



FEDERAL BUDGET 2019-20

EXPLANATORY MEMORANDUM

ON

FEDERAL RECEIPTS

Government of Pakistan

Finance Division

Islamabad

P R E F A C E

The Annual Budget Statement containing estimated Receipts and Expenditures for Financial Year 2019-20 is being tabled in the National Assembly of Pakistan and transmitted to the Senate of Pakistan as required under Article 80(1) and 73(1) of the Constitution of Islamic Republic of Pakistan.

The “**Explanatory Memorandum on Federal Receipts**” is being tabled along with the Annual Budget Statement, as additional information, in order to help the readers to understand the details of the receipts included in the Statement. In a structured manner, the major components of Federal resources have been explained, with a view to distinguish Revenue from Capital receipt and to further categorize Revenue Receipt as Tax and Non-Tax Receipt. A separate Chapter is introduced on External Resources with brief explanation, which has been further elaborated in a separate publication titled “Estimates of Foreign Assistance”. The mechanism for distribution of resources amongst the Provinces is also included with a brief over view of self-financing of their respective Annual Development Programmes.

With the aim of helping the readers to form a comprehensive view of the federal resources that have determined the formulation of the Budget for 2019-20, the nature of receipts has also been explained, wherever considered appropriate. I hope that this document would be useful for a comprehensive understanding of the Annual Budget Statement.

Naveed Kamran Baloch
Secretary to the Government of Pakistan

Finance Division
Islamabad, the 11th June, 2019

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CHAPTER 1: FEDERAL RESOURCES AT A GLANCE

1.1 Resource Mobilization is essential to meet the recurring as well as development expenditure. At Federal level, resources are generated through a well-coordinated and concerted effort by the revenue collecting agencies and other administrative units. The money so raised are properly deposited in the national exchequer, precisely accounted for and accurately reported as per the principles of financial propriety. The constitutional requirements for maintaining the federal receipts are strictly adhered to. Article 78(1) of the Constitution of Islamic Republic of Pakistan provides that all revenues received by the Federal Government, all loans raised by that Government and all moneys received by it in repayment of loan, shall form part of the Federal Consolidated Fund. Article 78(2) further provides that all other moneys received by or on behalf of the Federal Government shall be credited to the Public Account of the Federation. In pursuance thereof, the Federal Receipts are credited to Federal Consolidated Fund as well as the Public Account of Federation.

1.2 Federal Revenue Receipts are broadly categorized as Tax Revenue and Non-Tax Revenue. Federal Board of Revenue (FBR) is the major tax collecting agency as substantial portion of Tax Revenue is administered by it. Tax Revenue collected by FBR constitutes the Divisible Pool Taxes to be distributed amongst the Provinces along with other Straight Transfers in accordance with the provisions of National Finance Commission Award. In addition to FBR Taxes, there are Other Taxes i.e Gas Infrastructure Development Cess, Natural Gas Development Surcharge, Petroleum Levy etc, which are administered by Ministry of Petroleum and Natural Resources.

1.3 Non-Tax Revenue represents the recurring income earned by the Federal Government from sources other than taxes. The major sources are Interest receipts, dividends, profits earned by various regulatory authorities. Moreover, various services provided by the government i.e social services, community services, economic services, defence services etc also yield revenue for the government.

1.4 In addition to Revenue Receipts, there are Capital Receipts reflected in Annual Budget Statement. Capital Receipts comprise Recoveries of loans and advances from

provincial Governments, local bodies, financial institutions etc as well as Public Debt raised through various government securities.

1.5 Net proceeds of National Saving Schemes and net receipts from transactions under Deposits and Reserves head being Public Account Receipts, form part of Public Account of the Federation.

1.6 External Resources comprise project loans and grants, programme loans and other loans which are received from specialized financial institutions and friendly countries for specific development needs and budgetary requirements.

1.7 Federal Receipts may also be classified as Internal Receipts and External Receipts. Internal Receipts comprise Revenue receipts and Capital receipts. External Receipts comprise project aid, loans and grants.

1.8 Budget Estimates for Fiscal Year 2018-19 and 2019-20 in respect of total Federal Receipts under different heads are given at the next page;

TABLE 1
Summary of Federal Resources

(Rs. in Million)

Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
B	1 Tax Revenue Receipts	4,888,645.000	4,393,876.450	5,822,160.300
	FBR Taxes	4,435,000.000	4,150,000.000	5,555,000.000
	Direct Taxes	1,735,000.000	1,659,000.000	2,081,945.000
	Indirect Taxes	2,700,000.000	2,491,000.000	3,473,055.000
	Other Taxes	453,645.000	243,876.450	267,160.300
C	2 Non Tax Receipts	771,860.203	637,751.290	894,464.066
C01	Income from Property and Enterprise	236,868.547	285,127.338	269,581.681
C02	Receipts from Civil Administration	305,836.967	170,624.779	430,961.032
C03	Miscellaneous Receipts	229,154.689	181,999.173	193,921.353
	3 Total Revenue Receipts (1+2)	5,660,505.203	5,031,627.740	6,716,624.366
E	4 Capital Receipts	559,084.587	953,502.237	766,197.740
E02	Recovery of Loans and Advances	152,989.497	159,831.827	183,520.370
E03	Domestic Debt Receipts	406,095.090	793,670.410	582,677.370
	5 Total Internal Receipts (3+4)	6,219,589.790	5,985,129.977	7,482,822.106
	6 External Receipts	1,118,023.833	1,403,155.987	3,032,324.587
	Loans	1,087,991.217	1,366,475.343	3,003,828.561
	Grants	30,032.616	36,680.644	28,496.026
	7 Total Internal and External Receipts (5+6)	7,337,613.623	7,388,285.964	10,515,146.693
	8 Public Account Receipts	126,686.176	278,244.365	236,559.593
	Deferred Liabilities (Net)	130,697.470	318,382.230	278,628.080
	Deposits and Reserves (Net)	(4,011.294)	(40,137.865)	(42,068.487)
	9 Gross Federal Receipts (7+8)	7,464,299.799	7,666,530.329	10,751,706.286
	10 Less Provincial Share in Federal Taxes	2,590,066.165	2,462,651.204	3,254,525.678
	11 Net Federal Receipts	4,874,233.634	5,203,879.125	7,497,180.608

Chapter 2. REVENUE RECEIPTS

2.1 Revenue Receipts constitute major component of total Federal resources. Revenue Receipts may be categorized as Tax Revenue Receipts and Non-Tax Revenue receipts, which are largely derived from the following sources:-

- i. Collection of Federal Taxes
- ii. Net revenue of the Public Sector Commercial Departments
- iii. Mark up on loans advanced by the Federal Government
- iv. Return on investments made by the Federal Government
- v. Fees, penalties and other Miscellaneous receipts realized by administrative Ministries and Divisions of the Federal Government
- vi. Surcharges, Cess, Levy and Royalty on Petroleum

2.2 TAX REVENUE

2.2.1 The major part of Tax Revenue is administered by the Federal Board of Revenue (FBR), which comprises Customs Duty and Inland Revenue i.e Direct Taxes, Sales Tax and Federal Excise Duty. FBR taxes may also be categorized as Direct Taxes and Indirect Taxes. Direct Taxes comprise Income Tax, Workers Welfare Fund and Capital Value Tax. Indirect Taxes include Sales Tax, Federal Excise Duty and Customs Duty.

2.2.2 In addition to FBR taxes, there are Other Taxes i.e Gas Infrastructure Development Cess, Natural Gas Development Surcharge, and Petroleum Levy administered by Ministry of Petroleum and Natural Resources. Besides, the taxes collected by Islamabad Capital Territory (ICT) Administration and the Airport Tax administered by Civil Aviation Authority also constitute Tax Revenue of the Federal Government. Tax Revenue forms part of Federal Consolidated Fund.

2.3 NON TAX REVENUE

2.3.1 Non-Tax Revenue of the federal government is administered by various Ministries /Divisions/Departments comprising the following sources:

- i. Income from Property and Enterprise
- ii. Receipts from Civil Administration and other functions
- iii. Miscellaneous Receipts

2.4 Summary of Revenue Receipts for Budget Estimates and Revised Estimates for Fiscal year 2018-19 and Budget Estimates for Fiscal year 2019-20 are given as under;

TABLE 2
Summary of Revenue Receipts

		(Rs. in Million)		
Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
B	I. TAX REVENUE	<u>4,888,645.000</u>	<u>4,393,876.450</u>	<u>5,822,160.300</u>
	(1+2)			
	(1) FBR Taxes	4,435,000.000	4,150,000.000	5,555,000.000
B01	Direct Taxes	1,735,000.000	1,659,000.000	2,081,945.000
B011	Taxes on Income	1,709,939.000	1,651,584.000	2,073,000.000
B015	Workers Welfare Fund	18,636.000	4,186.000	5,050.000
B017-18	Capital Value Tax	6,425.000	3,230.000	3,895.000
	Indirect Taxes	2,700,000.000	2,491,000.000	3,473,055.000
B020-22	Customs Duties	735,000.000	735,000.000	1,000,500.000
B023	Sales Tax	1,700,000.000	1,490,000.000	2,107,738.000
B024-25	Federal Excise	265,000.000	266,000.000	364,817.000
	(2) Other Taxes	453,645.000	243,876.450	267,160.300
B03083	Gas Infrastructure Development Cess	100,000.000	25,000.000	30,000.000
B03084	Natural Gas Development Surcharge	16,000.000	8,000.000	10,000.000
B03085	Petroleum Levy	300,000.000	203,354.000	216,025.000
B03087	Other Fed Levies	33,000.000	2,000.000	3,000.000
B026-30	Taxes collected by Islamabad Capital Territory Admn	4,555.000	5,492.450	8,100.300
B03064	Airport Tax	90.000	30.000	35.000
C	II. NON TAX REVENUE	<u>771,860.203</u>	<u>637,751.290</u>	<u>894,464.066</u>
	(1+2+3)			
C01	(1) Income from Property and Enterprise	236,868.547	285,127.338	269,581.681
C01008	PTA (Surplus)	12,787.000	12,787.000	1,000.000
	PTA (3G/4G Renew)	6,854.000	66,620.000	52,730.000
C01008	Regulatory Authorities (Surplus/penalties)	325.000	1,221.044	1,282.263
C012	Mark up (Provinces)	16,782.132	22,935.164	24,112.110
C013-18	Mark up (PSEs & Other)	123,649.415	120,957.530	124,494.708
C019	Dividends	76,471.000	60,606.600	65,962.600

Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C02	(2) Receipt from Civil Admn and Other Functions	305,836.967	170,624.779	430,961.032
C021-24	General Admin	5,754.402	4,027.966	4,283.750
C02211	SBP Profit	280,000.000	147,395.000	406,070.000
C025	Defence	15,959.796	14,730.327	15,453.135
C026	Law and Order	1,412.082	1,586.933	2,034.450
C027	Community Services	1,214.097	1,312.157	1,453.672
C028	Social Services	496.584	632.096	665.675
C029	Social Services (Miscellaneous)	1,000.006	940.300	1,000.350
C03	(3) Miscellaneous Receipts	229,154.689	181,999.173	193,921.353
C031-35	Economic Services	8,595.657	3,554.778	4,126.537
C036	Foreign Grants	15,902.000	13,738.053	18,794.500
C037	Extraordinary Receipts (UNO)	34,001.180	26,852.400	30,000.000
	Extraordinary Receipts (Others)	50,061.594	52.630	56.694
C03897	Citizenship, Naturalization & Passport Fee	31,000.000	23,000.000	25,000.000
C038	Others	19,252.358	11,906.016	12,710.602
C03905	Royalty on Oil	16,826.110	26,930.860	24,672.550
C03906	Royalty on Gas	36,515.790	51,224.520	51,560.470
C03910	Discount Retained on Local Crude Price	10,000.000	14,029.464	16,000.000
C03915	Windfall Levy against Crude Oil	5,000.000	6,974.000	7,000.000
C03917	Petroleum Levy on LPG	2,000.000	3,736.452	4,000.000
Total Revenue (other than FBR)		1,225,505.203	881,627.740	1,161,624.366
Total Revenue (including FBR)		5,660,505.203	5,031,627.740	6,716,624.366
Less Prov share in Federal Taxes		2,590,066.165	2,462,651.204	3,254,525.678
Net Federal Revenue Receipts		3,070,439.038	2,568,976.536	3,462,098.688

Chapter 3: TAX REVENUE

3.1 FBR TAXES

3.1.1 Tax Revenue collected by Federal Board of Revenue (FBR) comprises Income Tax, Sales Tax, Federal Excise Duty and Customs Duty. Direct Taxes mainly comprise Income Tax. Federal Excise Duty, Sales Tax and Customs duty are indirect taxes. The following table shows the revenue estimates for Fiscal Year 2018-19 (Budget and Revised) and 2019-20 (Budget);

TABLE 3
Estimates of FBR Taxes

		(Rs. in Million)		
Object Head	Tax Head	2018-19 Budget	2018-19 Revised	2019-20 Budget
B01	Direct Taxes	1,735,000.000	1,659,000.000	2,081,945.000
B023	Sales Tax	1,700,000.000	1,490,000.000	2,107,738.000
B024-25	Federal Excise	265,000.000	266,000.000	364,817.000
B020-22	Customs Duties	735,000.000	735,000.000	1,000,500.000
Total		4,435,000.000	4,150,000.000	5,555,000.000

3.1.2 Detailed analysis of head wise FBR taxes are highlighted below:

3.1.3 DIRECT TAXES

3.1.3.1 During the first 10 months of the current financial year i.e. up to 30-04-2019, Direct Tax collection stood at Rs.1,067.8 billion with growth of 2.6%. Income Tax contributes around 98% in total direct taxes. The target for FY 2019-20 has been estimated at Rs. 2,081.9 billion, requiring a growth of 25% vis-à-vis R.E 2018-19.

3.1.3.2 Within the direct taxes, Workers Welfare Fund (WWF) is also collected by FBR and is part of Direct Tax collection. The budget estimates for receipts of WWF for 2019-20 is Rs. 5.05 billion.

3.1.3.3 The budget and revised estimates for financial years 2018-19 and 2019-20, on account of Direct Taxes are tabulated hereunder:

TABLE 4
Direct Taxes

(Rs. in Million)

Object Head	Tax Head	2018-19 Budget	2018-19 Revised	2019-20 Budget
B011	Income Tax	1,709,939.000	1,651,584.000	2,073,000.000
B015	Workers Welfare Fund	18,636.000	4,186.000	5,050.000
B017-18	Capital Value Tax (CVT)	6,425.000	3,230.000	3,895.000
TOTAL		1,735,000.000	1,659,000.000	2,081,945.000

3.1.4 Indirect Taxes

3.1.4.1 Sales Tax

3.1.4.1.1 During the first 10 months of the current financial year net revenue collection from Sales Tax (import + domestic) remained at Rs.1,165.3 billion as against Rs. 1,186.6 billion in the corresponding period of the last financial year showing a decrease of 1.8%. The target for FY 2019-20 is estimated at Rs.2,107.7 billion. The required growth would be 41% vis-à-vis R.E 2018-19.

TABLE 5
Sales Tax

(Rs. in Million)

Object Head	Tax Head	2018-19 Budget	2018-19 Revised	2019-20 Budget
B023	Sales Tax (excluding services)	1,696,872.000	1,487,646.000	2,104,767.000
	Sales Tax on Services (ICT)	3,128.000	2,354.000	2,971.000
Total		1,700,000.000	1,490,000.000	2,107,738.000

3.1.4.2 Federal Excise Duty

3.1.4.2.1 During first 10 months of the current financial year net revenue collection from Federal Excise Duty remained at Rs. 184.0 billion as against Rs. 163.4 billion in the corresponding period of the last financial year showing a growth of 12.7%. Budget estimates for fiscal year 2019-20 are projected at Rs.364.8 billion. The required growth would be 37% vis-à-vis R.E 2018-19.

3.1.4.3 Customs Duty

3.1.4.3.1 During the first 10 months of FY 2018-19, net Customs Duty collections is Rs.558.9 billion which is 17.4% higher than the duty collected during the corresponding period of FY 2017-18. Budget estimates for fiscal year 2019-20 are projected at Rs. 1,000.5 billion. The required growth would be 36% vis-à-vis R.E 2018-19.

3.2 Other Taxes

3.2.1 Although FBR administers and collects major portion of Federal Tax Revenue, there are Other Tax sources, which are collected by Ministry of Energy (Petroleum Division), Islamabad Capital Territory Administration and Aviation Division as under;

3.2.2 Gas Infrastructure Development Cess (GIDC)

3.2.2.1 Gas Infrastructure Development Cess Act 2015 provides legal framework to levy and collect the Cess from gas consumers other than the domestic sector consumers at the rates as provided in the Second Schedule to this Act. The gas company shall be responsible for billing of cess to gas consumers, its collection and its onward payment to Federal Government in the manner as prescribed by the Federal Government. As per Section 4 of the Act, the cess shall be utilized by the Federal Government for or in connection with infrastructure development of Iran Pakistan Pipeline Project, Turkmenistan-Afghanistan-Pakistan-India (TAPI) Pipeline Project, LNG or other ancillary projects.

3.2.2.2 The major billing companies are 1. Sui Northern Gas Pipelines Limited, 2. Sui Southern Gas Company Limited, 3. Mari Petroleum Company Limited (formerly Mari Gas Company Limited), 4. Pakistan Petroleum Limited, 5. Tullow Pakistan Development Limited, 6. Oil and Gas Development Company Limited. Rates of Cess (Rs./MMBTU) are Rs.300 for Fertilizer Feed, Rs. 200 for Captive Power, Rs.100 for Industry, Rs.100 for KESC/GENCO, Rs.100 for IPPs, Rs.263 for CNG Region-I and Rs.200 for CNG Region-1

3.2.3 Natural Gas Development Surcharge

3.2.3.1 As per Natural Gas Development Surcharge Ordinance, 1967, every company as mentioned in the Schedule shall collect and pay to the Federal Government a

development surcharge equal to the differential margin i.e the amount by which the fixed sale price exceeds the prescribed price, in respect of natural gas sold by it.

3.2.4 Petroleum Development Levy

3.2.4.1 Petroleum Products (Petroleum Development Levy) Ordinance, 1961 as amended from time to time provides imposition of Petroleum Levy. Ex-refinery/import price of oil is added with Inland Freight Equalization Margin (IFEM), Oil Marketing Companies (OMCs) distribution margin and dealer's commission as fixed by Government of Pakistan in Rs/per litre. On this accumulated price of oil, Petroleum Levy is fixed by Government of Pakistan in Rs. per litre from time to time is levied.

3.2.5 Other Levies

3.2.5.1 The Federal Government introduced imposition of new levies through Finance Bill 2018 i.e Mobile Handset Levy, Health Levy on Tobacco etc. in order to collect revenue on sale of luxury items as well as to discourage their use. However, the Parliament approved only Mobile Handset Levy through Finance Act 2018.

3.2.6 Taxes Collected by Islamabad Capital Territory Administration

3.2.6.1 There are a number of taxes which are collected by the ICT Administration. These taxes are categorized as Direct Taxes like Land Revenue, Property Tax and Tax on Professional Trade and Callings and Indirect Taxes such as Provincial Excise, Stamp Duties, Motor Vehicle Tax and Hotel Tax.

3.2.7 Airport Tax

3.2.7.1 Civil Aviation Authority collects Airport Tax from domestic passengers for various services offered at the airports at rates notified by the Government from time to time. The Airline companies charge Airport Tax at the time of preparation of Air Ticket and deposit the same in the Federal treasury.

3.2.8 Budget Estimates

3.2.8.1 Budget and Revised Estimates for Fiscal Year 2018-19 and Budget Estimates for 2019-20 on account of Other Taxes are tabulated hereunder.

TABLE 6
Other Taxes

(Rs. in Million)

Object Head	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
	(A) Oil & Gas Sector	416,000.000	236,354.000	256,025.000
B03083	Gas Infrastructure Development Cess	100,000.000	25,000.000	30,000.000
B03084	Natural Gas Development Surcharge	16,000.000	8,000.000	10,000.000
B03085	Petroleum Levy	300,000.000	203,354.000	216,025.000
B026-30	(B) Taxes collected by Islamabad Capital Territory Administration	4,555.000	5,492.450	8,100.300
	Direct Taxes	255.000	460.000	525.000
	Property Tax (Fees for Registration of documents)	150.000	150.000	160.000
	Land Revenue	100.000	250.000	300.000
	Tax on Professional Trade & Callings	5.000	60.000	65.000
	Indirect Taxes	4,300.000	5,032.450	7,575.300
	Provincial Excise	200.000	100.000	110.000
	Stamp Duties	900.000	800.000	1,000.000
	Motor Vehicles registration fee	2,950.000	3,890.000	4,000.000
	Motor Vehicles Annual Token Tax & etc	250.000	240.000	2,222.000
	Bed Tax on Hotels	-	2.450	243.300
	(C) Other Federal Levies	33,000.000	2,000.000	3,000.000
	Health Levy*	27,000.000	-	-
	Mobile Handset Levy	6,000.000	2,000.000	3,000.000
	(D) Airport Tax (CAA)	90.000	30.000	35.000
	Total Other Taxes (A+B+C+D)	453,645.000	243,876.450	267,160.300

*Estimated on the basis of proposal included in Finance Bill 2018, however not approved by the Parliament

CHAPTER 4 NON TAX REVENUE

4.1 Non-Tax Revenue represents the recurring income earned by the Federal Government from sources other than taxes. The major receipts under this head are "Interest receipts" (received on loans extended by the Federal Government to provinces, Public Sector Enterprises etc), dividends received from public sector entities and profits earned by various regulatory authorities. Various services provided by the government i.e social services, community services, economic services, defence services etc also yield revenue for the government. Broadly, Non-Tax Revenue fall under three major heads i.e Income from Property and Enterprise, receipts from civil administration and other functions and Misc Receipts of the federal ministries, divisions and departments.

4.2 Summary of Non-Tax Revenue for Budget and Revised Estimates for Fiscal Year 2018-19 and Budget Estimates for Fiscal Year 2019-20 are given below.

TABLE 7
Summary of Non Tax Receipts

		(Rs. in Million)		
Object Head	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C01	Income from Property and Enterprise	236,868.547	285,127.338	269,581.681
C02	Receipts from Civil Admn and other functions	305,836.967	170,624.779	430,961.032
C03	Miscellaneous Receipts	229,154.689	181,999.173	193,921.353
	TOTAL	771,860.203	637,751.290	894,464.066

4.3. Income from Property and Enterprise

Income from Property & Enterprise comprises profits earned by state regulatory authorities, Mark- up receipts on loans extended to provinces, AJK, Public Sector Enterprises, Local bodies etc and dividends paid on Federal government's investment in the share capital of financial institutions and commercial enterprises.

4.3.1 Profits

4.3.1.1 Profits earned by the Regulatory Authorities i.e NEPRA, SECP, PNRA, PEMRA, OGRA and PTA by way of levy of fees, charges, penalties etc after setting of their

authorized expenses is deposited in the Federal Consolidated Fund. Budget Estimates 2018-19, Revised Budget Estimates 2018-19 and Budget Estimates 2019-20 are given as under;

TABLE 8
Profits

		(Rs. in Million)		
Object Head	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C01012	NEPRA	111.000	111.000	90.000
C01012	SECP	27.000	13.000	15.000
C01012	PNRA	2.000	1.754	1.600
C01012	PEMRA	20.000	830.290	944.663
C01012	OGRA	165.000	265.000	231.000
C01008	Total (A)	325.000	1,221.044	1,282.263
	PTA Surplus (B)	12,787.000	12,787.000	1,000.000
	PTA (4 G) (C)	6,854.000	66,620.000	52,730.000
	TOTAL (A+B+C)	19,966.000	80,628.044	55,012.263

4.3.1.2 A brief description of functions and sources of receipts of the above regulatory authorities is given as under;

4.3.1.2.1 National Electric Power Regulatory Authority (NEPRA) is mandated to develop and pursue a Regulatory Framework, which ensures the provision of safe, reliable, efficient and affordable electric power to the electricity consumers of Pakistan, by facilitating the transition from a protected monopoly service structure to a competitive environment and maintaining a balance between the interests of the consumers and service providers in unison with the broad economic and social policy objectives of the Government of Pakistan. In order to ensure effective regulatory functions, NEPRA charges different fees at rates notified from time to time for Application & Modification Generation License Fee, Application & Modification Transmission License Fee, Application & Modification Distribution License Fee, Application for the Approval of Competitive Bidding. Besides, NEPRA upfront tariff is also levied like Fees Pertaining to Tariff Standards and Procedures Regulations 2002 i.e Generation Licensees, Transmission Licensees, Distribution Licensees, Consumers etc.

4.3.1.2.2 Securities and Exchange Commission of Pakistan (SECP) is mandated for Regulation of corporate sector and capital market, Supervision and regulation of insurance companies, non-banking finance companies and private pension schemes and Oversight of various external service providers to the corporate and financial sectors, including chartered accountants, credit rating agencies, corporate secretaries, brokers, surveyors etc. As per Sixth Schedule of the Companies Ordinance, different fee/charges are enforced by the SECP on various services e.g Registration of different types of companies, Filing, registering or recording any document, Inspection of documents and register kept by the registrar, Seeking approval of the Commission or the registrar in the following matters etc. On various defaults, additional fees/penalties are also imposed.

4.3.1.2.3 Pakistan Nuclear Regulatory Authority (PNRA) is entrusted with the responsibility to control, regulate and supervise all matters related to nuclear safety and radiation protection in Pakistan. It charges Licensing Fee as approved from time to time from nuclear facilities, radiotherapy and nuclear cardiology centres etc.

4.3.1.2.4 Pakistan Electronic Media Regulatory Authority (PEMRA) is required to improve the standards of information, education and entertainment, to facilitate the devolution of responsibility and power to the grass roots by improving the access of the people to mass media at the local and community level and ensure accountability, transparency and good governance by optimization the free flow of information. PEMRA charges Licensing Fee on prescribed rates for FM Radio, Satellite T.V, MMDS, IPTV, Cable TV, DTH, Landing Rights, Temporary Uplinking and Mobile TV.

4.3.1.2.5 Oil and Gas Regulatory Authority (OGRA) has been set up under the Oil and Gas Regulatory Authority Ordinance dated 28th March 2002 to foster competition, increase private investment and ownership in the midstream and downstream petroleum industry, protect the public interest while respecting individual rights and provide effective and efficient regulations. In order to implement regulatory framework, OGRA issues Licenses to oil marketing companies, gas distribution networks, fertilizer Manufacturing plant etc and charge fees for the services. It also carries out inspections of oil and gas distribution networks and imposes penalties.

4.3.1.2.6 Pakistan Telecommunication Authority (PTA) is mandated to regulate the establishment, operation and maintenance of telecommunication systems and provision of telecommunication services in Pakistan, to dispose of applications for the use of radio-frequency spectrum, to promote and protect the interests of users of telecommunication services in Pakistan, to promote the availability of a wide range of high quality, efficient, cost effective and competitive telecommunication services throughout Pakistan, to promote rapid modernization of telecommunication systems and telecommunication services, to investigate and adjudicate on complaints and other claims made against licensees arising out of alleged contraventions of the provisions of the Act, the rules made and licenses issued there under and take action accordingly. PTA receives fees for issuance and renewal of various telecom licenses. It also imposed fines, penalties for violations.

4.3.2 Mark Up Receipts

4.3.2.1 Federal Government advances loans to Provinces, Government of Azad Jammu & Kashmir, Public Sector Enterprises, Local Bodies and others to assist them in carrying out their development programmes and social initiatives. These loans and advances are of two types, namely, Cash Development Loans, and Foreign Relent Loans. The former is advanced by the Federal Government out of its own resources whereas the latter is relent loans.

4.3.2.2 Mark up accrued on the 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 mark up is chargeable in accordance with the terms and conditions of each loan agreement.

4.3.2.3 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 mark up is realized at a rate yearly determined by the Finance Division, as per actual borrowing cost of the Federal Government.

4.3.2.4 Federal Government also advances loans to the Government servants for building houses and for the purchase of transport etc. These advances are governed by the rules as specified by Finance Division from time to time.

TABLE 9
Mark Up Receipts
(Provinces)

Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
	Punjab	9,833.579	14,382.548	15,356.450
C012	Mark-up Cash Loans	1,236.294	1,236.296	945.795
	Mark-up Foreign Loans	8,597.285	13,146.252	14,410.655
	Sindh	5,433.688	6,742.110	6,997.007
	Mark-up Cash Loans	1,735.909	1,734.554	1,589.925
	Mark-up Foreign Loans	3,697.779	5,007.556	5,407.082
	Khyber Pakhtunkhwa	1,045.341	1,207.688	1,225.364
	Mark-up Cash Loans	-	-	-
	Mark-up Foreign Loans	1,045.341	1,207.688	1,225.364
	Balochistan	469.524	602.818	533.289
	Mark-up Cash Loans	-	-	-
	Mark-up Foreign Loans	469.524	602.818	533.289
	Total	16,782.132	22,935.164	24,112.110
	<u>Loan-wise Break up</u>			
C012	Mark up – Cash Loans	2,972.203	2,970.850	2,535.720
	Punjab	1,236.294	1,236.296	945.795
	Sindh	1,735.909	1,734.554	1,589.925
	Khyber Pakhtunkhwa	-	-	-
	Balochistan	-	-	-
	Mark Up - Foreign Loans	13,809.929	19,964.314	21,576.390
	Punjab	8,597.285	13,146.252	14,410.655
	Sindh	3,697.779	5,007.556	5,407.082
	Khyber Pakhtoonkhwa	1,045.341	1,207.688	1,225.364
	Balochistan	469.524	602.818	533.289
	Total – Loans	16,782.132	22,935.164	24,112.110

TABLE 10
Mark Up Receipts (Local Bodies)

		(Rs. in Million)		
Object Head	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C013	Mark Up - Cash Loans	43,877.561	33,987.612	38,711.700
	Pakistan Broadcasting Corp	183.176	190.235	179.943
	NHA	32,459.224	32,459.224	37,005.526
	PIA	6,456.251	473.409	722.413
	CDA	1,050.000	350.000	350.000
	Pakistan Machine Tool Factory	144.751	63.832	63.832
	State Engineering Corporation	23.061	13.259	13.681
	Heavy Mechanical Complex Taxila	67.684	34.800	34.800
	Lahore Garment City Lahore	620.496	61.882	60.340
	Pakistan Engineering Company	2,703.822	169.806	186.856
	Printing Corporation of Pakistan	169.096	171.165	94.309
	Mark Up - Foreign Loans	31,599.367	36,466.624	35,249.959
	GIK Institute	0.867	4.060	2.900
	Karachi Port Trust	951.015	1,182.225	1,225.259
	PAEC	0.039	0.039	-
	Chashma Nuclear Power Plant	13,090.912	13,550.883	13,316.959
	SKMT	1.050	1.117	1.087
	CDA	17.675	19.810	-
	NHA	15,473.590	19,135.060	18,261.592
	PPAF	90.207	90.207	80.610
	NEPRA	2.147	2.147	2.087
	TEVTA	28.909	28.909	25.405
	ERRA	1,940.507	1,940.507	1,768.017
	OGRA	2.449	2.449	2.380
	SSGC	-	7.444	1.199
	Gwadar Port Authority	-	299.490	312.325
	SUPARCO	-	202.277	250.139
	Total - Local Bodies	75,476.928	70,454.236	73,961.659

TABLE 11
Mark Up Receipts
(Financial Institutions)

		(Rs. in Million)		
Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C014	Mark up - Foreign Loans	50.038	50.382	45.298
	IDBP	50.038	50.382	45.298
	Total Mark up (Financial Institutions)	50.038	50.382	45.298

Table 12
Mark Up Receipts
(Non-Financial Institutions)

		(Rs. in Million)		
Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
	Power Sector			
C015	Mark-up Cash Loans	22,621.816	13,894.279	13,883.832
	WAPDA (water wing)	3,985.933	470.863	595.694
	WAPDA (power wing)	9,214.434	9,214.434	9,138.716
	TESCO	313.913	21.157	18.882
	QESCO	1,175.176	306.808	305.226
	MEPCO	702.168	100.753	99.146
	GENCO-I	21.797	21.797	18.889
	GENCO-II	3,592.577	1,023.973	1,003.799
	GENCO-III	814.365	256.767	245.882
	GENCO-IV	2.334	2.334	2.036
	NTDC	232.404	115.562	115.562
	NJHP	2,566.715	2,359.831	2,340.000
	GENCOS (LNG)	-	-	-
	Mark up-Foreign Loans	23,581.525	28,922.324	26,422.272
	WAPDA (Power Wing)	7,409.705	8,412.606	8,340.114
	WAPDA (water wing)	-	192.084	58.807
	TESCO	0.020	0.020	0.020
	GENCO-II	-	-	-
	GENCO-III	-	-	-
	LESCO	553.226	553.226	496.656
	NTDC	4,068.799	4,580.476	3,910.367
	IESCO	531.658	621.651	552.026
	HESCO	447.841	550.827	498.915
	PESCO	372.672	420.600	387.130
	QESCO	800.682	855.991	810.019
	GEPSCO	237.306	360.487	338.956
	FESCO	395.358	423.853	395.325
	MEPCO	755.236	858.660	786.854
	PEPCO	-	243.898	60.056
	NJHP	8,009.022	10,847.945	9,787.027
	Total - Power Sector (A)	46,203.341	42,816.603	40,306.104
C015	Autonomous Bodies/Corporations			
	Mark up Foreign Loans	585.880	588.697	484.784
	Pakistan Railways	579.232	582.049	479.200
	Karachi Fish Harbour Authority	6.648	6.648	5.584
	Total – Autonomous Bodies/Corp (B)	585.880	588.697	484.784
	Total Non-Financial Institutions (A+B)	46,789.221	43,405.300	40,790.888

Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
Govt Servants				
	Cantt/Garrison Educational Institutions	2.002	4.864	5.107
	Office of the AGPR, Isb	94.015	99.925	109.918
	AGPR sub-office, Lahore	92.146	29.235	58.471
	AGPR sub-office, Karachi	18.475	12.417	13.659
	AGPR sub-office, Peshawar	4.876	5.747	6.034
	AGPR sub-office, Quetta	1.920	1.430	1.490
	AGPR sub-office, Gilgit	5.980	15.533	17.086
	Defence	5.515	6.000	6.060
	Pakistan Post Office Deptt	3.000	4.300	4.700
	Pak PWD	3.300	0.993	1.055
	Pakistan Mint	0.587	0.649	0.522
	CAO (Ministry of Foreign Affairs)	0.944	0.084	0.092
	Central Dte of National Savings	4.192	4.736	4.837
	Geological Survey of Pakistan	0.810	0.894	1.259
	Special Communication Organization	-	-	-
	National Tariff Commission	-	0.019	0.243
Total Government Servants		237.762	186.826	230.533
C017	AJK & Others			
	Mark up - Cash Loans	9,857.671	9,857.560	11,453.341
	Government of AJ&K	9,857.543	9,857.543	11453.311
	PNRA	0.128	0.017	0.030
	Mark up - Foreign Loans	166.723	198.499	204.570
	Government of AJ&K	160.296	187.282	186.211
	Government of GB	6.427	11.217	18.359
	Mark up - Other Loans	1,048.672	1,782.327	2,785.919
	Guarantee Fee on Foreign Loans (EAD)	1,048.672	1,782.327	2785.919
Total (AJK & Others)		11,073.066	11,838.386	14,443.830
C018	Commercial Departments			
	Pakistan Post Office Deptt	22.400	22.400	22.5
Total (Commercial Deptts)		22.400	22.400	22.500
Total Mark up Cash Loans (PSEs & Others)		76,617.210	57,948.677	64,301.906
Total Mark up Foreign Loans (PSEs & Others)		57,032.205	68,008.853	65,192.802
Total (PSEs & Others)		133,649.415	125,957.530	129,494.708
Estimated Shortfall		10,000.000	5,000.000	5,000.000
Net Total (PSEs & Others)		123,649.415	120,957.530	124,494.708
Total Provinces		16,782.132	22,935.164	24,112.110
Grand Total (Mark-up)		140,431.547	143,892.694	148,606.818

4.3.3 Dividend on Government Investments

4.3.3.1 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.

4.3.3.2 The details of the estimates are given below:

Table 13
Dividends

Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C01901	Financial Institutions (A)	895.000	895.000	895.000
	National Investment Trust	300.000	300.000	300.000
	NBP	45.000	45.000	45.000
	Pak Oman Investment co	250.000	250.000	250.000
	Pak Brunie Investment	150.000	150.000	150.000
	Pak Iran Joint Investment	150.000	150.000	150.000
C01902	Non-Financial Institutions (B)	75,576.000	59,711.600	65,067.600
	Pakistan Petroleum Limited	13,000.000	2,000.000	5,000.000
	Mari Gas Company Limited	200.000	50.000	100.000
	Pakistan State Oil	1,500.000	400.000	1,000.000
	Pak Arab Refinery	10,000.000	7,800.000	8,000.000
	SNGPL	1,500.000	1,500.000	1,500.000
	SSGCL	500.000	-	-
	GHPL	12,000.000	5,000.000	5,000.000
	OGDCL	25,000.000	35,000.000	35,000.000
	PMDC	120.000	88.000	100.000
	SLIC	1,300.000	550.000	800.000
	NIC	1,500.000	500.000	500.000
	Pak Re-Insurance Corporation	550.000	270.000	500.000
	Fauji Fertilizer Co.Ltd	100.000	64.000	80.000
	Pakistan Services Ltd	6.000	6.000	6.000
	PIDC	100.000	50.000	80.000
	National Shipping Corp	300.000	173.000	250.000
	NESPAK	100.000	50.000	50.000
	PTCL	7,500.000	4,750.000	6,300.000
	NFC	100.000	100.000	100.000
	NTDC	-	1,159.000	500.000
	Trading Corporation of Pakistan	200.000	200.000	200.000
	Tourism Promotion Services	-	1.600	1.600
	Total – Dividends (A+B)	76,471.000	60,606.600	65,962.600

4.4 Receipts from Civil Administration and Other Functions

4.4.1 General Administration Receipts

4.4.1.1 Organs of State

4.4.1.1.1 These receipts are realized on account of fees received from the candidates appearing in various competitive examinations conducted by Federal Public Service Commission (FPSC), tuition fees charged by the Pakistan Forest Institute etc. However, the major portion of receipts under this head come from FPSC. Estimates of receipts on this account are given below:

TABLE 14
Receipts from Civil Administration - Organs of State
(Rs. in Million)

Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C021	Organs of State	222.650	434.000	262.500
	Federal Public Service Commission	210.000	400.000	225.000
	SAFRON (PWD)	5.000	4.000	5.000
	Miscellaneous Receipts	7.500	7.000	7.500
	SAFRON (Recovery of Payments)	0.150	23.000	25.000

4.4.1.2 Fiscal Administration

4.4.1.2.1 Audit Fees

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

4.4.1.2.2 State Bank of Pakistan Receipts

The surplus profit of the State Bank of Pakistan, 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 put in circulation in one year are also deposited by the State Bank in Government Account.

4.4.1.2.3 Pakistan Mint Receipts

The Pakistan Mint's receipts are mainly from the disposal of dross & scrap and from minting of medals for defence services, sports and academic institutions etc.

4.4.1.2.4 Pension and Gratuity Contribution

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

The estimates of receipts from fiscal administration are given below:

TABLE 15
General Administration Receipts - Fiscal Administration

(Rs. in Million)

Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C022	Fiscal Administration	283,237.146	148,539.500	407,291.000
	Audit Fee (AGP)	2.500	2.500	3.000
	SBP Profit	280,000.000	147,395.000	406,070.000
	Currency Dividend from SBP	9.646	2.000	3.000
	Pakistan Mint (Assay Account)	50.000	50.000	50.000
	Pension Contribution	275.000	735.000	750.000
	Penalty imposed by SBP on Banks	800.000	10.000	15.000
	Miscellaneous Receipts	2,100.000	345.000	400.000
	Profit of National Investment Trust	-	-	-

4.4.1.3 Economic Regulations

4.4.1.3.1 The receipts on this account largely comprise insurance fees realized under Insurance Act, 1989. The estimates are given below:

TABLE 16
General Administration Receipts - Economic Regulations

(Rs. in Million)

Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C023	Economic Regulations	1,594.406	1,760.000	1,900.000
	Anti Dumping Duties Fee & Tariff Protection Fee (National Tar Com)	594.406	720.000	750.000
	Fees realized under Insurance Act 1989 (SECP)	900.000	950.000	1,050.000
	Trade Mark Reg Fee & Other Misc Receipts	100.000	90.000	100.000

Table 17
General Administration Receipts- Economic Statistics

(Rs. in Million)				
Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C024	General Admn.	700.200	689.466	900.250
	Sale of Census Publication	0.200	0.220	0.250
	Sale of data	700.000	611.000	800.000
	Recovery of unspent from provinces	-	78.246	100.000
	Total Gen Admn (Excl SBP)	5,754.402	4,027.966	4,283.750

4.4.2 Defence Services Receipts

4.4.2.1 These receipts are realized mainly on account of dues from civil agencies, sale & auction of obsolete stores and charges realized on account of use of army aviation facilities, hospital stoppages roll and receipt of Govt share out of the fees paid by civil patients treated in Military Hospitals etc.

4.4.2.2 The estimates of defence receipts are given below :

Table 18
Defence Services Receipts

(Rs. in Million)				
Object Head	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C025	Defence Services	15,959.796	14,730.327	15,453.135
	Effective (MOD)	14,745.865	13,460.000	14,125.792
	Hospital Stoppage	1,213.931	1,270.327	1,327.343

4.4.3 Law and Order Receipts

4.4.3.1 These receipts represent the proceeds from fines imposed by Insurance Appellate Tribunals, Federal Service Tribunals, Income Tax Tribunals, Drug Courts and Special Judges under the administrative control of Law and Justice 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 Ministry of Interior are also reflected under this classification.

4.4.3.2 The estimates of receipts from law and order are given as under;

TABLE 19
Law and Order Receipts

		(Rs. in Million)		
Object Head	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C026	Law and Order	1,412.082	1,586.933	2,034.450
	Supreme Court of Pakistan	5.000	3.000	5.000
	Court fee/copying fee & fine (Justice Law Courts)	125.000	130.000	149.150
	Receipts under Arms Act (MOI)	128.080	280.000	300.000
	Civil Armed Forces	365.875	368.103	439.450
	Receipts of Motor Driving Licenses & traffic Fines (ICT)	452.127	460.000	800.000
	Frontier Regions (SAFRON)	20.000	20.000	20.000
	Cost of service/copying fee (Fed Service Tribunal)	1.000	0.830	0.850
	Fines and Penalties	15.000	20.000	20.000
	Misc Receipts	300.000	305.000	300.000

4.4.4 Community Services Receipts

4.4.4.1 The receipts under community services comprise rent of government buildings, land, guest houses, hostels and sale proceeds of material of demolished buildings. These receipts are realized by Housing and Works Division, Overseas Pakistanis Division, Kashmir Affairs and Gilgit Baltistan Division, SAFRON and Interior Division (Frontier Corps). The receipts realized by Survey of Pakistan for its services and supply of maps are also included here. Details of the estimates are given below:-

TABLE 20
Community Services Receipts

		(Rs. in Million)		
Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C027	Community Services	1,214.097	1,312.157	1,453.672
	Rent of Govt Buildings realized by PWD	123.000	100.000	100.000
	Rent of Govt Buildings realized by Estate Office	613.400	740.000	850.000
	Other Receipts of Pak PWD (incl GRS)	309.510	312.000	338.600
	Rent of buildings realized by Frontier Corps. KPK, Peshawar (Interior Division)	2.734	2.734	3.801

Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
	Scientific Research and Survey (Survey of Pakistan)	37.623	40.000	40.050
	Services rendered by Met Department	5.000	9.500	5.000
	Building Rent of PAEC	24.000	22.693	20.000
	CTTI - Hostel Charges/Fees	4.700	6.196	6.200
	Recovery by Office of the AGP	7.730	6.034	6.521
	Hostel Rent (AHK & NCRD)	1.400	2.000	3.500
	Miscellaneous Receipts	85.000	71.000	80.000

4.4.5 Social Services Receipts

4.4.5.1 The receipts under this head are realized on account of fees charged from students of the educational institutions of various Ministries and Defence Division. The entry fee for historical places and archeological sites is collected by National Heritage and Integration Division. The charges for medical services are realized by the federal government hospitals and health establishments, and tuition/training fee realized by Human Resources Development Division. The estimates are given in the following table.

TABLE 21
Social Services Receipts

(Rs. in Million)				
Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C028	Social Services	496.584	632.096	665.675
	Education Fees from Schools & Colleges (MoFE&TT)	102.054	234.000	240.000
	Education Fees from Schools and Colleges (MOD)	80.000	120.000	125.000
	National Library of Pakistan	0.500	1.100	1.500
	Pakistan Computer Bureau	1.800	1.500	1.800
	National Archives (Cabinet Division)	0.010	0.025	0.025
	Receipts of Federal Govt Hospitals (MoNHSRC)	42.594	160.000	170.000
	Govt share of fees realized by doctors (MoNHSRC)	134.626	100.000	110.000
	Sale of Vaccination (ICT) - MoNHSRC	2.000	1.215	1.500
	Receipts of Health Establishments (MoNHSRC)	8.000	9.256	8.850
	Miscellaneous Receipts	125.000	5.000	7.000

4.4.6 Social Services Misc Receipts

4.4.6.1 Under Social Services Miscellaneous Head, the Emigration Fee deposited by Pakistani Workers working abroad in terms of Emigration Ordinance, 1979 are reflected. The receipts of Human Resource Development Division on account of registration of overseas employment agencies and deposits by individuals for protection of their visas are also deposited under this head. Moreover, the fee for registration of trade union and West Pakistan Ordinance, 1969 are also reflected under this Head of Account. The details are given in the following table.

TABLE 22
Social Services Miscellaneous Receipts

		(Rs. in Million)		
Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C029	Social Services Misc.	1,000.006	940.300	1,000.350
	Receipts under West Pakistan Ordinance 1969 (ICT Admn)	0.006	0.300	0.350
	Emigration Fee (BoE/Overseas)	1,000.000	940.000	1,000.000

4.5 Miscellaneous Receipts

4.5.1 Miscellaneous receipts comprise (i) Economic Services Receipts and (ii) Other Receipts. A brief description of these receipts is given in the following paragraphs.

4.5.2 Economic Services Receipts

4.5.2.1 Agricultural Receipts

4.5.2.1.1 These receipts are realized on account of quarantine fee on animal exports/imports by National Food Security and Research Division.

4.5.2.2 Receipts from Explosive Department

4.5.2.2.1 Receipts under this head pertain to the fee charged by the Department of Explosives for granting licenses to the firms dealing in explosives.

4.5.2.3 Receipts from Cabinet Division

4.5.2.3.1 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.

4.5.2.4 Receipts from Lighthouses and Lightships

4.5.2.4.1 These receipts comprise of (i) examination fee, 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, Karachi, Seamen's Training Centre, Karachi and (v) Lighthouse dues realized from the shipping companies operating on the coasts of Pakistan. These receipts are shown under transportation and communication heads.

4.5.2.5 Receipts from Special Communication Organization

4.5.2.5.1 These receipts are collected by the Special Communications Organization for providing telecommunication services in specific areas. The Special Communications Organization primarily operates in the Azad Kashmir and Gilgit-Baltistan.

4.5.2.6 The receipts under Economic Services Head mostly comprise of Food Department, Agriculture Receipts and Farms Receipts collected by Islamabad Capital Territory. The details are as under:-

TABLE 23
Miscellaneous Receipts

		(Rs. in Million)		
Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C031	Economic Services	5,530.387	530.317	640.587
	Food Department (ICT)	0.060	0.060	0.060
	Receipts from soil conservation & Operations (ICT)	0.700	0.700	0.900
	Agriculture Receipts (ICT)	0.300	0.250	0.300
	Services Rendered (ICT)	0.030	0.010	0.030
	Plant Protection services (MoNFSRD)	229.297	229.297	239.297
	Miscellaneous Receipts	5,300.000	300.000	400.000

4.5.2.7 The receipts of Economic Services - Fisheries & Animal Husbandry of Livestock and Dairy Development in federal capital territory are collected by Islamabad Capital Territory Administration are reflected in the table given below:

TABLE 24
Economic Services Receipts- Fisheries & Animal Husbandry
(Rs. in Million)

Object Head	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C032	Fisheries & Animal Husbandry	255.170	210.006	204.750
	Ordinary Receipts (Fisheries) – ICT	30.000	11.300	11.750
	Insemination Fees (ICT)	0.170	4.706	5.000
	Receipts of Animal Quarantine Deptt (NFS&R)	150.000	150.000	140.000
	Receipts of Marine Fisheries Department (MoMA)	40.000	40.000	43.000
	Receipts of Pakistan Maritime Security Agency (MOD)	35.000	4.000	5.000

TABLE 25
Economic Services Receipts- Forest
(Rs. in Million)

Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C033	Economic Services Receipts - Forest	0.600	0.300	0.300
	Miscellaneous Receipts (ICT)	0.600	0.300	0.300

TABLE 26
Economic Service Receipt- Cooperation Irrigation, Embankment
(Rs. in Million)

Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C034	Economic Service Receipt- Cooperation Irrigation, Embankment, Drainage	12.900	15.600	16.000
	Miscellaneous Receipts (ICT)	12.900	15.600	16.000

4.5.2.8 The table given below reflects the receipts of Explosive Department for industrial safety. The Ports & Shipping Department Receipt on account of management and upkeep of port/landing charges and receipts of Special Communications Organization are also reflected the Economic Services Receipts - Others.

TABLE 27
Economic Services Receipts - Others

		(Rs. in Million)		
Object Head	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C035	Receipts – Others	2,796.600	2,798.555	3,264.900
	Department of Stationery & Forms (Cabinet Division)	1.200	1.200	1.200
	Explosives Department (Ministry of Industries)	350.000	350.000	700.000
	Excise Duty on Minerals under Partnership Act (ICT)	1.700	1.700	1.700
	Lighthouses & Light Ships (MoMA)	419.000	420.000	425.000
	Mercantile Marine Department (MoMA)	78.000	75.000	80.000
	Shipping Office (MoMA)	25.000	25.000	25.000
	Pakistan Marine Academy	13.000	9.000	10.000
	Receipts of Special Communications Organization	1,900.000	1,900.000	2,000.000
	PAEC (cost of tender documents)	0.700	1.655	2.000
	Miscellaneous Receipts	8.000	15.000	20.000

TABLE 28
Foreign Grants

		(Rs. in Million)		
Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C036	Grants	15,902.000	13,738.053	18,794.500
		15,902.000	13,738.053	18,794.500

4.5.3 Other Receipts

4.5.3.1 These receipts are realized by different Ministries, Divisions and Departments. The brief introduction of the main regular receipts under this head is given as under with a relevant statistics in two tables;

4.5.3.2 Receipts From UN, Staff Welfare and Accreditation

4.5.3.2.1 The major portion of receipts comes from United Nations in lieu of services rendered by Pakistani troops taking part in various peacekeeping operations worldwide. The other receipts are generated by various staff welfare initiatives and accreditation services. Budget Estimates are given as under;

Table 29
Extraordinary Receipts

(Rs. in Million)				
Object Head	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C037	Other Receipts	84,062.774	26,905.030	30,056.694
	Receipts from United Nations (Military+Civil)	34,001.180	26,852.400	30,000.000
	Sale of other Government Assets	50,000.000	-	-
	Working Women Hostel, G-6/3, Islamabad etc	3.008	3.023	4.020
	Receipts of Staff Welfare Organization	30.000	30.000	32.000
	Pakistan National Accreditation Council	18.000	9.000	10.000
	PAEC (Penalties)	0.006	0.174	0.200
	Office of the Auditor General of Pakistan	0.580	0.433	0.474
	Miscellaneous Receipts	10.000	10.000	10.000

4.5.3.3 Citizenship, Naturalization and Passport Fees

4.5.3.3.1 These receipts are realized mainly by the Immigration & Passport Offices in Pakistan and Pakistani Missions abroad on account of issuance, renewal and endorsement of passports and visas.

Table 30
Citizenship Nationalization, Passport and Copyright Fees

(Rs. in Million)				
Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C03897	Citizenship, Naturalization & Passport Fee	31,000.000	23,000.000	25,000.000

4.5.3.4 Royalty, Pollution, Trekking Fees From Tourists

4.5.3.4.1 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.

4.5.3.5 Receipts from Tourism Department

4.5.3.5.1 The receipts of the Tourism Department include 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 within Capital Territory by Capital Administration & Development Division.

4.5.3.6 Receipts Collected by Ministry of Foreign Affairs

4.5.3.6.1 It includes the receipts realized on the auction of vehicles, sale of used machinery and equipment, gains on exchange against the remittances made by the Government for the expenditure of the Pakistan's missions in 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 Pakistan's missions abroad.

4.5.3.7 Kashmir Affairs and Gilgit Baltistan Division

4.5.3.7.1 These include the receipts from motor vehicles, forest revenues, agriculture income, rent of buildings, electricity charges and other indirect taxes collected and deposited directly into the Government Treasury by the administration of the Kashmir Affairs & Gilgit - Baltistan Division.

4.5.3.8 States and Frontier Region Division

4.5.3.8.1 There are various receipts which are collected on account of stamp duty, fee and fine, agriculture receipts, etc. in various agencies in the Federally Administrated Tribal Areas. These receipts are collected by the Political Agents of various Agencies and deposited directly into the Government Account.

Table 31
Details of Other Receipts

		(Rs. in Million)		
Object Head	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C038	Other Receipts	19,252.358	11,906.016	12,710.602
	Emergency Relief Cell (Cabinet Division)	5.000	5.000	10.000

Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
	Advance Yearly Rent for Exploration & Prospecting Licensing	350.000	350.000	350.000
	Fees for Exploration & Prospecting Licensing	1.000	1.000	1.000
	Sundry receipts of AGP Office	1.407	2.247	2.296
	Receipts of Toshakhana (Cabinet Division)	10.000	10.000	10.000
	Recovery of National Accountability Bureau	350.000	1,300.000	200.000
	Civil Armed Forces (Unclaimed Deposits)	14.361	14.256	30.349
	Sale of Property (M/o Foreign Affairs)	2,000.000	2.000	2.000
	Civil Armed Forces (Sale of Stores)	55.000	55.000	60.000
	Rent, Rates & Taxes (Auqaf) - ICT	0.400	0.400	0.400
	Competition Commission of Pakistan	300.000	18.000	100.000
	Receipts - Mines & Mineral Act (ICT)	0.100	0.100	0.150
	Gains on Exchange (M/o Foreign Affairs)	25.000	75.000	75.000
	Sale Proceeds of GSP (TDAP)	8.000	15.000	16.000
	Sale of stores Materials - Defence Div (Main+PMSA)	-	26.245	0.500
	Dte of Electronic Media and Publications (MoIB&NH)	0.150	0.150	0.150
	Fee for Registration of Societies (ICT)	0.110	0.005	0.005
	Receipts of Tourist Department	18.000	25.000	30.000
	Film Censorship Fee (MoIB&NH)	10.000	4.000	6.000
	Recovery of Overpayments (M/o Foreign Affairs)	72.000	110.000	120.000
	Payment for services Rendered (ICT)	0.060	0.060	0.060
	Sale of Stores & Material (PAEC)	4.300	17.762	17.650
	Arms License Fee (D.C ICT)	2.500	18.000	20.000
	Citizenship Copyrights (ICT)	3.400	3.300	3.400
	Others PAEC	34.994	32.587	30.000
	Sale of Publications (PPARC)	2.000	0.357	0.600
	Airport Security Force	10.000	191.966	6.804
	Fees, Fines & Forfeitures (PAEC)	1.000	0.129	0.150
	Quaid Azam Papers Wing	0.050	0.050	0.050
	National Language Promotion Deptt	1.000	1.000	1.500

Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
	Other Receipts of M/o Foreign Affairs	140.000	237.000	250.000
	Office of the Controller General of Accounts	0.675	0.782	0.758
	NI Rehabilitation of Medicines	5.000	5.000	5.150
	States & Frontier Regions Div. (FATA)	276.151	250.000	260.000
	EIA Review (Pak. Environmental Protection Agency)	0.700	0.620	0.630
	Miscellaneous Receipts of attached departments	15,000.000	9,039.000	11,000.000
	Net Gain On Foreign Exchange Forward With The SBP	450.000	-	-
	Miscellaneous Receipts	100.000	95.000	100.000

4.5.4 Receipts from Oil and Gas Sector

4.5.4.1 Royalty on Oil and Gas

4.5.4.1.1 According to Article 16(1) of the Constitution of Islamic Republic of Pakistan, the royalty collected by the Federal Government shall not form part of the Federal Consolidated Fund and shall be paid to the provinces in which the well-head of natural gas is situated. As per Clause 5 of 7th National Finance Commission Award notified vide President's Order No.5 of 2010, each of the provinces shall be paid in each financial year as a share in the net proceeds of the total royalties on crude oil an amount which bears to the total net proceeds the same proportion as the production of crude oil in the province in that year bears to the total production of crude oil.

4.5.4.1.2 Petroleum Exploration & Production Policy 2012 approved by Ministry of Petroleum & Natural Resources Government of Pakistan imposes Royalty on exploration and production of oil and gas. Clause 4.1 of Section II of the said policy provides that Royalty will be payable at the rate of 12.5% of the value of petroleum at the field gate. The royalty will be paid by the Federal Government to Provinces to the extent of their share of liquid and gaseous hydrocarbons (such as LPG, NGL, Solvent oil, gasoline and others) as well as all substances including sulphur, produced in association with such hydrocarbon. The lease rent paid during the year shall not be deductible from the royalty payment. 10% of the royalty will be utilized in the district where oil and gas is produced for infrastructure development.

4.5.4.2 Windfall Levy on Crude Oil

4.5.4.2.1 As per Petroleum Exploration & Production Policy 2012, Windfall Levy (WLO) will be applicable on crude oil and condensate using the formula i.e $WLO = 0.4 \times (M-R) \times$

(P-B) Where: WLO - Windfall Levy on crude oil and condensate; M - Net production (petroleum produced & saved); R - Royalty; P - Market Price of crude oil and condensate; B - Base Price. All the benefit of windfall levy may be equally divided between the Federal Government and Provincial Government concerned.

4.5.4.3 Discount on Local Crude Oil

4.5.4.3.1 Crude Oil and Natural Gas is explored/extracted by the Exploration and Production (E&P) Companies working under "Petroleum Concession Agreement (PCA)". E&P companies sell the crude oil to refineries at the rate prevailing in the international market based on the formula as per PCA. Under various agreements, E&P Companies agree to sell the crude oil to refineries at different discounted rate on attainment of certain milestones as per PCA. The amount of discount is retained by the refineries while making payment of crude oil to E&P companies and deposited in Government head of account.

4.5.4.4 The details of development surcharges and levies are given below:-

TABLE 32
Royalties, Discount retained on Crude Price and Windfall Levy

Object Head	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
C039	Royalty on Oil	16,826.110	26,930.860	24,672.550
	Royalty on Gas	36,515.790	51,224.520	51,560.470
	Discount Retained on Local Crude Price	10,000.000	14,029.464	16,000.000
	Windfall Levy against Crude Oil	5,000.000	6,974.000	7,000.000
	Petroleum Levy on LPG.	2,000.000	3,736.452	4,000.000
Total - Development Surcharges and Royalties other than Petroleum Levy		70,341.900	102,895.296	103,233.020

Chapter 5: PROVINCIAL SHARE IN REVENUE RECEIPTS

5.1 The provincial share of revenues from the divisible pool taxes, straight transfers etc. is governed in accordance with the provisions of 7th National Finance Commission Award notified vide President's Order No.5 of 2010 issued on 10th May, 2010, which is reproduced as under:

PRESIDENT'S ORDER NO.5 OF 2010

AN
ORDER

to provide for distribution of revenues and certain grants

WHEREAS in pursuance of clause (1) of Article 160 of the Constitution of the Islamic Republic of Pakistan (hereinafter referred to as the Constitution), the President, by the Finance Division's Notification No. S.R.O. 739(I)/2005 dated 21st July, 2005, as modified by the said Division's Notification No.S.R.O.693(I)/2009, dated 24th July, 2009, appointed a National Finance Commission to make recommendations, among other matters, as to the distribution between the Federation and the Provinces of the net proceeds of certain taxes;

AND WHEREAS the said Commission has also submitted its recommendations with regard to the said distribution;

NOW, THEREFORE, in pursuance of clauses (4) and (7) of Article 160 of the Constitution, the President is pleased to make the following Order:-

1. Short title and commencement.- (1) This Order may be called the Distribution of Revenues and Grant-in-Aid Order, 2010.

(2) It shall come into force on the first day of July, 2010.

2. Definitions.- In this Order, unless there is anything repugnant in the subject or context.---

(a) "Net Proceeds" means, in relation to any tax, duty or levy, the proceeds thereof reduced by the cost of collection as ascertained and certified by the Auditor General of Pakistan, and

- (b) "taxes on income" includes corporation tax but does not include taxes on income consisting of remuneration paid out of the Federal Consolidated Fund.

3. Distribution of Revenues. (1) The divisible pool taxes in each year shall consist of the following taxes levied and collected by the Federal Government in that year, namely:

- (a) taxes on income;
- (b) wealth tax;
- (c) capital value tax;
- (d) taxes on sales & purchases of goods imported, exported, produced, manufactured or consumed;
- (e) export duties on cotton;
- (f) customs duties;
- (g) federal excise duties excluding the excise duty on gas charged at well-head; and
- (h) any other tax which may be levied by the Federal Government.

(2) One percent of the net proceeds of divisible taxes shall be assigned to Government of Khyber Pakhtunkhwa to meet the expenses on War on Terror.

(3) After deducting the amount as prescribed in clause (2), of the balance amount of the net proceeds of divisible pool taxes, fifty six percent shall be assigned to the provinces during the financial year 2010-11 and fifty seven and a half percent from the financial year 2011-12 onwards. The share of the Federal Government in the net proceeds of the divisible pool shall be forty-four percent during the financial year 2010-11 and forty-two and half percent from the financial year 2011-12 onwards

4. Allocation of shares to the Provincial Governments. (1) The Province-wise ratios given in clause (2) are based on multiple indicators. The indicators and their respective weights as agreed upon are:-

- | | | |
|-----|-------------------------|--------|
| (a) | Population | 82.0 % |
| (b) | Poverty or backwardness | 10.3% |

(c)	Revenue collection or generation	5.0 %
(d)	Inverse population density	2.7 %

(2) The sum assigned to the Provincial Governments under Article 3 shall be distributed amongst the Provinces on the basis of the percentage specified against each:-

(a)	Balochistan	9.09 %
(b)	Khyber Pakhtunkhwa	14.62%
(c)	Punjab	51.74 %
(d)	Sindh	<u>24.55 %</u>
	Total:	<u>100.00%</u>

(3) The Federal Government shall guarantee that Balochistan Province shall receive the projected sum of eighty-three billion rupees from the provincial share in the net proceeds of divisible pool taxes in the first year of the Award. Any shortfall in this amount shall be made up by the Federal Government from its own resources. This arrangement for Balochistan shall remain protected throughout the remaining four years of the Award based on annual budgetary projections.

5. Payment of net proceeds of royalty on crude oil : Each of the Provinces shall be paid in each financial year as a share in the net proceeds of the total royalties on crude oil an amount which bears to the total net proceeds the same proportion as the production of crude oil in the Province in that year bears to the total production of crude oil.

6. Payment of net proceeds of development surcharge on natural gas to the provinces : (1) Each of the Provinces shall be paid in each financial year as a share in net proceeds to be worked out based on average rate per MMBTU of the respective province. The average rate per MMBTU shall be derived by notionally clubbing both the royalty on Natural Gas and Development Surcharge on Gas. Royalty on natural gas shall be distributed in accordance with clause (1) of Article 161 of the Constitution whereas the

development surcharge on natural gas would be distributed by making adjustments based on this average rate

(2) The development surcharge on natural gas for Balochistan with effect from 1st July, 2002 shall be reworked out hypothetically on the basis of formula given in clause (1) and the amount, subject to maximum of ten billion rupees, shall be paid in five equal installments by the Federal Government as grants to be charged on the Federal Consolidated Fund.

7. Grants-in-Aid to the Provinces: There shall be charged upon the Federal Consolidated Fund each year, as grants-in-aid of the revenues of the province of Sindh an amount equivalent to 0.66% of the provincial share in the net proceeds of divisible pool as a compensation for the losses on account of abolition of octroi and zila tax.

8. Sales Tax on services: NFC recognizes that sales tax on services is a Provincial subject under the Constitution of the Islamic Republic of Pakistan, and may be collected by respective Provinces, if they so desired.

9. Miscellaneous: (1) NFC also recommended increase in the rate of excise duty on natural gas to Rs. 10.0 per MMBTU. Federal Government may initiate necessary legislation accordingly.

(2) The NFC recommended that the Federal Government and Provincial Governments should streamline their tax collection systems to reduce leakages and increase their revenues through efforts to improve taxation in order to achieve a 15% tax to GDP ratio by the terminal year i.e. 2014-15. Provinces would initiate steps to effectively tax the agriculture and real estate sector. Federal Government and Provincial Governments may take necessary administrative and legislative steps accordingly.

(3) Federal government and Provincial Governments would develop and enforce mechanism for maintaining fiscal discipline at the Federal and Provincial levels through legislative and administrative measures.

(4) The Federal Government may assist the Provinces through specific grants in times of unforeseen calamities.

(5) The meetings of the NFC may be convened regularly on a quarterly basis to monitor implementation of the award in letter and spirit.

10. Repeal.- The Distribution of Revenues and Grant-in-Aid Order, 1997 (P.O.No.1 of 1997), and the Distribution of Revenues and Grants-in-Aid, Order, 2010. (P.O. 4 of 2010) are hereby repealed.

ASIF ALI ZARDARI
President

5.2 Distribution of Revenues and Grants-in-Aid Order, 2010 (President's Order No. 5 of 2010) was slightly amended through President's Order No.6 of 2015, which is reproduced as under;

PRESIDENT'S ORDER NO.6 OF 2015

AN

ORDER

To amend Distribution of Revenues and Grants-in-Aid Order, 2010 (President's Order No.5 of 2010)

Whereas it is expedient to amend the Distribution of Revenues and Grants-in-Aid Order, 2010 (P.O. No. 5 of 2010) for the purpose hereinafter appearing.

Now therefore in pursuance of clause (6) read with clause (7) of Article 16 of the Constitution of the Islamic Republic of Pakistan, the President is pleased to make the following Order:-

1. Short title and commencement: (1) This Order may be called the Distribution of Revenues and Grants-in-Aid (Amendment) Order 2015.

(2) It shall come into force on the first day of July 2015.

(3) It will remain in force till further orders.

2. Substitution of Article-4(3) P.O No.5 of 2010: In the Distribution of Revenues and Grants-in-Aid Order, 2010 (P.O. No. 5 of 2010) for Article 4(3) the following shall be substituted;

3. The Federal Government shall guarantee that Balochistan Province shall receive the projected sum of eighty-three billion rupees from the provincial share in the net proceeds of divisible pool taxes in the first year of the Award and any shortfall in this amount shall be made up by the Federal Government from its own resources. This arrangement for Balochistan shall remain protected throughout Award period based on annual budgetary projections.

MAMNOON HUSSAIN

President

5.3 The following table shows the estimated transfers to the provincial governments on account of their share in Federal Taxes and by straight transfers during the year 2018-19 and 2019-20;

Table 33
Provincial Share in Revenue Receipts
2018-19 (Budget)

Description	(Rs. in Million)				
	Balochistan	* Khyber Pakhtunkhwa	Punjab	Sindh	TOTAL
Divisible Taxes (A)	224,115.976	403,771.127	1,275,661.236	605,285.723	2,508,834.062
Taxes on Income	86,710.884	156,219.793	493,555.683	234,186.162	970,672.522
Capital Value Tax	329.136	592.977	1,873.431	888.920	3,684.464
Sales Tax excl. GST on services	86,926.301	156,607.892	494,781.829	234,767.953	973,083.975
Federal Excise (Net of Gas)	12,881.226	23,207.035	73,319.544	34,789.231	144,197.036
Customs Duties	37,268.429	67,143.430	212,130.749	100,653.457	417,196.065
Straight Transfers (B)	9,061.181	22,324.336	6,319.237	43,527.349	81,232.103
Gas Development Surcharge	2,019.019	1,667.964	911.029	11,081.989	15,680.001
Royalty on Natural Gas	4,783.556	8,984.101	1,582.141	20,435.675	35,785.473
Royalty on Crude Oil	1.509	9,149.633	3,162.215	4,176.231	16,489.588
Excise Duty on Natural Gas	2,257.097	2,522.638	663.852	7,833.454	13,277.041
Total (A+B)	233,177.157	426,095.463	1,281,980.473	648,813.072	2,590,066.165

* inclusive of 1% War on terror

Table 34
Provincial Share in Revenue Receipts
2018-19 (Revised)

Description	Balochistan	(Rs. in Million)			TOTAL
		* Khyber Pakhtunkhwa	Punjab	Sindh	
Divisible Taxes	224,115.977	379,024.700	1,197,478.191	568,188.821	2,368,807.689
(A)					
Taxes on Income	86,710.884	150,888.488	476,712.134	226,194.103	940,505.609
Capital Value Tax	329.136	298.103	941.818	446.881	2,015.938
Sales Tax (excl. GST on services)	86,926.301	137,297.983	433,774.739	205,820.832	863,819.855
Federal Excise (Net of Gas)	12,881.226	23,442.380	74,063.084	35,142.032	145,528.722
Customs Duties	37,268.430	67,097.746	211,986.416	100,584.973	416,937.565
Straight	13,498.477	25,006.337	7,259.538	48,079.163	93,843.515
Transfers (B)					
Gas Development Surcharge	750.000	885.460	287.387	3,727.156	5,650.003
Royalty on Natural Gas	10,778.677	8,026.915	2,399.471	28,994.966	50,200.029
Royalty on Crude Oil	-	14,123.182	4,051.320	8,217.741	26,392.243
Excise Duty on Natural Gas	1,969.800	1,970.780	521.360	7,139.300	11,601.240
Total (A+B)	237,614.454	404,031.037	1,204,737.729	616,267.984	2,462,651.204

* inclusive of 1% War on terror

Table 35
Provincial Share in Revenue Receipts
2019-20 (Budget)

(Rs. in Million)

Description	Balochistan	* Khyber Pakhtunkhwa	Punjab	Sindh	TOTAL
Divisible Taxes (A)	281,229.722	507,655.096	1,603,868.836	761,016.234	3,153,769.888
Taxes on Income	105,121.681	189,388.996	598,349.375	283,909.493	1,176,769.545
Capital Value Tax	199.531	359.478	1,135.721	538.886	2,233.616
Sales Tax excl. GST on services	107,737.935	194,253.380	613,717.750	291,201.600	1,206,910.665
Federal Excise (Net of Gas)	17,845.620	32,150.971	101,576.720	48,196.917	199,770.228
Customs Duties	50,324.955	91,502.271	289,089.270	137,169.338	568,085.834
Straight Transfers (B)	13,753.681	25,606.400	7,495.572	53,900.137	100,755.790
Gas Development Surcharge	-	1,693.879	572.487	7,533.634	9,800.000
Royalty on Natural Gas	10,834.027	7,713.472	2,425.882	29,653.889	50,627.270
Royalty on Crude Oil	-	13,493.052	3,780.007	6,906.040	24,179.099
Excise Duty on Natural Gas	2,919.654	2,705.997	717.196	9,806.574	16,149.421
Total (A+B)	294,983.403	533,261.497	1,611,364.408	814,916.371	3,254,525.678

* inclusive of 1% War on terror

Chapter 6: CAPITAL RECEIPTS

6.1 Capital receipts comprise Recoveries of Loans and Advances from Provinces and other entities and Public Debt which includes Permanent Debt and Floating Debt. The net capital receipts so realized by the federal government generally constitute the available resources for the financing of its Public Sector Development Programme. External finances and un-funded debt (primarily made up of the various instruments available under the National Savings Schemes) also fall under the category of Capital Receipts, however they are covered under separate chapters of this publication.

6.2 The following table indicates the position of Capital receipts for 2018-19 (budget and revised) and 2019-20 (budget).

Table 36
Capital Receipts

Description	(Rs. in Million)		
	2018-19 Budget	2018-19 Revised	2019-20 Budget
A. Capital Receipts (I+II)	559,084.587	953,502.237	766,197.740
I. Recoveries of Loans and Advances	152,989.497	159,831.827	183,520.370
Provinces	61,596.149	71,392.834	79,370.744
Others	91,393.348	88,438.993	104,149.626
II. Public Debt	406,095.090	793,670.410	582,677.370
Domestic Debt (Permanent)	206,158.090	762,008.010	282,740.370
Foreign Currency Debt (Permanent)	(63.000)	(41.600)	(63.000)
Floating Debt (Net)	200,000.000	31,704.000	300,000.000
B. Public Account	521,925.518	754,486.811	724,385.239
Deferred Liabilities (Net)	130,697.470	318,382.230	278,628.080
Deposits and Reserves	391,228.048	436,104.581	445,757.159
C. Total (A+B)	1,081,010.105	1,707,989.048	1,288,123.258
D. Disbursements	637,914.257	680,721.137	672,617.029
Federal Govt Misc investments	19,435.640	7,537.270	14,968.198
Loans and Advances	49,076.000	53,275.149	61,523.185
Short Term Credits	174,163.275	143,666.272	108,300.000
Deposits and Reserves	395,239.342	476,242.446	487,825.646
Net Capital Receipts (C-D)	443,095.848	1,027,267.911	615,506.229

6.3 Recovery of Loans and Advances

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

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

TABLE 37
Recovery of Loans and Advances
(Provinces)

		(Rs. in Million)		
Object Code	Province	2018-19 Budget	2018-19 Revised	2019-20 Budget
<u>Province-wise break-up</u>				
E021	Punjab	35,132.844	40,556.988	44,050.291
	Cash Loans	2,248.211	2,248.212	1,822.179
	Foreign Loans	32,884.633	38,308.776	42,228.112
	Sindh	12,750.606	14,911.795	18,631.372
	Cash Loans	1,085.146	1,105.953	1,159.914
	Foreign Loans	11,665.460	13,805.842	17,471.458
	Khyber Pakhtunkhwa	7,370.142	8,597.422	9,449.315
	Cash Loans	-	-	-
	Foreign Loans	7,370.142	8,597.422	9,449.315
	Balochistan	6,342.557	7,326.629	7,239.766
	Cash Loans	-	-	-
	Foreign Loans	6,342.557	7,326.629	7,239.766
	Total (Recovery of Loans)	61,596.149	71,392.834	79,370.744
<u>Loan-wise Break-up</u>				
E021	Cash Loans	3,333.357	3,354.165	2,982.093
	Punjab	2,248.211	2,248.212	1822.179
	Sindh	1,085.146	1,105.953	1159.914
	Khyber Pakhtoonkhwa	-	-	-
	Balochistan	-	-	-
	Foreign Loans	58,262.792	68,038.669	76,388.651
	Punjab	32,884.633	38,308.776	42228.112
	Sindh	11,665.460	13,805.842	17471.458
	Khyber Pakhtoonkhwa	7,370.142	8,597.422	9449.315
	Balochistan	6,342.557	7,326.629	7239.766
	Total - Loans	61,596.149	71,392.834	79,370.744

TABLE 38
Recovery of Loans and Advances
(Local Bodies)

(Rs. in Million)

Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
E022	Cash Loans	21,784.863	13,821.035	13,688.961
	PTVC	58.753	58.753	58.753
	Lahore Garment City	46.240	13.364	14.906
	NHA	12,644.670	12,644.670	13,306.677
	PBC	77.771	77.863	84.718
	PIA	6,937.500	875.000	62.500
	Pakistan Engineering Corporation	1,868.302	-	-
	Printing Corporation of Pakistan	151.627	151.385	161.407
	Foreign Loans	34,229.889	37,748.060	39,160.115
	Karachi Port Trust	578.983	718.306	782.873
	PAEC	0.982	0.982	-
	CDA	942.652	1,056.544	-
	NHA	8,817.599	8,817.599	9,535.158
	GIK Institute	89.859	103.997	110.083
	Shaukat Khanum Memorial Trust	8.107	8.628	9.412
	NLC	-	-	-
	NEPRA	0.751	0.751	0.751
	OGRA	0.623	0.623	0.623
	Chashma Nuclear Power Plant	23,790.333	27,040.630	28,721.215
	Total (Local Bodies)	56,014.752	51,569.095	52,849.076

TABLE 39
Recovery of Loans and Advances
(Financial Institutions)

Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
E023	Foreign Loans	97.314	97.314	97.314
	IDBP	97.314	97.314	97.314
	Total - Financial Institutions	97.314	97.314	97.314

Table 40
Recovery of Loans and Advances
(Non-Financial Institutions)

		(Rs. in Million)		
Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
E024	Power Sector			
	Cash Loans	2,170.622	1,149.471	1,897.068
	WAPDA (power wing)	613.626	613.626	1,080.404
	WAPDA (water wing)	260.899	25.854	39.456
	TESCO	124.542	17.064	19.340
	QESCO	41.115	13.645	23.868
	MEPCO	20.854	12.427	14.034
	GENCO-I	16.213	16.213	19.121
	GENCO-II	376.552	147.244	167.348
	GENCO-III	228.809	90.957	101.842
	GENCO-IV	1.665	1.665	1.963
	CPPA	-	40.100	40.100
	NJHP	486.347	170.676	389.592
	Foreign Loans	17,520.844	19,614.616	32,115.632
	WAPDA (Power Wing)	4,407.799	4,654.002	8,865.012
	WAPDA (water wing)	-	-	73.554
	TESCO	0.149	0.149	0.149
	LESCO	546.505	546.505	597.436
	HESCO	516.700	602.799	619.355
	PESCO	338.458	368.544	406.765
	QESCO	608.411	650.099	676.672
	GEPCO	226.276	320.080	345.792
	IESCO	651.996	696.337	724.614
	FESCO	314.409	333.900	369.205
	MEPCO	748.356	799.389	865.533
	NTDC	6,233.196	6,687.937	6,831.305
	NJHP	2,928.589	3,894.559	11,714.544
	PEPCO	-	60.316	25.696
	Total – Power Sector (A)	19,691.466	20,764.087	34,012.700
	Autonomous Bodies/Corporations			
	Foreign Loans	5,182.099	5,210.537	5,128.739
	Pakistan Railways	1,740.532	1,768.970	1,687.172
	Karachi Fish Harbour Authority	26.584	26.584	26.584
	PPAF	1,279.596	1,279.596	1,279.596
	ERRA	2,103.531	2,103.531	2,103.531
	TEVTA	31.856	31.856	31.856
	Total Autonomous Bodies/Corp (B)	5,182.099	5,210.537	5,128.739
	Total Non-Financial Institutions (A+B)	24,873.565	25,974.624	39,141.439

Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
E025	Government Servants			
	Garrison Educational Institutions	39.553	49.471	51.944
	Office of the AGPR, Isb	2,797.535	2,760.867	3,036.954
	AGPR sub-office, Lahore	563.464	727.342	800.076
	AGPR sub-office, Karachi	616.302	673.430	740.774
	AGPR sub-office, Peshawar	342.831	356.862	374.690
	AGPR sub-office, Quetta	168.030	143.340	150.340
	AGPR sub-office, Gilgit	347.799	246.045	270.650
	Defence	545.266	550.719	556.226
	Pakistan Post Office Deptt	189.000	268.200	280.400
	Pak PWD	52.754	59.445	59.600
	Pakistan Mint	15.565	16.150	17.560
	CAO (Ministry of Foreign Affairs)	86.992	79.866	87.784
	Central Dte of National Savings	108.440	120.240	124.382
	Geological Survey of Pakistan	25.075	27.275	35.984
	Special Communication Organization	11.793	13.145	14.659
	National Tariff Commission	10.578	7.395	8.137
	NDMA	-	0.069	0.412
	Total Govt servants	5,920.977	6,099.861	6,610.572
E027	Others			
	Cash Loans- Govt of AJK	3,480.148	3,480.148	4,099.281
	Foreign Loans-Govt of AJK	995.586	1,209.390	1,340.934
	Cash Loans - PNRA	11.006	8.561	11.010
	Total - Others	4,486.740	4,698.099	5,451.225
	Total Recovery Cash Loans (PSEs & others)	33,367.616	24,559.076	26,306.892
	Total Recovery Foreign Loans (PSEs & others)	58,025.732	63,879.917	77,842.734
	Total (PSEs & Others)	91,393.348	88,438.993	104,149.626
	Total Provinces	61,596.149	71,392.834	79,370.744
	Grand Total - Recovery of Loans	152,989.497	159,831.827	183,520.370

6.4 Public Debt

6.4.1 Public Debt of the Federal Government is classified into two basic categories:

- (i) Domestic debt, which includes permanent debt, floating debt and unfunded debt; and
- (ii) Foreign currency debt, which includes long, medium and short term debt.

6.4.2 Domestic Debt (Permanent)

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

6.4.2.1 Pakistan Investment Bonds:

This security having maturity period of 2, 3, 5, 7, 10, 15, 20 and 30 years is in operation since 2000. Against the budgeted receipt of Rs.100,000.000 million for the year 2018-19, the revised estimates for the year 2018-2019 have been worked out at Rs. 705,947.3 million whereas the budget estimates for the year 2019-2020 are estimated at Rs. 200,000.000 million.

6.4.2.2 Government Ijara Sukuk Bonds:

The Government of Pakistan Ijara Sukuk Bonds are issued through Pakistan Domestic Sukuk Company Limited. The Sukuk are not redeemable before maturity. The profit on the Sukuk is payable bi-annually on rental rate to be announced by State Bank of Pakistan. Against the budget estimates of Rs.10,620.000 for the year 2018-19, the revised estimates have been projected at Rs. – 204,773.0 million. The budget estimates for the year 2019-20 are estimated at Rs. 10,500.0 million.

6.4.2.3 National Prize Bonds:

These are of bearer type non-terminable securities freely en-cashable and transferable by delivery. These are issued in denomination of Rs.100/-, Rs.200/-, Rs.750/-, Rs.1500/-, Rs.7500/-, Rs.15000/-, Rs.25, 000/- and Rs.40, 000/-. Against the budgeted receipt of Rs.92, 537.690 million for the year 2018-2019, the revised estimates for the year 2018-19 are kept at Rs. 137,710.500 million. Budget estimates for the year 2019-20 are estimated at Rs.70, 747.370 million.

6.4.2.4 Premium Prize Bonds (Registered):

Premium Prize Bonds (Registered) of Rs.40, 000/- denomination have been launched. These bonds offer biannual profit payment on completed period of six months as well as prize money on quarterly draws. The bond shall be registered against the name of purchaser. The ownership of bond is transferable from one person to another person through an application on prescribed format.

6.4.2.5 The net receipts from domestic debt (permanent) during the year 2018-2019 (budget & revised) and 2019-2020 (budget) are estimated as under:-

**Table 41
Public Debt**

		(Rs. in Million)		
Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
E031	Domestic Debt (Permanent)	206,158.090	762,008.010	282,740.370
	Pakistan Investment Bonds (Non-Bank)	100,000.000	705,947.300	200,000.000
	Government Ijara Sukuk Bonds	10,620.400	(82,479.600)	8,993.000
	National Prize Bonds	92,537.690	137,710.500	70,747.370
	Premium Prize Bonds (Registered)	3,000.000	829.810	3,000.000

6.4.3 Foreign Currency Debt (Permanent)

It includes the following securities:

6.4.3.1 Foreign Exchange Bearer Certificates (FEBCs):

Budget estimates in case of repayment of Foreign Exchange Bearer Certificates for financial year 2018-19 were estimated at Rs.-5.000 million. Revised estimates for the year 2018-19 are projected at Rs.-0.500 million whereas budget estimates for financial year 2019-2020 have been kept at Rs. -5.000 million.

6.4.3.2 Foreign Currency Bearer Certificates (FCBCs):

Repayment on account of Foreign Currency Bearer Certificates in the budget estimates for the year 2018-2019 was estimated at Rs.-5.000 million. Revised estimates for the year 2018-2019 and budget estimates for the year 2019-2020 on account of repayment have been kept at Rs.-1.000 million and Rs.-5.000 million respectively. These certificates are in US\$ and Pound Sterling. Profit is payable half yearly at floating rates which is not liable to income tax. Investment in these certificates is exempt from Wealth Tax and compulsory deduction of Zakat.

6.4.3.3 US Dollar Bearer Certificates (DBC):

This security was introduced in 1991 and discontinued on 17th November, 1994. Against the repayment of Rs.-3.000 million in the budget estimate 2018-2019, revised estimates

2018-2019 and budget estimates for the year 2019-2020 have been kept at Rs.-0.100 million and Rs.-3.000 million respectively.

6.4.3.4 Special US Dollar Bonds:

These bonds were 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. Against the repayment of Rs.-50.000 million provided in budget estimates 2018-2019, the repayment on account of these bonds in revised estimates 2018-2019 has been estimated at Rs.-40.000 million. Budget estimates for the year 2019-2020 are estimated at Rs.-50.000 million. The estimates of foreign currency debt (permanent) are tabulated below:-

Table 42
Public Debt (Foreign Currency Permanent)

		(Rs. in Million)		
Object Head	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
E031	Foreign Currency Debt (Permanent)	(63.000)	(41.600)	(63.000)
	Foreign Exchange Bearer Certificates (FEBCs)	(5.000)	(0.500)	(5.000)
	Foreign Currency Bearer Certificates (FCBCs)	(5.000)	(1.000)	(5.000)
	US Dollar Bearer Certificates (DBC)	(3.000)	(0.100)	(3.000)
	Special US Dollar Bonds	(50.000)	(40.000)	(50.000)

6.4.4 Floating Debt

The term "floating debt" is applied to borrowing of purely temporary nature with currency of not more than twelve months. Market Related Treasury Bills, National Prize Bonds and Bai-Maujjal Ijara Sukuks are included in this category.

6.4.4.1 Market Related Treasury Bills (Auction):

These reflect non-bank borrowing of the Federal Government.

6.4.4.2 Government Bai-Muajjal Ijara Sukuk :

Government Bai-Maujjal Sukuk are issued through auction for a maturity period of one year from date of issue. Bai-Maujjal Ijara Sukuk shall be repaid only on maturity. The profit earned on Bai-Maujjal Ijara Sukuk shall be liable to income tax. Withholding tax shall be deducted at source at the applicable rate. The estimates of receipts from floating debt during the year 2018-2019 (revised) and 2019-2020 (budget) are as under:-

**Table 43
Floating Debt**

		(Rs. in Million)		
Object Head	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
E032	Floating Debt			
	A. Market Treasury Bills through Auction (Non-Bank)			
	Receipts	1,187,053.970	3,963,184.400	4,484,054.500
	Repayments	987,053.970	3,931,480.400	4,184,054.500
	Net (A)	200,000.000	31,704.000	300,000.000
	B. Govt Bai-Muajjal Ijara Sukuk	-	-	-
	Net Total Floating Debt (A+B)	200,000.000	31,704.000	300,000.000

Chapter 7:**PUBLIC ACCOUNT RECEIPTS**

7.1 Article 78(1) of the Constitution of Islamic Republic of Pakistan provides that all revenues received by the Federal Government, all loans raised by that Government and all moneys received by it in repayment of loan, shall form part of the Federal Consolidated Fund. Besides, Article 78(2) provides that all other moneys received by or on behalf of the Federal Government shall be credited to the Public Account of the Federation. Public Account largely comprises money kept by the Government as a trust, which may be repaid on demand subject to such terms and conditions as prescribed in this regard.

7.2 Public Account Receipts may be categorized as Deferred Liabilities and Deposit Receipts.

7.3 Deferred Liabilities

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

7.3.1 Defence Savings Certificates

7.3.1.1 This 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 years maturity. The existing rate on this scheme is 12.47 % p.a. on maturity. Withholding tax is deducted from the profit payment. Apart from individuals, institutions may invest their individuals' funds such as pension, gratuity, superannuation, contributory provident funds and trusts etc. in this scheme.

7.3.2 Special Savings Certificates/Accounts

Special Savings Certificates (Registered/Accounts) is a three years scheme with profit payable on six monthly basis. The rate of return on Special Savings Certificates/Accounts has been linked with the yield of Pakistan Investment Bonds of three years maturity. The existing rate of profit in this scheme is 11.57% per annum for first to fifth profits and 12.40% for the last sixth profit. Withholding tax is deducted from the profit payment. Apart from individuals, institutions may invest their individuals' funds such as pension, gratuity, superannuation, contributory provident funds and trusts etc. in this scheme.

7.3.3 Regular Income Certificates

This scheme was introduced on 2-2-1993 to ensure payment of income on monthly basis. The rate of return on Regular Savings Certificates has been linked with the yield of Pakistan Investment Bonds of five years maturity. The existing profit on this scheme is 12.00 % per annum. The profit in the scheme is subject to withholding tax and the investment is exempt from compulsory deduction of Zakat at source. Apart from individuals, institutions may invest their individuals' funds such as pension, gratuity, superannuation, contributory provident funds and trusts etc. in this scheme. Premature encashment on these certificates 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 |

7.3.4 Mahana Amdani Account.

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 was paid on monthly basis equal to the amount of monthly deposit till the withdrawal of accumulated principal amount. However, the account holders who opened accounts on or after 1.7.2000 and 1.7.2002 were required to 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 Amdani Account Scheme has been discontinued after 17th May, 2003.

7.3.5 Savings Accounts

This is the oldest savings scheme in operation which provides profit 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 savings account is 8.50 % p.a. Withholding tax is deducted from the profit payment. Apart from individuals, institutions

may invest their individuals' funds such as pension, gratuity, superannuation, contributory provident funds and trusts etc. in this scheme.

7.3.6 Pensioners' Benefit Accounts

This scheme has been launched with effect from 20-1-2003 to provide incentives to the retired officials of the Federal Government, Provincial Governments, Azad Government of the State of Jammu and 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 seven subsequent deposits subject to the maximum limit of five million rupees. It is a ten years scheme and profit is payable on completion of each period of one month reckoned from the date of opening of an account till maturity or encashment whichever is earlier. The existing rate of profit on this scheme is 14.28 % per annum. Premature encashment before completion of one, two, three and four years carries service charges at the rate of 1.00%, 0.75%, 0.50% and 0.25% of principal amount respectively. Profit accrued from this scheme is exempt from compulsory deduction of withholding tax and Zakat. 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 accounts holders whereas downward revision shall apply to fresh investment only.

7.3.7 Bahbood Savings Certificates

Initially this scheme was introduced exclusively for widows to cater for their needs with monthly profit payment facility. The scheme was further extended to the aged persons 60 years or above. The existing rate of profit on this scheme is 14.28 % per annum. The maximum investment limit in this scheme is five million rupees and ten million rupees for joint holders. 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 1.00%, 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 accrued from this scheme is exempt from compulsory deduction of withholding tax and Zakat. 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.

7.3.8 The estimates of receipts are tabulated on the following pages.

Table 44
Deferred Liabilities

		(Rs. in Million)		
Object Head	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
G03	Deferred Liabilities	130,697.470	318,382.230	278,628.080
	Provident Fund	2,000.000	2,500.000	3,000.000
	Saving/Deposit Acctt/Certificates	125,697.470	315,082.230	271,928.080
	Saving Bank Accounts	3,548.730	68,108.760	12,495.560
	Khas Deposit Accounts	-5.000	-0.700	-0.700
	Mahana Amdani Accounts	-70.000	-70.000	-70.000
	Pensioners' Benefit Accounts	23,838.930	39,541.220	29,555.900
	Defence Saving Certificates	10,000.000	56,301.820	38,890.270
	Bahbood Savings Certificates	46,403.330	113,879.240	84,650.580
	National Deposit Certificates	-1.000	-0.800	-1.000
	Khas Deposit Certificates	-0.700	-0.700	-0.700
	Special Savings Certificates (Registered)	3,718.725	(8,827.720)	10,762.300
	Special Savings Accounts (Term Deposit)	11,691.195	-10,075.330	12,283.300
	Shuhda Welfare Account	-	55.000	98.000
	Regular Income Certificates	7,573.260	55,171.440	65,264.570
	Short Term Savings Certificates	2,000.000	1,000.000	1,000.000
	New Savings Schemes	17,000.000	-	17,000.000
	Postal Life Insurance Fund	3,000.000	800.000	3,700.000

7.4 Deposits and Reserves

7.4.1 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 principle 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 per contra-credit to the expenditure head.

7.4.2 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.

7.4.3 The reserve funds and deposit accounts in respect of which provision for contributions have been made in the revised estimates for 2018-19 and budget estimates for 2019-20 are tabulated on the following pages.

Table 45
Deposits and Reserve Fund

Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
	FGE BENEVOLENT FUNDS	3,424.113	3,687.137	3,871.494
G06202	Civil	1,359.246	1328.829	1395.270
G06203	Defence	1,862.910	2166.480	2274.804
G06205	Pakistan Post Office Deptt.	172.662	164.280	172.494
G06206	Pak PWD	5.964	6.926	7.272
G06209	National Saving	14.301	12.874	13.518
G06210	Pakistan Mint	4.032	3.120	3.276
G06211	Forest Department	0.504	0.000	0.000
G06212	Geological Survey of Pakistan	4.494	4.629	4.860
	GROUP INSURANCE FUNDS	675.108	1,045.543	1,097.820
G06401	PAK PWD	3.087	2.143	2.250
G06402	Foreign Office	0.063	0.000	0.000
G06404	National Saving	3.675	3.223	3.384
G06405	Pakistan Mint	0.147	0.000	0.000
G06406	Forest Department	0.126	0.000	0.000
G06407	Geological Survey of Pakistan	1.722	1.817	1.908
G06408	Provincial Govt. Empl. B. Fund	0.399	0.000	0.000
G06409	Civil	394.338	388.217	407.628
G06410	Defence	271.383	650.143	682.650
G06414	Provincial Govt. Empl. B. Fund	0.168		
	OTHERS	387,128.827	375,117.00	39,401,787.845
G06304	Workers Welfare Fund	10,520.328	7035.463	7387.236

Object Code	Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
G07101	Post Office Renewal Reserve Fund	45.066	0.000	0.000
G07102	Post Office Welfare Fund	29.841	0.240	0.252
G07104	Fed. Govt. Empl. Group Insur. Fund	10.038	9.806	10.296
G07106	Pakistan Post Office Miscellaneous	154,737.681	164919.549	173165.526
G08117	Railway Reserve Fund	35,000.000	37,000.000	39,000.000
G08121	Railway Dep. Reserve Fund	17,604.688	19,254.90	6,115.00
G07106	PPO Miscellaneous	0.000	0.000	0.000
G10101	Pak PWD Receipts & Collection Account	243.537	280.011	294.012
G10102	Foreign Office Receipts & Collection Account	4,482.072	7172.006	7530.606
G10104	Mint Receipt and Collection Account	29.904	49.903	52.398
G10106	Deposit Works of Survey of Pakistan	55.524	116.006	121.806
G10113	Pak PWD Deposits	10,084.809	6789.720	7129.206
G10304	Zakat Collection Account	1,537.725	3626.829	3808.170
G11201	Special Deposit Fund for army supplies-friendly countries.	0.000	0.034	0.036
G11215	Revenue Deposits	7,008.120	11196.206	11756.016
G11216	Civil & Criminal court Deposits	17.451	12.377	12.996
G11217	Personal Deposits	29,714.118	18507.926	19433.322
G11218	Forest Deposits	24.423	0.000	0.000
G11220	Deposit in connection with Election	2.394	130.577	137.106
G11224	Deposits Accounts with Defence	2,265.795	2969.863	3118.356
G11225	Deposits Accounts with AGPR	0.000	162.669	170.802
G11230	Special Remittances Deposits	2,617.818	1453.526	1526.202
G11237	Deposit local bodies to meet Claims of contractors	0.798	0.000	0.000
G11238	Security deposit of supply cell	0.000	0.000	0.000
G11240	Security Deposits of Cashiers etc.	59.157	369.909	388.404
G11255	Defence Services Security Deposits.	881.769	1863.771	1956.960
G11256	Defence Service Misc. Deposits.	96,031.383	137837.846	144729.738
G11276	Security deposit of Private Co.	8.610	14.314	15.030
G11278	Contribution to Govt. Servant H Foundation from its Members	0.987	0.000	0.000

G11280	Withholding Tax on Profit from Invett. in National Savings Scheme	5,764.143	7191.874	7551.468
G11281	Deposits on account of fee realized by PNAC	54.201	17.451	18.324
G11290	Security deposit of Firms/Contractors	84.987	130.680	137.214
G12130	President's Relief Fund for Earthquake Victims 2005	2.940	0.000	0.000
G12135	PM's Special Fund for victims of Terrorism	0.021	0.000	0.000
G12140	PM Flood relief Fund 2010	0.294	6.994	7.344
G12150	PM Relief Fund for IDPs 2014	2,015.979	2341.937	2459.034
G12205	Pakistan Minorities Welfare Fund	0.651	0.000	0.000
G12206	Special Fund for Welfare & Uplift of Minorities	62.706	71.349	74.916
G12226	Federal Govt. Artists Welfare Fund	14.280	0.000	0.000
G12305	Export Development Fund	0.000	0.000	0.000
G12308	Reserve Fund for Exchange Risk on Foreign Loans	879.144	394.817	414.558
G12412	Pakistan Oil Seed Development Fund	145.026	148.029	155.430
G12419	Research & Development Fund	36.036	48.343	50.760
G12504	Workers Children Education Fund	0.420	0.000	0.000
G12510	Education Welfare Fund	0.168	0.000	0.000
G12612	Fund for Urdu Science Board	3.129	0.000	0.000
G12713	Income Tax deduction from Salaries	29.988	6.909	7.254
G12714	Income Tax deduction from Contractors/Suppliers	39.900	71.383	74.952
G12729	Fund for social services	0.000	0.000	0.000
G12738	National Fund for Control of Drug Abuse	10.752	26.726	28.062
G12741	Federal Civil Servant's subscription to Services Book Club	0.462	15.154	15.912
G12745	Central Research Fund	2.583	0.000	0.000
G12777	Sales Tax deduction special procedure, 2007		5.486	5.760
G12783	Universal Service Fund	666.981	96.720	101.556
G13140	GSP Receipt & Collection Account	2,500.000	24.600	25.830
G14100	Pakistan Mint	1,800.000	0.000	1800.000
	Total	391,228.048	436,104.581	445,757.159

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

7.4.4.1 Post Office Renewal Reserve Fund

7.4.4.1.1 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.

7.4.4.2 Railways Depreciation Reserve Fund

7.4.4.2.1 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".

7.4.4.3 Railways Reserve Fund

7.4.4.3.1 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 the 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 remains out of the profit of Railways after payment to general revenues of the contribution fixed under the Convention.

7.4.4.4 Workers Welfare Fund

7.4.4.4.1 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 the amount transferred to the Fund from time to time, under clause (d) of Section 4 of the scheme set out in the schedule to the "Companies' Profit (Workers' Participation) Act, 1968 (XII of 1968). All proceeds of the fund will initially be credited into the WWF Trust Fund and money from the fund for incurring expenditure on the defined/prescribed purposes will be withdrawn by submitting a proper sanction of competent authority to AGPR. However, the profit earned either from investment of Bank accounts and income from properties and assets will be credited direct in the WWF bank Account and the entire amount shall be treated as part of the "Workers Welfare Fund" and it shall be subject to audit.

7.4.4.5 Fund for Exchange Risk on Foreign Loans

7.4.4.5.1 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.

Chapter 8: EXTERNAL RESOURCES

8.1 External Resources comprise Project Loans and Grants, Programme Loans and Other Loans. A brief description is given as under;

8.2 Project Loans and Grants

8.2.1 Project loans and grants are received from specialized international financial institutions and friendly countries with specific purpose falling under the following broad categories;

8.2.2 Project Loans & Grants for Public Sector Development Programme (PSDP)

8.2.2.3 Project loans and grants for PSDP are received for various projects being executed by Federal Government, Provincial Government and various Autonomous bodies such as WAPDA, PEPCO, NHA etc.

8.2.3 Project Loans and Grants for Other than PSDP Projects

8.2.3.1 There are certain projects kept out of PSDP, which are executed by Federal Government, Provincial Government and Autonomous bodies by receiving project loans and grants.

8.3 Programme Loans

8.3.1 Programme loans are provided for budgetary support and are linked/tied with achievement of specific targets and goals. Programme Loans not only stabilize foreign exchange reserves but also generate rupee counterpart to meet country's development needs.

8.4 Other Loans

Other loans comprise loans from Islamic Development Bank, Sovereign Bonds, Sukuk Bonds, etc received from non-traditional sources generally by way of payment as well as for budgetary support.

8.5 The estimates of external resources for the year 2018-19 (budget and revised) and 2019-20 (budget) are tabulated on the following page.

Table 46
External Resources

Description	(Rs. in Million)		
	2018-19 Budget	2018-19 Revised	2019-20 Budget
(1) PSDP Projects (A+B)	319,522.264	396,568.490	239,120.844
A. Project Loans	290,070.648	362,359.387	211,170.821
Federal Projects	22,575.738	34,878.213	16,117.895
Autonomous Bodies	130,059.675	227,054.057	102,754.308
Provinces	137,435.235	100,427.117	92,298.618
B. Project Grants	29,451.616	34,209.103	27,950.023
Federal Projects	6,439.391	8,985.882	6,130.368
Autonomous Bodies	1,228.460	11,660.980	1,676.908
Provinces	21,783.765	13,562.241	20,142.747
(2) Non-PSDP Projects (A+B)	8,604.700	16,070.731	13,796.003
A. Project Loans	8,023.700	13,599.190	13,250.000
Federal Projects	8,023.700	6,505.790	13,250.000
Autonomous Bodies	-	4,797.240	-
Provinces	-	2,296.160	-
B. Project Grants	581.000	2,471.541	546.003
Federal Projects	581.000	1,773.246	546.003
Autonomous Bodies	-	-	-
Provinces	-	698.295	-
(3) Programme Loans	87,896.869	59,847.306	276,957.740
(4) Other Loans	702,000.000	930,669.460	2,502,450.000
Total External Resources	1,118,023.833	1,403,155.987	3,032,324.587
(1+2+3+4)			

Chapter 9: PRIVATIZATION PROCEEDS

9.1 Privatization in Pakistan is an important economic reform policy tool, for generating growth and to expunge structural inefficiencies, by removing false barriers and opening up the economy to competition. The Privatization program is part of the economic and structural reforms agenda of the Government of Pakistan that along with deregulation and good governance, seeks to enhance the growth and productivity of Pakistan's economy, by harnessing the private sector as its engine of growth. It takes an integrated approach, towards enhancing the private sector's role and goes beyond the transfer of public assets to the private sector, by identifying the linkages and role of regulation, good governance, market competition in fostering conditions that provide incentives for the private sector to invest in providing goods and services efficiently.

9.2 The Privatization Commission Ordinance, 2000 was promulgated on 28th September, 2000 to establish "Privatization Commission" for implementation of privatization policy of the federal government.

9.3 Section 16(2) of the said Ordinance envisages that the privatization proceeds 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

9.4 The estimates of privatization proceeds are given below:

**Table 47
Privatization Proceeds**

Description	(Rs. in Million)		
	2018-19 Budget	2018-19 Revised	2019-20 Budget
Privatization Proceeds	-	-	150,000*

*subject to successful process

Chapter 10: FEDERAL DEVELOPMENT ASSISTANCE TO PROVINCES

10.1 The provinces fund their respective ADPs from two sources i.e Self-Financing and Federal Assistance.

10.1.1 Self Financing

10.1.1.1 Largely the Provinces finance their respective ADPs out of their budgetary resources comprising self-generated receipts as well as share in Federal revenue receipts i.e Divisible pool taxes and straight transfers. However, they also rely on the assistance provided by Federal Government.

10.1.2 Federal Assistance

10.1.2.1 The Provinces also receive Federal assistance in the shape of Cash Assistance and Foreign Project Assistance i.e Loans and grants.

10.1.3 The provincial development scenario has been depicted in the following tables from difference angles;

Table 48
Financing of ADPs of Provinces
(An Overview)

Description	(Rs. in Million)		
	2018-19 Budget	2018-19 Revised	2019-20 Budget
Self-Financing of ADPs by Provinces	814,819.078	413,763.710	748,850.642
Federal Assistance	198,180.922	171,236.290	163,149.358
Total Provincial PSDP	1,013,000.000	585,000.000	912,000.000

Table 49
Financing of ADP of Balochistan

Description	(Rs. in Million)		
	2018-19 Budget	2018-19 Revised	2019-20 Budget
Annual Development Programme	97,248.000	56,160.000	87,552.000
Provincial Contribution	88,017.600	49,906.310	79,492.000
Federal Assistance	9,230.400	6,253.690	8,060.000
I. Cash Assistance	-	543.000	1,032.000
Japanese Grant	-	-	-
Programme Loan	-	543.000	1,032.000
II. Foreign Project Assistance	9,230.400	5,710.690	7,028.000
Loan	4,079.000	2,314.000	3,388.000
Grant	5,151.400	3,396.690	3,640.000

Table 50
Financing of ADP - Khyber Pakhtunkhwa

(Rs. in Million)

Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
Annual Development Programme	176,667.200	102,024.000	159,052.800
Provincial Contribution	124,384.300	54,578.764	119,486.967
Federal Assistance	52,282.900	47,445.236	39,565.833
I. Cash Assistance	12,703.140	19,967.535	12,965.500
Japanese Grant	4,485.000	4,485.000	-
Programme Loan	8,218.140	15,482.535	12,965.500
II. Foreign Project Assistance	39,579.760	27,477.701	26,600.333
Loans	30,457.095	20,541.850	17,821.756
Grants	9,122.665	6,935.851	8,778.577

Table 51
Financing of ADP - Punjab

(Rs. in Million)

	2018-19 Budget	2018-19 Revised	2019-20 Budget
Annual Development Programme	522,910.600	301,977.000	470,774.400
Provincial Contribution	434,573.760	215,378.926	407,254.358
Federal Assistance	88,336.840	86,598.074	63,520.042
I. Cash Assistance	24,809.329	34,503.877	35,840.040
Japanese Grant	-	-	-
Programme Loan	24,809.329	34,503.877	35,840.040
II. Foreign Project Assistance	63,527.511	52,094.197	27,680.002
Loans	62,993.131	52,094.197	27,019.202
Grants	534.380	-	660.800

Table 52
Financing of ADP – Sindh

(Rs. in Million)

Description	2018-19 Budget	2018-19 Revised	2019-20 Budget
Annual Development Programme	216,174.200	124,839.000	194,620.800
Provincial Contribution	167,843.418	93,899.710	142,617.317
Federal Assistance	48,330.782	30,939.290	52,003.483
I. Cash Assistance	1,449.453	2,232.520	870.453
Japanese Grant	45.453	-	45.453
Programme Loan	1,404.000	2,232.520	825.000
II. Foreign Project Assistance	46,881.329	28,706.770	51,133.030
Loans	39,906.009	25,477.070	44,069.660
Grants	6,975.320	3,229.700	7,063.370

Table 53
Federal Development Assistance to Provincial Governments
A Consolidated View
2018-19 (Budget)

(Rs. in Million)

Description	Balochistan	KPK	Punjab	Sindh	Total
Development Programme	97,248.000	176,667.200	522,910.600	216,174.200	1,013,000.000
Prov Contribution	88,017.600	124,384.300	434,573.760	167,843.418	814,819.078
Fed Assistance	9,230.400	52,282.900	88,336.840	48,330.782	198,180.922
I. Cash Assistance	-	12,703.140	24,809.329	1,449.453	38,961.922
Japanese Grant	-	4,485.000	-	45.453	4,530.453
Programme Loan	-	8,218.140	24,809.329	1,404.000	34,431.469
II. Foreign Project Assistance	9,230.400	39,579.760	63,527.511	46,881.329	159,219.000
Loans	4,079.000	30,457.095	62,993.131	39,906.009	137,435.235
Grants	5,151.400	9,122.665	534.380	6,975.320	21,783.765

Table 54
Federal Development Assistance to Provincial Governments
A Consolidated View
2018-19 (Revised Budget)

(Rs. in Million)

Description	Balochistan	KPK	Punjab	Sindh	Total
Development Programme	56,160.000	102,024.000	301,977.000	124,839.000	585,000.000
Prov Contributin	49,906.310	54,578.764	215,378.926	93,899.710	413,763.710
Fed Assistance	6,253.690	47,445.236	86,598.074	30,939.290	171,236.290
I. Cash Assistance	543.000	19,967.535	34,503.877	2,232.520	57,246.932
Japanese Grant	-	4,485.000	-	-	4,485.000
Programme Loan	543.000	15,482.535	34,503.877	2,232.520	52,761.932
II. Foreign Project Assistance	5,710.690	27,477.701	52,094.197	28,706.770	113,989.358
Loans	2,314.000	20,541.850	52,094.197	25,477.070	100,427.117
Grants	3,396.690	6,935.851	-	3,229.700	13,562.241

Table 55
Federal Development Assistance to Provincial Governments
A Consolidated View
2019-20 (Budget)

(Rs. in Million)

Description	Balochistan	KPK	Punjab	Sindh	Total
Development Programme	87,552.000	159,052.800	470,774.400	194,620.800	912,000.000
Prov Contributin	79,492.000	119,486.967	407,254.358	142,617.317	748,850.642
Fed Assistance	8,060.000	39,565.833	63,520.042	52,003.483	163,149.358
I. Cash Assistance	1,032.000	12,965.500	35,840.040	870.453	50,707.993
Japanese Grant Programme	-	-	-	45.453	45.453
Loan	1,032.000	12,965.500	35,840.040	825.000	50,662.540
II. Foreign Project Assistance	7,028.000	26,600.333	27,680.002	51,133.030	112,441.365
Loans	3,388.000	17,821.756	27,019.202	44,069.660	92,298.618
Grants	3,640.000	8,778.577	660.800	7,063.370	20,142.747

Table 56
FEDERAL DEVELOPMENT ASSISTANCE TO PROVINCIAL GOVERNMENTS
(Province-wise break up)

(Rs. in Million)

Province	2018-19 Budget	2018-19 Revised	2019-20 Budget
Balochistan	9,230.400	6,253.690	8,060.000
Khyber Pakhtunkhwa	52,282.900	47,445.236	39,565.833
Punjab	88,336.840	86,598.074	63,520.042
Sindh	48,330.782	30,939.290	52,003.483
Total	198,180.922	171,236.290	163,149.358