



KPMG Taseer Hadi & Co.  
Chartered Accountants

# Benazir Income Support Programme

## Financial statements

For the year ended

30 June 2021



KPMG Taseer Hadi & Co.  
Chartered Accountants  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Benazir Income Support Programme

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Benazir Income Support Programme "BISP", which comprise the statement of financial position as at 30 June 2021, and the statement of financial performance, the statement of changes in net assets / equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements presents fairly, in all material respects, the financial position of BISP as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance International Public Sector Accounting Standards (IPSAS).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of BISP in accordance with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter – comparative information

We draw attention to Note 30 to the financial statements which indicates that the comparative information presented as at and for the year ended 30 June 2020 has been restated. Our opinion is not modified in respect of this matter.

#### Other Matters

We draw attention to the followings:

1. The financial statements of BISP as at and for the year ended 30 June 2020 and 1 July 2019, excluding the adjustments described in Note 30 to the financial statements was audited by another auditor who expressed an unmodified opinion on those financial statements on 02 March 2022.



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As part of our audit of the financial statements as at and for the year ended 30 June 2021, we audited the adjustments described in Note 30 that were applied to restate the comparative information presented as at and for the year ended 30 June 2020 and the statement of financial position as at 1 July 2019. We were not engaged to audit, review, or apply any procedures to the financial statements for the year ended 30 June 2020 or to the statement of financial position as at 01 July 2019, other than with respect to the adjustments described in Note 30 to the financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole. However, in our opinion, the adjustments described in Note 30 are appropriate and have been properly applied.

2. Our audit of financial statements is not intended to and accordingly we are not responsible to identify any discrepancies in the BISP's process of determining eligibility of beneficiaries and fraudulent claims of cash handouts under the BISP programmes, and accordingly, we do not express an opinion on them.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IPSAS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the BISP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate BISP or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing BISP's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of BISP's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on BISP's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause BISP to cease to continue as a going concern.

We communicate with the those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditors' report is Muhammad Danish.

  
**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**

**Islamabad**  
**Date: 29 December 2022**

**BENAZIR INCOME SUPPORT PROGRAMME  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2021**

	Note	2021 Rupees	2020 Rupees (Restated)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	4	1,247,786,703	1,333,356,312
Intangible assets	5	648,356,167	73,368,789
Work-in-progress	6	7,028,386,652	3,780,983,360
Advances against capital assets	7	-	544,590,006
Receivables from non-exchange transaction	8	48,319,684	60,399,605
		<u>8,972,849,206</u>	<u>5,792,698,072</u>
<b>CURRENT ASSETS</b>			
Receivables from non-exchange transaction	8	11,457,022,243	9,155,595,018
Advances, deposit and prepayments	9	2,136,530,106	1,630,411,204
Bank balances	10	22,185,200,005	30,290,837,873
		<u>35,778,752,354</u>	<u>41,076,844,095</u>
<b>TOTAL ASSETS</b>		<u>44,751,601,560</u>	<u>46,869,542,167</u>
<b>FUND AND LIABILITIES</b>			
<b>FUND AND RESERVES</b>			
Accumulated surplus		-	-
<b>NON-CURRENT LIABILITIES</b>			
Deferred revenue	11	24,616,477,353	25,080,359,114
Liabilities recognized under transfer arrangements	12	4,747,661,253	9,464,866,352
Payable under non-exchange transaction - Waseela-e-Haq	13	48,319,684	60,399,605
		<u>29,412,458,290</u>	<u>34,605,625,071</u>
<b>CURRENT LIABILITIES</b>			
Payable under non-exchange transaction	13	15,339,143,270	12,263,917,096
		<u>15,339,143,270</u>	<u>12,263,917,096</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>44,751,601,560</u>	<u>46,869,542,167</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	14		

The annexed notes from 1 to 33 form an integral part of these financial statements.



**DIRECTOR GENERAL (F&A)**



**SECRETARY**

**BENAZIR INCOME SUPPORT PROGRAMME  
STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED JUNE 30, 2021**

	Note	2021 Rupees	2020 Rupees (Restated)
<b>REVENUE FROM NON- EXCHANGE TRANSACTIONS</b>			
Transfers from government	15	158,802,797,995	214,616,750,177
Transfers from other than government entities	16	35,914,459,343	12,010,768,890
Amortization of deferred revenue	11	588,155,460	153,050,168
		<u>195,305,412,798</u>	<u>226,780,569,235</u>
<b>EXPENSES</b>			
<b>General and operating expenditure</b>			
Consultancy / research and surveys	17	237,618,896	323,836,543
Commission and service charges	18	1,407,472,128	1,652,725,789
Operating expenses	19	4,863,580,841	3,210,926,079
<b>Project expenditure</b>			
Unconditional cash transfer to beneficiaries	20	173,056,880,677	213,058,300,000
Benazir Waseela-e-Taleem	21	5,696,464,000	3,707,712,500
Benazir Nashonuma - Nutritional Program	22	1,595,334,390	-
Undergraduate Scholarship Program	23	8,448,061,866	4,827,068,324
		<u>195,305,412,798</u>	<u>226,780,569,235</u>
<b>SURPLUS FOR THE YEAR</b>		<u>-</u>	<u>-</u>

The annexed notes from 1 to 33 form an integral part of these financial statements.

**DIRECTOR GENERAL (F&A)**

**SECRETARY**

**BENAZIR INCOME SUPPORT PROGRAMME  
STATEMENT OF CHANGES IN NET ASSETS/EQUITY  
FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Total net assets/equity</b>	<b>Total</b>
Balance as at June 30, 2019 - as previously reported	-	-
Effect of restatement - refer note 30	-	-
Balance as at July 01, 2019 - restated	-	-
Surplus for the year	-	-
Changes in net assets/equity for the year ended June 30, 2020 - restated	-	-
Balance as at July 01, 2020	-	-
Surplus for the year	-	-
Changes in net assets/equity for the year ended June 30, 2021	-	-

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The annexed notes from 1 to 33 form an integral part of these financial statements.

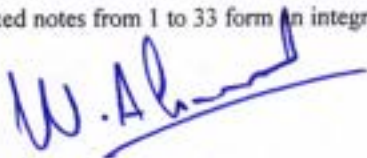
**DIRECTOR GENERAL (F&A)**

**SECRETARY**

**BENAZIR INCOME SUPPORT PROGRAMME  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2021**

	Note	2021 Rupees	2020 Rupees (Restated)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Surplus for the year		-	-
<b>Adjustment for non-cash and other items:</b>			
Depreciation		526,692,417	142,350,318
Amortization of intangible assets		61,463,043	10,699,850
Transfers from other than Government entities		(35,725,001,644)	(12,083,088,250)
Amortization of deferred revenue		(588,155,460)	(153,050,168)
Transfers from Government		(158,802,797,995)	(214,616,750,177)
Financial charges		223,330	161,786
Operating deficit before working capital changes		(194,527,576,310)	(226,699,676,641)
<b>Working capital changes:</b>			
<b>Current assets:</b>			
Receivable under non-exchange transaction		(2,301,427,226)	(3,478,592,210)
Advances, deposit and prepayment		(506,118,901)	(1,605,156,045)
<b>Current liabilities:</b>			
Deferred revenue		124,273,699	22,471,933,838
Liabilities recognized under transfer arrangements		158,802,797,995	214,616,750,177
Payable under non-exchange transaction		3,075,226,175	(16,283,409,025)
Cash generated from operations		159,194,751,742	215,721,526,736
Finance cost paid		(223,330)	(161,786)
Interest income received		-	-
Net cash used in operating activities		(35,333,047,897)	(10,978,311,692)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of fixed assets		(368,532,802)	(1,372,573,245)
Additions in work-in-progress		(3,247,403,292)	(1,279,773,496)
Additions in intangible assets		(164,450,422)	(496,781,608)
Net cash used in investing activities		(3,780,386,516)	(3,149,128,349)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Transfers from other than government entities		31,007,796,545	17,135,061,220
Net cash generated from financing activities		31,007,796,545	17,135,061,220
Net (decreased) / increase in cash and cash equivalents		(8,105,637,868)	3,007,621,179
Cash and cash equivalents at the beginning of the year		30,290,837,873	27,283,216,694
Cash and cash equivalents at the end of the year	10	22,185,200,005	30,290,837,873

The annexed notes from 1 to 33 form an integral part of these financial statements.



**DIRECTOR GENERAL (F&A)**



**SECRETARY**



**BENAZIR INCOME SUPPORT PROGRAMME**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**BUDGET ON CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted amounts		Actual amounts on cash basis 2021	Performance variance 2021	Reasons of performance variance	
	Original 2021	Final 2021				
	Rupees					
<b>PROGRAMMES/INITIATIVES</b>						
Benazir Kafalat-UCTs	160,034,460,000	168,758,086,000	169,403,407,200	(645,321,200)	Finance Division each year announces cut-off date for "Surrender of Anticipated Savings" of Budget. The cut-off date for the year 2020-21 was June 15, 2021 and BISP surrendered Rs. 5,089 million with in due time while Rs. 612 million lapsed as at year end. Therefore net budget performance variance is less than 5% as compared to Final Grant. However, variance greater than 5% is considered material regarding available saving.	
Benazir Waseela-e-Taleem	5,355,040,000	3,621,055,000	3,665,850,500	(44,795,500)		
Benazir Nashonuma - Nutritional Program	2,473,280,000	2,097,956,777	1,969,207,027	128,749,750		
Benazir Undergraduate Scholarship Program	6,492,300,000	8,468,030,000	8,468,023,316	6,684		
Graduation Programme :						
1.4.1.1 BISE	1,760,750,000	-	-	-		
1.4.1.2 Direct Cash	209,400,000	-	-	-		
Waseela-e-Rozgar	733,545,633	-	-	-		
	177,058,775,633	182,945,127,777	183,506,488,043	(561,360,266)		
<b>DIRECT COST OF INITIATIVES</b>						
Service charges	2,380,620,000	2,452,939,472	2,413,137,883	39,801,589		
Payment to CCT IPF, CCT Expansion cost & Compliance Monitors	1,385,000,000	1,107,647,279.48	-	1,107,647,279		
Media Communication & Outreach	333,000,000					
Payments to Government for services rendered	222,300,000	671,816,219	594,662,504	77,153,715		
Consultancy / research and survey	225,000,000	8,000,000	-	8,000,000		
Payments to others for service rendered	34,000,000	225,454,501	281,841,709	(56,387,208)		
Policy Research Unit cost	200,000,000	-	-	-		
<b>Administrative expense</b>						
Advertising and publicity	-	78,754,459	48,245,386	30,509,073		
Employee related expenses	3,446,803,000	2,918,270,000	2,776,598,331	141,671,669		
Operating expenses	450,000,000	414,231,000	627,254,300.49	(213,023,300)		
ADB interest charges booked by EAD	-	-	258,910,158	(258,910,158)		
	8,676,723,000	7,877,112,931	7,000,650,271	876,462,659		
<b>CAPITAL EXPENDITURE</b>						
National Socio Economic Registry	12,524,114,650	3,486,587,085	3,231,435,517	255,151,568		
Expenditure on acquisition of assets	1,740,390,000	601,855,924	559,509,886	42,346,038		
	14,264,504,650	4,088,443,010	3,790,945,403	297,497,607		
<b>Total original and budgeted grant</b>	<b>200,000,003,283</b>	<b>194,910,683,717</b>	<b>194,298,083,717</b>	<b>612,600,000</b>		
% of Difference Budget vs. Actual				0.37%		

Annual budget process is based on Budget Call Circular issued by the Finance Division to all Principle Accounting Officers (PAOs). In accordance with the policy priorities outlined by the Federal Government for service delivery (output), budget estimates are submitted by the BISP to Finance Division for onward seeking approval of the Federal Government. Approved original budget for the financial year (FY) 2020-21 for BISP was Rs. 200,000 million (2019-20 Rs. 196,103 million). Out of this approved original budget final budget released by the Federal Government was Rs. 194,911 million (2020: Rs. 246,849 million).

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**BENAZIR INCOME SUPPORT PROGRAMME  
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL EXPENDITURE - (2/2)  
FOR THE YEAR ENDED JUNE 30, 2021**

Finance Division each year announces cut-off date for "Surrender of Anticipated Savings" of Budget. The cut-off date for the year 2020-21 was June 15, 2021 and BISP surrendered Rs. 5,089 million with in due time. Therefore net budget performance variance is 0.31% for final approved budget vs. actual expenditure. However, variance greater than 5% is considered material.

BISP also prepares category wise budget on cash basis for the approval of BISP Board in accordance with final budget approved by the Federal Government, therefore, final budget approved by Federal Government vs. actual expenditure on accrual basis has been prepared for performance measurement.

Accounting basis for the budget (cash basis) differs from the basis applied to the financial statements i.e. accrual basis of accounting.

The approved notes from Para 33 form an integral part of these financial statements. *W.A.*

*W.A.*  
DIRECTOR GENERAL (F&A)

*[Signature]*  
SECRETARY

**BENAZIR INCOME SUPPORT PROGRAMME  
RECONCILIATION OF ACTUAL EXPENDITURE ON CASH BASIS AND  
ACTUAL EXPENDITURE ON ACCRUAL BASIS  
FOR THE YEAR ENDED JUNE 30, 2021**

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Total
	2021	2021	2021	
	-----Rupees-----			
<b>Actual amounts on comparable basis</b>	(190,507,138,314)	(3,790,945,403)	31,007,796,545	(163,290,287,173)
Basis differences	143,046,768	-	-	143,046,768
Timing differences	-	-	-	-
Entity difference	15,402,082	-	-	15,402,082
Presentation difference	155,015,641,567	10,558,887	-	155,026,200,454
<b>Actual amounts in the statement of cash flows</b>	<u>(35,333,047,897)</u>	<u>(3,780,386,516)</u>	<u>31,007,796,545</u>	<u>(8,105,637,868)</u>

- (i) Basis differences, which occur when the approved budget is prepared on the basis other than the accounting basis. i.e. where the budget is prepared on the cash basis or modified cash basis and the financial statements are prepared on the accrual basis;
- (ii) Timing differences, when the budget period differs from the reporting period reflected in the financial statements;
- (iii) Entity differences, which occur when the budget omits programmes or entities that are part of the entity for which the financial statements are prepared; and
- (iv) Presentation differences, are due to differences in the format and classification approaches adopted for the presentation of the statement of cash flows and statement of comparison of budget and actual amounts.

The annexed notes from 1 to 33 form an integral part of these financial statements.



**DIRECTOR GENERAL (F&A)**





**SECRETARY**

**BENAZIR INCOME SUPPORT PROGRAMME  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**1 CORPORATION AND GENERAL INFORMATION**

**1.1 Status and nature of principal activities**

Benazir Income Support Programme (BISP) is premier and largest social safety net programme of Pakistan. It is charged with the responsibility to provide financial assistance, other social protection and safety measures to economically distressed persons and families. BISP was established by the Federal Government of Pakistan (Federal Government) under act of parliament and operates under the "Benazir Income Support Programme Act, 2010".

The head office of BISP is situated at F- Block, Pak Secretariat, Islamabad, Pakistan.

**Objectives of the BISP are:**

- To enhance financial capacity of the poor and their dependent family members;
- To formulate and implement comprehensive policies and targeted programs for the uplift of underprivileged and vulnerable people; and
- To reduce poverty and promote an equitable distribution of wealth especially for the low income groups.

Under BISP, Government of Pakistan (GoP) has been providing following initiatives for the poor:

**a) Benazir Kafalat Unconditional Cash Transfers (UCT) Programme**

The core Programme of BISP, was initiated in 2008. The short term objective of the Programme was to cushion the adverse impacts of the food, fuel and financial crisis on the poor but its broader objective is to meet the redistributive goals of the country by providing a minimum income support package to the chronically poor and those who are likely to be affected negatively by future economic shocks.

**b) Benazir Waseela-e-Taleem Programme**

Waseela-e-Taleem (WeT) was developed by BISP in consultation with all the Programme stakeholders of WeT Programme, a Co-responsibility Cash Transfer (CCT) Programme of BISP. CCT was initiated to support the primary education of 4 to 12 years old children of BISP beneficiary families for their enrolments and retention. Beneficiaries of approved districts receives approved rate of conditional cash assistance against each enrolled child subject to verification of their child admission and 70% attendance requirement till the completion of primary education.

**c) Waseela-e-Rozgar Programme**

BISP launched Waseela-e-Rozgar (WeR) for addressing the issues of poverty and unemployment through 'Human Resource Development' in Pakistan. The Waseela-e-Rozgar an initiative was carried out by BISP from 2011 to Dec 2013. Waseela-e-Rozgar was designed as an exit strategy for BISP beneficiaries to come out of dependency syndrome of getting Rs. 5,000 per quarter. This Programme envisaged empowering the female beneficiary or her nominee to become economically independent through acquiring demand-driven vocational skills. The aim of the Programme was to arrange training programme in demand-driven trades in selected public and private institutions for professional development and self-sustainability of beneficiaries to improve their livelihood and earnings. WeR provided a free-of-cost vocational training to each beneficiary woman or her nominee (between the age of 18 and 45) from her own family. The Programme is mandated to train one nominee from each Unconditional Cash Transfer beneficiary household.

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**BENAZIR INCOME SUPPORT PROGRAMME  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**d) Waseela-e-Sehet Programme**

BISP launched Health Insurance Scheme called "Waseela-e-Sehet Programme" in 2010 in Faisalabad district on pilot basis. The core objective of Waseela-e-Sehet pilot project was to protect the under-privileged and vulnerable population from economic consequences of potential health shocks and steer out of the catastrophic illnesses by providing social assistance through a health insurance. Subsequently for this purpose BISP signed agreement with State Life Insurance Company (SLIC) on December 23, 2010 to provide Group Life Insurance (GLI) cover amounting to Rs 100,000 to BISP beneficiaries in case of death of bread winner of the beneficiaries family. The initiative has been closed on the direction of BISP Board.

BISP signed an Agreement with State Life Insurance Company (SLIC) for provision of insurance services for a period of three (03) years subject to yearly extension based on satisfactory performance.

**e) Waseela-e-Haq Programme**

Waseela-e-Haq initiative was launched in September, 2009. It was initiated as one of the exit strategies of BISP. Under this initiative, interest free loan up to Rs. 300,000 was provided to the beneficiaries selected through random computerized ballot. The loan amount had to be returned in 15 years, from the date of disbursement of final instalment, with one year grace period.

The BISP Board in its 24th meeting held on November 03, 2015 on the recommendation of BISP management, decided to formally close the initiative.

**f) Benazir Undergraduate Scholarship Programme**

BISP start program under the title of "Benazir Undergraduate Scholarship Program" to provide the scholarship to the qualified students from low income families. Scholarship will include tuition fee, reimbursement as well as support for living expenses and/or a stipend to students from low income families, disadvantaged groups, and under-served regions to complete undergraduate studies (i.e. four-five year Bachelor Programs) in public sector Higher Education Institutions (HEIs) of Pakistan, Azad Jammu & Kashmir and Gilgit Baltistan. For the execution of this program BISP enter into agreement with Higher Education Commission (HEC).

The Higher Education Commission (HEC) will act as implementing partner for the execution of Undergraduate Scholarship. BISP and HEC will run the program for the five year i.e. from September 09, 2019 to September 08, 2024, during which the BISP will disburse funds to HEC as per amount approved in the annual budget.

**g) Benazir Nashonuma - Nutritional Programme**

BISP has engaged the World Food Programme (WFP) for the delivery of nutrition services in line project. The project will be piloted in 9 districts of the country. The selection of districts will be made in consultation with the Provincial Authorities keeping high stunting rate and health infrastructure situation in view with the condition that stunting rate of selected districts is higher than the national average.

The first 1,000 days of the child's life are a window to the opportunities to lay a strong foundation for later achievements. This timeframe is a period of enormous change characterised by the high degree of plasticity in the Child's neurological development. In order to address the stunting prevention during first 1,000 days window of opportunity, BISP has designed a Conditional Cash Transfer (CCT) intervention to accelerate the take up of health and nutrition services amongst its beneficiaries.

**BENAZIR INCOME SUPPORT PROGRAMME  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

BISP runs this program in collaboration with World Food Programme for the duration from February 28, 2020 to December 31, 2022, during which BISP and WFP contributed the fund to program amounting to Rs. 5,613 million and Rs. 233.244 million, respectively. The funds earmarked as "Benefit" are to be transferred to eligible beneficiaries as their entitlement, either in-kind or services. Upon project closure, WFP returned any unutilised funds earmarked as "benefits" to BISP along with associated operational cost.

**h) Benazir Emergency Cash Assistance Package**

Benazir Emergency Cash program has been planned in the context of the economic hardship being experienced by the vulnerable due to the ongoing coronavirus crisis. The currently stalled economic activity affects daily wage earners and piece-rate workers, the most. In addition, layoffs in the formal economy are pushing people below the poverty line. Within this context, the Emergency Cash initiative has been designed for simple and easy rollout, using the existing at-scale digital payment capacity of the Government of Pakistan, which has been developed within the Poverty Alleviation Division. A special cash assistance of Rs. 1,000 per month to the currently enrolled beneficiaries in addition to Rs. 2,000 per month. Cash assistance of Rs. 3,000 per month to additional categories with higher eligibility threshold. Cash assistance of Rs. 3000 per month to more families identified by district administration. The above assistance will be provided for a period of four months in one instalment.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance and compliance with International Public Sector Accounting Standards (IPSAS) issued by the International Public Sector Accounting Standards Board (IPSASB).

**2.2 Basis of measurement**

The financial statements have been prepared on the historical cost basis. The cash flow statement is prepared using the indirect method. The financial statements are prepared on an accrual basis.

In 31st BISP Board meeting held on March 09, 2019, it was decided by the Board that proposal to change accounting system from cash to accrual basis will be placed before Finance Committee. However, the subject of shifting BISP accounting and reporting method from cash to accrual basis of accounting and Terms of Reference (TORs) for hiring of a chartered accountant firm for timely and efficient completion of this task was discussed in 5th Meeting of Finance Committee of BISP Board held on April 15, 2019. Moreover, in 32nd BISP Board meeting it was decided by the Board that parallel accounting system i.e cash and accrual will be maintained in BISP as soon as concurrence of Auditor General Pakistan (AGP) is obtained and the process of shifting to accrual basis may be expedited and letter to AGP was issued on April 29, 2019. AGP referred the matter to Finance Division (FD). BISP issued letter in reply of FD queries on September 03, 2019 but reply from Finance Division is still awaited.

**2.3 Functional and presentation currency**

These financial statements are presented in Pak Rupees, which is BISP's functional and presentation currency.

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**2.4 Significant estimates and judgments**

The preparation of financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The key judgements management made in preparing the financial statements are as follows:

- (i) The useful lives of property and equipment as set out in note 4
- (ii) The useful lives of intangible assets as set out in note 5

Key estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the period of revision and future

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the presentation of financial statements are set out below.

**3.1 Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and any identified accumulated impairment loss, if any. Cost in relation to property and equipment comprise acquisition and other directly attributable costs. All other repair and maintenance cost are charged to statement of financial performance during the period in which they are incurred.

Depreciation is charged to write off the cost of property and equipment over their estimated useful life. Depreciation on additions to property and equipment is charged on a prorated basis from the month in which property and equipment becomes available for use while no depreciation is charged for the month in which property and equipment is disposed off. It is based on the following rates:

Assets	Estimated depreciation rates (per annum)	Depreciation methods
Machinery and other equipments	10%	Straight line
Furniture and fixtures	10%	Straight line
Computer equipment	3%	Straight line
Vehicles	5%	Straight line

The cost of replacement of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the entity and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in statement of financial performance.

Gain or loss on disposal of property and equipment is directly deposited in Federal Government Treasury.

**3.2 Intangible assets**

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and that the cost of such asset can also be measured reliably. The amortization is provided over the estimated useful life using the straight line method. The estimated useful life for intangible asset classes is as follows:

Assets	Estimated amortization rates(per annum)
Software	10%
NSER	10%

*10%*

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**3.3 Work-in-progress**

Work-in-progress is stated at cost less impairment losses (if any). It consists of expenditures incurred in respect of survey payments to National Survey of Economic Registry (NSER).

**3.4 Impairment of non financial assets**

BISP assesses at each reporting date whether there is any indication that assets may be impaired. If such an indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amount exceeds the estimated recoverable amount, assets are written down to their recoverable amounts and the difference is charged to the statement of financial performance.

**3.5 Receivables from non-exchange transactions**

Receivables are recognized when a binding transfer arrangement is in place, but cash or other assets have not been received. Receivables from non exchange transactions are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that BISP will not be able to collect all amounts due according to the original terms of the receivables.

**3.6 Cash and cash equivalents**

Cash and cash equivalents comprise of balances with banks held in revolving fund accounts, current account and in limited mandate accounts as LMA-1.

**3.7 Foreign currency**

Foreign currency monetary items are exchanged at the rate intimated by State Bank of Pakistan in the statement of financial performance and non-monetary items, which have been entered in foreign currency at the historical cost price, are exchanged at the available spot rate on the transaction date. Differences arising from clearance or exchange of foreign currency monetary items are recognized as income or expense for the respective period.

**3.8 Payables under non exchange-transaction**

Payables under non exchange transactions are initially recognized at cost, which is the fair value of consideration to be paid in the future. As at reporting date, the payables under non-exchange transaction are stated at amounts at which they are expected to be settled.

**3.9 Contribution from the Government of Pakistan (GoP)**

The contribution from the Government of Pakistan (GoP) is initially recognized as liabilities under transfer arrangements. The amount of contribution utilized for revenue expenditure is recorded as transfers from GoP, or transferred to deferred revenue depending on the nature of transaction. Un-spent contribution received in the assignment account lapses at the end of each fiscal year.



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**3.10 Revenue recognition**

**Revenue from non-exchange transactions**

Revenue from non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

**Transfers revenue from government and other than government**

Revenue from non-exchange transactions is measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to BISP and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred revenue is recognized instead of revenue.

Receipts by BISP consist of receipts from the Government of Pakistan (GoP) and other donors. BISP recognizes receipts from funds allocated to the Programme by the Government of Pakistan (GoP) upon quarterly release by the Ministry of Finance and endorsement by Accountant General Pakistan Revenues (AGPR) as communicated to the National Bank of Pakistan. BISP recognizes receipts from donor agencies upon intimation by the State Bank of Pakistan to the National Bank of Pakistan of the amount credited in the assignment account of BISP, as in donor assignment accounts the funds released by the donors are being routed through State Bank of Pakistan by converting foreign currency in Pak Rupee as per State Bank of Pakistan's Revised Accounting Procedures 2013 for revolving fund accounts.

**3.11 Liabilities under transfer arrangements**

Loan/grants received from donors specifically for a particular project/purpose are recognized as liabilities under transfer arrangement and any unutilized balance is to be returned to Federal Government as per financing agreement with donor/lender. Therefore, actual utilized portion is amortized during the year and any unspent balance at the year end is treated as liabilities under transfer arrangements.

**3.12 De-credit of funds to Government of Pakistan**

In accordance with BISP Board decision in case of no activity in beneficiaries account for 6- months, available balance is termed as "De-Credited". Banks transfer these balances into LMA-1 Accounts for onward depositing directly in the Government Treasury. At the end of year any available balance in LMA-1 is recognized as payable and subsequently transferred to Government and liability is reduced. As per decision of the BISP Board, de-credited amount is to be re-credited/paid to eligible beneficiaries, therefore, provision is also created.

**3.13 Deferred revenue**

Government and other donor grants are recognized at their fair values, as deferred revenue, when there is reasonable assurance that the grants will be received and BISP will be able to comply with the conditions associated with the grants. Grants that compensate BISP for expenses incurred, are recognized on a systematic basis in the amortization of defred revenue for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the asset.

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**3.14 Contingencies**

A contingent liability is disclosed when BISP has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of BISP or BISP has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

**3.15 Financial instruments**

Financial assets and liabilities are recognized when BISP becomes a party to the contractual provisions of the instrument. These are derecognized when BISP ceases to be the party to the contractual provisions of the instrument. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of financial performance.

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be.

**3.15.1 Financial assets**

Financial assets are cash and balances with banks held at assignment account, limited mandate accounts, loans to beneficiaries and advances and other receivables. The financial assets are measured at amortized cost and fair value through surplus or deficit.

**(a) Financial assets measured at amortized cost**

**Cash and bank balances**

Cash and bank balances are carried at nominal amounts. It comprises of balances with banks in revolving fund accounts (RFA), current account and limited mandate accounts (LMA-1).

For beneficiaries related payments, funds from the assignment account/revolving fund accounts are credited through cross checks in LMA-1 for onward disbursement in beneficiaries accounts (LMA-2) within 5-working days in accordance with agreement with banks. Similarly, amount not drawn by beneficiaries within six months are returned back from LMA-2 to LMA-1. Year end balance (if any) available in LMA-1 is treated as cash & cash equivalent.

**(b) Financial assets measured at fair value through statement of financial performance**

**Loans to beneficiaries**

Interest-free loans to beneficiaries were provided under the Programme launched by BISP as Waseela-e-Haq. The Programme was launched in September 2009 to provide and enhance small business and entrepreneurship among the under privileged. Loans are repayable in fifteen (15) instalments. The initiative was closed in 2013, however recoveries from beneficiaries is still underway.

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**3.15.2 Financial liabilities**

Financial liabilities are classified according to the substance of the contractual arrangement entered into. Financial liabilities include payable to beneficiaries under non-exchange transactions and service charges payable to banks. Service charges payable to banks are accounted for on accrual basis.

**(a) Financial liabilities measured at amortized cost**

**Cash transfers to beneficiaries**

Cash transfer to beneficiaries is recorded at the fair value and paid to the beneficiaries against BISP Programmes.

**3.16 Provisions**

A provision is recognized in the statement of financial position when BISP has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each statement of financial position date and are adjusted to reflect the current best estimate

**3.17 Significant accounting judgments and critical accounting estimates / assumptions**

The preparation of financial statements in conformity with IPSAs requires management to exercise its judgment in process of applying the entity's accounting policies, and use of certain critical accounting estimates and assumptions concerning the future.

The areas involving critical accounting estimates and significant assumptions concerning the future are discussed below:

**a) Property and equipment**

Management has made estimates of residual values, useful lives and recoverable amounts of certain items of property and equipment. Any change in these estimates in future years might affect the carrying amounts of the respective items of property and equipment with corresponding effect on the depreciation charge and impairment loss.

**b) Provision for doubtful receivables**

The carrying amount of loans to beneficiaries is assessed and if there is any doubt over the recoverability of these receivables, appropriate amount of provision is made.

**c) Amortization of deferred revenue**

Grants for capital assets are recorded as deferred revenue in the statement of financial position and recognized as income on a systematic basis over the useful life of the respective item of capital assets. Where as deposits and prepayments are amortized on the basis of year when the respective expense is accrued.

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**d) Contingencies**

BISP reviews the status of all the legal cases on regular basis. Based on expected outcome and lawyers' judgments, appropriate disclosure or provision is made.

**4 PROPERTY AND EQUIPMENT**

	Note	2021 Rupees	2020 Rupees (Restated)
Government of Pakistan funded assets	4.1	1,181,641,056	1,329,836,312
Donor funded assets	4.2	66,145,647	3,520,000
		<u>1,247,786,703</u>	<u>1,333,356,312</u>

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**4.1 Government of Pakistan funded assets**

Description	Machinery and other equipments	Furniture and fixtures	Computer equipment	Vehicles	Total
-----Rupees-----					
<b>Net carrying value basis</b>					
<b>Year ended June 30, 2021</b>					
Opening book value - restated	14,530,804	23,604,819	1,242,805,615	48,895,074	1,329,836,312
Additions - at cost	2,812,121	18,555,809	175,215,418	175,097,360	371,680,708
Depreciation	(4,861,804)	(5,653,656)	(473,491,671)	(35,868,833)	(519,875,964)
Closing net book value	12,481,121	36,506,972	944,529,362	188,123,601	1,181,641,056
<b>Gross carrying value basis</b>					
<b>Year ended June 30, 2021</b>					
Cost	50,598,952	100,243,422	1,828,616,438	369,310,824	2,348,769,636
Accumulated depreciation	(38,117,831)	(63,736,450)	(884,087,076)	(181,187,223)	(1,167,128,580)
Net book value	12,481,121	36,506,972	944,529,362	188,123,601	1,181,641,056
<b>Net carrying value basis</b>					
<b>Year ended June 30, 2020</b>					
Opening book value	16,262,020	26,332,822	62,526,961	65,321,588	170,443,391
Additions - at cost	2,819,169	3,555,418	1,293,381,450	227,202	1,299,983,239
Depreciation	(4,769,283)	(6,484,866)	(471,176,334)	(16,662,928)	(499,093,411)
Closing net book value as previously reported	14,311,906	23,403,374	884,732,077	48,885,862	971,333,219
Effect of restatement (refer to note 30)	218,898	201,445	358,073,538	9,212	358,503,093
Closing net book value - restated	14,530,804	23,604,819	1,242,805,615	48,895,074	1,329,836,312
<b>Gross carrying value basis</b>					
<b>Year ended June 30, 2020</b>					
Cost	47,786,831	81,687,613	1,653,401,020	194,213,464	1,977,088,928
Accumulated depreciation as previously reported	(33,474,925)	(58,284,239)	(768,668,943)	(145,327,602)	(1,005,755,709)
Net book value as previously reported	14,311,906	23,403,374	884,732,077	48,885,862	971,333,219
Effect of restatement (refer to note 30)	218,898	201,445	358,073,538	9,212	358,503,093
Net book value - restated	14,530,804	23,604,819	1,242,805,615	48,895,074	1,329,836,312
<b>Depreciation rate (years)</b>	10	10	3	5	

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**4.2 Donor funded assets**

	Computer equipment	Vehicles	Total
	Rupees		
<b>Net carrying value basis</b>			
<b>Year ended June 30, 2021</b>			
Opening book value	-	3,520,000	3,520,000
Additions - at cost	9,834,400	59,607,700	69,442,100
Depreciation	(1,966,880)	(4,849,573)	(6,816,453)
Closing net book value	<u>7,867,520</u>	<u>58,278,127</u>	<u>66,145,647</u>
<b>Gross carrying value basis</b>			
<b>Year ended June 30, 2021</b>			
Cost	9,834,400	68,407,700	78,242,100
Accumulated depreciation	(1,966,880)	(10,129,573)	(12,096,453)
Net book value	<u>7,867,520</u>	<u>58,278,127</u>	<u>66,145,647</u>
<b>Net carrying value basis</b>			
<b>Year ended June 30, 2020</b>			
Opening book value	-	5,280,000	5,280,000
Depreciation	-	(1,760,000)	(1,760,000)
Closing net book value	<u>-</u>	<u>3,520,000</u>	<u>3,520,000</u>
<b>Gross carrying value basis</b>			
<b>Year ended June 30, 2020</b>			
Cost	-	8,800,000	8,800,000
Accumulated depreciation	-	(5,280,000)	(5,280,000)
Net book value	<u>-</u>	<u>3,520,000</u>	<u>3,520,000</u>
<b>Depreciation rate (years)</b>	3	5	<i>60%</i>

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		<b>2021</b>	<b>2020</b>
	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>
<b>5</b>	<b>INTANGIBLE ASSETS</b>		
	<b>Software</b>		
	<b>Net carrying value basis</b>		
	Opening net book value	73,368,789	59,287,031
	Additions	636,450,422	24,781,608
	Amortization charge	(61,463,043)	(10,699,850)
	Closing net book value	<u>648,356,167</u>	<u>73,368,789</u>
	<b>Gross carrying value basis</b>		
	Cost	768,528,426	132,078,004
	Accumulated amortization	(120,172,259)	(58,709,215)
	Net book value	<u>648,356,167</u>	<u>73,368,789</u>
	Amortization rate (years)	10	10
<b>6</b>	<b>WORK-IN-PROGRESS</b>		
	NSER Project cost	6.1 <u>7,028,386,652</u>	<u>3,780,983,360</u>
6.1	This represents survey payments to National Socio-Economic Registry (NSER) for the collection and acquisition of households data. In July 2015, BISP board approved plan to conduct survey phases; Phase-I (Pilot Project) and Phase-II (national rollout) through Computer Assisted Personal Interviewing (CAPI). Subsequent to the year end, the project was completed and approved by the BISP Board on September 26, 2021.		
		<b>2021</b>	<b>2020</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>7</b>	<b>ADVANCE AGAINST CAPITAL ASSETS</b>		<b>(Restated)</b>
	Advances against capital assets	7.1 <u>-</u>	<u>544,590,006</u>
7.1	This represented advances extended to vendors for the procurement of capital assets during the previous year against upgradation of oracle and purchase of motorcycles and was classified as "current assets" in previous year. During the year, the advances are reclassified as non-current advances for appropriate presentation. (refer to note 30)		
<b>8</b>	<b>RECEIVABLE FROM NON-EXCHANGE TRANSACTION</b>		<b>(Restated)</b>
	<b>Non current receivables under non-exchange transactions</b>		
	Gross loans to beneficiaries against Waseela e Haq	8.1.1 494,853,753	506,933,674
	Less: allowance for doubtful	(446,534,069)	(446,534,069)
	Carrying amount	8.1 <u>48,319,684</u>	<u>60,399,605</u>
	<b>Current receivable under non-exchange transactions</b>		
	Transfers receivable from GoP	8.2 10,443,257,562	8,143,586,414
	Transfers receivable from other government entities	8.3 1,001,684,761	999,928,683
	Loans to beneficiaries against Waseela-e-Haq	8.1 12,079,921	12,079,921
		<u>11,457,022,243</u>	<u>9,155,595,018</u>
		<u>11,505,341,927</u>	<u>9,215,994,623</u>

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8.1 This represent loans provided to beneficiaries selected through random computer ballot against Waseela-e-Haq programme, which is interest free loan up to Rs. 300,000. The loan amount had to be returned in 15 years, from the date of disbursement of final instalment, with one year grace period. As per the decision of BISP Borad no unconditional cash transfers were made to the beneficiaries covered under this programme. Subsequent to the year end (refer to note 30 for restatements), Board decided to adjust the outstanding receivable amount from the beneficiaries, to whom partial payments were made, against the lost unconditional cash transfers.

8.1.1 Provison for doubtful receivables	2021 Rupees	2020 Rupees (Restated)
Opening balance	446,534,069	446,534,069
Charge / reversal for the year	-	-
Closing balance	<u>446,534,069</u>	<u>446,534,069</u>

8.2 This represents the amount receivable from Government of Pakistan against the BISP liability to pay commission and service charges payable to partner banks, waseela-e-rozgar payable to partner organizations and accumulated accrued expenses (refer to note 30 for restatement).

8.3 Transfers receivable from other government entities	Note	2021 Rupees	2020 Rupees
Receivable from State Life Insurance Company Limited (SLIC)	8.3.1	30,594,352	28,838,274
Balance with Pakistan Post Office	8.3.2	971,090,409	971,090,409
		<u>1,001,684,761</u>	<u>999,928,683</u>

8.3.1 BISP signed an agreement with SLIC on December 23, 2010 and provided an amount of Rs. 3.180 billion to SLIC for providing life insurance to beneficiaries family. The agreement expired on December 31, 2014. The unclaimed amount plus interest at a rate of 6-month Treasury Bills cut-off yield less 1.5% is receivable from the Service Provider.

8.3.2 This represents undisbursed amount by Pakistan Post Office to beneficiaries of Unconditional Cash Transfers and Conditional Cash Transfer through Pakistan Post Office using money order mode of payments.

9 ADVANCES, DEPOSITS AND PREPAYMENTS	Note	2021 Rupees	2020 Rupees (Restated)
Advance to World Food Programme	9.1	2,080,988,223	1,599,446,836
Advances to vendor	30	-	-
Advance to Higher Education Commission	30	-	-
Deposits and prepayments	9.2	46,114,893	27,879,845
Other advances		9,426,990	3,084,523
		<u>2,136,530,106</u>	<u>1,630,411,204</u>

9.1 This represents advance contribution disbursed to World Food Programme against the "Implementation of Health & Nutrition Conditional Cash Transfer Programme to preventing stunting" Programme.

9.2 Deposits and prepayments	2021 Rupees	2020 Rupees
Prepaid rent	23,792,383	15,330,122
Other prepaid expenses	22,322,510	12,549,723
	<u>46,114,893</u>	<u>27,879,845</u>

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10	BANK BALANCES	Note	2021 Rupees	2020 Rupees
	<b>Current account - local currency:</b>			
	Special account with National Bank of Pakistan	10.1	4,713,955,275	9,415,758,291
	Limited mandate account-1 (LMA-1)	10.2	17,384,938,690	20,783,674,869
	Donation account	10.3	86,306,040	91,404,713
			<u>22,185,200,005</u>	<u>30,290,837,873</u>
<b>10.1</b>	<b>Special account with National Bank of Pakistan</b>			
	Asian Development Bank (ADB - SPDP)		3,885,387,904	3,908,000,820
	Foreign, Commonwealth & Development Office (FCDO)		-	2,019,005,106
	World bank		23,651,278	64,086,272
	Asian Development Bank (SPDP-additional financing)		804,916,093	3,424,666,093
			<u>4,713,955,275</u>	<u>9,415,758,291</u>
<b>10.1.1</b>	<b>Unused GoP funds lapsed movement:</b>			
	Opening balance		382,513,471	240,781,584
	Grant received from GoP		194,910,683,717	246,849,320,000
	Grant utilized for programme expenditure		(194,556,323,489)	(241,912,858,274)
	Grant utilized for deferred expenditure		(124,273,699)	(4,794,729,838)
	Closing balance		<u>612,600,000</u>	<u>382,513,471</u>
<b>10.2</b>	<b>Limited Mandate Account-1</b>			
	Habib Bank Limited		13,259,538,405	16,999,581,619
	Bank Alfalah Limited		4,125,400,285	3,784,093,250
		10.2.1	<u>17,384,938,690</u>	<u>20,783,674,869</u>
10.2.1	LMA-1 is a participating bank account maintained by BISP in commercial banks along with LMA-2, beneficiaries' bank accounts. The participating bank transfers instalments as per the instructions of BISP under a particular social benefit scheme to individual beneficiary accounts (LMA-2) electronically within five (05) days of receiving funds in LMA-1 account.			

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**10.3 Donation account**

This represents balance in the account maintained with National Bank of Pakistan and consists of unspent donation of the followings:

	2021 Rupees	2020 Rupees
Donation from China Foundation for Poverty Alleviation	24,159,475	24,159,475
Donation from Embassy of the People's Republic of China	2,000,000	2,000,000
Mr. Muzhair Hussain Nadeem	49,000	49,000
Donation from World Food Programme	7,497,504	22,899,586
Recovery of Waseela-e-Haq loan and State Life Insurance Company	10,621,974	789,562
Data sharing receipts	1,532,643	1,061,646
Bank guarantee - Waseela-e-Rozgar	40,445,444	40,445,444
	<u>86,306,040</u>	<u>91,404,713</u>

11 DEFERRED REVENUE	Note	2021 Rupees	2020 Rupees (Restated)
Opening balance		25,080,359,114	2,761,475,444
Addition of fixed assets during the year:			
Government of Pakistan (GoP)	4.1	371,680,708	-
Donor-funded assets	4.2	69,442,100	1,299,983,239
		441,122,808	1,299,983,239
Add: addition of intangible assets	5	636,450,422	24,781,608
Add: addition of bank guarantees	10.3	-	40,445,444
Add: Work in progress (NSER)		3,247,403,292	1,279,773,496
Add: Deposits and prepayments		18,235,047	2,624,686
Add/ less: Advances - net		(4,218,937,870)	19,824,325,365
Less : Amortized during the year:			
Government of Pakistan (GoP)	4.1	(519,875,964)	(140,590,318)
Donor-funded assets	4.2	(6,816,453)	(1,760,000)
Intangible assets	5	(61,463,043)	(10,699,850)
		(588,155,460)	(153,050,168)
	11.1	<u>24,616,477,353</u>	<u>25,080,359,114</u>

11.1 This represents book value of assets received from World Bank, Foreign, Commonwealth & Development Office (FCDO) and Government of Pakistan (GoP) as at year end.

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**12 LIABILITIES RECOGNIZED UNDER TRANSFER ARRANGEMENTS**

	Opening balance	Amount received during the year	Expenditure recognized as transfers revenue	Capital expenditure	Closing balance
-----Rupees-----					
<b>2021</b>					
Foreign Commonwealth & Development Office (FCDO)	2,019,005,106	2,501,745,015	(4,780,100,000)	-	(259,349,879)
Asian Development Bank (ADB SPDP)	3,908,000,820	785,704,295	(808,317,212)	-	3,885,387,903
International Development Association - NSPP	64,086,272	5,060,223,218	(5,030,766,032)	(69,892,180)	23,651,278
International Development Association - CRISP	-	22,660,124,017	(22,660,124,017)	-	-
Asian Development Bank (ADB)-additional financing	3,424,666,093	-	(2,619,750,000)	-	804,916,093
China Foundation For Peace and Development	26,208,475	-	-	-	26,208,475
World Food Programme	22,899,586	-	(15,402,082)	-	7,497,504
	<u>9,464,866,352</u>	<u>31,007,796,545</u>	<u>(35,914,459,343)</u>	<u>(69,892,180)</u>	<u>4,747,661,253</u>
<b>2020</b>					
Foreign Commonwealth & Development Office (FCDO)	106,688,476	5,392,461,130	(3,480,144,500)	-	2,019,005,106
Asian Development Bank (ADB SPDP)	4,046,936,837	-	(138,936,017)	-	3,908,000,820
International Development Association - NSPP	26,635,706	285,033,299	(175,263,373)	(72,319,360)	64,086,272
International Development Association - CRISP	-	-	-	-	-
Asian Development Bank (ADB)-additional financing	-	11,281,259,093	(7,856,593,000)	-	3,424,666,093
China Foundation For Peace and Development	26,208,475	-	-	-	26,208,475
World Food Programme	206,423,888	176,307,698	(359,832,000)	-	22,899,586
	<u>4,412,893,382</u>	<u>17,135,061,220</u>	<u>(12,010,768,890)</u>	<u>(72,319,360)</u>	<u>9,464,866,352</u>

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**BENAZIR INCOME SUPPORT PROGRAMME**  
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13	PAYABLE UNDER NON-EXCHANGE TRANSACTION	Note	2021 Rupees	2020 Rupees (Restated)
	Payable to Government of Pakistan against :			
	Waseela-e-Haq program - non-current portion	30 & 13.5	48,319,684	60,399,605
	<b>Current payables</b>			
	<b>Payable to beneficiaries against:</b>			
	Benazir Kafaalat-UCTs	13.1	7,371,066,183	8,328,713,052
	Benazir Waseela-e-Taleem	13.2	4,924,031,000	386,882,000
	Waseela-e-Rozgar	13.3	787,380,866	733,545,633
	Health & Nutrition	13.4	17,349,240	-
	Payable to GoP against Waseela-e-Haq Programme	13.5	24,016,813	13,931,929
	Commission and service charges payable	13.6	1,682,175,637	2,687,830,679
	Payable to GoP due from SLIC	13.7	30,594,352	28,838,274
	Other payables	13.8	502,529,180	64,214,079
			<u>15,339,143,270</u>	<u>12,263,917,096</u>
13.1	<b>Benazir Kafaalat-UCTs</b>			
	Payable to beneficiaries under UCT (LMA-1)	13.1.1	1,345,016,000	3,106,470,869
	Pakistan Post Office	13.1.2	971,090,409	971,090,409
	Arrears payable to UCT beneficiaries against de-credits	30	5,054,959,774	4,251,151,774
			<u>7,371,066,183</u>	<u>8,328,713,052</u>
13.1.1	This represents the amount payable to beneficiaries under UCT program which are yet to be transfers from LMA-1 to beneficiary accounts in their bank accounts.			
13.1.2	These balances are un-delivered money orders of beneficiaries through Pakistan Post Office.			
13.2	This represents the amount of Rs. 2,506,535,500 left undisbursed in LMA-1 to beneficiaries under Benazir Waseela-e-Taleem at the end of the reporting period. In addition, Rs. 2,417,495,500 of arrears are payable to beneficiaries.			
13.3	This relates to amount payable to fifty seven (57) service provider firms on account of training including various skill development opportunities and job oriented certificate courses to cater job market.			
13.4	This represents the amount payable to beneficiaries under Health & Nutrition programme.			
13.5	This represents payable to Government of Pakistan against loans provided to beneficiaries selected through random computer ballot against Waseela-e-Haq, which is interest free loan up to Rs. 300,000. The loan amount has to be returned in 15 years, from the date of disbursement of final instalment, with one year grace period. The recovery of loan is deposited to government treasury.			
13.6	This amount represent services charges payable to banks against disbursement to beneficiaries.			
13.7	This includes interest income on amount due from State Life Insurance Company Limited for the year ended June 30, 2021. The interest is receivable at a rate of 6-month Treasury Bills cut-off yield less 1.5%. This interest is routed through BISP books of accounts and finally deposited into Federal Government Treasury, therefore it has been classified as payable to GoP.			
13.8	<b>Other payables</b>		<b>2021 Rupees</b>	<b>2020 Rupees</b>
	Payable to employees and others		149,413,685	13,879,576
	Accrued expenses		83,979,723	48,185,528
	Withholding tax payable		9,785,893	2,148,975
	Foreign Commonwealth & Development Office (FCDO)		259,349,879	-
			<u>502,529,180</u>	<u>64,214,079</u>

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**14 CONTINGENCIES AND COMMITMENTS**

**14.1 Contingencies**

- 14.1.1 There are multiple ongoing cases related to payment of outstanding dues to the nine service providers for providing trainings to the selected beneficiaries of BISP under waseela e rozgar which include an estimated amount of Rs. 246.851 million along with markup of 12%, fee spent on arbitration and lawyer. The cases were decided in favour of the service providers by the Honorable Islamabad High Court. Further, the management of BISP has decided to file Civil Petition for Leave to Appeal (CPLA) in Supreme Court of Pakistan. The matter is still pending with Supreme Court of Pakistan for decision. The management of BISP is confident that the eventual decision will be in favour of BISP.
- 14.1.2 The plaintiff, Evernew Concepts (Private) Limited doing business as an advertising company filed the instant suit for recovery of outstanding amount of Rs. 361.173 million in respect of services that to publicize different projects of BISP. The case is pending for further proceedings in Civil Court Lahore and accordingly, no provision has been recognized in these financial statements.
- 14.1.3 BISP had not conducted the recertification of BISP beneficiaries since 2011 till the year end as per requirements of BISP Operational Manual, which required to conduct recertification at end of four years period to ensure beneficiaries eligibility criteria. However, the Chairperson of BISP requested NADRA to conduct profiling of BISP beneficiaries dated December 19, 2019. Based upon the survey, out of 5.1 million beneficiaries NADRA identified 820,165 as ineligible and fraudulently claiming cash handouts from the scheme, resultantly assistance to them was immediately blocked. Further, the management has forwarded the requests to various departments to initiate the investigation process regarding recovery/proceedings on case to case basis. However, at year end Federal Investigation Agency (FIA) has recovered Rs. 195.123 million from government servants of BS-17 & above their spouses who were BISP beneficiaries. Similarly, BISP has recovered Rs. 8.02 million out of Rs. 23.506 million from its employees.
- 14.1.4 The plaintiff, Mr. Jauhar Saleem (owner of House No. 58, Embassy Road, Sector G-6/4, Islamabad) filed the instant suit for recovery of Rs. 17.320 million on account of arrears of rent, repair of building, missing of equipment installed in building from BISP in respect of his house leased out to BISP in October, 2009 for the period of 4 years. The case is pending for further proceedings in Civil Court West Islamabad and accordingly, no provision has been recognized in these financial statements.
- 14.1.5 M/S AHLN worked with BISP in 16-Districts of Southern Punjab for BISP National Socio Economic Survey; subject Contract expired on June 30, 2016 but BISP forfeited the retention amount of Rs. 126.715 million on non submission of final report i.e. Project completion report with approval of competent authority. The case is pending for further proceedings in Civil Court West Islamabad.
- 14.1.6 Management believes that no additional provision on account of above contingencies have been made in these financial statements as the management and the legal advisors of BISP are of the view, that these matters will eventually be settled in favour of BISP.

14.2 Commitments	Note	2021 Rupees	2020 Rupees (Restated)
Capital commitments		-	86,885,951

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**BENAZIR INCOME SUPPORT PROGRAMME**  
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15	TRANSFER FROM GOVERNMENT OF PAKISTAN	2021 Rupees	2020 Rupees (Restated)
	Transfer from Federal Government	15.1	158,802,797,995
			214,616,750,177

- 15.1 The Government of Pakistan (GoP) allocated a single line budget in respect of Benazir Income Support Programme in the Federal Budget amounting to Rs. 194,911.68 million (2020: Rs. 180,000 million) consisting of Rs. 27,262.9 million (2020: Rs. 167,500 million) of Foreign component. Out of the budgeted amount, Rs. 183,703 million (2020: Rs. 246,467 million) has been amortized during the year against project expenditure and whereas Rs. 10,594.41 million (2020: Rs. 657.58 million) is recognized against capital expenditure and administrative expenditure. The unutilized amount of Rs. 5,089 million (2020: Rs. 27,300 million) were surrendered while Rs. 612.6 million (2020: Rs. 382.5 million) at the year end lapsed.

The sanctioned grant includes funding from Government of Pakistan and foreign loan/grant from International Development Association (World Bank), DFID (Department for International Development) and Asian Development Bank (ADB).

16	TRANSFERS FROM OTHER THAN GOVERNMENT ENTITIES	Note	2021 Rupees	2020 Rupees (Restated)
	International Development Association- NSPP	16.1	5,030,766,032	175,263,373
	Foreign, Commonwealth & Development Office (FCDO)	16.2	4,780,100,000	3,480,144,500
	Asian Development Bank - SPDP	16.3	808,317,212	138,936,017
	Asian Development Bank - SPDP additional financing	16.4	2,619,750,000	7,856,593,000
	World Food Programme	16.5	15,402,082	359,832,000
	International Development Association - CRISP	16.6	22,660,124,017	-
		12	35,914,459,343	12,010,768,890

- 16.1 The World Bank vide their project namely national social protection programme (NSPP) signed financing agreement with Government of Pakistan on March 30, 2017 and had committed US\$ 100 million credit from International development association scale-up facility (SUP). This project aims to support the Government of Pakistan through BISP for:

- Programme for results (PforR) an amount of US\$ 90 million by making disbursements against the key results as part of the government's programme.

- An investment project financing (IPF) an amount of US\$ 10 million to finance critical areas to achieve the quality of results.

- 16.2 The Foreign, Commonwealth & Development Office (FCDO), provides donation to Government of Pakistan to be paid through BISP for disbursements to beneficiaries. The donation is conditional upon the number of beneficiaries being disbursed with the funds by BISP.

- 16.3 The Asian Development Bank (ADB) signed an agreement with Government of Pakistan for the "social protection development" project on November 13, 2013 to lend the Government of Pakistan of special drawing rights SDR 283,776,000. This loan carries interest at the rate of two percent per annum during the grace period and thereafter, on the amount of the loan withdrawn from the loan account and outstanding from time to time. The loan is payable by the Federal Government through BISP, in consideration of ADB entering into Loan Agreement with Government of Pakistan, has agreed to undertake the obligations as executing/project agency set forth in project agreement dated November 25, 2013.

- 16.4 The Asian Development Bank (ADB) signed another agreement for 'social protection development project'-Additional Financing on October 11, 2019 to lend the Government of Pakistan. The agreement took place between asian development bank and BISP. Under this agreement ADB had agreed to make to Government of Pakistan a loan of two hundred million US dollars (\$200,000,000) on the terms and conditions set forth in the loan agreement, but only on the condition that the proceeds of the loan be made available to BISP and that BISP agrees to undertake certain obligations towards ADB as mentioned in the agreement.

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- 16.5 BISP signed a memorandum of understanding (MOU) with World Food Programme (WFP) under which WFP provided donations to BISP supported household in Tharparkar district to improve their food consumption in the drought situation. In account of which the BISP has paid amount of Rs.1000 per beneficiary in district Tharparkar, Sindh.
- 16.6 The World Bank vide their project namely Pakistan Crisis Resilient Protection (CRISP) signed on March 26, 2021 had committed US\$ 600 million (SDR 416,500,000) credit from International development association. The Project aimed to support the Government of Pakistan through:
- a) Program for disbursement linked results (DLRs) in an amount of US\$ 595 million by making disbursements against the key results as part of the government's programme.
- b) The technical assistance component in an amount of US\$ 5 million.

17	CONSULTANCY / RESEARCH AND SURVEYS	Note	2021 Rupees	2020 Rupees
	Individual Consultants	17.1	196,317,929	174,695,309
	Consultancy charges for Waseela-e-Taleem implementing partner firms and other vendors	17.2	41,300,967	146,541,234
	Consultancy charges for monitoring and evaluation	17.3	-	2,600,000
			<u>237,618,896</u>	<u>323,836,543</u>

17.1 BISP has hired consultants under para 14 of Project Appraisal Documents (PAD) under the World Bank financing agreement to provide technical assistance in the areas of project coordination, monitoring & evaluation, training, MIS, IT, financial management, procurement and communications. The amount represent remuneration paid to consultants.

17.2 This represents payments to Aurat Publication and Information Service Foundation and MM Pakistan (Private) Limited against evaluation report of Waseela-e-Taleem Programme. This also includes payments to consultants and vendors.

17.3	Sources of payments:	Note	2021 Rupees	2020 Rupees
	Government of Pakistan funds		35,967,323	143,860,524
	International Development Association - NSPP		179,038,656	168,385,002
	Asian Development Bank		22,612,917	11,591,017
			<u>237,618,896</u>	<u>323,836,543</u>

**18 COMMISSION AND SERVICE CHARGES**

Bank Alfalah Limited	18.1	573,369,155	637,669,339
Habib Bank Limited		834,099,197	1,015,053,249
Pakistan Post Office		3,776	-
National Database & Registration Authority		-	3,201
		<u>1,407,472,128</u>	<u>1,652,725,789</u>

18.1 This represents service charges ranging from 0.5% to 1.63% (2020: 2% to 2.75%) of disbursed amounts to partner banks. BISP has engaged habib bank and bank alfalah for disbursement of funds to the beneficiaries.

18.2	Sources of payments:	2021 Rupees	2020 Rupees
	Government of Pakistan funds	<u>1,407,472,128</u>	<u>1,652,725,789</u>

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	Note	2021 Rupees	2020 Rupees (Restated)
<b>19 OPERATING EXPENSES</b>			
Salaries and wages		2,959,307,192	2,616,159,448
Data validation charges - NADRA		644,492,245	-
Legal and professional charges		126,968,864	-
Rent and other services		119,829,779	128,392,459
Depreciation	4.1 & 4.2	526,692,417	142,350,318
Contribution and subscription		91,649,187	82,002,933
Communication charges		59,865,594	52,828,354
Printing and stationery		15,883,314	45,179,594
Travelling allowance		32,247,786	28,800,729
Utilities		29,210,970	22,275,507
Advertisement		46,574,228	22,317,344
Travelling charges		21,046,913	12,383,828
Amortization	5	61,463,043	10,699,850
Repair and maintenance		78,403,297	8,786,859
Auditors' remuneration		6,000,000	3,399,520
Trainings		1,019,757	3,746,138
Newspapers, periodicals and books		1,106,314	1,192,974
Office supplies		622,852	483,692
Entertainment		-	463,944
Transportation of goods		831,715	254,144
Finance charges		223,330	161,786
Other expenses	19.1	40,142,045	29,046,657
		<u>4,863,580,841</u>	<u>3,210,926,079</u>

19.1 Other expenses comprise miscellaneous expenses incurred in the Head Quarter, Regional, Divisional and Tehsil Offices of BISP.

	2021 Rupees	2020 Rupees
<b>19.2 Sources of payments:</b>		
Government of Pakistan funds	<u>4,863,580,841</u>	<u>3,210,926,079</u>

**20 UNCONDITIONAL CASH TRANSFERS TO BENEFICIARIES**

Under this programme cash transfers are made to the beneficiaries based on eligibility criteria approved by BISP Board. It comprises of two components: - UCT Regular Transfer and - UCT Shock Responsive

UCT Regular transfer represents the transfer of fixed amounts to the active beneficiaries on periodic basis in their respective limited mandate accounts. During the Fiscal Year 2020-21 Rs.2000 per month was transferred to the regular beneficiaries on bi-annually basis.

UCT Shock Responsive payments are exceptional transfers made as relief to the non-regular beneficiaries in case of any disaster. During the fiscal year 2020-21 one off Rs.12000/- person was paid in response COVID-19.

	Note	2021 Rupees	2020 Rupees (Restated)
Transfer to beneficiaries	20.1	<u>173,056,880,677</u>	<u>213,058,300,000</u>
<b>20.1 Programme-wise transfers:</b>			
Regular unconditional cash transfer		124,600,973,386	93,809,532,000
Benazir Emergency Package		48,440,505,209	113,802,240,000
IMF - One off special generation		-	5,086,696,000
WFP-Tharparkar project		15,402,082	359,832,000
	20.2	<u>173,056,880,677</u>	<u>213,058,300,000</u>



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20.2	Sources of cash transfer:	Note	2021 Rupees	2020 Rupees (Restated)
	Government of Pakistan		142,018,292,907	204,714,530,000
	Foreign Commonwealth & Development Office (FCDO)		105,880,000	-
	Asian Development Bank (ADB SPDP)		785,704,295	127,345,000
	Asian Development Bank - additional financing		2,619,750,000	7,856,593,000
	World Food Programme		15,402,082	359,832,000
	International Development Association - CRISP		22,660,124,017	
	International Development Association - NSPP		4,851,727,376	
		20.3	<u>173,056,880,677</u>	<u>213,058,300,000</u>

20.3	Modes of payments to beneficiaries:			
	Biometric Verification System (BVS)	20.3.1	<u>173,056,880,677</u>	<u>213,058,300,000</u>

20.3.1 This amount represents payment through Biometric Verification System to the beneficiaries enabling them to withdraw their installments from any authorized franchise/ sales and service center.

**21 CASH TRANSFER TO BENEFICIARIES UNDER WASEELA-E-TALEEM**

Under Waseela-e-Taleem, payment of Rs. 750 per quarter per child is made to the eligible beneficiary for her children of age of 4 to 12 years. The eligibility of child is conditional upon the age of 4 to 12 years at the time of admission and seventy percent attendance in the school thereafter. The maximum age limit of child for payment is 15 years.

21.1	Sources of cash transfer:	Note	2021 Rupees	2020 Rupees
	Government of Pakistan		1,022,244,000	227,568,000
	Foreign Commonwealth & Development Office (FCDO)		4,674,220,000	3,480,144,500
		21.2	<u>5,696,464,000</u>	<u>3,707,712,500</u>

21.2	Modes of payments to beneficiaries:			
	Biometric Verification System (BVS)	21.2.1	<u>5,696,464,000</u>	<u>3,707,712,500</u>

21.2.1 This amount represents payment through Biometric Verification System to the beneficiary enabling them to withdraw their quarterly installment from any authorized franchise/ sales and service center.

**22 CASH TRANSFER TO BENEFICIARIES UNDER BENAZIR NASHONUMA - NUTRITIONAL PROGRAMME**

Under Benazir Nashonuma Programme, two streams of social benefits are provided to pregnant women who are under 50 years of age. In coordination with World Food Programme, BISP provides food packages to pregnant women. After the pregnant woman gives birth, payment of mother is stopped and payment of Rs. 1,500 per quarter is made to her in respect of new born baby. If the new born is a baby boy, quarterly payment of Rs. 1,500 is made while in case of baby girl a quarterly payment of Rs. 2,000. The maximum age limit of child for payment is 24 months.

22.1	Sources of cash transfer:	Note	2021 Rupees	2020 Rupees
	Government of Pakistan	22.2	<u>1,595,334,390</u>	-
22.2	Modes of payments to beneficiaries:			
	Cash transfer to beneficiaries		130,683,250	-
	Funds utilized by WFP		1,464,651,140	-
	Total benefit paid under Benazir Nashonuma Programme		<u>1,595,334,390</u>	-

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**23 CASH TRANSFER TO BENEFICIARIES UNDER BENAZIR UNDERGRADUATE SCHOLARSHIP PROGRAMME**

Under Benazir Undergraduate Scholarship Programme, BISP has engaged HEC as its implementing partner to award merit and needs-based scholarships to eligible students enrolled in undergraduate programmes in universities recognized by HEC all over Pakistan. Under this programme a fixed stipended amount of Rs. 40,000 is paid to eligible students alongwith the reimbursement of their university fees.

		2021 Rupees	2020 Rupees
23.1	<b>Sources of cash transfer:</b>		
	Government of Pakistan	23.2 <u>8,448,061,866</u>	<u>4,827,068,324</u>
23.2	<b>Modes of payments to beneficiaries:</b>		
	Direct Bank Transfers	23.2.1 <u>8,448,061,866</u>	<u>4,827,068,324</u>

23.2.1 This amount represents payment through Direct Bank Transfers to the beneficiary enabling them to withdraw their stipend alongwith the university fees reimbursement.

**24 TRANSACTION WITH RELATED PARTIES**

Related party transactions represent transactions with the Government of Pakistan. Transaction with related parties during the year are as follows:

		2021 Rupees	2020 Rupees
<b>Nature of transactions</b>			
<b>Government of Pakistan</b>			
	Contributions received	194,910,683,717	246,849,320,000
	Lapsed funds at the end of the year	(612,600,000)	(382,513,471)

Balances at the year end are presented in respective notes.

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**25 REMUNERATION OF KEY MANAGEMENT PERSONNEL**

All of the key management personnels are Government employees assigned to BISP on deputation, director generals and the aggregate amount charged in the financial statements for remuneration are as per the terms of employment. Moreover, during the financial year, no (2020: nil) compensation was given to any Board members.

	2021	2020
Remuneration of KMPs (Rupees)	28,155,372	36,543,588
Number of KMPs	6	6
Number of Board members	9	9

**26 SUMMARY OF BANK WISE DE-CREDITED AMOUNTS AND THEIR PAYMENTS TO GOVERNMENT TREASURY**

Partner banks	De-credited funds as at July 01, 2020	De-credited funds during the year	Total De-credited funds	Payment to Government treasury by partner banks	Balance with partner banks at June 30, 2021 (Note 26.1)
<b>Rupees</b>					
Bank Alfalah Limited	-	518,115,405	518,115,405	518,115,405	-
Habib Bank Limited	-	483,563,000	483,563,000	483,563,000	-
Sindh Bank Limited	-	-	-	-	-
Summit Bank Limited	-	-	-	-	-
Tameer Bank Limited	-	-	-	-	-
United Bank Limited	-	-	-	-	-
	-	1,001,678,405	1,001,678,405	1,001,678,405	-

Partner banks	De-credited funds as at July 01, 2019	De-credited funds during the year	Total De-credited funds	Payment to Government treasury by partner banks	Balance with partner banks at June 30, 2020 (Note 26.1)
<b>Rupees</b>					
Bank Alfalah Limited	276,950	566,490,454	566,767,404	566,767,404	-
Habib Bank Limited	-	1,675,521,948	1,675,521,948	1,675,521,948	-
Sindh Bank Limited	-	19,260,432	19,260,432	19,260,432	-
Summit Bank Limited	-	180,714,353	180,714,353	180,714,353	-
Tameer Bank Limited	1,394,353	536,037,659	537,432,012	537,432,012	-
United Bank Limited	-	351,467,946	351,467,946	351,467,946	-
	1,671,303	3,329,492,792	3,331,164,095	3,331,164,095	-

26.1 This represents amounts remaining in the beneficiary accounts marked as "De-Credited" if there is no withdrawal for the period of 6-months. Funds held in respect of "De-Credited" accounts are deposited directly in the Government treasury by the partner banks.

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**27 FINANCIAL ASSETS AND LIABILITIES**

BISP's exposure to interest rate risk on its financial assets and liabilities are summarized as follows:

Description	30-Jun-21				
	Total	Interest/mark up bearing		Non interest / mark up bearing	
		Maturity up to one year	Maturity after one year		Sub total
Rupees					
<b>Financial assets</b>					
<b>Carried at fair value through surplus or deficit</b>					
Receivables from non-exchange transaction	11,505,341,927	-	-	-	11,505,341,927
<b>Carried at amortized cost</b>					
Cash and bank balances	22,185,200,005	-	-	-	22,185,200,005
	<u>33,690,541,932</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,690,541,932</u>
<b>Financial liabilities</b>					
<b>Carried at amortized cost</b>					
Payable under non-exchange transaction	15,339,143,270	-	-	-	15,339,143,270
	<u>15,339,143,270</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,339,143,270</u>
<b>On SOFP gap</b>	<u>18,351,398,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,351,398,662</u>
<b>Off SOFP item</b>					
Financial commitment	-	-	-	-	-
<b>Total gap</b>	<u>18,351,398,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,351,398,662</u>

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## BENAZIR INCOME SUPPORT PROGRAMME

### NOTES TO THE FINANCIAL STATEMENTS

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Description	30-Jun-20 (Restated)			
	Total	Interest/mark up bearing		Non interest / mark up bearing
		Maturity up to one year	Maturity after one year	
	Rupees			
<b>Financial assets</b>				
<b>Carried at fair value through   surplus or deficit</b>				
Receivables from non-exchange transaction	9,215,994,623	-	-	-
<b>Carried at amortized cost</b>				
Cash and bank balances	30,290,837,873	-	-	-
	<u>39,506,832,496</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities</b>				
<b>Carried at amortized cost</b>				
Payable under non-exchange transaction	12,263,917,096	-	-	-
	<u>12,263,917,096</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>On SOFP gap</b>	<u>27,242,915,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Off SOFP item</b>				
Financial commitment	-	-	-	-
<b>Total gap</b>	<u>27,242,915,400</u>	<u>-</u>	<u>-</u>	<u>-</u>

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**28 FINANCIAL INSTRUMENTS**

BISP has exposure to the following risks from the use of its financial instruments:

- Credit risk
- Liquidity risk
- Market Risk

This note presents information about BISP's exposure to each of the above risks, BISP's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of BISP's risk management framework. The Board is also responsible for developing and monitoring the BISP's risk management policies.

BISP's risk management policies are established to identify and analyze the risks faced by BISP, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and system are reviewed regularly to reflect changes in market conditions and BISP's activities. BISP, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors of BISP oversees how management monitors compliance with BISP's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by BISP.

**28.1 Credit risk**

Credit risk is the risk of financial loss to BISP if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

**Exposure to credit risk**

The carrying amount of the financial assets represent the maximum credit exposures. The maximum exposure to credit risk at the reporting date is as follows:

	<b>2021</b> <b>Rupees</b>	<b>2020</b> <b>Rupees</b> <b>(Restated)</b>
Receivables from non-exchange transaction	11,505,341,927	9,215,994,623
Bank balances	22,185,200,005	30,290,837,873
	<u>33,690,541,932</u>	<u>39,506,832,496</u>

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BISP's management considers that all the above financial assets are not impaired and are of good credit quality. The management continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. BISP believes that it is not exposed to any major concentration of credit risk.

**28.2 Liquidity risk**

Liquidity risk is the risk that BISP will not be able to meet its financial obligations as they fall due. BISP's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the BISP's reputation. The following are the contractual maturities of financial liabilities, excluding the impact of netting agreements, if any:

	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years
	----- Rupees -----				
<b>June 30, 2021</b>					
<b>Financial liabilities</b>					
Payable under non-exchange transaction	15,387,462,954	15,387,462,954	-	15,387,462,954	-
<b>June 30, 2020 - restated</b>					
<b>Financial liabilities</b>					
Payable under non-exchange transaction	12,324,316,701	12,324,316,701	-	12,324,316,701	-

**28.3 Market risk**

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. BISP is not exposed to any market risk.

**29 FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date. The financial instruments that are not traded in active market are carried at cost and are tested for impairment according to IPSAS 41. The carrying amount of trade receivables and payables are assumed to approximate their fair values.

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BISP has not disclosed the fair values for these financial assets and financial liabilities, because their carrying amounts are reasonable approximation of fair value.

**30 COMPARITIVE FIGURES / RESTATEMENTS**

Following comparative figures have been restated / reclassified due to errors in previous years and for better presentation, respectively. Impact of restatement / reclassification on the reported amounts in the statement of financial position, statement of financial performance, statement of changes in net assets/equity and statement of cash flows has been disclosed below:

		As previously reported	Restatement / Reclassification	As restated / reclassified
	Note	Rupees		
<b>01 July 2019</b>				
<b>30.1 Statement of financial position</b>				
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property and equipment		175,723,391		175,723,391
Intangible asset		59,287,031	-	59,287,031
Work-in-progress		2,501,209,864	-	2,501,209,864
Receivables from non-exchange transaction	i	2,131,679,541	(2,061,657,811)	70,021,730
		4,867,899,827	(2,061,657,811)	2,806,242,016
<b>Current assets</b>				
Receivables from non-exchange transaction	ii	10,213,950,648	(4,536,947,840)	5,677,002,808
Advances, deposit and prepayment		25,255,159	-	25,255,159
Bank balances		27,283,216,694	-	27,283,216,694
<b>TOTAL ASSETS</b>		<b>42,390,322,328</b>	<b>(6,598,605,651)</b>	<b>35,791,716,677</b>
<b>Accumulated surplus</b>				
		-	-	-
<b>Non-current liabilities</b>				
Deferred revenue		2,761,475,444	-	2,761,475,444
Liabilities recognized under transfer arrangements		4,412,893,382	-	4,412,893,382
Payable under non-exchange transaction - Waseela-e-Haq		-	70,021,730	70,021,730
		7,174,368,826	70,021,730	7,244,390,556
<b>Current liabilities</b>				
Payable under non-exchange transaction	i, ii & vi	35,215,953,502	(6,668,627,381)	28,547,326,121
<b>Total liabilities</b>		<b>42,390,322,328</b>	<b>(6,598,605,651)</b>	<b>35,791,716,677</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>42,390,322,328</b>	<b>(6,598,605,651)</b>	<b>35,791,716,677</b>

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		As previously reported	Restatement / Reclassification	As restated / reclassified
	Note	Rupees		
<b>30 June 2020</b>				
<b>30.1 Statement of financial position (continued)</b>				
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property and equipment	iii	974,853,219	358,503,092	1,333,356,311
Intangible asset		73,368,789	-	73,368,789
Work-in-progress		3,780,983,360	-	3,780,983,360
Advances against capital assets	iv	-	544,590,006	544,590,006
Receivables from non-exchange transaction	i	2,122,057,416	(2,061,657,811)	60,399,605
		6,951,262,784	(1,158,564,713)	5,792,698,071
<b>Current assets</b>				
Receivables from non-exchange transaction	ii	18,720,034,937	(9,564,439,919)	9,155,595,018
Advances, deposit and prepayment	iv & v	6,982,108,084	(5,351,696,880)	1,630,411,204
Bank balances		30,290,837,873	-	30,290,837,873
<b>TOTAL ASSETS</b>		62,944,243,678	(16,074,701,512)	46,869,542,166
<b>Accumulated surplus</b>		-	-	-
<b>Non-current liabilities</b>				
Deferred revenue	iii & viii	7,044,652,021	18,035,707,092	25,080,359,113
Liabilities recognized under transfer arrangements		9,464,866,352	-	9,464,866,352
Payable under non-exchange transaction - Wasoela-e-Haq		-	60,399,605	60,399,605
		16,509,518,373	18,096,106,697	34,605,625,070
<b>Current liabilities</b>				
Payable under non-exchange transaction	i, ii, v, vi & vii	46,434,725,305	(34,170,808,209)	12,263,917,096
<b>Total liabilities</b>		62,944,243,678	(16,074,701,512)	46,869,542,166
<b>TOTAL EQUITY AND LIABILITIES</b>		62,944,243,678	(16,074,701,512)	46,869,542,166
<b>30.2 Statement of financial performance</b>				
<b>30 June 2020</b>				
<b>Revenue from non-exchange transactions</b>				
Transfers from Government	ii & vii	237,333,526,177	(22,716,776,000)	214,616,750,177
Transfers from other than Government entities		12,010,768,890	-	12,010,768,890
Amortization of deferred revenue	iii	511,553,261	(358,503,093)	153,050,168
		249,855,848,328	(23,075,279,094)	226,780,569,234
<b>Expenses</b>				
<b>General and operating expenditure</b>				
Consultancy / research and surveys		(323,836,543)	-	(323,836,543)
Commission and service charges		(1,652,725,789)	-	(1,652,725,789)
Operating expenses	iii	(3,569,429,172)	358,503,093	(3,210,926,079)
		(5,545,991,504)	358,503,093	(5,187,488,410)
<b>Project expenditure</b>				
Unconditional cash transfer to beneficiaries	ii & vii	(235,775,076,000)	22,716,776,000	(213,058,300,000)
Cash transfer to beneficiaries under Benazir Wasoela-e-Taloom		(3,707,712,500)	-	(3,707,712,500)
Cash transfer to HEC under Benazir Undergraduate Scholarship Program		(4,827,068,324)	-	(4,827,068,324)
		(249,855,848,328)	23,075,279,094	(226,780,569,234)
<b>Surplus for the year</b>		-	-	-

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30.3 Statement of changes in net assets / equity	Note	Rupees
<b>Balance as at 30 June 2019 - as previously reported</b>		-
<b>Effect of restatement:</b>		
Reservol of transfers from Government - as at 01 July 2019	ii	(7,079,895,614)
Reservol of UCT transfer to beneficiaries - as at 01 July 2019	ii	7,079,895,614
UCT to beneficiaries - as at 01 July 2019	vi	(2,542,947,774)
Transfers from Government - as at 01 July 2019	vi	2,542,947,774
Grant income related to provision for Waseela-e-Haq loan - as at 01 July 2019	i	2,049,577,890
Provision for Waseela-e-Haq loan to beneficiaries - as at 01 July 2019	i	(2,049,577,890)
<b>Balance as at 01 July 2019 - restated</b>		-
Surplus for the year - as previously reported		-
<b>Balance as at 30 June 2020 - as previously reported</b>		-
<b>Effect of restatement:</b>		
Reservol of transfers from Government - 30 June 2020	ii	(6,747,776,000)
Reservol of UCT transfer to beneficiaries - 30 June 2020	ii	6,747,776,000
UCT to beneficiaries - 30 June 2020	vi & vii	15,969,000,000
Transfers from Government - 30 June 2020	vi & vii	(15,969,000,000)
Reservol of amortization of deferred revenue - 30 June 2020	iii	(358,503,092)
Reservol of depreciation - 30 June 2020	iii	358,503,092
<b>Balance as at 30 June 2020 - restated</b>		-

30.4 Statement of cash flows	Note	As previously reported	Restatement / Reclassification	As restated / reclassified
		Rupees		
<b>30 June 2020</b>				
Net cash used in operating activities	iv	(11,522,901,698)	544,590,006	(10,978,311,692)
Net cash used in investing activities	iv	(2,604,538,343)	(544,590,006)	(3,149,128,349)
Net cash generated from financing activities	vi	17,135,061,220	-	17,135,061,220
Net increase in cash and cash equivalents		3,007,621,179	-	3,007,621,179

i In previous years, no provision against doubtful receivables against loans to beneficiaries under the Waseela-e-Haq programme was recognized despite the fact that these loans had low recovery pattern and amount of Rs. 2,049 million was doubtful as at opening of previous year end. The BISP Board in its meeting held on June 28, 2021 also decided to waive off recoveries aggregating Rs. 1,603 million based on the fact that these beneficiaries were not entitled to unconditional cash transfers after disbursement of waseela-haq loan and in respect of remaining doubtful recoveries aggregating Rs. 446,534,069 million provision has been recognized by rectifying comparative figures as required under the applicable financial reporting framework. The correction has resulted in a decrease in "Receivables from non-exchange transaction" by Rs. 2,049 million as of June 30, 2019 and June 30, 2020 with a corresponding impact on "Payable under non-exchange transaction".

ii In previous years, payable aggregating Rs. 13,827 million was recognised relating to unconditional cash transfers for the period prior to the respective dates of entitlement of beneficiaries under the UCT programme. These payables and related expenditure were recognized when the data of beneficiaries was collected from survey partners; however these beneficiaries were filtered out during validation process at the time of making cash transfers and accordingly were not entitled to unconditional cash transfers. Since, as per BISP policies, beneficiaries are entitled to unconditional cash transfers once beneficiary has met all the criteria as determined by BISP i.e. when all required validations are completed for eligibility, therefore the arrears payable recognized have been derecognised along-with corresponding derecognition of receivable from Government of Pakistan and accordingly comparative figures have been restated as required under the applicable financial reporting framework. The correction (de-recognition of payables to beneficiaries and corresponding receivable from the Government) has resulted in a decrease in "Arrears payable post verification of beneficiaries" by Rs. 6,748 million as of June 30, 2020 and Rs. 7,079,896 million as of July 01, 2019 with a corresponding impact on "Receivable from Government of Pakistan".

iii Due to rectification of applicability of depreciation policy from charging full year depreciation expense to pro-rated depreciation i.e. when the asset becomes available for use. The rectification of applicability of depreciation policy has resulted in decrease in "Depreciation" and "Amortization of deferred revenue" by Rs. 358,503,092 as at June 30, 2020 with a corresponding impact on "Accumulated depreciation and "Deferred revenue" while the impact of this rectification on the carrying amounts as at July 01, 2019 is not considered material.



**BENAZIR INCOME SUPPORT PROGRAMME**  
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**31 FUNDS MANAGEMENT**

The Board of Directors of BISP monitors the performance along with the funds required for the sustainable operations and that BISP is not subject to externally imposed fund requirements.

**32 NUMBER OF EMPLOYEES**

The number of permanent employees as at year end were 2,241 (2020: 2,008) and average number of employees during the year were 2,125 (2020: 2,005).

**33 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements are authorized for issue on 01-DEC-22 by the Board of Directors of BISP.



**DIRECTOR GENERAL (F&A)**



**SECRETARY**