



# **Federal Budget**

## **EXPLANATORY MEMORANDUM ON FEDERAL RECEIPTS**

**2011-12**

**GOVERNMENT OF PAKISTAN  
FINANCE DIVISION  
ISLAMABAD**

## PREFACE

This Annual Budget Statement containing estimated receipts and expenditures for financial year 2011-12 is being tabled in the National Assembly of Pakistan and transmitted to the Senate of Pakistan as required under Article 80(1) and 73 (1) of the Constitution of Islamic Republic of Pakistan.

This "Explanatory Memorandum on Federal Receipts" is being tabled along with the Annual Budget Statement, as additional information, in order to help the readers understand the details of the receipts included in the Statement. The Memorandum distinguishes revenue from capital receipt. Revenue receipt is further categorized as tax and non-tax receipt. The section on capital receipt provides information on public debt and external resources, which are further explained in a separate publication titled 'Estimates of Foreign Assistance'. A brief overview of self-financing of the Public Sector Development Programme by the Provinces is also included in this Memorandum.

With the aim of helping the readers form a comprehensive view of the federal resources that have determined the formulation of the Budget for 2011-12, the nature of receipts has been explained, wherever considered appropriate. I hope that this document would be useful for a more comprehensive understanding of the Annual Budget Statement

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Secretary to the Government of Pakistan  
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Islamabad, 3<sup>rd</sup> June, 2011

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## 1. REVENUE RECEIPTS

**1.1** The revenue receipts of the federal government may be categorized as tax revenue receipts and non-tax revenue receipts.

**1.2** The revenue receipts of the Federal Government are derived from the following sources:-

- i) Proceeds from taxation.
- ii) Net revenue of the Commercial Departments.
- iii) Interest on loans advanced by the Federal Government
- iv) Return on investments made by the Federal Government
- v) Fees and Other Miscellaneous receipts realized by administrative Ministries and Divisions of the Federal Government
- vi) Surcharges on Petroleum and Natural Gas
- vii) Dividends

### TAX REVENUE

**1.3** Tax revenue is of two types, direct and indirect. Direct taxes are comprised of Income Tax, Workers Welfare Tax, Workers Participation Fund and Capital Value Tax. The indirect taxes are comprised of Customs, Sales Tax, Federal Excise, Surcharge on gas, Petroleum Levy, Taxes collected by the Islamabad Capital Territory (ICT) administration and Airport Tax. The major part of the revenue is administered by the Federal Board of Revenue.

### NON-TAX REVENUE

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

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

**1.5** The summary of budget and revised estimates for fiscal year 2010-2011 and budget estimates for fiscal year 2011-2012 are given on the following pages.

## SUMMARY OF REVENUE RECEIPTS

		(Rs. in Million)		
		2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>B</b>	<b>* TAX REVENUE</b>	<b><u>1,778,715.0</u></b>	<b><u>1,679,363.0</u></b>	<b><u>2,074,182.1</u></b>
<b>B01</b>	<b>Direct taxes</b>	<b>657,700.0</b>	<b>626,900.0</b>	<b>743,600.0</b>
B011	Income Tax	633,000.0	602,500.0	718,600.0
B01501	Workers Welfare Tax and	20,000.0	20,000.0	25,000.0
B01502	Workers Participation Fund	0.0	0.0	0.0
B017	Capital Value Tax	4,700.0	4,400.0	0.0
<b>B02</b>	<b>Indirect taxes</b>	<b>1,121,015.0</b>	<b>1,052,463.0</b>	<b>1,330,582.1</b>
B020-22	Customs	180,800.0	173,300.0	206,400.0
B023	Sales Tax	674,900.0	654,600.0	836,700.0
B024-25	Federal Excise	153,600.0	132,900.0	165,600.0
	Petroleum Levy	110,000.0	90,000.0	120,000.0
B026	Other Taxes (ICT)	1,640.0	1,592.0	1,807.1
B03064	Airport Tax	75.0	71.0	75.0
<b>C</b>	<b>NON TAX REVENUE</b>	<b><u>632,278.5</u></b>	<b><u>556,525.8</u></b>	<b><u>657,967.8</u></b>
<b>C01</b>	<b><u>Income from Property and Enterprise</u></b>	<b><u>169,985.2</u></b>	<b><u>103,625.1</u></b>	<b><u>195,330.2</u></b>
C01002	Profits (Pakistan Post office)	1,100.0	-140.0	-2,195.0
C01008	PTA	50,000.0	0.0	75,000.0
C012	Interest (Provinces)	16,637.9	18,508.3	15,638.1
C013-18	Interest (PSEs & others)	38,032.3	41,775.6	42,503.4
C019	Dividends	64,215.0	43,481.1	64,383.7

\* Out of which FBR collection has been estimated at Rs.1587.700 billion for R.E. 2010-11 and at Rs.1952.300 billion for B.E. 2011-12

contd.

### SUMMARY OF REVENUE RECEIPTS

		(Rs. in Million)		
		2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>C02</b>	<b><u>Receipts from Civil Admn. and Other Functions</u></b>	<b><u>332,251.8</u></b>	<b><u>302,640.2</u></b>	<b><u>321,382.778</u></b>
C021-2	General Administration	788.3	702.3	800.5
C02211	SBP Profit	185,000.0	185,000.0	200,000.0
C025	Defence	133,463.2	115,296.0	118,739.0
C026	Law and Order	1,732.7	761.2	866.0
C027	Community Services	813.0	496.5	530.1
C028	Social Services	10,454.8	384.1	447.2
<b>C03</b>	<b><u>Miscellaneous Receipts</u></b>	<b><u>130,041.5</u></b>	<b><u>150,260.5</u></b>	<b><u>141,254.9</u></b>
C031-3	Economic Services	2,401.7	2,213.4	2,388.3
C03806	Citizenship, Naturalization & Passport Fees	10,850.0	10,700.0	13,750.0
C03902	Development Surcharge on Gas	29,995.0	31,706.4	24,925.1
C03905	Royalty on Oil	15,500.0	19,604.9	15,183.1
C03906	Royalty on Gas	32,000.0	35,143.3	32,796.4
	Discount Retained on Local Crude Oil	12,000.0	25,189.0	25,100.0
C038	Others	27,294.8	25,703.5	27,112.0
	<b>Gross Federal Revenue Receipts</b>	<b>2,410,993.5</b>	<b>2,235,888.8</b>	<b>2,732,149.9</b>
	<b>Less : Provincial Share</b>	<b>1,033,643.3</b>	<b>997,700.7</b>	<b>1,203,321.0</b>
	<b>Net Federal Revenue Receipts</b>	<b>1,377,350.2</b>	<b>1,238,188.1</b>	<b>1,528,828.9</b>

## 2. FEDERAL TAXES

2.1 Tax revenue collected by the Federal Board of Revenue (FBR) comprises of Inland Revenue and Customs. Inland Revenue comprise of Income Tax, Sales Tax and Federal Excise Duty. The following table shows the revenue estimates for financial year 2010-11 and 2011-12.

**Table : Tax wise Revenue Estimates for individual taxes**

<b>Tax Head</b>	<b>2010-11 Budget</b>	<b>2010-11 Revised</b>	<b>2011-12 Budget</b>
Direct Tax	657,700.0	626,900.0	743,600.0
Sales Tax	674,900.0	654,600.0	836,700.0
Federal Excise	153,600.0	132,900.0	165,600.0
Customs	180,800.0	173,300.0	206,400.0
<b>TOTAL</b>	<b>1,667,000.0</b>	<b>1,587,700.0</b>	<b>1,952,300.0</b>

2.2 Detailed analyses of individual taxes are highlighted below:

**Direct Taxes:** In Income Tax there is a fraction of Capital Value Tax (CVT), Workers Welfare Fund (WWF) and Workers Profit Participation Fund (WPPF). Inland Revenue taxes comprise of direct and indirect taxes while direct taxes are imposed on income and indirect taxes are levied on transactions, commodities and services.

2.3 During the first nine months of the current financial year i.e. upto 31-12-2011, income tax collection stood at Rs. 381.6 billion with growth of 11.5% as compared to the collection of the corresponding period of preceding year. Consequent to 18th Amendment of Constitution collection of CVT has been transferred to the provinces, therefore, CVT is no more a federal levy. If current pace of the collection continues with 22% growth in the last quarter of 2010-2011, Income Tax collection may ultimately end at Rs. 626.9 billion.

2.4 Taking into account the current inflation and GDP growth Income Tax targets can safely be estimated for 2011-12 at Rs. 743.6 billion by taking 15% growth over 2010-11. However, this does not include any financial measures to be included in budget 2011-12. The estimated receipts for current financial year of Rs.626.9 billion are slightly on the higher side, therefore, revenue measures based on solid grounds need to be introduced in the budget 2011-12 so that the targets for the coming financial year can be achieved.



2.5 Workers Welfare Fund (WWF) and Workers Profit Participation Fund (WPPF) is leviable under the workers Welfare Act. The revised estimates for receipts of WWF and WPPF for 2010-2011 are Rs. 20.0 billion and estimates for budget 2011-2012 are Rs. 25.0 billion.

2.6 Budget and revised estimates in respect of Capital Value Tax are Rs. 4.7 billion and Rs. 4.4 billion. CVT being no more a federal levy, estimates for 2011-12 needs not to be included.

2.7 The budget and revised estimates for financial year 2010-2011 and financial year 2011-2012, on account direct taxes are tabulated hereunder.

TABLE	DIRECT TAXES	(Rs.in Million)		
		2010-11 Budget	2010-11 Revised	2011-12 Budget
Income Tax		633,000.00	602,500.00	718,600.00
Workers Welfare Fund/ Workers Participation Fund		20,000.00	20,000.00	25,000.00
Capital Value Tax		4,700.00	4,400.00	-
<b>TOTAL</b>		<b>657,700.00</b>	<b>626,900.00</b>	<b>743,600.00</b>

**3.1 Sales Tax :** Sales Tax is a tax on consumption levied on manufacturers & retailers with an annual turnover of more than Rs. 5 million, as well as on the importers, wholesalers, distributors, dealers and specified services at a standard rate of 17%. However, few commodities are subjected to sales tax @ 19% and 22%. However, all the exports and other goods/items mentioned in the Fifth Schedule to the Sales Tax Act, 1990 or in a notification issued under section 4 of the Act are chargeable to tax @ zero percent. The items mentioned in the Sixth Schedule or in a notification issued under section 13 of the Sales Tax Act, 1990 are exempt from the levy of sales tax. Exemptions mostly include basic foodstuff, agricultural produce (not subjected to any further process), medicines, books, and live animals, etc. The tax is levied in VAT mode i.e. on value addition basis with the entitlement of input tax adjustment.

3.1.2 The scope of tax was initially restricted to manufacturers, but the tax base was gradually broadened and later extended to the importers (in 1997), wholesalers, dealers, distributors & retailers (in 1998) and to specified services (in the year 2000) vide Provincial Sales Tax Ordinances which include services such as advertisements on TV and radio, clearing agents, stevedores, hotel & restaurants, etc.

3.1.3 During the first nine months of the current financial year net revenue collection from sales tax (import + domestic) remained Rs. 422.7 billion as against Rs. 371.2 billion in the corresponding period of the last financial year showing an increase of 13.9%. An absolute of 51.5 billion has been achieved during the said period. The budget estimates for fiscal year 2010-11 were Rs. 674.9 billion which have now been revised downward to Rs. 654.6 billion. Considering the prevailing collection trends, it is expected that annual targets for 2010-11 will be easily met.

3.1.4 As for as estimates for the next financial year (2011-2012), considering the collection trend of sales tax for the last five years and the budgetary measures, collection of Rs. 836.7 billion is estimated.

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

3.2.2 Ever since the creation of Pakistan excise duties and sales tax have co-existed. Currently, all commodities chargeable to excise duty are also liable to sales tax. In order to increase the compatibility between excises and sales tax, the government took a historical step in the Budget 2005-06 and introduced an entirely new version of excise legislation in the shape of Federal Excise Act 2005. Under the new excise legislation, the expression "central excise" duty was replaced with "Federal excise duty". Positive schedule is attached to Act for excisable goods and services with conditional exemptions scheduled separately. Cost-free registration has taken over traditional licensing regime with no fee or renewals and sales tax registration is valid and applicable for excise purpose as well. Physical controls have been replaced with self-assessment and self-compliance.

3.2.3 The standard rate of excise duty is 16% chargeable on both domestic production and imported substitutes of excisable goods. This rate is applicable even on excisable services. However, the effective rate of excise duty is prescribed in the First Schedule to the 2005 Act. Effective rates differ from the standard statutory rate in that POL products and cement are generally charged to fixed amounts of duty (specific rate of duty) and cigarettes are charged excise duty on higher rates with composite duty structure on quantity-cum-price slab basis. Minimum Prices of cigarettes for the purpose of duty assessment have been fixed to rule out the possibilities of market distortions and valuation malpractices. The excise classification was transposed to Harmonized Commodity Description and Coding system in 1994. A separate chapter 98 has been introduced for the classification of services. Several new services were added in chapter 98 in the Budget 2005-06.

3.2.4 In excise regime, there are six major revenue spinners which include cigarettes, beverages, POL Products, cement, natural gas and special excise duty. Almost 76% of excise duty collection (domestic) is collected from these six commodities.

3.2.5 During the first nine months of the current financial year net revenue collection from federal excise duty remained at Rs. 89.088 billion as against Rs. 84.704 billion in the corresponding period of the last financial year showing an increase of 5.5%. An absolute increase of Rs.4.68 billion has been achieved during the said period. The budget estimates for fiscal year 2010-11 were Rs. 153.6 billion which have now been revised downward to Rs. 132.9 billion. The reason for nominal growth in FED is due to the reason that last year major services were brought in the purview of sales tax instead of FED. However, considering the prevailing collection trends it is expected that annual targets for 2010-11 will be easily met.

3.2.6 As for as estimates for next financial year 2011-2012, the collection trend upto March, 2011 indicates that the growth of 6.5% have been achieved. However, next year expected growth will be around 24%, therefore, the estimates for 2011-12 may be fixed at Rs. 165.6 billion.

TABLE: FEDERAL EXCISE DUTY

Tax Head	(Rs in Million)		
	2010-2011 Budget	2010-2011 Revised	2011-2012 Budget
Beverage	7294.000	3421.000	4263.000
Beverage Concentrate	6545.000	5380.000	6703.000
Cement	21142.000	16025.000	19967.000
Cigarettes & Tobacco	55797.000	46043.000	57372.000
Natural Gas	7290.000	12578.000	15672.000
Perfumery & Cosmetics	1249.000	1351.000	1684.000
Petroleum Gases	14.000	1.000	2.000
POL Products	4687.000	4829.000	6018.000
Imported Goods	8928.000	19343.000	24102.000
1% Special Excise Duty	20065.000	10807.000	13467.000
Arrears	426.000	200.000	250.000
Other Services	15795.000	11222.000	13984.000
Other Items	4368.000	1700.000	2116.000
<b>Gross Total</b>	<b>153600.000</b>	<b>132900.000</b>	<b>165600.000</b>

**3.3.1 Customs:** During the first 8 months of FY 2010-11 (July-February), net customs duty collections is Rs.108.38 billion which is 13.6% higher than duty collected during corresponding period of FY 2009-10, which is despite the fact that dutiable import value has increased by only 14.8% during the same period. This more-than-proportionate increase in customs duty is mainly due to improvements in administrative measures which contributed Rs.7.00 billion in the total customs revenue till February, 2011.

**3.3.2** Considering the above facts, customs duty collection for FY 2010-11 is expected to be about Rs. 173.3 billion. However, if dutiable imports show considerable increase during remaining period, the revised target of Rs. 173.3 billion can be surpassed proportionately. The collection of customs revenue during FY 2010-11 will be based upon imports during FY 2010-11. If the increasing trend in international commodity prices continues during FY 2011-12, the target of Rs. 206.4 billion for the FY 2011-12 may also be achieved.

**3.3.3** It may be appreciated that customs revenue is primarily based upon dutiable value of imports which in turn depends upon over all national and international economic and trade variables. The above projections are also subject to these variables which imply that any increase or decrease in dutiable import value will accordingly impact the customs duty collection during FY 2010-11 and FY 2011-12.

The details are given in the following table.

**CUSTOMS**

		(Rs. in Million)		
S.No	Items	2010-11 Budget	2010-11 Revised	2011-12 Budget
1)	Vehicles (87)	24,372.0	27,550.0	32,810.0
2)	POL Products (27)	28,477.0	20,770.0	24,730.0
3)	Edible Oil (15)	21,079.0	16,930.0	20,170.0
4)	Machinery & Mechanical appliance (84)	18,488.0	11,430.0	13,610.0
5)	Electric machinery (85)	18,720.0	10,310.0	12,270.0
6)	Iron & steel (72)	9,037.0	9,140.0	10,880.0
7)	Plastic & Articles thereof (39)	9,245.0	7,880.0	9,390.0
8)	Paper and Paper Board	6,512.0	5,310.0	6,320.0
9)	Organic Chemicals (29)	4,805.0	4,140.0	4,930.0
10)	Tea & Coffee (09)	3,239.0	2,990.0	3,560.0
11)	Articles of Iron and Steel	4,048.0	2,780.0	3,320.0
12)	Dyes and Paints (32)	2,967.0	2,640.0	3,150.0
13)	Textile Materials (54)	2,343.0	2,540.0	3,030.0
14)	Cosmetic & Perfumery (33)	3,090.0	2,490.0	2,960.0
15)	Misc. Chemicals products (38)	2,844.0	2,350.0	2,800.0
16)	Other	34,284.0	53,364.0	63,563.0
<b>GROSS COLLECTION</b>		<b>193,550.0</b>	<b>182,614.0</b>	<b>217,493.0</b>
<b>REFUND AND REBATES</b>		<b>12,750.0</b>	<b>9,314.0</b>	<b>11,093.0</b>
<b>NET COLLECTIONS</b>		<b>180,800.0</b>	<b>173,300.0</b>	<b>206,400.0</b>

#### 4. NON - TAX RECEIPTS

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

4.2 The summary of non-tax receipts for 2010-11 revised and 2011-12 budget is given below.

##### SUMMARY OF NON-TAX RECEIPTS

		(Rs.in Million)		
		2010-11 Budget	2010-11 Revised	2011-12 Budget
C01	Income from property and enterprise	169,985.196	103,625.051	195,330.191
C02	Receipts from civil Admn. and other functions	332,251.815	302,640.176	321,382.778
C03	Miscellaneous receipts	130,041.462	150,260.549	141,254.859
<b>TOTAL</b>		<b>632,278.473</b>	<b>556,525.776</b>	<b>657,967.828</b>

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

## 5. INCOME FROM PROPERTY & ENTERPRISE

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

### 5.1 PROFITS

	(Rs.in Million)		
	2010-11 Budget	2010-11 Revised	2011-12 Budget
C01002 Pakistan Post Office	1,100.000	-140.000	-2,195.000
C01008 Pakistan Telecom Authority	50,000.000	0.000	75,000.000
<b>TOTAL</b>	<b>51,100.000</b>	<b>-140.000</b>	<b>72,805.000</b>

5.1.1 The Pakistan Post Office Department was expecting additional revenues on account of revision of in land postal tariff but could not be realized due to;-

- (i) World wide declining trend in letter mail
- (ii) Decrease in the rate of Post Office commission from 1.5% to 0.50% on NSS
- (iii) Enhancement of salaries of serving employees and pension of retired employees

5.1.2 Accordingly the deficit of Pakistan Post Office has been estimated at Rs. 140.000 million as against budgeted profit of Rs. 1,100.00 million for the year 2010-2011 and subsequently deficit of Rs. 2,195. million during 2011-12

5.1.3 The Pakistan Telecommunication Authority (PTA) was established to regulate the establishment, operation and maintenance of telecommunication systems and the provision of telecommunication services in Pakistan. They issue licenses for telecom services against a one time initial license fee and, thereafter, an annual license fee.



## 5.2 INTEREST RECEIPTS

5.2.1 Federal Government advances loans to Provinces, Government of Azad Jammu & Kashmir, Public Sector Enterprises, Local Bodies and others to assist them in carrying out their development programmes. These loans and advances are of two types, namely, Cash Development Loans, and Foreign Loans

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

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

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

**INTEREST RECEIPTS (PROVINCE WISE BREAK UP)**

	(Rs.in Million)		
	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>C012 PROVINCES</b>			
<b>PUNJAB</b>	<b>9,750.376</b>	<b>10,170.208</b>	<b>9,151.015</b>
Interest-Cash loans	5,928.337	5,777.390	5,265.554
Interest-Foreign loans	3,822.039	4,392.818	3,885.461
<b>SINDH</b>	<b>3,367.442</b>	<b>3,557.045</b>	<b>3,554.478</b>
Interest-Cash loans	2,359.705	2,363.116	2,561.910
Interest-Foreign loans	1,007.737	1,193.929	992.568
<b>KHYBER PAKHTUNKHWA</b>	<b>2,823.523</b>	<b>2,853.886</b>	<b>2,298.045</b>
Interest-Cash loans	1,846.734	1,669.353	1,133.968
Interest-Foreign loans	976.789	1,184.533	1,164.077
<b>BALOCHISTAN</b>	<b>696.588</b>	<b>1,927.186</b>	<b>634.600</b>
Interest-Cash loans	180.458	90.229	0.000
Interest-Foreign loans	516.130	1,836.957	634.600
<b>TOTAL - PROVINCES</b>	<b>16,637.929</b>	<b>18,508.325</b>	<b>15,638.138</b>

**LOAN WISE BREAK UP**

	(Rs.in Million)		
	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>C012 PROVINCES</b>			
<b>Interest: Cash loans</b>			
Punjab	5,928.337	5,777.390	5,265.554
Sindh	2,359.705	2,363.116	2,561.910
Khyber Pakhtunkhwa	1,846.734	1,669.353	1,133.968
Balochistan	180.458	90.229	0.000
<b>TOTAL</b>	<b>10,315.234</b>	<b>9,900.088</b>	<b>8,961.432</b>
<b>Interest: Foreign loans</b>			
Punjab	3,822.039	4,392.818	3,885.461
Sindh	1,007.737	1,193.929	992.568
Khyber Pakhtunkhwa	976.789	1,184.533	1,164.077
Balochistan	516.130	1,836.957	634.600
<b>TOTAL</b>	<b>6,322.695</b>	<b>8,608.237</b>	<b>6,676.706</b>
<b>TOTAL - PROVINCES</b>	<b>16,637.929</b>	<b>18,508.325</b>	<b>15,638.138</b>

**INTEREST RECEIPTS**

(Rs.in Million)

	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>C013 LOCAL BODIES</b>			
<b>Interest-Cash loans</b>			
P.B.C.	187.303	189.754	182.970
NHA	18,807.362	18,321.462	19,818.545
SNGPL	0.658	0.822	0.658
<b>TOTAL</b>	<b>18,995.323</b>	<b>18,512.038</b>	<b>20,002.173</b>
<b>Interest - Foreign loans</b>			
GIK Institute	2.251	2.175	0.833
N.L.C.	87.029	87.029	75.025
Karachi Port Trust	21.571	21.571	10.507
PAEC	1.475	1.475	1.140
SKMT	1.705	1.587	1.535
CDA	176.646	198.780	180.787
NHA	3,060.556	1,812.822	1,587.130
PIA	-	200.000	1,431.251
PPAF	88.780	109.687	113.289
<b>TOTAL</b>	<b>3,440.013</b>	<b>2,435.126</b>	<b>3,401.497</b>
<b>TOTAL - LOCAL BODIES</b>	<b>22,435.336</b>	<b>20,947.164</b>	<b>23,403.670</b>
<b>C014 FINANCIAL INSTITUTIONS</b>			
<b>Interest - Foreign loans</b>			
NDFC/LTCF	3,436.327	3,469.291	2,974.044
IDBP	210.817	210.817	187.392
Ist Dawood Leasing Co. Ltd.	4.520	4.520	3.470
English Leasing Ltd.	1.114	1.755	1.384
Network Leasing	0.737	0.737	0.510
Pakistan Industrial & Commercial Leasing	5.594	5.594	4.027
<b>TOTAL</b>	<b>3,659.109</b>	<b>3,692.714</b>	<b>3,170.827</b>
<b>TOTAL FINANCIAL INSTITUTIONS</b>	<b>3,659.109</b>	<b>3,692.714</b>	<b>3,170.827</b>

**INTEREST RECEIPTS**

(Rs.in Million)

	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>C015 NON - FINANCIAL INSTITUTIONS</b>			
<b>A : WAPDA</b>			
<b>Interest-Cash loans</b>	<b>6,047.270</b>	<b>5,285.051</b>	<b>3,924.854</b>
WAPDA (Water Wing)	2,189.387	2,189.387	1,528.903
WAPDA (Power Wing)	3,437.139	1,777.809	1,755.912
TESCO	35.936	37.183	35.537
QESCO	19.862	77.830	77.830
GENCO-I	41.376	38.422	32.122
GENCO-II	66.862	39.679	33.234
GENCO-III	46.163	883.831	292.416
GENCO-IV	3.957	3.525	3.385
NTDC	206.588	237.385	165.515
<b>Interest-Foreign loans</b>	<b>4,678.036</b>	<b>6,540.180</b>	<b>5,223.494</b>
WAPDA (Power Wing)	2,847.941	3,402.762	2,786.548
TESCO	9.084	9.084	6.566
GENCO-I	54.403	54.403	38.324
GENCO-II	64.816	64.816	50.110
GENCO-III	2.382	2.382	1.357
GENCO-IV	0.019	0.019	0.000
NTDC	1,699.391	3,006.714	2,340.589
<b>TOTAL - WAPDA</b>	<b>10,725.306</b>	<b>11,825.231</b>	<b>9,148.348</b>
<b>B : AUTONOMOUS BODIES / CORPORATIONS</b>			
<b>Interest-Foreign loans</b>			
Pakistan Railways	620.859	632.113	563.190
Karachi Fish Harbour Authority	15.154	15.154	14.092
PTA	2.030	2.030	0.000
<b>TOTAL</b>	<b>638.043</b>	<b>649.297</b>	<b>577.282</b>
<b>TOTAL NON-FINANCIAL INSTITUTIONS</b>	<b>11,363.349</b>	<b>12,474.528</b>	<b>9,725.630</b>

## INTEREST RECEIPTS

		(Rs.in Million)		
		2010-11	2010-11	2011-12
		Budget	Revised	Budget
<b>C016</b>	<b><u>GOVERNMENT SERVANTS</u></b>			
	Cantt/Garrison Edu. Institutions	2.311	2.407	2.527
	AGPR, Islamabad	27.005	51.598	56.845
	AGPR, Sub-Office, Lahore	9.302	8.957	9.852
	AGPR, Sub-Office, Karachi	10.245	8.635	8.712
	AGPR, Sub-Office, Peshawar	6.573	7.434	7.805
	AGPR, Sub-Office, Quetta	1.016	2.798	2.938
	AGPR, Sub-Office, Gilgit	0.950	0.950	1.020
	Defence	9.400	5.357	6.161
	Pakistan Post Office Deptt.	2.700	0.960	1.000
	Pakistan PWD	0.135	0.362	0.487
	Pakistan Mint	0.193	0.073	0.076
	CAO (Ministry of Foreign Affairs)	1.260	0.790	0.870
	Central Dte. of National Savings	2.272	1.398	1.216
	Geological Survey of Pakistan	0.347	0.123	0.145
	Directorate of Food	0.007	0.005	0.005
	<b>TOTAL GOVT. SERVANTS</b>	<b>73.716</b>	<b>91.847</b>	<b>99.659</b>
<b>C017</b>	<b><u>AJK &amp; Others</u></b>			
	<b>Interest-Cash loans:</b>			
	Government of A J & K	4,312.470	4,312.470	5,784.582
	<b>Interest-Foreign loans:</b>			
	Government of A J & K	103.000	103.000	136.941
	<b>Interest-Other loans:</b>			
	Guarantee fee on foreign Loans (EAD)	985.314	53.909	52.059
	<b>TOTAL AJK &amp; OTHERS</b>	<b>5,400.784</b>	<b>4,469.379</b>	<b>5,973.582</b>
<b>C018</b>	<b><u>COMMERCIAL DEPARTMENTS</u></b>			
	Pakistan Post Office Department	100.000	100.000	130.000
	<b>TOTAL COMMERCIAL DEPTTS.</b>	<b>100.000</b>	<b>100.000</b>	<b>130.000</b>
	<b>TOTAL (PSEs &amp; OTHERS)</b>	<b>43,032.294</b>	<b>41,775.632</b>	<b>42,503.368</b>
	<b>ESTIMATED SHORTFALL</b>	<b>5,000.000</b>	<b>0.000</b>	<b>0.000</b>
	<b>NET - TOTAL (PSEs &amp; OTHERS)</b>	<b>38,032.294</b>	<b>41,775.632</b>	<b>42,503.368</b>
	<b>TOTAL - PROVINCES</b>	<b>16,637.929</b>	<b>18,508.325</b>	<b>15,638.138</b>
	<b>GRAND TOTAL - INTEREST</b>	<b>54,670.223</b>	<b>60,283.957</b>	<b>58,141.506</b>

### 5.3 DIVIDENDS ON GOVERNMENT INVESTMENTS

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

5.3.2 The details of the estimates are given below :

		(Rs.in Million)		
Name of Organization	2010-11 Budget	2010-11 Revised	2011-12 Budget	
<b>C01901</b>	<b><u>FINANCIAL INSTITUTIONS</u></b>	<b>303.000</b>	<b>298.284</b>	<b>431.100</b>
1	National Investment trust	22.000	24.194	27.000
2	NBP	24.000	29.591	33.000
3	ABL	40.000	43.726	48.100
4	UBL	11.000	16.773	18.000
5	HBL	52.000	61.000	65.000
6	Pak Oman Investment Co.	154.000	123.000	140.000
7	Pak Bruni Investment Co.	0.000	0.000	50.000
8	Pak Chani Investment Co.	0.000	0.000	25.000
9	Pak Iran Joint Investment	0.000	0.000	25.000

(Rs.in Million)			
Name of Organization	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>C01902    <u>NON-FINANCIAL INSTITUTIONS</u></b>	<b>63,911.973</b>	<b>43,182.810</b>	<b>63,952.585</b>
1. Pakistan Petroleum Limited	6,505.844	7,695.817	8,442.276
2. Mari Gas Company Limited	28.092	31.342	48.000
3. Pakistan State Oil	770.112	385.056	385.056
4. Pak Arab Refinery Ltd.	3,000.000	600.000	3,000.000
5. SNGPL	669.771	347.933	660.000
6. SSGCL	193.600	535.392	600.000
7. GHPL	13,000.000	12,000.000	13,000.000
8. Oil & Gas Development Corporation	29,000.000	15,000.000	25,000.000
9. PMDC	12.000	57.200	15.000
10. State Life Insurance Corporation	200.000	200.000	200.000
11. National Insurance Corporation	440.000	440.000	440.000
12. Pakistan Reinsurance Corporation	382.449	0.000	404.000
13. Fauji Fertilizer Co. Ltd	46.000	35.784	35.784
14. Saindak Metal Ltd	500.000	0.000	0.000
15. PEPAC	0.000	0.000	0.500
16. PEAL	5.000	0.000	5.000
17. Pakistan Services Ltd.	0.337	0.000	0.340
18. PTV	5.000	0.000	5.000
19. PIDC	75.000	0.000	75.000
20. PERAC	4.500	4.489	4.489
21. National Shipping Corporation	310.746	158.395	200.000
22. Tourism Development Corporation	0.860	0.000	0.860
23. Pakistan Security Printing Corporation	300.000	225.000	225.000
24. NESPAK (Dividend)	0.660	1.000	1.000
25. National Power Construction	5.400	8.800	5.280
26. PTCL-Dividend	5,456.602	5,456.602	6,500.000
27. Others	3,000.000	0.000	4,700.000
<b>TOTAL - DIVIDENDS</b>	<b>64,214.973</b>	<b>43,481.094</b>	<b>64,383.685</b>

## 6. RECEIPTS FROM CIVIL ADMINISTRATION AND OTHER FUNCTIONS

### 6.1 GENERAL ADMINISTRATION RECEIPTS

#### 6.1.1 ORGANS OF STATE

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

(Rs.in Million)				
		2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>C021</b>	<b>ORGANS OF STATE</b>	<b>39.100</b>	<b>30.100</b>	<b>24.150</b>
	Federal Public Service Commission	33.000	24.000	22.500
	Pakistan Forest Institute	6.100	6.100	1.650

#### 6.1.2 FISCAL ADMINISTRATION

##### AUDIT FEES

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

##### STATE BANK RECEIPTS

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

##### PAKISTAN MINT

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



### PENSION & GRATUITY CONTRIBUTION

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

6.1.2.5 The estimates of receipts from fiscal administration are given below:

(Rs.in Million)			
	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>C022 FISCAL ADMINISTRATION</b>	<b>185369.098</b>	<b>185267.190</b>	<b>200346.357</b>
Audit Fee	4.198	2.290	1.457
SBP Profit	185,000.000	185,000.000	200,000.000
Currency Dividend from SBP	9.600	9.600	9.600
Coinage Account	300.000	220.000	300.000
Pakistan Mint	55.000	35.000	35.000
Receipts-in-Aid of Superannuation (Pension & Gratuity Contribution)	0.300	0.300	0.300

### 6.1.3 ECONOMIC REGULATION

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

(Rs.in Million)			
	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>C023 ECONOMIC REGULATION</b>	<b>380.000</b>	<b>405.000</b>	<b>430.000</b>
Fees realized under Insurance Act, 1989	380.000	405.000	430.000
<b>TOTAL - GENERAL ADMN. (Excluding SBP Profit</b>	<b>788.198</b>	<b>702.290</b>	<b>800.507</b>

## 6.2 DEFENCE SERVICES RECEIPTS

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

6.2.2 The estimates of defence receipts are given below :

	(Rs.in Million)		
	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>C025 DEFENCE SERVICES</b>	<b><u>133,463.156</u></b>	<b><u>115,296.000</u></b>	<b><u>118,739.000</u></b>
Effective	7,655.500	7,978.409	7,985.282
Non-effective	140.000	158.408	160.420
Miscellaneous	125,425.000	106,952.101	110,344.800
Service Charges	242.656	207.082	248.498

## 6.3 LAW AND ORDER RECEIPTS

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

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

(Rs.in Million)			
	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>C026 LAW AND ORDER</b>	<b><u>1,732.663</u></b>	<b><u>761.210</u></b>	<b><u>865.980</u></b>
Supreme Court of Pakistan	5.000	0.000	0.000
Law, Justice & Parliamentary Affairs Division	90.000	45.000	70.000
Receipts under Arms Act	1,300.000	290.073	290.073
Civil Armed Forces	162.035	173.769	198.907
Islamabad Capital Territory	165.250	239.345	293.000
Frontier Regions	10.378	13.023	14.000

#### 6.4 COMMUNITY SERVICES RECEIPTS

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

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

(Rs.in Million)			
	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>C027 COMMUNITY SERVICES</b>	<b><u>810.965</u></b>	<b><u>496.531</u></b>	<b><u>530.134</u></b>
Rent from government accommodation, land and workshops realized by Housing & Works Division	788.080	475.111	506.904
Rent of buildings realized by Frontier Corps. Khyber Pakhtunkhwa, Peshawar (Interior Division)	0.745	1.200	1.500
Rent from hostel accommodation realized by Labour and Manpower Division	2.140	0.220	0.230
Scientific Research and Survey (Defence Division)	20.000	20.000	21.500

## 6.5 SOCIAL SERVICES RECEIPTS

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

(Rs.in Million)			
	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>C028 SOCIAL SERVICES</b>	<b>10454.833</b>	<b>384.145</b>	<b>447.157</b>
Education fees from schools& colleges under Federal territory	37.170	36.749	36.831
National Library of Pakistan	1.170	0.700	0.700
Education fees from schools and colleges under the M/o Defence	80.000	76.500	78.000
Tuition fee (National Training Bureau)	2.000	2.000	2.000
Archeology and Museums	15.500	9.800	11.000
Health-Hospital receipts of Federal Government	317.612	257.592	317.612
Gilgit Baltistan Administration	1.281	0.684	0.888
Islamabad Capital Territory	0.100	0.120	0.126
Levy on Cigarettes	10,000.000	0.000	0.000

## **7. MISCELLANEOUS RECEIPTS**

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

### **7.1 ECONOMIC SERVICES RECEIPTS**

#### **Agricultural Receipts :**

7.1.1 These receipts are realized on account of quarantine fee on animal exports/imports by Capital Administration and Development Division.

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

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

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

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

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

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

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

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

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

	(Rs.in Million)		
	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>C031-35 ECONOMIC SERVICES</b>	<b><u>2,401.679</u></b>	<b><u>2,213.365</u></b>	<b><u>2,388.254</u></b>
Capital Administration & Development Division			
Food and Agriculture (CADD)	191.297	169.897	1.000
Livestock & Dairy Development (CADD)	196.560	195.026	185.000
Explosives Department	60.000	80.000	500.000
Islamabad Capital Territory	28.000	0.000	0.000
Stationery & Forms Department	1.800	1.237	1.500
Transportation & Communications	171.150	164.503	197.650
Special Communications Organization	1,750.000	1,600.000	1,500.000
Islamabad Capital Territory	2.872	2.702	3.104
<b>7.2 OTHER RECEIPTS</b>			

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

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

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

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

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

### **RECEIPTS OF TOURISM DEPARTMENT**

7.2.4 The receipts of the Tourism Department includes licenses fee of Hotels, Restaurants and Travel Agencies, Registration Fee of Hotels & Restaurants, Licenses Renewal fee of Hotels, Restaurants and Travel Agencies and the fines/late fee of Hotels, Restaurants and Travel Agencies within Capital Territory by Capital Administration & Development Division.

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

7.2.5 It includes the receipts on the auction of vehicles, sale of used machinery and equipments, gains or loss against the remittances made by the Government for the expenditure of the Pakistan's missions in various countries, recovery of overpayment made to the Government servants posted abroad and the deduction of income tax, GP Fund, Benevolent Fund, House Building and Motor Car Advances of the employees posted in various Pakistan's missions abroad.

### **KASHMIR AFFAIRS AND GILGIT BALTISTAN DIVISION**

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

### **STATES & FRONTIER REGIONS DIVISION**

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

(Rs.in Million)			
	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>C038 OTHER RECEIPTS</b>	<b><u>38,144.783</u></b>	<b><u>36,403.525</u></b>	<b><u>40,861.976</u></b>
Citizenship, Naturalization & Passport Fee	10,850.000	10,700.000	13,750.000
Emergency Relief Cell	9.000	6.000	6.500
Toshakhana (Cabinet Division)	1.000	6.000	2.500
National Archives (Cabinet Division)	0.060	0.060	0.065
Federal Services Tribunal	0.865	0.930	0.900
Staff Welfare Organization	15.247	16.000	22.000
Export Promotion Bureau	200.025	12.025	21.025
Construction Machinery Training Inst.	1.502	1.502	1.500
Censorship fees	3.500	3.000	2.700
Royalty, Pollution & Trekking fees	30.000	30.000	30.000
Receipts of Tourist Department	55.000	60.000	10.000
Airport Security Force	3.000	4.000	4.500
Pakistan Meteorological Deptt.	3.000	2.300	2.350
Gains on exchange (M/o Foreign Affairs)	55.000	134.000	147.500
Recovery of over payments (M/o Foreign Affairs)	23.000	20.000	22.000
Sale of Property (M/o Foreign Affairs)	10.000	5.000	5.500
Other receipts of M/o Foreign Affairs	110.000	141.000	155.000
M/o Information & Broadcasting	0.250	0.250	0.250
Pakistan Computer Bureau	0.883	0.883	0.900
PAKSAT	500.000	499.000	55.889
Islamabad Capital Territory	203.000	7.198	7.896
Civil Armed Forces	28.000	37.000	41.000
Kashmir Affairs & Gilgit Baltistan Division	368.900	242.298	250.723
States & Frontier Regions Division	175.449	132.000	151.000
Fees for exploration & Prospecting Licensing	7.700	2.070	2.070
Advance yearly rent for exploration & prospecting licensing	320.000	316.333	316.333
Population Welfare Division	55.000	30.000	0.000
National Centre for Rural Development	0.500	0.500	0.000
Receipts from United Nations	25,033.852	23,891.157	25,629.425
Pak. Environmental Protection Agency	0.400	0.600	0.800



	(Rs.in Million)		
	2010-11 Budget	2010-11 Revised	2011-12 Budget
Pakistan National Accreditation Council	2.000	2.000	2.000
Pakistan Public Admn. Research Centre	1.000	1.000	0.700
National Alien Registration Authority	0.000	2.200	2.600
Mercantile Marine Deptt. at Gwadar	0.150	0.019	0.150
National Accountability Bureau	50.000	53.000	60.000
Pakistan Atomic Energy Commission	27.500	23.000	25.000
Competition Commission of Pakistan	0.000	20.000	130.000
National Language Authority	0.000	1.200	1.200
<b>TOTAL MISC. RECEIPTS</b>	<b>130,041.462</b>	<b>150,260.549</b>	<b>141,254.859</b>

**C039 DEVELOPMENT SURCHARGE AND ROYALTIES**

	(Rs.in Million)		
	2010-11 Budget	2010-11 Revised	2011-12 Budget
Petroleum Levy	110,000.000	90,000.000	120,000.000
Surcharge on natural gas	29,995.000	31,706.436	24,925.138
Royalty on oil	15,500.000	19,604.940	15,183.130
Royalty on gas	32,000.000	35,143.283	32,796.361
Discount Retained on Local Crude Price	12,000.000	25,189.000	25,100.000
<b>TOTAL:</b>	<b>199,495.000</b>	<b>201,643.659</b>	<b>218,004.629</b>

**8. PETROLEUM DEVELOPMENT LEVY****PETROLEUM DEVELOPMENT LEVY**

8.1 A development surcharge on petroleum products was levied under the Petroleum Products (Petroleum Development Levy) Ordinance, 1961 and the rules framed thereunder. The word Development Surcharge was substituted with the word Petroleum Development Levy (PDL) through amendment in the Petroleum Products (Petroleum Development Levy) Ordinance, 1961 under the Notification dated 29th June, 2001. On 8th July, 2009 through further amendments made through Ordinance NO.XV of 2009, it was converted into Petroleum Levy .

**DEVELOPMENT SURCHARGE ON GAS**

8.2 The development surcharge on natural gas is levied under the Natural Gas Development Surcharge Ordinance, 1967. In pursuance of the said Ordinance, the federal government has to fix the sale price for the consumers and prescribe a price for the gas companies. The difference between the two prices is the margin available to the government as development surcharge. The prescribed prices of the gas companies undergo changes from time to time to cover the well head cost and the cost of transmission and distribution of gas. The surcharge on natural gas is transferred to the provinces according to the production of gas in a province.

## 9. PROVINCIAL SHARE IN REVENUE RECEIPTS

9.1 The provincial share of revenues from the divisible pool taxes, straight transfers etc. shall be governed in accordance with the 7th National Finance Commission Award notified through President's Order No.5 of 2010 issued on 10th May, 2010, which is place below:

### AN ORDER

to provide for distribution of revenues and certain grants

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

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

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

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

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

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

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

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

**3. Distribution of Revenues.** (1) The divisible pool taxes in each year shall consist

of the following taxes levied and collected by the Federal Government in that year, namely:

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

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

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

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

(a) Population	82.00 %
(b) Poverty or backwardness	10.30 %
(c) Revenue collection or generation	5.00 %
(d) Inverse population density	2.70 %

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**ASIF ALI ZARDARI**

President

9.2 The following table shows the estimated transfers to the provincial governments on account of their share in Federal Taxes and by straight transfers during the year 2010-2011

**PROVINCIAL SHARE IN REVENUE RECEIPTS  
2010-11 (BUDGET)**

					(Rs.in Million)
	Punjab	Sindh	Khyber Pakhtunkhwa	Balochistan	TOTAL
Taxes on Income	177,942.395	84,431.500	56,483.992	33,809.319	<b>352,667.206</b>
Capital Value Tax	1,334.697	633.297	423.671	253.594	<b>2,645.259</b>
Sales Tax(excluding 1/6th)	165,813.957	78,676.704	52,634.080	31,504.898	<b>328,629.639</b>
1/6th of Sales Tax	0.000	0.000	0.000	0.000	<b>0.000</b>
Federal Excise (Net of Gas)	41,548.835	19,714.416	13,188.785	7,894.340	<b>82,346.376</b>
Customs Duties	50,198.808	23,818.723	15,934.533	9,537.848	<b>99,489.912</b>
GST(CE Mode)	0.000	0.000	0.000	0.000	<b>0.000</b>
<b>Total: Divisible Taxes (A)</b>	<b>436,838.692</b>	<b>207,274.640</b>	<b>138,665.061</b>	<b>82,999.999</b>	<b>865,778.392</b>
Royalty on Crude Oil	2,792.131	7,756.061	4,482.472	7.164	<b>15,037.828</b>
Royalty on Natural Gas	1,885.636	20,077.703	3,300.428	4,175.455	<b>29,439.222</b>
Gas Development Surcharge	1,178.089	18,350.784	1,377.047	6,154.820	<b>27,060.740</b>
Excise Duty on Natural Gas	407.387	5,025.055	208.604	1,503.154	<b>7,144.200</b>
G.S.T (Provincial)	51,155.334	21,145.275	12,325.082	4,557.248	<b>89,182.939</b>
<b>Total: Straight Transfers (B)</b>	<b>57,418.577</b>	<b>72,354.878</b>	<b>21,693.633</b>	<b>16,397.841</b>	<b>167,864.929</b>
<b>TOTAL (A + B)</b>	<b>494257.269</b>	<b>279629.518</b>	<b>160358.694</b>	<b>99397.840</b>	<b>1033643.321</b>

Contd.

**PROVINCIAL SHARE IN REVENUE RECEIPTS  
2010-11 (REVISED)**

	(Rs.in Million)				
	Punjab	Sindh	Khyber Pakhtunkhwa	Balochistan	TOTAL
<b>Divisible Taxes (A)</b>	<b>419474.87</b>	<b>199035.72</b>	<b>133153.29</b>	<b>83000.00</b>	<b>834663.88</b>
Taxes on Income	169368.55	80363.32	53762.41	33809.32	337303.59
Capital Value Tax	1249.50	592.87	396.63	253.59	2492.60
Sales Tax excl. GST on services	166800.78	79144.94	52947.33	31504.90	330397.95
Federal Excise (Net of Gas)	34168.81	16212.69	10846.16	7894.34	69121.99
Customs Duties	47887.23	22721.91	15200.77	9537.85	95347.75
<b>Straight Transfers (B)</b>	<b>7838.29</b>	<b>61477.24</b>	<b>14649.24</b>	<b>13087.24</b>	<b>97052.01</b>
Gas Development Surcharge	2042.13	19522.00	3052.00	6456.18	31072.31
Royalty on Natural Gas	1363.00	25032.00	3587.92	4457.50	34440.42
Royalty on Crude Oil	3853.00	8556.00	6800.00	3.84	19212.84
Excise Duty on Natural Gas	580.16	8367.24	1209.32	2169.72	12326.44
<b>GST on Services (C)</b>	<b>36281.21</b>	<b>17365.48</b>	<b>9118.19</b>	<b>3219.94</b>	<b>65984.82</b>
GST on Services (CE Mode)	32487.78	14224.70	8137.01	2591.79	57441.28
G.S.T. (Provincial)	3793.43	3140.78	981.18	628.16	8543.54
<b>TOTAL (A+B+C)</b>	<b>463594.37</b>	<b>277878.44</b>	<b>156920.72</b>	<b>99307.19</b>	<b>997700.71</b>

Contd.



**PROVINCIAL SHARE IN REVENUE RECEIPTS  
2011-12 (BUDGET)**

	(Rs.in Million)				
	Punjab	Sindh	Khyber Pakhtunkhwa	Balochistan	TOTAL
<b>Divisible Taxes (A)</b>	<b>530806.07</b>	<b>251861.02</b>	<b>168010.25</b>	<b>93255.26</b>	<b>1043932.59</b>
Taxes on Income	207416.24	98416.48	65651.20	36440.16	<b>407924.07</b>
Capital Value Tax	0.00	0.00	0.00	0.00	<b>0.00</b>
Sales Tax excl. GST on services	222405.90	105528.89	70395.71	39073.63	<b>437404.14</b>
Federal Excise (Net of Gas)	43716.70	20743.04	13837.17	7680.42	<b>85977.34</b>
Customs Duties	57267.23	27172.60	18126.17	10061.06	<b>112627.05</b>
<b>Straight Transfers (B)</b>	<b>6146.20</b>	<b>53445.85</b>	<b>13806.52</b>	<b>13406.52</b>	<b>86805.10</b>
Gas Development Surcharge	1720.56	13244.72	3046.13	6415.23	<b>24426.64</b>
Royalty on Natural Gas	1361.23	22666.00	3828.74	4284.47	<b>32140.43</b>
Royalty on Crude Oil	2342.16	7109.89	5424.42	3.01	<b>14879.47</b>
Excise Duty on Natural Gas	722.26	10425.24	1507.24	2703.82	<b>15358.56</b>
<b>GST on Services (C)</b>	<b>39909.40</b>	<b>19101.94</b>	<b>10030.03</b>	<b>3541.92</b>	<b>72583.29</b>
GST on Services (CE Mode)	35736.93	15647.34	8950.81	2851.00	<b>63186.07</b>
G.S.T. (Provincial)	4172.47	3454.61	1079.22	690.92	<b>9397.22</b>
<b>TOTAL (A+B+C)</b>	<b>576861.67</b>	<b>324408.81</b>	<b>191846.80</b>	<b>110203.70</b>	<b>1203320.98</b>

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**SECTION II**

**CAPITAL RECEIPTS**

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## 10. CAPITAL RECEIPTS

10.1 These receipts comprise of proceeds of borrowing, money received in repayment of loans, recoveries of advances/investments, proceeds of saving schemes, net receipts from transactions under deposits and remittances heads. The net capital receipts so realized by the federal government generally constitute the available resources for the financing of PSDP. Capital receipts are broadly classified as internal receipts and external receipts. The internal receipts include the transactions taking place under the Federal Consolidated Fund as well as the Public Account of the Federation. External resources mainly comprise of (i) project aid (ii) loans and credits from friendly countries and specialized international agencies, and (iii) grant assistance under food aid convention, World Food Programme and other specific country programmes.

10.2 The following table indicates the position of internal capital receipts for 2010-11 (budget and revised) and 2011-2012 (budget).

### CAPITAL RECEIPTS (SUMMARY OF INTERNAL CAPITAL RECEIPTS)

	(Rs. in Million)		
	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>A. FEDERAL CONSOLIDATED FUND (I+II)</b>	<b>163,889.813</b>	<b>319,060.711</b>	<b>299,976.734</b>
<b>I. Recoveries of loans and Advances</b>	<b>47,460.223</b>	<b>57,751.721</b>	<b>51,610.134</b>
Provinces	25,862.564	32,429.242	27,191.542
Others	21,597.659	25,322.479	24,418.592
<b>II. Public Debt</b>	<b>116,429.590</b>	<b>261,308.990</b>	<b>248,366.600</b>
Domestic debt (permanent)	63,504.590	150,858.990	130,000.000
Foreign currency debt Permanent)	-2,075.000	-2,050.000	-733.400
Floating debt	55,000.000	112,500.000	119,100.000

contd.

	(Rs. in Million)		
	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b><u>B. PUBLIC ACCOUNT :</u></b>	<b><u>252,836.177</u></b>	<b><u>253,354.597</u></b>	<b><u>218,254.279</u></b>
Deferred liabilities (Net)	215,013.760	188,600.000	151,200.000
Deposits & reserves	37,822.417	64,754.597	67,054.279
<b>C. TOTAL (A+B)</b>	<b><u>416,725.990</u></b>	<b><u>572,415.308</u></b>	<b><u>518,231.013</u></b>
<b><u>D. DISBURSEMENTS</u></b>	<b><u>91,342.600</u></b>	<b><u>113,083.307</u></b>	<b><u>122,579.065</u></b>
Federal govt. miscellaneous investments	18,120.900	10,333.846	20,649.000
Loans and advances	10,061.000	10,052.174	11,679.982
Short-term credits	26,460.200	40,572.632	36,227.402
Deposits & reserves	36,692.700	52,116.855	54,021.881
Other appropriations	7.800	7.800	0.800
<b>NET CAPITAL RECEIPTS (C-D)</b>	<b><u>325,383.390</u></b>	<b><u>459,332.001</u></b>	<b><u>395,651.948</u></b>

### 11. RECOVERIES OF LOANS AND ADVANCES

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

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

<b>RECOVERY OF LOANS AND ADVANCES</b>			
(Rs.in Million)			
	<b>2010-11 Budget</b>	<b>2010-11 Revised</b>	<b>2011-12 Budget</b>
<b>(PROVINCE-WISE BREAK UP)</b>			
<b>E021 PROVINCES</b>			
<b>PUNJAB</b>	<b>13,118.777</b>	<b>13,029.792</b>	<b>13,445.783</b>
Cash loans	4,506.595	4,506.594	4,489.836
Foreign loans	8,612.182	8,523.198	8,955.947
<b>SINDH</b>	<b>5,925.097</b>	<b>5,947.372</b>	<b>6,299.065</b>
Cash loans	822.318	822.316	939.479
Foreign loans	5,102.779	5,125.056	5,359.586
<b>KHYBER PAKHTUNKHWA</b>	<b>3,845.757</b>	<b>3,785.721</b>	<b>4,094.654</b>
Cash loans	799.045	706.058	480.889
Foreign loans	3,046.712	3,079.663	3,613.765
<b>BALUCHISTAN</b>	<b>2,972.933</b>	<b>3,946.285</b>	<b>3,352.040</b>
Cash loans	46.803	23.400	0.000
Foreign loans	2,926.130	3,922.885	3,352.040
<b>Premature cash Loans</b>	<b>0.000</b>	<b>5,720.072</b>	<b>0.000</b>
<b>TOTAL - PROVINCES</b>	<b>25,862.564</b>	<b>32,429.242</b>	<b>27,191.542</b>

Contd.

## RECOVERY OF LOANS AND ADVANCES

(Rs.in Million)

	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>E021 PROVINCES</b>			
	<b>(LOAN-WISE BREAK UP)</b>		
<b>Cash loans</b>			
Punjab	4,506.595	4,506.594	4,489.836
Sindh	822.318	822.316	939.479
Khyber PakhtunKhwa	799.045	706.058	480.889
Balochistan	46.803	23.400	-
<b>Premature cash Loan</b>	-	<b>5,720.072</b>	-
<b>TOTAL</b>	<b>6,174.761</b>	<b>11,778.440</b>	<b>5,910.204</b>
<b>Foreign Loans</b>			
Punjab	8,612.182	8,523.198	8,955.947
Sindh	5,102.779	5,125.056	5,359.586
Khyber PakhtunKhwa	3,046.712	3,079.663	3,613.765
Balochistan	2,926.130	3,922.885	3,352.040
<b>TOTAL</b>	<b>19,687.803</b>	<b>20,650.802</b>	<b>21,281.338</b>
<b>TOTAL - PROVINCES</b>	<b>25,862.564</b>	<b>32,429.242</b>	<b>27,191.542</b>

contd.

## RECOVERY OF LOANS AND ADVANCES

	(Rs.in Million)		
	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>LOCAL BODIES</b>			
<b>Cash loans</b>	<b>3,383.055</b>	<b>3,495.145</b>	<b>4,791.502</b>
PTVC	15.000	-	15.000
NHA	3,058.099	3,075.147	3,782.261
PBC	63.129	47.646	54.914
SNGPL	246.827	247.352	1.827
PIA	-	125.000	937.500
<b>Foreign loans</b>	<b>3,491.968</b>	<b>3,263.524</b>	<b>3,430.867</b>
Karachi Port Trust	138.300	138.300	73.181
PAEC	4.928	4.928	1.965
CDA	807.523	908.707	933.096
NHA	2,339.480	2,009.838	2,277.850
GIK Institute	108.933	109.439	52.287
Shaukat Khanum Memorial Trust	7.062	6.570	6.746
NLC	85.742	85.742	85.742
<b>TOTAL - LOCAL BODIES</b>	<b>6,875.023</b>	<b>6,758.669</b>	<b>8,222.369</b>
<b>E023 FINANCIAL INSTITUTIONS</b>			
<b>Foreign loans</b>			
NDFC/LTCF	4,046.563	4,071.139	5,102.919
Ist Dawood Leasing Co. Ltd.	15.851	15.851	17.476
English Leasing Ltd.	6.295	6.331	6.659
Net Work Leasing	3.598	3.598	3.598
Pakistan Industrial & Commercial Leasing	19.597	19.597	19.597
<b>TOTAL - FINANCIAL INSTITUTIONS</b>	<b>4,091.904</b>	<b>4,116.516</b>	<b>5,150.249</b>



## RECOVERY OF LOANS AND ADVANCES

	(Rs.in Million)		
	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>E024 NON-FINANCIAL INSTITUTIONS</b>			
<b><u>A - WAPDA</u></b>			
<b>Cash loans</b>	<b>591.872</b>	<b>941.717</b>	<b>740.857</b>
WAPDA (Power Wing)	101.238	134.081	158.054
TESCO	10.123	11.901	9.773
GENCO-I	46.610	42.129	5.102
GENCO-II	112.701	43.094	5.278
GENCO-III	9.535	21.844	6.895
GENCO-IV	1.561	0.866	0.537
NTDC	100.345	478.043	26.387
WAPDA (Water Wing)	209.759	209.759	528.831
<b>Foreign loans</b>	<b>7,490.636</b>	<b>7,744.094</b>	<b>7,586.836</b>
WAPDA (Power Wing)	4,583.911	4,935.091	4,736.943
TESCO	30.566	30.566	27.672
NTDC	2,361.595	2,263.873	2,496.570
GENCO-I	200.972	200.972	196.987
GENCO-II	300.522	300.522	125.273
GENCO-III	12.835	12.835	3.391
GENCO-IV	0.235	0.235	-
<b>TOTAL - WAPDA</b>	<b>8,082.508</b>	<b>8,685.811</b>	<b>8,327.693</b>
<b><u>B - AUTONOMOUS BODIES/CORPORATIONS</u></b>			
<b>Foreign loans</b>			
Pakistan Railways	1,301.898	1,375.545	1,367.483
Karachi Fish Harbour Authority	26.584	26.584	26.584
PTA	50.742	50.742	-
PPAF	109.618	109.618	288.614
<b>TOTAL</b>	<b>1,488.842</b>	<b>1,562.489</b>	<b>1,682.681</b>
<b>TOTAL-NON-FINANCIAL INSTITUTIONS</b>	<b>9,571.350</b>	<b>10,248.300</b>	<b>10,010.374</b>

contd.

## RECOVERY OF LOANS AND ADVANCES

		(Rs.in Million)		
		2010-11	2010-11	2011-12
		Budget	Revised	Budget
<b>E025</b>	<b><u>GOVERNMENT SERVANTS</u></b>			
	Cantt./Garrison Edu. Institutions	34.913	32.051	33.654
	AGPR, Islamabad	698.722	801.112	841.069
	AGPR, Sub-Office, Lahore	180.905	176.779	194.373
	AGPR, Sub-Office, Karachi	161.436	153.651	165.652
	AGPR, Sub-Office, Peshawar	112.129	114.287	128.450
	AGPR, Sub-Office, Quetta	57.130	74.772	78.503
	AGPR, Sub-Office, Gilgit	62.520	62.520	63.520
	Defence	182.100	214.129	246.249
	Pakistan Post Office	85.000	86.150	88.310
	Pak PWD	15.202	17.123	17.565
	Pakistan Mint	3.490	5.045	5.295
	Chief Accounts Officer (M/o Foreign Affairs)	32.515	38.305	39.597
	Central Dte. of National Savings	21.981	26.770	28.784
	Geological Survey of Pakistan	8.265	1.960	2.030
	Directorate of Food	0.281	0.411	0.431
	Special Communications Organization	19.460	10.346	14.260
	<b>TOTAL - GOVERNMENT SERVANTS</b>	<b>1,676.049</b>	<b>1,815.411</b>	<b>1,947.742</b>
<b>E027</b>	<b><u>OTHERS</u></b>			
	Cash loans - Govt. of AJK	1,935.000	1,935.000	1,738.379
	Foreign loans - Govt. of AJK	446.000	446.000	346.715
	PNRA	2.333	2.583	2.764
	<b>TOTAL - OTHERS</b>	<b>2,383.333</b>	<b>2,383.583</b>	<b>2,087.858</b>
	<b>TOTAL (PSEs &amp; OTHERS)</b>	<b>24,597.659</b>	<b>25,322.479</b>	<b>27,418.592</b>
	<b>ESTIMATED SHORTFALL</b>	<b>3,000.000</b>		<b>3,000.000</b>
	<b>NET - TOTAL (PSEs &amp; OTHERS)</b>	<b>21,597.659</b>	<b>25,322.479</b>	<b>24,418.592</b>
	<b>TOTAL - PROVINCES</b>	<b>25,862.564</b>	<b>32,429.242</b>	<b>27,191.542</b>
	<b>GRAND TOTAL</b>	<b>47,460.223</b>	<b>57,751.721</b>	<b>51,610.134</b>

## 12. PUBLIC DEBT

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

### DOMESTIC DEBT (PERMANENT)

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

#### 12.2.1 Pakistan Investment Bonds:

The Government launched this security under the nomenclature of "Pakistan Investment Bonds" having maturity period of 2, 3, 5, 7, 10, 15, 20 and 30 years. Against the the budget estimates of Rs. 30000.000 million, the revised estimates for the year 2010-11 are estimated at Rs(-) 25000.000 million while budget estimates for the year 2011-12 are estimated at Rs.50000.000 million.

#### 12.2.2 Government Bonds issued to Public Sector Enterprises:

These bonds were issued to Public Sector Enterprises. The repayment on account of these bonds in revised estimates for the year 2010-11 is projected at Rs.1538.030 million while no repayment in budget estimates for the year 2011-12 is expected.

#### 12.2.3 Government Ijara Sukuk

The Government of Pakistan Ijara Sukuk issued through Pakistan Domestic Sukuk Company Limited. Though the maturity period for first Sukuk was three years yet, these Sukuk can be issued for longer or short term maturity period. The Sukuk are not redeemable before maturity. The profit on the Sukuk is payable semi-annually on rental rate to be announced by State Bank of Pakistan. The receipt of Rs. 182,354.400 million is estimated in revised estimates for the year 2010-2011 while the budget estimates for the year 2011-2012 are projected at Rs. 80,000.000 million.

12.3 The net receipts from domestic debt (permanent) during the years 2010-2011 (budget & revised) and 2011-2012 (budget) are estimated as under :

	(Rs. in Million)		
	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>E031 Domestic Debt (Permanent)</b>			
Pakistan Investment Bonds (Non-Bank)	30,000.000	(25,000.000)	50,000.000
Government Bonds issued to Public Sector Enterprises	(1,538.030)	(1,538.030)	-
Ijara Sukuk Bonds	40,000.000	182,354.400	80,000.000
Govt. Bonds issued to Low-Yield	(4,957.380)	(4,957.380)	-
<b>TOTAL</b>	<b>63,504.590</b>	<b>150,858.990</b>	<b>130,000.000</b>

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

12.4 It includes the following securities:

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

Against the repayment of Rs. 50.000 million projected in budget estimates for the year 2010-2011, the revised estimates for the year 2010-2011 and budget estimates for the year 2011-2012 are worked out at the same level of Rs.(-)25.000 million

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

This security was introduced during the year 1992-1993. Against the budget estimates for the year 2010-2011, the repayment of these bonds for the year 2010-2011(revised) and 2011-2012 (budget) is estimated at the same level i.e. Rs. 10.000 million . These certificates are in US\$ and Pound Sterling. Profit is payable half yearly at floating rates which is not liable to income tax. The investment in these certificates is exempt from Wealth Tax and compulsory deduction of Zakat.

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

This security was introduced in the year 1991 and discontinued on 17th November, 1994. The repayment on account of these certificates for the year 2010-2011 (revised) and 2011-2012 (budget) is projected at the same level i.e. Rs. 15.000 million

**12.4.4 Special US Dollar Bonds :**

These bonds were issued under Special US Dollars Bonds Rules, 1998 to the Foreign Currency Accounts holders or Foreign Currency Certificates holders with scheduled banks or non-bank financial institutions out of their foreign currency deposits. The repayment of these bonds during the year 2010-2011 (revised) is expected at Rs. 2000.000 million and 2011-2012 (budget) is estimated at Rs. 683.400 million.

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

Name of Security	(Rs. in Million)		
	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b><u>Foreign Currency Debt (Permanent)</u></b>			
Foreign Exchange Bearer Certificates (FEBCs)	-50.000	-25.000	-25.000
Foreign Currency Bearer Certificates (FCBCs)	-10.000	-10.000	-10.000
US Dollar Bearer Certificates (DBC)	-15.000	-15.000	-15.000
Special US Dollar Bonds	-2,000.000	-2,000.000	-683.400
<b>TOTAL</b>	<b>-2,075.000</b>	<b>-2,050.000</b>	<b>-733.400</b>

## FLOATING DEBT

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

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

These reflect non-bank borrowing of the Federal Government.

### 12.6.2 National Prize Bonds:

These are of bearer type non-terminable securities freely encashable and transferable by delivery. These are issued in denominations of Rs.200/-, Rs.750/-, Rs.1500/-, Rs.7500/-, Rs.15000/- and Rs.40000/-. Receipt of Rs. 36,500.000 million for the year 210-2011(revised) is estimated from this security. The receipt for 2011-2012 (budget) is estimated at Rs.37,000.000 million.

12.7 The estimates of receipts from floating debt during the year 2010-11 (revised) and 2011-2012 (budget) are as under:

				(Rs.in Million)		
				2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>E032</b>	<b><u>FLOATING DEBT</u></b>					
	<b>A. Market Related Treasury Bills through auction (Non-Bank)</b>					
	Receipts	133,317.600	646,575.945	672,153.886		
	Repayments	113,317.600	570,575.945	590,053.886		
	<b>Net (A):</b>	<b>20,000.000</b>	<b>76,000.000</b>	<b>82,100.000</b>		
	<b>B. Prize Bonds</b>	<b>35,000.000</b>	<b>36,500.000</b>	<b>37,000.000</b>		
	<b>Net Total Floating Debt (A+B)</b>	<b>55,000.000</b>	<b>112,500.000</b>	<b>119,100.000</b>		

## **13. PUBLIC ACCOUNT**

### **13.1 DEFERRED LIABILITIES**

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

#### **a) DEFENCE SAVINGS CERTIFICATES**

It is a ten years scheme. However, the investment can be encashed at any time. The rate of return on Defence Savings Certificates has been linked with the yield of Pakistan Investment Bonds of ten year maturity. The existing rate on this scheme is 13.55% p.a. on maturity. Profit from investment made on or after 1-7-2002 is taxable at source at the rate of 10% of such profit if deposit exceeds Rs.150,000. All institutional investment has been discontinued.

#### **b) SPECIAL SAVINGS CERTIFICATES/ACCOUNTS**

Special Savings Certificates (Registered/Accounts) is a three years scheme with profit payable on six monthly basis. The existing rate of profit in this scheme is 13.20% per annum for the first two and half years and 14.00% for the last six months. The rate of profit has been linked with the yield of Pakistan Investment Bonds having three years maturity. The rates are reviewed quarterly. Zakat is deducted at source on principal value once in three years at the time of encashment if declaration in this regard is not filed. Profit from investment made on or after 1-7-2002 is taxable at source at the rate of 10% of such profit if deposit exceeds Rs.150,000. All institutional investment has been discontinued.

#### **c) REGULAR INCOME CERTIFICATES**

This scheme was introduced on 2-2-1993 to ensure payment of income on monthly basis. The profit in the scheme is subject to 10% withholding tax and the investment is exempt from compulsory deduction of Zakat at source. The existing profit on this scheme is 13.44% per annum. The rate of profit has been linked with the yield of Pakistan Investment Bonds having five years maturity. The rates are reviewed quarterly. All institutional investment has been discontinued. Premature encashment on these certificates carry service charges as under:

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

**d) MAHANA AMDANI ACCOUNTS**

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

**e) SAVINGS ACCOUNTS**

This is the oldest savings scheme in operation which provides profit on checking accounts and on non-checking accounts. Zakat is deducted @ 2.50% on credit balance on valuation date each year if declaration in this regard is not filed. The existing profit on savings account is 9.0% per annum. Profit from investment made on or after 1-7-2002 is taxable at source at the rate of 10% of such profit if deposit exceeds Rs.150,000. All Institutional investment has been discontinued.



**f) PENSIONER'S BENEFIT ACCOUNTS**

This scheme has been launched with effect from 20-1-2003 to provide incentive to the retired officials of the Federal, Provincial Governments, Azad Government of the State of Jammu & Kashmir, Armed Forces, Semi Governments and Autonomous Bodies and in case of death, the pensioner's eligible member of the family. Only one account can be opened in the National Savings Centre with a minimum deposit Rs.10,000 and in multiple of one thousand with the facility of two subsequent deposits subject to the maximum limit of three million rupees. It is a ten years scheme and profit is payable on completion of each period of one month reckoned from the date of opening of an account till maturity. The existing rate of profit on this scheme is 15.36% per annum. Premature encashment before completion of one, two, three and four years carries service charges at the rate of 1%, 0.75%, 0.50% and 0.25% of principal amount respectively. Profit to be accrued from this scheme is exempt from compulsory deduction of tax. The scheme has been made more attractive as any upward revision in rate of profit notified after 9-3-2009 shall also be applicable to existing account holders whereas downward revision shall apply to fresh investment only.

**g) BAHBOOD SAVINGS CERTIFICATES**

This scheme has been introduced exclusively for widows to cater for their needs with monthly profit payment facility. The existing rate of profit on this scheme is 15.36% per annum. The scheme has further been extended to the aged persons 60 years or above. The maximum deposit limit in this scheme is Rs.3.000 million. It is only a compensatory package to enable widows and senior citizens to supplement their income to lead a respectable life. Service charges at the rate of 1%, 0.75%, 0.50% and 0.25% of the face value are deducted if certificates are encashed before completion of one, two, three and four years respectively. Profit to be accrued from this scheme is exempt from compulsory deduction of tax. The scheme has been made more attractive as any upward revision in rate of profit notified after 9-3-2009 shall also be applicable to existing certificate holders whereas downward revision shall apply to fresh investment only.

#### h) NATIONAL SAVING BONDS

These bonds have been offered in issues with a maturity period of 3, 5 and 10 years. The minimum investment limit in these bonds is Rs. 20,000/- with no maximum limit. Individuals, mutual funds, provident, pension, gratuity fund or trusts excluding body corporate and banks are eligible to purchase these bonds. The bonds are tradable in all the three Stock Exchanges and transferable through Central Depository System. The profit on these bonds is taxable under the Income Tax Ordinance, 2001 (XLIX of 2001) and withholding tax on these bonds shall be deducted at the prevailing applicable rate at source. There is no compulsory deduction of Zakat on these bonds.

13.1.2 The estimates of receipts are tabulated below :-

<b>DEFERRED LIABILITIES</b>			
<b>(Rs.in Million)</b>			
	<b>2010-11 Budget</b>	<b>2010-11 Revised</b>	<b>2011-12 Budget</b>
<b>G03 Deferred Liabilities</b>	<b><u>215,013.760</u></b>	<b><u>188,600.000</u></b>	<b><u>151,200.000</u></b>
<b>Provident Fund</b>	<b>2,000.000</b>	<b>2,000.000</b>	<b>2,000.000</b>
<b>Saving/Deposit Account/Certificates</b>	<b>211,013.760</b>	<b>184,600.000</b>	<b>147,200.000</b>
Savings Bank Accounts	-4,035.700	-7,300.000	-3,000.000
Khas Deposit Accounts	-6.000	-5.000	-5.000
Mahana Amdani Accounts	-425.000	-85.000	-85.000
Pensioners' Benefit Accounts	20,281.200	18,000.000	18,300.000
Defence Savings Certificates	-2,668.820	9,500.000	10,000.000
Bahbood Savings Certificates	62,044.500	60,000.000	62,000.000
National Deposit Certificates	-3.920	-6.000	-7.000
Khas Deposit Certificates	-1.000	-4.000	-3.000
Special Savings Certificates (Registered)	51,034.610	44,100.000	3,800.000
Special Savings Accounts (Term Deposit)	29,208.490	13,900.000	1,200.000
Regular Income Certificates	40,585.400	46,500.000	40,000.000
National Savings Bonds/ New Savings Schemes	15,000.000	0.000	15,000.000
<b>Postal Life Insurance Fund</b>	<b>2,000.000</b>	<b>2,000.000</b>	<b>2,000.000</b>

### 13.2 PUBLIC ACCOUNT DEPOSIT RECEIPTS

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

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

13.2.3 The reserve funds and deposit accounts in respect of which provision for contributions have been made in the revised estimates for 2010-2011 and budget estimates for 2011-2012 are tabulated on the following pages.

## DEPOSITS AND RESERVE FUNDS

				(Rs.in Million)		
				2010-11	2010-11	2011-12
				Budget	Revised	Budget
	Federal	Govt.	Employees			
G06202	Benevolent Fund (Civil)			0.000	315.987	331.786
G06205	F.G. Employees B.F.(PPO)			0.000	45.333	47.600
G06206	F.G. Employees B.F.(Pak. PWD)			0.000	1.773	1.862
	Federal	Govt.	Employees			
G06209	Benevolent Fund (National Savings)			0.000	3.320	3.486
G06210	Benevolent Fund (Mint)			0.000	1.453	1.526
G06212	P.G.Employees B.Fund(GSP)			0.000	1.600	1.680
G06304	Workers Welfare Fund			1600.000	1600.000	1600.000
G06215	District Benevolent Fund			0.000	0.000	0.000
G06305	Mines Labor Housing General Welfare Fund			0.000	3.573	3.752
G06401	F.G.E Group Insurance Fund Pak PWD			0.000	27.880	29.274
G06402	F.G.E. Group Insurance (Foreign Affairs)			0.000	46.440	48.762
G07101	Post Office Renewal Reserve Fund			55.00	55.00	55.00
G08117	Railways Reserve Fund			21856.00	32642.40	25000.00
G08121	Railways Depreciation Reserve Fund			6821.00	4839.75	14500.00
G10301	Reserve Fund for Lighthouses and and Lightships			0.265	0.265	0.265
G10304	Zakat Collection Account			0.000	1363.760	1431.948
G11202	Dep. Reserve of Commercial Concern			0.000	0.000	0.000
G11210	Agriculture Produce Cess Fund			0.000	41.187	43.246
G11211	Cotton Cess Fund			0.000	0.000	0.000
G11220	Deposit in connection with Election				1.027	1.078
G11227	Unclaimed Deposits			0.000	6.413	6.734
G11237	Deposit local bodies to meet Claims of contractors			0.000	3.160	3.318
G11238	Security deposit of supply cell			0.000	2.133	2.240
G11276	Security deposit of Private Co.			0.000	0.680	0.714
G11281	Deposits on account of fee realized by PNAC			0.000	2.973	3.122

Contd.

## DEPOSITS AND RESERVE FUNDS

		(Rs.in Million)		
		2010-11	2010-11	2011-12
		Budget	Revised	Budget
G12123	Chief Executive Draught Relief Funds 2000	0.000	6.667	7.000
G12130	President's Relief Fund for Earthquake Victims 2005	0.000	18.747	19.684
G12135	PM's Special Fund for victims of Terrorism	0.000	45.467	47.740
G12140	PM Flood relief Fund 2010	0.000	10858.373	11401.292
G12205	Pakistan Minorities Welfare Fund	0.000	14.933	15.680
G12206	Special Fund for Welfare & Uplift of Minorities	0.000	6824.280	7165.494
G12305	Export Development Fund	3948.000	0.000	0.000
G12308	Reserve Fund for Exchange Risk on Foreign Loans	3382.152	3851.436	3012.980
G12412	Pakistan Oil Seed Dev. Fund	0.000	187.867	197.260
G12504	Workers Children Education Fund	0.000	0.640	0.672
G12729	Fund for social services	0.000	1235.787	1297.576
G12738	National Fund for Control of Drug Abuse	0.000	12.853	13.496
G12745	Central Research Fund	0.000	85.720	90.006
G12774	National Disaster Management Fund	0.000	445.720	468.006
G14100	Coinage Account	160.000	160.000	200.000
<b>TOTAL:</b>		<b>37822.417</b>	<b>64754.597</b>	<b>67054.279</b>

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

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

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

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

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

#### **Railways Reserve Fund**

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

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

13.2.8 This Fund was created for provision of housing facilities and other amenities to industrial workers. Initial contribution of Rs.100 million was made by the federal government. Further contributions to the Fund are being made in the form of Workers Welfare Tax @ 2% per annum of the total assessable income of industrial units whose income is not less than Rs.100,000/- and the amount transferred to the fund from time to time, under clause (d) of Section 4 of the scheme set out in the schedule to the "Companies' Profit (Workers' Participation ) Act, 1968 (XII of 1968). The workers welfare tax is initially collected with income tax and later on contributed to the Fund by means of block provision of equivalent amount in the relevant budget grant of the Labour Division. Disbursements from the Fund are made in the shape of grants-in-aid placed at the disposal of provincial governments for carrying out the purposes of the fund.

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

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

## 14. EXTERNAL RESOURCES

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

### Project loans

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

#### (a) Federal loans :

Loans contracted by the federal government for public or private sector projects are generally termed as federal loans.

#### (b) Guaranteed loans :

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

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

### Commodity aid

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



**Food aid**

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

**Other aid**

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

14.7 The estimates of external resources for the year 2010-11 (budget and revised) and 2011-2012 (budget) are tabulated on the following page.

<b>EXTERNAL RESOURCES</b>		(Rs.in Million)		
		<b>2010-11 Budget</b>	<b>2010-11 Revised</b>	<b>2011-12 Budget</b>
<b>EXTERNAL RECEIPTS</b>				
<b>A</b>	<b>PROJECT AID(1 + 2)</b>	<b><u>78,359.723</u></b>	<b><u>105,779.422</u></b>	<b><u>76,806.917</u></b>
1.	<b>Federal Government</b>	<b>46,974.723</b>	<b>83,850.113</b>	<b>38,567.917</b>
	Divisions/Departments	33,652.755	43,693.407	18,926.566
	Autonomous bodies	13,321.968	40,156.706	19,641.351
2.	<b>Provinces</b>	<b>31,385.000</b>	<b>21,929.309</b>	<b>38,239.000</b>
<b>B</b>	<b>COMMODITY AID (NON-FOOD)</b>	<b><u>87,866.700</u></b>	<b><u>47,743.470</u></b>	<b><u>127,001.600</u></b>
	Loans	80,341.200	39,019.210	117,832.000
	Grants	7,525.500	8,724.260	9,169.600
<b>C</b>	<b>TOKYO PLEDGES</b>	<b><u>81,993.350</u></b>	<b><u>13,669.150</u></b>	<b><u>17,556.000</u></b>
	Loans	55,299.450	10,069.750	13,895.200
	Grants	26,693.900	3,599.400	3,660.800
<b>D</b>	<b>KERRY LUGAR</b>	<b><u>51,900.000</u></b>	<b><u>11,050.758</u></b>	<b><u>34,164.152</u></b>
	Grants	51,900.000	11,050.758	34,164.152
<b>E</b>	<b>OTHER AID</b>	<b><u>86,500.000</u></b>	<b><u>111,581.400</u></b>	<b><u>88,000.000</u></b>
	Loans	86,500.000	42,850.000	88,000.000
<b>F</b>	<b>IMF</b>	0.000	68,731.400	0.000
<b>G</b>	<b>Privatization</b>	<b>0.000</b>	<b>0.000</b>	<b>70,400.000</b>
<b>TOTAL EXTERNAL RESOURCES</b>		<b><u>386,619.773</u></b>	<b><u>289,824.200</u></b>	<b><u>413,928.669</u></b>

### 15 PRIVATIZATION PROCEEDS

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

15.2 Section 16(2) of the said Ordinance envisages that the privatization proceeds shall be utilized by the Federal Government as follows :-

- (a) ten percent shall be used for poverty alleviation programmes ; and
- (b) the remaining ninety percent for retirement of the Federal Government debt.

15.3 The estimates of privatization proceeds are given below:

	(Rs.in Million)		
	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>Privatization proceeds</b>	<b>19351.00</b>	<b>0.00</b>	<b>0.00</b>

### 16. SELF-FINANCING OF PSDP BY PROVINCES

The following table shows contribution by the Provinces for their Public Sector Development Programme in 2010-2011 (Budget & Revised) and 2011-2012 (Budget).

	(Rs.in Million)		
	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>Self-Financing of PSDP by Provinces</b>	<b>341524.500</b>	<b>244018.600</b>	<b>391670.500</b>

### 17. FINANCING TABLES OF PROVINCIAL ADPs

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

#### FINANCING OF ADP OF PUNJAB

(Rs.in Million)			
	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>Development Programme</b>	<b>190569.397</b>	<b>123011.700</b>	<b>234947.000</b>
Less provincial contribution	176294.947	115228.600	202180.000
<b>Federal assistance</b>	<b>14274.450</b>	<b>7783.100</b>	<b>32767.000</b>
<b>I. Cash Assistance</b>	<b>45.000</b>	<b>31.500</b>	<b>32.000</b>
Japanese grant	45.000	31.500	32.000
<b>II. Foreign Project Assistance</b>	<b>14229.450</b>	<b>7751.600</b>	<b>20503.000</b>
Loans	12597.000	5462.400	18610.000
Grants	1632.450	2289.200	1893.000
<b>III Foreign Program Assistance</b>			<b>12232.000</b>

#### FINANCING OF ADP OF SINDH

(Rs.in Million)			
	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b>Development Programme</b>	<b>77663.828</b>	<b>59946.500</b>	<b>93060.000</b>
Less provincial contribution	72881.328	56190.000	83582.500
<b>Federal assistance</b>	<b>4782.500</b>	<b>3756.500</b>	<b>9477.500</b>
<b>I. Cash Assistance</b>	<b>22.500</b>	<b>4.500</b>	<b>27.500</b>
Japanese grant	22.500	4.500	27.500
<b>II. Foreign Project Assistance</b>	<b>4760.000</b>	<b>3752.000</b>	<b>9450.000</b>
Loans	4760.000	3752.000	9450.000
Grants	0.000	0.000	0.000

**FINANCING OF ADP OF KHYBER PAKHTUNKHAWA**

	(Rs.in Million)		
	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b><u>Development Programme</u></b>	<b><u>68053.013</u></b>	<b><u>55104.950</u></b>	<b><u>74478.500</u></b>
Less provincial contribution	59561.873	46177.000	68308.000
<b>Federal assistance</b>	<b>8491.140</b>	<b>8927.950</b>	<b>6170.500</b>
<b>I. Cash Assistance</b>	<b>11.500</b>	<b>8.050</b>	<b>15.500</b>
Japanese grant	11.500	8.050	15.500
<b>II. Foreign Project Assistance</b>	<b>8479.640</b>	<b>8919.900</b>	<b>6155.000</b>
Loans	4986.110	6642.640	3318.220
Grants	3493.530	2277.260	2836.780

**FINANCING OF ADP OF BALOCHISTAN**

	(Rs.in Million)		
	2010-11 Budget	2010-11 Revised	2011-12 Budget
<b><u>Development Programme</u></b>	<b><u>36713.762</u></b>	<b><u>27936.870</u></b>	<b><u>39746.500</u></b>
Less provincial contribution	32786.352	26423.000	37600.000
<b>Federal assistance</b>	<b>3927.410</b>	<b>1513.870</b>	<b>2146.500</b>
<b>I. Cash Assistance</b>	<b>11.500</b>	<b>8.050</b>	<b>15.500</b>
Japanese grant	11.500	8.050	15.500
<b>II. Foreign Project Assistance</b>	<b>3915.910</b>	<b>1505.820</b>	<b>2131.000</b>
Loans	3270.240	1472.580	1631.000
Grants	645.670	33.240	500.000

**18 DEVELOPMENT ASSISTANCE TO PROVINCIAL GOVERNMENT  
DURING 2010-11 (BUDGET ESTIMATES)**

	(Rs.in Million)				
	Punjab	Sindh	Khyber Pakhtunkhwa	Balochistan	TOTAL
<b>Development Programme</b>	<b><u>190569.40</u></b>	<b><u>77663.83</u></b>	<b><u>68053.01</u></b>	<b><u>36713.76</u></b>	<b><u>373000.00</u></b>
Less Provincial contribution	176294.95	72881.33	59561.87	32786.35	341524.50
<b>Federal assistance</b>	<b>14274.45</b>	<b>4782.50</b>	<b>8491.14</b>	<b>3927.41</b>	<b>31475.50</b>
<b>Cash Assistance</b>	<b>45.00</b>	<b>22.50</b>	<b>11.50</b>	<b>11.50</b>	<b>90.50</b>
Japanese grant	45.00	22.50	11.50	11.50	90.50
<b>Foreign Project Assistance</b>	<b>14229.45</b>	<b>4760.00</b>	<b>8479.64</b>	<b>3915.91</b>	<b>31385.00</b>
Loans	12597.00	4760.00	4986.11	3270.24	25613.35
Grants	1632.45	0.00	3493.53	645.67	5771.65

**DEVELOPMENT ASSISTANCE TO PROVINCIAL GOVERNMENT  
DURING 2010-2011 (REVISED ESTIMATES)**

	(Rs.in Million)				
	Punjab	Sindh	KPK	Balochistan	TOTAL
<b>Development Programme</b>	<b><u>123011.70</u></b>	<b><u>59946.50</u></b>	<b><u>55104.95</u></b>	<b><u>27936.87</u></b>	<b><u>266000.00</u></b>
Less Prov. contribution	115228.60	56190.00	46177.00	26423.00	244018.60
<b>Federal assistance</b>	<b>7783.10</b>	<b>3756.50</b>	<b>8927.95</b>	<b>1513.87</b>	<b>21981.40</b>
<b>Cash Assistance</b>	<b>31.50</b>	<b>4.50</b>	<b>8.05</b>	<b>8.05</b>	<b>52.10</b>
Japanese grant	31.50	4.50	8.05	8.05	52.10
<b>Foreign Project Assistance</b>	<b>7751.60</b>	<b>3752.00</b>	<b>8919.90</b>	<b>1505.82</b>	<b>21929.30</b>
Loans	5462.40	3752.00	6642.64	1472.58	17329.60
Grants	2289.20	0.00	2277.26	33.24	4599.70

**DEVELOPMENT ASSISTANCE TO PROVINCIAL GOVERNMENT  
DURING 2011-2012 (BUDGET ESTIMATES)**

	(Rs.in Million)				
	Punjab	Sindh	KPK	Balochistan	TOTAL
<b>Development Programme</b>	<b><u>222715.00</u></b>	<b><u>93060.00</u></b>	<b><u>74478.50</u></b>	<b><u>39746.50</u></b>	<b><u>430000.00</u></b>
Less Prov. contribution	202180.00	83582.50	68308.00	37600.00	391670.50
<b>Federal assistance</b>	<b>20535.00</b>	<b>9477.50</b>	<b>6170.50</b>	<b>2146.50</b>	<b>38329.50</b>
<b>Cash Assistance</b>	<b>32.00</b>	<b>27.50</b>	<b>15.50</b>	<b>15.50</b>	<b>90.50</b>
Japanese grant	32.00	27.50	15.50	15.50	90.50
<b>Foreign Project Assistance</b>	<b>20503.00</b>	<b>9450.00</b>	<b>6155.00</b>	<b>2131.00</b>	<b>38239.00</b>
Loans	18610.00	9450.00	3318.22	1631.00	33009.22
Grants	1893.00	0.00	2836.78	500.00	5229.78



**19 DEVELOPMENT ASSISTANCE TO PROVINCIAL GOVERNMENTS DURING  
2010-2011 (BUDGET & REVISED) AND 2011-2012 (BUDGET)**

Province	(Rs.in Million)		
	2010-11 Budget	2010-11 Revised	2011-12 Budget
Punjab	14274.45	7783.10	20535.00
Sindh	4782.50	3756.50	9477.50
KPK	8491.14	8927.95	6170.50
Balochistan	3927.41	1513.87	2146.50
<b>TOTAL</b>	<b>31475.50</b>	<b>21981.42</b>	<b>38329.50</b>