account of issuance and renewal of arms licenses by the M/o Interior are also reflected under this classification.

6.3.2 The estimates of receipts from law and order are given in the following page.

(Rs.in Million)

	2008-2009 Budget	2008-2009 Revised	2009-2010 Budget
<b>C026 LAW AND ORDER</b>	<b>403.030</b>	<b>642.579</b>	<b>713.394</b>
Supreme Court of Pakistan	1.000	5.000	5.000
Law, Justice and H.R. Division	41.350	48.491	48.586
Receipts under Arms Act	150.000	300.000	350.000
Civil Armed Forces	52.680	127.329	140.941
Islamabad Capital Territory	148.000	153.000	160.000
Frontier Regions	10.000	8.759	8.867

#### 6.4 COMMUNITY SERVICES RECEIPTS

6.4.1 The receipts under community services comprise of rents of government buildings, land, guest houses and hostels. Sale proceeds of material of demolished buildings are also credited under this head. These receipts are realized by Housing and Works Division, Labour, Manpower and Overseas Pakistanis Division, Kashmir Affairs, Northern Areas and States & Frontier Regions Division and Interior Division (Frontier Corps). The receipts realized by Survey of Pakistan (Defence Division) for its services and supply of maps are also included here.

6.4.2 Details of the estimates are given in the following page.

	2008-2009	2008-2009	2009-2010

(Rs.in Million)

	<b>Budget</b>	<b>Revised</b>	<b>Budget</b>
<b>C027</b>			
<b><u>COMMUNITY SERVICES</u></b>	<b><u>747.071</u></b>	<b><u>665.695</u></b>	<b><u>709.215</u></b>
Rent from government accommodation, land and workshops realized by Housing & Works Division	464.625	624.715	668.230
Rent of buildings realized by Frontier Corps. NWFP, Peshawar (Interior Division)	0.720	0.720	0.725
Rent from hostel accommodation realized by Labour, Manpower & Overseas Pakistanis Division	0.340	0.260	0.260
Rent realized by Chief Engineer, Northern Areas, Pak.PWD	230.031	0.000	0.000
Scientific Research and Survey (Defence Division)	51.355	40.000	40.000

## 6.5 SOCIAL SERVICES RECEIPTS

6.5.1 The receipts under this head are realized on account of fees charged from students of the educational institutions of the Ministries of Education and Defence, the entry fee for historical places and archeological sites collected by Culture, Sports and Tourism Division, the charges for medical services realized by the federal government hospitals and health establishments, and tuition/training fee realized by M/o Labour and Manpower. The estimates are given in the following table.

		(Rs.in Million)		
		2008-2009	2008-2009	2009-2010
		Budget	Revised	Budget
<b>C028</b>	<b><u>SOCIAL SERVICES</u></b>	<b><u>315.549</u></b>	<b><u>350.649</u></b>	<b><u>371.004</u></b>
	Education fees from schools & colleges under M/o Education	25.325	25.926	30.941
	National Library of Pakistan	0.935	0.935	1.170
	Education fees from schools and colleges under the M/o Defence	70.000	70.197	72.071
	Tuition fee (National Training Bureau)	0.270	0.190	0.190
	Archeology and Museums	12.000	12.000	12.100
	Health-Hospital receipts	205.784	240.166	253.292
	Northern Areas Administration	1.085	1.085	1.085
	Islamabad Capital Territory	0.150	0.150	0.155

## 7. MISCELLANEOUS RECEIPTS

Miscellaneous receipts include receipts on account of economic services and other receipts. A brief description of these receipts is given in the following paragraphs.

#### **7.1 ECONOMIC SERVICES RECEIPTS**

##### **Agricultural Receipts :**

7.1.1 These receipts are realized on account of grading fee collected on agricultural and livestock products by Marketing and Grading Department and fumigation fees charged by the Plant Protection Department under the administrative control of Food, Agriculture and Livestock Division. The receipts realized by Livestock Wing on account of quarantine fee on animal exports/imports and from licenses & fines for fisheries in the exclusive zone of Pakistan in Arabian Sea are also reflected under Agriculture Receipts.

##### **Receipts from Explosive Department :**

7.1.2 Receipt under this head pertains to the fee charged by the Department of Explosives for granting licenses to the firms dealing in explosives.

##### **Receipts from Cabinet Division :**

7.1.3 The sale proceeds of government publications and stationery by the Controller of Forms and Stationery realized from various government departments/agencies are reflected under this head.

##### **Receipts from Lighthouses and Lightships :**

7.1.4 These receipts comprise of (i) examination, survey and registration fees realized by the Mercantile Marine Department, Karachi, (ii) cargo shipping and discharging fees from the shipping companies, (iii) fines realized from seamen for offences committed by them, (iv) fees realized from cadets under training in the Mercantile Marine Academy and Seamen's Training Centre, and (v) Lighthouse dues realized from the shipping companies operating on the coasts of Pakistan. These receipts are shown under the head of transportation and communications.

##### **Receipts from Special Communications Organization :**

7.1.5 These receipts are collected by the Special Communications Organization for providing telecommunication services in specific areas. The Special Communications

providing telecommunication services in specific areas. The Special Communications Organization mostly operates in the Azad Kashmir and Northern Areas.

7.1.6 The estimates of receipts from economic services are given below.

<b>(Rs.in Million)</b>			
	<b>2008-2009 Budget</b>	<b>2008-2009 Revised</b>	<b>2009-2010 Budget</b>
<b>C031-35 <u>ECONOMIC SERVICES</u></b>	<b><u>2155.085</u></b>	<b><u>1743.642</u></b>	<b><u>1778.074</u></b>
Food and Agriculture Wing	191.057	171.057	191.057
Livestock Wing	140.000	81.345	95.500
Explosives Department	45.000	50.000	45.000
Islamabad Capital Territory	14.541	18.590	21.030
Stationery & Forms Department	1.237	4.200	1.237
Transportation & Communications	113.250	118.450	124.250
Special Communications Organization	1650.000	1300.000	1300.000

## 7.2 OTHER RECEIPTS



7.2.1 These receipts are realized by different Ministries, Divisions and Departments. The brief introduction of the main regular receipts under this head are as follows:

#### **CITIZENSHIP, NATURALIZATION AND PASSPORT FEES**

7.2.2 These receipts are realized mainly by the Immigration & Passport Offices and Pakistani Missions abroad on account of issuance, renewal and endorsement of passports and visas. The receipts of Labour, Manpower and Overseas Pakistanis Division on account of registration of overseas employment agencies and deposits by individuals for protection of their visas are also deposited under this head.

#### **ROYALTY, POLLUTION & TREKKING FEES**

7.2.3 The royalty fee is charged from the tourists coming to Pakistan for climbing the mountain peaks having a height of 7000 meters. Whereas, tracking fee is charged from trackers climbing the mountain on the established track less than the height of 7000 meters.

#### **RECEIPTS OF TOURISM DEPARTMENT**

7.2.4 The receipts of the Tourism Department includes licenses fee of Hotels, Restaurants and Travel Agencies, Registration Fee of Hotels & Restaurants, Licenses Renewal fee of Hotels, Restaurants and Travel Agencies and the fines/late fee of Hotels, Restaurants and Travel Agencies.

#### **RECEIPTS COLLECTED BY THE M/O FOREIGN AFFAIRS**

7.2.5 It includes the receipts on the auction of vehicles, sale of used machinery and equipments gains or loss against the remittances made by the Government for the

equipments, gains or loss against the remittances made by the Government for the expenditure of the foreign missions in the various countries, recovery of overpayment made to the Government servants posted abroad and the deduction of income tax, GP Fund, Benevolent Fund, House Building and Motor Car Advances of the employees posted in various Pakistanis missions abroad.

#### **KASHMIR AFFAIRS AND NORTHERN AREAS**

7.2.6 These includes the receipts from motor vehicle, forest revenue, agriculture income, rent of building, electricity charges and other indirect taxes collected and deposited directly into the Government Accounts by the administration of the Northern Areas Division.

#### **STATES & FRONTIER REGIONS WING**

7.2.7 There are various receipts which are collected on account of stamp duty, fee and fine, agriculture receipts, token tax of road and bridges in the various agencies in the Federal Administration Tribal Areas. These receipts are collected by the political agents of the various agencies and deposited directly into the Government Account.

		(Rs.in Million)		
		2008-2009	2008-2009	2009-2010
		Budget	Revised	Budget
<b>C038</b>	<b><u>OTHER RECEIPTS</u></b>	<b><u>25540.958</u></b>	<b><u>31141.408</u></b>	<b><u>32123.227</u></b>

Citizenship, Naturalization & Passport Fees	8175.000	8225.000	8950.000
Receipts under the Monopolies Control Ordinance	1.500	0.000	0.000
Emergency Relief Cell	5.000	5.000	5.000
Toshakhana (Cabinet Division)	1.000	1.000	1.000
National Archives (Cabinet Division)	0.600	0.600	0.600
Federal Services Tribunal	0.646	0.761	0.861
Staff Welfare Organization	10.692	11.640	12.815
Export Promotion Bureau	3.963	3.850	4.000
Construction Machinery Training Inst.	1.502	1.502	1.502
National Transport Research Centre	0.100	0.000	0.000
Censorship fees	3.200	3.200	3.400
Royalty, Pollution & Trekking fees	55.000	35.000	40.000
Receipts of Tourist Department	38.000	38.000	40.000
Airport Security Force	1.000	4.030	3.000
Pakistan Meteorological Deptt.	1.909	1.909	2.099
Gains on exchange (M/o Foreign Affairs) Recovery of over payments	25.000	62.167	65.000
(M/o Foreign Affairs)	15.000	15.000	17.000
Sale of Property (M/o Foreign Affairs)	8.500	8.500	8.500
Other receipts of M/o Foreign Affairs	69.382	75.000	80.000
M/o Information & Broadcasting	0.250	0.250	0.250
Pakistan Computer Bureau	2.469	2.712	2.469
PAKSAT	251.000	380.000	380.000
Islamabad Capital Territory	325.750	274.000	285.550
Civil Armed Forces	14.541	18.590	21.030
Kashmir Affairs & Northern Areas Wing	231.817	315.269	319.363
States & Frontier Regions Wing	147.754	122.159	125.848

contd.

(Rs.in Million)

	2008-2009 Budget	2008-2009 Revised	2009-2010 Budget
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Fees for exploration and prospecting licensing	4.700	4.700	4.700
Advance yearly rent for exploration & prospecting licensing	310.000	240.000	240.000
Population Welfare Division	45.000	45.000	45.000
National Centre for Rural Development	0.500	0.500	0.500
National Training Bureau	0.270	0.190	0.190
Receipts from United Nations	15782.813	20440.000	21450.000
Pak. Environmental Protection Agency	0.500	0.400	0.400
Pakistan National Accreditation Council	0.800	0.600	0.900
Pakistan Public Admn. Research Centre	0.500	5.500	7.000
National Alien Registration Authority	4.000	4.129	4.000
Fee for Issuance/Renewal of License for lient use of Medicinal Opium Power	0.050	0.000	0.000
Mercantile Marine Deptt. at Gwadar	1.250	1.250	1.250
Production Bonus	0.000	794.000	0.000
<b>TOTAL MISC. RECEIPTS</b>	<b>116621.389</b>	<b>258418.318</b>	<b>113913.294</b>

**C039 DEVELOPMENT SURCHARGE AND ROYALTIES**

	(Rs.in Million)		
	2008-2009	2008-2009	2009-2010
	Budget	Revised	Budget

Petroleum development levy	14000.000	129237.000	0.000
Surcharge on natural gas	17374.932	26283.268	29936.993
Royalty on oil	12742.481	15124.000	7973.000
Royalty on gas	21299.933	31213.000	27057.000
Discount Retained on Local Crude Price	23508.000	23676.000	15045.000
<b>TOTAL:</b>	<b>88925.346</b>	<b>225533.268</b>	<b>80011.993</b>

## **8. PETROLEUM DEVELOPMENT LEVY**

### **PETROLEUM DEVELOPMENT LEVY.**

8.1 A development surcharge on petroleum products was levied under the Petroleum Products (Development Surcharge) Ordinance, 1961 and the rules framed there under. The word Development Surcharge was substituted with the word Petroleum Development Levy (PDL) through amendment in the Petroleum Products Rule, 1967 under the Notification dated 29th June, 2001. In the Budget 2009-2010 PDL has been converted into Carbon Surcharge on POL Products.

### **DEVELOPMENT SURCHARGE ON GAS**

8.2 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 prescribed prices of the gas companies undergo changes from time to time to cover the well head cost and the cost of transmission and distribution of gas. The surcharge on natural gas is transferred to the provinces according to the production of gas in a province.

## **9. PROVINCIAL SHARE IN REVENUE RECEIPTS**

9.1 The NFC Award 1997 has been amended under the Distribution of Revenue and Grant-In-Aid Amendment Orders 2006. The details are as follows:

**Distribution of Revenues.** The Provincial Governments shall be assigned in each financial year a share equal to the percentage of the net proceeds of the following taxes and duties levied and collected by the Federal Government:

- (a) Taxes on income
- (b) Wealth tax
- (c) Capital value tax
- (d) Taxes on sales & purchases
- (e) Sales tax on services (CE mode)
- (f) Export duties on cotton
- (g) Customs duties
- (h) Federal excise duties excluding the excise duty on gas charged at well head; and
- (i) Any other tax which may be levied by the federal government.

9.2 The percentage share of the provinces, from the net proceeds of taxes and duties in each year shall be as under:

<u>Financial Year</u>	<u>Percentage share</u>
2006-07	41.50%
2007-08	42.50%
2008-09	43.75%
2009-10	45.00%
2010-11 and onward	46.25%

**Allocation of shares to the Provincial Governments.**

9.3 Out of the sum assigned to the Provincial Governments under Article 3 an amount equal to the net proceeds of 1/6th of Sales Tax shall be distributed amongst the provinces at the following ratio and the Provincial Governments shall further transfer the whole of such

amounts to the District Governments and Cantonment Boards without retaining any part thereof:

The Punjab	50.00%
Sindh	34.85%
The North-West Frontier Province	9.93%
Balochistan	5.22%
<b>Total:</b>	<b>100.00%</b>

9.4 The balance shall be distributed amongst the provinces on the basis of their respective population in the percentage specified against each:

The Punjab	57.36%
Sindh	23.71%
The North-West Frontier Province	13.82%
Balochistan	5.11%
<b>Total:</b>	<b>100.00%</b>

**Grants-in-Aid to the Provinces:**

9.5 There shall be charged upon the Federal Consolidated Fund each year a sum of Rupees twenty seven billion seven hundred and fifty million, during 2006-07 as grants-in-aid of the revenues of the provinces to be distributed amongst the provinces. The grants-in-aid will be increased annually in line with the growth of net proceeds of divisible taxes for each year as per ratio specified against each province, namely:

<u>Province</u>	<u>Amount</u>
The Punjab	11.00%
Sindh	21.00%
The North-West Frontier Province	35.00%
Balochistan	33.00%
<b>Total:</b>	<b>100.00%</b>

9.6 Royalty on crude oil and development surcharge on natural gas, after deducting 2% collection charges, are transferred to the provinces on the basis of well head production. Royalty and excise duty on natural gas, after deducting 2% collection charges, are also

transferred to the provinces in accordance with Article 161(1) of the Constitution of the Islamic Republic of Pakistan. The G.S.T on services (Provincial) is also transferred to Provinces after deducting 2% collection charges.

9.7 The following tables show the estimated transfers to the provincial governments on account of their share in federal taxes and by straight transfers during the years 2008-2009 and 2009-2010.

**PROVINCIAL SHARE IN REVENUE RECEIPTS**  
**2008-2009 (BUDGET)**

(Rs.in Million)					
	PUNJAB	SINDH	NWFP	BALUCHISTAN	TOTAL
Taxes on Income	112520.961	46511.018	27110.176	10024.095	<b>196166.250</b>
Capital Value Tax	1549.616	640.540	373.356	138.050	<b>2701.562</b>
Sales Tax(excluding 1/6th)	56671.056	23425.222	13654.010	5048.624	<b>98798.912</b>
1/6th of Sales Tax	36918.583	25732.253	7332.031	3854.300	<b>73837.167</b>
Federal Excise (Net of Gas)	25072.076	10363.649	6040.727	2233.583	<b>43710.035</b>
Customs Duties	39753.617	16432.327	9578.016	3541.509	<b>69305.469</b>
GST(CE Mode)	12152.567	5023.315	2927.972	1082.629	<b>21186.483</b>
<b>Total: Divisible Taxes (A)</b>	<b>284638.476</b>	<b>128128.324</b>	<b>67016.288</b>	<b>25922.790</b>	<b>505705.878</b>
Royalty on Crude Oil	2597.298	7227.157	2663.176	0.000	<b>12487.631</b>
Royalty on Natural Gas	956.126	16268.486	642.253	3006.776	<b>20873.641</b>
Gas Development Surcharge	1018.241	11328.351	945.023	3735.819	<b>17027.434</b>
Excise Duty on Natural Gas	366.511	4657.003	179.011	1493.815	<b>6696.340</b>
G.S.T (Provincial)	3181.644	1315.146	766.568	283.441	<b>5546.799</b>
<b>Total: Straight Transfers (B)</b>	<b>8119.820</b>	<b>40796.143</b>	<b>5196.031</b>	<b>8519.851</b>	<b>62631.845</b>
<b>TOTAL (A + B)</b>	<b>292758.296</b>	<b>168924.467</b>	<b>72212.319</b>	<b>34442.641</b>	<b>568337.723</b>

Contd.

**PROVINCIAL SHARE IN REVENUE RECEIPTS**  
**2008-2009 (REVISED)**



	(Rs.in Million)				
	PUNJAB	SINDH	NWFP	BALUCHISTAN	TOTAL
Taxes on Income	104581.039	43229.017	25197.175	9316.756	<b>182323.987</b>
Capital Value Tax	1440.190	595.308	346.991	128.301	<b>2510.790</b>
Sales Tax(excluding 1/6th)	54858.618	22676.043	13217.331	4887.161	<b>95639.153</b>
1/6th of Sales Tax	35742.245	24912.345	7098.409	3731.490	<b>71484.489</b>
Federal Excise (Net of Gas)	26226.659	10840.901	6318.906	2336.441	<b>45722.907</b>
Customs Duties	33964.727	14039.465	8183.273	3025.798	<b>59213.263</b>
GST(CE Mode)	11772.077	4866.038	2836.299	1048.733	<b>20523.147</b>
<b>Total: Divisible Taxes (A)</b>	<b>268585.555</b>	<b>121159.117</b>	<b>63198.384</b>	<b>24474.680</b>	<b>477417.736</b>
Royalty on Crude Oil	2848.287	8556.944	3416.524	0.000	<b>14821.755</b>
Royalty on Natural Gas	1139.006	21362.998	838.687	7248.198	<b>30588.889</b>
Gas Development Surcharge	1519.683	18104.834	656.812	5476.011	<b>25757.340</b>
Excise Duty on Natural Gas	318.500	4131.680	173.460	1246.560	<b>5870.200</b>
G.S.T. (Provincial)	3102.385	1282.384	747.471	276.380	<b>5408.620</b>
<b>Total: Straight Transfers (B)</b>	<b>8927.861</b>	<b>53438.840</b>	<b>5832.954</b>	<b>14247.149</b>	<b>82446.804</b>
<b>TOTAL (A+B)</b>	<b>277513.416</b>	<b>174597.957</b>	<b>69031.338</b>	<b>38721.829</b>	<b>559864.540</b>

Contd.

**PROVINCIAL SHARE IN REVENUE RECEIPTS**  
**2009-2010 (BUDGET)**

(Rs.in Million)

	<b>PUNJAB</b>	<b>SINDH</b>	<b>NWFP</b>	<b>BALUCHISTAN</b>	<b>TOTAL</b>
Taxes on Income	130107.229	53780.377	31347.314	11590.794	<b>226825.714</b>
Capital Value Tax	1767.503	730.605	425.852	157.461	<b>3081.421</b>
Sales Tax(excluding 1/6th)	62759.617	25941.955	15120.954	5591.033	<b>109413.559</b>
1/6th of Sales Tax	39584.758	27590.577	7861.533	4132.649	<b>79169.517</b>
Federal Excise (Net of Gas)	32076.443	13258.934	7728.320	2857.577	<b>55921.274</b>
Customs Duties	40286.698	16652.678	9706.454	3589.000	<b>70234.830</b>
GST(CE Mode)	14440.162	5968.902	3479.132	1286.423	<b>25174.619</b>
<b>Total: Divisible Taxes (A)</b>	<b>321022.410</b>	<b>143924.028</b>	<b>75669.559</b>	<b>29204.937</b>	<b>569820.934</b>
Royalty on Crude Oil	1429.013	3915.178	2469.512	0.000	<b>7813.703</b>
Royalty on Natural Gas	1214.014	18129.114	2729.095	4443.718	<b>26515.941</b>
Gas Development Surcharge	1631.207	19914.811	2159.296	5632.946	<b>29338.260</b>
Excise Duty on Natural Gas	350.840	4545.240	191.100	1371.020	<b>6458.200</b>
G.S.T (Provincial)	8759.079	3620.602	2110.364	780.315	<b>15270.360</b>
<b>Total: Straight Transfers (B)</b>	<b>13384.153</b>	<b>50124.945</b>	<b>9659.367</b>	<b>12227.999</b>	<b>85396.464</b>
<b>TOTAL (A+B)</b>	<b>334406.563</b>	<b>194048.973</b>	<b>85328.926</b>	<b>41432.936</b>	<b>655217.398</b>

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## **SECTION II**

# CAPITAL RECEIPTS

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### **10. CAPITAL RECEIPTS**

10.1 These receipts comprise of proceeds of borrowing, money received in repayment of loans, recoveries of advances/investments, proceeds of saving schemes, net receipts from transactions under deposits and remittances heads. The net capital receipts so realized by the federal government generally constitute the available resources for the financing of

PSDP. Capital receipts are broadly classified as internal receipts and external receipts. The internal receipts include the transactions taking place under the Federal Consolidated Fund as well as the Public Account of the Federation. External resources mainly comprise of (i) project aid (ii) loans and credits from friendly countries and specialized international agencies, and (iii) grant assistance under food aid convention, World Food Programme and other specific country programmes.

10.2 The following table indicates the position of internal capital receipts for 2008-2009 (budget and revised) and 2009-2010 (budget).

### CAPITAL RECEIPTS

#### (SUMMARY OF INTERNAL CAPITAL RECEIPTS)

		(Rs. in Million)		
		2008-2009	2008-2009	2009-2010
		Budget	Revised	Budget
<b>A.</b>	<b><u>FEDERAL CONSOLIDATED</u></b>	<b><u>143129.1</u></b>	<b><u>69159.8</u></b>	<b><u>49776.0</u></b>
	<b><u>FUND: (I+II)</u></b>			
<b>I.</b>	<b>Recoveries of loans</b>			
	<b>and advances</b>	<b>34357.8</b>	<b>38888.4</b>	<b>38460.8</b>
	Provinces	16175.6	20995.5	20399.5
	Others	18182.2	17892.9	18061.2
<b>II.</b>	<b>Public Debt</b>	<b>108771.3</b>	<b>30271.3</b>	<b>11315.2</b>
	Domestic debt (permanent)	47866.3	23366.3	4390.2
	Foreign currency debt			
	(permanent)	-4095.0	-2095.0	-4075.0
	Floating debt	65000.0	9000.0	11000.0

contd.

		(Rs. in Million)		
		2008-2009	2008-2009	2009-2010
		Budget	Revised	Budget
<b>B.</b>	<b><u>PUBLIC ACCOUNT :</u></b>	<b><u>164483.8</u></b>	<b><u>249395.4</u></b>	<b><u>271675.0</u></b>

Deferred liabilities (Net)	132000.0	215623.5	233481.9
Deposits & reserves	32483.8	33771.9	38193.1
<b>C. TOTAL (A+B)</b>	<b><u>307612.9</u></b>	<b><u>318555.2</u></b>	<b><u>321451.0</u></b>
<b><u>D. DISBURSEMENTS</u></b>	<b><u>86310.7</u></b>	<b><u>131319.3</u></b>	<b><u>130938.0</u></b>
Federal govt. miscellaneous investments	8846.5	7065.6	12121.7
Loans and advances	8357.9	13946.9	16406.6
Short-term credits	38767.5	76146.8	65698.8
Deposits & reserves	30332.3	34153.4	36703.7
Other appropriations	6.6	6.6	7.2
<b>NET CAPITAL RECEIPTS (C-D)</b>	<b><u>221302.2</u></b>	<b><u>187235.9</u></b>	<b><u>190513.0</u></b>

## 11. RECOVERIES OF LOANS AND ADVANCES

11.1 The recovery of principal of loans and advances from provinces, public sector enterprises, financial and non-financial institutions is reflected in this section.

11.2 The estimates of recoveries of loans and advances are given below :

## RECOVERY OF LOANS AND ADVANCES

		(Rs.in Million)		
		2008-2009	2008-2009	2009-2010
		Budget	Revised	Budget
		(PROVINCE-WISE BREAK UP)		
<b>E021</b>	<b><u>PROVINCES</u></b>			
	<b>PUNJAB</b>	<b>8715.910</b>	<b>9535.761</b>	<b>10301.630</b>
	Cash loans	4438.276	4438.273	4493.378
	Foreign loans	4277.486	5097.340	5808.099
	UNSAID local currency loans	0.148	0.148	0.153
	Premature retirement of cash loans	0.000	0.000	0.000
	<b>SINDH</b>	<b>4049.815</b>	<b>7286.982</b>	<b>5389.113</b>
	Cash loans	876.024	857.303	814.055
	Foreign loans	3173.743	4178.950	4575.009
	UNSAID local currency loans	0.048	0.048	0.049
	Premature retirement of cash loans	0.000	2250.681	0.000
	<b>NWFP</b>	<b>2235.488</b>	<b>2678.446</b>	<b>3213.585</b>
	Cash loans	613.745	613.745	697.419
	Foreign loans	1621.711	2064.669	2516.133
	UNSAID local currency loans	0.032	0.032	0.033
	Premature retirement of cash loans	0.000	0.000	0.000
	<b>BALUCHISTAN</b>	<b>1174.382</b>	<b>1494.312</b>	<b>1495.206</b>
	Cash loans	113.865	113.865	42.098
	Foreign loans	1060.507	1380.437	1453.098
	UNSAID local currency loans	0.010	0.010	0.010
	<b>TOTAL - PROVINCES</b>	<b>16175.595</b>	<b>20995.501</b>	<b>20399.534</b>

Contd.

## RECOVERY OF LOANS AND ADVANCES

		(Rs.in Million)		
		2008-2009	2008-2009	2009-2010
		Budget	Revised	Budget
<b>E021</b>	<b><u>PROVINCES</u></b>	(LOAN-WISE BREAK UP)		

<b>Cash loans</b>			
Punjab	4438.276	4438.273	4493.378
Sindh	876.024	857.303	814.055
NWFP	613.745	613.745	697.419
Balochistan	113.865	113.865	42.098
Premature retirement of cash loans	0.000	2250.681	0.000
<b>TOTAL</b>	<b>6041.910</b>	<b>8273.867</b>	<b>6046.950</b>
<b>Foreign loans</b>			
Punjab	4277.486	5097.340	5808.099
Sindh	3173.743	4178.950	4575.009
NWFP	1621.711	2064.669	2516.133
Balochistan	1060.507	1380.437	1453.098
<b>TOTAL</b>	<b>10133.447</b>	<b>12721.396</b>	<b>14352.339</b>
<b>UNSAID local currency loans</b>			
Punjab	0.148	0.148	0.153
Sindh	0.048	0.048	0.049
NWFP	0.032	0.032	0.033
Balochistan	0.010	0.010	0.010
<b>TOTAL</b>	<b>0.238</b>	<b>0.238</b>	<b>0.245</b>
<b>TOTAL - PROVINCES</b>	<b>16175.595</b>	<b>20995.501</b>	<b>20399.534</b>

contd.

### RECOVERY OF LOANS AND ADVANCES

	(Rs.in Million)		
	2008-2009	2008-2009	2009-2010
	Budget	Revised	Budget

#### LOCAL BODIES

<b>Cash loans</b>			
PTVC	15.000	0.000	15.000
NHA	1660.310	1951.686	2732.384
PBC	58.750	58.750	60.315
SNGPL	247.351	247.351	247.351
<b>TOTAL</b>	<b>1981.411</b>	<b>2257.787</b>	<b>3055.050</b>
<b>Foreign loans</b>			
Karachi Port Trust	138.300	138.300	138.300
PAEC	21.460	21.460	21.094
CDA	479.033	752.118	775.581
NHA	877.184	877.184	706.323
GIK Institute	73.671	98.249	101.318
Shaukat Khanum Memorial Trust	5.142	5.859	6.042
NLC	85.742	85.742	85.742
<b>TOTAL</b>	<b>1680.532</b>	<b>1978.912</b>	<b>1834.400</b>
<b>TOTAL - LOCAL BODIES</b>	<b>3661.943</b>	<b>4236.699</b>	<b>4889.450</b>

Contd.

## RECOVERY OF LOANS AND ADVANCES

	(Rs.in Million)		
	2008-2009 Budget	2008-2009 Revised	2009-2010 Budget

E023 FINANCIAL INSTITUTIONS



**Foreign loans**

NDFC/LTCF	3633.000	3794.960	3896.000
Bankers Equity	0.000	0.000	0.000
IDBP	19.880	19.880	19.880
Ist Dawood Leasing Co. Ltd.	13.041	13.041	14.377
English Leasing Ltd.	0.073	0.073	0.073
Net Work Leasing	3.598	3.598	1.799
Pakistan Industrial & Commercial Leasing	29.168	29.168	21.121

**TOTAL - FINANCIAL****INSTITUTIONS**

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**3698.760**      **3860.720**      **3953.250**

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contd.

**RECOVERY OF LOANS AND ADVANCES**

(Rs.in Million)

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	2008-2009 Budget	2008-2009 Revised	2009-2010 Budget
<b>E024 NON-FINANCIAL INSTITUTIONS</b>			
<b><u>A - WAPDA</u></b>			
<b>Cash loans</b>			

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WAPDA (Power Wing)	457.213	231.290	116.212
TESCO	0.000	9.373	10.636
QESCO	0.000	0.000	0.000
GENCO-I	0.000	41.691	47.929
GENCO-II	0.000	171.018	114.004
GENCO-III	0.000	10.981	4.994
GENCO-IV	0.000	1.937	2.236
NTDC	0.000	169.582	143.446
WAPDA (Water Wing)	115.527	129.558	177.250
<b>Foreign loans</b>			
WAPDA (Power Wing)	7903.224	4586.291	4586.289
TESCO	0.000	30.667	30.468
NTDC	0.000	1449.887	1370.253
GENCO-I	0.000	200.972	200.972
GENCO-II	0.000	300.511	300.511
GENCO-III	0.000	12.834	12.834
GENCO-IV	0.000	0.234	0.234
<b>TOTAL - WAPDA</b>	<b>8475.964</b>	<b>7346.826</b>	<b>7118.268</b>

contd.

### RECOVERY OF LOANS AND ADVANCES

	(Rs.in Million)		
	2008-2009	2008-2009	2009-2010
	Budget	Revised	Budget

#### B - AUTONOMOUS BODIES/CORPORATIONS

Foreign loans

Pakistan Railways	1341.745	1565.294	1477.048
Karachi Fish Harbour Authority	26.584	26.584	26.584
Askari Cement, Wah	114.324	114.324	18.487
Dandot Cement	26.488	26.488	0.000
PTA	101.485	101.485	101.485
PPAF	109.618	109.618	109.617
<b>TOTAL</b>	<b>1720.244</b>	<b>1943.793</b>	<b>1733.221</b>
<b>TOTAL - NON-FINANCIAL</b>			
<b>INSTITUTIONS</b>	<b>10196.208</b>	<b>9290.619</b>	<b>8851.489</b>

contd.

### RECOVERY OF LOANS AND ADVANCES

	(Rs.in Million)		
	2008-2009	2008-2009	2009-2010
	Budget	Revised	Budget
<b>E025</b>			
<b><u>GOVERNMENT SERVANTS</u></b>			

Cantt./Garrison Edu. Institutions	34.710	33.588	35.268
AGPR, Islamabad	539.245	594.464	612.239
AGPR, Sub-Office, Lahore	116.694	126.178	138.796
AGPR, Sub-Office, Karachi	119.806	133.796	140.486
AGPR, Sub-Office, Peshawar	91.009	92.673	215.605
AGPR, Sub-Office, Quetta	32.446	43.184	45.342
AGPR, Sub-Office, Gilgit	42.918	47.267	59.923
Defence	123.750	145.275	158.000
Pakistan Post Office	66.200	73.850	75.100
Pak PWD	11.406	12.556	13.706
Pakistan Mint	2.735	3.060	3.510
Chief Accounts Officer (M/o Foreign Affairs)	31.105	29.659	30.893
Central Dte. of National Savings	14.046	17.639	17.402
Geological Survey of Pakistan	6.400	7.170	7.500
Directorate of Food	0.253	0.232	0.244

Contd.

### RECOVERY OF LOANS AND ADVANCES

	(Rs.in Million)		
	2008-2009 Budget	2008-2009 Revised	2009-2010 Budget
Special Communications Organization	4.476	6.180	6.597
<b>TOTAL - GOVERNMENT</b>			

	<b>SERVANTS</b>	<b>1237.199</b>	<b>1366.771</b>	<b>1560.611</b>
<b>E027</b>	<b><u>OTHERS</u></b>			
	Cash loans - Govt. of AJK	1674.971	1674.971	1791.218
	Foreign loans - Govt. of AJK	261.460	261.460	412.740
	PNRA	1.648	1.705	2.478
	<b>TOTAL - OTHERS</b>	<b>1938.079</b>	<b>1938.136</b>	<b>2206.436</b>
	<b>TOTAL (PSEs &amp; OTHERS)</b>	<b>20732.189</b>	<b>20692.945</b>	<b>21461.236</b>
	<b>ESTIMATED SHORTFALL</b>	<b>2550.000</b>	<b>2800.000</b>	<b>3400.000</b>
	<b>NET - TOTAL (PSEs &amp; OTHERS)</b>	<b>18182.189</b>	<b>17892.945</b>	<b>18061.236</b>
	<b>TOTAL - PROVINCES</b>	<b>16175.595</b>	<b>20995.501</b>	<b>20399.534</b>
	<b>GRAND TOTAL</b>	<b>34357.784</b>	<b>38888.446</b>	<b>38460.770</b>

## 12. PUBLIC DEBT

12.1 Public debt of the Federal Government is of two types, namely, domestic debt (permanent debt, floating debt and unfunded debt) and foreign currency debt (long, medium and short term).

### DOMESTIC DEBT (PERMANENT)

12.2 The main features of securities through which domestic debt (permanent) is raised are given below:

**12.2.1 Federal Investment Bonds :**

The sale of Federal Investment Bonds was discontinued in June, 1998. However, these bonds can be sold or purchased in secondary market. These are being repaid on maturity. Repayment under revised estimates for 2008-2009 in respect of Federal Investment Bonds (non-bank) is projected as nil while repayment for the year 2009-2010 (budget) is estimated at Rs.536.600 million.

**12.2.2 Pakistan Investment Bonds:**

The Government launched this security under the nomenclature of "Pakistan Investment Bonds" having maturity period of 2, 3, 5, 7, 10, 15, 20 and 30 years. The budget estimates for 2008-2009 were estimated at Rs.50,000.000 million. The revised estimates 2008-2009 are projected at Rs.(-)10000.000 million while budget estimates 2009-2010 are estimated at Rs.5000.000 million.

**12.2.3 Government Bonds issued to Public Sector Enterprises:**

Government Bonds amounting to Rs.1593.000 million were issued to Public Sector Enterprises on 1.6.1989 for a period of 20 years. The repayment of these bonds is due on the maturity during the year 2008-09, therefore,

repayments in revised estimates 2008-09 has been projected at Rs.1593.000 million.

**12.2.4 Government Bonds issued to HMC:**

Government Bonds amounting to Rs.510.210 million were issued to Heavy Mechanical Complex (HMC) on 1.3.1989 for a period of 20 years. These bonds are due to be repaid during the year 2008-09, therefore, the revised estimates are projected at Rs.510.210 million.

12.3 The net receipts from domestic debt (permanent) during the years 2008-2009 (budget & revised) and 2009-2010 (budget) are estimated as under :

				(Rs. in Million)
		2008-2009	2008-2009	2009-2010
		Budget	Revised	Budget
<b>E031</b>	<b>Domestic Debt (Permanent)</b>			

Federal Investment			
Bonds (non-bank)	0.000	0.000	-536.600
Pakistan Investment Bonds (Non-Bank)	50000.000	-10000.000	5000.000
Government Bonds issued to Public Sector Enterprises	-1593.000	-1593.000	0.000
Government Bonds (DFIs)	-30.480	-30.480	0.000
Government Bonds issued to Heavy Mechanical Complex	-510.210	-510.210	0.000
Govt. Bonds issued to SBSM	0.000	0.000	-73.200
Ijara Sukuk Bonds	0.000	35500.000	0.000
<b>TOTAL</b>	<b>47866.310</b>	<b>23366.310</b>	<b>4390.200</b>

#### **FOREIGN CURRENCY DENOMINATED DEBT (PERMANENT)**

12.4 It includes the following securities:

##### **12.4.1 Foreign Exchange Bearer Certificates (FEBCs) :**

Against the repayment of Rs.70.000 million estimated in budget 2008-2009, the repayments for the year 2008-2009 (revised) and 2009-2010 (budget) has been projected at



(2008-09) and 2009-2010 (Budget) has been projected at Rs.70.000 million, and Rs.50.000 million respectively.

**12.4.2 Foreign Currency Bearer Certificates (FCBCs) :**

This security was introduced during the year 1992-93. Against the budget estimates for 2008-2009, the repayment of these bonds for the year 2008-09 (revised) and 2009-2010 (Budget) is estimated at the same level i.e. Rs.10.000 million. These Certificates are in US \$ and Pound Sterling. Profit is payable half yearly at floating rates, which is not liable to income tax. The investment in these certificates is exempt from Wealth Tax and compulsory deduction of Zakat.

**12.4.3 US Dollar Bearer Certificates (DBC) :**

This security was introduced in 1991 and discontinued on 17th November, 1994. The repayment for the year 2008-2009 (revised) and 2009-2010 (Budget) is projected at the same level i.e. Rs.15.000 million.

**12.4.4 Special US Dollar Bonds :**

These bonds are issued under Special US Dollar Bonds Rules, 1998 to the Foreign Currency Accounts holders or Foreign Currency Certificates holders with scheduled banks or non-bank financial institutions out of their foreign currency deposits. The repayment of these bonds during the year 2008-2009 (Revised) and 2009-2010 (Budget) is expected at Rs.2000.000 million and Rs.4000.000 million respectively.

12.5 The estimates of foreign currency debt (permanent) are tabulated below.

Name of Securities	(Rs. in Million)		
	2008-2009 Budget	2008-2009 Revised	2009-2010 Budget
<b><u>Foreign Currency Debt (Permanent)</u></b>			

Foreign Exchange Bearer Certificates (FEBCs)	-70.000	-70.000	-50.000
Foreign Currency Bearer Certificates (FCBCs)	-10.000	-10.000	-10.000
US Dollar Bearer Certificates (DBC)s	-15.000	-15.000	-15.000
Special US Dollar Bonds	-4000.000	-2000.000	-4000.000
<b>TOTAL</b>	<b>-4095.000</b>	<b>-2095.000</b>	<b>-4075.000</b>

#### **FLOATING DEBT**

12.6 The term "floating debt" is applied to borrowing of a purely temporary nature with a maturity of not more than twelve months. Market Related Treasury Bills and National Prize Bonds are included in this category.

##### **12.6.1 Market Related Treasury Bills (Auction) :**

These reflect non-bank borrowing of the Federal Government.

##### **12.6.2 National Prize Bonds:**

These are of bearer type non-terminable securities freely encashable and transferable by delivery. These are now issued in denominations of Rs.200/-, Rs.750/-, Rs.1500/-, Rs.7500/-, Rs.15000/- and Rs.40000/-. Receipt of Rs. 9000.000 million for the year 2008-2009 (revised) is estimated from this security. The receipt for 2009-2010 (budget) is estimated at Rs.10000.000 million.

12.7 The estimates of receipts from floating debt during the year 2008-2009 (revised) and 2009-2010 (budget) are as under:

(Rs.in Million)		
2008-2009 Budget	2008-2009 Revised	2009-2010 Budget

#### **E032 FLOATING DEBT**

**A. Market Related Treasury Bills**

**through auction (Non-Bank)**

Receipts	8000.000	75035.305	63556.415
Repayments	3000.000	75035.305	62556.415
<b>Net (A):</b>	<b>5000.000</b>	<b>0.000</b>	<b>1000.000</b>
<b>B. Prize Bonds</b>	<b>20000.000</b>	<b>9000.000</b>	<b>10000.000</b>
<b>C. Government Commercial</b>			
<b>Paper (GCP)</b>	<b>40000.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Net Total Floating Debt (A+B+C)</b>	<b>65000.000</b>	<b>9000.000</b>	<b>11000.000</b>

**13. PUBLIC ACCOUNT**

**13.1 DEFERRED LIABILITIES**

13.1.1 These receipts represent the net proceeds of various savings schemes launched by the Government. Brief introduction of each saving scheme is given below.

**a) DEFENCE SAVINGS CERTIFICATES**

It is a ten years scheme. However, the investment can be encashed at any time. The rate of return on Defence Savings Certificates has been linked with the yield of Pakistan Investment Bonds of ten year maturity. The existing rate on this scheme is 12.15% p.a. on maturity. Profit from investment made on or after 1-7-2002 is taxable at source at the rate of 10% of such profit if deposit exceeds Rs.150,000. Institutions like Registered Charities (non-profit bodies); Public Sector Enterprises, excluding Banks, Private Educational & Health Institutions; Employees Old Age Benefit Institutions (EOBIs); Private Corporate Sector, excluding Banks; and Non-Bank Financial Institutions (NBFIs), excluding Insurance Companies, registered under the relevant law for the time being in force are eligible to invest in this scheme with effect from 30-9-2006.

**b) SPECIAL SAVINGS CERTIFICATES/ACCOUNTS**

Special Savings Certificates (Registered/Accounts) is a three year scheme with profit payable on six monthly basis. The existing rate of profit in this scheme is 13% per annum for the first two and half years and 14.20% for the last six months. The rate of profit has been linked with the yield of Pakistan Investment Bonds having three years maturity. The rates are revised quarterly. Zakat is deducted at source on principal value once in three years at the time of encashment if

declaration in this regard is not filed. Profit from investment made on or after 1-7-2002 is taxable at source at the rate of 10% of such profit if deposit exceeds Rs.150,000. Institutions like Registered Charities (non-profit bodies); Public Sector Enterprises, excluding Banks, Private Educational & Health Institutions; Employees Old Age Benefit Institutions (EOBIs); Private Corporate Sector, excluding Banks; and Non-Bank Financial Institutions (NBFIs), excluding Insurance Companies, registered under the relevant law for the time being in force are eligible to invest in this scheme with effect from 30-9-2006.

**c) REGULAR INCOME CERTIFICATES**

This scheme was introduced on 2.2.1993 to ensure payment of income on monthly basis. The profit in the scheme is subject to 10% withholding tax and the investment is exempt from compulsory deduction of Zakat at source. The existing profit on this scheme is 13.60% per annum. The rate of profit has been linked with the yield of Pakistan Investment Bonds having five years maturity. The rates are revised quarterly. Premature encashment on these certificates purchased on or after 15-12-2005 carry service charges as under:

- |       |  |                       |
|-------|--|-----------------------|
| (i)   | If encashed before completion of one year from the date of issue | @ 2% of face value    |
| (ii)  | Before two years   | @ 1.50% of face value |
| (iii) | Before three years   | @ 1% of face value    |
| (iv)  | Before four years  | @ 0.5% of face value  |

2. Institutions like Registered Charities (non-profit bodies); Public Sector Enterprises, excluding Banks, Private Educational & Health Institutions; Employees Old Age Benefit Institutions (EOBIs); Private Corporate Sector, excluding Banks; and Non-Bank Financial Institutions (NBFIs), excluding Insurance Companies, registered under the relevant law for the time being in force are eligible to invest in this scheme with effect from 30-9-2006.

**d) MAHANA AMADANI ACCOUNTS**

It is a five years scheme in which only individuals can invest from Rs.500/- to Rs.5000/- each month consecutively for five years and thereafter, the return is paid on monthly basis equal to the amount of monthly deposit for ever. However, the account holders who opened accounts on or after 1-7-2000 and 1-7-2002 will deposit monthly installment for six years and seven years respectively to get monthly profit equal to the amount of monthly deposit so long as the account is not closed. The return upto Rs.1000/- is tax free. Zakat is deducted on principal value at the time of payment of return if declaration in this regard is not filed. However, Mahana Amadani Account Scheme has been discontinued after 17th May, 2003.

**e) SAVINGS ACCOUNTS**

This is the oldest saving scheme in operation which provides profit on chequing accounts and on non-chequing accounts. Zakat is deducted @ 2.50% on credit balance on valuation date each year if declaration in this regard is not filed. The existing profit on

chequing account is 8.50% per annum while on other accounts is 9.00% per annum. Profit from investment made on or after 1-7-2002 is taxable at source at the rate of 10% of such profit if deposit exceeds Rs.150,000. Institutions like Registered Charities (non-profit bodies); Public Sector Enterprises, excluding Banks, Private Educational & Health Institutions; Employees Old Age Benefit Institutions (EOBIs); Private Corporate Sector, excluding Banks; and Non-Bank Financial Institutions (NBFIs), excluding Insurance Companies, registered under the relevant law for the time being in force are eligible to invest in this scheme with effect from 30-9-2006.

**f) PENSIONER'S BENEFIT ACCOUNT**

This scheme has been launched with effect from 20-1-2003 to provide incentive to the retired officials of the Federal Government, Provincial Governments, Azad Government of the State of Jammu & Kashmir, Armed Forces, Semi Governments and Autonomous Bodies and in case of death, the pensioner's eligible member of the family. Only one account can be opened in the National Savings Centre with a minimum deposit of rupees ten thousand and in multiple of one thousand with the facility of two subsequent deposits subject to the maximum limit of three million rupees. It is a ten year scheme and profit is payable on completion of each period of one month reckoned from the date of opening of an account till maturity. The maximum rate of profit on this scheme is

opening of an account till maturity. The existing rate of profit on this scheme is 16.10% p.a. Premature encashment before completion of one, two, three and four years carry service charges at the rate of 1%, 0.75%, 0.50% and 0.25% of principal amount respectively. Profit to be accrued from this scheme is exempt from compulsory deduction of tax. The scheme has been made more attractive as any upward revision in rate of profit notified after 9.3.2009 shall also be applicable to existing account holders whereas downward revision shall apply to fresh investment only.

**g) BAHBOOD SAVINGS CERTIFICATES**

This scheme has been introduced exclusively for widows to cater for their needs with monthly profit payment facility @ 16.10% per annum. The scheme has further been extended to the aged persons 60 years or above. The maximum deposit limit in this scheme is Rs. three million. It is only a compensatory package to enable widows and senior citizens to supplement their income to lead a respectable life. Service charges at the rate of 1%, 0.75%, 0.50% and 0.25% of the face value are deducted if certificates are encashed before completion of one, two, three and four years respectively. Profit to be accrued from this scheme is exempt from compulsory deduction of tax. The scheme has been made more attractive as any upward revision in rate of profit notified after 9.3.2009 shall also be applicable to existing certificate holders whereas downward revision shall apply to fresh investment only.

13.1.2 The estimates of receipts are tabulated on the following page.

**DEFERRED LIABILITIES**

		(Rs.in Million)		
		2008-2009	2008-2009	2009-2010
		Budget	Revised	Budget
<b>G03</b>	<b>Deferred Liabilities</b>	<b><u>132000.000</u></b>	<b><u>215623.540</u></b>	<b><u>233481.880</u></b>
	<b>Provident Fund</b>	<b>2000.000</b>	<b>2000.000</b>	<b>2000.000</b>
	<b>Saving/Deposit Account/Certificates</b>	<b>128000.000</b>	<b>211574.040</b>	<b>229386.880</b>



Savings Bank Accounts	2533.250	-15806.400	-8949.310
Khas Deposit Accounts	-6.000	-6.000	-6.000
Mahana Amadani Accounts	-25.000	-75.000	-75.000
Pensioners' Benefit Accounts	30000.000	21102.420	24063.190
Defence Savings Certificates	14000.000	-25341.700	-15894.800
Bahbood Savings Certificates	50000.000	71704.170	79892.000
National Deposit Certificates	-1.250	-2.450	-2.450
Khas Deposit Certificates	-1.000	-1.000	-1.000
Special Savings Certificates (Registered)	21165.000	92500.000	51842.550
Special Savings Accounts (Term Deposit)	8835.000	32500.000	18214.950
Regular Income Certificates	1500.000	35000.000	30302.750
New Savings Schemes	0.000	0.000	50000.000
<b>Postal Life Insurance Fund</b>	<b>2000.000</b>	<b>2049.500</b>	<b>2095.000</b>

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## 13.2 PUBLIC ACCOUNT DEPOSIT RECEIPTS

13.2.1 The public account deposit receipts are broadly of two types known as (i) Reserve funds and (ii) Other deposits. The reserve funds, falling in the category of renewal reserve and depreciation funds, are designed to meet the cost of renewal and replacement of assets of the commercial departments and undertakings to which they relate. These are fed by annual contribution from these departments and organizations, calculated either on commercial principles or on ad-hoc basis. The expenditure on renewal and replacement in a year is initially booked as expenditure under the relevant capital head of account but at the end of the year, it is transferred to the appropriate depreciation or renewal reserve fund

the end of the year, it is transferred to the appropriate department or division account per contra-credit to the expenditure head.

13.2.2 Reserve funds and deposit accounts, other than the renewal reserve and depreciation funds, are intended to provide for liabilities and requirements of funds for specific purposes for which they have been created. Like renewal reserve and depreciation funds, these are fed by regular yearly payment or ad-hoc contributions from the current revenues. Such transfers generally pass through the budget grant of the concerned Ministry or Division.

13.2.3 The reserve funds and deposit accounts in respect of which provision for contributions have been made in the revised estimates for 2008-2009 and budget estimates for 2009-2010 are tabulated on the following pages.

#### **DEPOSITS AND RESERVE FUNDS**

		<b>(Rs.in Million)</b>		
		<b>2008-2009</b>	<b>2008-2009</b>	<b>2009-2010</b>
		<b>Budget</b>	<b>Revised</b>	<b>Budget</b>
G06202	Federal Govt. Employees Benevolent Fund (Civil)	0.000	203.371	0.000
G06203	Benevolent Fund (Defence)	0.000	0.984	0.000
G06204	F.G. Employees B.F.(T&T)	0.000	0.238	0.000
G06206	F.G. Employees B.F.(Pak. PWD)	0.000	0.005	
G06207	Benevolent Fund Foreign Affairs	0.000	4.247	0.000
G06208	Benevolent Fund (Food Wing)	0.000	0.016	0.000

G06209	Federal Govt. Employees Benevolent Fund (National Savings)	0.000	2.483	0.000
G06210	Benevolent Fund (Mint)	0.000	1.624	0.000
G06214	P.G.Employees B.Fund	0.000	1.066	0.000
G06215	District Benevolent Fund	0.000	0.003	0.000
G06301	Staff Welfare Fund (Custom & Excise)	0.000	0.011	0.000
G06304	Workers Welfare Fund	12000.000	0.000	10000.000
G06401	Group Insurance Fund Pak. PWD	0.000	0.006	0.000
G06402	F.G.E. Group Insurance (Foreign Affairs)	0.000	1.285	0.000
G06404	Federal Govt. Employees Group Insurance Fund (National Savings)	0.000	0.373	0.000
G06405	Group Insurance Fund Mint	0.000	0.031	0.000
G06406	F.G.E. Group Insurance Fund(Forest)	0.000	0.005	0.000
G06408	Prov. Govt.Employees G.I.F	0.000	0.525	0.000
G06409	Federal Govt. Employees Group Insurance Fund (Civil)	0.000	38.775	0.000
G07101	Post Office Renewal Reserve Fund	50.000	50.000	50.000
G08117	Railways Reserve Fund	14027.022	21449.189	11432.370

contd.

### DEPOSITS AND RESERVE FUNDS

		(Rs.in Million)		
		2007-2008	2007-2008	2008-2009
		Budget	Revised	Budget
G08121	Railways Dep. Reserve Fund	0.000	6228.000	9524.600
G10301	Lighthouses and Lightships Reserve Fund	0.265	0.265	0.265
G12101	PM's Disaster's Fund	0.000	0.033	0.000
G12106	PM's Fund for Afghan Refugees	0.000	0.053	0.000
G12130	President's Relief Fund for Earthquake Victims 2005	0.000	40.899	0.000
G12132	President's Flood Relief Fund	0.000	0.007	0.000

	for Flood Victims			
G12205	Pakistan Minorities Welfare Fund	0.000	18.667	0.000
G12206	Special Fund for Welfare & Uplift of Minorities	0.000	166.001	0.000
G12305	Export Development Fund	2928.000	2589.000	4585.000
G12308	Reserve Fund for Exchange Risk on Foreign Loans	3078.490	2918.907	2500.910
G12412	Pakistan Oil Seed Development Fund	0.000	11.188	0.000
G12504	Workers Children Education Fund	0.000	0.654	0.000
G12510	Education Welfare Fund	0.000	0.300	0.000
G12738	National Fund for Control of Drug Abuse	0.000	2.820	0.000
G12745	Central Research Fund	0.000	4.936	0.000
G12765	President's Flood Relief Fund for Tsunami Victims	0.000	0.917	0.000
G14100	Pakistan Mint	400.000	35.000	100.000
<b>TOTAL:</b>		<b>32483.777</b>	<b>33771.884</b>	<b>38193.145</b>

13.2.4 A brief description of the main deposits/reserve funds are given below.

#### **Post Office Renewal Reserve Fund**

13.2.5 The objective of establishing this reserve fund is to secure the payment of annual contribution from general revenues, to provide funds to meet the actual cost of renewing and replacing assets. The fund also bears the cost of relieving capital of the value of an asset, other than land, which is sold, abandoned or otherwise disposed off without being replaced. The fund receives credit for an annual contribution from working expenses of such amount fixed from time to time as a depreciation charge based on the life of assets as well as sale proceeds of unserviceable materials, block value of dismantled assets etc.

#### **Railways Depreciation Reserve Fund**

13.2.6 The Railways Depreciation Reserve Fund provides for the cost of renewals and replacement of assets as and when it becomes necessary. The Fund was to provide the amount of original cost of the assets replaced and its scope was restricted to the replacement of complete units of certain classes of wasting assets. With a view to providing safeguard against over capitalization, the entire cost of the replacement of an asset including the improvement elements is charged to the Fund. Presently, the contribution to the fund is made by adopting "Straight Line Method".

#### **Railways Reserve Fund**

13.2.7 The objective of establishing this Fund is to secure the payment of annual contribution of general revenues, to provide if necessary, for arrears of depreciation and for writing off capital and to strengthen the financial position of the Railways. The Fund was also used for temporary borrowings for purposes of meeting the expenditure for which there was no provision or insufficient provision in the revenue budget. The receipts in this Fund consist of the surplus which remain out of the profit of Railways after payment to general revenues of the contribution fixed under the Convention.

#### **Worker's Welfare Fund**

13.2.8 This Fund was created for provision of housing facilities and other amenities to industrial workers. Initial contribution of Rs.100 million was made by the federal government. Further contributions to the Fund are being made in the form of Workers Welfare Tax @ 2% per annum of the total assessable income of industrial units whose income is not less than Rs.100,000/- and left out amount of workers profit participation tax. The workers welfare tax is initially collected with income tax and later on contributed to the Fund by means of block provision of equivalent amount in the relevant budget grant of the Labour Division. Disbursements from the Fund are made in the shape of grants-in-aid placed at the disposal of provincial governments for carrying out the purposes of the fund.

### **Fund for exchange risk on foreign loans**

13.2.9 The federal government pays the difference of exchange rate fluctuations on behalf of borrowers, and charges an exchange risk fee. The rate of this fee is different for different foreign currencies.

## **14. EXTERNAL RESOURCES**

14.1 External resources comprise of (i) project loans (ii) loans and credits from friendly countries and specialized international agencies and (iii) grant assistance under Food Aid Convention, World Food Programme and other specific country programmes. The loans, credits and grant assistance, collectively described as foreign aid, fall into four broad categories. These are project aid, commodity aid, food aid, and other aid.

### **Project loans**

14.2 Project loans are of two types. These are explained below :

#### **(a) Federal loans :**

Loans contracted by the federal government for public or

private sector projects are generally termed as federal loans.

**(b) Guaranteed loans :**

Loans contracted directly by public or private sector agencies but guaranteed by the federal government for payment of interest and repayment of principal are called guaranteed loans.

14.3 Sometimes, commodities received under foreign aid generate rupee counterpart funds which either by prior agreement at the time of commitment of commodity assistance or subsequently after generation of rupee counterpart by mutual agreement, are made available for specific projects as loan or grant assistance. This is another form of project aid.

**Commodity aid**

14.4 Commodity aid as a rule is utilized for commercial imports of commodities. The goods imported under this aid generally are industrial raw materials, equipment & spares, consumer goods, chemicals, fertilizer and such commodities as may be specified or may have been generally agreed to or, if the aid is untied, as the country may actually need. Beside enabling the country to meet its requirements of essential commodities, commodity aid also helps to generate rupee funds which augment the country's rupee resources to meet development needs.

**Food aid**

14.5 Food aid comprise of foodstuff such as wheat, edible oil etc. Bulk of the rupee counterpart funds generated by this aid is available to Pakistan as loans or grants for specific development projects. Food aid from other sources comprise of Food Aid Convention grants from member countries and grants under the World Food Programme of the United Nations Food and Agriculture Organization. In most of the cases, the net sale proceeds of this type of food aid are deposited as counterpart funds which eventually become available for the country's use in accordance with the agreement.

**Other aid**

14.6 Other aid comprise of loans and grants from non-traditional sources generally by way of balance of payment support.

14.7 The estimates of external resources for the year 2008-2009 (budget and revised) and 2009-2010 (budget) are tabulated on the following page.

### EXTERNAL RESOURCES

		(Rs.in Million)		
		2008-2009	2008-2009	2009-2010
		Budget	Revised	Budget
<b><u>EXTERNAL RECEIPTS</u></b>				
<b>A</b>	<b>PROJECT AID(1 + 2)</b>	<b><u>76794.141</u></b>	<b><u>72656.867</u></b>	<b><u>85862.710</u></b>
<b>1.</b>	<b>Federal Government</b>	<b>51290.703</b>	<b>46323.497</b>	<b>58939.710</b>
	Divisions/Departments	27893.151	20048.233	32554.710
	Autonomous bodies	23397.552	26275.264	26385.000
<b>2.</b>	<b>Provinces</b>	<b>25503.438</b>	<b>26333.370</b>	<b>26923.000</b>



<b>B</b>	<b>COMMODITY AID</b>	<b><u>151043.750</u></b>	<b><u>201344.000</u></b>	<b><u>150645.000</u></b>
	<b>(NON-FOOD)</b>			
	Loans	145625.000	191264.000	140332.500
	Grants	5418.750	10080.000	10312.500
<b>C</b>	<b>TOKYO PLEDGES</b>	<b><u>0.000</u></b>	<b><u>952.000</u></b>	<b><u>191405.775</u></b>
	Loans	0.000	0.000	145077.900
	Grants	0.000	952.000	46327.875
<b>D</b>	<b>EARTHQUAKE</b>	<b><u>9831.250</u></b>	<b><u>0.000</u></b>	<b><u>0.000</u></b>
	Loans	5596.562	0.000	0.000
	Grants	4234.688	0.000	0.000
<b>E</b>	<b>OTHER AID</b>	<b><u>62500.000</u></b>	<b><u>92480.000</u></b>	<b><u>82500.000</u></b>
	Islamic Development Bank	31250.000	52480.000	41250.000
	Eurobonds	31250.000	0.000	41250.000
	China Deposits	0.000	40000.000	0.000
	<b>TOTAL EXTERNAL RESOURCES</b>	<b><u>300169.141</u></b>	<b><u>367432.867</u></b>	<b><u>510413.485</u></b>

## 15 PRIVATIZATION PROCEEDS

15.1 The Privatization Commission Ordinance, 2000 provides that the net privatization proceeds received through sale of enterprises owned by the Federal Government shall be transferred to the Federal Government.

15.2 The above mentioned Ordinance further provides that the privatization proceeds transferred to the Federal Government shall be utilized by the Federal Government as follows:

- (a) ten percent shall be used for poverty alleviation programmes ; and

- (b) the remaining ninety percent for retirement of the Federal Government debt.

15.3 The estimates of privatization proceeds are given below:

	(Rs.in Million)		
	2008-2009 Budget	2008-2009 Revised	2009-2010 Budget
<b>Privatization proceeds</b>	<b>25106.250</b>	<b>1290.000</b>	<b>19351.000</b>

## 16. SELF-FINANCING OF PSDP BY PROVINCES

The following table shows contribution by the Provinces for their Public Sector Development Programme in 2008-2009 (Budget & Revised) and 2009-2010 (Budget).

	(Rs.in Million)		
	2008-2009 Budget	2008-2009 Revised	2009-2010 Budget

<b>Self-Financing of PSDP by Provinces</b>	<b>124406.062</b>	<b>123646.305</b>	<b>172986.500</b>
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### 17. FINANCING TABLES OF PROVINCIAL ADPs

Province wise details of financing of provincial annual development programmes are given in the following tables:

#### FINANCING OF ADP OF PUNJAB

	(Rs.in Million)		
	2008-2009	2008-2009	2009-2010
	Budget	Revised	Budget
<b><u>Development Programme</u></b>	<b><u>76455.757</u></b>	<b><u>91807.600</u></b>	<b><u>100824.600</u></b>

Less provincial contribution	64218.409	77730.787	89295.600
<b>Federal assistance</b>	<b>12237.348</b>	<b>14076.813</b>	<b>11529.000</b>
<b>I. Cash Assistance</b>	<b>45.000</b>	<b>13.500</b>	<b>45.000</b>
Japanese grant	45.000	13.500	45.000
<b>II. Foreign Project Assistance</b>	<b>12192.348</b>	<b>14063.313</b>	<b>11484.000</b>
Loans	11010.838	11426.358	10471.000
Grants	1181.510	2636.955	1013.000

## FINANCING OF ADP OF SINDH

	(Rs.in Million)		
	2008-2009	2008-2009	2009-2010
	Budget	Revised	Budget
<b><u>Development Programme</u></b>	<b><u>30925.754</u></b>	<b><u>33975.700</u></b>	<b><u>42344.900</u></b>
Less provincial contribution	26548.254	28630.984	36915.400
<b>Federal assistance</b>	<b>4377.500</b>	<b>5344.716</b>	<b>5429.500</b>
<b>I. Cash Assistance</b>	<b>22.500</b>	<b>3.375</b>	<b>22.500</b>

	Japanese grant	22.500	3.375	22.500
<b>II.</b>	<b>Foreign Project Assistance</b>	<b>4355.000</b>	<b>5341.341</b>	<b>5407.000</b>
	Loans	4355.000	5338.859	5407.000
	Grants	0.000	2.482	0.000

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### FINANCING OF ADP OF NWFP

	(Rs.in Million)		
	2008-2009 Budget	2008-2009 Revised	2009-2010 Budget
<b><u>Development Programme</u></b>	<b><u>26044.801</u></b>	<b><u>15684.650</u></b>	<b><u>35049.300</u></b>
Less provincial contribution	21696.417	10558.768	30168.800
<b>Federal assistance</b>	<b>4348.384</b>	<b>5125.882</b>	<b>4880.500</b>

<b>I.</b>	<b>Cash Assistance</b>	<b>11.500</b>	<b>1.725</b>	<b>11.500</b>
	Japanese grant	11.500	1.725	11.500
<b>II.</b>	<b>Foreign Project Assistance</b>	<b>4336.884</b>	<b>5124.157</b>	<b>4869.000</b>
	Loans	3931.754	4725.876	4458.500
	Grants	405.130	398.281	410.500

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### FINANCING OF ADP OF BALOCHISTAN

	(Rs.in Million)		
	2008-2009	2008-2009	2009-2010
	Budget	Revised	Budget
<b><u>Development Programme</u></b>	<b><u>16573.688</u></b>	<b><u>8532.050</u></b>	<b><u>21781.200</u></b>
Less provincial contribution	11942.982	6725.766	16606.700
<b>Federal assistance</b>	<b>4630.706</b>	<b>1806.284</b>	<b>5174.500</b>
<b>I. Cash Assistance</b>	<b>11.500</b>	<b>1.725</b>	<b>11.500</b>

	Japanese grant	11.500	1.725	11.500
<b>II.</b>	<b>Foreign Project Assistance</b>	<b>4619.206</b>	<b>1804.559</b>	<b>5163.000</b>
	Loans	4340.541	1515.398	4200.300
	Grants	278.665	289.161	962.700

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**18 DEVELOPMENT ASSISTANCE TO PROVINCIAL GOVERNMENT  
DURING 2008-2009 (BUDGET ESTIMATES)**

	(Rs.in Million)				
	Punjab	Sindh	NWFP	Balochistan	TOTAL
<b><u>Development Programme</u></b>	<b><u>76455.757</u></b>	<b><u>30925.754</u></b>	<b><u>26044.801</u></b>	<b><u>16573.688</u></b>	<b><u>150000.000</u></b>
Less Provincial contribution	64218.409	26548.254	21696.417	11942.982	124406.062
<b>Federal assistance</b>	<b>12237.348</b>	<b>4377.500</b>	<b>4348.384</b>	<b>4630.706</b>	<b>25593.938</b>

<b>Cash Assistance</b>	<b>45.000</b>	<b>22.500</b>	<b>11.500</b>	<b>11.500</b>	<b>90.500</b>
Japanese grant	45.000	22.500	11.500	11.500	90.500
<b>Foreign Project Assistance</b>	<b>12192.348</b>	<b>4355.000</b>	<b>4336.884</b>	<b>4619.206</b>	<b>25503.438</b>
Loans	11010.838	4355.000	3931.754	4340.541	23638.133
Grants	1181.510	0.000	405.130	278.665	1865.305

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**DEVELOPMENT ASSISTANCE TO PROVINCIAL GOVERNMENT  
DURING 2008-2009 (REVISED ESTIMATES)**

	(Rs.in Million)				
	<b>Punjab</b>	<b>Sindh</b>	<b>NWFP</b>	<b>Balochistan</b>	<b>TOTAL</b>
<b><u>Development Programme</u></b>	<b><u>91807.600</u></b>	<b><u>33975.700</u></b>	<b><u>15684.650</u></b>	<b><u>8532.050</u></b>	<b><u>150000.000</u></b>
Less Provincial contribution	77730.787	28630.984	10558.768	6725.766	123646.305
<b>Federal assistance</b>	<b>14076.813</b>	<b>5344.716</b>	<b>5125.882</b>	<b>1806.284</b>	<b>26353.695</b>



<b>Cash Assistance</b>	<b>13.500</b>	<b>3.375</b>	<b>1.725</b>	<b>1.725</b>	<b>20.325</b>
Japanese grant	13.500	3.375	1.725	1.725	20.325
<b>Foreign Project Assistance</b>	<b>14063.313</b>	<b>5341.341</b>	<b>5124.157</b>	<b>1804.559</b>	<b>26333.370</b>
Loans	11426.358	5338.859	4725.876	1515.398	23006.491
Grants	2636.955	2.482	398.281	289.161	3326.879

**DEVELOPMENT ASSISTANCE TO PROVINCIAL GOVERNMENT  
DURING 2009-2010 (BUDGET ESTIMATES)**

	(Rs.in Million)				
	<b>Punjab</b>	<b>Sindh</b>	<b>NWFP</b>	<b>Balochistan</b>	<b>TOTAL</b>
<b><u>Development Programme</u></b>	<b><u>100824.600</u></b>	<b><u>42344.900</u></b>	<b><u>35049.300</u></b>	<b><u>21781.200</u></b>	<b><u>200000.000</u></b>
Less Provincial contribution	89295.600	36915.400	30168.800	16606.700	172986.500
<b>Federal assistance</b>	<b>11529.000</b>	<b>5429.500</b>	<b>4880.500</b>	<b>5174.500</b>	<b>27013.500</b>
<b>Cash Assistance</b>	<b>45.000</b>	<b>22.500</b>	<b>11.500</b>	<b>11.500</b>	<b>90.500</b>

Japanese grant	45.000	22.500	11.500	11.500	90.500
<b>Foreign Project Assistance</b>	<b>11484.000</b>	<b>5407.000</b>	<b>4869.000</b>	<b>5163.000</b>	<b>26923.000</b>
Loans	10471.000	5407.000	4458.500	4200.300	24536.800
Grants	1013.000	0.000	410.500	962.700	2386.200

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**19 DEVELOPMENT ASSISTANCE TO PROVINCIAL GOVERNMENTS DURING  
2008-2009 (BUDGET & REVISED) AND 2009-2010 (BUDGET)**

Province	(Rs.in Million)		
	2008-2009 Budget	2008-2009 Revised	2009-2010 Budget
Punjab	12237.348	14076.813	11529.000
Sindh	4377.500	5344.716	5429.500

NWFP	4348.384	5125.882	4880.500
Balochistan	4630.706	1806.284	5174.500
<b>TOTAL</b>	<b>25593.938</b>	<b>26353.695</b>	<b>27013.500</b>

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