# FINANCIAL STATEMENTS OF AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR

## FOR THE FINANCIAL YEAR

## 2023-2024

**ACCOUNTANT GENERAL AZAD JAMMU & KASHMIR**

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**PREFACE**

Financial Statements of Azad Government of the State of Jammu and Kashmir for the year ended 30th June, 2024 have been prepared by the Accountant General Azad Jammu and Kashmir under section 5 of the Controller General of Accounts (Appointment, Functions and Powers) Act, 2005 and are the responsibility of Controller General of Accounts (CGA).

In response to the changing nature of Stakeholders requirements for making informed decisions based on financial information and development in the Public Sector Accounting Standards, the role of CGA has transformed as now stakeholders expect high quality, reliable and relevant Financial Reports. The focus of the CGA is not limited to reporting historical results only, but is now constantly moving towards enhancing public value, by providing the legislature and executives, through the financial statements an insight of the Government's financial performance .

Auditor General prescribed New Accounting Model (NAM), which conforms to international best practices. It comprises of seven volumes and is based on Modified Cash Basis of Accounting in which, though cash basis of accounting is followed for recording Receipts and Expenditure the following additional concepts have also been introduced:-

- Commitment Accounting
- Physical and Financial Assets Accounting
- Liabilities Accounting

Commitment Accounting and Assets recording practices are not yet implemented. These Financial Statements have been prepared on cash basis of accounting and do not include accrued receipts and liabilities.

The current year's Financial Statements have been prepared under NAM and the format of International Public Sector Accounting Standards (IPSAS) Cash Basis –Financial Reporting under the Cash Basis of Accounting has been adopted for the preparation of these Financial Statements.

These Financial Statements focus on reporting the budgetary activity of the Government for the Financial Year 2023-2024 as laid down in the financial procedures of the Interim Constitution, 1974 which describes the Government funds as AJK Consolidated Fund and Public Account for which Annual Budget Statement is authorized by AJK Assembly in the form of Budgetary Grants.

Finally, it is important to emphasize the value of sustained and dedicated efforts towards excellence in Public Sector Financial Accounting and Reporting. Moving forward, management and staff of CGA are working hard to overcome the challenges and issues which can limit the quality, transparency and reliability of Financial Reports. Through excellent financial reporting, we are committed to support the decision making critical to the State's fiscal future

**Islamabad, Pakistan**
**Dated:**

Controller General of Accounts
18 DEC 2024

**Auditor-General of Azad Jammu and Kashmir**
**Audit House, Constitution Avenue**
**Islamabad, Pakistan**

# Auditor's Report

I have audited the accompanying Financial Statements of the Azad Government of the State of Jammu and Kashmir for the financial year ended June 30th, 2024 which comprise Statement of Cash Flows, Statement of Comparison of Budget and Actual Amounts by Functions, Statement of Comparison of Budget and Actual Expenditure by Departments for the year then ended and a summary of significant accounting policies and other explanatory notes to the Financial Statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and proper presentation of these Financial Statements in accordance with the applicable financial reporting framework.

***Auditor's Responsibility***

My responsibility is to express an opinion on these Financial Statements based on my audit in accordance with the requirements of Section 50-A of the Azad Jammu and Kashmir Interim Constitution, 1974 read with Section 8 of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Act, 2005.I conducted my audit in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) and other guidance issued by my department. The standards require that I perform procedures including risk assessment to obtain reasonable assurance whether the Financial Statements are free of material mis-statement. The audit process includes examining, on a test basis, evidence supporting the amount and disclosures in the Financial Statements. It also includes assessing the accounting policies issued, as well as evaluating the overall Financial Statements presentation. I believe that my audit provides a reasonable basis for my opinion.

***In my Opinion,***

(a) These Financial Statements present, in all material respects, the financial position of the Azad Government of State of Jammu and Kashmir as at June 30th, 2024 and results of its operations, its cash flows and its expenditure and receipts, by appropriation for the year ended in accordance with the stated accounting policies of the Azad Government of State of Jammu and Kashmir.

(b) The sums expended have been applied, in all material respects, for the purposes authorised by the Azad Jammu & Kashmir Legislative Assembly and have, in all material respects, been booked to the relevant grants and appropriations.

***Other Reports***

Reports covering significant aspects of the financial governance or economical and effective utilization of public resources are submitted separately to the President of Azad Government of the State of Jammu and Kashmir under Article 50-A of the Azad Jammu and Kashmir Interim Constitution, 1974.

**(Muhammad Ajmal Gondal)**
Auditor-General
Azad Jammu and Kashmir

Muzaffarabad
Date : 19 DEC 2024

# AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR
## Statement of Cash Receipts and Payments
## For The Year Ended 30th June, 2024

| | Note | 2024 Rupees in Million | | 2023 Rupees in Million | |
|---|---|---|---|---|---|
| **AJ & K CONSOLIDATED FUND** | | | | | |
| **RECEIPTS** | | Receipt / Payment controlled by the Government | Receipt / Payment by Third Parties | Receipt / Payment controlled by the Government | Receipt / Payment by Third Parties |
| ***Taxation*** | *8.2* | - | - | - | - |
| ***Taxation- AJ & K Government's own collection*** | *8.1 & 9* | 59,984 | - | 42,243 | - |
| ***Non-Tax Revenue and Other Receipts*** | | | | | |
| General Administration | *10* | 1,592 | - | 2,529 | - |
| Economic Services | *11* | 10,386 | - | 1,734 | - |
| Development Surcharge and Royalties | *12* | 713 | - | - | - |
| Others | *13* | 16,095 | - | 18,223 | - |
| | | 28,786 | - | 22,485 | - |
| Grant in Aid | *14* | 93,000 | - | 59,500 | - |
| ***Borrowings*** | | | | | |
| Foreign Debt | *15* | - | | - | - |
| Domestic Debt | *16* | 42,215 | - | 35,851 | - |
| | | 42,215 | - | 35,851 | - |
| ***Capital Receipts*** | | | | | |
| Recovery of Loans and Advances | *17* | 934 | - | 851 | - |
| | | 934 | - | 851 | - |
| **TOTAL RECEIPTS** | | 224,919 | - | 160,930 | - |

# Statements of Cash Receipts and Payments
## For The Year Ended 30th June, 2024

| | Note | 2024 Rupees in Million | | 2023 Rupees in Million | |
|---|---|---|---|---|---|
| | | Receipt / Payment controlled by the Government | Receipt / Payment by Third Parties | Receipt / Payment controlled by the Government | Receipt / Payment by Third Parties |
| **PAYMENTS** | | | | | |
| ***Operations*** | | | | | |
| Salaries and Employee Benefits | *18* | 120,469 | - | 98,662 | - |
| Operating Expenses | *19.1* | 31,863 | - | 22,270 | - |
| Repair & Maintenance | *19.2* | 2,341 | | 1,394 | |
| | | 154,673 | - | 122,326 | - |
| | | | - | | |
| ***Expenditure on*** | | | | | |
| Physical Assets | *20* | 10,274 | - | 2,433 | - |
| Civil Works | *21* | 25,740 | - | 20,928 | - |
| | | 36,014 | - | 23,360 | - |
| ***Debt and Interest Payments*** | | | | | |
| Principal Repayment of Debt | *22* | 7,086 | - | 6,505 | - |
| Debt Services Re-Payment | *22.1* | 9,293 | | 8,399 | |
| Loans to others | *22.2* | 1,986 | - | 955 | - |
| | | 18,366 | | 15,858 | |
| **TOTAL PAYMENTS** | | 209,052 | - | 161,545 | - |
| **NET PAYMENT OF A J&K GOVERNMENT CONSOLIDATED FUND** | | 15,867 | - | (615) | - |
| **NET RECEIPT OF PUBLIC ACCOUNT** | *23* | 688 | - | 489 | - |
| **INCREASE / (DECREASE) IN CASH** | | 16,555 | - | (126) | - |
| **CASH AT THE BEGINNING OF THE YEAR** | | 18,424 | - | 18,550 | - |
| **INCREASE / (DECREASE) IN CASH** | | 16,555 | - | (126) | - |
| **CASH AT THE END OF THE YEAR** | *24* | 34,980 | - | 18,424 | - |

*The annexed notes 1 to 28 form an integral part of these Financial Statements.*

Accountant General Azad Jammu and Kashmir

# AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR
## Statement of Cash Flows
## For The Year Ended 30th June, 2024

| | Note | 2024 Rupees in Million | 2023 Rupees in Million |
|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Taxation- | *8.2* | - | - |
| Taxation- AJ&K Government's own collection | *8.1 & 9* | 59,984 | 42,243 |
| Non-Tax Revenue and Other Receipts | *10,11, 12,13* | 28,786 | 22,485 |
| Grants in Aid - Receipts | *14* | 93,000 | 59,500 |
| Operations- Payments | | (154,673) | (122,326) |
| ***Cash from Operating Activities*** | | 27,097 | 1,902 |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Recovery of Loans and Advances | *17* | 934 | 851 |
| Expenditure on Physical Assets | *20* | (10,274) | (2,433) |
| Expenditure on Civil Works | *21* | (25,740) | (20,928) |
| ***Cash used in Investing Activities*** | | (35,080) | (22,510) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Receipt of Foreign Debt | *15* | - | - |
| Receipt of Domestic Debt | *16* | 42,215 | 35,851 |
| Principal Repayment of Debt | *22* | (18,366) | (15,858) |
| Net Receipt of Public Account | *23* | 688 | 489 |
| ***Cash from Financing Activities*** | | 24,538 | 20,482 |
| **INCREASE IN CASH AND CASH EQUIVALENTS** | | 16,555 | (126) |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR** | | 18,424 | 18,424 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR** | *24* | 34,980 | 18,424 |

*The annexed notes 1 to 28 form an integral part of these Financial Statements.*

Accountant General Azad Jammu and Kashmir

# AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR
## Statement of Comparison of Budget and Actual Amounts by Function
## For The Year Ended 30th June, 2024

| | 2024 (Rupees in Million ) | | | 2023 (Rupees in Million ) | | |
|---|---|---|---|---|---|---|
| | Budgeted Amounts | | *Actual* | Budgeted Amounts | | *Actual* |
| | Original | Revised | *Amounts* | Original | Revised | *Amounts* |
| **RECEIPTS** | | | | | | |
| ***Revenue*** | | | | | | |
| Taxation | 44,641 | 55,589 | 59,991 | 36,500 | 41,571 | 41,638 |
| Non-Taxation | 136,809 | 138,041 | 139,093 | 116,387 | 100,977 | 98,345 |
| **Total revenue receipts** | **181,450** | **193,630** | **199,084** | **152,887** | **142,548** | **139,983** |
| ***Capital*** | | | | | | |
| Domestic Debt | 28,000 | 25,835 | 25,835 | 28,000 | 20,947 | 20,947 |
| Foreign Debt | 2,000 | - | - | - | 500 | - |
| **Total capital receipts** | **30,000** | **25,835** | **25,835** | **28,000** | **21,447** | **20,947** |
| **TOTAL RECEIPTS** | **211,450** | **219,465** | **224,919** | **180,887** | **163,995** | **160,930** |
| **PAYMENTS** | | | | | | |
| ***Revenue*** | | | | | | |
| General Public Service | 63,313 | 68,690 | 67,853 | 50,054 | 53,916 | 55,865 |
| Defence | 499 | 513 | 513 | 389 | 411 | 428 |
| Public Order and Safety Affairs | 11,341 | 10,890 | 11,152 | 9,624 | 9,499 | 10,051 |
| Economic Affairs | 35,211 | 29,700 | 30,891 | 19,170 | 31,670 | 19,529 |
| Environment Protection | 21 | 21 | 22 | 16 | 16 | 16 |
| Housing and Community Amenities | 817 | 3,783 | 3,957 | 3,275 | 3,407 | 3,422 |
| Health Affairs and Services | 16,672 | 12,324 | 13,502 | 11,873 | 11,453 | 11,234 |
| Recreation, Culture and Religion | 829 | 829 | 764 | 590 | 625 | 604 |
| Education Affairs and Services | 40,133 | 40,000 | 39,904 | 32,300 | 34,408 | 33,744 |
| Social Protection | 36,211 | 14,924 | 14,753 | 22,909 | 5,596 | 5,723 |
| **Total Revenue Payments** | **205,047** | **181,674** | **183,312** | **150,200** | **151,000** | **140,617** |
| ***Capital*** | | | | | | |
| General Public Service | 3,350 | 683 | 683 | 780 | 770 | 769 |
| Economic Affairs | 7,575 | 2,493 | 2,478 | 4,350 | 3,384 | 3,378 |
| Environment Protection | 150 | 82 | 82 | 100 | 72 | 72 |
| Housing and Community Amenities | 21,590 | 19,072 | 18,995 | 18,193 | 13,238 | 13,224 |
| Goverance/Misc | 1,035 | 1,096 | 1,095 | 497 | 319 | 319 |
| Health Affairs and Services | 3,000 | 716 | 715 | 1,800 | 1,638 | 1,634 |
| Recreation, Culture and Religion | 700 | 105 | 105 | 410 | 516 | 516 |
| Education Affairs and Services | 4,300 | 1,457 | 1,457 | 2,170 | 907 | 909 |
| Social Protection | 300 | 131 | 130 | 200 | 108 | 108 |
| **Total Capital Payments** | **42,000** | **25,835** | **25,740** | **28,500** | **20,952** | **20,928** |
| **TOTAL PAYMENTS** | **247,047** | **207,509** | **209,052** | **178,700** | **171,952** | **161,545** |

*The annexed notes 1 to 28 form an integral part of these Financial Statements.*

Accountant General Azad Jammu and Kashmir

# AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR
## Statement of Comparison of Budget and Actual Expenditure by Department
## For The Year Ended 30th June, 2024

| DEPARTMENT | 2024 Rupees in Million | | | 2023 Rupees in Million | | |
|---|---|---|---|---|---|---|
| | Budgeted Amounts | | Actual Amounts | Budgeted Amounts | | Actual Amounts |
| | Original | Revised | | Original | Revised | |
| Agriculture, Livestock & Cooperation | 2,052 | 2,078 | 2,059 | 1,671 | 1,918 | 1,898 |
| Board of Revenue,Stamps | 1,767 | 1,837 | 1,789 | 1,267 | 1,558 | 1,552 |
| Education | 40,133 | 40,000 | 39,904 | 32,300 | 34,408 | 33,744 |
| Environment, Forestry, Wild life | 1,984 | 1,879 | 1,919 | 1,583 | 1,634 | 1,648 |
| Finance | 75,052 | 57,913 | 57,355 | 51,514 | 37,002 | 37,534 |
| Food | 14,906 | 13,491 | 13,466 | 4,011 | 16,454 | 4,249 |
| Health | 16,672 | 12,324 | 13,502 | 11,873 | 11,453 | 11,234 |
| Home and Tribal Affairs | 8,829 | 8,153 | 8,511 | 7,890 | 7,245 | 7,760 |
| Industries | 574 | 591 | 571 | 481 | 480 | 480 |
| Information | 379 | 378 | 315 | 232 | 234 | 233 |
| Law | 3,011 | 3,251 | 3,154 | 2,123 | 2,665 | 2,719 |
| Local Governance | 817 | 955 | 948 | 708 | 753 | 764 |
| Population, Planning and Welfare Department | 747 | 821 | 802 | 618 | 662 | 663 |
| Administration and Establishment | 4,966 | 4,661 | 4,311 | 3,415 | 3,507 | 5,152 |
| Works and Services | 5,416 | 4,861 | 5,736 | 4,579 | 4,765 | 4,819 |
| Zakat and Ushr | 266 | 255 | 254 | 219 | 231 | 218 |
| Sports, Culture, Archeology & Museum | 183 | 196 | 195 | 139 | 161 | 153 |
| Relief Rehabilitation and Settlement | 1,992 | 2,003 | 1,970 | 1,149 | 1,783 | 1,784 |
| Energy and Power | 10,300 | 9,647 | 10,171 | 9,429 | 9,088 | 9,110 |
| Ways and means | 15,000 | 16,380 | 16,380 | 15,000 | 15,000 | 14,904 |
| | 205,047 | 181,674 | 183,312 | 150,200 | 151,000 | 140,617 |
| ***Development Expenditure*** | 42,000 | 25,835 | 25,740 | 28,500 | 20,952 | 20,928 |
| **TOTAL** | 247,047 | 207,509 | 209,052 | 178,700 | 171,952 | 161,545 |

*The annexed notes 1 to 28 form an integral part of these Financial Statements.*

Accountant General Azad Jammu and Kashmir

# AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR
## Notes to the Financial Statement
## For The Year Ended 30th June, 2024

### 1 REPORTING ENTITY

Azad Government - Azad Jammu & Kashmir (the Government) conducts its operations under the Rules of Business 1985. These rules were made pursuant to Section 58 of the Interim Constitution Act 1974 of the Azad Jammu & Kashmir (the Constitution) and envisages Azad Government as comprising of departments and their attached departments. Financial procedures describes the Government Funds as Consolidated Fund and Public Account of the Azad Jammu & Kashmir for which Annual Budget Statement is authorized by the Azad jammu & Kashmir Assembly in the form of budgetary grants. These Financial Statements focus on reporting the budgetary activity of the Government for the financial year 2023-24.

Section 50-A of the Constitution confers the powers of defining the form, principles and methods of the accounts of the Azad Jammu & Kashmir to the Auditor General , with the approval of the President. New Accounting Model was prescribed by the Auditor General in 2001 which describes Government as an accounting and reporting entity comprising of;

a) Government Accounting Entities; for which the Accountant General Azad Jammu & Kashmir has the primary responsibility for accounting and reporting.

b) Self Accounting Entities; for which the Principal Accounting Officer has the primary responsibility for accounting and reporting. The Self Accounting Entities are as under:-

1. Public Works Department-Works and Services, Irrigation & Public Health Engineering
2. Forest/Wildlife Department
3. Electricity Department

### 2 BASIS OF CONSOLIDATION

The Financial Statements have been prepared by consolidating the accounts of all Government entities.

### 3 STATEMENT OF COMPLIANCE

These Financial Statements have been prepared in accordance with the New Accounting Model (NAM) which comprises of seven volumes. In 2001, Auditor General prescribed NAM. Implementation of NAM is an ongoing process. Commitment Accounting, asset and liability accounting practices have not yet been implemented.

### 4 ACCOUNTING CONVENTION AND BASIS OF CONSOLIDATION

These Financial Statements have been prepared under the Cash Basis of Accounting which recognizes transactions and events only when cash is received or paid by the entity. Assets and Liabilities in the disclosed notes based on a historical cost.

These Financial Statements have been prepared as per the requirements of NAM that supports best international practices. The statement of receipt and payments, statements of comparison of budget and actual amounts by function, statements of comparison of budget and actual expenditure by department and notes forming parts thereof have been prepared on the format of Cash Basis IPSAS - Financial Reporting under the Cash Basis of Accounting. The statement of cash flows, as required by IPSAS 2, has also been presented, as prescribed by Cash Basis IPSAS.

The Financial Statements for the financial year 2023-2024 have been prepared and presented in order to make a fair presentation of all the relevant financial information without making any change in the fundamentals applied and all policies have been applied on a basis consistent with the previous year.

### 5 REPORTING AND BUDGET PERIOD

The reporting and budget period of these Financial Statements is the financial year 2023-2024 ( from 1st July, 2023 to 30th June, 2024).

### 6 REPORTING CURRENCY

The reporting currency of these Financial Statements is Pak Rupee, which is also the Azad Jammu & Kashmir Government's functional and presentation currency.

## 7 SIGNIFICANT ACCOUNTING POLICIES

### 7.1. Revenue recognition

Revenue is recognized on the date of receipt of money by the bank or clearance of cheque. Revenue is recognized on a gross basis and any related costs are recorded separately. Receipts representing recovery of any previous overpayment are adjusted against relevant expenditure, if it occurs in the same financial year.

### 7.2. Recognition of expenditure

Expenditure is recognized on the date when payment is made or cheque is issued. Financial year to which the payments pertain is determined by the date on which a cheque or payment advice is issued. Policies for recognition of expenditure are as follows;

**a) Payments made through cheque**

Expenditure is recognized on the date the cheque is issued.

**b) Inter government transfers**

Expenditure is recognized on the date the transfer is made by the transferor.

**c) Payments directly in bank accounts**

In case of direct payments into bank account, expenditure is recognized on the date the payment advice is issued to the bank.

**d) Direct Payments by State Bank of Pakistan (SBP)**

In case of repayment of loans and other direct payments by the SBP, expenditure is recognized on the date State Bank of Pakistan advises the relevant accounting office.

**e) Imprest payments**

Expenditure is recognized when the required claim vouchers are submitted and imprest account is reimbursed.

### 7.3. Foreign currency

Transactions in foreign currencies are recorded in the books at the rates of exchange prevailing on the date of transaction. Exchange differences arising on settlement of these transactions are recognized in the statement of cash receipts and payments, but are not being disclosed separately.

### 7.4. Employee benefits

The government has following plans for its employees:

a) **General Provident Fund**
It is compulsory for employee to subscribe to the General Provident Fund from the date of appointment and monthly subscription is by way of deduction from monthly payroll at a uniform rate of subscription, as advised by the Government for a financial year as laid down in the Provident Fund Act and General Provident Fund Rules.GP Fund in AJ&K is non Interest bearing.

b) **Pension**
It is the entitlement of Government employees to a stream of payments after they retire from service. No liability for pension is recognized in the Financial Statements and pension payments made during the year are recorded as expenditure.

c) **Encashment of leave**
This represents liability arising from entitlements to the various forms of leave earned by Government employees. Provision is made and the expenditure is recognized on the basis of payments made during the year.

**7.5. Investments**

All investments made by the Government are initially measured at cost being the fair value of consideration given plus transaction costs that are directly attributable to their acquisition.

Subsequent to initial recognition, investments are carried forward at historical cost. Any dividends received against investments are recognized when received in the AJ & K Governmnet Consolidated Fund.

**7.6. Cash and cash equivalents**

For the purpose of Cash Flow Statement, cash and cash equivalents comprise cash with State Bank of Pakistan lying in the AJ&K Government Account.

**7.7. Liability**

Liabilities are future sacrifices of economic benefits that the government is presently obliged to make as a result of the past transaction. All liabilities are recorded at historical cash value.

**7.8. Public Debt**

Public Debt comprise cash inflows from banks, similar lending agencies, commercial institutions and amounts owing in respect of non-cash assistance provided by third parties and foreign borrowings. All debts raised are classified as either floating or permanent debts depending on the nature of the transaction.

**7.9. Assets**

Assets are future economic benefits controlled by the Government as a result of past transactions or other past events.

**7.10. Loan and advances**

Loans and Advances include loans and advances due from autonomous bodies, financial and non-financial institutions, to Government servants for house building, purchase of conveyances and other loans. Loans to Government servants are Non-interest bearing.

| Notes | | 2024 Rupees in Million | 2023 Rupees in Million |
|---|---|---|---|
| **8** | **TAXATION** | | |
| | ***Indirect Taxes*** | | |
| **8.1** | Sales tax | 7,280 | 7,010 |
| **8.2** | 80%Share from Azad Jmmu &Kashmir Council | - | - |
| | Federal excise | - | - |
| | | 7,280 | 7,010 |
| | | 7,280 | 7,010 |
| **9** | **TAXATION - A J & K GOVERNMENT'S OWN COLLECTION** | | |
| | ***Direct Taxes*** | | |
| | ***Incom Tax-Agriculture*** | | |
| | Income Tax | 46,623 | 30,776 |
| | Property Tax | 83 | 88 |
| | Land Revenue | 62 | 120 |
| | Tax on Profession, Trade and Callings | 9 | 31 |
| | Capital Value Tax on Immoveable Property | - | - |
| | | 46,776 | 31,016 |
| | | 46,776 | 31,016 |
| | ***Indirect Taxes*** | | |
| | Receipts Under Motor Vehicles Act | 104 | 190 |
| | Stamp Duties | 373 | 366 |
| | Provincial Excise | 1,261 | 517 |
| | Others Indirect Taxes | 4,190 | 3,144 |
| | | 5,928 | 4,217 |
| | | 5,928 | 4,217 |
| **10** | **GENERAL ADMINISTRATION RECEIPTS** | | |
| | **Fiscal Administration** | | |
| | Community Services | 577 | 452 |
| | Social Services | 392 | 482 |
| | Defence Services | 30 | 5 |
| | Economic Regulations | - | - |
| | Law and Order | 211 | 222 |
| | Organs of State | 382 | 1,368 |
| | | 1,592 | 2,529 |
| | | 1,592 | 2,529 |
| **11** | **ECONOMIC SERVICES RECEIPTS** | | |
| | Food and Agriculture | 421 | 360 |
| | Fisheries and Animal Husbandry | 118 | 104 |
| | Forest | 92 | 575 |
| | Others | 9,755 | 695 |
| | | 10,386 | 1,734 |
| | | 10,386 | 1,734 |

| Notes | | 2024 Rupees in Million | 2023 Rupees in Million |
|---|---|---|---|
| **12** | **DEVELOPMENT SURCHARGE AND ROYALTIES** | | |
| | Water Usage Charges Mangla | 713 | - |
| | | 713 | - |

**12.1** The water usage charges on Mangla Dam received from Government of Pakistan under the water usage Surcharge Ordinance. In pursuance of the siad ordinanace, the Federal Government has to fix the amount of water usage for financial year and payments are made in instalments to Azad Jammu & Kashmir Government through State Bank of Pakistan.

| | | | |
|---|---|---|---|
| **13** | **OTHER RECEIPTS** | | |
| | Unclaimed deposits | | |
| | Miscellaneous Receipts(Electricity) | 16,095 | 18,223 |
| | | 16,095 | 18,223 |
| **14** | **GRANTS in AID** | | |
| **14.1** | **Controlled by Govt:** | | |
| | Variable Grant in lieu of Federal Taxes share | 93,000 | 59,500 |
| | Non-Development Grants Fixed Grant in Aid | - | - |
| | | 93,000 | 59,500 |
| | | 93,000 | 59,500 |
| **14.2** | **Third Party Receipts** | | |
| | Development Grants | | |
| | | - | - |
| **15** | **FOREIGN DEBT - RECEIPTS** | | |
| **15.1** | **Controlled by Govt:** | | |
| | Federal Government/IDA | - | - |
| | | - | - |
| **15.2** | **Third Party Receipts** | | |
| | Foreign Lenders | - | - |
| | | - | - |
| **16** | **DOMESTIC DEBT - RECEIPTS** | | |
| | Permanent Debt Development Loan | 25,835 | 20,947 |
| | Permanent Debt Ways and Means Advance | 16,380 | 14,904 |
| | | 42,215 | 35,851 |
| | | 42,215 | 35,851 |

This represents borrowings from Federal Government. Repayment period and interest rate for these borrowings is determined in accordance with terms and conditions of each loan.

| | | | |
|---|---|---|---|
| **17** | **RECOVERY OF LOANS AND ADVANCES** | | |
| | Government Servants. House Building Advance | 934 | 851 |
| | | 934 | 851 |

| Notes | | 2024 Rupees in Million | 2023 Rupees in Million |
|---|---|---|---|
| **18** | **SALARIES AND EMPLOYEE BENEFITS** | | |
| | Pay of Officers | 15,827 | 15,620 |
| | Pay of Other Staff | 26,187 | 27,493 |
| | Allowances | 37,054 | 24,066 |
| | Retirement Benefits | 41,402 | 31,483 |
| | | 120,469 | 98,662 |
| | | 120,469 | 98,662 |
| **19** | **OPERATING EXPENSES** | | |
| **19.1** | **Controlled by Govt:** | | |
| | Communication | 69 | 82 |
| | Entertainments and Gifts | 18,282 | 9,519 |
| | General Operating Expenses | 13,513 | 12,669 |
| | | 31,863 | 22,270 |
| | | 31,863 | 22,270 |
| **19.2** | **Repair & Maintenance** | | |
| | Repair & Maintenance | 2,341 | 1,394 |
| | | 2,341 | 1,394 |
| **19.3** | **Third Party Payments** | | |
| | General Operating Expenses | - | - |
| | | - | - |
| **20** | **PHYSICAL ASSETS** | | |
| | Purchase of Other Assets | 10,274 | 2,433 |
| | | 10,274 | 2,433 |
| **21** | **CIVIL WORKS** | | |
| **21.1** | **Controlled by Govt:** | | |
| | Other Works Capital Expenditure | 25,740 | 20,928 |
| | | 25,740 | 20,928 |
| **21.2** | **Third Party Payments** | | |
| | Other Works | - | - |
| | | 25,740 | 20,928 |
| **22** | **REPAYMENT OF DEBT** | | |
| | **Principal Re-Payment** | | |
| | Domestic Debt | 2,541 | 2,419 |
| | Foreign Debt | 4,545 | 4,086 |
| | | 7,086 | 6,505 |
| | | 7,086 | 6,505 |
| **22.1** | **Debt Services Re-Payment** | | |
| | Domestic | 7,623 | 7,257 |
| | Foreign | 1,670 | 1,142 |
| | | 9,293 | 8,399 |
| | | 18,366 | 15,858 |
| **22.2** | **Loan & Advances** | | |
| | Other Loans | 1,986 | 955 |
| | | 1,986 | 955 |

| Notes | | 2024 Rupees in Million | 2023 Rupees in Million |
|---|---|---|---|
| **23** | **NET RECEIPT / (PAYMENT) OF PUBLIC ACCOUNT** | | |
| | ***Receipts*** | | |
| | Trust & other Public Accounts | **50,170** | **50,325** |
| | Special Deposits | **2,021** | **3,396** |
| | State Provident Fund | **3,089** | **2,794** |
| | | **55,280** | **56,515** |
| | ***Payments*** | | |
| | Trust & other Public Accounts | **49,768** | **50,664** |
| | Special Deposits | **2,519** | **3,571** |
| | State Provident Fund | **2,304** | **1,791** |
| | | **54,591** | **56,026** |
| | | **688** | **489** |

**23.1** The Public Account consists of those moneys received by the Government for which it has a fiduciary duty, but not at liberty to appropriate for the general services of the Government, unless provided under an Act of AJ&K Legislative Assembly or rules made by President. The balances in the Public Account are carried forward at year end, to be used for the specific purpose for which they are established.

| | | | |
|---|---|---|---|
| **24** | **CASH AND BANK** | | |
| | AJ & K Government Balance | **34,980** | **18,424** |
| | | **34,980** | **18,424** |
| **24.1** | **AJ & K Government's Balance** | | |
| | Public Account Balance | **688** | **489** |
| | Consolidated Fund Balance | **15,867** | **(615)** |
| | | **34,980** | **18,424** |
| **25** | **ASSETS AND LIABILITIES** | | |
| | ***Assets*** | | |
| | Long Term Assets | **305,922** | **280,185** |
| | Loans and Advances | **7,369** | **6,317** |
| | Current Assets | **1,000** | **1,000** |
| | Closing Balance | **34,980** | **18,424** |
| | | **349,271** | **305,927** |
| | ***Liabilities and equity*** | | |
| | Public Debt | **455,927** | **420,799** |
| | Special Deposits and Trust Accounts | **29,353** | **29,378** |
| | Deferred Liabilities | **11,371** | **10,661** |
| | Revenue Account Balance | **(147,380)** | **(154,911)** |
| | | **349,271** | **305,927** |

**25.1** These Financial Statements have been prepared under the cash basis of accounting, the information of assets and liability have been presented which are not mandatory disclosures as per IPSAS Cash Basis.

| Notes | | 2024<br>Rupees<br>in Million | 2023<br>Rupees<br>in Million |
|---|---|---|---|
| **26** | **PUBLIC DEBT** | | |
| | **Domestic Debt** | | |
| | **Government Securities** | | |
| | Opening Balance | 422,224 | 388,792 |
| | Add: Debt Receipts | 25,835 | 35,851 |
| | Less: Principal Repayments of Debt | (2,541) | (2,419) |
| | Closing Balance | 445,518 | 422,224 |
| | **Foreign Debt** | | |
| | Opening Balance | (1,426) | 2,660 |
| | Add: Debt Receipts | - | - |
| | Less: Principal Repayments of Debt | 4,545 | (4,086) |
| | Closing Balance | 3,119 | (1,426) |
| | | 448,637 | 420,798 |

**26.1** The amount of foreign debt is recorded in Pak Rupees at the rate of exchange prevailing on the date of transaction, which is the historical cash value. The foreign debt has not been revalued at the year end in accordance with Government policy stated in note 7.7, nor any foreign debt revaluation exchange differences have been recognized in the Financial Statement except for principal repayment of foreign debt.

## 27 AUTHORIZATION FOR ISSUE

Under Article 8 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Act, 2005, read with Article 50-A of the Azad Jammu and Kashmir Interim Constitution,1974 the Auditor General submits the certified Financial Statements of the Government of Azad Jammu & Kashmir together with the audit reports on these Financial Statements to the Presidant of the Azad Jammu &Kashmir who shall cause them to be laid before the Assembly. These Financial Statements have been authorized for issue on 19 DEC 2024.

## 28 GENERAL

### 28.1 Level of Precision

Figures in these consolidated Financial Statements have been rounded off to the nearest million of rupees, unless otherwise stated.

### 28.2 Corresponding Figures

Corresponding figures, wherever necessary, have been rearranged and reclassified for the purposes of comparison.

Accountant General Azad Jammu and Kashmir