



**FEDERAL BUDGET 2018-19**

**EXPLANATORY MEMORANDUM**

**ON**

**FEDERAL RECEIPTS**

**Government of Pakistan**

**Finance Division**

**Islamabad**

## P R E F A C E

The Annual Budget Statement containing estimated Receipts and Expenditures for Financial Year 2018-19 is being tabled in the National Assembly of Pakistan and transmitted to the Senate of Pakistan as required under Article 80(1) and 73(1) of the Constitution of Islamic Republic of Pakistan.

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

With the aim of helping the readers to form a comprehensive view of the federal resources that have determined the formulation of the Budget for 2017-18, the nature of receipts has also been explained, wherever considered appropriate. I hope that this document would be useful for a comprehensive understanding of the Annual Budget Statement.

**Arif Ahmad Khan**  
**Secretary to the Government of Pakistan**  
**Finance Division**

Islamabad, 27th April, 2018

## CONTENTS

	<b>Page No.</b>
Chapter 1 : Federal Resources at a Glance	1-3
Chapter 2: Revenue Receipts	4-6
Chapter 3: <b>Tax Revenue</b>	<b>7</b>
<b>I. FBR Taxes</b>	<b>7-10</b>
i. Direct Taxes	
ii. Sales Tax	
iii. Federal Excise Duty	
iv. Customs Duty	
<b>II. Other Taxes</b>	<b>10-12</b>
i. Gas Infrastructure Development Cess	
ii. Natural Gas Development Surcharge	
iii. Petroleum Levy	
iv. Airport Tax	
v. Other Taxes/Levies	
Chapter 4: <b>Non Tax Revenue</b>	<b>13</b>
I. Income From Property and Enterprise	13-22
i. Profits of Regulatory Authorities	
ii. Mark up Receipts	
iii. Dividend on Government Investments	
II. Receipts from Civil Administration and other Functions	22-30
i. General Administration Receipts	
ii. Share of Surplus Profits of State Bank	
iii. Defence Services Receipts	
iv. Law and Order Receipts	
v. Community Services Receipts	
vi. Social Services Receipts	

	III. Miscellaneous Receipts	30-36
	i. Economic Services Receipts	
	ii. Foreign Grants	
	iii. Citizenship, Naturalization, Passport Fees	
	iv. Other Receipts	
	v. Royalty on Oil and Gas	
	vi. Windfall Levy on Crude Oil	
	vii. Discount Retained on Local Crude Oil	
	viii. Windfall Levy against Local Crude Oil	
Chapter 5:	Provincial Share in Revenue Receipts	37-45
Chapter 6:	<b>Capital Receipts</b>	<b>46-54</b>
	I. Recoveries of Loans and Advances	
	II. Public Debt	
Chapter 7:	<b>Public Account Receipts</b>	<b>55-64</b>
	I. Deferred Liabilities	
	II. Deposits and Reserves	
Chapter 8:	<b>External Resources</b>	<b>65-66</b>
	I. Project Loans and Grants	
	II. Programme Loans	
	III. Other Loans	
Chapter 9:	Privatization Proceeds	67
Chapter 10:	Development Assistance to Provinces	68-74

## **CHAPTER 1: FEDERAL RESOURCES AT A GLANCE**

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

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

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

1.4 In addition to Revenue Receipts, there are Capital Receipts reflected in Annual Budget Statement. Capital Receipts comprise Recoveries of loans and advances from provincial Governments, local bodies, financial institutions etc as well as Public Debt raised through various government securities.

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

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

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

1.8 Budget Estimates for Fiscal Year 2017-18 and 2018-19 in respect of total Federal Receipts under different heads are given at the next page;

**TABLE 1**  
**Summary of Federal Receipts**

		(Rs. in Million)		
Object Code	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>B</b>	<b>1 Tax Revenue Receipts</b>	<b>4,330,463.460</b>	<b>4,147,304.500</b>	<b>4,888,645.000</b>
	<b>FBR Taxes</b>	<b>4,013,000.000</b>	<b>3,935,000.000</b>	<b>4,435,000.000</b>
	Direct Taxes	1,594,910.000	1,563,000.000	1,735,000.000
	Indirect Taxes	2,418,090.000	2,372,000.000	2,700,000.000
	<b>Other Taxes</b>	<b>317,463.460</b>	<b>212,304.500</b>	<b>453,645.000</b>
<b>C</b>	<b>2 Non Tax Receipts</b>	<b>979,853.687</b>	<b>845,181.916</b>	<b>771,860.203</b>
C 01	Income from Property and Enterprise	214,688.923	236,428.975	236,868.547
C 02	Receipts from Civil Administration	413,172.437	284,459.208	305,836.967
C 03	Miscellaneous Receipts	351,992.327	324,293.733	229,154.689
	<b>3 Total Revenue Receipts (1+2)</b>	<b>5,310,317.147</b>	<b>4,992,486.416</b>	<b>5,660,505.203</b>
<b>E</b>	<b>4 Capital Receipts</b>	<b>427,473.677</b>	<b>677,822.841</b>	<b>559,084.587</b>
E02	Recovery of Loans and Advances	112,536.677	134,415.321	152,989.497
E03	Domestic Debt Receipts	314,937.000	543,407.520	406,095.090
	<b>5 Total Internal Receipts (3+4)</b>	<b>5,737,790.824</b>	<b>5,670,309.257</b>	<b>6,219,589.790</b>
	<b>6 External Receipts</b>	<b>837,823.697</b>	<b>1,229,754.459</b>	<b>1,118,023.833</b>
	Loans	810,742.323	1,203,754.258	1,087,991.217
	Grants	27,081.374	26,000.201	30,032.616
	<b>7 Total Internal and External Receipts (5+6)</b>	<b>6,575,614.521</b>	<b>6,900,063.716</b>	<b>7,337,613.623</b>
	<b>8 Public Account Receipts</b>	<b>213,092.868</b>	<b>68,616.770</b>	<b>126,686.176</b>
	Deferred Liabilities (Net)	166,003.000	72,921.130	130,697.470
	Deposits and Reserves (Net)	47,089.868	(4,304.360)	(4,011.294)
	<b>9 Gross Federal Receipts (7+8)</b>	<b>6,788,707.389</b>	<b>6,968,680.486</b>	<b>7,464,299.799</b>
	<b>10 Less Provincial Share in Federal Taxes</b>	<b>2,384,243.193</b>	<b>2,316,079.700</b>	<b>2,590,066.165</b>
	<b>11 Net Federal Receipts</b>	<b>4,404,464.196</b>	<b>4,652,600.786</b>	<b>4,874,233.634</b>

## **Chapter 2. REVENUE RECEIPTS**

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

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

### **2.2 TAX REVENUE**

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

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

### **2.3 NON TAX REVENUE**

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

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



2.4 Summary of Revenue Receipts for Budget Estimates and Revised Estimates for Fiscal year 2017-18 and Budget Estimates for Fiscal year 2018-19 is given as under;

**TABLE 2**  
**Summary of Revenue Receipts**

		(Rs. in Million)		
Object Code	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>B</b>	<b>I. TAX REVENUE</b>	<b><u>4,330,463.460</u></b>	<b><u>4,147,304.500</u></b>	<b><u>4,888,645.000</u></b>
	<b>(1+2)</b>			
	<b>(1) FBR Taxes</b>	<b>4,013,000.000</b>	<b>3,935,000.000</b>	<b>4,435,000.000</b>
<b>B01</b>	<b>Direct Taxes</b>	<b>1,594,910.000</b>	<b>1,563,000.000</b>	<b>1,735,000.000</b>
B011	Taxes on Income	1,577,557.000	1,540,423.000	1,709,939.000
B015	Workers Welfare Fund	14,622.000	16,789.000	18,636.000
B017-18	Capital Value Tax	2,731.000	5,788.000	6,425.000
	<b>Indirect Taxes</b>	<b>2,418,090.000</b>	<b>2,372,000.000</b>	<b>2,700,000.000</b>
B020-22	Customs Duties	581,371.000	600,000.000	735,000.000
B023	Sales Tax	1,605,200.000	1,547,000.000	1,700,000.000
B024-25	Federal Excise	231,519.000	225,000.000	265,000.000
	<b>(2) Other Taxes</b>	<b>317,463.460</b>	<b>212,304.500</b>	<b>453,645.000</b>
B03083	Gas Infrastructure Development Cess	110,000.000	15,000.000	100,000.000
B03084	Natural Gas Development Surcharge	43,000.000	23,000.000	16,000.000
B03085	Petroleum Levy	160,000.000	170,000.000	300,000.000
B026-30	Other Taxes/Levies	4,373.460	4,234.500	37,555.000
B03064	Airport Tax	90.000	70.000	90.000
<b>C</b>	<b>II. NON TAX REVENUE</b>	<b><u>979,853.687</u></b>	<b><u>846,370.606</u></b>	<b><u>778,518.303</u></b>
	<b>(1+2+3)</b>			
<b>C01</b>	<b>(1) Income from Property and Enterprise</b>	<b>214,688.923</b>	<b>236,428.975</b>	<b>236,868.547</b>
C01008	PTA (Surplus)	1,000.000	3,028.756	12,787.000
	PTA (3 G Licences)	10,000.000	6,854.000	6,854.000
C01008	Regulatory Authorities (Surplus/penalties)	312.000	333.800	325.000
C012	Mark up (Provinces)	14,110.879	16,221.618	16,782.132
C013-18	Mark up (PSEs & Other)	95,983.544	130,017.611	123,649.415
C019	Dividends	93,282.500	79,973.190	76,471.000

<b>Object Code</b>	<b>Description</b>	<b>2017-18 Budget</b>	<b>2017-18 Revised</b>	<b>2018-19 Budget</b>
C02	<b>(2) Receipt from Civil Admn and Other Functions</b>	<b>413,172.437</b>	<b>284,459.208</b>	<b>305,836.967</b>
C021-24	General Admin	5,196.122	5,338.835	5,754.402
C02211	SBP Profit	260,000.000	260,000.000	280,000.000
C025	Defence	141,797.281	15,203.725	15,959.796
C026	Law and Order	1,501.201	1,362.870	1,412.082
C027	Community Services	2,070.266	1,143.352	1,214.097
C028	Social Services	807.563	510.421	496.584
C029	Social Services (Miscellaneous)	1,800.004	900.005	1,000.006
<b>C03</b>	<b>(3) Miscellaneous Receipts</b>	<b>351,992.327</b>	<b>324,293.733</b>	<b>229,154.689</b>
C031-35	Economic Services	21,380.650	11,143.564	8,595.657
C036	Foreign Grants	43,545.867	34,000.000	15,902.000
C037	Extraordinary Receipts (UNO)	36,923.445	32,383.910	34,001.180
	Extraordinary Receipts (Others)	135,056.136	135,046.453	50,061.594
C03897	Citizenship, Naturalization & Passport Fee	28,000.000	24,000.000	31,000.000
C038	Others	8,554.459	17,475.126	19,252.358
C03905	Royalty on Oil	19,127.480	16,811.310	16,826.110
C03906	Royalty on Gas	39,404.290	36,433.370	36,515.790
C03910	Discount Retained on Local Crude Price	10,000.000	10,000.000	10,000.000
C03915	Windfall Levy against Crude Oil	8,000.000	5,000.000	5,000.000
C03917	Petroleum Levy on LPG	2,000.000	2,000.000	2,000.000
<b>Gross Revenue Receipts (I+II)</b>		<b>5,310,317.147</b>	<b>4,992,486.416</b>	<b>5,660,505.203</b>
Less Prov share in Federal Taxes		2,384,243.19	2,316,079.70	2,590,066.17
<b>Net Federal Revenue Receipts</b>		<b>2,926,073.954</b>	<b>2,676,406.716</b>	<b>3,070,439.038</b>

## Chapter 3 : TAX REVENUE

### 3.1 FBR TAXES

3.1.1 Tax Revenue collected by Federal Board of Revenue (FBR) comprises Income Tax, Sales Tax, Federal Excise Duty and Customs Duty. Direct Taxes mainly comprise Income Tax. Federal Excise Duty, Sales Tax and Customs duty are indirect taxes. The following table shows the revenue estimates for Fiscal Year 2017-18 (Budget and Revised) and 2018-19 (Budget);

**TABLE 3**  
**Tax wise Estimates of FBR Taxes**

		(Rs. in Million)		
Object Head	Tax Head	2017-18 Budget	2017-18 Revised	2018-19 Budget
B01	Direct Taxes	1,594,910.000	1,563,000.000	1,735,000.000
B023	Sales Tax	1,605,200.000	1,547,000.000	1,700,000.000
B024-25	Federal Excise	231,519.000	225,000.000	265,000.000
B020-22	Customs Duties	581,371.000	600,000.000	735,000.000
<b>Total</b>		<b>4,013,000.000</b>	<b>3,935,000.000</b>	<b>4,435,000.000</b>

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

### 3.1.3 DIRECT TAXES

3.1.3.1 During the first 8 months of the current financial year i.e. up to 28-02-2018, Direct Tax collection stood at Rs. 848.9 billion with growth of 12.7%. Income Tax contributes around 98% in total direct taxes. The target for FY 2018-19 has been estimated at Rs. 1,735.0 billion, requiring a growth of 11.0%.

3.1.3.2 Within the direct taxes, Workers Welfare Fund (WWF) is also collected by FBR and is part of Direct Tax collection. The budget estimates for receipts of WWF for 2018-19 is Rs. 18.6 billion.

3.1.3.3 The budget and revised estimates for financial years 2017-18 and 2018-19, on account of Direct Taxes are tabulated hereunder:

**TABLE 4**  
**Direct Taxes**

(Rs. in Million)

Object Head	Tax Head	2017-18 Budget	2017-18 Revised	2018-19 Budget
B011	Income Tax	1,577,557.000	1,540,423.000	1,709,939.000
B015	Workers Welfare Fund	14,622.000	16,789.000	18,636.000
B017-18	Capital Value Tax (CVT)	2,731.000	5,788.000	6,425.000
	<b>TOTAL</b>	<b>1,594,910.000</b>	<b>1,563,000.000</b>	<b>1,735,000.000</b>

### 3.1.4 INDIRECT TAXES

#### 3.1.4.1 Sales Tax

3.1.4.1.1 During the first 8 months of the current financial year net revenue collection from Sales Tax (import + domestic) remained Rs. 914.2 billion as against Rs. 765.5 billion in the corresponding period of the last financial year showing an increase of 19.4%. The target for FY 2018-19 is estimated at Rs. 1,700.0 billion. The required growth would be 9.9 %.

**TABLE 5**  
**Sales Tax**

(Rs. in Million)

Object Head	Tax Head	2017-18 Budget	2017-18 Revised	2018-19 Budget
B023	Sales Tax (excluding services)	1,602,262.000	1,544,154.000	1,696,872.000
	Sales Tax on Services (ICT)	2,938.000	2,846.000	3,128.000
	<b>Total</b>	<b>1,605,200.000</b>	<b>1,547,000.000</b>	<b>1,700,000.000</b>

#### 3.1.4.2 Federal Excise Duty

3.1.4.2.1 During first 8 months of the current financial year net revenue collection from Federal Excise Duty remained at Rs. 121.2 billion as against Rs. 108.3 billion in the corresponding period of the last financial year showing a growth of 11.9%. Budget estimates for fiscal year 2018-19 is projected at Rs.265.0 billion. The required growth would be 17.8%.

**TABLE 6**  
**Federal Excise Duty**

(Rs. in Million)

Object Head	Tax Head	2017-18 Budget	2017-18 Revised	2018-19 Budget
B024-25	Beverage	2,019.000	2,839.000	3,344.000
	Beverage Concentrate	23,212.000	17,424.000	20,521.000
	Cement	45,901.000	60,431.000	71,174.000
	Cigarettes & Tobacco	70,305.000	64,212.000	75,628.000
	Natural Gas	16,064.000	11,503.000	13,548.000
	POL Products	141.000	100.000	117.000
	Imported Goods	15,589.000	4,670.000	5,500.000
	Total Services	56,218.000	51,238.000	60,348.000
	<b>Sub-Total</b>	<b>229,449.000</b>	<b>212,417.000</b>	<b>250,180.000</b>
	Other Items	2,070.000	12,583.000	14,820.000
<b>Gross Total</b>		<b>231,519.000</b>	<b>225,000.000</b>	<b>265,000.000</b>

### 3.1.4.3 Customs Duty

3.1.4.3.1 During the first 8 months of FY 2017-18, net Customs Duty collections is Rs.373.4 billion which is 26.8% higher than the duty collected during the corresponding period of FY 2016-17. Budget estimates for fiscal year 2018-19 is projected at Rs. 735.0 billion. The required growth would be 22.5%.

3.1.4.3.2 A summary of projection of Customs Duty target including the projection of collection from major revenue spinners during the FY 2018-19 is given as under;

**TABLE 7**  
**Customs Duty**

(Rs. in Million)

Object Head	Items	2017-18 Budget	2017-18 Revised	2018-19 Budget
B020-22	Vehicles (Non-Railway)(Ch.87)	91,800.000	99,816.000	122,275.000
	Edible Oil (Ch.15)	30,524.000	29,758.000	36,453.000
	POL Products (Ch.27)	70,913.000	65,350.000	80,054.000
	Machinery and Mechanical Appliances	43,798.000	38,111.000	46,686.000
	Electrical machinery (Ch.85)	34,501.000	31,834.000	38,996.000
	Iron & Steel (Ch.72)	39,238.000	42,882.000	52,530.000
	Plastic Resins etc. (Ch.39)	20,927.000	21,840.000	26,754.000
	Paper and Paperboard(Ch.48)	11,930.000	11,602.000	14,213.000

<b>Object Head</b>	<b>Items</b>	<b>2017-18 Budget</b>	<b>2017-18 Revised</b>	<b>2018-19 Budget</b>
	Organic Chemicals (Ch.29)	8,230.000	8,322.000	10,195.000
	Textile Materials (Ch.54)	10,457.000	10,691.000	13,097.000
	Tea & Coffee (Ch.09)	9,747.000	9,343.000	11,445.000
	Staple Fibers (Ch.55)	7,763.000	4,021.000	4,925.000
	Dyes and Paints (Ch.32)	6,605.000	6,309.000	7,728.000
	Articles of Iron and Steel (Ch.73)	14,864.000	11,985.000	14,681.000
	Misc. Chemicals Products (Ch.38)	4,949.000	4,803.000	5,884.000
	Other	184,006.000	214,134.000	262,314.000
	Export Development Surcharge (EDS)	6,741.000	6,114.000	7,490.000
	<b>Gross Collection</b>	<b>596,993.000</b>	<b>616,915.000</b>	<b>755,720.000</b>
	<b>Refund &amp; Rebates</b>	<b>15,622.000</b>	<b>16,915.000</b>	<b>20,720.000</b>
	<b>Net Collection</b>	<b>581,371.000</b>	<b>600,000.000</b>	<b>735,000.000</b>

### 3.2 OTHER TAXES

3.2.1 Although FBR administers and collects major portion of Federal Tax Revenue, there are Other Tax sources, which are collected under Ministry of Petroleum and Natural Resources and Aviation Division detailed as under;

#### 3.2.2 Gas Infrastructure Development Cess (GIDC)

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

3.2.2.2 The major billing companies are 1. Sui Northern Gas Pipelines Limited, 2. Sui Southern Gas Company Limited, 3. Mari Petroleum Company Limited (formerly Mari Gas Company Limited), 4. Pakistan Petroleum Limited, 5. Tullow Pakistan Development Limited, 6. Oil and Gas Development Company Limited. Rates of Cess (Rs./MMBTU)

are Rs.300 for Fertilizer Feed, Rs. 200 for Captive Power, Rs.100 for Industry, Rs.100 for KESC/GENCO, Rs.100 for IPPs, Rs.263 for CNG Region-I and Rs.200 for CNG Region-1

### **3.2.3 Natural Gas Development Surcharge**

3.2.3.1 As per Natural Gas Development Surcharge Ordinance, 1967, every company as mentioned in the Schedule shall collect and pay to the Federal Government a development surcharge equal to the differential margin i.e the amount by which the fixed sale price exceeds the prescribed price, in respect of natural gas sold by it.

### **3.2.4 Petroleum Development Levy**

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

### **3.2.5 Airport Tax**

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

### **3.2.6 Budget Estimates**

3.2.6.1 The Budget and Revised Estimates for Fiscal Year 2017-18 and Budget Estimates for 2018-19 on account of Other Taxes are tabulated hereunder.

**TABLE 8**  
**Other Taxes**

		(Rs. in Million)		
Object Head	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
B03083	Gas Infrastructure Development Cess	110,000.000	15,000.000	100,000.000
B03084	Natural Gas Development Surcharge	43,000.000	23,000.000	16,000.000
B03085	Petroleum Levy	160,000.000	170,000.000	300,000.000
B026-30	<b>Other Taxes (ICT)</b>	<b>4,373.460</b>	<b>4,234.500</b>	<b>37,555.000</b>
	<b>Direct Taxes</b>	<b>723.000</b>	<b>196.000</b>	<b>255.000</b>
	Property Tax	370.000	100.000	150.000
	Land Revenue	350.000	92.000	100.000
	Tax on Professional Trade & Callings	3.000	4.000	5.000
	<b>Indirect Taxes</b>	<b>3,649.260</b>	<b>4,036.500</b>	<b>4,300.000</b>
	Provincial Excise	149.260	150.000	200.000
	Stamp Duties	900.000	886.500	900.000
	Motor Vehicles	2,600.000	3,000.000	3,200.000
	<b>Other Taxes/Levies</b>	<b>1.200</b>	<b>2.000</b>	<b>33,000.000</b>
	Airport Tax (CAA)	90.000	70.000	90.000
	<b>Total Other Taxes</b>	<b>317,463.460</b>	<b>212,304.500</b>	<b>453,645.000</b>



## CHAPTER 4 NON TAX REVENUE

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

4.2 Summary of Non-Tax Revenue for Budget and Revised Estimates for Fiscal Year 2017-18 and Budget Estimates for Fiscal Year 2018-19 are given below.

**TABLE 9**  
**Summary of Non Tax Receipts**

		(Rs. in Million)		
Object Head	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
C01	Income from Property and Enterprise	214,688.923	236,428.975	236,868.547
C02	Receipts from Civil Admn and other functions	413,172.437	284,459.208	305,836.967
C03	Miscellaneous Receipts	351,992.327	324,293.733	229,154.689
<b>TOTAL</b>		<b>979,853.687</b>	<b>845,181.916</b>	<b>771,860.203</b>

### 4.3. INCOME FROM PROPERTY AND ENTERPRISE

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

#### 4.3.1 Profits

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

authorized expenses is deposited in the Federal Consolidated Fund. Budget Estimates 2017-18, Revised Budget Estimates 2017-18 and Budget Estimates 2018-19 are given as under;

**TABLE 10**  
**Profits**

		(Rs. in Million)		
Object Head	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
C01012	NEPRA	140.000	140.000	111.000
C01012	SECP	20.000	24.000	27.000
C01012	PNRA	2.000	1.800	2.000
C01012	PEMRA	20.000	18.000	20.000
C01012	OGRA	130.000	150.000	165.000
C01008	<b>Total (A)</b>	<b>312.000</b>	<b>333.800</b>	<b>325.000</b>
	PTA Surplus (B)	1,000.000	3,028.756	12,787.000
	PTA (4 G) (C)	10,000.000	6,854.000	6,854.000
	<b>TOTAL (A+B+C)</b>	<b>11,312.000</b>	<b>10,216.556</b>	<b>19,966.000</b>

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

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

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

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

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

**4.3.1.2.5 Oil and Gas Regulatory Authority (OGRA)** has been set up under the Oil and Gas Regulatory Authority Ordinance dated 28th March 2002 to foster competition, increase private investment and ownership in the midstream and downstream petroleum industry, protect the public interest while respecting individual rights and provide effective and efficient regulations. In order to implement regulatory framework, OGRA issues Licenses to oil marketing companies, gas distribution networks, fertilizer

Manufacturing plant etc and charge fees for the services. It also carries out inspections of oil and gas distribution networks and imposes penalties.

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

#### **4.3.2 Mark Up Receipts**

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

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

4.3.2.3 Unless specified otherwise, every loan other than foreign loan advanced by the federal government to the provincial governments is repayable over a period of 25 years. Moratorium of 5 years is allowed on recovery of principal. Simple mark up is realized at a

rate yearly determined by the Finance Division, as per actual borrowing cost of the Federal Government.

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

**TABLE 11**  
**Mark Up Receipts**  
**(Provinces)**

<b>Object Code</b>	<b>Description</b>	<b>2017-18 Budget</b>	<b>2017-18 Revised</b>	<b>2018-19 Budget</b>
	<b>Punjab</b>	<b>7,921.544</b>	<b>9,325.853</b>	<b>9,833.579</b>
C012	Mark-up Cash Loans	1,691.895	1,691.892	1,236.294
	Mark-up Foreign Loans	6,229.649	7,633.961	8,597.285
	<b>Sindh</b>	<b>4,794.599</b>	<b>5,356.389</b>	<b>5,433.688</b>
	Mark-up Cash Loans	1,894.160	1,894.160	1,735.909
	Mark-up Foreign Loans	2,900.439	3,462.229	3,697.779
	<b>Khyber Pakhtunkhwa</b>	<b>966.182</b>	<b>1,033.291</b>	<b>1,045.341</b>
	Mark-up Cash Loans	-	-	-
	Mark-up Foreign Loans	966.182	1,033.291	1,045.341
	<b>Balochistan</b>	<b>428.554</b>	<b>506.085</b>	<b>469.524</b>
	Mark-up Cash Loans	-	-	-
	Mark-up Foreign Loans	428.554	506.085	469.524
	<b>Total</b>	<b>14,110.879</b>	<b>16,221.618</b>	<b>16,782.132</b>

<b>Loan-wise Break up</b>				
C012	Punjab	1,691.895	1,691.892	1,236.294
	Sindh	1,894.160	1,894.160	1,735.909
	Khyber Pakhtoonkhwa	-	-	-
	Balochistan	-	-	-
	<b>Mar Up - Foreign Loans</b>	<b>10,524.824</b>	<b>12,635.566</b>	<b>13,809.929</b>
	Punjab	6,229.649	7,633.961	8,597.285
	Sindh	2,900.439	3,462.229	3,697.779
	Khyber Pakhtoonkhwa	966.182	1,033.291	1,045.341
	Balochistan	428.554	506.085	469.524
	<b>Total - Loans</b>	<b>14,110.879</b>	<b>16,221.618</b>	<b>16,782.132</b>

TABLE 12

## Mark Up Receipts (Local Bodies)

		(Rs. in Million)		
Object Head	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>C013</b>	<b>Mark Up - Cash Loans</b>	<b>33,509.439</b>	<b>43,343.656</b>	<b>43,877.561</b>
	P.B.C.	191.255	193.081	183.176
	NHA	31,676.962	31,676.962	32,459.224
	SNGPL	-	-	-
	Wah Brass Mills	123.151	206.307	-
	PIA	337.500	6,656.251	6,456.251
	CDA	350.000	1,050.000	1,050.000
	Pakistan Machine Tool Factory	144.751	144.751	144.751
	State Engineering Corporation	18.464	23.061	23.061
	Heavy Mechanical Complex Taxila	38.069	67.684	67.684
	Lahore Garment City Lahore	629.287	621.737	620.496
	Pakistan Engineering Company	-	2,703.822	2,703.822
	Printing Corporation of Pakistan	-	-	169.096
	<b>Mark Up - Foreign Loans</b>	<b>18,222.286</b>	<b>35,235.872</b>	<b>31,599.367</b>
	GIK Institute	0.854	0.977	0.867
	N.L.C.	3.001	3.001	-
	Karachi Port Trust	869.071	903.918	951.015
	PAEC	0.196	0.196	0.039
	Chashma Nuclear Power Plant	11,153.998	12,380.551	13,090.912
	SKMT	0.905	1.091	1.050
	CDA	34.902	38.686	17.675
	NHA	4,630.328	19,658.186	15,473.590
	PPAF	99.134	99.133	90.207
	NEPRA	2.207	2.207	2.147
	TEVTA	32.413	32.413	28.909
	ERRA	1,392.760	2,112.996	1,940.507
	OGRA	2.517	2.517	2.449
	<b>Total Mark up (Local Bodies)</b>	<b>51,731.725</b>	<b>78,579.528</b>	<b>75,476.928</b>

TABLE 13  
Mark Up Receipts  
(Financial Institutions)

		(Rs. in Million)		
Object Code	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>C014</b>	<b>Mark up - Foreign Loans</b>	<b>78.195</b>	<b>78.452</b>	<b>50.038</b>
	NDFC/LTCF	-	-	-
	IDBP	78.195	78.452	50.038
	<b>Total Mark up (Financial Institutions)</b>	<b>78.195</b>	<b>78.452</b>	<b>50.038</b>

**Table 14**  
**Mark Up Receipts**  
**(Non-Financial Institutions)**

		(Rs. in Million)		
Object Code	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>C015</b>	<b>Mark-up Cash Loans</b>	<b>23,026.084</b>	<b>24,192.439</b>	<b>22,621.816</b>
	WAPDA (water wing)	295.344	3,988.548	3,985.933
	WAPDA (power wing)	8,559.980	9,497.631	9,214.434
	TESCO	327.756	315.855	313.913
	QESCO	1,181.082	1,176.592	1,175.176
	MEPCO	703.594	703.594	702.168
	GENCO-I	79.002	24.262	21.797
	GENCO-II	4,579.210	3,615.995	3,592.577
	GENCO-III	824.019	824.019	814.365
	GENCO-IV	5.475	2.587	2.334
	NTDC	115.562	232.404	232.404
	NJHP	2,375.260	2,582.138	2,566.715
	GENCOS (LNG)	3,979.800	1,228.814	-
	<b>Mark up-Foreign Loans</b>	<b>14,797.255</b>	<b>25,483.054</b>	<b>23,581.525</b>
	WAPDA (Power Wing)	5,340.795	8,135.990	7,409.705
	TESCO	0.085	0.085	0.020
	GENCO-II	-	-	-
	GENCO-III	-	-	-
	LESCO	473.264	599.984	553.226
	NTDC	3,213.105	4,600.844	4,068.799
	IESCO	537.767	592.145	531.658
	HESCO	442.720	480.065	447.841
	PESCO	356.991	398.653	372.672
	QESCO	252.468	809.286	800.682
	GEPCO	256.274	256.274	237.306
	FESCO	265.044	400.877	395.358
	MEPCO	657.574	822.230	755.236
	NJHP	3,001.168	8,386.621	8,009.022
	<b>Total - WAPDA</b>	<b>37,823.339</b>	<b>49,675.493</b>	<b>46,203.341</b>
<b>C015</b>	<b>B. Autonomous Bodies/Corporations</b>	<b>699.552</b>	<b>701.660</b>	<b>585.880</b>
	<b>Mark up Foreign Loans</b>			
	Pakistan Railways	691.841	693.949	579.232
	Karachi Fish Harbour Authority	7.711	7.711	6.648
	<b>Total Non-Financial Institutions (A+B)</b>	<b>38,522.891</b>	<b>50,377.153</b>	<b>46,789.221</b>
<b>C016</b>	<b>Government Servants</b>			
	Cantt/Garrison Educational Institutions	38.255	1.907	2.002
	Office of the AGPR, Isb	76.500	85.468	94.015
	AGPR sub-office, Lahore	92.146	92.146	92.146
	AGPR sub-office, Karachi	18.979	16.794	18.475

	AGPR sub-office, Peshawar	4.239	4.643	4.876
	AGPR sub-office, Quetta	2.290	1.830	1.920
	AGPR sub-office, Gilgit	7.676	4.522	5.980
	Defence	5.406	5.460	5.515
	Pakistan Post Office Deptt	3.000	3.000	3.000
	Pak PWD	1.980	3.285	3.300
	Pakistan Mint	0.515	0.673	0.587
	CAO (Ministry of Foreign Affairs)	0.744	0.858	0.944
	Central Dte of National Savings	3.296	4.498	4.192
	Geological Survey of Pakistan	0.797	0.595	0.810
	Special Communication Organization	-	-	-
	<b>Total Government Servants</b>	<b>255.823</b>	<b>225.679</b>	<b>237.762</b>
<b>C017</b>	<b>AJK &amp; Others</b>			
	<b>Mark up - Cash Loans</b>	<b>9,563.826</b>	<b>9,559.709</b>	<b>9,857.671</b>
	Government of AJ&K	9,563.564	9,559.602	9,857.543
	PNRA	0.262	0.107	0.128
	<b>Mark up - Foreign Loans</b>	<b>139.538</b>	<b>161.436</b>	<b>166.723</b>
	Government of AJ&K	139.538	157.474	160.296
	<b>Mark up - Other Loans</b>	-	3.962	6.427
	Guarantee Fee on Foreign Loans (EAD)	641.546	1,012.446	1,048.672
<b>C018</b>	<b>Commercial Departments</b>	<b>50.000</b>	<b>23.208</b>	<b>22.400</b>
	Pakistan Post Office Deptt	50.000	23.208	22.400
	<b>Total (AJK&amp; Others)</b>	<b>10,344.910</b>	<b>10,733.591</b>	<b>11,073.066</b>
	<b>Total (PSEs &amp; Others)</b>	<b>100,983.544</b>	<b>140,017.611</b>	<b>133,649.415</b>
	Estimated Shortfall	5,000.000	10,000.000	10,000.000
	<b>Net Total (PSEs &amp; Others)</b>	<b>95,983.544</b>	<b>130,017.611</b>	<b>123,649.415</b>
	<b>Total Provinces</b>	<b>14,110.879</b>	<b>16,221.618</b>	<b>16,782.132</b>
	<b>Grand Total (Mark-up)</b>	<b>110,094.423</b>	<b>146,239.229</b>	<b>140,431.547</b>



### 4.3.3 DIVIDEND ON GOVERNMENT INVESTMENTS

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

4.3.3.2 The details of the estimates are given below:

**Table 15**  
**Dividends**

<b>Object Code</b>	<b>Description</b>	<b>2017-18 Budget</b>	<b>2017-18 Revises</b>	<b>2018-19 Budget</b>
<b>C01901</b>	<b>Financial Institutions</b>	<b>795.000</b>	<b>911.000</b>	<b>895.000</b>
	National Investment Trust	200.000	450.000	300.000
	NBP	45.000	45.000	45.000
	ABL	-	-	-
	UBL	-	-	-
	HBL	-	-	-
	Pak Oman Investment co	250.000	216.000	250.000
	Pak Brunie Investment	150.000	150.000	150.000
	Pak China Investment	-	-	-
	Pak Iran Joint Investment	150.000	50.000	150.000
	Saudi Pak Investment co	-	-	-
	Pak Kuwait Investment	-	-	-
<b>C01902</b>	<b>Non-Financial Institutions</b>	<b>92,487.500</b>	<b>79,062.190</b>	<b>75,576.000</b>
	Pakistan Petroleum Limited	13,000.000	13,000.000	13,000.000
	Mari Gas Company Limited	600.000	150.000	200.000
	Pakistan State Oil	1,500.000	1,500.000	1,500.000
	Pak Arab Refinery	12,000.000	10,000.000	10,000.000
	SNGPL	500.000	1,506.980	1,500.000
	SSGCL	1,500.000	-	500.000
	GHPL	17,000.000	12,000.000	12,000.000
	OGDCL	35,000.000	30,000.000	25,000.000
	PMDC	150.000	100.000	120.000
	SLIC	1,200.000	1,200.000	1,300.000
	NIC	800.000	1,500.000	1,500.000
	Pak Re-Insurance Corporat	450.000	471.000	550.000
	Fauji Fertilizer Co.Ltd	130.000	80.000	100.000
	Saindak Metal Ltd	-	-	-
	PEPAC	-	-	-
	PEAL	-	-	-
	Pakistan Services Ltd	3.000	5.050	6.000
	PTV	-	-	-
	PIDC	-	20.000	100.000

<b>Object Code</b>	<b>Description</b>	<b>2017-18 Budget</b>	<b>2017-18 Revises</b>	<b>2018-19 Budget</b>
	PERAC	4.500	-	-
	National Shipping Corp	250.000	229.160	300.000
	Tourism Development Corp	-	-	-
	Pakistan Security Printing Corporation	650.000	-	-
	NESPAK	100.000	100.000	100.000
	National Power Construction	-	-	-
	PTCL	7,500.000	7,000.000	7,500.000
	Tourism Promotion Services Pak Ltd	-	-	-
	NFC	100.000	100.000	100.000
	USC	-	-	-
	Trading Corporation of Pakistan	50.000	100.000	200.000
	IDBP	-	-	-
	National Construction Ltd	-	-	-
	<b>Total - Dividends</b>	<b>93,282.500</b>	<b>79,973.190</b>	<b>76,471.000</b>

#### 4.4 RECEIPTS FROM CIVIL ADMINISTRATION AND OTHER FUNCTIONS

##### 4.4.1 GENERAL ADMINISTRATION RECEIPTS

##### 4.4.1.1 Organs of State

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

**TABLE 16**  
**Receipts from Civil Administration - Organs of State**

<b>Object Code</b>	<b>Description</b>	<b>2017-18 Budget</b>	<b>2017-18 Revised</b>	<b>2018-19 Budget</b>
<b>C021</b>	<b>Organs of State</b>	<b>223.970</b>	<b>211.120</b>	<b>222.650</b>
	Federal Public Service Commission	210.000	200.000	210.000
	SAFRON (PWD)	5.000	4.000	5.000
	Miscellaneous Receipts	8.820	7.000	7.500
	SAFRON (Recovery of Payments)	0.150	0.120	0.150

#### 4.4.1.2 FISCAL ADMINISTRATION

##### 4.4.1.2.1 Audit Fees

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

##### 4.4.1.2.2 State Bank of Pakistan Receipts

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

##### 4.4.1.2.3 Pakistan Mint Receipts

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

##### 4.4.1.2.4 Pension and Gratuity Contribution

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

The estimates of receipts from fiscal administration are given below:

**TABLE 17**  
**General Administration Receipts - Fiscal Administration**

		(Rs. in Million)		
Object Code	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>C022</b>	<b>Fiscal Administration</b>	<b>263,751.852</b>	<b>263,071.846</b>	<b>283,237.146</b>
	Audit Fee (AGP)	242.806	2.200	2.500
	SBP Profit	260,000.000	260,000.000	280,000.000
	Currency Dividend from SBP	10.000	9.646	9.646
	Pakistan Mint (Assay Account)	100.000	40.000	50.000
	Pension Contribution	260.270	270.000	275.000
	Penalty imposed by SBP on Banks	800.000	700.000	800.000
	Miscellaneous Receipts	2,338.776	2,050.000	2,100.000
	Profit of National Investment Trust	-	-	-

#### 4.4.1.3 ECONOMIC REGULATION

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

**TABLE 18**  
**General Administration Receipts - Economic Regulations**

(Rs. in Million)				
Object Code	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>C023</b>	<b>Economic Regulations</b>	<b>1,175.300</b>	<b>1,435.369</b>	<b>1,594.406</b>
	Anti Dumping Duties Fee & Tariff Protection Fee (National Tar Com)	-	540.369	594.406
	Fees realized under Insurance Act 1989 (SECP)	1,000.000	800.000	900.000
	Trade Mark Reg Fee & Other Misc Receipts	175.300	95.000	100.000

**Table 19**  
**General Administration Receipts- Economic Statistics**

(Rs. in Million)				
Object Code	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>C024</b>	<b>General Admn.</b>	<b>45.000</b>	<b>620.500</b>	<b>700.200</b>
	Sale of Census Publication (PBS)	40.000	0.500	0.200
	Miscellaneous Receipts (PBS)	5.000	620.000	700.000
	<b>Total Gen Admn (Excl SBP)</b>	<b>5,196.122</b>	<b>4,766.697</b>	<b>5,754.402</b>

#### 4.4.2 DEFENCE SERVICES RECEIPTS

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

4.4.2.2 The estimates of defence receipts are given below :

**Table 20**  
**Defence Services Receipts**

		(Rs. in Million)		
Object Head	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>C025</b>	<b>Defence Services</b>	<b>141,797.281</b>	<b>15,203.725</b>	<b>15,959.796</b>
	Effective (MODP)	-	1,244.110	1,302.199
	Effective (MOD)	14,041.157	12,803.491	13,443.666
	Miscellaneous	126,600.000	-	-
	Hospital Stoppage	1,156.124	1,156.124	1,213.931

#### 4.4.3 LAW AND ORDER RECEIPTS

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

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

**TABLE 21**  
**Law and Order Receipts**

		(Rs. in Million)		
Object Head	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>C026</b>	<b>Law and Order</b>	<b>1,501.201</b>	<b>1,362.870</b>	<b>1,412.082</b>
	Supreme Court of Pakistan	5.000	3.000	5.000
	Law and Justice Division	80.000	100.000	125.000
	Receipts under Arms Act (Interior Division)	150.000	100.000	128.080
	Civil Armed Forces	409.741	406.870	365.875
	Traffic Police/Other Receipts (ICT)	462.127	433.000	452.127
	Frontier Regions (SAFRON)	25.000	14.000	20.000
	Federal Services Tribunals	2.000	1.000	1.000
	Fines and Penalties	12.000	10.000	15.000
	Misc Receipts	355.333	295.000	300.000

#### 4.4.4 COMMUNITY SERVICES RECEIPTS

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

**TABLE 22**  
**Community Services Receipts**

Object Code	Description	(Rs. in Million)		
		2017-18 Budget	2017-18 Revised	2018-19 Budget
C027	<b>Community Services</b>	<b>2,070.266</b>	<b>1,143.352</b>	<b>1,214.097</b>
	Rent from Govt accommodation, land and workshops realized by Housing & Works Division/Estate Office	1,885.000	989.728	1,045.910
	Rent of buildings realized by Frontier Corps. Khyber Pakhtunkhwa, Peshawar (Interior Division)	3.000	2.580	2.734
	Scientific Research and Survey (Defence Division)	38.757	30.696	37.623
	Building Rent of Meteorological Deptt.	5.000	4.500	5.000
	Building Rent of PAEC	26.000	27.971	24.000
	CTTI - Hostel Charges/Fees	4.100	4.500	4.700
	Miscellaneous Receipts	99.464	75.000	85.000
	Recovery by Office of the Auditor General of Pakistan	7.345	7.177	7.730
	Akhtar Hameed Khan Rural Centre	1.600	1.200	1.400

#### 4.4.5 SOCIAL SERVICES RECEIPTS

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

**TABLE 23**  
**Social Services Receipts**

(Rs. in Million)				
<b>Object Code</b>	<b>Description</b>	<b>2017-18 Budget</b>	<b>2017-18 Revised</b>	<b>2018-19 Budget</b>
<b>C028</b>	<b>Social Services</b>	<b>807.563</b>	<b>510.421</b>	<b>496.584</b>
	Education Fees from Schools & Colleges (CA&AD)	110.680	96.413	102.054
	National Library of Pakistan (Heritage)	0.100	0.500	0.500
	Education Fees from Schools and Colleges under the M/o Defence	77.800	78.000	80.000
	Pakistan Computer Bureau	2.000	1.500	1.800
	National Archives (Cabinet Division)	0.010	0.010	0.010
	Health-Hospital Receipts of Federal Government (CA&AD)	181.800	177.213	177.220
	Gilgit-Baltistan Division	-		
	Sale of Vaccination (ICT)	1.940	1.500	2.000
	Hospital Stoppages	-		
	Government share- Fees realized by the Doctors	210.000	-	-
	M/o National Health Services, Regulations & Coordination (Health Receipts)	54.658	5.285	8.000
	Miscellaneous Receipts	168.575	150.000	125.000

#### **4.4.6 SOCIAL SERVICES MISC RECEIPTS**

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

**TABLE 24**  
**Social Services Miscellaneous Receipts**

(Rs. in Million)				
<b>Object Code</b>	<b>Description</b>	<b>2017-18 Budget</b>	<b>2017-18 Revised</b>	<b>2018-19 Budget</b>
<b>C029</b>	<b>Social Services Misc.</b>	<b>1,800.004</b>	<b>900.005</b>	<b>1,000.006</b>
	Receipts under West Pakistan Ordinance 1969 (ICT)	0.004	0.005	0.006
	Emigration Fee (BoE/Overseas)	1,800.000	900.000	1,000.000

#### **4.5 MISCELLANEOUS RECEIPTS**

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

#### **4.5.2 ECONOMIC SERVICES RECEIPTS**

##### **4.5.2.1 Agricultural Receipts**

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

##### **4.5.2.2 Receipts from Explosive Department**

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

##### **4.5.2.3 Receipts from Cabinet Division**

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

##### **4.5.2.4 Receipts from Lighthouses and Lightships**

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



#### 4.5.2.5 Receipts from Special Communication Organization

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

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

**TABLE 25**  
**Miscellaneous Receipts**

		(Rs. in Million)		
Object Code	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>C031</b>	<b>Economic Services</b>	<b>17,898.934</b>	<b>8,230.127</b>	<b>5,530.387</b>
	Food Department (ICT)	0.060	0.060	0.060
	Receipts from soil conservation & Operations (ICT)	0.700	0.500	0.700
	Agriculture Receipts (ICT)	0.250	0.250	0.300
	Services Rendered (ICT)	0.010	0.020	0.030
	Food Department (National Food Security & Research Division)	4,404.297	229.297	229.297
	Miscellaneous Receipts	13,493.617	8,000.000	5,300.000

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

**TABLE 26**  
**Economic Services Receipts- Fisheries & Animal Husbandry**

		(Rs. in Million)		
Object Head	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>C032</b>	<b>Fisheries &amp; Animal Husbandry</b>	<b>394.253</b>	<b>227.650</b>	<b>255.170</b>
	Ordinary Receipts (ICT)	38.000	22.500	30.000
	Insemination Fees (ICT)	0.170	0.150	0.170
	Livestock & Dairy Development (NFS&R)	250.000	140.000	150.000
	Marine Fisheries Department (MOM)	50.000	35.000	40.000
	Pakistan Maritime Security Agency (MOD)	56.083	30.000	35.000

**TABLE 27**  
**Economic Services Receipts- Forest**

(Rs. in Million)				
Object Code	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>C033</b>	<b>Economic Services Receipts - Forest</b>	<b>1.575</b>	<b>0.500</b>	<b>0.600</b>
	Miscellaneous Receipts (ICT)	1.575	0.500	0.600

**TABLE 28**  
**Economic Service Receipt- Cooperation Irrigation, Embankment**

(Rs. in Million)				
Object Code	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>C034</b>	<b>Economic Service Receipt- Cooperation Irrigation, Embankment, Drainage</b>	<b>13.482</b>	<b>10.500</b>	<b>12.900</b>
	Miscellaneous Receipts (ICT)	13.482	10.500	12.900

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

**TABLE 29**  
**Economic Services Receipts - Others**

(Rs. in Million)				
Object Head	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>C035</b>	<b>Receipts - Others</b>	<b>3,072.406</b>	<b>2,674.787</b>	<b>2,796.600</b>
	Department of Stationery & Forms (Cabinet Division)	3.000	1.000	1.200
	Explosives Department (Industries Div)	350.000	350.000	350.000
	Excise Duty on Minerals & Fee under Partnership Act (ICT)	4.200	1.700	1.700
	Ports & Shipping Department (Maritime)	496.850	511.301	535.000
	Receipts of Special Communications Organization (Net) - (IT & Telecom Div)	2,200.000	1,800.000	1,900.000
	PAEC (cost of tender documents)	5.000	0.786	0.700
	Miscellaneous Receipts	13.356	10.000	8.000

**TABLE 30**  
**Foreign Grants**

		(Rs. in Million)		
Object Code	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
C036	Grants	43,545.867	34,000.000	15,902.000
		43,545.867	34,000.000	15,902.000

#### 4.5.3 OTHER RECEIPTS

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

##### 4.5.3.2 Receipts From UN, Staff Welfare and Accreditation

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

**Table 31**  
**Extraordinary Receipts**

		(Rs. in Million)		
Object Head	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
C037	<b>Other Receipts</b>	<b>171,979.581</b>	<b>167,430.363</b>	<b>84,062.774</b>
	Receipts from United Nations (Military+Civil)	36,923.445	32,383.910	34,001.180
	Sale of other Government Assets	135,000.000	135,000.000	50,000.000
	Working Women Hostel, G-6/3, Islamabad (Estab)	3.008	2.087	3.008
	Staff Welfare Organization (Estab)	20.000	17.000	30.000
	Pakistan National Accreditation Council (MOST)	17.000	17.000	18.000
	PAEC (Penalties)	3.000	0.006	0.006
	Office of the Auditor General of Pakistan	0.150	0.560	0.580
	Miscellaneous Receipts	12.978	9.800	10.000

### 4.5.3.3 Citizenship, Naturalization and Passport Fees

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

**Table 32**  
**Citizenship Nationalization, Passport and Copyright Fees**

Object Code	Description	(Rs. in Million)		
		2017-18 Budget	2017-18 Revised	2018-19 Budget
C03897	Citizenship, Naturalization & Passport Fee	28,000.000	24,000.000	31,000.000

### 4.5.3.4 Royalty, Pollution, Trekking Fees From Tourists

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

### 4.5.3.5 Receipts from Tourism Department

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

### 4.5.3.6 Receipts Collected by Ministry of Foreign Affairs

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

#### 4.5.3.7 Kashmir Affairs and Gilgit Baltistan Division

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

#### 4.5.3.8 States and Frontier Region Division

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

**Table 33**  
**Details of Other Receipts**

		(Rs. in Million)		
Object Head	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>C038</b>	<b>Other Receipts</b>	<b>8,554.459</b>	<b>17,475.126</b>	<b>19,252.358</b>
	Emergency Relief Cell (Cabinet)	40.000	100.000	5.000
	Advance Yearly Rent for Exploration & Prospecting Licensing (Petroleum Div)	400.000	350.000	350.000
	Fees for Exploration & Prospecting Licensing	1.000	1.000	1.000
	Office of the Auditor General of Pakistan	0.156	1.648	1.407
	Toshakhana (Cabinet Division)	8.000	65.000	10.000
	Tender Fee	-	-	-
	National Accountability Bureau	350.000	500.000	350.000
	Civil Armed Forces (Unclaimed Deposits)	15.725	13.287	14.361
	Sale of Property (MOFA)	7.000	2,000.000	2,000.000
	Civil Armed Forces (Sale of Stores)	32.600	50.000	55.000
	Rent, Rates & Taxes-Others	0.663	-	-
	Rent, Rates & Taxes (ICT)	0.295	0.310	0.400
	Competition Commission of Pakistan	300.000	100.000	300.000
	Receipts - Mines & Mineral Act (ICT)	0.100	0.100	0.100

<b>Object Head</b>	<b>Description</b>	<b>2017-18 Budget</b>	<b>2017-18 Revised</b>	<b>2018-19 Budget</b>
	Gains on Exchange (M/o Foreign Affairs)	45.000	25.000	25.000
	Export Promotion Bureau (TDAP)	83.000	15.000	8.000
	Export Promotion Bulletin	-	-	-
	M/o Information & Broadcasting	0.150	0.150	0.150
	Fee for Registration of Societies (ICT)	0.110	0.110	0.110
	Receipts of Tourist Department (CA&AD)	25.000	17.000	18.000
	Censorship Fee (Culture Division)	40.000	6.000	10.000
	Recovery of Overpayments (M/o Foreign Affairs)	170.000	72.000	72.000
	Payment for services Rendered (ICT)	0.030	0.060	0.060
	Sale of Stores & Material (PAEC)	13.900	4.974	4.300
	Other Receipts - Fines & Fee (ICT)	1.030	1.030	2.500
	Citizenship Copyrights (ICT)	3.200	3.200	3.400
	Others PAEC	20.000	40.323	34.994
	Pakistan Public Admn. Research Centre	1.500	1.000	2.000
	National Alien Registration Authority	-	-	-
	Airport Security Force	16.256	12.854	10.000
	Fees, Fines & Forfeitures (PAEC)	-	1.133	1.000
	Quaid Azam Papers Wing	0.200	0.045	0.050
	National Language Authority	1.000	1.000	1.000
	Other Receipts of M/o Foreign Affairs	60.000	129.000	140.000
	Office of the Controller General of Accounts	1.130	1.104	0.675
	NI Rehabilitation of Medicines	6.500	4.800	5.000
	States & Frontier Regions Div. (FATA)	250.000	462.398	276.151
	Pak. Environmental Protection Agency	0.600	0.600	0.700
	Recovery from Provinces against Population and Housing Census	-	-	-

<b>Object Head</b>	<b>Description</b>	<b>2017-18 Budget</b>	<b>2017-18 Revised</b>	<b>2018-19 Budget</b>
	Other Miscellaneous Receipts of attached departments	6,520.000	13,000.000	15,000.000
	Net Gain On Foreign Exchange Forward With The SBP	-	400.000	450.000
	Miscellaneous Receipts	140.314	95.000	100.000

#### **4.5.4 RECEIPTS FROM OIL AND GAS SECTOR**

##### **4.5.4.1 Royalty on Oil and Gas**

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

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

##### **4.5.4.2 Windfall Levy on Crude Oil**

4.5.4.2.1 As per Petroleum Exploration & Production Policy 2012, Windfall Levy (WLO) will be applicable on crude oil and condensate using the formula i.e  $WLO = 0.4 \times (M-R) \times (P-B)$  Where: WLO - Windfall Levy on crude oil and condensate; M - Net production (petroleum produced & saved); R - Royalty; P - Market Price of crude oil and condensate; B - Base Price. All the benefit of windfall levy may be equally divided between the Federal Government and Provincial Government concerned.

#### 4.5.4.3 Discount on Local Crude Oil

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

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

**TABLE 34**  
**Royalties, Discount retained on Crude Price and Windfall Levy**

		(Rs. in Million)		
Object Head	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
C039	Royalty on Oil	19,127.480	16,811.310	16,826.110
	Royalty on Gas	39,404.290	36,433.370	36,515.790
	Discount Retained on Local Crude Price	10,000.000	10,000.000	10,000.000
	Windfall Levy against Crude Oil	8,000.000	5,000.000	5,000.000
	Petroleum Levy on LPG.	2,000.000	2,000.000	2,000.000
	<b>Total - Development Surcharges and Royalties other than Petroleum Levy</b>	<b>78,531.770</b>	<b>70,244.680</b>	<b>70,341.900</b>



**Chapter 5: PROVINCIAL SHARE IN REVENUE RECEIPTS**

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

***PRESIDENT'S ORDER NO.5 OF 2010***

AN

ORDER

*to provide for distribution of revenues and certain grants*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*ASIF ALI ZARDARI*  
*President*

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

***PRESIDENT'S ORDER NO.6 OF 2015***

AN

ORDER

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

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

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

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

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

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

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

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

MAMNOON HUSSAIN

*President*

5.3 The following table shows the estimated transfers to the provincial governments on account of their share in Federal Taxes and by straight transfers during the year 2017-18 and 2017-18;

**Table 35**  
**Provincial Share in Revenue Receipts**  
**2017-18 (Budget)**

Description	Balochistan	* Khyber Pakhtunkhwa	Punjab	Sindh	(Rs. in Million)
					TOTAL
<b>Divisible Taxes (A)</b>	<b>202,691.366</b>	<b>365,172.186</b>	<b>1,153,713.011</b>	<b>547,422.775</b>	<b>2,268,999.338</b>
Taxes on Income	79,997.803	144,125.392	455,345.029	216,055.671	<b>895,523.895</b>
Capital Value Tax	139.902	252.050	796.318	377.843	<b>1,566.113</b>
Sales Tax excl. GST on services	82,079.679	147,876.135	467,195.005	221,678.341	<b>918,829.160</b>
Federal Excise (Net of Gas)	11,037.194	19,884.796	62,823.371	29,808.925	<b>123,554.286</b>
Customs Duties	29,436.788	53,033.813	167,553.288	79,501.995	<b>329,525.884</b>
<b>Straight Transfers (B)</b>	<b>17,282.603</b>	<b>24,682.291</b>	<b>8,111.431</b>	<b>65,167.530</b>	<b>115,243.855</b>
Gas Development Surcharge	9,732.193	2,518.444	3,306.804	26,582.559	<b>42,140.000</b>
Royalty on Natural Gas	5,344.146	9,574.963	1,344.854	22,352.242	<b>38,616.205</b>
Royalty on Crude Oil	2.283	10,857.185	2,987.491	4,897.971	<b>18,744.930</b>
Excise Duty on Natural Gas	2,203.981	1,731.699	472.282	11,334.758	<b>15,742.720</b>
<b>Total (A+B)</b>	<b>219,973.969</b>	<b>389,854.476</b>	<b>1,161,824.442</b>	<b>612,590.305</b>	<b>2,384,243.192</b>

**Table 36**  
**Provincial Share in Revenue Receipts**  
**2017-18 (Revised)**

Description	(Rs. in Million)				
	Balochistan	* Khyber Pakhtunkhwa	Punjab	Sindh	TOTAL
<b>Divisible Taxes (A)</b>	<b>202,691.366</b>	<b>358,295.325</b>	<b>1,131,986.481</b>	<b>537,113.802</b>	<b>2,230,086.974</b>
Taxes on Income	79,997.803	140,732.834	444,626.695	210,969.953	<b>876,327.285</b>
Capital Value Tax	139.902	534.187	1,687.692	800.789	<b>3,162.570</b>
Sales Tax excl. GST on services	82,079.679	142,513.226	450,251.604	213,638.904	<b>888,483.413</b>
Federal Excise (Net of Gas)	11,037.194	19,704.088	62,252.448	29,538.029	<b>122,531.759</b>
Customs Duties <b>Straight</b>	29,436.788 <b>9,624.472</b>	54,810.990 <b>22,736.530</b>	173,168.042 <b>6,424.018</b>	82,166.127 <b>47,207.706</b>	<b>339,581.947</b> <b>85,992.726</b>
<b>Transfers (B)</b>					
Gas Development Surcharge	2,902.339	2,397.698	1,309.603	15,930.359	<b>22,539.999</b>
Royalty on Natural Gas	4,803.744	8,996.292	1,424.254	20,480.412	<b>35,704.702</b>
Royalty on Crude Oil	1.989	9,200.681	3,126.514	4,145.900	<b>16,475.084</b>
Excise Duty on Natural Gas	1,916.400	2,141.859	563.647	6,651.035	<b>11,272.941</b>
<b>Total (A+B)</b>	<b>212,315.838</b>	<b>381,031.855</b>	<b>1,138,410.499</b>	<b>584,321.508</b>	<b>2,316,079.700</b>



Table 37

**Provincial Share in Revenue Receipts  
2018-19 (Budget)**

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

## Chapter 6: CAPITAL RECEIPTS

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

6.2 The following table indicates the position of Capital receipts for 2017-18 (budget and revised) and 2018-18 (budget).

**Table 38**  
**Capital Receipts**

Description	(Rs. in Million)		
	2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>A. Capital Receipts (I+II)</b>	<b>427,473.677</b>	<b>677,822.841</b>	<b>559,084.587</b>
<b>I. Recoveries of Loans and Advances</b>	<b>112,536.677</b>	<b>134,415.321</b>	<b>152,989.497</b>
Provinces	51,946.528	55,076.444	61,596.149
Others	60,590.149	79,338.877	91,393.348
<b>II. Public Debt</b>	<b>314,937.000</b>	<b>543,407.520</b>	<b>406,095.090</b>
Domestic Debt (Permanent)	270,000.000	140,152.120	206,158.090
Foreign Currency Debt (Permanent)	(63.000)	(41.600)	(63.000)
Floating Debt	45,000.000	403,297.000	200,000.000
<b>B. Public Account</b>	<b>551,207.522</b>	<b>439,092.250</b>	<b>521,925.518</b>
Deferred Liabilities (Net)	166,003.000	72,921.130	130,697.470
Deposits and Reserves	385,204.522	366,171.120	391,228.048
<b>C. Total (A+B)</b>	<b>978,681.199</b>	<b>1,116,915.091</b>	<b>1,081,010.105</b>
<b>D. Disbursements</b>	<b>426,161.513</b>	<b>522,360.362</b>	<b>637,914.257</b>
Federal Govt Misc investments	19,948.686	28,789.000	19,435.640
Loans and Advances	28,324.173	29,524.323	49,076.000
Short Term Credits	39,774.000	93,571.559	174,163.275
Deposits and Reserves	338,114.654	370,475.480	395,239.342
<b>Net Capital Receipts (C-D)</b>	<b>552,519.686</b>	<b>594,554.729</b>	<b>443,095.848</b>

### 6.3 RECOVERIES OF LOANS AND ADVANCES

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

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

**TABLE 39**  
**Recovery of Loans and Advances**  
**(Provinces)**

		(Rs. in Million)		
Object Code	Province	2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>Province-wise break-up</b>				
<b>E021</b>	<b>Punjab</b>	<b>31,017.711</b>	<b>33,035.073</b>	<b>35,132.844</b>
	Cash Loans	3,247.441	3,247.445	2,248.211
	Foreign Loans	27,770.270	29,787.628	32,884.633
	<b>Sindh</b>	<b>9,217.564</b>	<b>9,693.756</b>	<b>12,750.606</b>
	Cash Loans	1,196.216	1,162.735	1,085.146
	Foreign Loans	8,021.348	8,531.021	11,665.460
	Premature Retirement of Cash Loans	-		
	<b>Khyber Pakhtunkhwa</b>	<b>6,422.758</b>	<b>6,718.560</b>	<b>7,370.142</b>
	Cash Loans	-	-	-
	Foreign Loans	6,422.758	6,718.560	7,370.142
	<b>Balochistan</b>	<b>5,288.495</b>	<b>5,629.055</b>	<b>6,342.557</b>
	Cash Loans	-	-	-
	Foreign Loans	5,288.495	5,629.055	6,342.557
	<b>Total (Loans)</b>	<b>51,946.528</b>	<b>55,076.444</b>	<b>61,596.149</b>
<b>Loan-wise Break-up</b>				
	<b>Cash Loans</b>	<b>4,443.657</b>	<b>4,410.180</b>	<b>3,333.357</b>
<b>E021</b>	Punjab	3,247.441	3,247.445	2,248.211
	Sindh	1,196.216	1,162.735	1,085.146
	Khyber Pakhtoonkhwa	-	-	-
	Balochistan	-	-	-
	Pre-mature Cash Loans	-	-	-
	<b>Foreign Loans</b>	<b>47,502.871</b>	<b>50,666.264</b>	<b>58,262.792</b>
	Punjab	27,770.270	29,787.628	32,884.633
	Sindh	8,021.348	8,531.021	11,665.460
	Khyber Pakhtoonkhwa	6,422.758	6,718.560	7,370.142
	Balochistan	5,288.495	5,629.055	6,342.557
	<b>Total - Loans</b>	<b>51,946.528</b>	<b>55,076.444</b>	<b>61,596.149</b>

**TABLE 40**  
**Recovery of Loans and Advances**  
**(Local Bodies)**

		(Rs. in Million)		
Object Code	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>E022</b>	<b>Cash Loans</b>	<b>13,400.622</b>	<b>20,647.190</b>	<b>19,764.934</b>
	PTVC	58.753	58.753	58.753
	Lahore Garment City	43.886	43.556	46.240
	NHA	12,027.253	12,027.253	12,644.670
	PBC	77.233	77.233	77.771
	SNGPL	-	-	-
	PIA	1,000.000	7,062.500	6,937.500
	Mari Gas Company	-	-	-
	GHPL	-	-	-
	Nuclear Plants	-	-	-
	Wah Brass Mills	193.497	1,377.895	-
	<b>Foreign Loans</b>	<b>18,292.666</b>	<b>25,864.784</b>	<b>36,249.818</b>
	Karachi Port Trust	8.063	8.063	578.983
	PAEC	1.965	1.965	0.982
	CDA	797.760	884.250	942.652
	NHA	7,032.064	8,821.146	8,817.599
	GIK Institute	100.811	131.227	89.859
	Shaukat Khanum Memorial Trust	6.307	7.604	8.107
	NLC	85.742	42.871	-
	NEPRA	0.751	0.751	0.751
	OGRA	0.623	0.623	0.623
	Chashma Nuclear Power Plant	10,258.580	14,097.982	23,790.333
	Pakistan Engineering Co	-	1,868.302	1,868.302
	Printing Corporation of Pakistan	-	-	151.627
	<b>Total (Local Bodies)</b>	<b>31,693.288</b>	<b>46,511.974</b>	<b>56,014.752</b>

**TABLE 41**  
**Recovery of Loans and Advances**  
**(Financial Institutions)**

Object Code	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>E023</b>	<b>Foreign Loans</b>	<b>97.314</b>	<b>97.314</b>	<b>97.314</b>
	NDFC/LTCF	-	-	-
	Ist. Dawood Leasing Co. Ltd.	-	-	-
	English Leasing Ltd.	-	-	-
	Network Leasing	-	-	-
	Pakistan Industrial and Commercial Leasing	-	-	-
	IDBP	97.314	97.314	97.314
	<b>Total - Financial Institutions</b>	<b>97.314</b>	<b>97.314</b>	<b>97.314</b>

**Table 42**  
**Recovery of Loans and Advances**  
**(Non-Financial Institutions)**

		(Rs. in Million)		
Object Code	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>E024</b>	<b>A.WAPDA</b>			
	<b>Cash Loans</b>	<b>1,659.949</b>	<b>1,965.242</b>	<b>2,170.622</b>
	WAPDA (power wing)	491.114	491.114	613.626
	WAPDA (water wing)	23.239	258.284	260.899
	TESCO	111.964	122.601	124.542
	QESCO	39.698	39.699	41.115
	MEPCO	19.430	19.430	20.854
	GENCO-I	35.028	13.748	16.213
	GENCO-II	271.117	353.194	376.552
	GENCO-III	219.156	219.156	228.809
	GENCO-IV	2.599	1.412	1.665
	GENCOs (LNG)	-	-	-
	NJHP	446.604	446.604	486.347
	NTDC	-	-	-
	<b>Foreign Loans</b>	<b>13,699.791</b>	<b>16,155.822</b>	<b>17,520.844</b>
	WAPDA (Power Wing)	3,896.578	4,273.357	4,407.799
	TESCO	0.714	0.714	0.149
	LESCO	463.849	468.506	546.505
	HESCO	443.566	472.543	516.700
	PESCO	263.123	275.615	338.458
	QESCO	246.844	407.296	608.411
	GEPCO	208.991	211.764	226.276
	IESCO	591.497	606.485	651.996
	FESCO	166.340	234.720	314.409
	MEPCO	620.818	639.293	748.356
	NTDC	4,968.806	6,076.852	6,233.196
	NJHP	1,828.665	2,488.677	2,928.589
	GENCO-I	-	-	-
	GENCO-II	-	-	-
	GENCO-III	-	-	-
	<b>Total - WAPDA</b>	<b>15,359.740</b>	<b>18,121.064</b>	<b>19,691.466</b>
	<b>B. Autonomous Bodies/Corporations</b>	<b>4,238.370</b>	<b>5,093.619</b>	<b>5,182.099</b>
	<b>Foreign Loans</b>	<b>4,238.370</b>	<b>5,093.619</b>	<b>5,182.099</b>
	Pakistan Railways	1,813.895	1,831.135	1,740.532
	Karachi Fish Harbour Authority	26.584	26.584	26.584
	PPAF	920.514	1,100.513	1,279.596
	ERRA	1,445.521	2,103.531	2,103.531
	TEVTA	31.856	31.856	31.856
	<b>Total Non-Financial Institutions (A+B)</b>	<b>19,598.110</b>	<b>23,214.683</b>	<b>24,873.565</b>

<b>Object Code</b>	<b>Description</b>	<b>2017-18 Budget</b>	<b>2017-18 Revised</b>	<b>2018-19 Budget</b>
<b>E025</b>	<b>Government Servants</b>	<b>5,181.314</b>	<b>5,452.544</b>	<b>5,920.977</b>
	Cantt/Garrison Educational Institutions	36.082	37.669	39.553
	Office of the AGPR, Isb	2,402.394	2,543.214	2,797.535
	AGPR sub-office, Lahore	563.464	563.464	563.464
	AGPR sub-office, Karachi	461.425	560.297	616.302
	AGPR sub-office, Peshawar	252.632	326.521	342.831
	AGPR sub-office, Quetta	135.452	160.520	168.030
	AGPR sub-office, Gilgit	342.712	241.527	347.799
	Defence	534.522	539.867	545.266
	Pakistan Post Office Deptt	189.000	189.000	189.000
	Pak PWD	38.797	51.851	52.754
	Pakistan Mint	12.745	14.505	15.565
	CAO (Ministry of Foreign Affairs)	85.896	79.084	86.992
	Central Dte of National Savings	92.018	105.231	108.440
	Geological Survey of Pakistan	22.975	22.975	25.075
	Special Communication Organization	11.200	11.725	11.793
	National Tariff Commission	-	5.094	10.578
<b>E027</b>	<b>Others</b>	<b>4,020.123</b>	<b>4,062.362</b>	<b>4,486.740</b>
	Cash Loans- Govt of AJK	3,208.147	3,208.147	3,480.148
	Foreign Loans-Govt of AJK	802.583	844.759	995.586
	PNRA	9.393	9.456	11.006
	Total (PSEs & Others)	<b>60,590.149</b>	<b>79,338.877</b>	<b>91,393.348</b>
	Estimated Shortfall	-	-	-
	<b>Net Total (PSEs &amp; Others)</b>	<b>60,590.149</b>	<b>79,338.877</b>	<b>91,393.348</b>
	<b>Total Provinces</b>	<b>51,946.528</b>	<b>55,076.444</b>	<b>61,596.149</b>
	<b>Grand Total - Recovery of Loans</b>	<b>112,536.677</b>	<b>134,415.321</b>	<b>152,989.497</b>

#### 6.4 PUBLIC DEBT

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

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

##### 6.4.2 DOMESTIC DEBT (PERMANENT)

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

#### **6.4.2.1 Pakistan Investment Bonds:**

6.4.2.1.1 This security having maturity period of 2, 3, 5, 7, 10, 15, 20 and 30 years is in operation since 2000. Against the budgeted receipt of Rs.115,000.000 million for the year 2017-18, the revised estimates for the year 2017-2018 have been worked out at Rs. -3,577.170 million whereas the budget estimates for the year 2018-2019 are estimated at Rs. 100,000.000 million.

#### **6.4.2.2 Government Ijara Sukuk Bonds:**

6.4.2.2.1 The Government of Pakistan Ijara Sukuk Bonds are issued through Pakistan Domestic Sukuk Company Limited. The Sukuk are not redeemable before maturity. The profit on the Sukuk is payable bi-annually on rental rate to be announced by State Bank of Pakistan. Against the budget estimates of Rs.60,000.000 for the year 2017-18, the revised estimates have been projected at Rs. 60,000.000 million. The budget estimates for the year 2018-19 are estimated at Rs. 10,620.400 million.

#### **6.4.2.3 National Prize Bonds:**

6.4.2.3.1 These are of bearer type non-terminable securities freely en-cashable and transferable by delivery. These are issued in denomination of Rs.100/-, Rs.200/-, Rs.750/-, Rs.1500/-, Rs.7500/-, Rs.15000/-, Rs.25,000/- and Rs.40,000/-. Against the budgeted receipt of Rs.85,000.000 million for the year 2017-2018, the revised estimates for the year 2017-18 are kept at Rs. 80,980.670 million. Budget estimates for the year 2018-19 are estimated at Rs.92,537.690 million.

#### **6.4.2.4 Premium Prize Bonds (Registered):**

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

6.4.2.4 The net receipts from domestic debt (permanent) during the year 2017-2018 (budget & revised) and 2018-2019 (budget) are estimated as under:-

**Table 43  
Public Debt**

Object Code	Description	(Rs. in Million)		
		2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>E031</b>	<b>Domestic Debt (Permanent)</b>	<b>270,000.000</b>	<b>140,152.120</b>	<b>206,158.090</b>
	Pakistan Investment Bonds (Non-Bank)	115,000.000	(3,577.170)	100,000.000
	Government Ijara Sukuk Bonds	60,000.000	60,000.000	10,620.400
	National Prize Bonds	85,000.000	80,980.670	92,537.690
	Premium Prize Bonds (Registered)	10,000.000	2,748.620	3,000.000

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

It includes the following securities:

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

Budget estimates in case of repayment of Foreign Exchange Bearer Certificates for financial year 2017-18 were estimated at Rs.5.000 million. Revised estimates for the year 2017-18 are projected at Rs.0.500 million whereas budget estimates for financial year 2018-2019 have been kept at Rs. 5.000 million.

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

Repayment on account of Foreign Currency Bearer Certificates in the budget estimates for the year 2017-2018 was estimated at Rs.5.000 million. Revised estimates for the year 2017-2018 and budget estimates on account of repayment have been kept at Rs.1.000 million and Rs.5.000 million respectively. These certificates are in US\$ and Pound Sterling. Profit is payable half yearly at floating rates which is not liable to income tax. Investment in these certificates is exempt from Wealth Tax and compulsory deduction of Zakat.

##### **6.4.3.3 US Dollar Bearer Certificates (DBC):**

This security was introduced in 1991 and discontinued on 17th November, 1994. Against the repayment of Rs.3.000 million in the budget estimate 2017-2018, revised estimates



2017-2018 and budget estimates for the year 2018-2019 have been kept at Rs. 0.100 million and Rs.3.000 million respectively.

#### 6.4.3.4 Special US Dollar Bonds:

These bonds were issued under Special US Dollar Bonds Rules, 1998 to the Foreign Currency Accounts holders or Foreign Currency Certificates holders with scheduled banks or non-bank financial institutions out of their foreign currency deposits. Against the repayment of Rs.50.000 million provided in budget estimates 2017-2018, the repayment on account of these bonds in revised estimates 2017-2018 has been estimated at Rs.40.000 million. Budget estimates for the year 2018-2019 are estimated at Rs.50.000 million.

6.4.3.5 The estimates of foreign currency debt (permanent) are tabulated below:-

**Table 44**  
**Public Debt (Foreign Currency Permanent)**

Object Head	Description	(Rs. in Million)		
		2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>E031</b>	<b>Foreign Currency Debt (Permanent)</b>	<b>(63.000)</b>	<b>(41.600)</b>	<b>(63.000)</b>
	Foreign Exchange Bearer Certificates (FEBCs)	(5.000)	(0.500)	(5.000)
	Foreign Currency Bearer Certificates (FCBCs)	(5.000)	(1.000)	(5.000)
	US Dollar Bearer Certificates (DBC)	(3.000)	(0.100)	(3.000)
	Special US Dollar Bonds	(50.000)	(40.000)	(50.000)

#### 6.4.4 Floating Debt

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

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

These reflect non-bank borrowing of the Federal Government.

#### 6.4.4.2 Government Bai-Muajjal Ijara Sukuk :

Government Bai-Maujjal Sukuk are issued through auction for a maturity period of one year from date of issue. Bai-Maujjal Ijara Sukuk shall be repaid only on maturity. The profit earned on Bai-Maujjal Ijara Sukuk shall be liable to income tax. Withholding tax shall be deducted at source at the applicable rate.

6.4.4.3 The estimates of receipts from floating debt during the year 2016-2017 (revised) and 2017-2018 (budget) are as under:-

**Table 45**  
**Floating Debt**

Object Head	Description	(Rs. in Million)		
		2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>E032</b>	<b>Floating Debt</b>			
	A. Market Treasury Bills through Auction (Non-Bank)			
	Receipts	634,470.500	1,466,189.978	1,187,053.970
	Repayments	589,470.500	1,062,892.978	987,053.970
	Net	<b>45,000.000</b>	<b>403,297.000</b>	<b>200,000.000</b>
	B. Govt Bai-Muajjal Ijara Sukuk	-	-	-
	<b>Net Total Floating Debt (A+B)</b>	<b>45,000.000</b>	<b>403,297.000</b>	<b>200,000.000</b>

## **Chapter 7: PUBLIC ACCOUNT RECEIPTS**

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

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

### **7.3 DEFERRED LIABILITIES**

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

#### **7.3.1 Defence Savings Certificates**

7.3.1.1 This is a ten years scheme. However, the investment can be encashed at any time. The rate of return on Defence Savings Certificates has been linked with the yield of Pakistan Investment Bonds of ten years maturity. The existing rate on this scheme is 7.54% p.a. on maturity. Withholding tax is deducted from the profit payment. Apart from individuals, institutions may invest their individuals' funds such as pension, gratuity, superannuation, contributory provident funds and trusts etc. in this scheme.

#### **7.3.2 Special Savings Certificates/Accounts**

7.3.2.1 Special Savings Certificates (Registered/Accounts) is a three years scheme with profit payable on six monthly basis. The rate of return on Special Savings Certificates/Accounts has been linked with the yield of Pakistan Investment Bonds of three years maturity. The existing rate of profit in this scheme is 6.00% per annum for first to fifth profits and 6.20% for the last sixth profit. Withholding tax is deducted from the profit payment. Apart from individuals, institutions may invest their individuals' funds

such as pension, gratuity, superannuation, contributory provident funds and trusts etc. in this scheme.

### **7.3.3 Regular Income Certificates**

7.3.3.1 This scheme was introduced on 2-2-1993 to ensure payment of income on monthly basis. The rate of return on Regular Savings Certificates has been linked with the yield of Pakistan Investment Bonds of five years maturity. The existing profit on this scheme is 6.54% per annum. The profit in the scheme is subject to withholding tax and the investment is exempt from compulsory deduction of Zakat at source. Apart from individuals, institutions may invest their individuals' funds such as pension, gratuity, superannuation, contributory provident funds and trusts etc. in this scheme. Premature encashments on these certificates carry service charges as under:-

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

### **7.3.4 Mahana Amdani Account**

7.3.4.1 It is a five years scheme in which only individuals can invest from Rs.500/- to Rs.5000/- each month consecutively for five years and thereafter, the return was paid on monthly basis equal to the amount of monthly deposit till the withdrawal of accumulated principal amount. However, the account holders who opened accounts on or after 1.7.2000 and 1.7.2002 were required to deposit monthly installment for six years and seven years respectively to get monthly profit equal to the amount of monthly deposit so long as the account is not closed. The return upto Rs.1000/- is tax free. Zakat is deducted on principal value at the time of payment of return if declaration in this regard is not filed. However, Mahana Amdani Account Scheme has been discontinued after 17<sup>th</sup> May, 2003.

### **7.3.5 Savings Accounts**

7.3.5.1 This is the oldest savings scheme in operation which provides profit on non-chequing accounts. Zakat is deducted @ 2.50% on credit balance on valuation date each year if declaration in this regard is not filed. The existing profit on savings account is 3.95% p.a. Withholding tax is deducted from the profit payment. Apart from individuals, institutions may invest their individuals' funds such as pension, gratuity, superannuation, contributory provident funds and trusts etc. in this scheme.

### **7.3.6 Pensioners' Benefit Accounts**

7.3.6.1 This scheme has been launched with effect from 20-1-2003 to provide incentives to the retired officials of the Federal Government, Provincial Governments, Azad Government of the State of Jammu and Kashmir, Armed Forces, Semi Governments and autonomous bodies and in case of death the pensioner's eligible member of the family. Only one account can be opened in the National Savings Centre with a minimum deposit of rupees ten thousand and in multiple of one thousand with the facility of seven subsequent deposits subject to the maximum limit of five million rupees. It is a ten years scheme and profit is payable on completion of each period of one month reckoned from the date of opening of an account till maturity or encashment whichever is earlier. The existing rate of profit on this scheme is 9.36% p.a. Premature encashment before completion of one, two, three and four years carries service charges at the rate of 1.00%, 0.75%, 0.50% and 0.25% of principal amount respectively. Profit accrued from this scheme is exempt from compulsory deduction of withholding tax and Zakat. The scheme has been made more attractive as any upward revision in rate of profit notified after 9.3.2009 shall also be applicable to existing accounts holders whereas downward revision shall apply to fresh investment only.

### **7.3.7 Bahbood Savings Certificates**

7.3.7.1 Initially this scheme was introduced exclusively for widows to cater for their needs with monthly profit payment facility. The scheme was further extended to the aged persons 60 years or above. The existing rate of profit on this scheme is 9.36% per annum. The maximum investment limit in this scheme is five million rupees and ten

million rupees for joint holders. It is only a compensatory package to enable widows and senior citizens to supplement their income to lead a respectable life. Service charges at the rate of 1.00%, 0.75%, 0.50% and 0.25% of the face value are deducted if certificates are encashed before completion of one, two, three and four years respectively. Profit accrued from this scheme is exempt from compulsory deduction of withholding tax and Zakat. The scheme has been made more attractive as any upward revision in rate of profit notified after 9.3.2009 shall also be applicable to existing certificate holders whereas downward revision shall apply to fresh investment only.

7.3.8 The estimates of receipts are tabulated as under:

**Table 46**  
**Deferred Liabilities**

		(Rs. in Million)		
Object Head	Description	2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>G03</b>	<b>Deferred Liabilities</b>	<b>166,003.000</b>	<b>72,921.130</b>	<b>130,697.470</b>
	<b>Provident Fund</b>	<b>6,500.000</b>	<b>1,816.000</b>	<b>2,000.000</b>
	<b>Savings/Deposit Accounts/Certificates</b>	<b>156,003.000</b>	<b>68,105.130</b>	<b>125,697.470</b>
	Savings Bank Accounts	2,700.000	2,580.890	3,548.730
	Khas Deposit Accounts	-	(5.000)	(5.000)
	Mahana Amdani Accounts	(90.000)	(70.000)	(70.000)
	Pensioners' Benefit Accounts	25,300.000	19,192.780	23,838.930
	Defence Savings Certificates	27,100.000	10,000.000	10,000.000
	Bahbood Savings Certificates	70,200.000	41,840.840	46,403.330
	National Deposit Certificates	(1.000)	(0.800)	(1.000)
	Khas Deposit Certificates	(6.000)	(0.700)	(0.700)
	Special Savings Certificates (Registered)	16,543.200	(38,813.110)	3,718.725
	Special Savings Accounts (Term Deposit)	17,356.800	22,947.950	11,691.195
	National Saving Bonds	-		
	Regular Income Certificates	(22,100.000)	4,432.280	7,573.260
	Short Term Saving Certificates	2,000.000	1,000.000	2,000.000
	New Savings Schemes	17,000.000	5,000.000	17,000.000
	Postal Life Insurance Fund	<b>3,500.000</b>	<b>3,000.000</b>	<b>3,000.000</b>

## 7.4 DEPOSITS AND RESERVES

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

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

7.4.3 The reserve funds and deposit accounts in respect of which provision for contributions have been made in the revised estimates for 2017-18 and budget estimates for 2017-18 are tabulated on the following pages.

**Table 47**  
**Deposits and Reserve Fund**

Object Code	Description	(Rs. in Million)		
		2017-18 Budget	2017-18 Revised	2018-19 Budget
	<b>Benevolent Funds</b>	<b>2,814.868</b>	<b>3,261.220</b>	<b>3,424.281</b>
G06202	Civil	1,110.774	1,294.520	1,359.246
G06203	Defence	1,529.416	1,774.200	1,862.910
G06205	Pakistan Post Office Department	151.830	164.440	172.662
G06206	Pak PWD	2.646	5.680	5.964
G06209	National Saving	12.082	13.620	14.301
G06210	Pakistan Mint	3.528	3.840	4.032

<b>Object Code</b>	<b>Description</b>	<b>2017-18 Budget</b>	<b>2017-18 Revised</b>	<b>2018-19 Budget</b>
G06211	Forest Department	0.084	0.480	0.504
G06212	Geological Survey of Pakistan	4.508	4.280	4.494
G06414	Provincial Govt Employees B.F	-	0.160	0.168
	<b>Group Insurance Funds</b>	<b>568.526</b>	<b>652.360</b>	<b>684.978</b>
G06401	PAK PWD	1.064	2.940	3.087
G06402	Foreign Office	0.098	0.060	0.063
G06403	Food Department	0.014	-	-
G06404	National Saving	3.584	3.500	3.675
G06405	Pakistan Mint	0.168	0.140	0.147
G06406	Forest Department	0.140	0.120	0.126
G06407	Geological Survey of Pakistan	1.750	1.640	1.722
G06408	Provincial Govt Employees B.F	-	0.380	0.399
G06409	Civil	374.332	375.560	394.338
G06410	Defence	187.376	258.460	271.383
G07104	PROD Group Insurance	-	9.560	10.038
	<b>Others</b>	<b>381,821.128</b>	<b>362,257.54</b>	<b>387,118.789</b>
G06304	Workers Welfare Fund	14,824.586	10,019.360	10,520.328
G07101	Post Office Renewal Reserve Fund	-	42.920	45.066
G07102	Post Office Welfare Fund	0.182	28.420	29.841
G07106	PPO Miscellaneous	123,361.070	147,369.220	154,737.681
G08117	Railways Reserve Fund	40,000.000	38,500.000	35,000.000
	Railways Dep. Reserve Fund	23,634.932	8,507.560	17,604.688
G10101	Pak PWD Receipts & Collection Account	342.384	231.940	243.537
G10102	Foreign Office Receipts & Collection Account	7,504.994	4,268.640	4,482.072
G10104	Mint Receipt and Collection Ac	-	28.480	29.904
G10106	Deposit Works of Survey of Pakistan	15.400	52.880	55.524
G10113	Pak PWD Deposits	12,028.800	9,604.580	10,084.809
G10304	Zakat Collection Account	1,342.684	1,464.500	1,537.725
G11215	Revenue Deposits	22,056.692	6,674.400	7,008.120
G11216	Civil & Criminal court Deposits	-	16.620	17.451
G11217	Personal Deposits	-	28,299.160	29,714.118
G11218	Forest Deposits	0.252	23.260	24.423
G11220	Deposit in connection with Election	0.672	2.280	2.394
G11224	Deposits Accounts with Defence	2,277.562	2,157.900	2,265.795
G11225	Deposits Accounts with AGPR	311.892	-	-
G11237	Unclaimed Deposits	-	-	-
G11230	Special Remittances Deposits	1,206.828	2,493.160	2,617.818



<b>Object Code</b>	<b>Description</b>	<b>2017-18 Budget</b>	<b>2017-18 Revised</b>	<b>2018-19 Budget</b>
G11237	Deposit local bodies to meet Claims of contractors	0.770	0.760	0.798
G11238	Security deposit of supply cell	1.680	-	-
G11240	Security Deposits of Cashiers	181.062	56.340	59.157
G11255	Defence Services Security Deposits.	4,129.986	839.780	881.769
G11256	Defence Service Misc. Deposits.	106,786.288	91,458.460	96,031.383
G11276	Security deposit of Private Co.	7.350	8.200	8.610
G11278	Contribution to Govt servants Housing Foundation from its members	-	0.940	0.987
G11280	Withholding Tax on Profit from investment in NSC	-	5,489.660	5,764.143
G11281	Deposits on account of fee realized by PNAC	24.066	51.620	54.201
G11290	Security deposit of Firms/Contractors	392.868	80.940	84.987
G12130	President's Relief Fund for Earthquake Victims 2005	0.042	2.800	2.940
G12135	PM's Special Fund for victims of Terrorism	0.098	0.020	0.021
G12140	PM Flood relief Fund 2010	0.210	0.280	0.294
G12145	PM Flood relief Fund 2011	0.028	-	-
G12149	PM Relief Fund for Thar 2014	0.014	-	-
G12150	PM Relief Fund for IDPs 2014	3,969.672	1,919.980	2,015.979
G12152	Balochistan Flood Relief	3.766	-	-
G12153	Quake affectees of Nepal 2015	0.056	-	-
G12205	Pakistan Minorities Welfare Fund	-	0.620	0.651
G12206	Special Fund for Welfare & Uplift of Minorities	85.680	59.720	62.706
G12226	Federal Government Artists Welfare Fund	-	13.600	14.280
G12305	Export Development Fund	1,400.000	-	-
G12308	Reserve Fund for Exchange Risk on Foreign Loans	13,069.112	837.280	879.144
G12412	Pakistan Oil Seed Development Fund	140.000	138.120	145.026

<b>Object Code</b>	<b>Description</b>	<b>2017-18 Budget</b>	<b>2017-18 Revised</b>	<b>2018-19 Budget</b>
G12419	Research & Dev Fund	-	34.320	36.036
G12504	Workers Children Education Fund	0.392	0.400	0.420
G12510	Education Welfare Fund	0.238	0.160	0.168
G12612	Fund for Urdu Science Board	-	2.980	3.129
G12712	Trust Interest Fund (Charitable Endowment)	-	2.720	-
G12713	Income Tax deduction from Salaries	-	28.560	29.988
G12714	Income Tax deduction from Contractors/Suppliers	-	38.000	39.900
G12738	National Fund for Control of Drug Abuse	69.496	10.240	10.752
G12741	Federal Civil Servant's subscription to Services Book Club	9.324	0.440	0.462
G12777	Sales Tax deduction special procedure, 2007	140.000	2.460	2.583
G12783	Universal Service Fund	-	635.220	666.981
G13140	GSP Receipt and Collection Account	-	16.880	2,500.000
G14100	Pakistan Mint	2,500.000	740.760	1,800.000
<b>TOTAL</b>		<b>385,204.522</b>	<b>366,171.120</b>	<b>391,228.048</b>

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

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

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

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

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

#### **7.4.4.3 Railways Reserve Fund**

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

#### **7.4.4.4 Workers Welfare Fund**

7.4.4.4.1 This Fund was created for provision of housing facilities and other amenities to industrial workers. Initial contribution of Rs.100 million was made by the federal government. Further contributions to the Fund are being made in the form of Workers Welfare Tax @ 2% per annum of the total assessable income of industrial units whose income is not less than Rs.100,000 and the amount transferred to the Fund from time to time, under clause (d) of Section 4 of the scheme set out in the schedule to the "Companies' Profit (Workers' Participation ) Act, 1968 (XII of 1968). All proceeds of the fund will initially be credited into the WWF Trust Fund and money from the fund for incurring expenditure on the defined/prescribed purposes will be withdrawn by submitting a proper sanction of competent authority to AGPR. However, the profit earned either from investment of Bank accounts and income from properties and assets

will be credited direct in the WWF bank Account and the entire amount shall be treated as part of the "Workers Welfare Fund" and it shall be subject to audit.

**7.4.4.5 Fund for Exchange Risk on Foreign Loans**

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

**Chapter 8: EXTERNAL RESOURCES**

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

**8.2 Project Loans and Grants**

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

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

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

**8.2.3 Project Loans and Grants for Other than PSDP Projects**

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

**8.3 Programme Loans**

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

**8.4 Other Loans**

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

8.5 The estimates of external resources for the year 2017-18 (budget and revised) and 2017-18 (budget) are tabulated on the following page.

**Table 48**  
**External Resources**

Description	(Rs. in Million)		
	2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>(1) PSDP Projects (A+B)</b>	<b>356,634.547</b>	<b>333,977.877</b>	<b>319,522.264</b>
<b>A. Project Loans</b>	<b>329,824.103</b>	<b>312,879.586</b>	<b>290,070.648</b>
Federal Projects	13,553.604	16,639.724	22,575.738
Autonomous Bodies	138,430.000	163,125.923	130,059.675
Provinces	177,840.499	133,113.939	137,435.235
<b>B. Project Grants</b>	<b>26,810.444</b>	<b>21,098.291</b>	<b>29,451.616</b>
Federal Projects	6,183.550	3,685.222	6,439.391
Autonomous Bodies	3,467.393	4,002.893	1,228.460
Provinces	17,159.501	13,410.176	21,783.765
<b>(2) Non-PSDP Projects (A+B)</b>	<b>11,093.350</b>	<b>26,931.655</b>	<b>8,604.700</b>
<b>A. Project Loans</b>	<b>10,822.420</b>	<b>22,029.745</b>	<b>8,023.700</b>
Federal Projects	10,822.420	20,965.277	8,023.700
Autonomous Bodies	-	362.068	-
Provinces	-	702.400	-
<b>B. Project Grants</b>	<b>270.930</b>	<b>4,901.910</b>	<b>581.000</b>
Federal Projects	270.930	638.921	581.000
Autonomous Bodies	-	1,997.750	-
Provinces	-	2,265.239	-
<b>(3) Programme Loans</b>	<b>95,570.800</b>	<b>48,107.309</b>	<b>87,896.869</b>
<b>(4) Other Loans</b>	<b>374,525.000</b>	<b>820,737.618</b>	<b>702,000.000</b>
<b>Total External Resources (1+2+3+4)</b>	<b>837,823.697</b>	<b>1,229,754.459</b>	<b>1,118,023.833</b>

## Chapter 9: PRIVATIZATION PROCEEDS

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

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

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

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

9.4 The estimates of privatization proceeds are given below:

**Table 50**  
**Privatization Proceeds**

<b>Description</b>	<b>(Rs. in Million)</b>		
	<b>2017-18 Budget</b>	<b>2017-18 Revised</b>	<b>2018-19 Budget</b>
Privatization Proceeds	50,000.0	-	-

## Chapter 10: DEVELOPMENT ASSISTANCE TO PROVINCES

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

### 10.1.1 Self Financing

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

### 10.1.2 Federal Assistance

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

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

**Table 51**  
**Self-Financing of ADPs by Provinces**

Description	(Rs. in Million)		
	2017-18 Budget	2017-18 Revised	2018-19 Budget
Self-Financing of PSDP by Provinces	907,918.1	755,822.874	814,819.078
Foreign Assistance	204,081.9	174,117.126	198,180.922
<b>Total Provincial PSDP</b>	<b>1,112,000.0</b>	<b>930,000</b>	<b>1,013,000.000</b>

**Table 52**  
**Financing of ADP of Balochistan**

Description	(Rs. in Million)		
	2017-18 Budget	2017-18 Revised	2018-19 Budget
<b>Development Programme</b>	<b>106,752.000</b>	<b>89,280.000</b>	<b>97,248.000</b>
Less Provincial Contribution	100,741.000	83,692.150	88,017.600
<b>Federal Assistance</b>	<b>6,011.000</b>	<b>5,587.850</b>	<b>9,230.400</b>
<b>I. Cash Assistance</b>	-	-	
Japanese Grant	-	-	
Programme Loan	-	-	
<b>II. Foreign Project Assistance</b>	<b>6,011.000</b>	<b>5,587.850</b>	<b>9,230.400</b>
Loan	2,627.000	1,392.250	4,079.000
Grant	3,384.000	4,195.600	5,151.400



**Table 53**  
**Financing of ADP - Khyber Pakhtunkhwa**

<b>Description</b>	<b>(Rs. in Million)</b>		
	<b>2017-18 Budget</b>	<b>2017-18 Revised</b>	<b>2018-19 Budget</b>
<b><u>Development Programme</u></b>	<b><u>193,932.791</u></b>	<b><u>162,192.000</u></b>	<b><u>176,667.200</u></b>
Less Provincial Contribution	164,780.793	131,052.603	124,384.300
Federal Assistance	<b>29,151.998</b>	<b>31,139.397</b>	<b>52,282.900</b>
<b>I. Cash Assistance</b>	<b>5.607</b>	<b>6,497.652</b>	<b>12,703.140</b>
Japanese Grant	5.607	1,122.000	4,485.000
Programme Loan	-	5,375.652	8,218.140
<b>II. Foreign Project Assistance</b>	<b>29,146.391</b>	<b>24,641.745</b>	<b>39,579.760</b>
Loans	20,797.560	17,765.062	30,457.095
Grants	8,348.831	6,876.683	9,122.665

**Table 54**  
**Financing of ADP - Punjab**

<b>Description</b>	<b>(Rs. in Million)</b>		
	<b>2017-18 Budget</b>	<b>2017-18 Revised</b>	<b>2018-19 Budget</b>
<b><u>Development Programme</u></b>	<b><u>574,014.400</u></b>	<b><u>480,066.000</u></b>	<b><u>522,910.600</u></b>
Less Provincial Contribution	448,410.191	369,814.908	434,573.760
Federal Assistance	<b>125,604.209</b>	<b>110,251.092</b>	88,336.840
<b>I. Cash Assistance</b>	<b>8,503.300</b>	<b>20,875.859</b>	24,809.329
Japanese Grant	-	-	-
Programme Loan	8,503.300	20,875.859	24,809.329
<b>II. Foreign Project Assistance</b>	<b>117,100.909</b>	<b>89,375.233</b>	63,527.511
Loans	117,100.909	89,350.215	62,993.131
Grants	-	25.018	534.380

**Table 55**  
**Financing of ADP - Sindh**

<b>Description</b>	<b>(Rs. in Million)</b>		
	<b>2017-18 Budget</b>	<b>2017-18 Revised</b>	<b>2018-19 Budget</b>
<b><u>Development Programme</u></b>	<b><u>237,300.800</u></b>	<b><u>198,462.000</u></b>	<b><u>216,174.200</u></b>
Less Provincial Contribution	193,986.147	171,323.213	167,843.418
Federal Assistance	<b>43,314.653</b>	<b>27,138.787</b>	<b>48,330.782</b>
<b>I. Cash Assistance</b>	<b>572.953</b>	<b>219.500</b>	<b>1,449.453</b>
Japanese Grant	45.453	-	45.453
Programme Loan	527.500	219.500	1,404.000
<b>II. Foreign Project Assistance</b>	<b>42,741.700</b>	<b>26,919.287</b>	<b>46,881.329</b>
Loans	37,315.030	24,606.412	39,906.009
Grants	5,426.670	2,312.875	6,975.320

**Table 56**  
**Development Assistance to Provincial Governments**  
**A Consolidated View**  
**2017-18 (Budget)**

Description	Balochistan	KPK	Punjab	Sindh	(Rs. in Million)
					Total
<b>Development Programme</b>	<b>106,752.000</b>	<b>193,932.791</b>	<b>574,014.400</b>	<b>237,300.800</b>	<b>1,112,000.0</b>
Less Prov Contribution	100,741.000	164,780.793	448,410.191	193,986.147	907,918.1
Federal Assistance	<b>6,011.000</b>	<b>29,151.998</b>	<b>125,604.209</b>	<b>43,314.653</b>	<b>204,081.9</b>
<b>I. Cash Assistance</b>	<b>0.000</b>	<b>5.607</b>	<b>8,503.300</b>	<b>572.953</b>	<b>9,081.9</b>
Japanese Grant	0.000	5.607	0.000	45.453	51.1
Programme Loan	0.000	0.000	8,503.300	527.500	9,030.8
<b>II. Foreign Project Assistance</b>	<b>6,011.000</b>	<b>29,146.391</b>	<b>117,100.909</b>	<b>42,741.700</b>	<b>195,000.0</b>
Loans	2,627.000	20,797.560	117,100.909	37,315.030	175,840.5
Grants	3,384.000	8,348.831	0.0	5,426.670	17,159.5

**Table 57**  
**Development Assistance to Provincial Governments**  
**A Consolidated View**  
**2017-18 (Revised Budget)**

Description	(Rs. in Million)				
	Balochistan	KPK	Punjab	Sindh	Total
<b><u>Development Programme</u></b>	<b><u>89,280.000</u></b>	<b><u>162,192.000</u></b>	<b><u>480,066.000</u></b>	<b><u>198,462.000</u></b>	<b><u>930,000.000</u></b>
Less Prov Contribution	83,692.150	131,052.603	369,814.908	171,323.213	755,882.874
Federal Assistance	<b>5,587.850</b>	<b>31,139.397</b>	<b>110,251.092</b>	<b>27,138.787</b>	<b>174,117.126</b>
<b>I. Cash Assistance</b>	-	<b>6,497.652</b>	<b>20,875.859</b>	<b>219.500</b>	<b>27,593.011</b>
Japanese Grant	-	1,122.000	-	-	1,122.000
Programme Loan	-	5,375.652	20,875.859	219.500	26,471.011
<b>II. Foreign Project Assistance</b>	<b>5,587.850</b>	<b>24,641.745</b>	<b>89,375.233</b>	<b>26,919.287</b>	<b>146,524.115</b>
Loans	1,392.250	17,765.062	89,350.215	24,606.412	133,113.939
Grants	4,195.600	6,876.683	25.018	2,312.875	13,410.176

**Table 58**  
**Development Assistance to Provincial Governments**  
**A Consolidated View**  
**2018-19 (Budget)**

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

**Table 59**  
**DEVELOPMENT ASSISTANCE TO PROVINCIAL GOVERNMENTS**

Province	(Rs. in Million)		
	2017-18 Budget	2017-18 Revised	2018-19 Budget
Balochistan	6,011.000	5,587.850	9,230.400
Khyber Pakhtunkhwa	29,152.000	31,139.397	52,282.900
Punjab	125,604.200	110,251.092	88,336.840
Sindh	43,314.700	27,138.787	48,330.782
<b>Total</b>	<b>204,081.900</b>	<b>174,117.126</b>	<b>198,180.922</b>