



# **Year Book 2018–2019**

Government of Pakistan  
Finance Division  
Islamabad  
[www.finance.gov.pk](http://www.finance.gov.pk)



# PREFACE



Under Rule 25 of the Rules of Business 1973, each Division of the Federal Government is required to prepare a Year Book covering its activities, achievements and progress during the preceding financial year. Accordingly, the Year Book of the Finance Division for FY 2018-19 covers the details of performance and achievements of various wings of the Finance Division and its attached departments during the period.

The Year Book explains the significant activities and achievements, during 2018-19 with reference to the Division's Mission Statement and the various functions assigned to it. It describes key developments in various sectors of the economy and summarizes the policies along-with the reform undertaken by the government during the year.

The government introduced a comprehensive set of policy and structural reforms to correct the underlying macroeconomic imbalances in the economy. It took measures to curtail imports of non-essential items, encourage remittances and with the support of friendly countries reduced external vulnerabilities. The exchange rate adjustment was aimed to bring it to a market based level. Energy prices, which were artificially managed for a prolonged period of time, were adjusted. Similarly, import duties and tax rates were also rationalized. In the later part of the year, the government reached an agreement with the International Monetary Fund (IMF) to support government's stabilization and structural reform program.

Going forward, the aim of the present government is to put the economy on a path of sustainable growth by addressing the fundamental weaknesses. The stabilization measures taken by the government are now showing visible signs of recovery i.e. curtailment in imports, rise in exports and higher remittances that resulted in reduced trade and current account deficit.

It is hoped that the Year Book would sufficiently address the needs and interests of a wide range of stakeholders to depict the true picture of the economy.

**(Naveed Kamran Baloch)**  
Finance Secretary

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Deputy Economic Adviser

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***VISION STATEMENT OF THE  
FINANCE DIVISION***

*To manage the national economy in the most efficient and effective manner both at the Macro and Micro levels.*

## ***MISSION STATEMENT OF THE FINANCE DIVISION***

*To pursue sound and equitable economic policies that put Pakistan on the path of sustained economic development and macro-economic stability with a view to continuously and significantly improving the quality of life of all citizens through prudent and transparent public financial management carried out by dedicated professionals.*

## **FUNCTIONS OF FINANCE DIVISION**

The following functions are allocated to the Finance Division under the Rules of Business, 1973 (As amended up to 19<sup>th</sup> August, 2019 by Cabinet Division):

1. Finances of the Federal Government and financial matters affecting the country as a whole.
2. The Annual Budget Statement and the Supplementary and Excess Budget Statements to be laid before the National Assembly; the schedules of authorized expenditure.
3. Accounts and audit.
4. Allocation of share of each Provincial Government in the proceeds of divisible Federal Taxes; National Finance Commission.
5. Public debt of the Federation both internal and external; borrowing money on the security of the Federal Consolidated Fund.
6. Loans and advances by the Federal Government.
7. Sanctions of internal and external expenditure requiring concurrence of the Finance Division.
8. Advice on economic and financial policies; promotion of economic research.
9. Proper utilization of the country's foreign exchange resources.
10. Currency, coinage and legal tender, Pakistan Security Printing Corporation and Pakistan Mint.
11. Banking, investment, financial and other corporations, that is to say:(i)Central Banking; State Bank of Pakistan;(ii)Other banking (not including co-operative banking) and investment and financial corporations with objects and business not confined to one Province; and (iii)Incorporation, regulation and winding up of corporations including banking insurance and financial corporations not confined to or controlled by or carrying on business in one Province.

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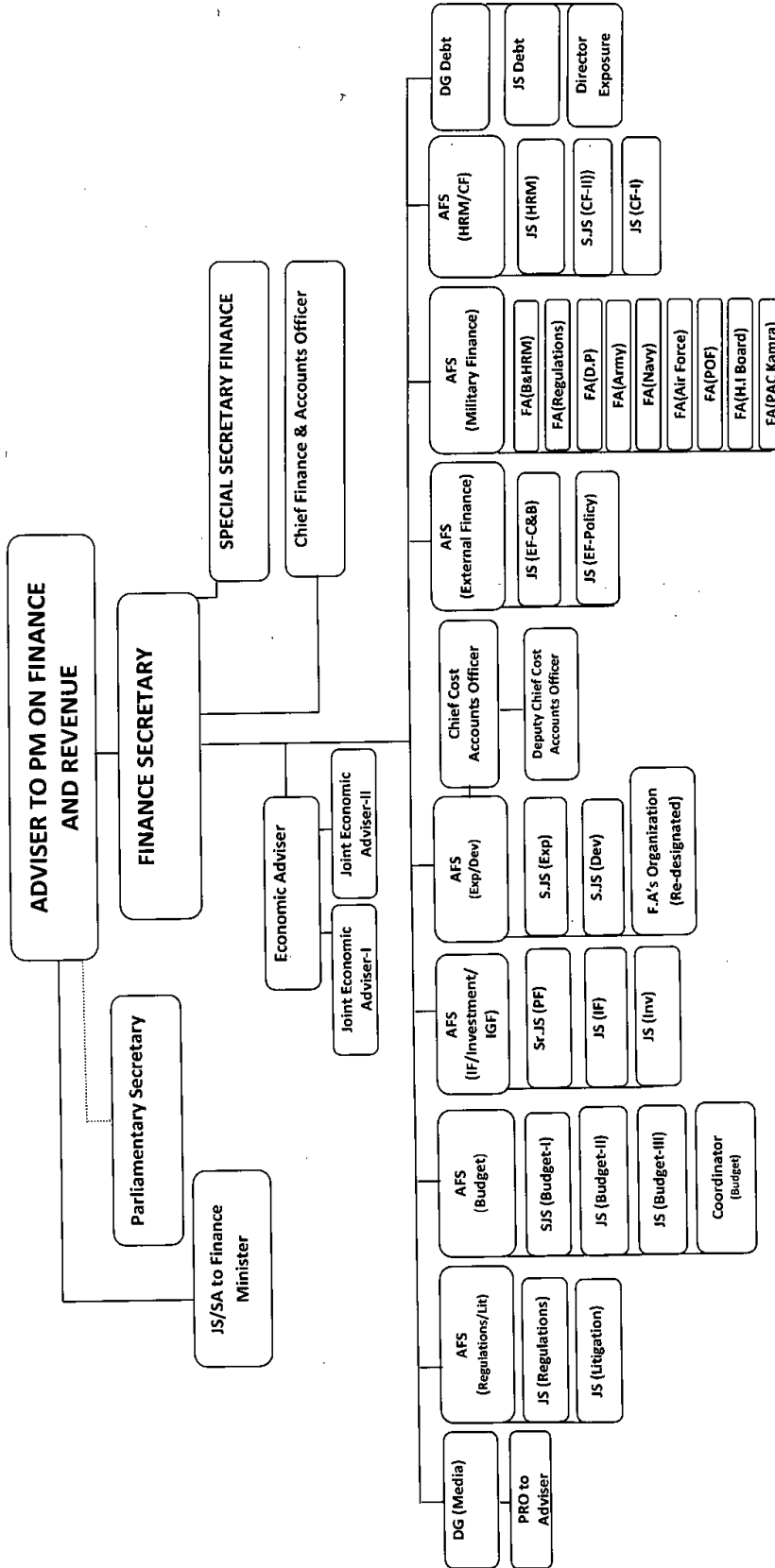
12. Company Law: Accountancy.
13. Investment policies: Capital issues (Continuance of Control) Act, 1947; statistics and research work pertaining to investment and capital.
14. Stock exchanges and future markets with objects and business not confined to one Province; Securities Regulations.
15. Financial settlement between Pakistan and India and division of assets and liabilities of the pre-independence Government of India.
16. Framing of rules on pay and allowances, retirement benefits, leave benefits and other financial terms and conditions of service.
17. Cost Accountancy.
18. International Monetary Fund.
19. Omitted vide SRO.294(I)/2011 (F.No. 4-5/2011-Min-I), dated 08.04.2011.
20. Monopoly Control and anti-Cartel Laws.  
(21 to 24. Omitted vide Cabinet Div. Notification No.4-14/98- Min.I, dated 01.12.1998.)
25. Deregulation policies.
26. Administration of Economic Reforms Order, 1978.
27. Negotiations with international organizations and other countries and implementation of agreements thereof.
28. Omitted vide SRO 487(1)/2019 dated 23-04-2019.
29. Omitted vide SRO 487(1)/2019 dated 23-04-2019.
30. Omitted vide SRO 939(1)/2019 dated 19-08-2019.

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## **FUTURE GOALS OF FINANCE DIVISION**

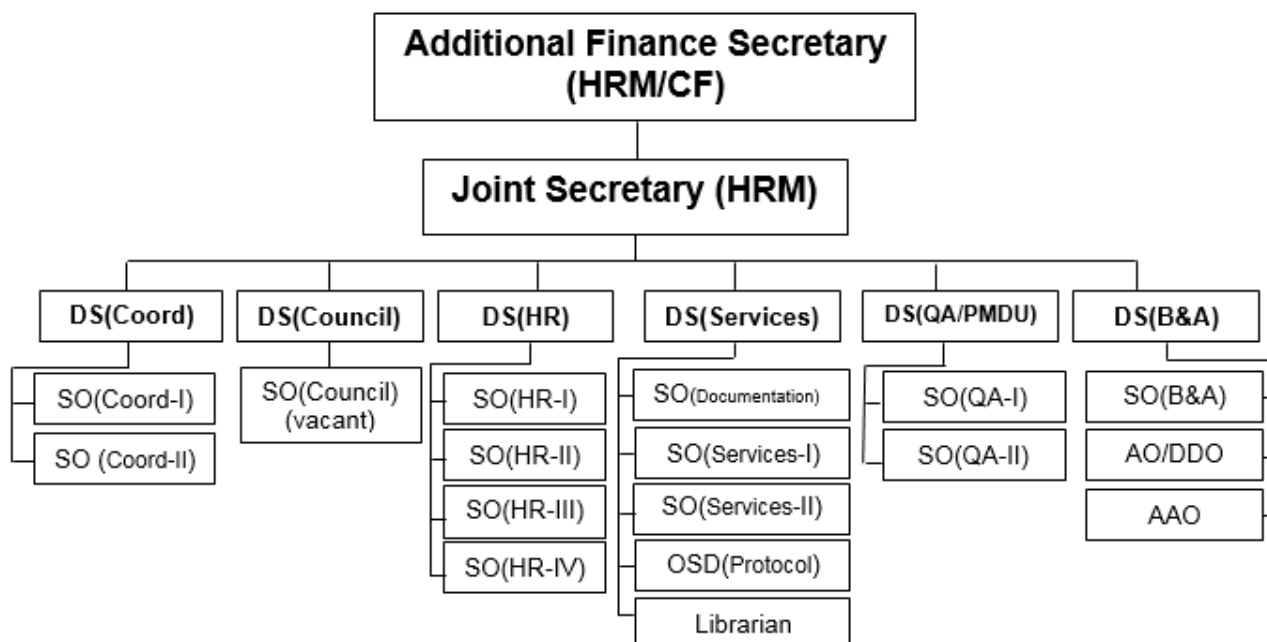
- Preparation of Annual Budget/Financial Planning and Budgeting.
- Publishing Pakistan Economic Survey, Statistical Supplement of Pakistan Economic Survey and Year Book annually.
- Proper utilization of country's Foreign Exchange resources.
- Proper application of share of each Provincial Government in the proceeds of divisible Federal Taxes, National Finance Commission.
- Framing of Investment Policies.
- Issues/negotiations with IMF.
- Reforms of Public Sector Enterprises.
- Deepen Power Sector Reforms.
- Investment Climate Improvement Reforms.
- Banking Sector Reforms.
- Formulation and Implementation of Austerity Measures.

# ORGANIZATION CHART OF FINANCE DIVISION





**HRM WING  
ORGANOGRAM**



**HRM WING INCUMBENT(S)**

Sr.No.	Name of Officer	Designation	Telephone Number (Off)
1	Dr. Ahmed Mujtaba Memon	AFS (HR/CF)	9203373
2	Mr. Khalil Ahmad Chauhdry	Joint Secretary (HRM)	9206818
3	Mr. Abdul Waheed Memon	Deputy Secretary (HR)	9206361
4	Mr. Mohammad Fayyaz Wazir	Deputy Secretary (Services)	9209567
5	Mr. Manzoor Ahmed	Deputy Secretary (Coord)	9202172
6	Mr. A. Waheed Memon (Addl. Charge)	Deputy Secretary (QA/PMDU)	9217853
7	Mr. Khurshid Anwar (Add. charge)	Deputy Secretary (Council)	9208252
8	Mr. Riaz Ahmad	Deputy Secretary (B&A)	9201941
9	Syed Buniad Haider	Section Officer (Doc)	9202582
10	Dr. Umar Jawaid	Section Officer (HR-I)	9209149
11	Mr. Ansar Mehmood	Section Officer (HR-II)	9208287
12	Mr. Ahmad Nawaz Chohan (Addl. charge)	Section Officer (HR-III)	9208102
13	Mr. Muhammad Hayat	Section Officer (HR-IV)	9209930
14	Mr. Ahmad Nawaz Chohan	Section Officer (B&A)	9217867
15	Mr. Abdul Jabbar	Section Officer (Services-I&II)	9208101
16	Mr. Abrar Hussain	OSD (Protocol/B&A)	9206363
17	Mrs. Bushra Arshad	Librarian, FBC Building	9218254
18	Mr. Shahzad Zareef	Section Officer (QA-I)	9208523
19	Ms. Muneeza Hamid	Section Officer (QA-II)	9217862
21	Mr. Akbar Ghani Khattak	Section Officer (Coord-I)	9206382
22	Mr. Akbar Ghani Khatak (Addl. Charge)	Section Officer (Coord-II)	9207329
23	Mr. Imran Ahmad	Asstt. Accounts Officer	9208464
24	Mr. Muhammad Zia ul Mustafa	DDO	9208114

## **HUMAN RESOURCE MANAGEMENT (HRM) WING**

### **Introduction:**

HRM Wing in Finance Division performs all the core functions like hiring/recruitment and developing skills of the employees to add value. Being ISO certified Division, the Wing performs job analysis, planning, managing salaries, providing benefits incentives, evaluating performance, resolving disputes and communicating with all employees at all levels to facilitate them in their service delivery. It also focuses on governance and analysis of quality output of all Wings of Finance Division. Besides, imparting knowledge of Rules of Business, Financial Rules, Esta Code and other instructions issued by the Government from time to time to the employees and their compliance to ensure better performance is also taken care of in different ways.

The workload of HRM Wing increases manifold with the start of the process of preparation of budget. The Wing prepares strategy to ensure smooth flow of services during the process followed by printing of budget books, presenting of budget before the Parliament, and passage of the Finance Bill. In addition, the Wing handles normal parliamentary business not only on behalf of Finance Division, but also caters to the parliamentary business of Economic Affairs & Revenue Divisions.

### **Main Functions Performed During the Fiscal Year (2018-19):**

During the year, all the officers and staff work as a team to run the affairs of the Ministry/Division in a smooth & transparent manner. It is an arduous job to satisfy each and every employee remaining within the framework of rules and policy, however, it is the policy of the wing to listen to the employee's complaints patiently, meet their needs and demands, as early as possible remaining within the allocated resources. As a result, every officer and staff member of the Wing continues to extend his/her services in a more efficient manner than before. Brief job description of various Sections of HRM Wing and activities performed by them are as below:

### **HR-I SECTION:**

HR-I Section deals with the cadre posts of BS-17 to 22 i.e. Secretary, Additional Secretaries, Senior Joint Secretaries, Joint Secretaries, Deputy Secretaries and Section Officers which are administratively controlled by the Establishment Division.

The post of Private Secretary (BS-17) is a 100% promotion post and is required to be filled in through promotion from amongst the senior-most Assistant Private Secretaries. During the Financial Year 2018-19, the following employees were

promoted to the post of Private Secretary (BS-17) against the posts falling vacant on retirement of the incumbents in Finance Division:-

<b>S#</b>	<b>Name</b>	<b>Date of promotion as Private Secretary</b>
1	Mr. M. Aslam Tahir	21.03.2019
2	Mrs. Pervaiz Akhtar	21.03.2019
3	Mr. Nisar Ahmad (Died on 3 <sup>rd</sup> June, 2019 during service)	21.03.2019
4	Syed Tassuduq Hussain Shah (Retired on 9 <sup>th</sup> May, 2019 on attaining the age of superannuation)	05.04.2019
5	Mr. Fida Muhammad	10.05.2019

## **HR-II SECTION:**

### **Promotion:**

In order to enhance the quality of work of the officials this Section promoted (01) Assistant as Superintendent (BS-16) and 12 UDCs as Assistant

### **Selection of Staff for Seasonal Hajj Duty—2019:**

HR-II Section has organized a balloting for selection of two candidates for seasonal Hajj duty 2019, through Ministry of Religious Affairs and Interfaith Harmony during the reference period.

## **HR-III SECTION:**

- The major function of HR-III Section is to manage official business of Finance Division smoothly, efficiently by providing effective human resource to other Wings of the Finance Division.
- HR-III Section is responsible to manage the administrative matters pertaining to support staff of BPS - 01 to 11 within Finance Division as per rules and regulations issued by the Government of Pakistan.

### **Filling Up Vacant Posts:**

Vacant posts pertaining to HR-III Section as and when required were advertised and the same have been filled after meeting codal formalities.

### **Verification of Service Books:**

HR-III Section completed about 609 Service Books of the official being dealt by the HR-III Section (BS - 01 to 11) every year.

In order to enhance the quality of work of the officials, HR-III Section promoted LDC to UDC, Naib Qasid to Qasid and Qasid to Daftary, Staff Car Driver! Dispatch Rider to Next BPS promptly.

#### **HR-IV SECTION:**

HR-IV Section deals the following matters;

- i. Personal administration of Ex-cadre officers i.e. officers of Economist group posted by Planning, Development & Special Initiatives Division, and Accounts group posted by CGA/AGPR etc.
- ii. Hiring of Private Residential Accommodation for officers and staff of Finance Division.
- iii. Medical Re-imburement to serving and retired officers/officials of Finance Division.

It is in the domain of HR-IV section to make recruitment of professionals in MP-scales and on fixed pay package meant for IERU, Debt office etc.

Hiring facilities to more than 500 (Five hundred) officers/staff of Finance Division are provided to meet the demand of shelter temporarily. In this regard **Rs.101,000,000/- (Rupees one hundred one million)** has been allocated in CFY 2019-20, initially Rs.5.500 million through re-appropriation.

In order to provide the medical re-imburement facilities to officers and staff of Finance Division as well as the retired employees of Finance Division an amount of **Rs.9,000,000/- (Rupees nine million)** (retired employees) and **12,000,000/- (Rupees Twelve million)** (In-service employees) has been allocated respectively in CFY 2019-20. Rs.2.000 million has been allocated through re-appropriation in the same financial year.

#### **B&A SECTION:**

The B&A Section of HRM Wing carries out the following work:-

- Preparation and processing of budget of Finance Division (Main) and its subordinate offices under Demand No. 33 & 37.
- Re-appropriation of funds, Supplementary Grant / Technical Supplementary Grant and other financial matters.
- Creation of posts in the Finance Division.
- Pension matters of the employees of Finance Division.
- Cases related to TA/DA.



2. The statement/material showing the budget in respect of Finance Division (Main) and its subordinate offices for the financial year 2018-19, detail of Token/ Technical Supplementary Grant, Re-Appropriation of funds and list of pension cases pertaining to Finance Division (HRM Wing) are as under:

**FINALIZATION OF REVISED ESTIMATES 2018-19 & BUDGET ESTIMATES FOR THE FY 2019-20 OF FINANCE DIVISION (MAIN) & ITS DEPARTMENTS**

**Demand No. 34**

Sr. No.	Demand No.	Budget 2018-19	Budget 2019-20	Department
1	34	645,838,000	645,024,000	Finance Division (Main) Part-I
2	34	797,107,000	836,367,000	Finance Division (Main) Part-II
3	34	222,034,000	242,158,000	Finance Division (Military)
4	34	38,063,000	40,205,000	Economic Minister, Washington DC, USA
5	34	30,723,000	30,019,000	Economic Minister, Tokyo, Japan
6	34	40,353,000	36,101,000	Economic Minister, Beijing, China
7	34	14,524,000	28,126,000	Economic Minister, London, UK
<b>Total:</b>		<b>1,788,642,000</b>	<b>1,858,000,000</b>	

**Demand No. 38**

Sr. No.	Demand No.	Budget 2018-19	Budget 2019-20	Department
1	38	65,356,000	67,361,000	FTO, Islamabad
2	38	62,683,000	61,639,000	FTO, Karachi
3	38	52,000,000	50,000,000	Loss by Exchange
<b>Total:</b>		<b>180,039,000</b>	<b>179,000,000</b>	

**TECHNICAL & TOKEN SUPPLEMENTARY GRANT UNDER DEMAND NO. 33 FOR THE FY 2018-19**

Sr. No.	Date	Amount	Department
1	27.07.2018	20,000,000	Finance Division (Main)
2	03.10.2018	1000	Finance Division (Main)
3	24.10.2018	1000	Audit Oversight Board
4	03.10.2018	1,000	Finance Division (Military)
5	03.10.2018	1,000	FTO, Karachi
6	03.10.2018	1,000	FTO, Islamabad
<b>Total:</b>		<b>20,005,000</b>	

**RE-APROPRIATION OF FINANCE DIVISION (MAIN) UNDER DEMAND NO. 33 & 37  
FOR THE FY 2018-19**

<b>Sr.No.</b>	<b>Date</b>	<b>Amount</b>	<b>Department</b>
1	24.10.2018	20,000,000	Audit Oversight Board
2	30.10.2018	100,000	Finance Division (Main)
3	31.01.2019	39,700,000	Finance Division (Main)
4	01.03.2019	450,000	Finance Division (Main)
5	04.03.2019	4,300,000	Finance Division (main)
6	05.04.2019	15,072,000	Finance Division (Main)
7	06.05.2019	22,650,000	Finance Division (Main)
8	23.05.2019	4,400,000	Finance Division (Main)
9	30.05.2019	10,070,000	Finance Division (Main)
10	10.06.2019	900,000	Finance Division (Main)
11	20.06.2019	15,150,000	Finance Division (Main)
12	06.02.2019	1,002,000	Finance Division (Military)
13	26.03.2019	12,738,000	Finance Division (Military)
14	30.05.2019	2,521,000	Eco. Minister. Washington
15	27.05.2019	3,966,000	FTO, Islamabad.
16	17.06.2019	205,000	FTO, Islamabad.
17	20.06.2019	170,000,000	Loss by Exchange
18	20.06.2019	100,000,000	Competition Commission of Pakistan, Demand No. 37
<b>TOTAL:</b>		<b>423,224,000</b>	

**LIST OF OFFICERS/OFFICIALS RETIRED DURING 01.07.2018 to 30.06.2019**

<b>Sr.No.</b>	<b>Name &amp; Designation</b>	<b>Date of Birth</b>	<b>Date of Retirement</b>
1	Mr. Ejaz Ahmad Malik, Sr. PS	10.08.1958	09.08.2018
2	Mr. Muhammad Suleman, APS	14.08.1958	13.08.2018
3	Mr. Jamil Akhter Butt, Computer Operator	03.09.1958	02.09.2018
4	Mr. Taj Hussain Kulachi, SO	12.10.1958	11.10.2018
5	Syed Raz ul Hassan, PS	27.10.1958	26.10.2018
6	Mr. Mumtaz Ahmed, DS	05.10.1958	04.10.2018
7	Syed Kazim Hussain, DS	30.10.1958	29.10.2018

<b>Sr.No.</b>	<b>Name &amp; Designation</b>	<b>Date of Birth</b>	<b>Date of Retirement</b>
8	Mst. Nadra Parveen, Superintendent	25.11.1958	24.11.2018
9	Mr. Shaukat Ali Anwar Randhawa, Joint Eco. Adviser	27.11.1958	26.11.2018
10	Ch. Mehboob Elahi, DS	03.01.1959	02.01.2019
11	Mr. Muhammad Arshad Lodhi, DS	15.01.1959	14.01.2019
12	Mr. Badr-ul-Arifeen, DS	03.02.1959	02.02.2019
13	Mr. Muhammad Afzal, APS	04.02.1959	03.02.2019
14	Mr. M. Abdul Islam, APS	05.02.1959	04.02.2019
15	Mr. Kamal Sultan, PS	01.03.1959	28.02.2019
16	Mr. Fazal Muhammad, APS	01.03.1959	28.02.2019
17	Mr. Arif Ahmed Khan, Finance Secretary	22.03.1959	21.03.2019
18	Mr. Nawab Ali Khoharo, PS	05.04.1959	04.04.2019
19	Syed Althar Hussain, APS	19.04.1959	18.04.2019
20	Mr. Hussain Mirza Mughal, Sr. JS	03.05.1959	02.05.2019
21	Syed Tassadaq H. Shah, APS	10.05.1959	09.05.2019
22	Mr. Abid Hussain Channa, SO	19.05.1959	18.05.2019
23	Mr. Muhammad Afzaal Ajiz, DS	26.06.1959	25.06.2019

### **Officials**

<b>Sr.No.</b>	<b>Name &amp; Designation</b>	<b>Date of Birth</b>	<b>Date of Retirement</b>
1	Mr. Saeed Ahmed, Assistant	04.09.1958	03.09.2018
2	Mr. Sardar Khan, Assistant	15.10.1958	14.10.2108
3	Mr. Muhammad Raza, Assistant	15.12.1958	14.12.2018
4	Syed Sabir H. Shah, Assistant	20.02.1959	19.02.2019
5	Mr. Akbar Qureshi, Assistant	10.03.1959	09.03.2019
6	Mr. Khubib Masood, Assistant	18.03.1959	17.03.2019
7	Mr. Zafar Habib Bhatti, Assistant	23.03.1959	22.03.2019
8	Mr. M. Yousaf Khan, LDC	01.04.1959	30.03.2019
9	Mr. Bashir Ahmed-VII, Qasid	04.04.1959	03.04.2019
10	Mr. Abdul Shakoor, Daftary	12.04.1959	11.04.2019
11	Mr. Muhammad Nawaz, UDC	15.04.1959	14.04.2019
12	Mr. Ibrahim-I, Daftary	01.07.1959	30.06.2019
13	Mr. Sikander Baig, Daftary	01.07.1959	30.06.2019
14	Mr. Haq Dad Khan, Daftary	01.07.1959	30.06.2019
15	Mr. Muhammad Ali Khan-I, Qasid	01.07.1959	30.06.2019
16	Mr. Muhammad Younas-IV, Qasid	01.07.1959	30.06.2019
17	Mr. Gul Nazar Khan, Naib Qasid	1959	30.06.2019

## **COUNCIL SECTION:**

Council Section works under the HRM Wing and DS (Council) handles the business of National Assembly/Senate. As the Advisor to Prime Minister on Finance & Revenue holds the portfolio of Ministry of Finance and Revenue accordingly all the Business of Parliament of these two Divisions are dealt in the Council Section. Similarly, the work of Economic Affairs Division is also coordinated by Council Section of Finance Division. Briefing to the Advisor to PM on Finance/Minister for Economic Affairs Division / Parliamentary Secretary of Finance Division regarding business of Parliament is arranged well before time. Moreover, the work relating to the meetings of Standing Committees of both Houses is coordinated and its briefs are sent to concerned quarters. All the senior officers who attend, these meetings are facilitated by the Council Section in terms of entry passes for Parliament House and conducting of officers to these meetings. Moreover, the Council Section also establishes the camp office in the Parliament House to liaison with other Ministries/Divisions, till the finalization of the Federal Annual Budget.

**DOCUMENTATION SECTION:**

<b>S#</b>	<b>NATURE OF CASES/ACTIVITIES</b>	<b>CASES RECEIVED</b>	<b>CASES DISPOSED OFF</b>
<b>1</b>	Public grievances/ petitions received from President's/ Prime Minister's Office, Parliamentary Affairs Division and Secretary Finance Division.	<b>16</b>	16
<b>2</b>	Publication of Year Book of Finance Division	<b>01</b>	Year Book (2017-18) was uploaded on the website of Finance Division.
<b>3</b>	Verification and Safe Custody Certificates, Security Booklet and War Book.	<b>08</b>	All Safe Custody Certificates were got verified from the concerned officers and report submitted to the concerned organization/ department.
<b>4</b>	Preparation of Permanent and Temporary Security Passes of Officers/Officials of Finance Division	Permanent 208 Temporary <b>177</b>	345 passes got issued through NADRA 304 temporary passes issued by Documentation Section locally.
<b>5</b>	Issuance of No Demand Certificates (NDC) in respect of officers/officials on their retirement and/or transfer from Finance Division.	<b>54</b>	49 NDCs issued.
<b>6</b>	Online Public Complaints received through Wafaqi Mohtasib (Ombudsman)'s Secretariat, Islamabad under the caption of Public Complaints Resolution Mechanism.	<b>608</b> Complaints received through online system.	All complaints were forwarded to concerned quarters for final disposal under intimation to Wafaqi Mohtasib (Ombudsman)'s Secretariat, Islamabad and the complainants as well.

- Measures were also taken to ensure strict security of office buildings of Finance Division as mentioned in through law enforcing agencies from time-to-time.
- A full time Reception Desk is working at the entrance of Q-Block to enlist the visitors in a register and a daily visitors' report is also submitted to the higher officers of the HRM Wing for their information.
- Displaying of official security passes by all the officers/officials during duty hours has also been ensured.
- Duty Roaster of officers/officials of Finance Division is regularly maintained to ensure security of Finance Division, Q-Block to avoid occurrence of any untoward incident.
- Annual Inspection of Finance Division (Year 2017) by an officer of Intelligence Bureau (I.B.) conducted successfully.

## **PROTOCOL SECTION:**

- Protocol services were provided to foreign as well as local delegates/guests, Ambassadors, Ministers/MoSs, and senior officers attending Finance Division.
- 41 official passports were got renewed/issued from Directorate General of Immigration & Passport of officers of Finance Division.
- Arrangement of 65 Note Verbale from M/o Foreign Affairs.
- Facilitated the officers for issuance of visas.
- 99 NOCs were issued to Officers of Finance Division proceeding abroad on official business.

## **COORDINATION-I SECTION:**

<b>Sr.No.</b>	<b>Main Tasks</b>	<b>Course of Action</b>	<b>Cases Received</b>	<b>Target Achieved</b>
1	Circulation of Instructions/ Orders/ Notifications/ Circulars in Finance Division, its Attached Departments, Corporations, Autonomous/ Semi-Autonomous Bodies received from Prime Minister's Office, Finance Minister's Office, Cabinet Division, Establishment Division/ Interior Division and other Ministries Divisions.	The said instructions/ Orders/Notification/ circulars are immediately forwarded to the attached departments/ subordinate offices of Finance Division for further necessary action.	110	Circulated 110 receipts.
2	To ensure timely publication of Notifications issued by Finance Division in Gazette of Pakistan.	Notifications received from different Wings of Finance Division are forwarded to the PCPP, Karachi/ Islamabad for publication in the Gazette of Pakistan.	349	349 Notifications forwarded to PCPP Karachi/ Islamabad
3	Obtaining information from Attached Departments/Sub-Ordinate Offices requested by following: - Establishment Division Cabinet Division Prime Minister's Office Wafaqi Mohtasib Other Ministries/Divisions	To obtain information regarding different matters and submit consolidated replies to the concerned quarters.	23 18 14  26	81 cases disposed off

<b>Sr.No.</b>	<b>Main Tasks</b>	<b>Course of Action</b>	<b>Cases Received</b>	<b>Target Achieved</b>
4	Provision of information regarding Dual Nationality of Government Servants to Honorable Supreme Court of Pakistan	It was desired by the Honourable Supreme Court of Pakistan that information in respect of all Cadre / Ex-Cadre /Regular/Contract Government Servants /Public Servants (BS-17 and above) be uploaded on the NADRA's Web Portal.		Data in respect of 35,000 (approx.) officers of different Groups/ Cadres, serving in this Division, its attached Departments, Sub-ordinate Offices, Autonomous/Semi-Autonomous Organizations was obtained and uploaded on the NADRA's Web Portal within the stipulated time.

### **COORDINATION-II SECTION:**

<b>Sr.No.</b>	<b>Main Tasks</b>	<b>Course of Action</b>	<b>Cases Received</b>	<b>Target Achieved</b>
1	Cabinet decisions received in the Section from the Cabinet Division	The said decisions are immediately forwarded to the concerned Wings/offices for implementation report	<b>147</b>	Disposed off <b>147</b> decisions
2	Economic Coordination Committee (ECC) of the Cabinet decisions received in the Section from Cabinet Division	The said decision are immediately forwarded to the concerned Wings/offices for implementation report	<b>56</b>	Disposed off <b>56</b> decisions
3	National Economic Council (NEC) decisions received in the Section from Cabinet Division	The said decisions are immediately forwarded to the concerned Wings/offices for implementation report	<b>07</b>	Disposed off <b>07</b> decisions
4	Executive Committee of National Economic Council (ECNEC) decisions received in the Section from Cabinet Division	The said decisions are immediately forwarded to the concerned Wings/offices for implementation report	<b>19</b>	Disposed off <b>19</b> decisions

<b>Sr.No.</b>	<b>Main Tasks</b>	<b>Course of Action</b>	<b>Cases Received</b>	<b>Target Achieved</b>
5	Cabinet Committee for Legislative Cass (CCLC) decisions received in the Section from Cabinet Division	The said decisions are immediately forwarded to the concerned Wings/offices for implementation report	20	Disposed off 20 decisions
<b>Total number of cases disposed of:</b>				<b>249</b>

### **SERVICES SECTIONS (I & II):**

#### **Physical Assets /Computer Accessories:**

- 01-Core switch and Network Management System (NMS), 02-Surge protector, 01-CCTV Monitoring System, 01-IT Maintenance Equipment (tool kits, 01-Laptop, 03-Microwave Ovens, 01-Multi Projector, 12 Photocopier Machines, 55-Scanners, 380-Kaspersky Endpoint Security for Business Advanced, 03-LED, 05-Air Conditioner, 21-Bracket Fan, 02-Fax Machines, 40-Electric Heaters (Single Rod), 10-Fan Heaters and 07- Biometric Machines.

#### **Furniture & Fixture:**

- 53-Executive Chair/Officer Chair, 12-Officer Table, 15-File Rack/Center Table, 8-Assistant Table, 18-Revolving Chair, 10-Computer Table, 10-Computer Chair, 7-Visiting Chair, 10-Sofa 5/7-Seater, 8-Blinds, 65-Visitor Chair, 3-Wooden Almirah & 5-Steel Cabinet.

#### **Purchase of Stationery/Miscellaneous Items:**

- Stationery/Miscellaneous items were purchased and provided on requisitions/need basis every month throughout the financial year.

#### **Repair of Physical Assets/Machinery & Equipment:**

- All types of repair of transport, Computers/Printers/ACs/Refrigerators/Shredder Machines/Photostat Machines, Telephone and Machines, were carried out on receipt of requisitions.

#### **Miscellaneous Work:**

- Cleanliness in “Q” & “S” Blocks, and FBC Building was ensured.
- Arrangements for meetings with officers of the other Ministries and with foreign dignitaries/delegations were made.
- All Wings/offices of Finance Division were facilitated before and during the Budget preparation /presentation in the Parliament till the completion of the budget process for the Financial Year, 2019-20.
- Present System of the Quality Assurance Review Committee is supported.



### Provision of Meal to the late sitting staff:

- Meal was arranged for officials/officers sitting late for official duty.

### Logistic Support:

- Logistic support was provided to officials/officers for official duty during and after office hours. Timely dispatch and distribution of official dak/letters was also ensured.

### QUALITY ASSURANCE SECTIONS:

S #	Main Tasks	Target Achieved during the Year 2018-19
1)	Successful Transition to New Management Standards ISO 9001:2015	<ul style="list-style-type: none"><li>➤ Finance Division is the flagship Federal Government Organization at the Secretariat level to achieve ISO Certification in 2007.</li><li>➤ The mandatory requirements for smooth transfer from ISO 9001:2008 to 9001:2015 Quality Management Standards have been successfully accomplished.</li><li>➤ Consequently, the ISO Certification Agency i.e. M/s Lloyd's Register Quality Assurance (LRQA) has recommended Finance Division for Transition to New Management Standards ISO 9001:2015 in December, 2018.</li></ul>
2)	Foreign Training through Economic Affairs Division (EAD) etc.	<ul style="list-style-type: none"><li>➤ <b>134</b> applications of Officers were processed for foreign training.</li><li>➤ <b>107</b> Officers were nominated by the Foreign Training Committee (FTC).</li><li>➤ Finally, <b>40</b> Officers availed the foreign training facilities.</li></ul>
3)	Local Training	<ul style="list-style-type: none"><li>➤ <b>182</b> applications of Officers/officials were processed for domestic/inland trainings.</li><li>➤ <b>137</b> Officers/Officials availed the domestic/inland training facilities.</li></ul>
4)	Quality Review Newsletter	<ul style="list-style-type: none"><li>➤ <b>16<sup>th</sup></b> Quality Review Newsletter of Finance Division for the period July – December, 2018 has been published.</li><li>➤ <b>17<sup>th</sup></b> Quality Review Newsletter of Finance Division for the period January – June, 2019 has been published.</li></ul>
5)	Customer Satisfaction Index (CSI)	Customer Satisfaction Survey for the period July, 2018 to June, 2019 was conducted to ascertain the Customer Satisfaction Index (CSI) of Finance Division, which remained above <b>84.66%</b> .
6)	Work Efficiency Survey	<ul style="list-style-type: none"><li>➤ This Survey is carried out twice a year with the objective to measure and monitor performance of all Wings of Finance Division in order to continually improve work efficiency.</li><li>➤ Accordingly, <b>18<sup>th</sup></b> and <b>19<sup>th</sup></b> Work Efficiency Surveys have been successfully conducted by the Departmental Quality Assurance Coordinators (DQACs) in <b>July, 2018</b> and <b>January, 2019</b>.</li><li>➤ The Survey results are published in Quality Review Newsletter of Finance Division and distributed to all concerned for ensuring improvement measure(s).</li></ul>
7)	Nomination / Appointment of Departmental Quality Assurance Coordinators (DQACs)	<ul style="list-style-type: none"><li>➤ Departmental Quality Assurance Coordinators (DQACs) are nominated in each Wing of Finance Division to implement Quality Assurance Program and to coordinate with the ISO Secretariat for better public service delivery.</li><li>➤ At present, 14 Officers are performing Quality Coordinators in the respective Wings of Finance Division.</li></ul>

S #	Main Tasks	Target Achieved during the Year 2018-19
8)	Revision of Job Descriptions (JDs)	<ul style="list-style-type: none"> <li>➤ The Job Descriptions (JDs) of all regular BS-17 to 21 positions of Finance Division have been prepared on the standard format.</li> <li>➤ Key purpose of JDs is to bring clarity in duties and responsibilities of a position, defining reporting mechanism and better performance management.</li> <li>➤ JDs are reviewed and revised on need basis and in the wake of changing circumstances.</li> <li>➤ The JDs are required to be revised in order to incorporate necessary changes as per New Management Standards ISO 9001:2015.</li> </ul>
9)	Workload Assessment of Finance Division	<ul style="list-style-type: none"> <li>➤ A Workload Assessment Exercise of Finance Division (Main) has been carried out in the months of February and March, 2019.</li> <li>➤ Key objective was to evaluate workload of each work unit with a view to rationalize through fair distribution of work.</li> <li>➤ Real-time month-wise data of the file movement has been compiled.</li> <li>➤ Target period was last calendar year Jan – Dec 2018.</li> <li>➤ Scope of the exercise was functional level covering: <ul style="list-style-type: none"> <li>• <b>106 Sections</b> of all Wings and Offices</li> <li>• <b>17 Offices</b> of Deputy Financial Advisers (DFAs)</li> </ul> </li> <li>➤ Results of Workload Assessment have been presented in tabular and graphical form before the highest forum.</li> </ul>
10)	Surveillance/External Quality Audit	<ul style="list-style-type: none"> <li>➤ During the current Certification period (2016-2019), 4th and 5th Surveillance/External Quality Audit have been conducted by ISO Certification Agency in October, 2018 and February, 2019 respectively.</li> <li>➤ Key objective was to evaluate/check the level of continued compliance and effectiveness of the Quality Management System of Finance Division (Main) against ISO 9001:2015 Standards.</li> <li>➤ The findings of Audit Report are shared with the respective Wings for initiating desired actions.</li> </ul>
11)	Internal Quality Audit	<ul style="list-style-type: none"> <li>➤ The prime focus of Internal Quality Audit is to assess the conformance of quality activities carried out in respective Wings with the established Quality Assurance Programme of Finance Division.</li> <li>➤ Accordingly, <b>17<sup>th</sup> Internal Quality Audit</b> for the period July – December 2018 has been successfully carried out by our experienced and trained Departmental Quality Assurance Coordinators/Auditors in January, 2019.</li> <li>➤ The Audit Findings comprising Major or Minor Non-Conformities (NCs)/observations are subsequently conveyed to the Heads of respective Wings for initiating appropriate corrective actions.</li> </ul>
12)	Revision of Quality Assurance Procedure (QAP)	<ul style="list-style-type: none"> <li>➤ The Quality Assurance Procedure (QAP) is the principle booklet containing quality SOPs/framework in respect of each Wing of Finance Division.</li> <li>➤ QAPs are reviewed and revised by the Wings on need basis and in the wake of changing circumstances.</li> <li>➤ Transition to New Management Standards ISO 9001:2015 entails revision of QAPs of each Wing in a phased manner by the end of</li> </ul>

S #	Main Tasks	Target Achieved during the Year 2018-19
		2019.
13)	DQRC Meetings of all Wings	<ul style="list-style-type: none"> <li>➤ Monthly Departmental Quality Review Committee (DQRC) Meeting is one of the effective Quality assessment tool, which is meant to review in-house monitoring, strengthen internal systems, address resource needs and to look for opportunity for performance improvements etc.</li> <li>➤ Sixty-seven (67) DQRC Meetings of different Wings have been held during the year 2018-19.</li> <li>➤ Keen watch is kept to ensure holding of such meetings on regular basis and compliance to the decisions thereon.</li> </ul>

**LIBRARY:**

The following material/data is being furnished for inclusion in the Year Book of FY 2018-19 of Finance Division:-

S.N.	Nature of Cases	Number of Cases received(form July 2018 to June 2019)	Number of cases disposed of
1.	Purchase of Books	2 Cases (23-Books)	2
2.	Technical processing of Books i.e. Accessioning, Cataloging, Classification and Computerization of Books	900 (Books)	900
3.	Issuance of Books	196(Cases) 413 books	196
4.	Receiving of Books	38(Cases) 2038 books	38
5.	Issuance of NOC/NDC	26(Cases)	26
6.	Provision of Newspapers	869(Cases)	869
7.	Maintenance of record regarding Circulars, Office Orders & Notifications	355	355

**FINANCE & ACCOUNTS WING:**

- F&A Wing conducted Nine (09) DAC meetings wherein Audit Reports of Finance Division and its attached departments/organizations were discussed.
- One (01) meeting of Public Accounts Committee (PAC) was held wherein Accounts of Finance Division and its organizations for the A.Y. 2017-18 were discussed.
- Twelve (12) reconciliation statements of expenditure containing thirteen Demands i.e. 33, 34, 35, 36, 37, 39, 40, 106, 107, 121, 122, 123 & 145 were finalized.
- Material for Green Book (2019-22) in respect of Finance Division was prepared and compiled by collecting information/data from all wings of Finance Division

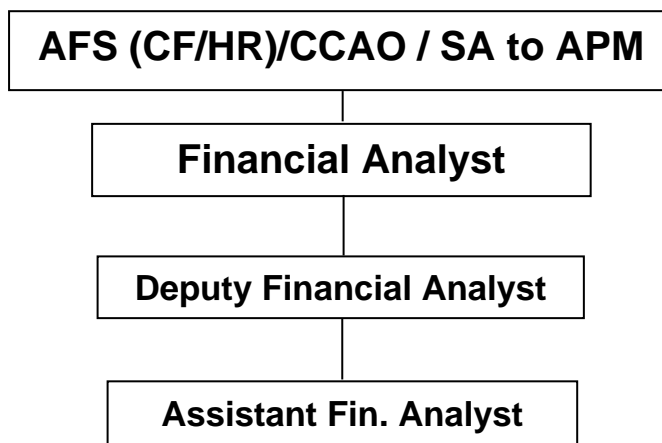
and the same was submitted to Budget Wing/MTBF after getting approval of the Finance Secretary.

- Performance Monitoring for the F.Y. 2017-18 regarding actual expenditure for the year 2017-18 and Goals and Targets achieved by the Finance Division during 2017-18 was compiled after obtaining/collecting data from all wings of Finance Division duly approved by Finance Secretary was submitted to Budget Wing for consideration by the Priorities Committee Meetings.
- 51 cases of Re-appropriation of funds, 118 cases of surrenders, 17 cases of Supplementary/Technical Supplementary Grants, 21 cases of tendering of advice, creation of posts and more than 145 BO/NISs for the F.Y. 2019-20 in respect of all wings of Finance Division were scrutinized and forwarded to FA's Organizations for concurrence/endorsement.
- F&A Wing conducted Internal Audit of Fifteen (15) entities. Twelve (12) preliminary Internal Audit Reports have been issued and Four (04) final Audit Reports have been issued for taking necessary corrective measures.

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# **FINANCIAL ANALYST**

**FINANCIAL ANALYST WING**  
**ORGANOGRAM**



**FINANCIAL ANALYST WING INCUMBENT(S)**

<b>Sr.No.</b>	<b>Officer Name</b>	<b>Designation</b>	<b>Telephone Number (Off)</b>
1	Ms. Sumaira K Aslam	Financial Analyst (BS-21)	9202801
2	Vacant	Deputy Financial Analyst	
3	Vacant	Assistant Financial Analyst	

## **FINANCIAL ANALYST WING**

### **Introduction:**

The Financial Analyst looks after the Government of Pakistan interest by providing Financial & Cost Analysis of the institutions where Government of Pakistan money is at stake. It further provides financial analysis to help the government in placement of Government of Pakistan funds by way of pointing out the risks involved on Financial Analysis and cost basis and does the risk management for Government by analyze complex financial data and extract relevant information for the purpose of determining financial performance.

The Financial Analysts help improving laws to implement Fiscal Policy, review costs and perform cost benefit analysis of where Government funds are involved, perform complex statistical, cost and financial analysis for data reported in the various accounting systems. Develops financial reports for forecasting and trending.

### **Functions:**

Major functions of this Wing are as follow:-

1. To take part in the formulation of fiscal policy of the country.
2. To oversees matters regarding Anti-Money laundering.
3. Functional Capabilities of a Chief Financial Officer.
4. Establishing authenticity of data/information provided by other institutions.
5. Analysis of banks/schemes where GOP's contribution is involved.
6. Observance Rules and Regulations under which a reference is to be proposed.
7. Investment Banking
8. Development financing
9. Leading change in complex organization.
10. Money Laundering its techniques and controls.

### **Performance:**

Financial Analyst Wing is performing key role to safeguard the Government of Pakistan interest in following Public Sector Enterprises (PSEs) and participated in Board of Directors meeting throughout the year:

- 1) First Women Bank Limited
- 2) Drug Regulatory Authority of Pakistan
- 3) Printing Corporation of Pakistan

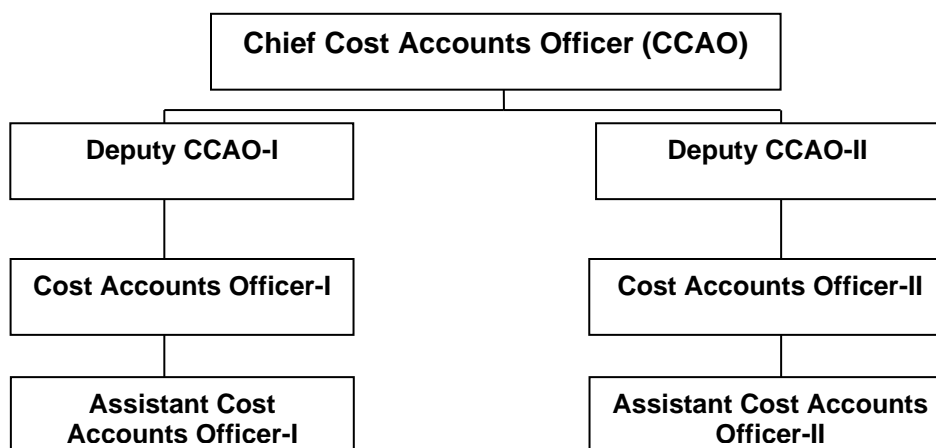
FA Wing further performed different verifications, analysis, and reconciliations on behalf of Ministry of Finance in the case of National Fertilizer Marketing Ltd., PASSCO, and National Security Printing Company.

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# **COST ACCOUNTS ORGANIZATION**



**COST ACCOUNTS ORGANIZATION WING**  
**ORGANOGRAM**



**COST ACCOUNTS ORGANIZATION WING INCUMBENT(S)**

<b>Sr.No.</b>	<b>Officer Name</b>	<b>Designation</b>	<b>Telephone Number (Off)</b>
1.	Dr. Ahmed Mujtaba Memon	Chief Cost Accounts Officer	9203373
2.	Ms. Sumaira K Aslam	Deputy Chief Cost Accountns Officer-I	9202801
3.	Mr. Kamran Shahzad	Deputy Chief Cost Accounts Officer-II	9205312
4.	Mr. Irfan Saleem Chaudhry	Cost Accounts Officer-I	9205312
5.	Vacant	Cost Accounts Officer-II	
6.	Vacant	Assistant Cost Accounts Officer-I	
7.	Vacant	Assistant Cost Accounts Officer-II	

## **COST ACCOUNTS ORGANIZATION WING**

### **Introduction:**

Cost Accounts Organization (CAO) is an integral part of Finance Division. This Organization consists of Chief Cost Accounts Officer (CCAO), Deputy Chief Cost Accounts Officer (DCCAO) and Cost Accounts Officer (CAO) who are involved in cost analysis of all proposals referred by Cabinet/ECC, Federal Ministries, Divisions & Attached Departments to provide advice on financial and costing matters, review the subsidy proposals submitted by various Ministries, advise on financial and management issues relating to capital structure, investment and financial performance of public sector. Advise on sale price of controlled items and to submit recommendations regarding reimbursement of various subsidy claims.

### **Functions:**

Major functions of this Wing are as follow:-

1. Review and analysis of annual Accounts of gas producing companies.
2. Determination of well-head gas price.
3. Award of decisions/reconciliation of accounts in cases of financial disputes among different Government agencies/corporations/autonomous bodies as the cases referred by ECC/Cabinet/ Competent authority.
4. Acts as Member of the Drug Appellate Board for hearing the appeals regarding prices of Drugs/Medicines etc., to recommend price of drugs, (under appeal) the Drug Appellate Board to assist the Government in decision making.
5. Coordination of the activities of Institute of Cost and Management Accountants of Pakistan by acting as member of the council. Functional matter of the Institute of Cost and Management Accountants of Pakistan such as grant-in-aid, seminars.
6. Subsidy/Losses verification of cases of NFC units, PSPC, PASSCO and other organization.
7. Cases referred for advice by other ministries like Industries & Production, Food & Agriculture, Health, Information & Broadcasting and Religious Affairs, Education, Culture, Sports Tourism, Commerce etc.
8. Acts as Member/Chairman of various Committees/Groups etc. constituted by Government from time to time.

### **Performance:**

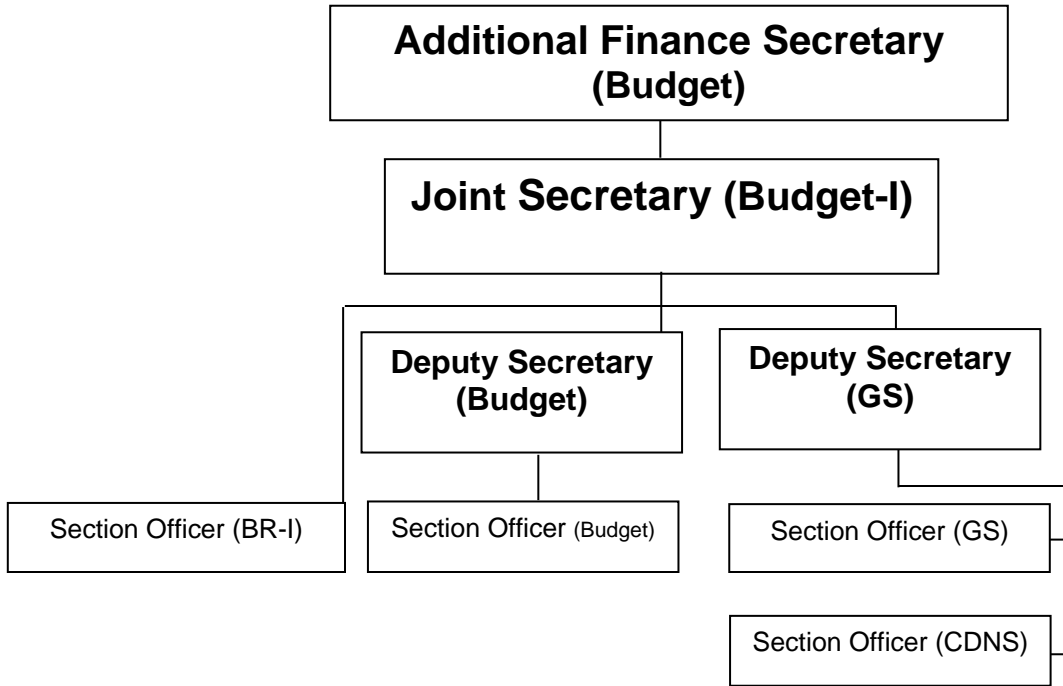
CAO performed pivotal role in cost verification/reconciliation of following organizations during the year on behalf of Ministry of Finance:

1. Verification/calculation of wheat incidentals of Wheat of PASSCO.
2. Cost Verification and Fixation of Price of Postal/Non-Postal Items of National Security Printing Company.
3. Participation in the Restructuring Plan of Printing Corporation of Pakistan.
4. Participation in Drug Price Committee of Drug Regulatory Authority of Pakistan.
5. Reconciliation of Utilities Corporations claims.
6. Reconciliation of claims made by National Fertilizer Marketing Limited.

CAO further performed administrative role in the matters of Institute of Cost and Management Accountants (ICMA), Pakistan.



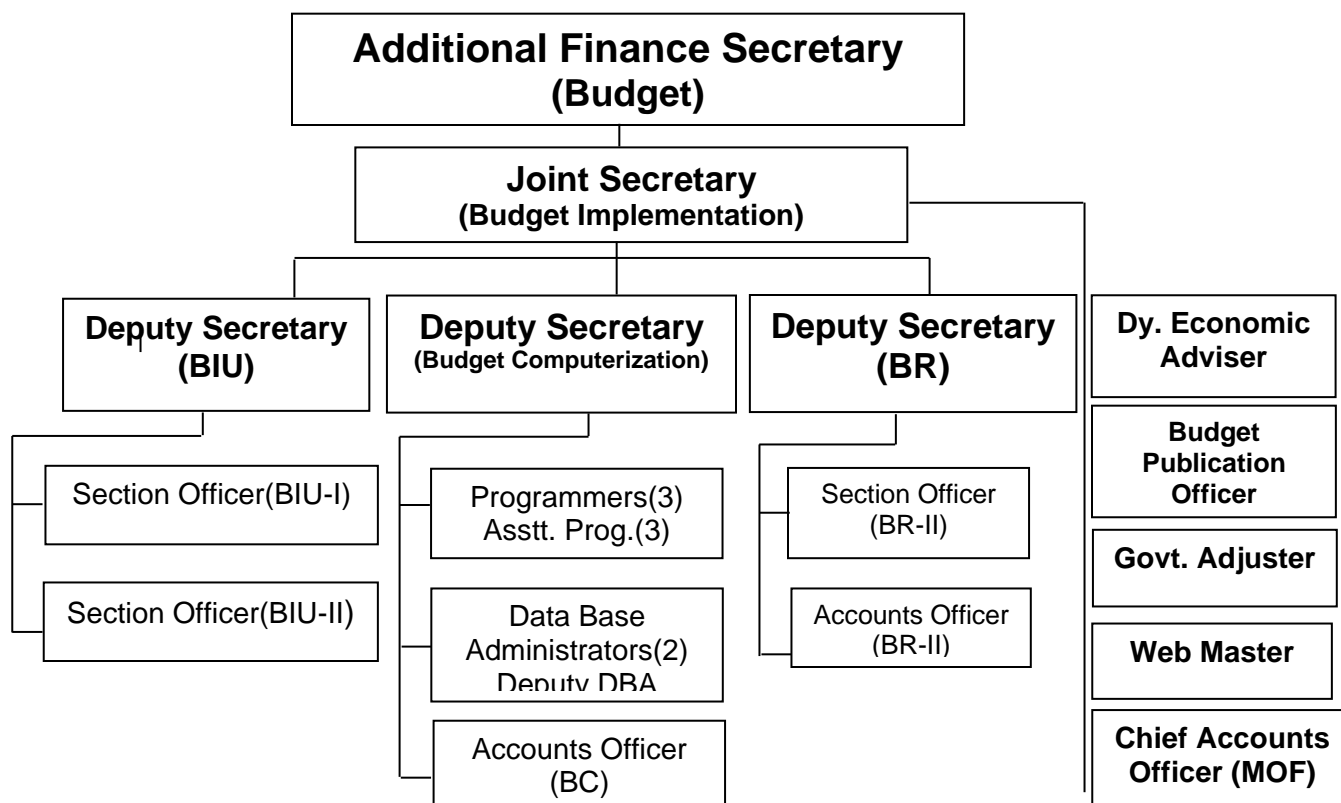
**BUDGET WING**  
**ORGANOGRAM**



**BUDGET WING INCUMBENT(S)**

<b>Sr.No.</b>	<b>Name of Officer</b>	<b>Designation</b>	<b>Telephone Number (Off)</b>
1	Mr. Muhammad Tanvir Butt	Sr. Joint Secretary (Budget-I)	9202083
2	Mr. Abrar Ahmad Mirza	Joint Secretary (Budget-II)	9201854
3	Mr. Nayyar Nadeem	Deputy Secretary (GS)	9209318
4	Mr. Shamim ur Rehman	Deputy Secretary (BR-I)	9209221
5	Mr. Ali Idrees	Section Officer (GS-I)	9204700
6	Mr. Fahad Ahmed	Section Officer (GS-II)	9204799
7	Mr. Anwal-ul-Haq Satti	Section Officer (BR-II)	9209221
8	Ms. Ayezza Sattar	Section Officer (BR-III)	9209209

**BUDGET IMPLEMENTATION WING**  
**ORGANOGRAM**



**BUDGET IMPLEMENTATION WING INCUMBENT(S)**

Sr.No.	Name of officer	Designation	Telephone Number (Off)
1	Mr. Muhammad Tanvir Butt	Sr. Joint Secretary (Budget-I)	9202083
2	Mr. Javed Iqbal Khan	Joint Secretary (Budget Imp)	9218838
3	Mr. Sajjad Azhar	Deputy Secretary (BR-II)	9209346
4	Ch. Saad Ghani	SO (BR-II)	9217852
5	Ms. Noor ul Ain Aftab	SO (MTBF)	9217852
6	Mr. Atta Ullah Khattak	DEA (BIU)	9217881
7	Mr. Rashid Ahmed	SO (BIU-I) A.D	9202910
8	Mr. Naimatullah Khan	SO (BIU-II)	9204675
9	Mr. Muhammad Tariq	SO (Adjuster)	9208135
10	Mr. Waheed Ahmad	Chief Accounts Officer	9209778
11	Dr. Syed Nayyar Shah	BPO	9210012
12	Ms. Asma Malik	Director/Programmer (BC) current charge	9209587
13	Mr. Gul Muhammad Shah	Programmer (BC)	9218834
14	Vacant	Database Administrator	9209347
15	Mr. Arfan Ali Soomro	Assistant Programmer	9209572
16	Mr. Ahmad Shah	Assistant Programmer	9209572
17	Mr. M Arshad Majeed	Programmer (IT)	9203405
18	Mr. Ahsen Azim	System Network Administrator	9058318
19	Mr. Adnan Muazzam	Asstt. Network Administrator	9058318
20	Syed Sagir-ud-Din	St. Network Administrator	9058618
21	Mr. Rana Muzaffar Ahmad	AO (BC)	9218834
22	Mr. Atiq ur Rehman	AAO (BC)	9209203
23	Mr. Zahid Rashid	SAPS Basic Expert	9221963
24	Mrs. Nadra Perveen	Superintendent (BC)	9209203

## **FEDERAL BUDGET:**

The federal budget is a document which once approved by the parliament authorizes the Government to raise revenues, incur debts and effect expenditure in order to achieve certain goals. It reflects Government's determination to maintain a responsible and realistic attitude towards overall economic management in the country. Budget is an instrument by which the Government expresses its priorities and allocates resources to implement its policies. Since the budget determines the origin and application of public financial resources, it plays a pivotal role in the processes of Government, performing economic, political, legal, and managerial functions.

## **BUDGET WING'S PROFILE:**

The basic functions of the Budget Wing are to coordinate, prepare, print and publish the budget of the Federal Government. Moreover, Budget Wing is also responsible to implement the budgetary targets and preparing a monthly report thereon. The budget making process comprises the following stages:-

- Preparation
- Coding/formulation
- Compilation
- Printing
- Authentication
- Execution
- Monitoring and coordinating implementation of budgetary targets.
- Liaison with all relevant Ministries/Divisions/Organizations for feedback on implementation status of the targets given in the budget, indicating various budgetary measures.

## **FUNCTIONS OF VARIOUS SECTIONS OF BUDGET WING:**

### **BUDGET RESOURCES-I:**

#### **Activities:**

- Coordination with FBR in relation to tax receipts
- Preparation and compilation of the Budget document "Budget-In-Brief".
- Scrutiny of the proposals and suggestions for increase in tax receipts and improvement of federal resources.
- Examination of Budgetary Proposals.

## **BUDGET RESOURCES-II:**

### **Activities:**

- Preparation of the Budget document “Estimates of Foreign Assistance” and “Explanatory memorandum on Federal Receipts”.
- Monitoring and evaluation of foreign exchange parity rate viz Pak Rupee.
- Monitoring and Accounting of Foreign Aid Disbursements and Monitoring, Reporting and Projection of External Assistance.
- Preparation of Estimates of Non-Tax Revenue Receipts.
- Holding of Annual Pre-Budget Meetings with the representatives of the Ministries/Divisions/Departments regarding Non-Tax Receipts and Compilation of Explanatory Memorandum on the Federal Government Receipts.
- Regulation of Banking Facilities to Public Sector Enterprises (PSEs) (Policy).
- Monitoring of Deposits of Public Sector Enterprises with the scheduled Banks.
- Preparation of proposals regarding mobilization of resources etc.
- Examination/processing of cases pertaining to permission for opening of Assignment Accounts in the light of procedure devised/issued by Finance Division.
- Preparation of statements of Estimates and actuals of foreign aid and Foreign Debt servicing
- Regulation of flow of budgetary funds through various channels i.e. Assignment Account
- Review and compilation of foreign assistance inflows/out flows.
- General Coordination within Budget Wing.
- Revision in Assignment Account Procedure.
- Introduction of concept of Sub-Assignment Account (extended to Provinces).
- Conversion of Hard Files to E-Office and submission of cases through it.
- Revision of tax structure of Islamabad Capital Territory Administration through Finance Act, 2019.
- Necessary amendments introduced in the respective Acts of NADRA, Civil Aviation Authority and Abandoned Property Organization through Finance Act, 2019 enabling them to remit their surplus profit to Federal Consolidated Fund.

### **Achievements:**

- Introduction of Revision of Procedure for operation of Assignment Accounts in Local Currency.

- Conversion of Hard files to E-Office and submission of cases through the same.
- Revision of Tax Structure of ICT through Finance Act 2019
- Necessary amendments introduced in the respective Acts of NADRA, Civil Aviation Authority and Abandoned Property Organization through Finance Act, 2019 enabling them to remit their surplus profit to Federal Consolidated Fund.

### **BUDGET RESOURCES-III:**

#### **Activities:**

- Examination of recommendations of Planning Division for formulation of Development Budget.
- Implementation/Incorporation of decisions of the Annual Plan Coordination Committee/ NEC and implementation/ Incorporation of decisions of the NEC.
- Scrutiny of Budget Orders/new item statements and their reconciliation with the allocations agreed by the NEC.
- Compilation of details of demands for grants and appropriations relating to Development expenditure.
- Examination and Issuance of Federal Government Guarantees in respect of Loans provided by Commercial Banks/State Bank of Pakistan and Development Financial Institutions to the Public Sector Enterprises.
- Coordination with P&D Division and EAD in respect of foreign aid provision for the Annual PSDP.

### **CHIEF ACCOUNTS OFFICER:**

#### **Activities:**

- Collection of schedules of Supplementary Grants
- Reconciliation of schedules with SAP System on monthly basis and Ministries /Divisions on yearly basis.
- Writing of Justification on book of Supplementary Demands for Grants and Appropriations and its compilation
- Preparation of Supplementary Schedules I, II, III and Authorized Expenditure and Notice of intention. Compilation of Excess Demands for Grants and Appropriation along with collection of reasons for such excess
- Preparation of Revised and Budget Estimates of Superannuation Allowances and Pension on the basis of data received from the AGPR and MAG office. And submission of summary to Secretary for approval of Revised and Budget Estimates of Pension
- Budgeting of Prime Minister's Youth program



- Issuance of surrender and re-appropriation orders duly approved by competent authority to transfer funds of Prime Minister's Schemes on demand of executing authorities.

### **Achievements and Progress:**

- Compilation of Books of Excess Demand for Grants and Appropriation along with NIS of Pensions/Prime Minister's Scheme/Lump provisions

### **GOVERNMENT SECURITIES-I:**

#### **Activities:**

- Preparation of Budget Estimates, Re-appropriation and Supplementary Grants in respect of "Servicing of Domestic Debt" and "Repayment of Domestic Debt"
- Maintenance of Security wise Domestic Debt Stick
- Framing rules of various government securities
- Determination of rate of markup of GP Fund and Cash Development Loans
- To finalize the rates of markup on National Saving Schemes.

### **Achievements and Progress:**

- Under the auspices of World Bank's PforR, the Budget Wing, in collaboration with other stakeholders, completed the following tasks in FY 2018-19:
- Enactment of Public Financial Management Act 2019 passed by the Parliament on June the 28<sup>th</sup>, 2019.
- Approval of Cash Management & Treasury Single Account Policy 2019 by the Federal Cabinet on June the 3<sup>rd</sup>, 2019.
- Coordination with CGA for completion of mapping of DDO codes to unique primary schools and basic health units in Islamabad and Muzaffarabad, and in coordination with the CGA to increase percentage of federal pensioners, paid through Direct Credit System to 70pc.
- Fiscal Coordination Committee has been established to improve fiscal performance.

### **IT SECTION:**

#### **Activities:**

- Implementation of E-Office, with integration of existing hardware infrastructure with new equipments
- Using licensed OS Software Infrastructure, ensuring Data protection by installing and operationalizing security and monitoring system
- Training imparted to the users of E-Office through NITB
- Administration of System Servers and Network at offices of Finance Division

- Maintenance of computers, laptops, printers, scanners, audio and video conference system, server machines, and network infrastructure.
- Human Resource Support for IT related activities of Finance Division.

### **Achievements:**

- Implementation of E-Office with technical assistance from NITB through PSDP project titled “Up-gradation of Finance Division’s IT Infrastructure for Secure e-Governance.
- Providing technical and manual support to offices of Finance Division for practical usage of e-office to take a step towards paperless environment in offices.



### **BUDGET IMPLEMENTATION UNIT-I:**

#### **Activities:**

- Pursuing and prompting collection of non-tax revenue from Public Sector Entities
- Monitoring and coordination implementation of overall budgetary targets and preparation of analytical reports on monthly basis
- Monitoring evaluation, reconciliation and reporting on Revenue Receipts of the Federal Government being collected other than by FBR
- To deal with the miscellaneous policy matters related to BI side

### **BUDGET IMPLEMENTATION UNIT-II:**

#### **Activities:**

- Monitoring and follow up the implementation of announcement made in Budget Speech by the Minister for Finance and Revenue

- Monitoring & follow up the implementations status of the decisions made by Cabinet on the Summary for the Cabinet regarding Revised Estimates and Budget Estimates of the year concerned
- Accounting of Non – tax revenue from Public Sector Enterprises
- Correspondence with the organization for identifying the areas of concern and initiate of action for taking corrective measures.

### **Achievement:**

Return of Federal Government Share of dividend money on account of BESOS. SLIC has deposited Rs. 549.5 million in Government Treasury on account of BESOS. Other organizations are constantly persuaded to comply with Cabinet Decision.

### **BUDGET COMPUTERIZATION SECTION:**

#### **Activities:**

- Issuance of Budget Call Circular.
- Receipt of Budget Orders/ New item statements (BO/NISs) from all Ministries and Departments.
- Data Entry of received BOs/NISs in to computer system.
- Supervising the work relating to reconciliation of Demands for Grants.
- To prepare summaries and schedule for submission to Prime Minister for approval and authentication of Federal Government's Budget.
- To do work relating to processing the Budget in Cabinet, National Assembly and the Senate.
- To monitor and supervise the activities being performed for smooth functioning of installed Computer system.
- Liaison and coordination with PIFRA Directorate/Auditor General Office/CGA etc. for successful implementation of PIFRA Project regarding Annual Federal Government Budget Computerization.

### **Achievements and Progress:**

1. For the first time, Budget call circular was issued utilizing e-office. The Ministries/ Divisions that did not have e-office facility were conveyed about it through their official e-mails.

2. **Direct Printing from SAP System:**

Finance Division was successful, for the first time, in the history of budget publication, in directly printing budget books (Pink Books & White Books) from SAP System for publication from Printing Corporation of Pakistan Press.

### **3. Inclusion of Spending DDOs:**

Finance Division successfully migrated from controlling DDOs budget to spending DDOs budget on its own (without any project) with the help of FABs and Dte. of CGA, thus facilitating Directorate General of Education whose 352 schools/colleges have born on Pink Book, Directorate General of Immigration and Passport, whose all 149 Regional/ District offices have born on Pink Budget Book and office of the Chief Election Commission whose all 165 Regional and District offices have born on Pink Budget Book, as well as in computerized electronic system. The improvement lends a greater transparency and credibility to Budget in line with international good practices.

### **4. Provision of Soft Copies to Parliamentarians:**

Finance Division provided soft copies of budget books on USBs to Parliamentarians providing therewith an ease to navigate menu. This has considerably reduced the publication cost of budget books.

### **SECTION OFFICER (GOVERNMENT ADJUSTER):**

- Adjustment of Inter Govt. agencies claims with each other through deduction at source.
- In case of disputed claims, convening meetings for settlement of outstanding dues.
- Processing of the claims in accordance with standing procedure.
- Analysis and submission of claims to Govt. Adjuster with views of the defaulting Govt. agencies/agencies for an appropriate order.
- Implementation of Govt. Adjuster's decision regarding deduction at source by pursuing the offices/agencies concerned.

### **BUDGET & ACCOUNTS SECTION:**

- Compilation of Annual Budget Statement to be laid before in the National Assembly at the time of presentation of Budget.
- Preparation of data of "Deficit Financing". Monitoring of Cash Balance of the Federal and Provincial Governments.
- Calculations of daily flash estimates of deficit financing and its monitoring with State Bank of Pakistan estimates and its analysis and other ancillary work thereto.
- Clearance of Release of individual payments in accordance with the limits prescribed by the competent authority from time to time.
- Preparation and compilation of quarterly fiscal data.

- Submission of monthly/quarterly/annual actuals in respect of Tax, Non-tax Revenues, Capital Receipts, External Assistance, and Development Expenditure of the Federal Government.

#### **BUDGET PUBLICATION OFFICER:**

- Provision of Budgetary data in consolidated/printed form for usage of Economic Development Purposes.
- To maintain Budget Library for Provision of Budgetary data of previous years to various Ministries/Divisions/Departments and Libraries.
- Coordination with all Ministries/Divisions/Departments for incorporating their input for Finance Minister's Budget Speech.
- To supervise the tasks related to:
  - Composing/pasting of Budget Documents/Posts Budget Documents.
  - Printing of Budget Documents/Post Budget Documents.
  - Composing of various Summaries/Reports relating to Budget Wing.
  - Coordination of manuscript/materials of Budget Documents, summaries/ reports of the Budget Session.
  - Supply of Budget Documents to the Cabinet/Senate/National Assembly during the Budget Session,
  - Distribution of Budget Documents to Press Information Department/ all Federal and Provincial Government's Offices.
  - Record and maintenance of Budget Wing Library.
  - Photocopying Cell of the Budget Wing's Library.
  - Any other matters relating to printing of Budget Wing's important official documents.
  - Urdu translation of the Budget Documents, Schedules,
  - Development/Coordination with AGPR Party for getting the accurate Budgetary Data.
- Provision of Budget Publications to the National Assembly, Senate Secretariat for discussion the Federal Budget Session.

#### **BUDGET RESEARCH OFFICER (URDU):**

- Translation of budget documents from English into Urdu and vice versa.
- Supervision of Composing/pasting of Budget Documents/Post Documents (Urdu) and Composing of various Summaries/Reports relating to Budget Wing.
- Maintenance of record and distribution of computerized martial and manuscript of composed budget of the Ministries/Division.
- Coordination of manuscript/materials of Budget Documents, summaries/ reports of the Budget Wing.

- Supply of Budget Documents to the Cabinet/Senate/National Assembly during the Budget Session,
- Distribution of budget documents.
- Record and maintenance of Budget Wing Library.

## **MEDIUM TERM BUDGETARY FRAMEWORK (MTBF):**

### **Introduction:**

Medium Term Budgetary Framework (MTBF) is a budget reform programme of Ministry of Finance aimed at enhancing fiscal discipline, linkages of Government's priorities with the budget and improving efficiency and effectiveness in Government's spending. Under the programme, the following instruments have been put in place in the Federal Government:-

- Include a medium-term horizon (3 years – where-in year-1 becomes the budget and the outer 2 years are used for planning purposes),
- Medium-Term Fiscal Framework – keeping in view the macro implications to guide budget preparation process.
- An annual pre-budget analytical 'Budget Strategy Paper' - which includes 3-year Macro-fiscal framework, budget policies and indicative budget ceilings for Ministries/Divisions.
- Performance Budgeting - Output Based Budget. The output orientation of the budget allows a linkage of the budget with the policy references that leads to alignment of resources with services delivered by the respective ministry.
- The output orientation of MTBF budgeting provides a basis for defining and measuring performance through mutually agrees indicators and targets. In this way, performance of each PAO is evaluated in terms of outputs generated from the utilization of budgetary resources appropriated by the parliament.
- Performance monitoring – This system has been piloted for the past 3 years. Under this system, annual financial and non-financial performance is being monitored for each PAO.

### **Public Financial Management Reform:**

An initiative called Public Financial Management – support programme for Pakistan started in the Budget Wing in September, 2014. The programme aims at 1) Strengthening and further embedding Medium-Term Budgetary Framework (MTBF) reforms, 2) Developing a PFM Reforms Strategy and an Action Plan, and 3) Enhancing macro-fiscal projection capability of the Government. The team of Consultants supporting this reforms initiative has provided technical assistance in the following key areas:-

- Preparation of a PFM Reform Strategy – its draft is currently being discussed in the Finance Division.
- Development of Medium-Term Macroeconomic and Macro Fiscal Frameworks, and Budget Strategy Papers.
- Finalization of annual MTBF Green Book (performance based budgets – also known as ‘Federal Medium-Term Budget Estimates for Service Delivery’).
- Compilation of annual Federal Government Performance Monitoring Reports.
- Enhancement of macro-fiscal capacity of the Economic Adviser’s Wing.
- Training and capacity building of Ministries/Divisions.

### **Way Forward:**

Efforts are being taken to institutionalize the reform initiative. In this regard, the following activities are planned to be undertaken:-

- Continuation of the MTBF and the performance based budgeting and monitoring system.
- Provision of legal requirement for the reform.
- Capacity building of Finance Division and line Ministries/Divisions.
- Development of a macro forecasting model to help improve forecasting capacity.

### **TYPES OF BUDGET:**

According to the conventional classification, the budget is divided into two main sections namely:

- a) Revenue Budget
- b) Capital Budget

#### **Revenue Budget:**

The revenue budget presents the current or day to day non-development expenditure i.e., defence, debt, repayments, running of civil government, subsidies and grants which are financed from revenues derived through taxes, duties and other miscellaneous receipts. The difference between revenue receipts and current/non-development expenditure results in revenue surplus/deficit for the year which is transferred to the capital budget. The deficit of capital, revenue or both/expenditure is met out of borrowings.

#### **Capital Budget:**

The capital budget is designed to create material assets which add to the economic potential of country. Its main features are that it must involve construction of work or acquisition of permanent assets of public utility such as irrigation and industrial

projects. With ever increasing investment to promote economic development, the capital budget is assuming increasing importance. The capital expenditure is generally met from the revenue surplus, revenue funds borrowing for specific or general purpose.

### **Budget Process:**

#### **a. Budget Call Circular:**

The Process of budget formulation starts in October each year on issuance of a Budget Call Circular (BCC) by the Budget Wing, Ministry of Finance. The procedure applicable to the preparation of the budget estimates for a financial year is indicated by the Ministry of Finance every year in a "Budget Call Circular" issued to the administrative Ministries/Divisions and Departments of the Federal Government. The circular contains comprehensive instructions for the preparation and scrutiny of the budget estimates. It also sets out the target dates by which the various stages of budget formulation are to be completed. Since time factor is important, emphasis is laid, among other things, on the strict observance of the budget time table at all stages of budget making.

#### **b. Preparation of Estimates:**

**i. Expenditure:** The budget estimates for the ensuing year are formulated separately in respect of current expenditure and development expenditure. The estimates are supported by complete details.

The revised estimates for the current year, prepared simultaneously, include provision for such expenditure as has been duly authorized and for which there is reasonable expectation that it will be incurred before the close of year. In all cases where revised estimates for the year exceed the authorized grants, these have to be supported by documentary evidence to show that the increase has been duly authorized by the competent authority, and also the manner in which this excess is to be met, i.e., whether by re-appropriation from other items or a supplementary grant. In case the revised estimates are less than the authorized grants, the reasons for short utilization of the grants are to be invariably stated alongwith surrender order.

**ii. Revenues:** The revenue receipts estimates are submitted to the Budget Wing by the FBR. The non tax receipt is submitted to the Budget Wing by the various Ministries/Divisions and Departments where as the external receipts estimates are submitted to the Budget Wing by Economic Affairs Division.



After the finalization of the budget estimates in respect of receipt and expenditure, an Annual Budget Statement of the Federal Government in respect of every financial year along with other budget publication is laid down in the National Assembly. After the approval of the budget by the National Assembly, the budget publications are released to the various ministries/divisions and departments with the authorization to utilize the budget allocations from the 1<sup>st</sup> July of each financial year.

### **Financial Procedure:**

- i. Submission of Budget Proposals (Books) to the Federal Cabinet:**  
The Budget proposals prepared by the Ministry of Finance is considered by the Federal Cabinet and approved for presentation to the Parliament.
- ii. Submission of Budget/Finance Bill to the National Assembly:**  
The Minister of Finance shall, in consultation with Prime Minister and the Speaker, prepare a time table for the consideration of the Annual Budget by the National Assembly. The Secretary of the Assembly shall intimate the time-table so decided upon to all concerned.
- iii. Submission of Budget to the Senate:**  
Prior to the introduction of Legal Framework Order, there was no provision for the Senate to consider the Money bill (Budget). As per the current provision, budgetary documents are transmitted to the Senate at the same time when it is submitted to the National Assembly. The Senate may, within fourteen days, make recommendations thereon to the National Assembly. The National Assembly shall, consider the recommendations of the Senate and may pass the Budget with or without incorporating the recommendations of the Senate.
- iv. Authentication of the Schedule of Authorized Expenditure:**  
After the Budget is passed by the National Assembly, the schedule of authorized expenditure is authenticated by the Prime Minister. The schedule so authenticated shall be laid before the National Assembly, but shall not be open to discussion or vote thereon.
- v. Schedule of Authorized Expenditure:**  
After the budget has been approved by National Assembly, an authenticated Schedule of Authorized Expenditure is drawn up in the same form as the Annual Budget Statement, in-so-far as it relates to expenditure. This schedule approved and signed by Prime Minister constitutes the sole authority for withdrawal of money from the Federal Consolidated Fund. The Schedule reflects to the extent of expenditure to be made under a specific grant/appropriation. It also specify the expenditure Charged upon Federal Consolidated Fund and otherwise.

Article 82 of the Constitution provides that the expenditure 'charge' upon the Federal Consolidated Fund may be discussed in, but shall not be submitted to the vote of, the National Assembly.

Article 81, of the Constitution provides that following expenditures shall be charged upon the Federal Consolidated Fund:-

- a. The remuneration payable to the President and other expenditure relating to his office, and the remuneration payable to:-
- b. The judges of the Supreme Court;
- c. The Chief Election Commission;
- d. The Chairman and Deputy Chairman (of the Senate);
- e. The Speaker and the Deputy Speaker of the National Assembly;
- f. The Auditor General;
- g. Federal Ombudsman
- h. The administrative expenses, including the remuneration payable to officers and servants of the Supreme Court, the department of the auditor General and the office of the Election Commission and the Secretariat of the Senate and the National Assembly;
- i. All debt charges for which the Federal Government is liable, including interest, sinking fund charges, the repayment or amortization of capital, and other expenditure in connection with the raising of loans, and the services and redemption of debt on the security of the Federal Consolidated Fund;
- j. Any sums required to satisfy any adjustment, degree or award against Pakistan by any court or tribunal and;
- k. Any other sums declared by the Constitution or by Act of (Majlis-e-Shoora) (Parliament) to be so charged.

### **Budget Documents:**

Following budget documents are prepared/presented by the Budget Wing:-

- i. Finance Minister's Budget Speech.
- ii. Annual Budget Statement.
- iii. Budget in Brief.
- iv. Budget at a Glance.
- v. Explanatory Memorandum on Federal Receipts.
- vi. Estimates of Foreign Assistance.
- vii. Demands for Grants and Appropriation- (Including Schedule I, II & III).
- viii. Details of Demands for Grants and Appropriation - Pink Book (Volume I, II & III).
- ix. Medium Term Budgetary Statement
- x. Supplementary Demands for Grants and Appropriations.
- xi. Medium Term Budgetary Estimates for Service Delivery.
- xii. Finance Minister Winding-up Speech.
- xiii. Schedule of Authorized Expenditure.

## Pakistan – Consolidated Fiscal Operations 2018-19:

Budget Wing is also responsible to disseminate quarterly data in respect of Fiscal Operations, Federal, and Provincial as well as Consolidated, on the web-site of the Finance Division. [www.finance.gov.pk](http://www.finance.gov.pk) The Summary of Fiscal Operations for the year 2018-19 is given below:

(Rs. In Billion)		
Description	Budget Estimates 2018-19	Actual July-June 2018-19
<b>Total Revenue</b>	<b>5,582.7</b>	<b>4,900.7</b>
<b><u>Tax Revenue</u></b>	<b>4,847.9</b>	<b>4,473.4</b>
Federal	4,393.9	4,071.6
Provincial	454.0	401.8
<b><u>Non-Tax Revenue</u></b>	<b>734.8</b>	<b>427.3</b>
Federal	614.8	341.0
Provincial	120.0	86.3
<b>Total Expenditure</b>	<b>8,341.6</b>	<b>8,345.6</b>
Current	7,032.5	7,104.0
Out of which		
Mark-up Payments	1,987.3	2,091.1
Defence	1,137.7	1,146.8
<b>Development &amp; Net Lending</b>	<b>1,309.1</b>	<b>1,219.2</b>
Statistical Discrepancy	0.0	22.4
<b>BUDGET DEFICIT</b>	<b>2,758.9</b>	<b>3,444.9</b>
<b><u>As % of GDP</u></b>	<b>7.2%</b>	<b>8.9%</b>
<b><u>FINANCING</u></b>	<b>2,758.9</b>	<b>3,444.9</b>
<b>External</b>	<b>330.7</b>	<b>416.7</b>
<b>Domestic</b>	<b>2,428.2</b>	<b>3,028.2</b>
Non-Bank	1,071.9	765.0
Bank	1,356.3	2,263.2
Privatization Proceeds	0.0	0.0
<b>As % of GDP</b>		
<b>Total Revenue</b>	<b>14.5%</b>	<b>12.7%</b>
<b>Tax Revenue</b>	<b>12.6%</b>	<b>11.6%</b>
Federal	11.4%	10.6%
Provincial	1.2%	1.0%
<b>Non-Tax Revenue</b>	<b>1.9%</b>	<b>2.2%</b>
Federal	1.6%	0.9%
Provincial	0.3%	0.2%
<b>Total Expenditure</b>	<b>21.6%</b>	<b>21.6%</b>
<b>Current Expenditure</b>	<b>18.2%</b>	<b>18.4%</b>
<i>Out of which</i>		
<i>Mark-up payments</i>	5.2%	5.4%
<i>Defence</i>	3.0%	3.0%
<b>Development and Net Lending</b>	<b>3.4%</b>	<b>3.2%</b>

(Rs. In Billion)		
Description	Budget Estimates 2018-19	Actual July-June 2018-19
<b>GDP</b>	<b>38559</b>	<b>38559</b>
<b>Budget Deficit (As % of GDP)</b>	<b>7.2%</b>	<b>8.9%</b>

## **CENTRAL DIRECTORATE OF NATIONAL SAVINGS (CDNS)**

Central Directorate of National Savings (CDNS) is an Attach Department of the Finance Division, with a vision to “promote and inculcate the value of thrift for mobilization of savings” and a mission to “be the preferred institution” for small savers to facilitate objective of financial inclusion amongst masses being the foremost financial institution of the country.

National Savings has a network of 426 offices comprising 12 Regional Directorates, 16 National Savings Treasuries, 376 National Savings Centers, 01 Directorate of Inspection and Audit, 07 Zonal Inspection and Audit Offices, 12 Regional Accounts Offices and 02 Training Institutes.

Over a period of last one decade, National Savings has transformed itself from a mere debt raising arm of the Government of Pakistan to a vibrant organization promoting financial inclusion and ensuring Social Safety Net for the most deserving segments of the society. National Savings manages schemes for almost every segment of the society including widows, senior citizens, retired persons, students, and has recently included disabled persons and family members of the civilians and armed forces martyrs. In the F.Y 2018-19 major activities and achievements of CDNS are summarized as follows:

### **IT Transformation:**

CDNS is in the process of transformation and restructuring by adopting Information Technology in its operations. In this regard, following achievements have been made in the previous year.

- The data Centre has been established at National Telecommunication Corporation (NTC) and now 205 NSCs are connected to centralized location through Wide Area Network (WAN).
- CDNS Main Application Software system has been upgraded into state of the art Business Application Solution and successfully deployed at 35 National Savings Centers (SCs) of Karachi Region and 6 NSCs of Faisalabad Region. The deployment at remaining NSWCs is under process on fact track basis.

- The aforesaid achievement has enabled CDNS for provisioning of advance, efficient and value added services to its customers using Alternative Deliver Channels (ADCs) i.e. Debit/ATM Cards, etc.
- Protocols have been laid down with National Database Registration Authority (NADRA) for obtaining Verisys and Biosys, which are necessary in the new digitized set up of the organization.
- Agreement with 1Link has been signed for providing connectivity with banking sector/ATM operations.
- Department for International Development (DFID), UK has approved the Grant of PKR 698.15 million for automation of remaining NSCs/Offices by March, 202. Agreement in this regard has been signed and activities will be started soon.

## 1. Product Development

- After successful launch of Rs. 40,000 Premium Prize Bond (Registered), National Savings is in the process of launching of Rs. 100,000 registered prize bond.
- Withdrawal of Rs. 40,000 Prize Bond (Bearer) to promote the registered bond and to encourage documentation of economy.

## 2. Achievements of Investment Target

The targets of investment in NSS/Prize Bonds/Premium Prize Bonds assigned and achieved in FY 2018-19 are as follows:

PKR in Billion	
Budget Target (FY 2018-19)	Achievement FY 2018-2019
224	345

### Investment Figures From July, 2018 to June, 2019

#### PKR in Million

SCHMES	GROSS	NET
Defence Saving Certificates	122,133.290775	56,853.318607
National Deposit Certificates	0.016500	(0.034800)
Khass Deposit Certificates	-	(0.002300)
Special Saving Certificates	413,560.901850	27,106.096139
Special Saving Certificates (B)	-	-
Regular Income Certificates	414,027.155000	142,356.805793
Bahbood Savings Certificates	357,550.500000	119,573.109168
Short Term Savings Certificate	18955.870000	760.995000
Khass Deposit Accounts	-	(0.028773)
National Deposit Accounts	-	-
Savings Accounts	112,425.459654	942.620141
Special Saving Accounts	371,277.398112	(149,150.183632)
Mahana Amdani Accounts	3.020100	(69.282361)

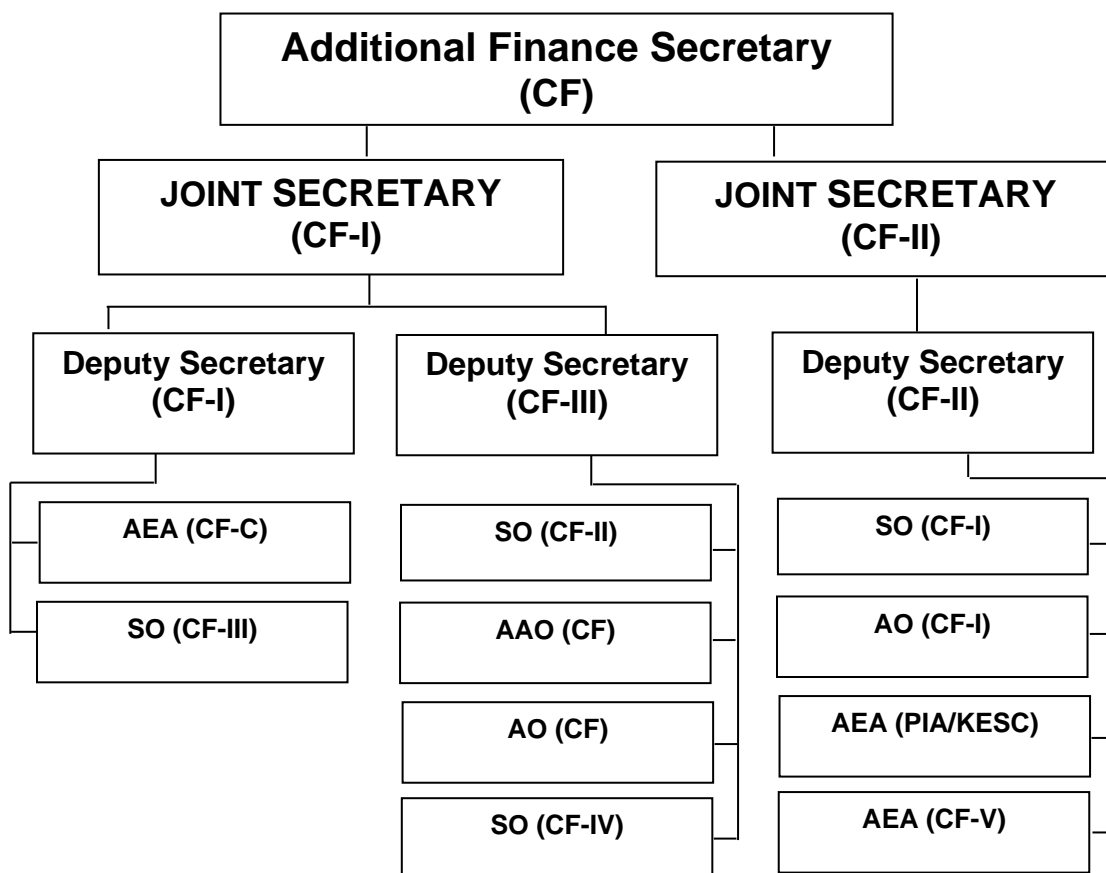
Pensioner's Benefit Accounts	124,059.710266	43,367.368837
Shuhda Welfare Accounts	43.740000	42.140000
<b>Total</b>	<b>1,934,037.062257</b>	<b>241,782.921819</b>
<b>Prize Bonds</b>	<b>152,809.682450</b>	<b>103,879.310300</b>
<b>Premium Prize Bonds</b>	<b>2,482.960600</b>	<b>132.120500</b>
<b>Grand Total:</b>	<b>2,089,329.705307</b>	<b>345,794.352619</b>

\* The data is provisional as figures of Prize Bonds and Premium Prize Bonds from SBP for June 2019 have not yet been received.

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# **CORPORATE FINANCE WING**

**CORPORATE FINANCE WING**  
**ORGANOGRAM**



**CORPORATE FINANCE WING INCUMBENT(S)**

Sr.No.	Name of officer	Designation	Telephone Number (Off)
1	Dr. Ahmad Mujtaba Memon	Additional Finance Secretary (CF)	9203373
2	Dr. Imranullah Khan	Joint Secretary (CF-I)	9203929
3	Mr. M. Anwar Sheikh	Joint Secretary (CF-II)	9211971
4	Mr. Athar Sajid Khan	Deputy Secretary (CF-I)	9203929
5	Mr. Shahnaz Akhtar	Deputy Secretary (CF-II)	9202063
6	Mr. M. Pervaiz Alam	Deputy Secretary (CF-III)	9201998
7	Mr. Muhammad Bilal	Section Officer (CF-I)	9205976
8	Mr. Muhammad Qadeer	Section Officer (CF-II)	9209462
9	Ms. Misbah ur Rehman	Section Officer (CF-III)	9209465
10	Mr. Mubashir Iqbal	Section Officer (CF-IV)	9214557
11	Mr. Allah Nawaz	Section Officer (CF-V)	9208221
12	Mr. Abdul Saboor Bhutto	Research Officer (CF-C)	9208219
13	Mrs. Benish Rehman	Research Officer (PIA/KESC)	9217859
14	Mr. Muhammad Asghar	AO (CF)	9203008
15	Mr. Fazal Kareem Babu	AAO (CF)	9058611



## **CORPORATE FINANCE-I WING**

The Corporate Finance-I Wing looks after the economic, financial, and corporate affairs of various Public Sector Entities (PSEs). The financial support is provided to the PSEs for their operational restructuring to make them sustainable entities. In this connection, GOP grants, loans and equity investments are provided. The PSEs are also allowed to avail Bank Credit as per Cash Credit Limits assigned by Finance Division against their own assets. In case of specific approval by ECC, sovereign guarantees of GoP are issued for credit to meet their financial requirements under GOP guarantees.

During the year, following type of financial releases/arrangements were made available to PSEs by CF-1 Wing:

### **CASH DEVELOPMENT LOANS:**

Cash Development Loans (CDL) are extended as per standard terms and conditions by Finance Division. During FY 2018-19 the following releases were made:

<b>Sr.No.</b>	<b>Particulars</b>	<b>Amount in Rupees</b>
<b>Cash Development Loan under PSDP Releases</b>		
1	National Highway Authority	75,579,860,000
2	Pakistan Broadcasting Corporation	68,906,000
	<b>Total</b>	<b>75,648,766,000</b>
<b>Other Loans</b>		
1	Pakistan Steel Mills	6,515,148,000
2	State Engineering Corporation	20,000,000
3	Pakistan Machine Tool Factory	96,000,000
	<b>Total</b>	<b>6,631,148,000</b>

### **EQUITY INVESTMENT:**

The following equity investments were made during FY 2018-19:

<b>S.No</b>	<b>Name of Scheme</b>	<b>Amount in Rupees</b>
1	GoP Equity Injection in Sarmaya-e-Pakistan Limited (SLP)	100,000,000

## **SUBSIDIES:**

Subsidies are provided to various entities as per decision of Government of Pakistan and accordingly in FY 2018-19 the following subsidies were released:

<b>Sr.No.</b>	<b>Particulars</b>	<b>Amount in Rupees</b>
	<b>PASSCO</b>	
1	Reimbursement of subsidy to PASSCO on account of wheat operation	1,500,000,000
2	Reimbursement of subsidy to PASSCO on account of paddy operation	1,989,320,000
3	Wheat reserve stock	5,000,000,000
4	Payment of subsidy to PASSCO on account of wheat supplies to Gilgit Baltistan (Arrears)	10,503,496,000
5	Reimbursement to PASSCO on account of donation of wheat by the Government of Pakistan	500,000,000
	<b>USC</b>	
6	Subsidy to USC For Ramzan Package	1,537,634,136
7	Subsidy to USC for sale of sugar (Arrears)	3,000,000,000
8	Subsidy to USC on account of sale of pulses, rice, tea, etc., at subsidized rates	1,592,365,864
	<b>Railways</b>	
9	Subsidy to Pakistan Railways to meet their losses	37,000,000,000
	<b>Others</b>	
10	Support for wheat /flour export	1,500,000,000
11	Subsidy on support for sugar export	6,184,000,000
12	Subsidy to TCP for import of urea fertilizers	5,000,000,000
	<b>Total</b>	<b>75,306,816,000</b>

## **GRANTS**

<b>Sr.No.</b>	<b>Particulars</b>	<b>Amount in Rupees</b>
1	Grant to Pakistan Textile City Ltd	14,374,000
2	Grant to Pakistan Machine Tool Factory	737,000,000
	<b>Total</b>	<b>751,374,000</b>

## **EXPORT SUPPORT:**

The following amounts were released during FY 2018-19 for various export schemes under Textile Policy 2014-2019, Strategic Trade Policy Framework 2015-18 and Prime Minister's Package for Exporters:-

S.No	Particulars	Amount in Rupees
1	Duty Drawback of Taxes Order, 2016-17	5,877,260,000
2	Duty Drawback of Local Taxes and Levies (Non Textile) Order, 2017	400,000,000
3	Drawback of Local Taxes and Levies, 2016-17	881,712,000
4	Drawback of Local Taxes and Levies, 2015-16	559,693,000
5	Duty Drawback of Local Taxes and Levies Order, 2015-Non Textile Sector	8,493,000
6	Duty Drawback of Local Taxes and Levies, 2014-15	46,254,000
7	Duty Drawback of Taxes Order, 2017-18	35,530,749,000
8	Local Taxes and Levies Drawback (Non-Textile) Order, 2017	3,147,659,000
9	KA-5005 Product Development Incentive Order, 2016	8,370,000
10	Drawback of Local Taxes & Levies (Non Textile) Order, 2016	18,180,000
11	Duty Drawback of Taxes Order, 2018-2021	3,427,380,000
12	Local Taxes & Levies Drawback (Non Textile) Order, 2018	121,400,000
	<b>Total Releases</b>	<b>50,027,150,000</b>

#### **DIVIDENDS FROM PSEs:**

During the financial year 2018-19 an amount of Rs 60.202 billion was received against revised budget target of Rs 60.606 billion, as receipt due to GoP. The details are as follows:

Sr.No.	Particulars	Revised Budget	Receipts
<b>Non Financial Institutions</b>		<b>Amount in Rupees</b>	
1	Oil & Gas Development Corporation	35,000.000	34,581.809
2	Pak Arab Refinery Ltd	7,800.000	7,800.000
3	Government Holding Pvt Ltd	5,000.000	5,000.000
4	Pak Telecommunication Co Ltd	4,750.000	4,756.602
5	Pakistan Petroleum Ltd	2,000.000	1,996.591
6	SNGPL	1,500.000	1,416.565
7	NTDC	1,159.000	1,159.408
8	Others	2,502.600	2,823.022
	<b>Total Non Financial Institutions</b>	<b>59,711.600</b>	<b>59,533.997</b>
<b>Financial Institutions</b>			
9	<b>Total Financial Institutions</b>	<b>895.000</b>	<b>668.076</b>
	<b>Total Dividend</b>	<b>60,606.600</b>	<b>60,202.073</b>

## **CORPORATE FINANCE-II WING**

Corporate Finance-II Wing (CF-II) continued to provide meaningful support in policy formulation and actively helped to address financial management issues concerning energy, water & power sectors and PIA to operate as self sustaining and efficient commercial bodies while allowing government intervention with or without GoP financing including issuance of GoP guarantees and other instruments. To this end Finance Division remained closely engaged with Power, Water, Petroleum and Aviation Divisions to advice on critical matters including restructuring, corporatization with or without disinvestment. With approvals of the competent forums and authorities, CF-II wing extended financial support to WAPDA / DISCOs, KESC and PIA in the form of GoP guarantees, development loans, equity and subsidies etc.

### **1. Power Sector:**

Energy supply is the life line of the country's economy. To overcome electricity shortage, the Government is working on multi-pronged strategy including development of power projects based on indigenous resources both in public and private sectors. The planned expansion in the generation capacity also requires matching transmission infrastructure through National Transmission and Despatch Company.

2. With a view to address the menace of circular debt and control losses in the energy sector, the present government on the direction of Prime Minister embarked on a wide-ranging energy sector reform program and took the following urgently required actions:

- Prioritized the settlement of circular debt and decided to mobilize Rs. 400-500 (b) through Islamic financing to clear the debt stock. Of this, Power Sector has raised commercial financing of Rs. 200 (b) through Pakistan Energy Sukuk-I in Feb-Mar 2019 to ease out the liquidity pressure of power sector and another tranche of Rs. 100 billion to be provided in due course.
- Rationalized Power and Gas tariff with minimum impact on lower categories of consumers.
- As a part of the government's pro-poor support, a Tariff Differential Subsidy (TDS) in power sector of over Rs. 160 billion has been disbursed during FY 2018-19
- Campaign against power defaulters and control of theft and T&D losses leading to additional recovery of Rs. 50 billion as of June 2019.
- The Government has accorded due attention to develop mega Hydel power projects including Mohmand Dam, Diamer Bahasha Dam and DASU HPP besides supporting renewable energy projects under Power Policy 2015.

- The Power Policy 2015 also encourages federating units to prepare their own policies for development of power projects. Accordingly, respective governments are making meaningful strides for development of power projects and Federal Government is providing necessary support.

## **2. Petroleum Sector:**

Policy measures and necessary actions taken by the Government have visibly improved the performance of oil and gas sector. A brief account is as follows:

- Government is endeavouring to turn SSGC and SNGPL into model utilities, be it profitability, customer care, provision of uninterrupted gas supply and efficient operations.
- Both Sui companies have been instructed to take effective steps in curbing UFG (Unaccounted for Gas) and improve customer care.
- Govt has ensured optimum utilization of RLNG to resolve the issue of demand and supply.
- Govt is dedicated to playing an active role in supporting and working with its stakeholders for growth in oil and gas market, expansion of OMCs (Oil marketing Companies) for sustainable energy sector development.

2. In addition to release of funds through budgetary allocations, following financing facilities were also provided oil and gas sector:

- GoP Guaranteed commercial financing has been provided for North South Gas pipeline and other infrastructure development projects.
- Another highly complicated issue faced by the new government was recovery of arrear of Gas Infrastructure Development Cess (GIDC) involving recovery of over Rs. 400 billion pertaining to the period from 2012 as of date, held up due to protracted litigation by the relevant companies. The Government in consultation with stakeholders evolved a workable mechanism to recover the GIDC in easy instalments.

## **3. PIAC**

In Oct 2018, PIA had 06 aircraft on ground; continuous flying on loss making routes had led to accumulated massive operating and financial. The schedule was not being followed and cleanliness, punctuality, and customer care were far below the industry standards. HR related issues included overstaffing, ghost employees and absentees. Airline was on the brink of bankruptcy due to which privatization was not an option. The Prime Minister directed the PIA management that in case PIA put its house in order, there will be no need for its privatization. Accordingly, Finance Division provided due support to Aviation Division in terms of re-financing of PIAC's debt stock and fresh financing with GoP guarantees of over Rs. 27 billion to keep the PIAC afloat and self sustaining. With concerted GoP support, the PIA in the

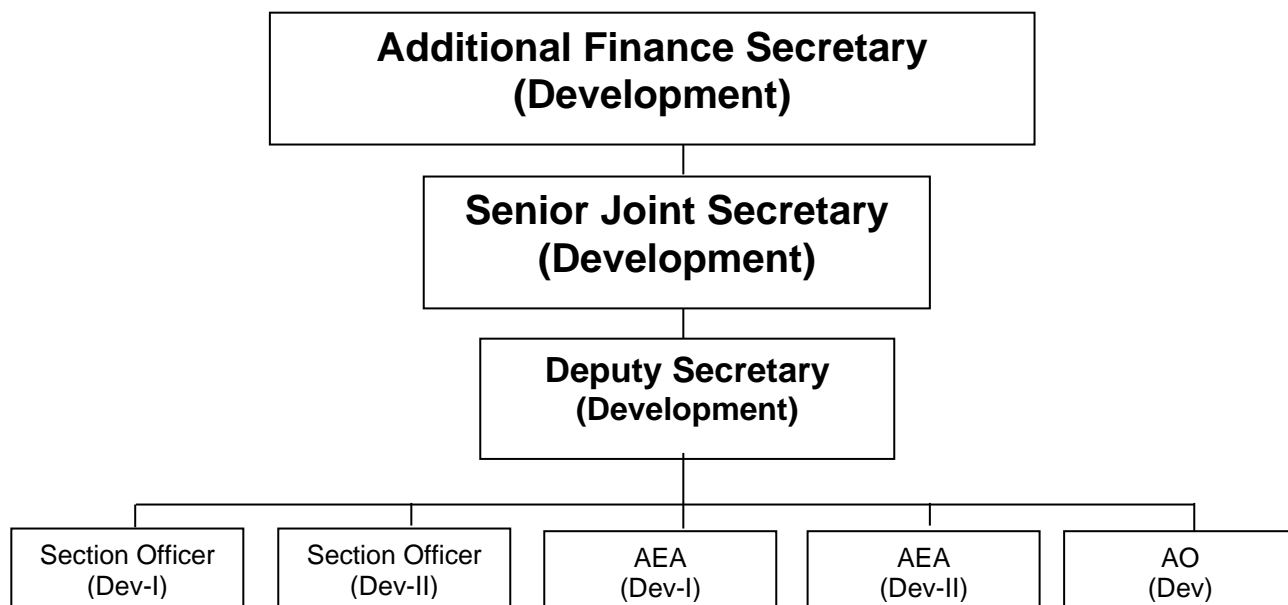
period of Oct 2018 to close of the current financial year showed significance progress. This included:-

- Revision of National Aviation Policy 2019 to help compete the national airline in the international aviation environment.
- Improving punctuality, regularity, cleanliness and customer services
- Laying off approximately 500 HR and closing 11 loss making routes
- Put a plan in action to save Rs.6.25 billion in 2019 with cost saving measures
- Increase in revenue by 15% with a yield increase of 21%
- Making of a Strategic 5-Year Business Plan for revival of PIA.



# **DEVELOPMENT WING**

**DEVELOPMENT WING**  
**ORGANOGRAM**



**DEVELOPMENT WING INCUMBENT(S)**

<b>Sr.No.</b>	<b>Name of officer</b>	<b>Designation</b>	<b>Telephone Number (Off)</b>
1	Dr. Arshad Mahmood	Additional Finance Secretary (Dev)	9202576
2	Mr. Amir Mahmood Hussain	Sr. Joint Secretary(Development)	9208066
3	Mr. Muhammad Anwar	Deputy Secretary (Dev)	9213764
4	Mr. Abdul Ghaffar Khan	Section Officer (Dev-I)	9204512
5	Mr. Nisar Ahmed Panezai	Section Officer (Dev-II)	9203592
6	Mr. Muhammad Shahzad Rafiq	Asstt. Eco. Adviser(Dev-I)	9213760
7	Mr. Zulfiqar Ali Kehar	Asstt. Eco. Adviser(Dev-II)	9217799
8	Mr. Muhammad Bashir	Accounts Officer (Dev)	9202336

**Functions/Task Assigned and Achievements:**

Development Wing of Finance Division is responsible for following functions/tasks assigned and achievements:-

- a. Coordination with regards to Public Sector Development Programme (PSDP) of Finance Division.
- b. Examination/preparation of briefs for CDWP/ECNEC/NEC meetings.
- c. Representation of Finance Division in quarterly review of Federal PSDP projects held in Planning, Development & Special Initiative Division.
- d. Coordination with respective F.A's Organization on PC-Is placed before CDWP & ECNEC meetings.
- e. PSDP releases for development projects of Finance Division (Main).



## **Achievements:**

2. During the FY 2018-19, the Development Wing represented Finance Division in one hundred (100) Pre-CDWP and Eleven (11) Post-CDWP meetings held in PD&SI Division to discuss/recommend/rationalize the cost of the PSDP projects.

3. During the period ten (10) CDWP, one (01) NEC and four (04) ECNEC meetings were held. The Development Wing examined/prepared briefs for the meetings. Two Departmental Accounts Committee meeting (DAC) and one Public Account Committee (PAC) meeting on appropriation of account of PSDP projects were held during 2018-19.

4. The Project Directors of respective projects are responsible for the expenditure incurred on the PSDP projects. The Development Wing coordinates/facilitates in the allocation and release of funds to the projects. The project wise allocation and release of funds during **FY 2018-19** is as follows:-

**(Rs. In million)**

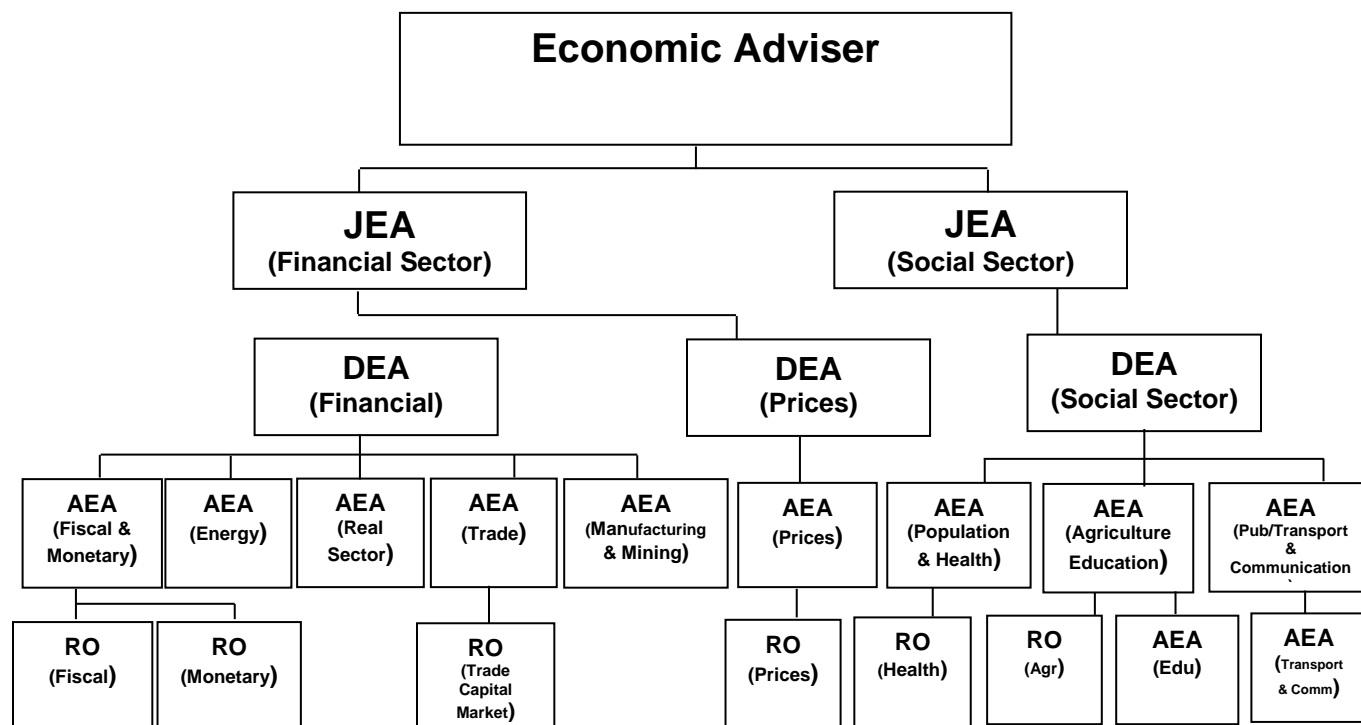
<b>Sr. No.</b>	<b>Name of the Project</b>	<b>PSDP Allocation 2018-19</b>	<b>Amount released FY 2018-19</b>
1.	Debt Management Strengthening Programme at Ministry of Finance (PSDP No.130)	60.000	28.227
2.	Energization and Functionality of Construction / Extension of Audit House, Islamabad (PSDP No.132).	179.656	88.897
3.	Financial Inclusion & Infrastructure Project (PSDP No.133)	1700.000	1700.000
4.	Assessing & Strengthening the Competition Regime in Pakistan (PSDP No.147)	157.100	Nil

5. The Development budget of Higher Education Commission is kept in the Demand of Finance Division. The Development Wing is also responsible to facilitate release of PSDP fund of the Higher Education Commission (HEC). During the FY 2018-19, an amount of Rs.30,961.475 million was allocated for HEC, which was revised/enhanced upto Rs.35,829.950 million while Rs.15,083.197 million was released.

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# **ECONOMIC ADVISER WING**

**ECONOMIC ADVISER WING**  
**ORGANOGRAM**



**ECONOMIC ADVISER WING INCUMBENT(S)**

Sr.No.	Name of officer	Designation	Telephone Number (Off)
1	Dr. Imtiaz Ahmad	Economic Adviser	9202023 9203388
2	Mr. Sohail Hanif	Joint Economic Adviser	9209506
3	Mr. Muhammad Asif	Deputy Economic Adviser	9208217
4	Mr. Muhammad Shuaib	Deputy Economic Adviser	9209369
5	Mr. Attaullah Shah	Assistant Economic Adviser	9217866
6	Ms. Nazia Gul	Assistant Economic Adviser	9207377
7	Mr. Omer Farooq	Assistant Economic Adviser	9209235
8	Ms. Nargis Bano	Assistant Economic Adviser	9209547
9	Mr. Zaila Husnain	Deputy Economic Adviser	9201276
10	Mr. Muhammad Ashfaq	Assistant Economic Adviser	9220789
11	Ms. Tahira Islam	Assistant Economic Adviser	9209327
12	Ms. Samina Khatoon	Assistant Economic Adviser	9204056
13	Ms. Rabia Akbar	Research Officer	9217883
14	Ms. Sidra Saddiq	Research Officer	9217883
15	Mr. Sangheen Khan	Research Officer	9204916
16	Hafiz Syed Muhammad Azeem	Research Officer	9204916
17	Mr. Faheem Anwar	Web Master	9223998

## **ECONOMIC ADVISER WING**

During FY 2018-19, Economic Adviser Wing provided technical and professional inputs on all relevant economic and financial matters to the higher offices of Finance Division.

Economic Adviser Wing during the period under review represented Ministry of Finance in meetings with International Monitoring Fund, World Bank, Asian Development Bank and other high level national committees like; National Accounts Committee, Standing Committee on Balance of Payments, Committee for formulation of 5 years Development Plans, Annual Plan Coordination Committee, Technical Committee for New Base Year, Data Producer Council and Federal Committee on Agriculture etc. The Wing also represented Finance Division in the working group in the formulation of 12<sup>th</sup> five year development plan.

EA wing regularly prepares and updates Macro Economic Framework to forecast economic condition. The Wing also provides input/comments on State Bank of Pakistan Quarterly & Annual reports, Standard and Poors, Fitch and Moodys etc.

EA Wing also acts as a resource tool for GOP in its training and development activities. During 2018-19, the Economic Adviser made several presentations and delivered lectures on economic situation to important national institutes such as National Defence University, Staff College and National Institute of Public Administration.

### **Macroeconomic Coordination Unit:**

A Macroeconomic Coordination Unit (Integration of Fiscal-BOP-Monetary) is established on 13<sup>th</sup> August, 2018 on the direction of Finance Minister to serve as the principal unit for coordinating work on the modeling and forecasting of macroeconomic variables. The unit will interface with the relevant wings and departments of the Finance Division including MTBF, Planning Commission, Federal Board of Revenue, Pakistan Bureau of Statistic, Debt Policy Coordination Office and the State Bank of Pakistan.

The MCU will Develop and maintain a macroeconomic framework using among others IMF's Financial Programming and Policy Framework, to produce consistent set of baseline and reform scenario projections on quarterly basis of the four sectors i.e. real, external, fiscal and monetary of the economy. The unit will establish a routine reporting system in which updated forecasts of the key macroeconomic variables are provided to the top management of the Finance Division on a regular basis.

## **Publication – Pakistan Economic Survey:**

During the period under review, a comprehensive exercise was carried out for publication of Pakistan Economic Survey 2018-19 along with its highlights both in English and Urdu and was launched on 10<sup>th</sup> June, 2019 by the Finance Minister before the announcement of Federal Budget. Economic Survey evaluates the overall economic performance of the country, government's policies and implementation status in all sectors on the basis of preceding fiscal year's data and consists of the following 16 chapters:-

### **Overview of the Economy:**

- i) Growth and Investment
- ii) Agriculture
- iii) Manufacturing and Mining
- iv) Fiscal Development
- v) Money and Credit
- vi) Capital Markets & Corporate Sector
- vii) Inflation
- viii) Trade and Payments
- ix) Public Debt
- x) Education
- xi) Health and Nutrition
- xii) Population, Labour Force and Employment
- xiii) Transport and Communication
- xiv) Energy
- xv) Social Protection
- xvi) Climate Change

Pakistan Economic Survey is also placed before the members of the Parliament for discussion during the budget session. Economic Survey is widely distributed and highly demanded document at national as well as international level including students, academia, researchers' embassies, public and private sectors organisations etc. Soft copies on CD format are also prepared for the users. Soft version of Economic Surveys published during the last thirteen years can also be accessed on ([www: finance.gov.pk](http://www.finance.gov.pk)). So far over 42,000 visitors accessed the document and around 3000 copies of Economic Survey distributed during the said period.

### **Publication-Statistical Supplement of Pakistan Economic Survey:**

Economic Adviser's Wing also publishes the Supplement of Pakistan Economic Survey that comprises the data for the entire fiscal year (July-June) along with data series of several preceding years on various chapters published in the Economic Survey. This is a complete document on the economic data of the country that presents historical prospects of all the economic indicators. Data on each sector is compiled in close coordination with the concerned organizations like State Bank of Pakistan, Pakistan Bureau of Statistics, Federal Board of Revenue and various Ministries/Divisions/Agencies & Departments. Statistical Supplement of the Pakistan Economic Survey 2017-18 was published on 10<sup>th</sup> December, 2018.

### **Review and Reporting Economic Situation:**

Economic Adviser's Wing provides a fortnightly comprehensive presentation to the Economic Coordination Committee (ECC) of the Cabinet when agenda item is taken on State of the Economy, the price situation, commodities stock position, analysis of regional prices of consumer items and other economic indicators.

### **National Price Monitoring Committee (NPMC) meetings:**

ECC of the Cabinet has formed a special National Price Monitoring Committee under Finance Secretary since January 2011 to ensure stability in the prices of essential commodities. EA Wing is the Secretariat of the committee having representation from provincial governments and relevant federal ministries to review and monitor supply situation of essential food items on monthly basis. The committee is assigned to improve mechanism to mitigate the price pressures and to ensure smooth supply of essential commodities. The Committee held 02 meetings during FY 2018-19 and total 34 meetings since its inception.

### **Monetary and Fiscal Coordination Board meetings:**

Economic Adviser's Wing also serves as the Secretariat of Monetary and Fiscal Policies Coordination Board headed by the Finance Minister to review the current economic situation and impact of monetary policy on economic growth, investment, trade and balance of payments etc. Members of the said Board include Minister for Commerce, Deputy Chairman Planning Commission, Secretary Finance Division, Governor State Bank of Pakistan and two eminent economists. During the period under review, the board held 02 meetings and total 26 meetings so far been held.

### **Parliament Business:**

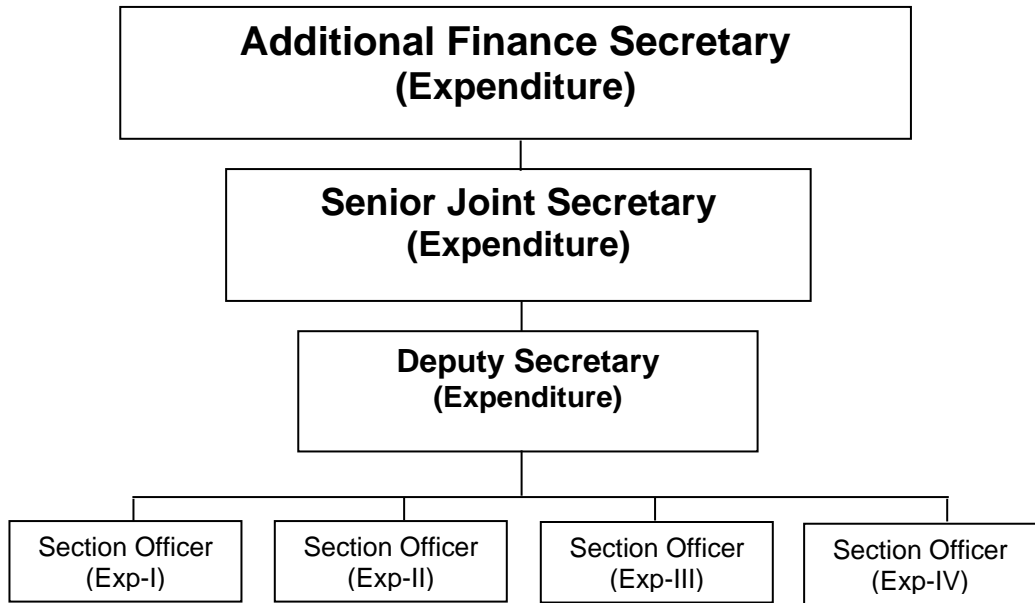
Under the Rules of Business, Economic Adviser's Wing is also tasked to prepare replies and responses pertaining to the National Assembly and Senate questions, resolutions and replies to the motions for the Finance Minister/Parliamentary Secretary. Similarly, briefs and speeches for Finance Minister for different economic forums were also prepared.



# **EXPENDITURE WING**



**EXPENDITURE WING**  
**ORGANOGRAM**



**EXPENDITURE WING INCUMBENT(S)**

<b>Sr.No.</b>	<b>Name of officer</b>	<b>Designation</b>	<b>Telephone Number (Off)</b>
1	Dr. Arshad Mahmood	Additional Finance Secretary (Dev)	9202576
2	Mr. Aamer Mahmood Hussain	Sr. Joint Secretary (Exp)	9213690
3	Mr. Shahzad Ahmad	Deputy Secretary (Exp)	9208056
4	Mr. Imran Rashid Butt (Look after)	Section Officer (Exp-I)	9205364
5	Mr. Imran Rashid Butt	Section Officer (Exp-II)	9213930
6	Mr. Nadeem Arshad	Section Officer (Exp-III)	9201005
7	Ms. Shaista Jabeen	Section Officer (Exp-IV)	9208034

## AUDITOR GENERAL OF PAKISTAN

Audited Accounts for the FY2017-18

S. #	Government	No. of Accounts Certified	Size of Accounts Rs.	Nature of Audit Certificate
1	Federal	2	31,882,565,890,283	2 Unqualified
2	Self-Accounting Entities	8		5 Unqualified, 2 Qualified, 1 adverse
3	Provincial- Punjab+ Punjab Health +Punjab Education	147	1,594,251,714,962	4 Qualified, 143 Unqualified
4	Provincial- Sindh	3	936,327,168,759	Unqualified
5	Provincial- KP + Distt KP	3+52=55	517,871,389,485	Unqualified
6	Provincial- Balochistan	2	259,803,218,884	Unqualified
7	ERRA	1	3,899,314	Unqualified
8	AJ&K Council	2	15,468,178,539	Unqualified
9	AJ&K Government	2	112,824,923,013	Unqualified
10	Gilgit Baltistan Council	2	897,749,469	Unqualified
11	Gilgit Baltistan Government	2	47,877,923,880	Unqualified
Total		226		-

The audit findings pointed out over payments and facilitated the recovery of a total of Rs.129,148.121million. Table below provides nationwide figures of audit reports issued in the audit year 2018-19:

(Rs. in millions)

Sr. No.	Description	Total
1	Total amount audited	43,878,765.97
2	Recovery made at the instance of audit	129,148.121
3	Amount placed under audit observations	24,383,042.864

The Audit Wing wise detail is as under:

(Rs. in millions)

S#	Description	Total amount Audited	Recovery made at the instance of audit	Amount placed under audit observations
1	DAG (FAO)	31,922,040.27	5,055.74	15,698,923.45
2	DAG (CA&E)	5,799,434.64	108,477.86	6,547,244.87
3	DAG (DA)	612,373.81	2,955.23	418,966.13

4	DAG (North)	178,360.85	1,058.961	115,043.634
5	DAG (South)	2,078,402.17	1,283.26	452,064.99
6	DAG (SSA & RRA)	2,244,511.00	5,882.94	516,549.00
7	DAG (Central)	1,043,643.23	4,434.13	634,250.79
<b>Total</b>		<b>43,878,765.97</b>	<b>129,148.121</b>	<b>24,383,042.864</b>

The Field Audit Offices produced 409 audit reports based on the audit of entities receiving funds from the Federal, Provincial and District Budgets.

S#	Description	No of Reports
1	Audit Reports	116
2	Special Audit Reports	45
3	Performance Audit Reports	33
4	Other Audit Reports (Audits of Foreign Aided Projects (FAP), IT & Environment Audit etc.)	215
<b>Total</b>		<b>409</b>

The Audit Wing wise detail of Audit Reports is as under:

Sr. No.	Description	Compliance with Authority Audit Reports	Special Audit Reports	Performance Audit Reports	Other Reports	Total Reports
1)	DAG (FAO)	14	15	3	43	75
2)	DAG (CA&E)	52	7	9	45	113
3)	DAG (DA)	2	5	1	9	17
4)	DAG (North)	31	4	7	41	83
5)	DAG (South)	5	3	7	32	47
6)	DAG (SSA & RRA)	1	7	1	2	11
7)	DAG (Central)	11	4	5	43	63
<b>Total</b>		<b>116</b>	<b>45</b>	<b>33</b>	<b>215</b>	<b>409</b>

Table showing the detail of violation of Rules etc.

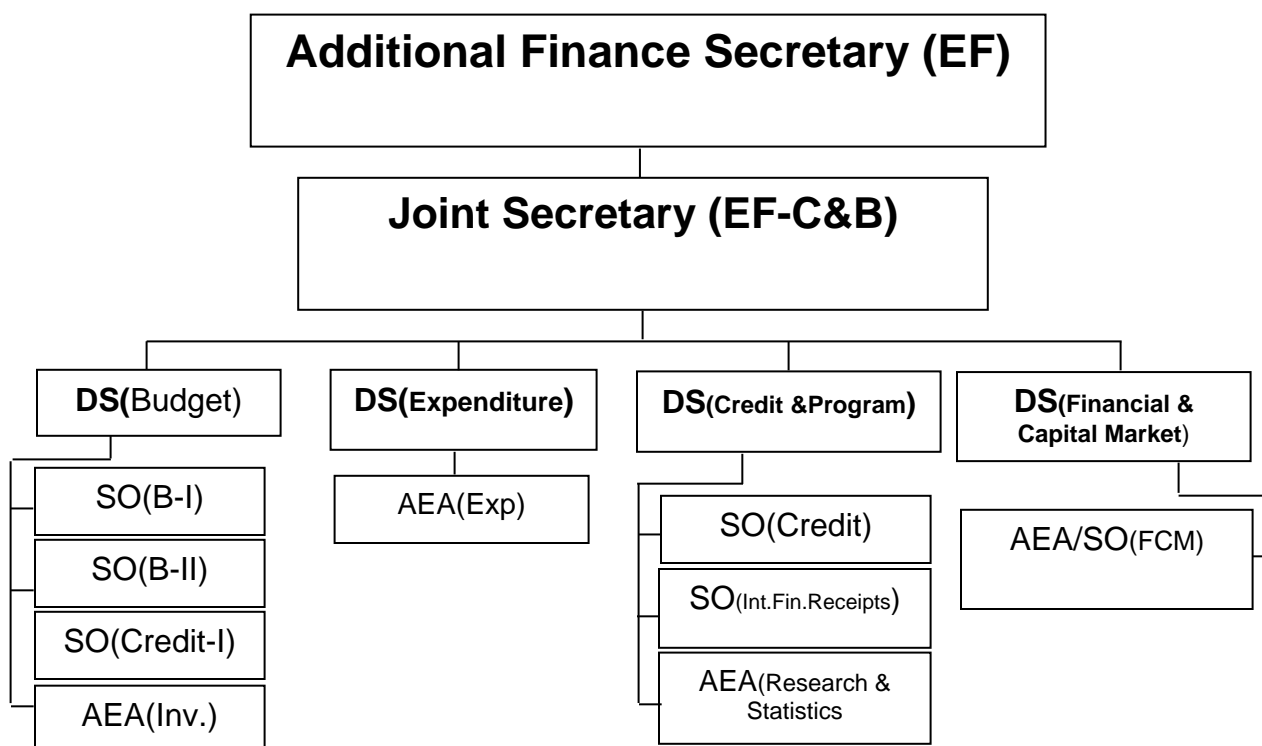
(Rs. in million)

Description	DAG (FAO)	DAG (CA&E)	DAG (DA)	DAG (North)	DAG (South)	DAG (SSA & RRA)	DAG (Central)	Total
Violation of Rules and regulations as well as principle of propriety and probity in public operations.	312,313.45	1,096,667.64	275,418.44	31,682.05	168,924.499	502,212.76	376,255.97	2,763,474.809
Reported cases of fraud, embezzlement, thefts and misuse of public resource.	944.627	5,746.60	32.76	923.601	743.39	91.07	7,357.42	15,839.468
Accounting Errors	27,150.26	157,640.59	2,118.91	7,874.646	134,742.17	0	31,124.11	360,650.686
Weaknesses of internal control systems.	14,564,599.75	1,077,982.14	78,832.11	38,962.281	2,283.477	1,940.79	64,486.96	15,829,087.511
Recoveries and overpayments	186,629.898	3,016,219.81	59,953.91	31,679.204	80,750.033	12,304.38	42,914.11	3,430,451.345
Non-Production of record	1,593.955	2,085.52	75.682	2,307.419	38,269.491	0	7,146.80	51,478.867
Others	62,691.511	739,763.93	2,534.05	1,614.43	26,351.971	0	104,975.43	937,931.322



**EXTERNAL  
FINANCE  
(C&B) WING**

**EXTERNAL FINANCE (C&B) WING**  
**ORGANOGRAM**



**EF (C&B) WING INCUMBENT(S)**

Sr.No.	Name of Officer	Designation	Telephone Number (Off)
1	Mr. Kamran Ali Afzal	Additional Finance Secretary (EF)	9202584
2	Mr. Iftikhar Amjad	Joint Secretary (EF-C&B)	9202212
3	Mr. Shahid Raza	Deputy Secretary (EF-Exp)	9203237
4	Mr. Shahid Ali	Deputy Secretary (EF-C&B)	9209615
5	Mr. Muhammad Irfan	Deputy Secretary (EF-FCM)	9209174
6	Mr. Shahid Raza	Deputy Secretary (EF-B/EF-Programme)	9208212
7	Ms. Aneeqa Mehmood	SO (EF-IFR)	9209583
8	Mr. Rameez Azam	SO (EF-B-II) (Adll. Charge)	9201255
9	Rana Waqar Ahmad Khan	AEA (EF-B-IV)	9209583
10	Ms. Anam Jamal	SO (EF-C-I)	9209844
11	Mr. Abid Akhtar	AEA (EF/Exp)	9204228
12	Mr. Muhammad Sarfraz Butt	AEA (EF-R&S)	9207240

## **EXTERNAL FINANCE (C&B) WING**

### **Achievements:**

The stabilization measures introduced by the Government in FY 2018-19 were successful in improving macroeconomic fundamentals and addressing Pakistan's external account vulnerabilities. Brotherly countries like the Kingdom of Saudi Arabia, United Arab Emirates and Qatar reposed confidence in the Government's reforms agenda and provided deposits and deferred payment oil financing facilities to support the country's balance of payments position. The Government also finalized an Extended Fund Facility with the IMF after several rounds of talks to reach common ground.

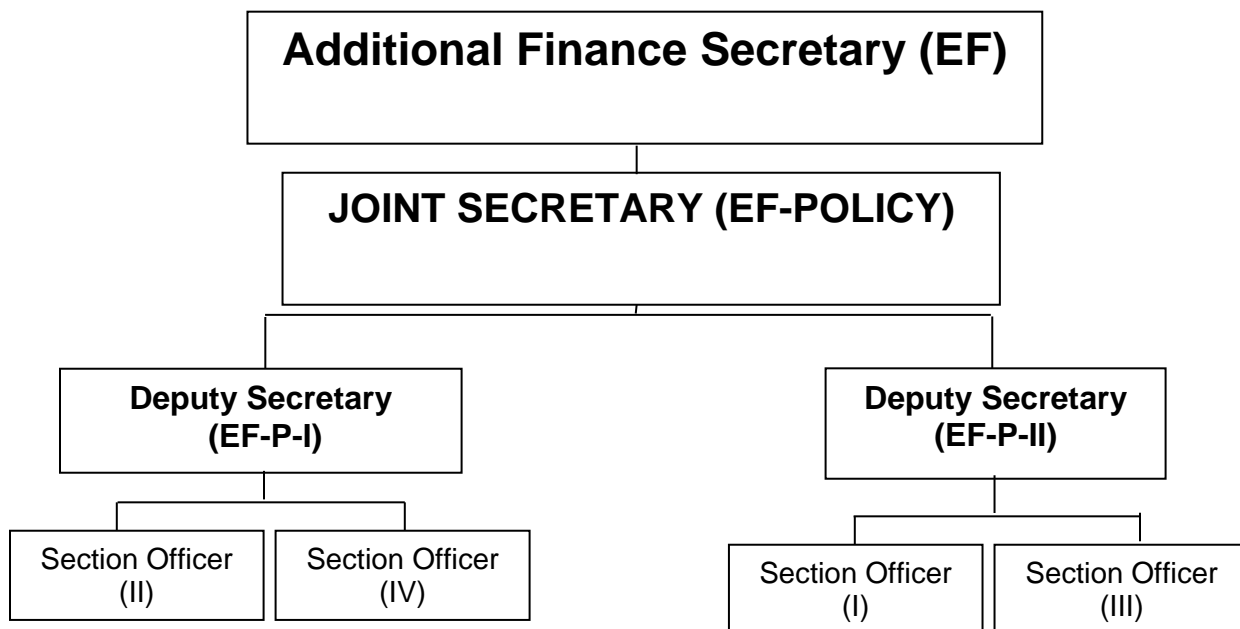
In line with the Government's commitment to work for the welfare of overseas Pakistanis, "Pakistan Banao Certificates" were launched by the Prime Minister on 31<sup>st</sup> January, 2019. These certificates provide an attractive investment opportunity to the Pakistani diaspora by offering sizable returns.

Pakistan's robust relationship with bilateral and multilateral development partners continued with the Government negotiating a two year Trade and Competitiveness Policy Based Loan with the Asian Development Bank to bring about necessary reforms in the trade and competitiveness framework of the country. Similarly, dialogue was initiated with the World Bank on policy reforms under a three year Resilient Institutions for Sustainable Economy programme focusing on better fiscal management, sustainability and economic growth.

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# **EXTERNAL FINANCE POLICY WING**

**EXTERNAL FINANCE (POLICY) WING**  
**ORGANOGRAM**



**EF-P WING INCUMBENT(S)**

<b>Sr.No.</b>	<b>Name of officer</b>	<b>Designation</b>	<b>Telephone Number (Off)</b>
1	Mr. Kamran Ali Afzal	Additional Finance Secretary (EF)	9202584
2	Mr. Amir Nazir Gondal	Joint Secretary (EF-P)	9222982
3	Syed Ahmad Raza Asif	Deputy Secretary (EF-P-I)	9204814
4	Dr. Irfan Abbas Shah	Deputy Secretary (EF-P-II)	9204844
5	Malik Ishfaq Khan	Section Officer (EF-P-I) Add. Charge	9201853
6	Mr. Ghulam Yasin	Section Officer (EF-P-II)	9201332
7	Malik Ishfaq Khan	Section Officer (EF-P-III)	9209665
8	Mr. Ghulam Yaseen Sanghro	Section Officer (EF-P-IV)	9208286



## **EXTERNAL FINANCE (POLICY) WING**

### **Activities:**

External Finance Policy (EF-P) Wing deals with multilateral and bilateral institutions like the World Bank Group (IDA, IBRD, IFC and MIGA), International Fund for Agricultural Development (IFAD), SAARC Development Fund (SDF) and ECO Trade and Development Bank. It is the focal point for Pakistan Poverty Alleviation Fund (PPAF), Joint Ministerial Commission (JMCs) and Joint Economic Commission (JECs). Performance of the wing during FY 2018-19 remained as under.

Federal and provincial governments' expenditures were tracked under Poverty Reduction Strategy Paper-II (PRSP-II) for FY 2017-18 and uploaded the same on MoF's website.

Technical assistance from UN Women on gender-based budgeting for Budget Wing was secured.

Dialogue with the World Bank was initiated on policy reforms under its 3-year "Resilient Institutions for Sustainable Economy (RISE)" program focusing on Fiscal Management & Sustainability and Economic Growth & Competitiveness.

Terms and conditions of WB loans and grant worth \$ 1.89 billion for various projects and programs were got approved.

USD 100 million were disbursed under the WB's "Public Financial Management and Accountability to Support Service Delivery-Program for Results (PfR)".

Pakistan Poverty Alleviation Fund (PPAF), set up by the Government of Pakistan as an autonomous not-for-profit organization, has disbursed an amount of approximately PKR 195.79 billion to its Partner Organizations (POs) in 137 districts across the country.

During the same period, PPAF disbursed 8.4 million microcredit loans with 60% loans to women and 80% financing extended to rural areas. Over 38,200 health, education, water and infrastructure projects completed; 440,000 credit groups and 134,000 community organizations formed, 429,600 individuals received skills/entrepreneurial trainings, 113,000 productive assets transferred to ultra and vulnerable poor households (46% women), over 516,000 interest free loans (68% women beneficiaries) disbursed through Prime Minister's Interest Free Loan (PMIFL) scheme, 26,000 individuals including women and youth trained on

enterprise development under Waseela-e-Haq National & Waseela-e-Haq Sindh programme of BISP and facilitated in establishing their successful ventures, and 30,800 persons with disabilities rehabilitated.

During FY 2018-19, Pakistan Poverty Alleviation Fund (PPAF) has managed to disburse an amount of PKR 790 million to its partner organizations (POs) under PPAF core interventions administered under various PPAF supported programmes.

National Poverty Graduation Programme (NPGP), to be funded by International Fund for Agriculture Development (USD 100 million) and Government of Pakistan (USD 50 million), was launched during FY 2018-19. The programme is to be implemented over a period of six years in 375 union councils of 23 districts of Pakistan. The programme aims to assist the ultra-poor and very poor in graduating out of poverty on a sustainable basis while simultaneously improving their overall food security, nutritional status and resilience to climate change. Three main activities of the programme include; asset transfers, interest free loan and social mobilization. The programme would directly benefit 176,877 asset transferees and 159,399 households with access to finance.

## **MILITARY FINANCE WING**

### **Rawalpindi**

Finance Division (Military Finance Wing) deals with preparation, execution, monitoring of Budget, and expenditure relating to Ministry of Defence, M/o Defence Production, Armed Forces, Inter Services Organizations, DP establishments, procurement of all Defence equipments, and all other related financial matters pertaining to them. Military Finance Wing have performed the assigned jobs in accordance with the laid down procedures/instructions and set targets, including Budget Estimates as well as Revised Estimates and expenditure relating to Development Projects and miscellaneous stores during FY 2018-19. It is felt that it would not be appropriate to divulge the nature of all its cases/contracts and activities, being classified in nature and financed from classified Defence Budget. However, it is worth mentioning that while concurring all procurement and development contracts due care has been exercised for optimum utilization of available resources and adherence to rules by applying different financial techniques to get best value for the money. In addition, achievements in other main areas are highlighted as under:-

#### **Budget Allocation/Expenditure:**

Ministry of Defence demanded supplementary budget worth Rs.39971.000 million for the Financial Year 2018-19. This proposal was examined in detail and the demand was rationalized and reduced to Rs.37751.500 million.

#### **Accounting of Defence Expenditure:**

Defence expenditure/receipts are classified in 30 main heads and a large number of sub heads, minor heads and detail heads. To cope with the day to day requirements, necessary changes are carried out in the classification hand book. All proposals on this account have been examined carefully to ensure transparency in reporting/booking of expenditure.

#### **Purchase of Stores:**

Endeavor has always been made to meet the operational requirements of the Armed Forces within the allocated resources. In this regard, extra efforts were made by persuading the procurement Agencies to generate healthy competition among the competitors in order to ensure transparency and best value for money, as per instructions of the Public Procurement Rules, 2004 (PPRA Rules, 2004).

Indigenization efforts are being encouraged to support growth of our Defence industries to reduce reliance on imports and to compete in the international market for increasing exports.

### **Development Projects:**

To bolster our Defence, various projects are prepared by services HQs/DP establishment and submitted to Finance Division (Military Finance Wing) for appraisal. It is highly professional job which requires well trained staff having expertise in a project appraisal field. Financial appraisal of the project is carried out to ensure optimum utilization of resources. Proposals about manpower, equipment and support services requirements are scrutinized on the basis of financial analysis techniques and modern HRM practices.

### **Special Packages:**

To meet the requirement of mega Defence projects, internal security and execute the future plan to modernize our Defence forces, funds are allocated with thorough scrutiny. It is strictly watched that funds are utilized according to the laid down procedure with proper accounting.

### **Miscellaneous Activities and Achievements:**

- Optimum efforts have been made to facilitate Armed Forces and Attached Departments of Defence Division for timely flow of finances, strictly within the parameters of existing rules and regulations.
- The trend of expenditure were closely monitored throughout the year to pre-empt over expenditure by the Departments/Services.
- In cases where public interests are involved, efforts were made to hold the tenets of natural justice, without compromising the interests of the state.
- To enhance the performance of this Division, most of the Wings/Sections have been provided/equipped with latest equipment.

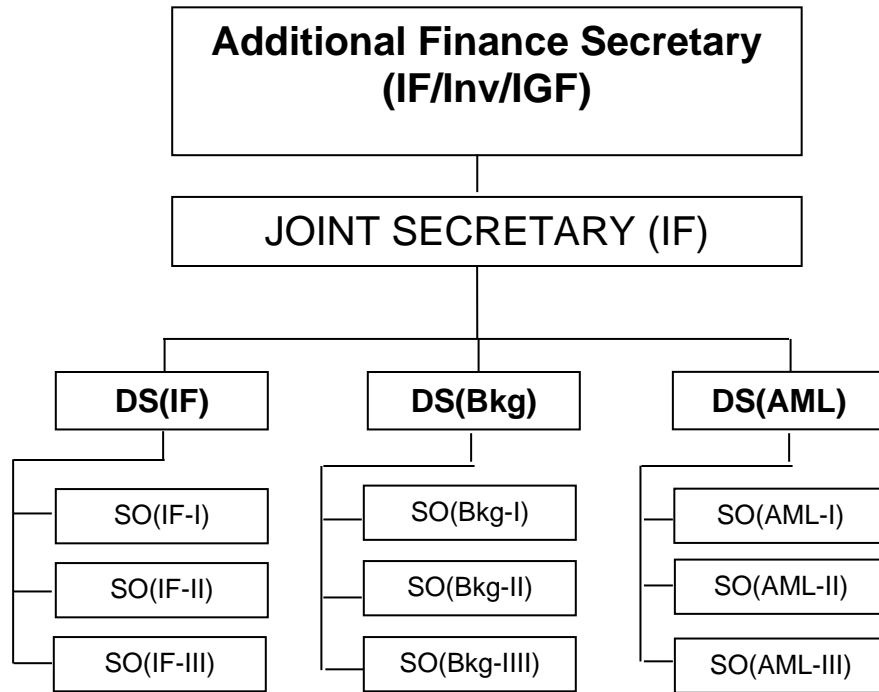
### **Program of Activities/Targets:**

- Timely disposal of all cases.
- Strict adherence to relevant financial regulations and procedures in finalization of cases including financial concurrence.
- Finalization of Revised Estimates 2018-2019 and Budget Estimates 2019-2020 with due regard to economy in expenditure.
- All the targets assigned to this Division have been achieved well in time and within the stipulated period with no pendency at the end of last financial year i.e. 30<sup>th</sup> June, 2019.
- Track record reveals that the inputs of this wing have led to value-creation and yielded savings for national exchequer after cost rationalization without compromising operational efficiency.

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# **INTERNAL FINANCE WING**

**INTERNAL FINANCE WING**  
**ORGANOGRAM**



**IF WING INCUMBENT(S)**

Sr.No.	Name of officer	Designation	Telephone Number (Off)
1	Mr. Mohammad Sohail Rajput	Additional Finance Secretary (IF/INV/IGF)	9211168
2	Mr. Iftikhar-ul-Hassan Shah Gilani	Joint Secretary (IF)	9205331
3	Mr. Suhbat Ali Talpur	Deputy Secretary (Bkg)	9209497
4	Mr. Asif Ali Alvi	Deputy Secretary (AML)	9209795
5	Mr. Rauf Ahmad	Deputy Secretary (IF)	9204482
6	Ms. Sonia Nawaz	Section Officer (Bkg-I)	9209475
7	Ms. Mubeen Saeed	Section Officer (Bkg-II)	9209504
8	Syed Muhammad Ayaz	Section Officer (Bkg-III)	9208225
9	Sardar Shahzad Khan	Section Officer (AML-I)	9207080
10	Ms. Zill-e-Huma	Section Officer (AML-II)	9209241
11	Sardar Shahzad Khan (Look after charge)	Section Officer (AML-III)	9207080
12	Rana M. Sajjad Anwar	Section Officer (IF-I)	9209556
13	Ms. Tasnim Bajwa	Section Officer (IF-II)	9211518
14	Rana M. Sajjad Anwar	Section Officer (IF-III)	9209568

## INTERNAL FINANCE WING

### State Bank of Pakistan (SBP):

The State Bank of Pakistan (SBP) is incorporated under the State Bank of Pakistan Act, 1956, which gives the Bank the authority to function as the central bank of the country. The SBP, Act mandates the Bank to regulate the monetary and credit system of Pakistan and to foster its growth in the best national interest with a view to securing monetary stability and fuller utilization of the country's productive resources.

### Agricultural Finance Review 2018-19:

Agriculture financing continued to demonstrate growth momentum as disbursements crossed Rs 1.0 trillion mark for the first time to reach Rs. 1,174 billion in FY19; 21% higher than the disbursement of Rs 973 billion of FY 2017-18. The financial institutions were thus able to achieve 94 percent of their annual indicative agriculture disbursement target of Rs 1,250 billion, set by Agricultural Credit Advisory Committee for FY19. In terms of credit demand, financial institutions were able to meet 77 percent of Rs 1,519 billion demand, which is an all-time high. Outstanding financing portfolio also increased during the year to reach Rs 562.4 billion at end June 2019 compared to Rs 469.4 billion of corresponding month last year. Further, the outreach in terms of number of agri. borrowers increased to 4.01 million with growth of 8% in June 2019 compared with 3.72 million borrowers in June 2018. The group wise banks YOY performance is shown in Table below:

<b>Agricultural Credit Targets and Disbursement</b>							
<b>Banks</b>	<b>(Billion Rupees)</b>						
	<b>FY 2018-19</b>			<b>FY 2017-18</b>			<b>% YOY</b>
	<b>Target</b>	<b>Disbursed</b>	<b>% Achieved</b>	<b>Target</b>	<b>Disbursed</b>	<b>% Achieved</b>	
<b>5 Big CBs</b>	<b>651</b>	<b>653.5</b>	<b>100.4</b>	<b>516</b>	<b>523.9</b>	<b>101.5</b>	<b>25</b>
<b>ZTBL</b>	<b>100</b>	<b>71.5</b>	<b>71.5</b>	<b>125</b>	<b>83.2</b>	<b>66.5</b>	<b>(14)</b>
<b>PPCBL</b>	<b>13</b>	<b>9.7</b>	<b>74.4</b>	<b>15</b>	<b>10.7</b>	<b>71.5</b>	<b>(10)</b>
<b>DPBs (14)</b>	<b>245</b>	<b>211.9</b>	<b>86.5</b>	<b>200</b>	<b>184.9</b>	<b>92.4</b>	<b>15</b>
<b>IBs (5)</b>	<b>50</b>	<b>39.4</b>	<b>78.8</b>	<b>20</b>	<b>16.4</b>	<b>82.0</b>	<b>140</b>
<b>MFBS (11)</b>	<b>156</b>	<b>154.0</b>	<b>98.7</b>	<b>100</b>	<b>124.8</b>	<b>124.8</b>	<b>23</b>
<b>MFIs/RSPs</b>	<b>35</b>	<b>34.0</b>	<b>97.1</b>	<b>25</b>	<b>28.8</b>	<b>115.0</b>	<b>18</b>
<b>Total</b>	<b>1,250</b>	<b>1,174.0</b>	<b>93.9</b>	<b>1,001</b>	<b>972.6</b>	<b>97.2</b>	<b>21</b>

**Source: Agricultural Credit & Microfinance Department, SBP.**

The above-mentioned growth can be attributed to various initiatives taken by SBP for promotion of agriculture finance in the country. Details of some of the recent initiatives for promotion of agriculture financing are as under:

## **Activities and Function of Agriculture Financing:**

Details of some of the recent initiatives for promotion of agriculture financing are as under:

- 1. Implementation of Credit Guarantee Scheme for Small and Marginalized Farmers (CGSSMF):** CGSMF was implemented in line with the Government's budgetary announcement. The scheme aims to encourage financial institutions to lend to small farmers across Pakistan who do not have adequate collateral (acceptable to banks) in order to meet their working capital requirements. Since its inception in 2016, more than 85,000 borrowers have been benefitted from the scheme.
- 2. Crop Loan Insurance Scheme:** In 2008, the Government of Pakistan (GOP) introduced the mandatory crop loan insurance scheme for five major crops i.e. wheat, rice, cotton, sugarcane and maize to mitigate the risk of losses of farmer in case of calamities. The insurance premium is borne by the government on account of subsistence farmers up to a maximum of 2% per crop per season. During the period July 2008 to June 2019, banks have submitted premium claims of Rs 8.2 billion against 6.1 million beneficiaries.
- 3. Livestock Loan Insurance Scheme:** To improve access to finance to Livestock & Dairy sector and to mitigate risk of losses to farmers in case of death or disease of animals due to natural calamities and accidents, GoP introduced Livestock Loan Insurance Scheme in 2013. The scheme covers small farmers having up to 10 animals, the GOP bears premium subsidy up to 4% per annum. During the period July 2014 to June 2019, banks have submitted premium claims of Rs 2.3 billion against 0.6 million beneficiaries.
- 4. Government of Punjab E-Credit Scheme:** SBP has facilitated the Government of Punjab (GoPB) in designing and implementation of the GoPB E-Credit scheme wherein E-Passbook and other automated land revenue records, accessible through an online portal, are being used by participating financial institutions (ZTBL, NBP, Telenor Microfinance Bank, Akhuwat and NRSP) to provide interest free loans to small farmers. Since its inception in Rabi 2016-17, total loan amount of around Rs.36 billion has been disbursed to 559,512 farmers.
- 5. Workshops/ Trainings/ Capacity & Awareness Building:** SBP regularly organizes various training programs and awareness sessions in order to meet demand and supply side capacity building requirements of agri-finance



stakeholders including banks and farmers. These training programs including Farmers Financial Literacy Programs and awareness sessions on Agricultural Value Chain Financing, Warehouse Receipt Financing, Shariah based agricultural financing etc.

### **Zarai Taraqati Bank Limited (ZTBL):**

Zarai Taraqati Bank Limited (ZTBL) being the successor of Agricultural Development Bank of Pakistan (ADBP) is the single largest financial institution of Agri. Financing, ADBP was converted into a company limited as ZTBL, for providing better services to the target clients.

### **Performance/Credit Disbursement in the Financial Year 2018-19:**

The Bank maintained its position as the main source of institutional financing in the agriculture sector. During the fiscal year 2018-19, a lending target of Rs.100,000 million was assigned to ZTBL by State Bank of Pakistan against which Rs. 71,478 million have been disbursed with a pace of 72%. During the same period 353,275 farmers availed loans from the Bank.

For the financial year 2018-19, State Bank of Pakistan also assigned outstanding agri. loan portfolio target of Rs.146,000 million to ZTBL; against which, ZTBL's principal outstanding was Rs.137,140 million with the pace of 94%.

The Bank focused on increase in farm production by exploiting the maximum potential of land resources with appropriate use of agricultural inputs, tillage practices and water management techniques, and channeled major portion of its funds towards production loans. This is evident from the disbursement of Rs. 54,145 million made for production purpose representing 76% share in over all disbursement.

Development loans were provided to the farmers for medium and long term investment categories. During the period under review, an amount of Rs. 17,333 million constituting 24% of the total agricultural credit was disbursed under development loans. The development loans were mainly utilized for tractors, farm mechanization, tube-wells, dairy farming and poultry farming etc.

The Bank has also provided loans amounting to Rs.49,259 million and Rs. 22,218 million under two categories of Farm Credit and Non-Farm Credit respectively. According to holding wise disbursement, subsistent farmers, farmers having land up to economy level and large received loans of an amount of Rs. 35,150 million, Rs. 13,714 million and Rs. 396 million respectively from the Bank.

Farmers borrowed under different schemes, among these major are Sada Bahar Scheme and Punjab Government's Agri. E Credit Scheme. Bank has provided loans amounting to Rs. 51,831 million under Sada Bahar Scheme and Rs.4,991 million under Punjab Government Agri. E. Scheme.

### **Loan to Small Farmers:**

The Bank channelized bulk of its credit to farmers especially small who constitute backbone of the agriculture sector of the country. The Bank accorded highest priority to fulfill the demand of small farmers with land holding under 25 acres. During the period under review ZTBL disbursed Rs.68, 024 million to small farmers constituting 95% of total agriculture credit.

### **Recovery Operations:**

During the fiscal year 2018-19, ZTBL has recovered an amount of Rs. 90,856 million as against the credit disbursement i.e. 71,478 million made during the same period.

### **Credit & Entity Ratings:**

VIS Credit Rating Company has reaffirmed entity ratings of ZTBL at "AAA/A-1+" (Triple A/A-One Plus) as well as ratings of "AAA-A1+" (Triple A/A-One Plus) assigned to Government Guaranteed Obligations.

### **Recent Initiatives taken by the Bank during the Year 2018-19:**

Zarai Taraqati Bank Limited has undertaken the following initiatives in the light of the vision of present government during its first year for uplift of agriculture sector of the country. These initiatives include;

- The Bank changed its business model after 57 years through launching of Islamic Banking in January, 2019.
- The Bank started digitalization of payments platform by installing ATMs (so far 40 ATMs have been installed). Established call center and attained membership of 1-Link and Pay Pak, pursuant to the Government's National Financial Inclusion Strategy, included in 100 days agenda.
- An agreement was signed by Prime Minister of AJK with ZTBL on January 22, 2019. Under this agreement, the ZTBL has started financing of 300 small dairy units at AJK with the maximum lending limit of Rs. 1.000 million. Loan duration will be for five years. Government of AJK will bear cost of mark-up of these loans provided borrower repay loans on due dates.
- Joint Venture with Government of Punjab E-Credit (mark-up free) Scheme for small farmers. An amount of Rs. 12.50 billion has been disbursed in 100,000

cases under this scheme since inception, creating self-employment generation opportunities.

- Joint Venture with Government of Balochistan, wherein the Government of Balochistan has earmarked their 2019-2020 budgetary allocation of Rs. 250 million for Balochistan Green Tractor Scheme. ZTBL will finance 1,000 tractors under this scheme.
- Joint Venture with the Government of Gilgit/Baltistan who have earmarked their budgetary allocations for the year 2019-2020 of Rs. 500 million for financing of livestock/cattle farming and fisheries sectors.
- Establishment of possible collaboration with provincial governments in connection with Prime Minister's Agriculture Emergency Program. ZTBL has already offered Joint Venture with that program of Prime Minister's Office Task Force. Coordination with Punjab Government has been established while it is in progress with other provinces.
- Diversification in Loan Portfolio by introducing scheme for Import Substitution Crops through financing of small oil expeller units for Canola, Soybean, Sunflower, Mustard and Olive oil. In addition to these, the Bank has also introduced financing scheme for agriculture value added segment including;
  - Milk Chilling Units
  - Three Wheeler Loader Rikshaw
  - Floriculture including Green Houses
  - Tunnel Farming
  - Silage Making
  - Fruit Processing (Grading, Polishing & Packaging)
- The State Bank of Pakistan has permitted ZTBL to facilitate inward foreign exchange remittances in rural areas. Through this program, the Bank will facilitate & support faster, cheaper convenient and efficient flow of overseas Pakistani Remittances via formal channels. Ultimately, clientele & deposit base and profitability of the Bank would increase. The most interesting feature of Pakistan Remittance Initiative (PRI) is that neither the sender nor the receiver has to pay any extra money as commission etc. on transaction through this channel.
- To implement Climate Change awareness, mitigation, resilience and adaptation strategies in the Agri-financing, the Bank has established Green Banking Office in accordance with the guidelines of SBP.

### **Hajj Operations:**

- At present, the Bank's is operating with countrywide network of 502 branches, regulated through 32 Zonal Offices. The Bank participated in Hajj Scheme, 2019 of the Federal Government and successfully collected 4,598 number of Hajj applications.

### **International Recognition & Appreciation:**

During the period under review, the Bank participated in Awards Program 2019 of Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) and won the major Award for its “Green Banking Initiative” under the category of Environment Development

### **Pakistan Mint:**

Pakistan Mint is a subordinate office of Finance Division established in the year 1942 at Lahore being the then safest place during the World War-II. The department is the only facility for minting of coins in Pakistan against the demand of State Bank of Pakistan. Pakistan Mint also manufactures all sorts of Medals, Medallion, Military and Civil awards, seals, stamps etc. against the order received from stakeholders.

#### **(a) Detail of Activities:**

This is the only facility for minting of coins in Pakistan against the demand of State Bank of Pakistan. At present the coins of Re. 1, Rs. 2, Rs. 5 & Rs. 10 denominations are being minted. Pakistan Mint also manufactures all sorts of Medals, Medallion, Military and Civil awards against the order from Ministry of Defence, President’s Secretariat and other Government departments and Postal Seals and Stamps etc. against orders from Postal department. In addition to above, the gold confiscated by different agencies is refined into the standard 05 Kg gold bars in Pakistan Mint for onward deposition in SBP.

#### **(b) Detail of Achievements:**

Pakistan Mint has manufactured 247.323 million pieces of coins valuing Rs. 1189.295 millions. In addition to this revenue of Rs. 45.215 million was also earned with other than coinage activities.

<b>S.#</b>	<b>NAME OF ARTICLES</b>	<b>QUANTITY IN Nos. (MILLION)</b>	<b>VALUE Rs. IN (MILLION)</b>
	<b><u>A-COINS</u></b>		
	Re.—1/- -----		
<b>1.</b>	Rs.---2/- -----	62.224	62.224
<b>2.</b>	Rs.—5/- -----	20.508	41.016
<b>3.</b>	Rs.—10/- -----	112.995	564.975
<b>4.</b>	Rs.—50/- -----	51.468	514.680
	(Commemorative Coin)	0.128	6.400
	<b>Total.</b>	<b>247.323</b>	<b>1189.295</b>
	<b><u>B-JOBS OTHERS THAN COINS</u></b>		
<b>1.</b>	Revenue earned through non coinage activities.	<b>Rs. 45.215</b>	<b>million</b>

**(c) The programme of activities and target set out during the preceding financial year and the extent to which they have been realized:**

(In millions)

<u>A-COINS</u>	Target set out i.e., Demand of SBP in No of pieces	Target set out i.e., Demand of SBP in Value	Target Achieved In value
Re.—1/- -----	100.000	100.000	62.224
Rs.---2/- -----	90.000	180.000	41.016
Rs.—5/- -----	100.000	500.000	564.975
Rs.—10/- -----	50.000	500.000	514.680
Rs.—50/- ----- (Commemorative Coin)	0.125	6.250	6.400
<b>Total</b>	<b>340.125</b>	<b>1286.250</b>	<b>1189.295</b>

<u>B-JOBS OTHERS THAN COINS</u>	Targeted Revenue	Actual Revenue earned
	Rs.50 million	Rs. 45.215 million

**C- SUPPLY OF GOLD BARS TO SBP**

Gold confiscated by Custom departments was processed in Pakistan Mint for refining and converted into 04 Gold bars of 5Kg each and handed over to State Bank of Pakistan worth **Rs.147,358,280/-**.

**(d) The relevant statistics properly tabulated.**

		<b>(In Millions)</b>
Value of the Coins manufactured	=	Rs. 1189.295
Value of the Jobs other than Coins executed	=	Rs. 45.215
<b>Total</b>	<b>=</b>	<b>Rs. 1234.510</b>

**SME BANK LTD.:**

SME Bank Ltd, being a Government owned financial institution is extending financial & technical assistance to support & develop SME sector in Pakistan. It is a specialized bank working to support and develop SMEs that are considered as main employment generating sector. SME Bank has developed various lending schemes/products to facilitate and enable SMEs in various business sectors including trading, furniture manufacturing, surgical & cosmetics, cutlery items, fans manufacturing, schools, clinics/ hospitals, construction, textile, cold storage, garments, electronics etc.

Bank's performance during the financial year 2018-19 is given hereunder:

	Rs. In million
Disbursement from July 01, 2018 to June 30, 2019	1,282
Loan Recovery from July 01, 2018 to June 30, 2019	618
Deposits as on 30-06-2019	6,187
Loans outstanding as on 30-06-2019	2,388

Advances to different sectors has not only contributed to GDP, rather created job opportunities/self-employment for number of unemployed educated youth and improved socio-economic conditions of the masses. During the period under reference, SME Bank generated employment opportunity for more than 2,838 persons.

## **HOUSE BUILDING FINANCE COMPANY LIMITED (HBFC):**

House Building Finance Corporation (HBFC) was established under House Building Finance Corporation Act, 1952 with the objective to provide finance for the construction, reconstruction, repair and purchase of houses. Ministry of Finance (MoF) and the State Bank of Pakistan (SBP) are main shareholders of the Company. As part of reorganization and re-structuring, Corporation was converted into a company in the first phase by issuance of vesting order SRO.I/2007 incorporating a new company HBFC Ltd., with a new charter registered under Companies Ordinance, 1984. The new company has been designated as Development Financial Institution (DFI) under section 3A of the Banking Companies Ordinance, 1962 by the GOP.

### **Achievements:**

Disbursements during the period under review were PKR 2.04 billion for construction and purchase of housing units. On other hand, the company collected PKR 3.97 billion from its customers during the period.

During the period under review, the company made profit before tax of PKR 1.25 billion while profit after tax was PKR 1.04 billion.

Other major initiatives during the year 2018 were as follows;

- a. Introduction of Affordable Rate Mortgage Product – Ghar Pakistan.
- b. Partnership with Pakistan Mortgage Refinance Company.
- c. Initiation of procurement process for IT equipment, software and allied equipment.
- d. Settlement of long outstanding tax matters.
- e. Hiring of key executives.
- f. Induction of 45 MTOs.
- g. Revision of HR Policies.

### **Department Future Plan:**

The company aims to achieve following goals in upcoming five years.

1. Business Growth i.e. triple the loan book.
2. Reduction in NPLs
3. Improved Customer Services
4. Human Resource Development
5. Digitization
6. Enhanced Risk Management

## **NATIONAL BANK OF PAKISTAN:**

### **I) PERFORMANCE DURING THE CURRENT FINANCIAL YEAR (JANUARY 2018 – DECEMBER 2018):**

2018 was a successful year for the Bank as we made the best of our strengths & market opportunities. During the year, the Bank earned highest-ever Revenue (Rs. 97 billion) in its history of 7 decades and achieved Rs. 2 trillion mark in Deposits and Rs. 1 trillion mark in Advances. The Bank also significantly improved its service quality, embraced new technological changes and continued reinforcing its standards of business execution. Realizing that technological advancement and human capital enrichment are crucial for efficient execution of our business, significant achievements were made during the year for improving both of those.

Technological improvement would help us in smooth delivery of products and services, and will also enrich our human and intellectual capital.

Maintaining its leading position in the banking industry, NBP has kept its pace of expanding its market outreach by adding to its product range, redefining its business strategies and adopting modern-day delivery strategies. The Bank has been awarded Rural Bank of the Year Pakistan and Consumer Finance Product of the Year Award by Asian Banking & Finance Awards 2018.

#### **A. Highlights of Financial Performance – 2018:**

- Total revenue of the Bank amounted to Rs. 97 billion which is highest-ever in history of the Bank, as well highest in the Banking industry for the year 2018.
- Pre-provision profit for 2018 amounted to Rs. 41.0 billion as against Rs. 36.8 billion of 2017, registering an increase of 11.4%.
- Pre-tax profit for 2018 amounted to Rs. 29.7 billion as against Rs. 35.6 billion of 2017, registering a decrease of 16.6%.
- After tax profit decreased by 13.1% from Rs. 23.0 billion in year 2017 to Rs. 20.0 billion in year 2018. Earnings per share are Rs. 9.41 in 2018 as against Rs. 10.82 of last year.
- YoY Deposits up by 16.5% or Rs. 284.3 billion at Rs. 2,011.4 billion.
- YoY Gross Advances up by 23.6% or Rs. 202.5 billion at Rs. 1,059.5 billion.
- YoY NPLs up by 10.4% or Rs. 12.6 billion at Rs. 133.4 billion. Gross NPL Ratio, Net NPL Ratio (on the basis of specific provision) and provision coverage (on the basis of specific provision) stood at 12.6%, 0.8% and 94.7% respectively.
- YoY gross investment up by 0.3% or Rs. 4.3 billion at Rs. 1,276 billion.

- YoY Assets excluding acceptances (which have been included on both assets and liability side as per new format) up by Rs. 383 billion at Rs. 2,753 billion. (Rs. 2,799 billion including acceptances).
- YoY Capital & Reserve up by 18% or Rs. 31.5 billion.

First priority of BoD is to ensure continuity of Bank's business which in turn is very much dependent upon the capital base of the Bank. Pending the contingency related to pension case, the BoD considered it more prudent to retain entire profit for the time being, and therefore didn't propose any dividend for the year 2018.

### **Key Business Initiatives:**

#### **A. Business Development:**

- Highest Revenue of Rs. 97 billion in year 2018
- 14.2% of total industry assets (2017:13.7%)
- 14.1% of total industry deposits (2017:13.3%)
- 12.3% of total industry advances (2017:12.1%)
- 16.2% of total industry investments (2017:14.8%)
- Market share in Home remittances business increased to 11% in 2018.
- Achieved 24% growth in loan books, taking the total to Rs. 1.1 trillion.
- Achieved 16% growth in deposits, taking the total to Rs. 2.0 trillion.
- 11.5% growth achieved in international deposits, taking the total to Rs. 104 billion.
- The Bank has disbursed more than Rs. 180 billion to more than 270,000 customers in respect of consumer financing.

#### **B. Information Technology Infrastructure:**

- On the front of branchless banking and Alternate Delivery Channels, the launch of mobile App and the Debit Card is the major milestone that the Bank has achieved for providing 24/7 financial services to its clients.
- NBP's alliance with notable Government institutions such as FBR, Interior Ministry, and Provincial Government, etc. will facilitate the Bank to stay competitive in the market.
- The Bank has strengthened its control through deployment of AML solutions and system enhancements at overseas locations.
- In order to fully utilize the benefits of IT and to focus on digital banking, the Bank has initiated multiple technology deployments to capture business and to place NBP in a competitive position in this arena, especially in G2P and P2G business.



### **C. Customer Services:**

- The Bank has improved its Customer Service Quality through implementation of various measures.
- The Bank's Service Quality Group is looking after the service quality of ATM services, complaint management and call centre functions of the Bank.
- Focusing on service quality & improvement measures, the availability of ATM has also improved significantly.
- A marked improvement in ATMs uptime through effective ATMs network monitoring, attaining an all-time record 97%+ ATMs uptime during prolonged holidays (Eid-ul-Fiter & Eid-ul-Azha).

### **D. Islamic Branches:**

- 38% growth achieved in Islamic Banking deposits, taking the total to Rs. 51 billion.
- 42% growth achieved in Islamic Banking advances (net), taking the total to Rs. 27 billion
- 23 more branches were added to Islamic Banking Network of the Bank, making it 2<sup>nd</sup> largest Islamic Banking Network of conventional banks (192 Branches).
- NBP Aitemaad launched various low-cost deposit products for individuals as well as corporates

### **Capital Adequacy:**

The Bank is strongly capitalized with capital and reserves of Rs. 207 billion (2017:175.4 billion), which translates into break-up value per share of Rs.97/-. As on December 31, 2018, the Bank's Capital Adequacy Ratio stood at 16.35%.

### **Credit Rating:**

In June 2019, M/s JCR-VIS Credit Rating Company again re-affirmed the Bank's standalone rating of "AAA", one of the highest by the company for any Bank in Pakistan. PACRA has also assigned a long-term entity rating of 'AAA' (Triple AAA) and short-term rating of 'A1+' (A-one Plus).

## **II) Major strategies to be undertaken in the forthcoming Fiscal Year 2019-20 in particular and for FYs 2020-21 & 2021-22 in general:**

NBP plans to focus on the following major areas in the forthcoming fiscal years;

- Implementing a detailed IT road map that includes upgradation of core banking application, connectivity, data center as well as integrated new platform to provide new digital banking products and services.

- Achieving operational efficiencies through continued improvement in operations, better cost management and controls.
- Enhancing market share by expanding core business, strengthening infrastructure capital by investing into modern-day alternate delivery channels.
- Strengthening Human Resources Culture through training and capacity building.
- Focus on infrastructure financing.
- Streamlining of branchless banking channels to cater the diverse needs of the populace.

Major initiatives aligned with the above areas are appended below:

#### **A. SME Sector:**

NBP, abreast of the sector dynamics and its contribution to the economy has already embarked on supporting the segment. Future plans include;

- Strengthening the existing Commercial & SME Centers and establishing new centers as per market demand
- Development of new IT based products and services to cater the segment
- Devise specialized training programs for field functionaries to promote portfolio growth
- Capitalize on the SBP initiated SME supported subsidized refinance schemes.
- Continue marketing of financing facilities to customers with corporate tie-ups.

#### **B. Financial Inclusion & Digital Banking:**

Our strategic objective to promote financial inclusion and digital banking is to concretely turn around the Bank with a multi directional approach (Ecosystem, Digital Channels, and Services & Products). This includes;

- Capitalize on our widespread branch network to promote financial inclusion through digitization & technology.
- Deliver online & real time solutions to maximize retention of Government Agency Business and become a preferred partner.
- Convert P2G/G2P customers into NBP Account Holders.

#### **C. China Pakistan Economic Corridor (CPEC):**

NBP is making persistent efforts to make the best of business opportunities offered by the CPEC, particularly in energy/power, cement, construction, metallic products and allied industries. In this regard, the entire value chain of the industries connected with CPEC is being targeted. The Bank has established representative office in China and a dedicated office (based in Lahore) to capture the emerging

business opportunities. Besides, the Bank will capitalize its public sector status through close liaison with relevant ministries to reap the benefits arising out of CPEC projects.

#### **D. Agriculture Financing:**

Agriculture is a major contributing sector towards the Country's GDP, and is considered as the backbone of the economy. NBP being the catalyst for economic growth considers its essential responsibility to offer value added products and services to cater the diverse needs of this sector. Presently, the Bank's share in agriculture financing is highest amongst its peers. Going forward NBP plans to introduce following methods/products for the sector:

- Increased focus on agriculture financing against pass book.
- Value chain financing would offer NBP an opportunity to expand its financing for agriculture, improve efficiency and repayments in financing, and strengthen or consolidate linkages among participants in value chains.
- NBP plans to strengthen its partnership with SBP, Pakistan Farmers Association and Agriculture University, Faisalabad for pilot project for testing/ implementation of Precision Farming technology initially in Faisalabad district.
- Warehouse Receipt Financing

#### **E. Home Remittances:**

The Bank has taken various initiatives to provide greater flexibility and convenience to our existing and potential customers on the home remittance front. During 2018, the Bank achieved significant growth in home remittance business, increasing its market share from 7% in 2017 to 11% in 2018. NBP plans to capitalize on the digital banking initiatives and launch technologically advanced value added products in the near future for Home Remittance Customers. Further, the Bank has plans to diversify its remittance corridors by creating new correspondent arrangements in Europe, Australia, New Zealand, Malaysia, South Africa and other non-tradition remittance corridors

#### **F. Mortgage Financing:**

Housing drives a number of other segments of the overall economy. NBP is offering housing/mortgage finance in conventional banking under the brand name of "Saibaan" since 2003. The Bank plans to build-up its mortgage finance portfolio through restructuring and process revision to reduce TAT, market penetration and active engagement of field personnel. Besides, the Bank is also working with Pakistan Mortgage Refinance Company (PMRC) on Credit Guarantee Scheme (low cost housing scheme) for low income class under the aegis of Ministry of Finance

and World Bank. Further, Bank plans to launch housing finance product in Islamic Banking during 2019.

#### **G. Deposit Mobilization:**

NBP being cognizant of the industry deposit growth momentum, is onboard to the trajectory of further improving its CASA deposits through improved customer service, increased market penetration, active engagement of field offices, capitalizing its branch network/AAA Rating/public sector status, active engagement with public and private sector institutions, and off-loading its high cost deposit. Launch of new products and services by both conventional as well as Islamic Banking, with bundle offer, to cater the diverse needs of its clientele, is also on the cards.

#### **H. NPL Reduction & Improvement in Assets Quality:**

NPL reduction is another area that the Bank will continue to focus during forthcoming years. Although considerable progress has been achieved in this area, still NBP's NPLs stock is by far the largest in the industry. Hence, the Bank plans to invigorate recovery efforts to bring down the NPL and will introduce appropriate changes in the internal policies to facilitate write-off of chronic NPLs where neither the borrower nor the collateral securing the loans are traceable. Further, the Bank also plans to adopt a very selective approach in booking new assets and approving enhancements to existing borrowers. Fresh exposures will be limited to industries with growth potential and only those borrowers with rating above the threshold will be taken onboard.

#### **I. Islamic Banking:**

NBP aspires to be recognized as a prominent player of the Islamic Banking industry and is incessantly making efforts towards achievement of this strategic goal.

During the forthcoming fiscal years, the Bank will focus enhancing its product-line along with generating volumes against new and existing assets/liability products.

Further, expansion of Islamic Banking Branch Network and improvement in technology infrastructure to support launch of new products & services are also on the cards.

#### **FIRST WOMEN BANK LIMITED (FWBL):**

First Women Bank Ltd. is a unique financial institution, a Scheduled Commercial Bank, set up in 1989 by the Islamic world's first woman Prime Minister Benazir

Bhutto (Shaheed), who wanted a bank that would meet the banking needs of women. It was incorporated in the Public Sector as a Public Ltd. Company on 21st November, 1989 under the Companies Ordinance, 1984.

The Bank commenced its business on 2nd December, 1989 with a paid up capital of Rs. 100 Million; 90% of which was contributed in varying proportions by five leading Public Sector banks of the country. They were:

- National Bank of Pakistan
- Habib Bank Limited
- Muslim Commercial Bank Limited
- United Bank Limited and Allied Bank Limited
- 10% of the remaining capital came from the Federal Government

**A–Details of activities, achievements and progress:**

The First Women Bank Ltd (FWB) is a unique intervention of GoP established in 1989 as a Scheduled Commercial Bank to assist the special banking needs of women and to encourage and assist them in participating and running of trade, industry and business. The bank currently operates a network of 42 branches and 3 booths spread across 24 cities nationwide.

**Activities:**

FWBL is commercial bank however FWBL’s unique credit products are customized to the specific business & economic needs of women and the same is its niche market.

The pattern of shareholding of the Bank is as follows:

<b>Shareholders</b>	<b>Number of Shares</b>	<b>% of Holding</b>
Federal Government of Pakistan	330,088,793	82.64%
MCB Bank Limited	23,095,324	5.78%
Habib Bank Limited	23,095,324	5.78%
Allied Bank Limited	7,734,927	1.94%
National Bank Limited	7,698,441	1.93%
United Bank Limited	7,698,441	1.93%
	<b>399,411,250</b>	<b>100.00%</b>

**Economic Empowerment of Women:**

With its core objective in sight, the new management took initiatives toward empowering women economically by:

- Financial Inclusion – For the first time, serious and concrete efforts were made by submitting technical proposal to BISP to become part of this program

- To promote housing ownership for women, FWBL entered into MOU with PMRC to offer low cost housing loans to women, especially in smaller cities
- Launched products in collaboration with USAID to offer livestock loans to women

### **Achievements& Progress:**

#### **Profitability:**

**At the outset, we are pleased to share with the readers that the Bank has produced a profit before tax of Rs. 98.4 Million as of 30th June 2019**

#### **Strong Control over Administrative Expenses:**

The management has put strong checks over administrative expenses as a resultant, despite of all inflationary factors, the admin expenses for the period ended 30<sup>th</sup> June, 2019 are almost at the same level as that of 30<sup>th</sup> June, 2018. Admin expenses for the period ended 30<sup>th</sup> June, 2019 is Rs. 235 Mill which is 1% over admin expenses for the period ended 30<sup>th</sup> June, 2018.

#### **Launch of Internet Banking:**

Internet banking solution was launched for the first time for FWBL, now customers can access and enjoy banking services at their time and place of their convenience.

#### **24x7 Call center launch:**

The Bank never had a 24x7 customer service help line, with smart solution and thinking the same has been created on outsourced model with minimal investment.

#### **Revival of marketing efforts:**

FWBL was constantly losing its brand identity, with a very small marketing budget and social media channel, renewed campaigns and activities have been started

#### **Removal of SBP's lending cap:**

SBP had imposed a Rs 300m cap on FWBL's consumer financing, after strong follow up, this cap was removed and FWBL can now actively sell its consumer finance products

#### **Re-launching of key products:**

Revived and re launched some of the key products for Small and Medium Enterprise under SPB refinance and credit guarantee schemes for economic empowerment

### **Low cost deposits:**

Increased focus on mobilizing of low cost deposits, putting in place BDO structure to generate retail deposit base

### **Restructuring of Loss making branches:**

Identified and started shifting loss making branches to better and cost effective locations, earlier there was no emphasis on this.

### **Increased staff engagement:**

Commenced staff engagement meetings with branch staff, some of the branches were never visited.

### **Key account management:**

Identified key accounts and met them directly with HO team, owing to their importance, resolved their issues on fast track basis

### **NPL management and recoveries:**

Enhanced focus on recoveries of NPLs, strict control over weekly monitoring and regular progress meeting with customers, which has resulted in reduction of NPLs and improved recoveries. This requires more attention and is being dealt on priority basis.

### **EMV compliance for Cards:**

Urgent steps taken to complete and implement EMV card compliance which was issued by SBP in 2016, this was a serious threat to the Bank which could have resulted in blocking of its Cards

### **Data Centre migration:**

Due to limited resources, FWBL was exposed to high risk of non-availability of data and continuity of business, timely action was taken to shift FWBL data center to PTCL facility which is a TIII facility.

### **B. The program of activities and targets set out for itself during the year and the extent to which they have been realized:**

Going forward, in order to sustain and grow, the bank needs to build a strong foundation in line with current market benchmarks also meeting the regulatory

requirements of SBP. Further, the bank is re-aligning its targets to match the growth strategy of the Government. The same can be achieved through the following:-

- Re-aligned targets for SME and Housing in line with the Government's directives and initiatives for growth in these sectors.
- Aggressive plans set for Financial Inclusion and access of credit to Women. Working alongside with Government in their plans for Women empowerment and financing facilities to youngsters and startups.
- New targets have been given to the team to promote and grow exports.
- High level plans have been prepared and shared with the Ministry for approval.
- FWBL has also started rationalizing the space requirement for the Bank and has a plan to bring in long term cost savings for the Bank.

### C. Relevant Statistics Properly Tabulated:

	PKR in Million			
	Actual YTD	Budget YTD	Variance	
	Jun-19	Jun-19	Amount	%
Mark-up earned	1,021.66	1,173.69	(152.04)	-13%
Markup expensed	(523.10)	(616.67)	93.58	15%
<b>NRFF</b>	<b>498.56</b>	<b>557.02</b>	<b>(58.46)</b>	<b>-10%</b>
Fee, commission and brokerage income	43.24	45.87	(2.63)	-6%
Dividend Income	4.25	5.00	(0.75)	-15%
Income from dealing in FCY	27.07	6.50	20.57	316%
Gain on sale/redemption of securities	0.01	20.00	(19.99)	-100%
Other Income	0.40	2.50	(2.10)	-84%
<b>Non-mark-up income</b>	<b>74.9761</b>	<b>79.8707</b>	<b>(4.8946)</b>	<b>-6%</b>
<b>Total Operating Income</b>	<b>573.53</b>	<b>636.89</b>	<b>(63.35)</b>	<b>-10%</b>
Administrative expenses	(463.14)	(624.83)	161.69	26%
Other charges	(0.03)	(1.35)	1.33	98%
Non-mark-up expense	<b>(463.16)</b>	<b>(626.18)</b>	<b>163.02</b>	<b>26%</b>
<b>Profit / (Loss) before Provision</b>	<b>110.37</b>	<b>10.71</b>	<b>99.66</b>	<b>931%</b>
Reversal / (Charge) for NPL	(12.0)	55.8	(67.7)	-121%
<b>Total Provisions</b>	<b>(11.95)</b>	<b>55.79</b>	<b>(67.74)</b>	<b>-121%</b>
<b>Profit / (Loss) before Taxation</b>	<b>98.4</b>	<b>66.5</b>	<b>31.9</b>	<b>48%</b>



<b>BALANCE SHEET</b>		<b>PKR in Million</b>		
	<b>Jun-19</b>	<b>Jun-19</b>	<b>Variance</b>	
	<b>Actual</b>	<b>Budget</b>	<b>Amount</b>	<b>%</b>
Cash & Balances with Treasury Bank	1,678	1,537	140	9%
Balances with other Banks	52	44	8	18%
Lending to Financial Institutions	650	-	650	100%
Investments-net	8,776	12,755	(3,979)	-31%
Advances-net	8,887	8,670	217	3%
Operating fixed assets	359	492	(133)	-27%
Deferred Tax Asset-net	14	13	1	11%
Other assets-net	1,139	1,419	(280)	-20%
<b>Total Assets</b>	<b>21,556</b>	<b>24,931</b>	<b>(3,376)</b>	<b>-14%</b>
Bills Payable	190	241	(51)	-21%
Borrowings	1,876	109	1,767	1621%
Deposits & other accounts	14,728	19,447	(4,719)	-24%
Other liabilities	1,148	1,538	(390)	-25%
<b>Total Liabilities</b>	<b>17,941</b>	<b>21,336</b>	<b>(3,395)</b>	<b>-16%</b>
<b>Net Assets</b>	<b>3,615</b>	<b>3,596</b>	<b>19</b>	<b>1%</b>
<b>Represented by:</b>				
Share capital	3,994	3,994	-	0%
Reserves	308	308	-	0%
Unappropriated profit / (loss)	(859)	(883)	24	-3%
	<b>3,442</b>	<b>3,419</b>	<b>24</b>	<b>1%</b>
Surplus on revaluation of assets-net of tax	172	177	(5)	-3%
<b>Represented by:</b>	<b>3,615</b>	<b>3,596</b>	<b>19</b>	<b>1%</b>

### **Financial Monitoring Unit (FMU):**

The Financial Monitoring Unit was established in 2007 under the Provisions of the AML Ordinance, 2007 (now AML Act 2010). It is the central agency in Pakistan responsible for receiving, analyzing and disseminating to the investigating and regulatory authorities, disclosures of financial information concerning suspected proceeds of crime and apparently linked to money laundering or financing of terrorism.

### **Functions:**

The key functions of FMU are:

- ▶ Receive Suspicious Transactions Reports (STRs) & (Cash-based) Currency Transaction Reports (CTRs) from Reporting Entities.
- ▶ Analyze the reports and call further information from reporting entities.
- ▶ Refer transactions needing further investigation to the designated Law Enforcement Agencies (LEAs) and those requiring regulatory / administrative actions to concerned regulatory bodies.
- ▶ Create & maintain databases of STRs and CTRs.

- ▶ Cooperate with other FIUs and to share and request information subject to reciprocal agreements entered into by the Federal Government.
- ▶ Frame regulations for receipt of STRs & CTRs in consultation with SBP & SECP.
- ▶ Represent Pakistan at international and regional forums dealing with money laundering and financing of terrorism.

### **Performance/Achievements during the FY 2018-2019:**

The Financial Monitoring Unit (FMU) is the Financial Intelligence Unit of Pakistan and its primary responsibility is to receive, analyze and disseminate the financial intelligence information, concerning suspected proceeds of crime that are apparently linked to money laundering or financing of terrorism to the law Enforcement Agencies (LEAs) and the regulatory authorities. In this respect, FMU has been generating financial intelligence reports based on the analysis of STRs that are reported by the reporting financial institutions and other entities, under the AML Act, 2010. These financial intelligence reports are expected to support the LEAs in carrying out effective investigations and prosecutions.

2. A number of cases based on Strategic Analysis have been developed and disseminated by FMU based on the available and obtainable information to identify money laundering and terrorist financing trends and patterns. Strategic Analysis conducted is based on multiple factors such as vulnerable geographical regions, high risk predicate offences, product based analysis, etc. Strategic analysis conducted by FMU includes:

- a. Branchless Banking
- b. Analysis on High Risk Professions
- c. High Risk Business (Travel Agents)
- d. Virtual Currency
- e. Failed Biometric Verifications with suspicion of Benami Transactions
- f. Misuse of remittance channels for collecting donations
- g. Illegal Arms Trafficking
- h. IV Schedulers

3. FMU has also developed and published Typologies Report on the basis of operational analysis of STRs in the following areas:

- a. Money Laundering from Corruption Offence
- b. Fraudulent Declaration/Capital Flight/Tax Evasion
- c. Alternate Remittance Service / Hawala/ Hundi

- d. Laundering from Tax Offences
- e. Use of Nominees / Trustees / Family Member's Accounts
- f. Co-Mingling of Funds
- g. Structuring of Funds
- h. Use of False Identification

4. On the basis of FMU's referrals, LEAs have registered a number of cases on the offence of ML/predicate offences and also made huge recoveries on the basis of these referrals. Regulators have also taken corrective measures on the basis of FMU's referrals. FMU has also coordinated & arranged a number of capacity building programs for AML/CFT stakeholders. Around 500 officers of various agencies/organizations have been given training. FMU has established Data Centre with the assistance of DFID and UNODC. Through this state of the art integrated data Centre, the process of core functions of Receipt and Analysis of Suspicious Transaction Reports (STRs) and Currency Transaction Reports (CTRs) has been fully automated. The goAML site, developed by the UNODC for Financial Intelligence Units, has been deployed in the datacenter.

5. In order to ensure effective domestic coordination with LEAs and the regulatory authorities, a Coordination Office of FMU has been established at Islamabad in February, 2019. FMU carries close coordination with LEAs, Regulators and Authorities. Multilateral Memorandum of Understanding (MMoU) has been signed among FMU and LEAs/intelligence agencies/Provincial CTDs to ensure effective coordination with LEAs, Intelligence agencies and Provincial CTDs. Objective of MMOU is to enhance exchange of information to facilitate LEAs and CTDs in investigations on ML, TF and Predicate offences. In addition, CTDs have also been designated as a Law Enforcement Authorities under AML Act, 2010 on 10-May-2019. The financial intelligence relating to terrorism and terrorist financing has now been shared with CTDs.

6. With reference to enhancing international coordination, FMU is actively engaged with various countries so that MOUs may be put in place to ensure seamless exchange of financial intelligence, which is expected to support our LEAs in carrying out effective investigations. During this period (2018-19), FMU signed MOUs with Kazakhstan, Qatar and United Kingdom while MOUs with China, UAE and Malawi have been approved and would shortly be signed. MOUs with Australia, Japan, and Lebanon are under negotiations. FMU's Egmont Group membership is also in process. These measures shall help improve the overall AML/CFT Framework in Pakistan. In addition, FMU has also played an active and lead role of

coordination for Asia Pacific Group (APG) mutual evaluation process and Pakistan's Financial Action Task Force (FATF) Action Plan.

### **Prime Minister's Youth Business Loans (PMYBL) Scheme:**

Prime Minister's Youth Business Loans (PMYBL) Scheme was launched by the Prime Minister in December 2013 initially through National Bank of Pakistan (NBP) and First Women Bank Limited (FWBL). Subsequently 16 more banks started their financing products under PMYBL.

- The Scheme was launched with the prime objective of providing subsidized loans to unemployed youth especially the educated youth aged between 21 and 45 years for establishing new business or extending existing business enterprises.
- The Scheme envisages extension of small business loans of upto Rs. 2 million through the banking system at 6% per annum service charges for borrowers.
- The rate of return for lending banks is one year KIBOR+500 bps. Difference of KIBOR+500 bps and borrowers' rate (6% p.a.) is being absorbed by the Federal Government.
- As a further incentive to the banks, GOP also shares 5% of credit losses of total outstanding loan portfolio of the banks under the Scheme.
- The loans under PMYBL are sanctioned against third person guarantee, mortgage of property held in borrower's name or in the name of third person or pledge/hypothecation of cash collaterals.
- Maximum tenure of PM Youth Business loans is upto 8 years including grace period of upto one year.
- The Debt-Equity Ratio for these loans is 90:10
- This program has greater focus on women entrepreneurs as 50% of loans are meant for female borrowers, while 5% quota has also been fixed for three categories (Heirs of Shaheed, Widows and Special Persons).

### **Updated Status of financing under PMYBL Scheme**

- As on June 30, 2019, cumulative number of applications received under the Scheme stands at 101,938 out of which 89,860 or 88 percent were submitted by male and 12,078 or 12 percent by female applicants respectively.
- As on June 30, 2019, total amount of Rs. 32,940 million has been sanctioned against 33,145 loans under the scheme.
- A total of Rs 26,760 million have been disbursed to 26,679 PMYBL borrowers.

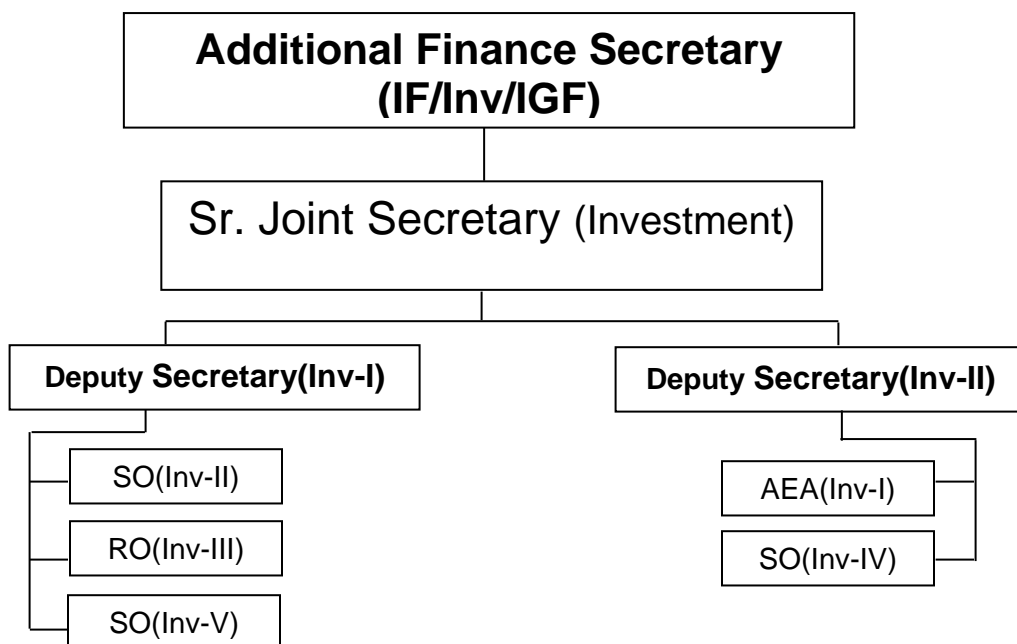
Following table provides province wise breakdown of financing under PMYBL:

<b>Province-wise/ Region-wise Break-up of PMYBL Financing</b>				
(Rs. Million)				
<b>Category/Area</b>	<b>Applications Received</b>	<b>No. of Sanctioned Loans</b>	<b>No of Disbursed Loans</b>	<b>Disbursed Amount</b>
<b>A) Provinces</b>	96,346	30,862	24,706	24,720
Punjab	75,640	23,594	18,608	18,540
Sindh	11,900	4,270	3,687	3,728
KP	6,941	2,380	1,927	1,957
Baluchistan	1,865	618	484	496
<b>B) Special Areas</b>	5,592	2,283	1,973	2,040
GB	1,757	764	641	705
AJK	1,154	377	299	326
ISLAMABAD	2,681	1,142	1,033	1,009
FATA	-	-	-	-
<b>C) Shuhada/Widows/ Special Persons</b>	-	-	-	-
<b>Total ( A+B+C)</b>	101,938	33,145	26,679	26,760

A green scroll graphic with a white outline and a white shadow. The scroll is partially unrolled, with the top and bottom edges curving inward. The text "INVESTMENT WING" is centered on the scroll in a bold, black, sans-serif font.

# **INVESTMENT WING**

**INVESTMENT WING**  
**ORGANOGRAM**



**INVESTMENT WING INCUMBENT(S)**

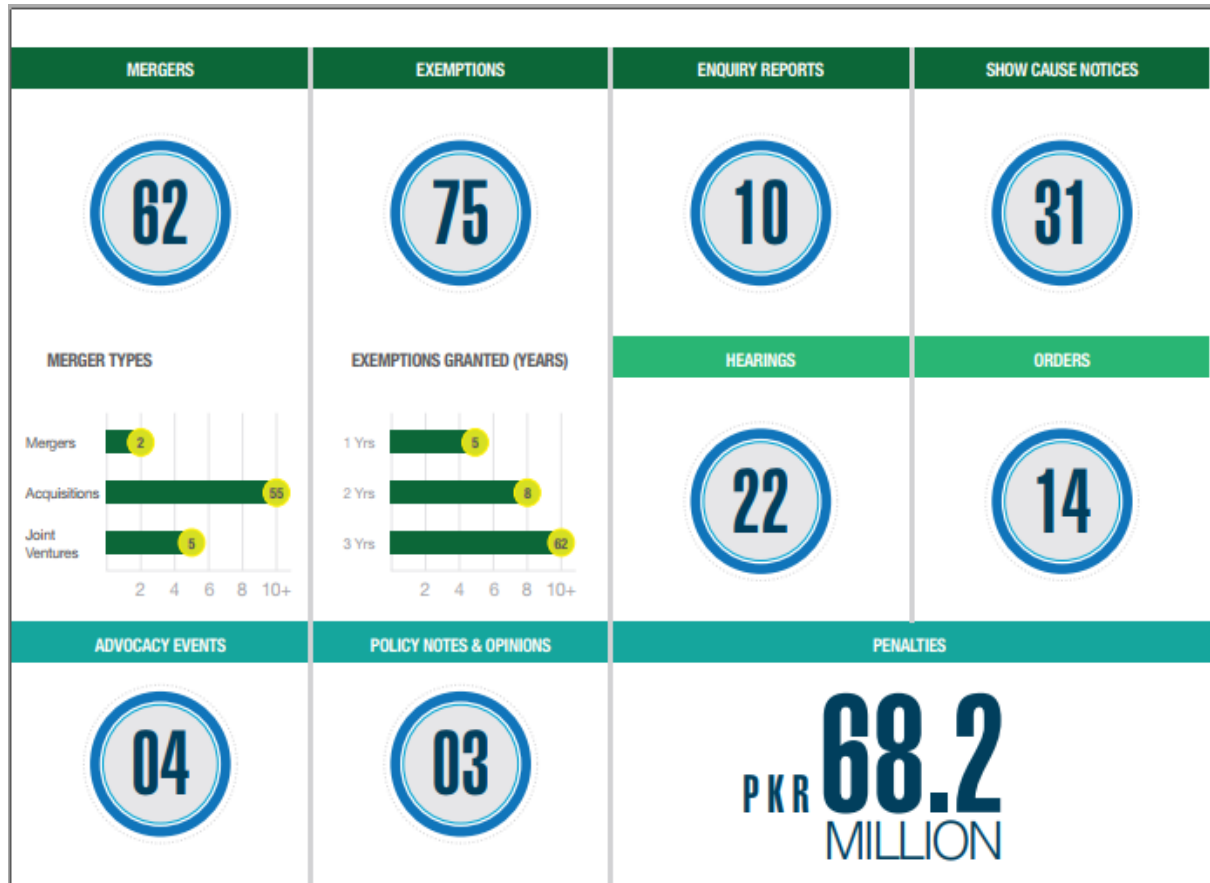
Sr.No.	Name of officer	Designation	Telephone Number (Off)
1	Mr. Mohammad Sohail Rajput	Additional Finance Secretary (Inv)	9211168
2	Mr. Muhammad Bashir Khetran	Joint Secretary (Inv)	9201962
3		Deputy Secretary (Inv-I)	9203244
4	Mr. Abdul Jabbar	Deputy Secretary (Inv-II)	9202113
5	Mr. Farooq Ghani	Section Officer (Inv-II)	9209732
6	Mr. Zulfiqar Ali	Research Officer (Inv-III)	9209473
7	Miss Rida Noor	Section Officer (Inv-V)	9209774
8	Mr. Mushtaque Ahmed	Asstt. Economic Adviser (Inv-I)	9209758
8	Ms. Humaira Awan	Section Officer (Inv-IV)	9209841

## COMPETITION COMMISSION OF PAKISTAN (CCP)

The Competition Commission of Pakistan (CCP) is an independent quasi-regulatory, quasi-judicial body, entrusted to promote competition by enforcement of the Competition Act, 2010. This Act provides for a legal framework to create a business environment based on healthy competition for improving economic efficiency, enhancing competitiveness and protecting consumers from anti-competitive practices.

The enforcement provisions in the Act are bifurcated into an ex-post review of prohibited practices and ex ante assessment of proposed mergers. Prohibited practices include vertical and/or horizontal agreements, which have the object or effect of reducing competition, abuse of dominant position, and deceptive trading practices. Under the law, reviewable transactions include approval of mergers and acquisitions as these can reduce competition by creating a dominant position. Advocacy and research are other core functions, which support promotion of competition.

In the paragraphs to follow, an overview of the activities is provided.





## **I. Cartels & Trade Abuse:**

As part of its enforcement mandate under Section 3 & 4 of the Competition Act, 2010, the Commission concluded 04 inquiries, passed 03 orders for violation of the Act. Some of the sectors in which the Commission took enforcement actions are as under:

**a) Oil & Gas:** This is an important sector of the economy. The Commission concluded an enquiry, and a show cause notice was issued for alleged violation of the Act to the Oil Companies Advisory Council (OCAC). The violation of the Act was related to the selection/award of Fuel Marking Contract (FMC) without advertisement and following the procurement methodology which would have an impact on the final price of Kerosene.

**b) Telecommunication & IT:** The residents DHA Phase 5 Lahore filed a complaint to the CCP that a service provider was bundling its "Analogue Television Service" with the "Digital Television and Internet Services." Resultantly, in the absence of any other cable television service provider in the area, the service provider was allegedly abusing its dominant position by tying various products. However, the Commission found that the television broadcasting sector is under a transition from analogue to digital services based on the directions of sector regulator, i.e. Pakistan Electronic Media Regulatory Authority. As per the settled jurisprudence in the EU, the analogue and digital TV services cannot be sub segmented into two separate product markets, hence the question of a tie-in of substitutable services with the same relevant market does not arise.

**c) Aviation:** The Commission concluded an inquiry in this sector for alleged infringement of Section 4 of the Act. The matter was related to the provision of Aircraft Fueling Services at Jinnah International Airport, Karachi. It was found that an agreement entered into by the Civil Aviation Authority and three oil marketing companies in 1994, for thirty years, conferred exclusive rights on certain petroleum companies as operators for use of the Hydrant Fuel System, thus ostensibly restricting competition to other operators.

**d) Media:** The Commission concluded an inquiry into the role of Pakistan Broadcasters Association (PBA). The trade body entered into certain agreements with respect to Television Audience Measurement services that restricted access to advertising business for non-PBA member and therefore, amounted to *prima facie* violations of Section 4 of the Act. Further, an Order was passed in the matter of M/s All Pakistan Newspaper Society (APNS) for alleged violation of section 4 of the Act. In another case, the Commission issued an order to M/s NFC Employee Housing

Society for violation of section 4 with reference to the Society's agreement with Malik Cables Network for provision of cable TV services in Phase I of the Society. The Commission's order improved competition in the provision of services to the residents.

## **II. Office of Fair Trade (OFT):**

The Commission as part of its enforcement mandate under Section 10 of the Competition Act, 2010 took actions against various undertakings who were engaged in deceptive marketing practices. The Commission during the period Completed 09 inquires, issued 31 show cause notices to different undertakings, passed 07 Orders and imposed penalties amounting to PKR 57.25 Million. Sectors in which the Commission took actions against various undertaking are as under:

**a) Education Sector:** The Commission initiated a massive drive against deception in the education sector, depriving students with their time, money and efforts. The CCP conducted an enquiry against various institutions named by PMDC to have misrepresented their status in term of recognition by PMDC through their websites and omitted to communicate the restriction on their admissions for the year 2013-14, thus violating Section 10 of the Competition Act. The Show cause notice was issued to eight medical institutions include: Pak Red Crescent Medical & Dental College, Lahore, Mohiuddin Islamic Medical College, Mirpur (AJK), Abbottabad International Medical College, Abbottabad, Independent Medical College, Faisalabad, Women Medical College, Abbottabad, Hashmat Medical & Dental College, Gujrat, Bhattai Medical & Dental College, Mirpurkhas Sindh, (BDS), and AJ&K Medical College, Muzaffarabad - AJ&K. Finally, the Commission imposed a penalty of PKR 22.5 Million to three medical institutes.

Furthermore, an enquiry was completed on the complaint filed by M/s Dar-e-Arqam Schools (Pvt) Ltd/ Dar-e-Arqam Foundation wherein 08 undertakings were found violating the Act. On receipt of information against University of Technology (UMT), CCP conducted an enquiry to ascertain whether the university has violated the Act. The enquiry concluded that UMT has made multiple deceptive claims in its prospectus and other promotional material regarding its ranking and accreditation just to make profits by luring new students into taking admission in the university. Thus, CCP imposed a penalty of PKR 5 Million on the University of Management and Technology (UMT) for making false claims regarding its ranking and accreditation in violation of Section 10 of the Act.

**b) Protection to International Chain:** Starbucks Corporation is registered in the United States of America, and runs an international network of coffee houses by

its authorized operators, licensees, and franchisees operating in more than 66 countries uniformly using the Starbuck Marks. Starbucks sent a complaint to the CCP that 'Options' was engaged in the marketing, advertising, selling, and offering to sell "Starbuck coffee" using its mark not only on the sign board of its coffee houses and restaurants, but also on the packaging material, menus, flyers, Facebook page, and other promotional material, without any due authorization. The practice was harming the business interest of Starbucks and also deceiving the consumers.

During the proceedings, the CCP passed an interim order directing Options International to immediately stop using the logo. In the final order, the CCP imposed a penalty of PKR 5 Million and directed the Company to inform the general public through newspaper advertisements about its fraudulent use of the Mark. The CCP also passed an interim order, in a matter which also belongs to the Hospitality Sector (however, a local chain), directing Omni Com (Pvt) Limited and Lucky Gold (Pvt) Limited to immediately stop using the trade name "PC" (pearl Continental) and style of logo used by PC hotel.

**c) Pharmaceutical/Medicine:** A show cause notice was issued to M/s Neucon Pakistan Limited, which tantamount deceptive marketing practices in contravention of clause (d) of subsection (2) of Section 10 read with subsection (1) of Section 10 of the Act, i.e, fraudulent use of another's trademark.

**d) Textile Industry:** ShajarPak complained to CCP that eight companies including five fabric manufacturers, Ahmad Pasha Collection, Aamir Cloth House, M. Ramazan Fabrics, Pasha the Designer Fabrics, Sufi Cloth House, and three packaging manufacturers, Baba Plastic, Ahmad Plastic & Dabba House, and Kausar Brother Plastic Corner, were falsely using its registered trademark 'Pasha Fabrics' on the packaging and labelling of their products.

The Commission imposed a penalty of Rs. 4.25 Million on seven fabric and packaging companies for deceptive marketing practices and fraudulently using the registered trademark of ShajarPak.

**e) Electric Cable Manufacturers:** Many electric wire manufacturing companies were inserting cash/cash coupons inside the bundle packs of electric wire but they were not disclosing this on the packaging or other promotional material. This practice resulted in only benefiting the electricians who generally open the packs and deceives the end consumers who ultimately pay for the value of the coupons but are unaware of it. In the enquiry, it was found that 18 electric cable manufacturers were inserting cash coupons of various denominations in the packing

of their electric cable/wire bundles and not disclosing it anywhere. During the hearings, most of these cable manufacturers admitted their involvement in the deceptive practice and made commitments to stop doing so. CCP passed an order imposing a total penalty of PKR 18 Million on them.

**f) E-Commerce:** An enquiry was concluded against M/s PakWheels (Pvt) Ltd for alleged violation of Section 10 of the Competition Act, 2010, for engaging in fraudulent use of their registered trademark, firm name, labelling and/ or packaging along with distribution of false and misleading information to consumers which is capable of harming the business interest of the Complainants.

In addition to the above, enquiries were conducted in the fraudulent use of trademarks and deception in the leather and textile, dairy products, and lodgings business.

### **III. Competition Policy and Research:**

**a. Research Studies:** The Act mandates the Commission to carry out market studies to promote competition in all spheres of commercial economic activity. The World Bank's 'Competition Assessment Guidelines' designed specifically for the CCP were instituted for examination of regulatory framework. This has contributed to make the analysis more effective and practical.

During the year, six research studies were conducted. A research study on the 'Competition Assessment of the Road Construction Sector in Pakistan' was finalized. Whereas, three draft studies on LNG Sector, Wheat flour and Tea Industry were circulated for public comments. Two research studies were conducted in collaboration with the World Bank on Air Transport Sector and Mobile Telecommunication Sector. The objectives of these studies were to evaluate the sectors from competition perspective, examine the regulatory framework, role of implementing agencies, barriers to entry, and to assess whether there is a level playing field in the sector. Based on the analysis the studies proposed a number of recommendations to foster competition. Market and regulatory assessment of the air transport sector in Pakistan

**b. Policy Notes and Opinions:** Policy Notes help the Commission influence and eventually modify public policies that have the potential to impair competition. During this course of time, the Commission issued two policy notes, the details are as under:

i. **Aviation Sector:** The Civil Aviation Authority (CAA) invited the airlines, flight caterers and hotels to participate in an open tender for award of land space to establish non-exclusive flight kitchen facility at Islamabad International Airport. CAA vide its Order in 2018 implemented a new policy, about which the commission noted that airlines/JV were given an advantage over private caterers in terms of cost of establishment and operation of flight kitchen. The CCP's Policy Note recommended that any incentives be given equally to all players so as to provide them a level playing field.

ii. **Construction and Real Estate Sector:** The research study on the Road Construction Sector observed that the Government of Khyber Pakhtunkhwa has made an amendment in section 28 of the Khyber Pakhtunkhwa Public Private Partnership Act, 2014 i.e. 28A on April 14th, 2017, which has mounted serious competition concerns with reference to the award of infrastructural and development projects contracts. The amendment gave substantial exemptions to KP government by allowing it direct award of contracts under the Public Private Partnership (PPP) mode. The Commission recommended to modify the framework in a pro-competition manner.

Besides the above, the CCP conducted Open hearings on 'Competition Issues on Real Estate issues in Pakistan' in Islamabad, Lahore and Karachi. Based on the findings and in-depth discussions, the CCP issued an Opinion to reform the sector, so as to make it competitive.

iii. **Automotive Sector:** This opinion was issued to identify prevalent competition concerns in the automobile sector of Pakistan. To address the lack of competition in the market in general, Federal and provincial governments should continue to support timely entry of new assemblers in the market which will have a positive effect on the market in general. In our opinion, the incentives provided to the new entrants vis-à-vis the existing players should be maintained during the periods agreed with the new entrants as per the Auto Policy 2016-21 which is a major step in catalyzing competition in the market.

#### **IV. Mergers and Acquisitions:**

Section 11 of the Competition Act and the pre-merger notification requirements of Section 4 of the Competition (Merger Control) Regulations, 2016, make pre-merger notifications mandatory for transactions that are above certain thresholds based on the size of the transaction and the parties.

During the period, 62 transactions were approved by the Commission. Of the 62 transactions approved by the Commission, some of the important ones were the Joint Venture between Riaz Bottlers Private Limited and LotteChilsung Beverages Co Limited, Acquisition of LPG plant from Marshall Gas Pvt. Limited Hascol Petroleum Limited, and the Joint Venture between Matco Foods Limited and Barentz International B.V. A breakdown of the 62 orders issued by the Department of Mergers & Acquisitions, by industry, is as follows:

<b>Sector/ Industry</b>	<b>Transactions</b>	<b>Sector/ Industry</b>	<b>Transactions</b>
Aeronautical Equipment	1	Healthcare	6
Agricultural Products	2	Market Research	1
Chemicals	4	Online Ticket Retail	2
Automotive	2	Packaging	1
Aviation	1	Oil & Gas	8
Banking & Financial Services	5	Pharmaceutical	2
Car Rental	1	Power	5
Cement	1	Sanitary Fittings	1
Edible Oil	1	Steel	2
Electrical Equipment	1	Sugar	2
Entertainment/Media	2	IT & Telecommunications	3
Food & Beverages	7	Textile	1

**Merger Awareness Program 2018-19:** The Commission successfully concluded a Merger Process Awareness Program, in Islamabad, Karachi and Lahore, as a part of its advocacy efforts in order to spread awareness of Pakistan's merger review regime under the Competition Act, 2010.

## **V. Advocacy Activities:**

### **a. Guidance on Competition Compliance**

'The Guidance on Competition Compliance,' an-easy-to-understand guide was launched to promote voluntary compliance of the law. It provides a roadmap to assist businesses and other stakeholders to promote an internal culture of compliance. Guidance session with Nestle took place in Lahore.

### **b. Competition Advocacy with Academia**

The Drive aimed to create awareness on competition law among students and faculty members of academic institutions. During the year, 02 seminars were held in Abdul Wali Khan University Mardan and University of Swat. During the seminars, a 16-week Module on 'Economics and Competition Law', developed in collaboration with King's College London was also discussed with the faculty members.

**c. Interaction with Chamber of Commerce**

To create awareness about the Act, the CCP team visited Swat Chamber of Commerce & Industry.

**d. Disseminating Information for Escalating Awareness and Compliance**

i. **Newsletters**: A newsletter *Ceteris Paribus* containing information about the actions and initiatives undertaken by the Commission is published. (Vol 3 Issue II)

ii. **Radio Interview**: In order to spread awareness among the general masses of Pakistan Radio, an essential medium was utilized. The CCP's senior officials have given *two interviews* in current affair shows of the Pakistan Broadcasting Corporation (PBC).

iii. **Media**: The following activities relate to print media during the year:

- Press Briefings: 6
- Exclusive News: 75
- Press Release: 17
- GCR News: 2

iv. **Documentary**: A documentary highlighting the Commission's last ten years achievements was made and disseminated.

**NATIONAL INVESTMENT TRUST LIMITED (NIT)**  
**PERFORMANCE REVIEW FOR FY 2018-19**

The performance of Funds under management of NIT for the year ended 30<sup>th</sup> June, 2019 as per Audited accounts is as follows:

**NI(U)T Fund:**

Significant decline of 19.11% in the benchmark KSE-100 Index was witnessed during the year. Despite difficult market conditions, NIT maintained its 56 years history of consistently paying out dividends to its unit holders and declared a cash dividend of Rs.1.55 per unit for unit holders of NI(U)T Fund for the year ended 30<sup>th</sup> June, 2019.

During FY-2019, NI(U)T Fund earned a Net Income of Rs.1481 million translating into earning per unit of Rs.1.55. As of 30<sup>th</sup> June, 2019, Net Assets of NI(U)T Fund stood at Rs. 51,916 million.

NI(U)T Fund earned a dividend income of Rs.2,678 million in FY-2019. The Fund also managed to realize capital gains of Rs.3.4 million during the year.

**Performance Highlights of NI(U)T Fund:**

<i>(Rs in million)</i>	<b>FY19</b>	<b>FY18</b>	<b>FY17</b>	<b>FY16</b>	<b>FY15</b>	<b>FY14</b>
Dividend Income	2,678	3,219	3,067	3,177	2,473	2,329
Capital Gains	3.4	2,078	5,012	5,264	3,713	3,504
Net Income	1,481	2,534	8,751	7,658	6,167	5,431
Dividend/ Unit (Rs.)	1.55	2.33	4.50	4.50	4.25	4.10
NAV/Unit Rs. (30 <sup>th</sup> June)	54.40	73.85	83.74	65.15	63.75	56.59

The Top 10 holdings of NI(U)T's Fund portfolio are as follows:

**TOP 10 HOLDINGS:**

As on 30<sup>th</sup> June, 2019

<b>NAME</b>	<b>% of NI(U)T's PORTFOLIO</b>
PAKISTAN STATE OIL CO. LTD.	9.00%
BANK ALHABIB LIMITED	9.00%
PAKISTAN TOBACCO CO. LTD.	8.00%
MARI PETROLEUM COMPANY LTD.	5.00%
FAUJI FERTILIZER CO. LTD.	4.00%
BATA PAKISTAN LTD.	3.00%
HABIB METROPOLITAN BANK	3.00%
SUI NORTHERN GAS PIPELINES LTD.	3.00%
SAPPHIRE TEXTILE MILLS LIMITED	2.00%
ABBOT LABOATORIES (PAKISTAN) LTD.	2.00%
<b>Total</b>	<b>48.00%</b>



## SECTORAL BREAK-UP OF NI(U)T'S FUND PORTFOLIO

As on 30<sup>th</sup> June, 2019



### **NIT State Enterprise Fund (NIT-SEF)**

NIT declared a cash dividend of Rs. 0.46 per unit for unit holders of NIT-SEF for the year ended 30<sup>th</sup> June 2019. During the year under review, NIT-SEF earned a net income of Rs.69.4 million.

During FY19, the dividend income earned by the Fund was Rs.117 million. As of 30<sup>th</sup> June 2019, Net Assets of NIT-SEF stood at Rs.1,936 million.

### **NIT Equity Market Opportunity Fund (NIT-EMOF)**

NIT declared a cash dividend of Rs.4.96 per unit for the unit holders of NIT-EMOF for the year ended 30<sup>th</sup> June 2019.

During the year under review, NIT-EMOF earned a net income of Rs.195 million translating into an earning per unit of Rs.4.96. During FY19, the dividend income earned by the Fund was Rs.349 million. As on 30<sup>th</sup> June 2019, Net Assets of NIT-EMOF stood at Rs.6,175 million.

### **NIT Islamic Equity Fund (NIT-IEF)**

NIT declared a cash dividend of Rs.0.19 per unit for unit holders of NIT-IEF for the year ended 30<sup>th</sup> June 2019.

During the year under review, the Fund has earned a net income of Rs.78 million which translates into per unit earning of Rs.0.19. The dividend income earned by the Fund stood at Rs. 174 million. As on 30<sup>th</sup> June 2019, Net Assets of NIT-IEF stood at Rs.3,045 million.

## **INCOME FUNDS:**

### **NIT Government Bond Fund (NIT GBF)**

NIT declared a dividend of Rs. 0.8845 per unit for unit holders of NIT GBF for the year ended 30<sup>th</sup> June 2019. During FY19, NIT GBF earned a net income of Rs. 288 million.

The NAV of NIT GBF increased from Rs. 9.9317 as on 30<sup>th</sup> June 2018 to Rs. 10.7277 as on 30<sup>th</sup> June 2019, thus yielded a return of 8.01% p.a. The Net Assets of NIT Government Bond Fund stood at Rs. 3,540 million as on 30<sup>th</sup> June 2019.

## **NIT Income Fund (NIT IF)**

NIT declared a dividend of Rs. 0.9025 per unit for unit holders of NIT IF for the year ended 30<sup>th</sup> June, 2019. NIT IF earned a Net Income of Rs. 321 million during FY-19.

NAV of NIT Income Fund increased from Rs. 10.2625 as on 30<sup>th</sup> June 2018 to Rs. 11.0065 as on 30<sup>th</sup> June 2019, thus, yielded an annualized return of 7.25%. The Net Assets of NIT Income Fund stood at Rs. 4,129 million as on 30<sup>th</sup> June 2019.

## **NIT Money Market Fund (NIT MMF) (Formerly NIT Government Treasury Fund)**

NIT declared a dividend of Rs.0.9974 per unit for unit holders of NIT MMF for the year ended 30<sup>th</sup> June, 2019. During FY-19, NIT MMF earned a Net Income of Rs.168 million.

Assets under management of NIT Money Market Fund increased from Rs.1,322 million as on 30<sup>th</sup> June, 2018 to Rs.3,484 million as on 30<sup>th</sup> June, 2019, an increase of 163% year on year. The NAV of NIT MMF increased from Rs.9.8982 as on 30<sup>th</sup> June, 2018 to Rs.10.7758 as on 30<sup>th</sup> June, 2019; thus, yielded a return of 8.87% per annum.

## **NIT Islamic Income Fund (NIT IIF)**

NIT declared a dividend of Rs. 0.9122 per unit for unit holders of NIT IIF for the year ended 30<sup>th</sup> June, 2019. During FY19, NIT IIF earned a Net Income of Rs.42 million.

NAV of NIT-IIF increased from Rs.9.8869 as on 30<sup>th</sup> June, 2018 to Rs.10.6947 as on 30<sup>th</sup> June, 2019, and yielded a return of 8.17% p.a. As of 30<sup>th</sup> June 2019, Net Assets of NIT Islamic Income Fund stood at Rs.650 million.

## **IMPORTANT ACHIEVEMENTS**

### ➤ ***Competitive returns and consistent dividend payout history***

Since its inception in 1962 NIT has been serving its unit holders by not just maximizing returns on their investments but also by paying out cash dividends to its unit holders. For the last 57 years NIT has never missed any cash dividend payout in its Flagship Fund i.e NI(U)T Fund despite changing investment environment and market conditions.

### ➤ ***Payout to Shareholders***

NIT maintains a good payout history not only to its unit holders but also to the shareholders of National Investment Trust Limited (The Asset Management Company). Government of Pakistan being the shareholder of the company has been consistently receiving cash dividends which makes NIT the only Asset Management Company of country which contributes to the national exchequer not only in the form of taxation but also in the form of dividends.

### ➤ ***Support to the capital markets***

NIT being the leading Asset Management Company always took the lead in efforts of bringing the stability and restoring the confidence of local and

international investors by providing support to the capital markets during the adverse conditions. In addition, NIT being the Fund Manager of State enterprise Fund (SEF) & Equity Market Opportunity Fund (EMOF) has shown unmatched performance which paved the way to bring in the stability to the capital markets during the chaotic period of 2008. As per the instructions of Government of Pakistan (GoP), NITL repaid the entire loan of Rs.17.2 billion obtained for SEF along with markup of about Rs.9 billion thereon. Furthermore, the Fund has also paid an amount of Rs.12.7 billion to the GoP as part of profit sharing of NIT-SEF up to December 31, 2017. Despite repayment of loan and profit sharing with GoP Net Asset of the fund stood at Rs.1.9 billion as at 30<sup>th</sup> June 2019.

- ***Contribution in increasing market depth to boost investors' confidence.***  
NIT has always been a most concerned and socially responsible market player. NIT believes in playing its role in enhancing the depth and breadth of the capital markets. Since January 2018 NITL has participated in four Initial Public Offerings (IPOs) in an effort to increase market depth.
- ***Awareness Campaign***  
As market leader, NIT fully understands its Corporate & Social responsibility, NIT has continued its campaign to spread awareness among general public on the benefits of investment in Mutual Funds. In this regard, NIT has been setting up kiosks and sponsored certain events. Moreover, increasing awareness among the masses through print media is a continuous process.
- ***Branch Network of NIT***  
In FY19, NIT opened a new branch in Gujrat, Punjab in order to improve retail investor's base. With this addition nationwide distribution network of NIT increased to 24 branches and a state of the art Investors Facilitation Center. NIT plans to increase its branch network all over the country which will further facilitate the existing unit holders and shall cater the needs of investors of different areas including remote areas. In addition, NIT is also adopting innovative ways to improve sales thus three new counters were opened to facilitate the investors.
- ***Increase in Market Share***  
As on 30<sup>th</sup> June, 2019, the market share of NIT managed Funds stood at around 13.6% of the mutual fund industry and 13.65% of all Open End schemes. Similarly, its equity Funds account for 47.0% of all Open End Equity Funds whereas, Fixed Income Funds of NIT hold around 15.8% share of all Open End Income Fund Schemes. Gradual increase in its market share is on the agenda of NIT. In this regard, NIT is striving to achieve its target of increasing its market share in the Mutual Fund Industry by increasing the size of existing Funds and by launching new Funds.
- ***Development in Information Technology***  
In order to manage the funds more efficiently and effectively certain required developments are being made in the area of Information Technology which includes launching of Call Centre and a Disaster Recovery site at Karachi. Completion of ongoing projects in short span of time as well as initiation of new projects to meet the additional requirements is the top priority of the company.

Currently, NIT is in the process of establishing E-Services centers to facilitate investors in buying and selling of NIT units.

➤ ***Launching of New Funds***

Recently, in order to cater the needs of investors and to diversify its product portfolio, NIT is expected to launch three new funds. The two Funds are in the category of Conventional Asset Allocation and Shariah Compliant Asset Allocation namely: “NIT Asset Allocation Fund” and “NIT Islamic Asset Allocation Fund”. The Asset Allocation Funds to be offered by NIT will allow its investors to diversify their investments in a multiple types of securities & investment styles available in the market which will be suitable for investors seeking comfort to prudently switch between the various asset classes, as per market outlook, whilst earning attractive returns with a lower level of risk.

NIT is also in the process of developing and launching the Pakistan’s first ever Exchange Traded Fund by the name of NIT Pakistan Gateway Exchange Traded Fund. The fund is expected to generate good response from the public.

NIT has plans to further enhance its basket of products available to general public for investment as per their appetite at appropriate times depending on the market conditions.

## **SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

### **Introduction:**

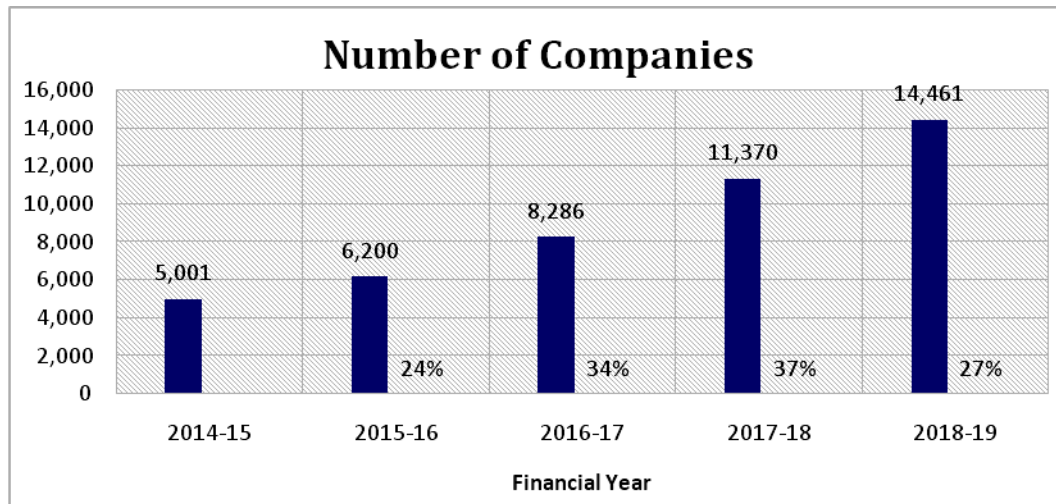
The Securities and Exchange Commission of Pakistan (SECP) is mandated to regulate the corporate sector, capital markets, non-banking finance companies and the insurance industry. The SECP is also entrusted with oversight of various external service providers to the corporate and financial sectors, including chartered accountants, credit rating agencies, corporate secretaries, brokers, surveyors etc.

During the fiscal year 2018-19, the SECP has made significant progress towards improving the overall business climate in the country through reforms targeting ease of doing business, reducing overall cost of doing business and regulatory facilitation. The SECP has pursued a multi-pronged strategy aimed at building a robust regulatory infrastructure for sustainable progress as a role-model regulator, bringing improvements to its internal processes, harnessing the benefits of technology through increased digitalization, transparency in enforcement actions and supervision, and enforcement through effective offsite reviews, onsite inspections and investigations across all regulated sectors.

SECP's major accomplishments and future roadmap are briefly stated as below.

### **Corporate Sector:**

On the corporate side, during the FY, 14,461 new companies were registered. Around 93% of the companies registered during the FY were registered online and approximately 54% were registered within the same day. As compared to the corresponding period of last FY, a growth of 27 percent has been witnessed increasing total number of registered companies as of June 30, 2019 to 101,328. Moreover, SECP's eServices is offering one window facility for company registration with FBR (NTN registration), EOBI, provincial employees social security institutions (PESSI/SESSI), Labor Department and Excise and Taxation Department of Punjab and Sindh.



During the year SECP notified and reviewed various primary and secondary legislations including the Companies Act, 2017, Related Party (Transactions and Maintenance of Related Records) Regulations, 2018, Amendments in the Listed Companies (Code of Corporate Governance) Regulations, 2017, Companies (Issue of Further Shares) Regulations, 2018, Amendments in Employees Contributory Funds (Investment in Listed Securities) Regulations, 2018 and Listed Companies (Buy-back of shares) Regulations, 2019 with the underlying core objective of facilitating ease of doing business. Massive reduction in regulatory fees took place to remove impediments for regulates and reduce cost of doing business. The SECP's measures for ease of doing business support Pakistan improving its ranking by climbing up 11 notches in World Bank's annual Doing Business Report 2019, improving from 147 to 136.

Vigorous enforcement actions were taken to ensure compliance by public sector companies with corporate governance requirements, through regular compliance checks, accounts examination and adjudication where required. Moreover, risk-based onsite, offsite inspections and investigations were conducted into the affairs of companies with special focus on Section 42 Non-Profit Organizations (NPOs).

Likewise, SECP actively contributed towards the national agenda of National Risk Assessment on Terrorist Financing (2018) and revisions thereof (2019), and provided necessary feedback on NPO sector under its regulatory ambit. In line with this objective, the SECP widely expanded its outreach and undertook awareness raising measures amongst NPOs to help mitigate money laundering (ML) and terrorist financing (TF) risks. Amongst other measures, a proper mechanism has been set in place for screening of the corporate sector in general and NPOs in particular, to identify UNSC designated and locally proscribed persons and entities.

Federal Government, vide notification dated March 29, 2019, has notified establishment of the Secured Transaction Registry (STR) for unincorporated entities and the function of the registry has been outsourced to SECP under Section 34 of the Financial Institutions (Secured Transactions) Act, 2016 (STA). SECP is in the process of drafting the rules and regulations to be framed under the STA. SECP's registry of charges will be integrated with STR to form a Unified Collateral Registry with geographical access to its users.

### **Capital Market:**

The year initially witnessed a steady decline followed by a successful recovery. The KSE-100 index began the year at 41,910.90 points and ended at 33,901.58 on June 28, 2019, recorded a decrease of almost 19% since the beginning of the year. The market touched its lowest level, 32,354.06 on May 20, 2019 and recorded its highest level of 43,638.77 on July 31, 2018. The average daily turnover was 155.205 million shares and 36.8 million shares in ready and futures market, respectively.

A total 544 companies with total listed capital of Rs 1,340.2698 billion are listed on the Pakistan Stock Exchange as on June 30, 2019 while the market capitalization stood at Rs.6,887.301 billion, reflecting an approximately 21% decline over the last year. Foreign investment in the stock market exhibited a net outflow of \$355.953 million during the year, which reflects a negative 26% compared to the last year. Despite all the turbulence, settlements have been executed in a timely manner that depicts strength of risk management in capital market.

During the year, the capital market witnessed various developmental and regulatory reforms for improving efficiency and effectiveness of capital market functions and its performance. Major developmental reforms implemented during this period include operationalization of Centralized KYC Organization (CKO) whereby a single, standardized Customer Relationship Form has replaced previously segregated and lengthy account opening forms. Further, CKO has also gained access to National Database Regulatory Authority and Pakistan Mobile Database for biometric and mobile verification of investors. To facilitate listed companies and to promote paperless environment, electronic mode of submission of various financial reports and other documents has been introduced. Further, to cater to increased interest of foreign investors in the PSX shares, foreign persons other than foreign anchor investors have been allowed to acquire up to 20% of total issued share capital of PSX, which was previously limited to 10%. Other market development measures to enhance liquidity include introduction of Category B of margin eligible securities and increase in eligible securities for Deliverable Futures Market.

In order to provide ease of doing business to capital market participants, centralized E-IPO system has been in place for retail investors that enables them to submit applications through internet, mobile phones or ATMs. To expand scope of the centralized E-IPO system to a larger segment of the public, a Facilitation Account structure has been introduced by CDC for allowing those investors which do not have Investors' Account to benefit from the E-IPO facility and to facilitate debt issues and to provide additional investment avenues to corporates, mutual funds and employees funds, the SECP has expanded the list of eligible persons to whom privately placed debt securities can be issued. Furthermore, PSX has been advised to permit sponsors of the issuer to invest in privately placed debt securities by making necessary amendments in their regulatory framework. Under investor protection measures, maximum relief shall now be given to customers of defaulter brokers by changing disbursement limit from the Centralized Customer Protection and Compensation Fund.

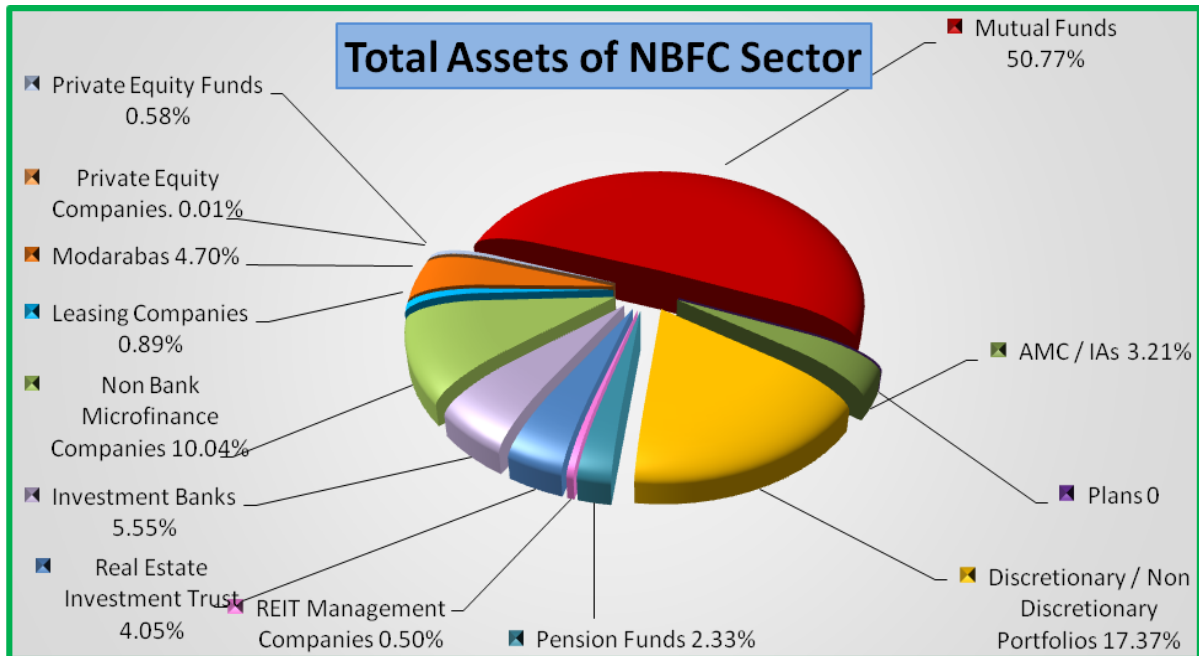
In line with Financial Action Task Force recommendations, necessary changes in regulatory framework has been made effective under which securities brokers need to comply with provisions of the Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018 and the Guidelines on Anti-Money Laundering, Countering Financing of Terrorism and Proliferation Financing.

SECP has also taken a range of measures to reduce systemic risk including investor level risk profiling and stress-testing model and carried out simulations under different stress scenarios in collaboration with the clearing company for assessing sufficiency and resilience of margins, settlement guarantee fund and other resources of clearing house. Furthermore, meeting of Council of Regulators' has been held to deliberate on issues related to systemic risk, particularly those having cross market and stability implications.

### **NBFC Sector:**

On June 30, 2019, the asset size of NBF sector stood at Rs.1,137.85 billion as compared to Rs 1,228 billion reported as at June 30, 2018, reflecting an overall decrease of 7.4%. The diagram below illustrates the details of the total asset size of the NBF sector as of June 30, 2019:





The total size of the Asset Management industry on June 30, 2019, stood at Rs577.64 billion and the total number of funds (including plans) was 297. As of June 30, 2019, equity funds dominated the AUMs of the mutual fund industry with the largest share of 33.99%, while money market funds held the second largest industry share i.e. 29.07%, followed by Income funds with industry share of 21.03%. In order to further foster growth of the mutual fund industry and promote ease of doing business, the SECP instituted several regulatory reforms in the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations, 2008).

During the period under review, a new REIT management company (RMC) was licensed to undertake REIT management services, raising the number of RMCs to five. The total assets of these five REIT Management Companies were Rs5,722.65 million, as of June 30, 2019. In order to provide ease of doing business necessary amendments have been incorporated in the REITs Regulations, 2015 with the aim of simplifying overall processes to foster further.

The SECP remained focused on development of the NBFC and Modaraba sector during the year and instituted several dynamic reforms to further foster its growth, promote ease of doing business for the industry and safeguard interests and rights of investors. In this context, the regulatory fees for the entire NBF sector was reduced substantially. Additionally, the Commission provided operational flexibility to the Asset Management Companies (AMCs) on charging different types of expenses within the overall expense ratio ceiling. Furthermore, AMCs were allowed to charge Selling and Marketing expenses including Alternative Delivery Channels expenses to all categories of funds without any time and sub-limit. Also, a

comprehensive grievance redressal mechanism for borrowers of NBMFCs was devised and implemented after consultation with the World Bank, State Bank of Pakistan and Pakistan Microfinance Network.

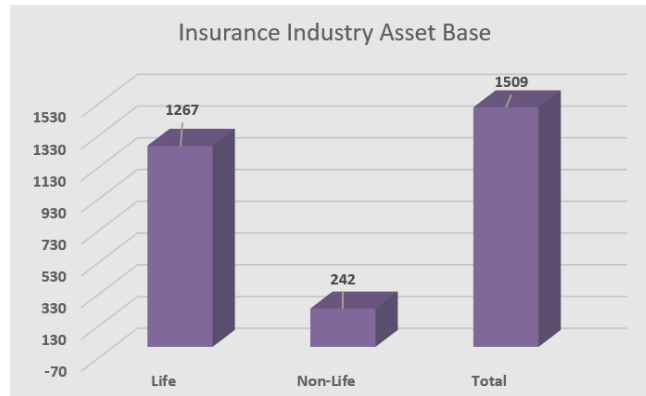
Moreover, amendments to the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 were made for; (i) defining minimum thresholds for mandatory licensing of NBMFCs; and (ii) allowing setting up of wholly owned non-financial subsidiaries by an NBMFC. This enables NBMFCs to invest in their wholly owned nonfinancial subsidiaries for multiple purposes, including education and rural development etc.

The number of private fund management companies has doubled, taking the size of private equity funds from Rs. 4.98 billion in last year to Rs. 6.56 billion. Similarly, a new REIT Management Company (RMC) has been granted license and the success of the already existing REIT scheme has been further cemented with value of its total assets increasing by approximately 107% (Rs. 46.06 billion in FY 2019 from Rs. 22.23 billion in FY 2018).

### **Insurance:**

The insurance industry in Pakistan plays a pivotal role in the overall development of the economy by providing risk management solutions and by serving as a major institutional investor for the capital and money market. The insurance sector possesses a huge potential for expansion and growth. SECP tried to remain steadfast on the regulatory mission to spur the organized development of insurance sector and take appropriate regulatory measures to develop it into a financially sound and ethically responsible business segment.

The life insurance sector has underwritten premium of Rs.226 billion during the year 2018 and non-life insurance sector has recorded direct premium amounting to Rs.100 billion during the same period. As of December 31, 2018, out of total assets of insurance industry, the life insurance industry owns assets amounting to Rs.1,267 billion and non-life insurance sector owns assets amounting to Rs.241.7 billion.



**Insurance Industry Assets Base as of December 31, 2018**

During the year, various policy reforms were undertaken, framed around the themes of market development, ease of doing business (EODB), consumer protection, risk-based supervision, and improved compliance with the Insurance Core Principles (ICPs). The SECP liaised with the provincial tax bodies to enable exemption from sales tax for life and health insurance for the year, moved proposal for reduction in various types of regulatory fees and has initiated measures to minimize outflow of foreign exchange from the country on account of excessive reinsurance placement abroad in consultation with industry.

The SECP has also collaborated with the professional bodies and industry stakeholders for devising roadmap for implementation of IFRS – 17, the accounting standard which will be applicable from January, 2022 and will replace IFRS – 4, drastically impacting the insurance sector globally. The SECP has rebooted the focus on consumer protection and leading to provision of relief amounting to Rs. 94.883 million to the policy holders because of settlement of their grievances, during the year.

Furthermore, SECP envisions liaising with the government bodies for improved implementation of compulsory insurances i.e. motor third party liability insurance, compulsory group life insurance and introduction of compulsory occupational health insurance. The measures are expected to increase insurance penetration in the country. During the year, the SECP has conducted 100 percent offsite inspections of the insurance companies and insurance brokers. Onsite inspections of 15 insurance companies including AML based thematic inspections were conducted and levied penalty of Rs. 6.16million for the non-compliances observed.

### **Islamic Finance:**

In compliance with the requirement stipulated in Article 38(f) of the Constitution of Pakistan for elimination of riba and Islamization of economy, SECP has been taking a number of measures and initiatives for the promotion and development of Islamic finance. It has added and incorporated enabling provisions in its regulatory framework.

To regulate and supervise the Shariah compliant businesses regulated by SECP in line with the Shariah principles, Shariah Governance Regulations, 2018 has been notified. The main areas covered under Shariah Governance Regulations, 2018 are Certification of Shariah compliant companies/securities, Shariah screening criteria for Shariah compliance of the companies, disposal of non-Shariah compliant investments and external/internal Shariah audit. The implementation and compliance with these regulations will ensure the soundness and stability of the corporate entities and Islamic financial system of the country.

A specific provision for regulating and facilitating the growth of Shariah compliant financial products and services has been incorporated in the SECP Act, 1997. Provisions for certification of Shariah compliant companies and Shariah compliant securities have been added in the Companies Act, 2017. These enabling provisions enabled the SECP to notify Shariah Advisors Regulations, 2017 and Shariah Governance Regulations, 2018 and issued Regulations for governing Shariah compliant trading platform at Pakistan Mercantile Exchange (“PMEX”) for commodity Murabahah transactions. Shariah Advisory Board (“SAB”) has granted its approval for Murabahah share financing at Pakistan Stock Exchange (“PSX”). SAB has also granted its approval for Shariah compliant trading counter.

SECP and the three Centers for Excellence in Islamic Finance (LUMS, IBA & IM Sciences) have signed an MOU for the promotion and development of Islamic finance through education, trainings and research. A Memorandum of Understanding was also signed with the Islamic Research and Training Institute (IRTI) Islamic Development Bank. These joint and collaborative efforts will create mass awareness among public, leading towards the development of a vibrant Islamic capital market and stable Islamic financial system.

### **Anti-Money Laundering:**

Working with the international community, represented by FATF/APG, has been taken as an opportunity by SECP to review and strengthen their AML/CFT framework in line with global standards and good practices.

SECP, being responsible for compliance and enforcement of AML law by its regulated financial sector, established AML/CFT requirements on its regulated financial sectors through promulgation of SECP AML/CFT Regulations, 2018 in June, 2018 which are fully aligned with the FATF's standards (40 recommendations) while supplementary guidelines were also issued in September 2018 to help understand the regulated persons in developing an effective AML/CFT risk assessment and compliance framework.

The SECP has also revamped its AML/CFT supervision regime, by adopting a risk based approach to supervision/monitoring and enforcement actions to further improve compliance. In addition to core functions of inspections, investigations, and Brokers Compliance SECP has developed risk profiling of brokers and conducted ML and TF compliance review of sample Regulated persons.

During the year, SECP conducted thematic reviews over Anti-Money Laundering ('AML')/Counter Financing Terrorism ('CFT') of large number of brokerage houses. The exercise identified number of risky areas need improvement.

### **Future Road Map:**

For the coming years, SECP's reform agenda is focused on five fundamental areas namely ease of doing business, effective enforcement regime, reducing cost of doing business, improving access to finance, and digitization.

- Introduction of digital certificate of incorporation, extension of one window facility for company registration to other provinces and integration with FBR for sales tax registration is in process.
- SECP has started working on drafting rules and regulations under the Financial Institutions (Secured Transactions) Act, 2016.
- Comprehensive review of Public Sector Companies rules and Group Companies regulations is in pipeline.
- SECP aimed at developing the State Owned Enterprise law pursuant to IMF loan agreement conditionality's and provision of new regulations on Panel of Provisional Managers and Official Liquidators; initial work on which has already started.
- Effort shall be made to bring independent third-party custodial service providers. These may include banks that would take over custody and settlement services from brokers thus providing safe custody of customer assets and enabling brokers to focus on their business expansion and outreach.
- Measures shall be taken to reduce market costs for which fee structure of the PSX, CDC, NCCPL and PMEX will be rationalized for facilitation of the market participants.
- Risk profiling of brokers, developing AML online reporting system of brokers and further strengthen the off-site reviews of brokers to provide early warnings to the apex regulator
- Work is already underway to put in place framework for collateral management companies to enable development and growth of the agricultural sector in Pakistan.
- With an aim to bolster startups and SME sector, framework will be introduced for equity crowd funding. The new regime would enable startups and SMEs to directly raise capital from qualified investors on the equity crowd funding

platform that would be licensed with the SECP. This would provide much needed financing opportunities to such companies without undergoing enhanced compliance requirements generally applicable on listed companies.

- The SECP is in the process of drafting a separate primary law for the NBFC sector to ensure beneficial regulation of non-banking finance companies and collective investment vehicles
- The SECP will be engaging in extensive consultations with the stakeholders to promote the housing finance sector and REIT Sector including targeted sessions to promote awareness of the REIT model in light of major revamping of the REIT Regulations, 2015.
- Major amendments to the Modaraba Ordinance, 1981 are being considered for introducing the concept of unlisted Modarabas, empowerment of certificate holders, more attractive remuneration structure for the management companies and reduced cost of doing business.
- In order to enhance efficiency and reduce redundancies, the scope of inspection regime shall be streamlined through elimination of multiple inspections of regulated entities and bring efficiency in the process. Presently securities brokers undergo multiple inspections and audits in a year, which sometimes have overlapping scope of activities thus creating redundancies and inefficiencies. By rationalizing the regime, inspections would not only become effective but also enhance ease of doing business for securities brokers.
- The guidance on cyber security framework for insurance sector will be issued taking into account the ever-increasing integration between insurance and technology and the evolving risks. The enabling measures for inclusive insurance development such as allowing dedicated micro insurance companies may also be considered, among other measures.
- The SECP is also embarking on introducing significant reforms in the Bancassurance regulatory framework with a view to curb malpractices, and strengthen consumer protection regime. The draft Insurance Bill, which is aimed at introducing significant regulatory reforms is also in the legislation process and will be promulgated after due process of law.
- Adoption of more AAOIFI Shariah standards to bring harmonization and standardization in business practices of Islamic financial industry. Implementation of Murabahah share financing at PSX as approved by the Shariah Advisory Board in order to enhance liquidity and investors' base.
- Introduction of an Alternate Board on Pakistan Stock Exchange (PSX) for facilitating companies that do not meet the prescribed criteria for listing on the Main Board of PSX but are aspiring to raise funds through capital markets.
- Conducting IPO awareness sessions/seminars with the coordination of PSX in major industrial cities to create awareness among corporates about capital markets as an additional avenue for fund raising.

## **PUBLIC PRIVATE PARTNERSHIP AUTHORITY**

**The Public Private Partnership Authority was established by the Federal Government through Notification issued by Finance Division on 8<sup>th</sup> June, 2018 as an autonomous corporate entity.**

The Authority started its operations formally after the issuance of Notification, dated 8<sup>th</sup> June, 2018. During the first year of its conversion into an Authority, the milestones the Authority intended to achieve after its conversion are tabulated below:

### **A. Conversion Activities:**

Under the provisions of the Act, all employees, properties, assets, fund and liabilities stood transferred to the newly established Authority. The Authority undertook to transfer all bank accounts funds and investments in the name of the Authority. Complete audits for the purposes of the conversion were carried out through certified chartered accountant firm. All codal formalities in this respect were duly complied with by the Authority.

**Achievement:** This task has been completed by the Authority.

### **Drafting of Procedural Rules of the Authority:**

The Authority required rules for efficacious performance of its mandate, therefore, the Authority drafted the basic procedural rules pertaining to:

- (i) Board Conduct of Business Rules;
- (ii) Authority's service Rules;
- (iii) Authority's Finance Rules;
- (iv) Viability Gap Fund Rules; and
- (v) Public Private Partnership Procurement; Rules.

For the purposes of third party vetting and comments, the Asian Development Bank extended technical assistance to the Authority by appointing a leading law firm for vetting of all those above procedural rules. The law firm has finally vetted them and introduced certain improvements which have been incorporated in the relevant portions of the rules. The decision of the Board of the Authority is pending in this regard.

**Achievement:** The task of drafting of procedural rules stand completed on the part of the Authority.

## **B. Public Private Partnership Projects:**

The Authority is continuously providing its expert advisory services to all the implementing agencies. During the first year of its operations, the Authority has provided advisory services to following implementing agencies:

- (i) Ministry of Foreign Affairs
- (ii) Pak PWD
- (iii) National Highway Authority
- (iv) NUST
- (v) Pakistan Railways
- (vi) Pakistan Post
- (vii) Capital Development Authority

It is noteworthy here that provision of advisory services is an on-going process. The Authority's full mandate of advisory services and approval process starts from conduct of feasibility studies by the implementing agencies, development of financial and legal structure of a project, preparation of bidding documents, review and approval by the Authority, launch of project, short listing and selection of winning bidder, negotiations to final award of the project. In this whole process the Authority is fully involved with the implementing agency.

- Achievement:**
- (a) It is an on-going process; however the Authority is successful that it has engaged the implementing agencies for their infrastructure projects.
  - (b) The Authority has obtained the approval of the Board of Directors to initiate the procurement process for National Science and Technology Park Project of NUST.

## **C. Holding of Consultative Workshop on Public Private Partnerships:**

The Authority held a consultative workshop on 29<sup>th</sup> February 2019 in auditorium of Planning Commission, Pak Secretariat, Islamabad. The purpose of the workshop was to introduce the functions, mandate and legal processes to be followed by the implementing Agencies in conceptualizing, development, structuring and procurement of PPP projects in accordance with the mandate given to the Authority under the provisions of the Public Private Partnership Authority Act, 2017. During the workshop, concept, importance and dynamics of project finance was highlighted to the participants developing, financing and structuring of PPP projects.

## **D. First Board Meeting of the Board of Directors:**

The First Board of Directors meeting was held on 24<sup>th</sup> May 2019 headed by Chairperson Mukhdoom Khusro Bakhtiar, Minister for Planning, Development and Reforms wherein an infrastructure project of NUST was approved for



commencement of the procurement process. The next Board meeting is expected to be held in the fourty week of July 2019.

**Achievement:** Tasks completed by the Authority.

## **AGRICULTURAL CREDIT & MICROFINANCE DEPARTMENT**

### **Inputs for “Finance Division’s Year Book 2018-2019”**

#### **A. Microfinance**

During FY2019, besides initiatives aimed at enhancing financial inclusion, State Bank provided active guidance to Microfinance Banks (MFBs) to further strengthen their internal controls and deterrence towards Money Laundering, Terrorist Financing and other related unlawful activities.

#### ***Microfinance Industry Performance<sup>1</sup>***

At the close of quarter ended March 2019, around 46 institutions reported provision of microfinance services. These include eleven deposit taking microfinance banks (MFBs), one Islamic Banking Institution, MCB Islamic Bank while others were Non-Bank Microfinance Companies (NB-MFCs)<sup>2</sup>.

Altogether, the microfinance sector witnessed 28.4 percent growth in its aggregate microcredit portfolio, which grew by Rs 63.8 billion to Rs 288 billion as of March 2019 from Rs 224.4 billion at the end of corresponding period last year. The number of borrowers also registered a 14.1 percent growth, increasing to over 7.1million at end of the reporting period.

The NB-MFCs continued to serve a large number of borrowers (52.6 percent), while MFBs took lead in terms of the aggregate value of loans (69.8 percent). However, it is noteworthy that gradually, MFBs’ share continues to expand in terms of both borrowers and portfolio.

As of March 2019, the sector was operating through its 3,838 retail business outlets.

<b>Table 2: Microfinance Industry Indicators<sup>3</sup></b>			
<b>Indicators</b>	<b>Mar-18</b>	<b>Mar-19</b>	<b>YoY Growth</b>
Total No. of Borrowers	6,238,421	7,118,368	14.1%
Gross loan portfolio (Rs. In billions)	224.45	288.13	28.4%
Avg. Loan Balance (Rs.)	35,979	40,499	12.5%

<sup>1</sup> Source: Industry aggregates from PMN’s publication titled MicroWatch for the period up to March 2019.

<sup>2</sup> Include specialized microfinance institutions, rural support programs besides organizations running microfinance as a part of their multi-dimensional service offering.

<sup>3</sup> Source: Industry aggregates upto March 2019 from PMN’s publication MicroWatch Issue 51.

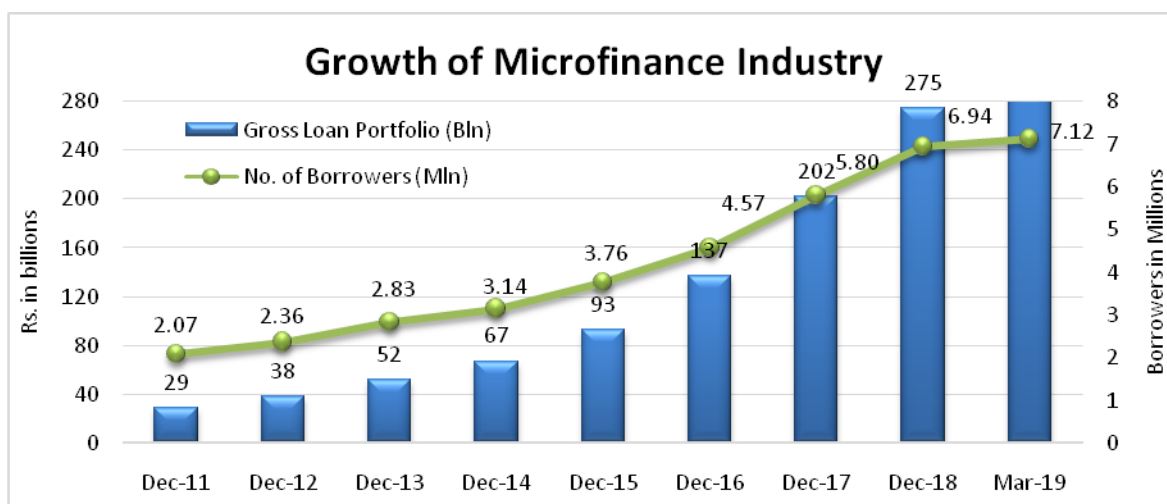


Figure 1: Annual Growth of Microfinance Industry

### Performance of the Microfinance Banks

At the close of FY19, eleven MFBs and MCB – Islamic Bank<sup>4</sup> were involved in extending complete range of micro-banking services.

Over the year, MFBs’ aggregate loan portfolio registered a growth of 28.1 percent to reach

Rs 207.5 billion as compared to Rs 162 billion in the corresponding period last year. Likewise, the number of borrowers increased from 2.89 million to 3.48 million registering an increase of 20.4 percent. Moreover, despite providing relief in the form of loan rescheduling/restructuring to borrowers in eight calamity-affected areas of Sindh, MFBs were able to restrict overall NPLs at 4.4 percent at the end of reporting period.

Growth in aggregate equity base of the micro-banking industry was registered at 27.3 percent with an increment of Rs 10 billion to reach Rs 47.1 billion at the close of period. Likewise, the combined asset base of MFBs, registered a strong YoY growth of 26.8 percent (or Rs, 74.03 billion) rising to Rs 350.1 billion.

Description	FY18	FY19	Growth
No. of Branches	971	1,139	17.3%
Number of	2,893,994	3,485,757	20.4%
Gross Loan Portfolio	162	207.5	28.1%
Deposits	207	248.8	20.2%
Number of	22,669,333	34,327,968	51.4%
Equity	37	47.1	27.3%
Assets	276	350.1	26.8%
Borrowings	13.8	27.3	97.8%
NPLs	2.2%	4.4%	-

The deposit base of MFBs managed to close over Rs.248.8 billion, compared to Rs.207 billion over the corresponding period thus witnessing an increase of 20.2 percent. Concurrent growth was also witnessed in number of depositors, which grew by 51.4 percent to over 34 million. As FY-19 ended MFBs were successfully operating through a network of 1,139 retail outlets. [Table 2].

<sup>4</sup> Since October/November 2017, MCB Islamic Bank is extending microfinance banking services by establishing counters at its existing branches in line with [IBD Circular Mo. 5 of 2007](#).

<sup>5</sup> SBP, based on status received from individual MFB.

## Initiatives for Promotion of Microfinance

- Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Regulatory Regime for MFBs was further strengthened to comprehensively mitigate various risks arising from money laundering and financing of terrorism. The revised regulations provide guidance in a number of new areas besides further aligning the framework with Financial Action Task Force (FATF) Recommendations in view of the emerging trends and risks. Moreover, SBP also continued to supervise implementation of measures prescribed vide its Circular whereby MFBs were required to install Biometric Verification System (BVS) at branches and implement Transaction Management System (TMS) capable of producing meaningful alerts based on pre-defined parameters/thresholds for analysis and possible reporting of suspicious transactions to the concerned quarters. The intervention has enhanced MFBs' capacity to deter against treats of ML and TF.
- In line with State Bank's proposal, the Federal Government vide Second Supplementary Finance Bill FY2019, has announced that with effect from 1<sup>st</sup> July 2019, reduced rate of taxation @ 20% (instead of 35%) will be applied on interest income of Banking Companies from additional advances to micro, small and medium enterprises; low cost housing finance and farm credits for four years (from Tax Year 2020 to Tax Year 2023) subject to fulfillment of certain conditions. This would further encourage MFBs to extend credit to priority sectors.
- SBP has allowed MFBs to open accounts of Afghan refugees holding Proof of Registration (PoR) Cards, issued by NADRA as acceptable identity document. MFBs have been directed to verify the identity of the Afghan refugees having PoR Cards through NADRA biometric verification system for opening of account.
- SBP has enhanced the lending limits under 'Housing Finance' for MFBs by increasing the maximum loan size from Rs. 500,000 to Rs. 1,000,000. Moreover, the restriction to maintain 60% of housing portfolio within the loan limit of Rs. 250,000/- was also removed. MFBs have been advised to develop related institutional capacity and appropriate mechanisms for monitoring the housing finance exposure.
- To provide relief to adversely affected borrowers in eight calamity affected districts of Sindh namely Tharparkar, Umer Kot, Sanghar, Thatta, Jamshoro, Dadu, Badin and Kamber Shahdad Kot, Microfinance Banks were advised to undertake all possible measures in line with Prudential Regulation R – 9: 'Rescheduling/ Restructuring of Loans,' to provide relief to adversely affected borrowers. The regulation requires MFBs to have in place a policy duly approved by their Board of Directors that among other things shall envisage steps to provide relief to borrowers adversely affected by natural calamities.

## JOINT INVESTMENT COMPANIES (JICs)

Pakistan has a rich experience of setting up Joint Investment Ventures with other friendly countries. This started with Pak-Libya Holding Company (PLHC) in 1978 followed by Pak-Kuwait Investment Company, Saudi-Pak Industrial & Agricultural Investment Company (SPIAICO), Pak-Oman Investment Company (POIC), Pak-Brunei Investment Company (PBIC), PAIR Investment Company Limited (PICL) and Pak-China Investment Company (PCIC). These investment companies were setup on the basis of equal shareholding by the two governments towards paid up capital contribution. Since inception, these JICs are playing their due role in the economic uplift of the country and the projects financed by the companies so far belong to key sector of economy including power generation, textile, cement, fertilizer, construction, oil and gas etc. and geographically spread throughout the Pakistan. Establishment of such companies brings much needed foreign direct investment in the country.

2. Salient features of the seven Joint Ventures are as under:-

(Rs in million)

1	Company	PLHC	PKIC	SPIAICO	POIC	PBIC	PICL	PCICL
2	Year of Incorporation	1978	1979	1981	2001	2006	2007	2007
3	Paid Up Capital	6142	6000	6600	6150	6000	6000	9116
4	Dividend paid (GOP Share)	1446.460	7213.14	5851.306	1820.625	1350	500.00	-

3. The major areas of operation of all the Joint Investment Companies are almost the same and include project financing, lease financing, equity participation, money market operations, foreign currency deposits, stock market operations, term finance certificates (TFCs) investments, financial advisory services. These JICs are controlled and managed by their Board of Directors with equal representation of two sovereign states.

## **INDUSTRIAL DEVELOPMENT BANK LIMITED (IDBL)**

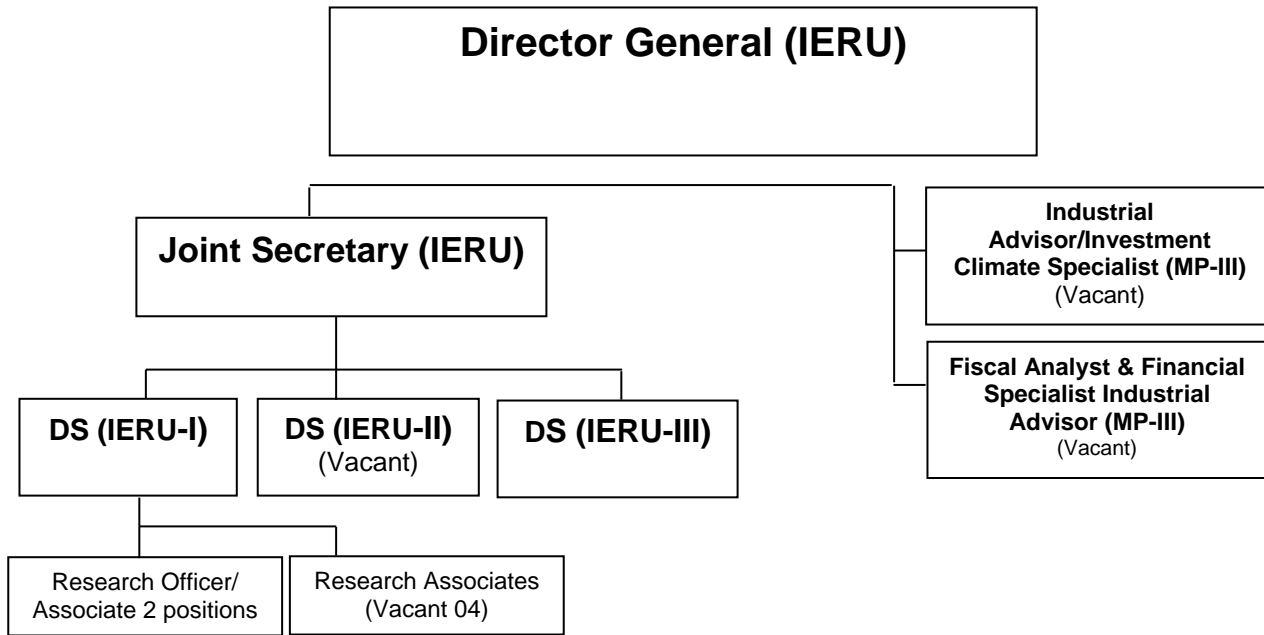
Industrial Development Bank of Pakistan (IDBP) was set up in August, 1961 through an Ordinance as a scheduled bank extending credit facilities to industrial sector. However, its financial position started deteriorating in mid-nineties.

2. The Federal Cabinet in its meeting held on 27-05-2011 approved the winding up of the IDBP in the most appropriate manner to address the issue of its assets and liabilities. IDBP stood dissolved and ceased to exist on 13-11-2012 in pursuance of vesting order dated 13-11-2012 issued by the Finance Division. Resultantly all of its assets and liabilities were conveyed, transferred and vested in the newly incorporated banking company namely Industrial Development Bank Limited (IDBL) with effect from 13-12-2012. Winding up of the IDBL is underway in accordance with Cabinet Decision dated 27-05-2011 in collaboration with State Bank of Pakistan (SBP).



**IMPLEMENTATION AND  
ECONOMIC REFORMS  
UNIT (IERU) WING**

**IERU WING**  
**ORGANOGRAM**



**IERU WING INCUMBENT(S):**

Sr.No.	Name of Officer	Designation	Telephone Number (Off)
1		DG (IERU)	9223619
2		Joint Secretary (IERU)	9217854
3	Mrs. Fozia Abid	Deputy Secretary (IERU-I)	9217882
4	Vacant	Deputy Secretary (IERU-II)	9209367
5	Mr. Rashid Ali Zuberi	Deputy Secretary (IERU-III)	9209639

## **IMPLEMENTATION AND ECONOMIC REFORMS UNIT**

### **Introduction:**

Implementation and Economic Reforms Unit (IERU) provides technical and policy support to Finance Division and other Ministries and Divisions. During the year under review, IERU assisted Finance Divisions in the following areas:

- Designing and implementation of Economic Reforms in the areas of State Owned Enterprises (SOEs) and Power Sector;
- Negotiations with International Monetary Fund;
- Two supplementary Budgets (September 2018, January 2019) and annual Budget (June 2019);
- Coordination and convening of three Economic Advisory Council meetings.

### **1. State Owned Enterprises Reforms:**

To strengthen the monitoring of SOEs to attain transparency, accountability and containment of fiscal risks, a fourth edition of comprehensive report on state-owned enterprises, titled “Federal Footprint Annual SOE Report” was published on Finance Division's website. The report is comprised of: a) an overview of the sector during the year, including financial performance; b) a full list of the companies owned by the government, broken down by industry, policy objectives (provision of public services, commercial), and type of ownership (e.g., majority or minority-owned, strategic companies, etc.); c) the impact of the sector on government finances (budget transfers received and dividends paid, borrowing/lending from other public entities, state guarantees received, etc.) and the economy more broadly; d) information on individual companies, including abridged financial statements and indicators of financial performance, a list of board members and auditors, and the amount of subsidies received from the budget, if any.

As part of our broad SOE reform agenda, a holding company was established to manage SOEs. The objective of this company is to increase the independence of SOEs and improve their performance.

### **2. Negotiations with IMF:**

IERU was at forefront in providing technical and policy support to successfully negotiate an "Extended Fund Facility" worth \$6 billion with International Monetary Fund. Negotiations lasted over 8 months during which IERU coordinated consultative meetings among various government stakeholders such as Federal Board of Revenue, State Bank of Pakistan, Economic Affairs Division and Finance



Division. Pre-consultative research work (e.g. State of Economy- Real time updated account of fiscal and external balance) was done at IERU and shared with other stakeholders to draw down a comprehensive picture of Pakistan's economy; This facilitated consistence in understanding of economic trends in Pakistan among all stakeholders and helped great deal in negotiating with IMF. To overcome external vulnerabilities before and during negotiations with IMF, IERU assisted Finance Division in designing a home grown agenda to stabilize the economy by curtailing current account and fiscal deficit. It also consistently monitored current account position in real time during negotiation phase, and played a central role in filling the financing gap by mobilizing financial support, in form of grants, deposits and project financing, extended by friendly countries such as Kingdom of Saudi Arabia, United Arab Emirates, and Peoples Republic of China. IERU also played a key role in issuing Pakistan Banao Certificate bridge financing gap.

### **Budgets 2019:**

During outgoing year, three budgets were passed. Two of these were supplementary budgets passed in September, 2018 and January, 2019, respectively. Whereas, third was an annual budget passed in June, 2019.

To ensure government's fiscal stance, the government presented a fiscal consolidation budget in September 2018, which was passed in October, which ensured that the country remains on the path of fiscal discipline. Following that on January 23rd, the government presented an Investment Promotion Package; this was to support ease of doing business, promote investment, domestic and foreign, to remove the anomalies in the system and to make it easy for the business to do business. Finally, annual budget was announced on 11 June 2019 for the fiscal year 2019-20. The total outlay for the budget is Rs. 8,238.2 billion against estimated resource availability of Rs. 7,899.1 billion. Of total outlay, Rs. 7,288.1 billion is the share of current expenditure, whereas, development expenditure outside PSDP is Rs. 85.1 billion. The size of PSDP in the budget for fiscal year 2019-20 is kept at Rs. 1,613 billion out of which Rs. 912 billion has been allocated to the provinces. The difference in government's resources and expenditure is Rs. 339 billion (estimated) and will be financed via bank borrowing.

### **Economic Advisory Council:**

IERU functions as a Secretariat of the Economic Advisory Council (EAC). EAC was approved by Prime Minister on 31<sup>st</sup> August, 2018. The objectives of EAC were to; a) set an economic agenda for the government, b) analytical vetting & guidance on key policies, c) supporting government capacity in evidenced based policy making, d)

and preparing key economic indicators & reports to help assess the economy. To date, three EAC meetings have been convened, chaired by Prime Minister. EAC is composed of 10 prominent Pakistani Economists of global repute divided in 6 Sub-Groups given their area of specialty with one personnel leading each sub-group and presented detailed reports in the following areas:

1. Social Protection Priorities for Poor & Vulnerable Households in Pakistan
2. SME Manufacturing & Growth Strategy
3. National Financial Inclusion Plan: Engagement With Lending Institutions & Farmers
4. National Job Creation Strategy
5. Tax Policy
6. Increasing Savings & Deposit Base

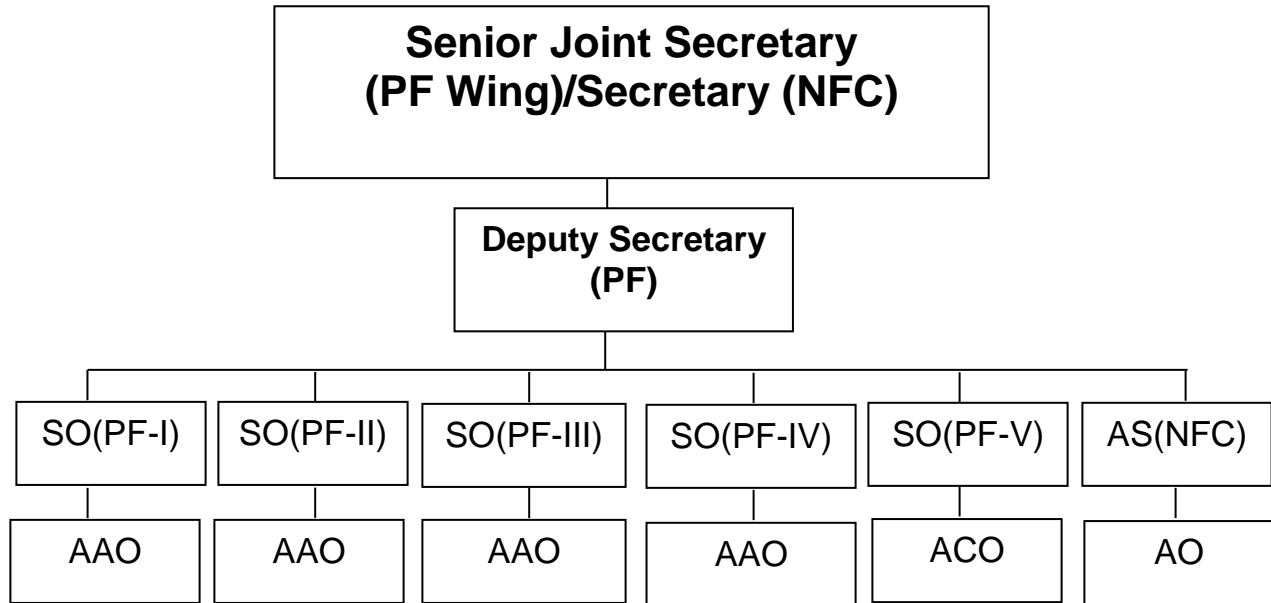
**Miscellaneous:**

During outgoing year, IERU provided operational support to various other wings within Finance Division. This included preparation of policy briefs, comments on policy frameworks, analytical work on various aspects of the government's reform agenda, including work for the office of Finance Minister, review of Pakistan Economic Survey 2018-19 and monitoring of debt positions and external account balance.

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# **PROVINCIAL FINANCE WING**

**PROVINCIAL FINANCIAL WING**  
**ORGANOGRAM**



**PF WING INCUMBENT(S)**

Sr.No.	Name of officer	Designation	Telephone Number (Off)
1	Dr. Rashid Manzoor	Sr.Joint Secretary (PF)/ Secretary (NFC)	9202378
2	Mr. Abdul Malik Balghari	Deputy Secretary (PF)	9202927
3	Vacant	Section Officer (PF-I)	9209356
4	Mr. Muhammad Javed Rana	AAO (PF-I)	9209356
5	Mr. Habib-ur-Rehman	Section Officer (PF-II) Add. Charge	9209757
6	Mr. Abdul Ghaffar	AAO (PF-II) Add. Charge	9209757
7	Mr. Habib-ur-Rehman	Section Officer (PF-III)	9209364
8	Vacant	AAO (PF-III)	9209364
9	Ms. Anam Nasir	Section Officer (PF-IV)	9209394
10	Mr. Muhammad Bilal	AAO (PF-IV)	9209394
11	Mr. M. Anwar Javaid	Section Officer (PF-V)	9209406
12	Mr. Abdul Ghaffar	ACO (PF-V)	9209406
13	Mr. Ali Akbar	AS/SO (NFC)	9208109
14	Mr. Arshad Mehmood	AO (NFC) Add. Charge	9208109

## **PROVINCIAL FINANCE WING**

Pakistan is a Federation comprising of four Federating Units/Provinces (Balochistan, Khyber Pakhtunkhwa, Punjab & Sindh) and Special Areas, including Gilgit-Baltistan (GB), and Azad Jammu & Kashmir (AJ&K). Provincial Finance (PF) Wing plays a coordination role between Federation, Provinces and Special Areas regarding financial matter. The main responsibilities of this Wing include the following:-

- a) Secretariat support to National Finance Commission (NFC), a Constitutional Body responsible to recommend revenue sharing arrangement between the Federation and Provinces.
- b) Vertical and horizontal distribution of funds (i.e. Divisible Pool Taxes) between the federation and the provinces and amongst the Provinces in accordance with the NFC award/formula.
- c) Release of funds against the Provincial projects funded through Federal PSDP and provision of grants-in-aid to Special Areas i.e. GB and AJ&K.
- d) Implementation of President/Prime Minister's Directives relating to Provinces and Special Areas.
- e) Convening of meeting of Fiscal Coordination Committee (FCC) constituted in pursuance of the decision of CCI, comprising Federal and Provincial Finance. FCC was constituted to strengthen inter-governmental fiscal relationship.
- f) Administration/maintenance of inter-governmental fiscal relationship as well as settlement of monetary issues raised by the Provinces.
- g) Provision of long term loans/advances to government employees for house building /purchase of motor cars/motor cycles/cycles.
- h) Recovery of Cash Development Loans (CDL) and Foreign Exchange Loans (FEL) from the provinces and keeping data/record of the recoveries.
- i) Coordination/implementation of the decisions of CCI and IPCC relating to Finance Division.
- j) Carrying out periodic reconciliation of the Federal transfers made to Provinces, with AGPR sub offices and offices of the Accountant Generals located at Provincial Headquarters.
- k) Conducting quarterly meetings of Provincial Finance Secretaries, where issues confronting Federal as well as Provincial Governments are discussed to find workable solutions. Through these meetings, PF Wing facilitates the Provincial Governments to discuss issues of common interests, like harmonization of agriculture Income Tax policy, recovery of electricity bills, containment of overall fiscal deficit, enhancement of ways and means limits, efforts to increase provincial own receipts, etc.

## **National Finance Commission (NFC):**

2. Article 160 of the Constitution of Islamic Republic of Pakistan 1973 provides for setting up National Finance Commission (NFC) to govern inter-governmental fiscal relationship between the Federal Government and the Provinces. New NFC is set up after every five years consisting of the Federal Finance Minister, Provincial Finance Ministers and such other persons as may be appointed by the President after consultation with the Governors of the Provinces.

3. Since 1973, nine (09) Commissions (NFCs) have been constituted. However, only four (04) Commissions i.e 1<sup>st</sup>, 4<sup>th</sup>, 5<sup>th</sup> and 7<sup>th</sup> could recommend awards. Presently, distribution of divisible pool resources between Federal and Provincial Governments is being made under the 7<sup>th</sup> NFC Award, effective from 01.07.2011. The 9<sup>th</sup> NFC was constituted on 24<sup>th</sup> April 2015. The 9<sup>th</sup> NFC held three meetings during previous government on 28.4.2015, 28.11.2016 and 19.12.2016 and deliberated on new NFC Award.

## **Important and Vital Activities:**

- After formation of new elected federal and provincial governments, the 9<sup>th</sup> NFC was reconstituted in consultation with provincial governments, approval of the President and notified on 10.01.2019;
- The re-constituted 9<sup>th</sup> NFC has held two meetings on 06.02.2019 and 27.03.2019 chaired by Federal Finance Minister at Islamabad and Lahore, respectively;
- 9<sup>th</sup> NFC has started deliberations on new NFC Award which will be announced with consensus of all stakeholders according to the constitutional requirements under Article 160 of the Constitution of Islamic Republic of Pakistan;
- Two meetings of the Fiscal Coordination Committee (FCC) comprising of Federal and Provincial Finance Ministers were held at Finance Division on 31.10.2018 and 04.05.2019 for fiscal coordination between the federal and provincial governments.
- In the above meetings, FCC/NFC Monitoring Committee also approved four biannual reports on implementation of the 7<sup>th</sup> NFC Award for the period July-Dec 2016, Jan-June 2017, July-Dec 2017 and Jan-June 2018 which have been laid in both Houses of the Parliament and four Provincial Assemblies under Clause 3B of Article 160 of the Constitution.

4. Inter-governmental resource distribution is a complex and untidy process. It requires consensus among all the stakeholders i.e. Federal and Provincial Governments. Finalization of the recommendation for new NFC Award is under process and will take time.

## Revenue Transfers:

5. Revenue Transfers made to the Provinces consist of following two broad categories:

- a. **Divisible Pool Transfers:** This includes taxes being collected by Federal Board of Revenue (FBR). These taxes are shared between the Federal Government and Provinces as well as amongst the Provinces in accordance with the NFC Award. Divisible Pool transfers to Provinces are made twice in a month i.e. on 17<sup>th</sup> and last working day of each month.
- b. **Straight Transfers:** These transfers consist of Gas Development Surcharge (GDS), Royalty on Crude Oil & Natural Gas and Excise Duty on Natural Gas. The entire proceeds of these levies, after deducting collection charges @ 2%, are transferred to the respective Provinces, where the well-head is located. These collections are reported to Finance Division by the Ministry of Petroleum & Natural Resources with the exception of Excise Duty on Natural Gas, which is reported by the FBR.

6. A profile of Federal transfers to Provinces during FY 2018-19 is as under:-

(Rs. in billion)

Description	Punjab		Sindh		Khyber Pakhtunkhwa		Balochistan	
	B.E	Release*	B.E	Release*	B.E	Release*	B.E	Release*
Divisible Pool	1,275.661	1,160.519	605.286	550.652	403.771	367.327	224.116	224.116
Straight Transfers	6.319	6.902	43.527	48.955	22.324	25.678	09.061	13.485
<b>Total</b>	<b>1,281.980</b>	<b>1,167.421</b>	<b>648.813</b>	<b>599.607</b>	<b>426.095</b>	<b>393.005</b>	<b>233.177</b>	<b>237.601</b>

\*Releases includes arrears of preceding financial Year (i.e 2017-18)

## Grants-in-Aid to Provinces:

7. In addition to the above revenue transfers, the NFC Award also provides for grant-in-aid to Sindh [Rs. 14.000 billion]. Apart from these grants as provided under the NFC Award, PF Wing also transfers funds under grants-in-aid to Provinces, pursuant to the commitments of the Federal Government such as Aghaz-e-Huqooq-e-Balochistan Package (AHBP) [Rs. 10.00-billion].

8. Besides, an amount of Rs.2.720 billion has been released to provinces Special Areas (i.e. GB & AJ&K) for management of taken over assets in pursuance of the Cabinet approval, in case No. 253/Rule-19/2019, dated 16-3-2019. Detail is as under:-

(Rs. In billion)

S.#	Name of Province Region	Amount
1	Punjab	1.900
2	Sindh	0.530

S.#	Name of Province Region	Amount
3	Khyber Pakhtunkhwa	0.160
4	Balochistan	0.008
5	Gilgit-Baltistan (GB)	0.012
6	Azad Jammu & Kashmir (AJ&K)	0.110
<b>Total:</b>		<b>2.720</b>

Rs.0.200 billion was released to Government of Balochistan in the FY-2018-19 as 50% share of Federal Government for Rehabilitation of Armed Militants under Puraman Balochistan Policy, who have surrendered to the Government (Specific Grant) in pursuance of Cabinet Decision vide case No.233/11/2019, dated 07-03-2019.

### **Funding for Provincial Projects:**

9. At times, pursuant to the President/Prime Minister's announcements made during the public gatherings, Prime Minister Office issues directives for funding of various projects in the Provinces. Accordingly, such Provincial projects are funded through PSDP allocation of the Finance Division, either on co-sharing or on full funding basis. During FY 2018-19, an amount of **Rs. 4.043** billion has been released by the Finance Division to the Provinces, as per authorization of Planning, Development & Reform Division is reflected as under:-

(Rs. In billion)

Province	No of Projects	PSDP Allocation (Revised)	Releases
Punjab	01	0.100	0.0
Sindh	08	3.842	1.145
Khyber Pakhtunkhwa	03	0.943	0.648
Balochistan	14	5.215	2.250
<b>Total</b>	<b>26</b>	<b>10.100</b>	<b>4.043</b>

### **Recoveries of Cash Development Loans (CDL) from Provinces & Special Areas:**

10. One of the functions of the Wing is to recover loans and to keep a record of such recoveries of principal amount and interest regarding Cash Development granted to the Provinces. Such figures are maintained in consultation with respective Finance Department/ Accountant General for local currencies and Economic Affairs Division (EAD) for foreign exchange. A statement of recoveries from Provinces during FY 2018-19 is shown as follows:-

(Rs. in billion)

Province	Principal	Interest	Total
Punjab	40.557	14.382	54.939



Province	Principal	Interest	Total
Sindh	14.912	6.742	21.654
Khyber Pakhtunkhwa	8.597	1.208	9.805
Balochistan	7.327	0.603	7.930
AJ&K	4.476	10.108	14.494
Gilgit Baltistan	0	0.006	0.006
<b>Total</b>	<b>75.869</b>	<b>33.049</b>	<b>108.828</b>

<sup>1</sup>For the purposes of recovery of loans from AJ&K, allocations are made in the Federal Budget as Ways and Mean Advances to AJ&K, GB and book adjustments are made accordingly.

### **Federal Transfers to AJ&K:**

11. The following new financial arrangements has been made between the Government of Pakistan and Government of the Azad State of Jammu & Kashmir w.e.f. 1<sup>st</sup> July, 2018-19

- (i) Government of the AJ&K shall be entitled to receive variable grant in lieu of share from FBR taxes. The variable grant shall be worked out based on multiple indicators as adopted in the NFC Award. The percentage so worked out is 3.64%.
- (ii) Revenue Deficit Grant as provided in the financial arrangements of 1992 shall be discontinued.
- (iii) AJ&K Government will exercise full financial autonomy by remaining within the resources availability position. **No additional grant shall be provided by the Federal Government for current expenditures.**

12. Based on the above financial arrangements, Federal Government shall provide funding to the AJ&K Government for its current and development expenditure during FY 2019-20 as per detail given below.

(Rs. in billions)			
FY	Share Tax (@ 3.64%)	Development	Total
2019-20	54.890	24.464	79.354

13. Variable grant is being provided as share of AJ&K Government in Federal Taxes. Funding to AJ&K during FY 2018-19 is shown as follows:-

(Rs. in billions)		
Component	Allocation (Revised)	Released
<b>Federal Grant (Shared taxes)</b>	49.000	49.000
<b>Total</b>	<b>49.00</b>	<b>49.00</b>

14. In addition to above, Rs. 100.00 million has also been released for Revolving fund for the victims of Firing from Across the Line of Control in Azad Jammu & Kashmir to implement the Prime Minister's direction vide PM office letter No. 1859/M/SPM/18 dated 24<sup>th</sup> April, 2018.

15. The Federal Government also funds Annual Development Programme of the Government of AJ&K through block allocation made by the PD&R Division. Releases are made by the Finance Division on authorization of the PD&R Division. The position of Development funds released to AJ&K Government during FY 2018-19 and allocation for 2019-20 is as follows:-

(Rs. in billion)

Component	No. of Projects	Allocation 2018-19	Released 2018-19	Allocation 2019-20
<b>ADP (Block Allocation)</b>	---	20.200	20.200	22.000
<b>PSDP (Federal Projects)</b>	09	4.107	02.143	2.464
<b>Total</b>	<b>09</b>	<b>24.307</b>	<b>22.343</b>	<b>24.464</b>

**Federal Transfers to Government of Gilgit-Baltistan:**

16. Prior to FY 2011-12, the current and development expenditures of Gilgit-Baltistan Government were controlled by the Kashmir Affairs and G.B Division. Consequent upon promulgation of "Empowerment and Self-Governance Order 2009", allocation for Current Expenditure was entrusted to PF Wing of Finance Division. Release of funds during FY 2018-19 and Funding for the current expenditure of DB Government during FY 2019-20 is shown as follows:-

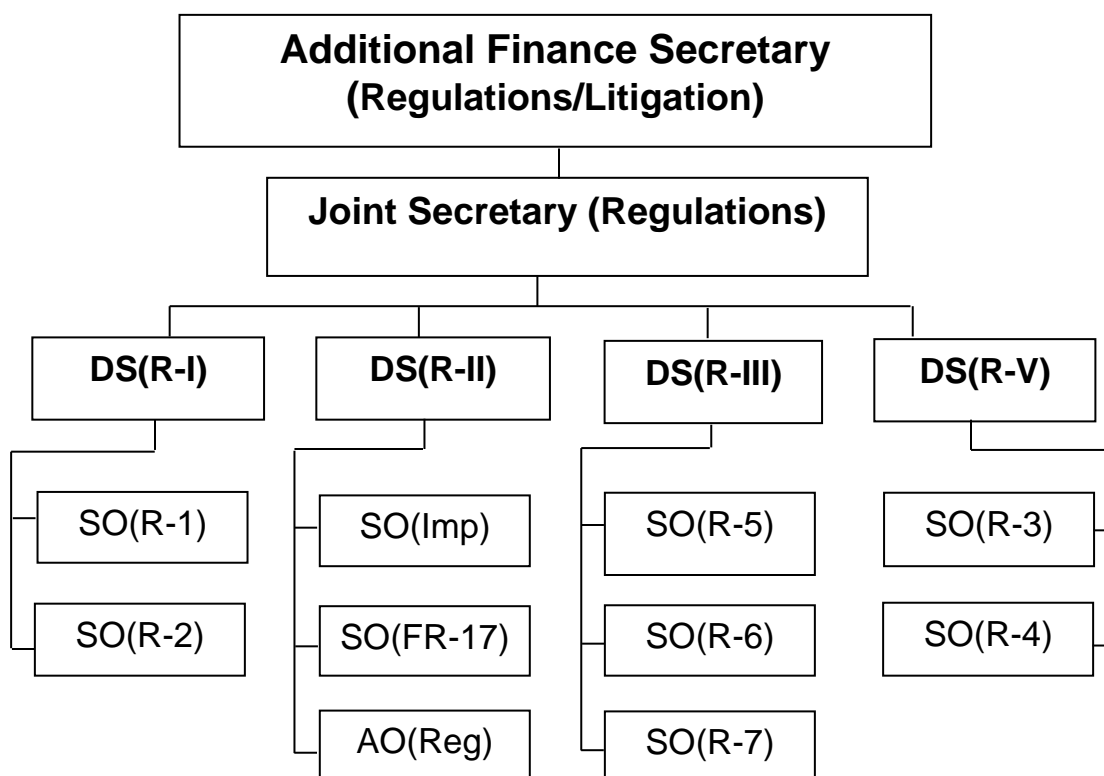
(Rs. in billions)

Component	Allocation 2018-19 (R)	Released 2018-19	Allocation 2019-20
<b>Grant in Aid to G.B.</b>	29.500	29.500	31.000
<b>Wheat Subsidy to G.B.</b>	6.045	5.367	6.045
<b>Hard Area Allowance to GB Government Employees (Courts Case)</b>	1.180	1.180	2.000
<b>Total</b>	<b>36.725</b>	<b>36.047</b>	<b>39.045</b>



# **REGULATIONS WING**

**REGULATIONS WING**  
**ORGANOGRAM**



**REGULATIONS WING INCUMBENT(S)**

<b>Sr.No.</b>	<b>Name of officer</b>	<b>Designation</b>	<b>Telephone Number (Off)</b>
1	Dr. Rashid Manzoor	AFS(Regulations/Litigation)	9201496
2	Mr. Saad Fazil Abbasi	Joint Secretary (Regulation)	9245857
3	Mr. Anwar Zeb	Deputy Secretary (Reg-I)	9245861
4	Syed Kalsoom Hai	Deputy Secretary (Reg-II)	9245838
5	Hafiz Abdul Hadi	Deputy Secretary (Reg-IV)	9245839
6	Mr. Muhammad Shahid Ahmed Ch.	Deputy Secretary (Reg-V)	9204386
7	Mr. Ishtiaq Ahmed	Section Officer (R-1)	9245843
8	Mrs. Sadia Kanwal	Section Officer (R-2)	9205846
9	Mrs. Kishwar Sultana	Section Officer (R-3)	9245852
10	Ms. Maria Nawaz	Section Officer (R-4)	9245872
11	Mr. Abdul Ghafar Khan	Section Officer (R-5)	9245870
12	Mr. Muhammad Khalil	Section Officer (R-6)	9245848
13	Mrs. Parveen Mubarak	Section Officer (R-7)	9245871
14	Mr. Faisal Karim Qureshi	Section Officer (Imp)	9245853
15	Mr. Faisal Nadeem	Accounts Officer (Imp)	9245869

## **REGULATIONS WING**

### **Main Functions:**

As per its job description, Regulations Wing of the Finance Division has been assigned the following main functions:-

- To determine pay package and other financial terms and conditions of service, perquisites and fringe benefits of the Govt. servants.
- Proposals for regulatory matters pertaining to pay, allowances, perquisites, fringe benefits and pensions of civil employees, armed forces personnel, employees of autonomous/semi autonomous and regulatory bodies of the Federal Government.
- Approval of the pay packages of the employees of autonomous bodies, corporations, companies, etc., where public investments have been made in order to safeguard the interests of the Govt. of Pakistan.
- Approval of proposals regarding pay protection and up-gradation of posts.
- Matters related to pay and pension of (a) President of Pakistan (b) Prime Minister of Pakistan (c) Ministers (d) Governors of the provinces (e) Service Chiefs (f) Chief Justice and judges of Supreme Court of Pakistan and High Courts (g) Members of Parliament (h) Speaker/Deputy Speaker National Assembly (i) Chairman/Deputy Chairman Senate.
- Matters related to deputation allowance, senior post allowance, and additional charge allowance.
- Honorarium policy for civil servants, policy on Management Pay Scales, Management Position Scales, and Leave Rules.
- Determination of foreign allowance and entertainment allowance of the Govt. employees posted in Pakistan Missions abroad.
- Determination of rates of house rent allowance, conveyance allowance, overtime allowance, etc.
- Determination of policy in regard to pension for Govt. servants.
- Counting/regularization of service of civil employees.
- Matters relating to G.P. Funds, pension contribution during deputation of civil employees to autonomous bodies and vice versa.
- Issues relating to house building advance and conveyance advance.
- Terms and conditions of deputation on training within Pakistan and abroad.
- Vetting of financial provisions in the Ordinances, Acts, Resolutions, and Service/Financial rules of autonomous/semi autonomous bodies.
- Drafting of para-wise comments /concise statements in all legal cases where Finance Division (Regulations Wing) is a party in the Supreme Court of Pakistan, High Courts, Federal Service Tribunal, and other courts and tribunals

## **Performance:**

<b><u>ITEMS</u></b>	<b><u>Number of cases</u></b>
Court Cases	616
Service Rules/Regulations of different departments vetted	113
Major Policy Decisions taken	30
Cases regarding Up-gradations of posts of different organizations	25
Fixation of Pays	51
National Assembly/Senate business	51
FR-17 Cases	146
Number of Summaries for Prime Minister/Cabinet processed	110

## **Other Achievements:**

Regulation Wing keeps watch on inflation rate and pay structure of Government employees vis-a-vis autonomous bodies and private sector employees, analyses the data and provides its recommendations to Finance Secretary. After consideration the proposals for enhancement of pay, allowances and pension etc are included in budget proposals in a summary for the Federal Cabinet During the financial year 2018-19 following relief measures were approved by the Federal Cabinet:-

- Adhoc Relief Allowance @ 10% on running basic pay of Basic Pay Scale 2017 has been allowed to all Federal Government civil and Armed Forces employees, vide O.M No. 1(2)Imp/2018-370 dated 3-7-2018.
- An increase in Net Pension @ 10% has been allowed to all Civil and Armed Forces pensioners of the Federal Government w.e.f 1-7-2018, vide Fin. Div. O.M No. F.4(1)R-6/2018-663 dated 3-7-2018.
- Granted Adhoc Relief Allowance-2018 @ 10% of basic pay to the executives / supervisory staff of autonomous/ semi autonomous bodies and corporations etc.
- The House Rent Allowance has been increased by 50% of the existing amounts w.e.f 1-7-2018, vide Fin. Div. O.M No. F.2(2)R-5/2010 dated 2-7-2018.
- The rate of minimum self pension has been enhanced from Rs. 6000/- to Rs. 10,000/- and minimum family pension from Rs. 4500/- to Rs. 7500/- of Civil and Armed Forces pensioners of the Federal Government w.e.f 1-7-2018, vide Fin. Div. O.M No.15(1) R-6/2018-644 dated 3-7-2018.
- The rate of minimum pension has been increased from Rs. 6000/- to Rs. 15000/- for the pensioners whose age is 75 years or above w.e.f 1-7-2018, vide Fin. Div. O.M No.15(1) R-6/ 2018-644 dated 3-7-2018.
- Overtime allowance admissible to staff car drivers and dispatch riders has been enhanced from Rs. 40/- per hour to Rs. 80/- per hour subject to

maximum of Rs. 480 on working days and Rs. 100/- per hour on closed holidays subject to maximum of Rs. 600/- per day w.e.f 1-7-2018, vide Fin. Div. O.M No. F.4(1)R-5/2010 dated 2-7-2018.

2. Finance Division approved the following relief measures recommended by Regulation Wing after considering the inflation rate/ increase in pay and allowances and requests of the Federal Government employees, during the financial year 2018-2019:-

- Revised Management Grades (M-I, M-II, M-III) as under and granted Adhoc Relief Allowance-2018 @ 10% of basic pay to Management Grade Officers, w.e.f 1-7-2017:-

Management Scales	Existing Management Scales w.e.f 1-7-2016	Stages	Revised Management Scales w.e.f 1-7-2017	Stages
M-I	68540-4870-136720	14	82380-5870-164560	14
M-II	63780-4150-121880	14	76720-5000-146720	14
M-III	57410-3750-109910	14	69090-4510-132230	14

- The rate of profit on deposits and on balances at the credit of the subscribers to the General Provident Fund and the Contributory Provident Fund for the year 2017-18 has been fixed to be 11.70% per annum.
- Government has decided that third House Building Advance may be granted to Government employees with interest thereof, if any.
- Government has decided that budgetary allocation for House Building Advance shall be distributed for the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> advances as under:-

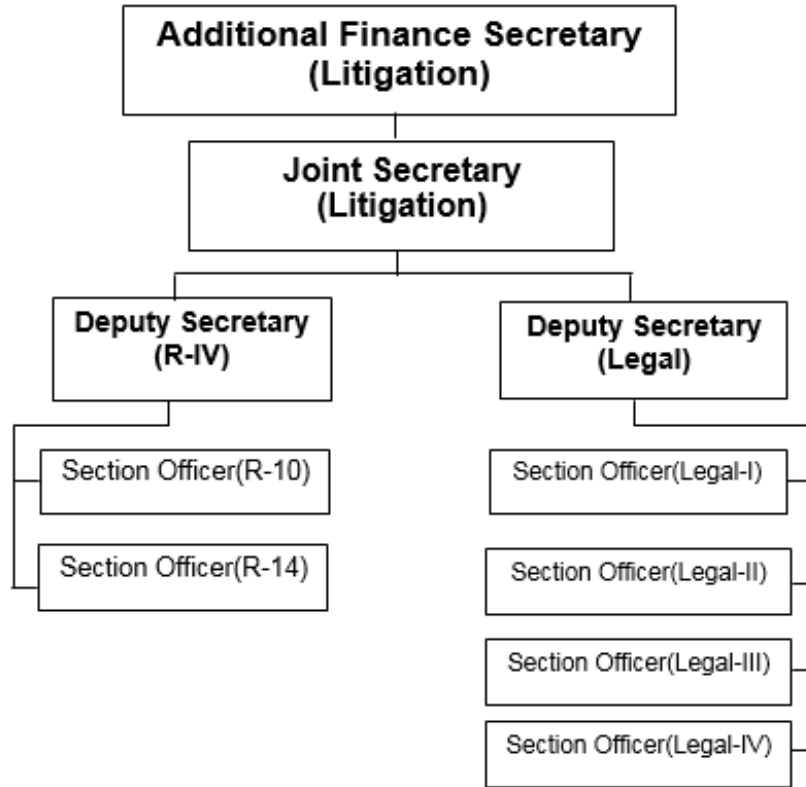
Advance	Percentage.
1 <sup>st</sup>	70%
2 <sup>nd</sup>	20%
3 <sup>rd</sup>	10%

A green scroll graphic with a white outline, featuring a rolled-up edge on the left and a small white scroll icon in the top right corner. The text "LITIGATION WING" is centered on the scroll in a bold, black, sans-serif font.

# LITIGATION WING



**LITIGATION WING**  
**ORGANOGRAM**



**LITIGATION WING INCUMBENT(S)**

<b>Sr.No.</b>	<b>Name of officer</b>	<b>Designation</b>	<b>Telephone Number (Off)</b>
1	Dr. Rashid Manzoor	AFS(Regulations/Litigation)	9201496
2	Vacant	Joint Secretary (Litigation)	9245847
3	Mr. Khan Hafeez	Deputy Secretary (Legal)	9245842
4	Raja M. Akhtar Iqbal	Deputy Secretary (Legal)	9202917
5	Mr. Muhammad Anwar	Section Officer (Legal-I)	9245849
6	Mr. Ameen Khan	Section Officer (Legal-II)	9245851
7	Mr. Mujahid Ali	Section Officer (Legal-III)	9218223
8	Vacant	Section Officer (Legal-IV)	9245816
9	Dr. Muhammad Ismail Hasni	Section Officer (R-10)	9245725
10	Mr. Nisar Hussain	Section Officer (R-14)	9245873

## LITIGATION WING

Litigation Wing consists of four Legal Sections dealing with all litigation cases in various courts of law and two Regulation Sections dealing with vetting of Acts, Ordinances, Rules, Regulations, Rental Ceiling, Project Allowance, Extra Ordinary Pension, Death Compensation Packages, TA/DA Allowances and Medical treatment abroad, etc. Litigation Wing stands structured, as below:-

<b>Joint Secretary (Litigation)</b>					
Deputy Secretary (Legal)				Deputy Secretary (Reg-IV)	
Section Officer (Legal-I)	Section Officer (Legal-II)	Section Officer (Legal-III)	Section Officer (Legal-IV)	Section Officer (Reg-10)	Section Officer (Reg-14)

### FUNCTIONS OF LITIGATION SECTIONS:

Functions of the four legal sections are, as follows:-

- i. Examining preliminary the court cases received from Supreme Court of Pakistan, Federal Shariat Court, Wafaqi Mohtasib Secretariat, High Courts, Federal Service Tribunals, Civil Courts, National Industrial Relations Commission (NIRC) and National Commission for Human Development (NCHD), etc.
- ii. Obtaining paper books from the court (s), where the same are not received.
- iii. Seeking comments from relevant Wing (s)
- iv. Nominating Deputy Attorney Generals (DAGs)/Advocate on Record (AORs)/Assistant Attorney Generals (AAGs) from Law & Justice Division.
- v. Vetting of comments from Law & Justice Division
- vi. Coordinating/briefing to DAGs/AORs/AAGs.
- vii. Submitting of comments before the courts
- viii. Submitting of applications before the court(s) concerned for deletion of the name of Finance Division as proforma party.
- ix. Attending courts
- x. Communicating courts' orders/directives to the quarter(s) concerned

### Section-Wise Distribution of Work:

<b>Legal-I</b>	<b>Legal-II</b>	<b>Legal-III</b>	<b>Legal-IV</b>
<ul style="list-style-type: none"> <li>• Islamabad High Court</li> <li>• Lahore High Court (all benches)</li> <li>• Lower courts in Islamabad</li> </ul>	<ul style="list-style-type: none"> <li>• High Court of Sindh, Karachi (all benches)</li> <li>• Baluchistan High Court, Quetta (all benches)</li> <li>• Peshawar High Court, Peshawar</li> </ul>	<ul style="list-style-type: none"> <li>• Federal Service Tribunal (FST), Islamabad.</li> <li>• Coordination work amongst Litigation Sections.</li> </ul>	<ul style="list-style-type: none"> <li>• Supreme Court of Pakistan (all Registries)</li> <li>• Federal Shariat Court.</li> <li>• Supreme Appellate Court Gilgit-Baltistan,</li> </ul>

Legal-I	Legal-II	Legal-III	Legal-IV
	(all benches) • All cases in lower courts in Sindh, KPK & Baluchistan		Gilgit • Chief Courts Gilgit-Baltistan & AJK • National Industrial Relations Commission (all benches) • Federal Service Tribunal, Lahore & Karachi

### Performance of Legal Sections:

Government employees and other persons filed 3089 cases, where the Finance Division was impleaded as necessary as well as proforma party during the Financial Year 2018-19. The break- up is as under:

Legal-I		
S.No	Name of Court	No of cases processed
1.	Lahore High Court	595
	Rawalpindi Bench	19
	Multan Bench	24
	Bahawalpur Bench	06
2.	Islamabad High Court	215
3.	Civil Court, Islamabad	03
	<b>Total</b>	<b>862</b>
Legal-II		
1.	High Court of Sindh, Karachi (all benches and lower courts)	1135
2.	Peshawar High Court , Peshawar (all benches and lower courts)	622
3.	Baluchistan High Court, Quetta (all benches and lower courts)	62
	<b>Total:</b>	<b>1819</b>
Legal-III		
1.	Federal Service Tribunal, Islamabad	287
Legal-IV		
1.	Supreme Court of Pakistan	61
2.	Federal Shariat Court, Islamabad	-
3.	Chief Court Gilgit Baltistan, Gilgit	02
4.	Chief Court, AJK	01
5.	Federal Service Tribunal, Lahore & Karachi	32
6.	National Industrial Relations Commission	07
7.	Chief Courts , Punjab	20
	<b>Total:</b>	<b>123</b>
	<b>Grand Total:</b>	<b>3091</b>

## **Achievements of Litigation Wing:**

- Under the guidance of senior officers and with the assistance of other wings of this Division, Central Law Officers and other organizations, Litigation Wing promptly and efficiently responded to and dealt with each and every order and notice of the following courts:
  - Supreme Court of Pakistan
  - Federal Shariat Court, Islamabad
  - Islamabad High Court, Islamabad
  - Lahore High Court and its Benches in Rawalpindi, Multan and Bahawalpur
  - High Courts of Sind, Karachi (all benches and lower courts)
  - Peshawar High Courts (inclusive all benches and lower courts)
  - Balochistan High Court, Quetta (all benches and lower courts)
  - Chief Court, Gilgit-Baltistan, Gilgit
  - Chief Court, AJ&K
  - National Industrial Relation Commission, Islamabad and other benches
  - Federal Service Tribunal, Islamabad, Lahore & Karachi
  - Civil Courts, Islamabad
- Para-wise comments, reports, concise statements, etc. were filed in 3091 cases before the above courts.
- On given dates, all the cases were attended and defended efficiently by the Officers concerned alongwith the concerned Law Officer(s).
- As a result of proactive approach of Litigation Wing, no case was left unattended. Resultantly, almost no cases was decided against the Federation due to non-prosecution on part of Finance Division
- Litigation Wing maintained strong and good working relationship with the other wings of this Division, its attached/subordinate organizations and Law Officers.
- Coped with the challenge of load of work despite lack of human resources.

## **2. REGULATIONS SECTIONS:**

Regulations Sections have the following main functions:-

### **Regulation-10 Section**

- a. Travelling Allowance on transfer (within country/abroad)
- b. Daily Allowance on duty (within country/abroad)

- c. Medical treatment abroad of Government servants/ dependent family members.
- d. Service Tribunal cases regarding training TA/DA (within country/abroad)
- e. Revision of rates of Daily Allowance, Mileage Allowance, Travelling Allowance, Messing Allowance, Uniform Allowance, Non-practicing, Transfer Grant and Travel by Air.
- f. Reimbursement of Medical facilities and clarification thereto.
- g. Appointment of Authorized Medical Attendants at Pakistan Missions Abroad.

**REGULATION-R-14 SECTION:**

- a) Vetting of Ordinances, Acts, Rules & Resolutions of newly established Organizations under the Federal Government.
- b) Vetting of Financial Rules/Regulations made in pursuance of the provisions of Ordinances, Acts and Resolutions.
- c) Bonus policy and approval for grant of bonus to the officers employed in public sector organizations.
- d) Examination of summaries/proposals received from M/o Housing & Works regarding enhancement of rental ceiling for hiring of houses by Federal Government employees, and their submission/endorsement to the Prime Minister for approval.
- e) Project Allowance/Pay Package for Project staff.
- f) Extra-Ordinary Pension cases.
- g) Compensation for Civil Armed Forces/ICT Police/IB who die in service.

**PERFORMANCE OF REGULATIONS SECTIONS:**

**REGULATION-10 SECTION:**

The Regulation-10 Section received 499 cases from various Ministries/Divisions/Departments for concurrence, NOC and clarification during the period from 01-07-2018 to 30-06-2019. The cases were examined and reply was given, details are as following:-

<b>Description</b>	<b>No. of cases</b>
Travelling Allowance (TA) and Daily Allowance (DA)	<b>186</b>
Medical reimbursement	<b>132</b>
Appointment of Authorized Medical Attendants (AMAs) at Missions abroad and revision of consultation fee.	<b>34</b>
Vetting of TA/DA and Medical Rules of Autonomous bodies	<b>44</b>
Miscellaneous cases	<b>103</b>
<b>Total</b>	<b>499</b>

**REGULATION-14 SECTION:**

The Section received 313 cases from various Ministries/Divisions/Departments and finalized during the period from 01-07-2018 to 30-06-2019. Details are given below:-

<b>Description</b>	<b>No. of cases</b>
Vetting of Ordinances, Acts, Resolutions, etc.	20
Disability Pension/Special family pension cases	45
Approval to payment of rent of office accommodation received from Ministries/Divisions/Departments, which were in excess of prescribed rental ceiling	67
Pay Package for Project Staff recruited for development projects funded from PSDP	55
Project Allowance	20
Court cases	60
Misc. cases	46
<b>Total</b>	<b>313</b>

**Major Policy Decision/ Achievement is as under:**

Revision of rental ceiling, vide Ministry of Housing & Works' O.M. No.F.4(8)/92-Policy, dated 25-06-2018, for hiring of residential accommodation by the Federal Government servants at six specified stations i.e. Islamabad, Rawalpindi, Lahore, Karachi, Peshawar and Quetta,.

## **FEDERAL TREASURY OFFICE**

Federal Treasury Office is sub-ordinate office of the Finance Division working under the administrative control of the AGPR. It ensures the timely completion and submission of portion of accounts of Federal Receipt and Payment to the AGPR for incorporation in Finance account every month. All kinds of Judicial and non Judicial Stamps Papers are issued from this office to the general public of Islamabad. Moreover the huge receipt is generated through sale proceed of Stamp Papers etc. from the Strong Room this office.

### **Major Functions/activities of this office are as under:-**

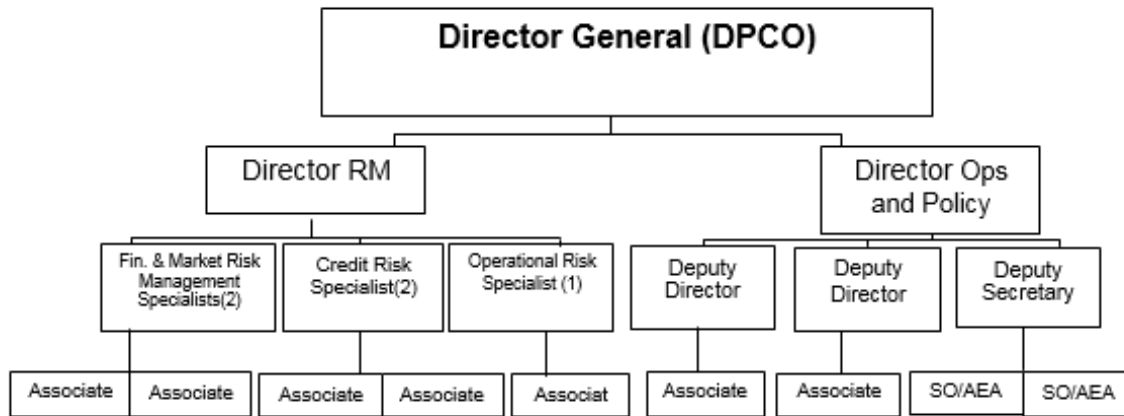
- Compilation/Preparation of Federal Payment and Federal Receipt Accounts received daily from the State Bank Islamabad/Muzafarabad/Rwp & the different branches of National Bank situated in Islamabad/Rwp for incorporation in Finance Account through AGPR on SAP system.
- Federal Government pensioners including civilian pensioners receiving pension from defense estimates get pension from this office through SBP & maintenance and compilation of its accounts.
- Compilation of Military payment & Receipt accounts and submission to the MAO office.
- Vending of all kinds of Stamp Papers, Judicial and Non Judicial Stamps, Driving license Stamps etc to the General public and the Government departments as well, from the Strong Room of this office. Moreover this office is generating the millions of Receipt of Federal Government through vending of Stamp Papers etc to the general public.
- Verification of credits deposited in the SBP/NBP relating to the Federal Government.
- Maintenance of Personal Ledger Accounts in respect of Federal Government organizations.
- Maintenance of Assignment account for payment through National Bank of Pakistan.
- Refund of Revenue Deposits authorized by the Civil Courts

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**DEBT POLICY  
COORDINATION  
OFFICE**



**DEBT POLICY COORDINATION OFFICE**  
**ORGANOGRAM**



**DPCO WING INCUMBENT(S)**

<b>Sr.No.</b>	<b>Name of Officer</b>	<b>Designation</b>	<b>Telephone Number (Off)</b>
1	Mr. Abdul Rehman Warraich	Director General (Debt)	9201897
2	Mr. Muhammad Umar Zahid	Director Debt	9207124
3	Mr. Izhar Ahmed	Deputy Secretary	9207372
4	Vacant	Director Ops and Policy	
5		Market and Financial Risk Sp.	9201092
6	Mr. Arsalan Ahmed	Market and Financial Risk Sp.	9201092
7	Mr. Shujaat Malik Awan	Credit Risk Specialist	9201092
8	Syed Haroon Qidwai	Credit Risk Specialist	9201092
9	Mr. Zaheer Abbasi	Section Officer (Debt-1)	9202396

## **DEBT POLICY COORDINATION OFFICE WING**

Debt Policy Coordination Office (DPCO) acts as a Secretariat for the Fiscal Responsibility and Debt Limitation (FRDL) Act, 2005.

### **Functions:**

As per the FRDL Act, 2005, DPCO has been entrusted to perform the following functions:

- Prepare a debt reduction path to achieve the principles of sound fiscal and debt management,
- Monitor and evaluate external and domestic borrowing strategies,
- Analyze the foreign currency exposure of Pakistan's external debt,
- Provide consistent and authenticated information on public debt and Government guarantees,
- Provide leadership on debt data questions and ensure compliance with agreed reporting requirements, and
- Maintain a centralized and updated electronic record of the public debt.

### **Publications:**

As part of its primary responsibilities, the DPCO prepares and presents to the Parliament, the following documents every year:-

- Debt Policy Statement
- Fiscal Policy Statement
- Medium-Term Budgetary Statement

DPCO presents the above statements to the National Assembly. Debt and Fiscal Policy Statements include a comprehensive review of the dynamics of Pakistan's debt portfolio as well as developments in the fiscal sector. These documents also contain a report on compliance with the provisions of FRDL Act, 2005. Medium-Term Budgetary Statement includes three-year targets for key economic indicators and is presented as a part of the annual budget. The macro-economic framework in MTBS contains the debt reduction path.

### **List of Activities and Achievements:**

- Debt Policy Statement for Financial Year 2018-19 was submitted to the National Assembly as per 7 of Fiscal Responsibility and Debt Limitation Act, 2005. Debt Policy Statement contains assessment of the Government's debt policies against the principles of sound fiscal and debt management during the given period;

- Fiscal Policy Statement for year 2018-19 was submitted to the National Assembly as per section 6 of Fiscal Responsibility and Debt Limitation Act, 2005. Fiscal Policy Statement explains performance of fiscal indicators against the principles of sound fiscal and debt management;
- Medium Term Budgetary Statement (2018/19-2020/21) was presented with annual budget (2018-19) to the National Assembly under section 5 of Fiscal Responsibility and Debt Limitation Act, 2005. The statement also contains 3 year rolling targets for macroeconomic indicators;
- Published “Debt Management Risk” reports on periodic basis covering exposure indicators to financial risk (redemption profile of local and foreign currency debt, average life, share of domestic debt falling due in the next 12 months, average time to re-fixing, share of local and foreign currency debt re-fixing its interest rate over the next 12 months, composition of debt stock by currency and share of short term foreign currency debt over net international reserves);
- Provided technical advisory on loan proposals which resulted in reduction in cost and risks of external public debt portfolio;
- Technical advisory and assistance was provided in raising financing for the PSEs and costs and risks were reduced through effective negotiations;
- Handled debt-related questions raised in Senate/National Assembly;
- Maintained monthly & quarterly public debt (domestic & external) and sovereign guarantees stocks;
- Maintained maturity profile of public debt;
- Issued Auction Calendar for Pakistan Investment Bonds (PIB) and T-Bills in collaboration with SBP;
- Active participation in auction process of Government Securities (PIBs & T-Bills)
- Re-profiling of debt obtained from SBP (which has been converted from short-term debt maturing in six months to long-term debt maturing over a period of ten years) along with a commitment by the government not to borrow from SBP in future is a positive development. Both of these measures, will ensure fiscal discipline, as direct government borrowing from SBP leads to many undesirable effects on the economy such as higher inflation, poor cash management practices, etc.