



KPMG Taseer Hadi & Co.  
Chartered Accountants

# Benazir Income Support Programme

## Financial statements

For the year ended

30 June 2022



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 2022, 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 2022, and its financial performance and its cash flows for the year then ended in accordance with the 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.

#### **Other Matter**

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



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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:

- 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



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

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

**UDIN: AR202210245R9bGtkJq6**

**BENAZIR INCOME SUPPORT PROGRAMME  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	4	803,562,848	1,247,786,703
Intangible assets	5	9,067,188,820	648,356,167
Work-in-progress	6	-	7,028,386,652
Receivables from non-exchange transaction	7	36,239,763	48,319,684
		<u>9,906,991,431</u>	<u>8,972,849,206</u>
<b>CURRENT ASSETS</b>			
Receivables from non-exchange transaction	7	17,229,344,173	11,457,022,243
Advances, deposit and prepayments	8	2,603,030,311	2,136,530,106
Bank balances	9	14,930,994,876	22,185,200,005
		<u>34,763,369,360</u>	<u>35,778,752,354</u>
<b>TOTAL ASSETS</b>		<u>44,670,360,791</u>	<u>44,751,601,560</u>
<b>FUND AND LIABILITIES</b>			
<b>FUND AND RESERVES</b>			
Accumulated surplus		-	-
<b>NON-CURRENT LIABILITIES</b>			
Deferred revenue	10	16,471,248,368	24,616,477,353
Liabilities recognized under transfer arrangements	11	1,375,858,738	4,747,661,253
Payable under non-exchange transaction	12	36,239,763	48,319,684
		<u>17,883,346,869</u>	<u>29,412,458,290</u>
<b>CURRENT LIABILITIES</b>			
Payable under non-exchange transaction	12	26,787,013,922	15,339,143,270
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>44,670,360,791</u>	<u>44,751,601,560</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	13		

The annexed notes from 1 to 31 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, 2022**

	Note	2022 Rupees	2021 Rupees
<b>REVENUE FROM NON- EXCHANGE TRANSACTIONS</b>			
Transfers from Government	14	214,006,918,392	158,802,797,995
Transfers from other than Government entities	15	33,326,326,608	35,914,459,343
Amortization of deferred revenue	10	1,335,434,468	588,155,460
		<u>248,668,679,468</u>	<u>195,305,412,798</u>
<b>EXPENSES</b>			
<b>General and operating expenditure</b>			
Consultancy / research and surveys	16	288,939,932	237,618,896
Commission and service charges	17	1,799,202,589	1,407,472,128
Operating expenses	18	5,742,953,362	4,863,580,841
		<u>7,831,095,883</u>	<u>6,508,671,865</u>
<b>Project expenditure</b>			
Unconditional cash transfer to beneficiaries	19	203,664,071,941	173,056,880,677
Cash transfer to beneficiaries under Benazir Waseela-e-Taleem	20	25,916,335,000	5,696,464,000
Cash transfer to beneficiaries under Benazir Nashonuma - Nutritional Program	21	3,910,620,561	1,595,334,390
Cash transfer to beneficiaries under Benazir Undergraduate Scholarship Program	22	7,346,556,083	8,448,061,866
		<u>240,837,583,585</u>	<u>188,796,740,933</u>
		<u>248,668,679,468</u>	<u>195,305,412,798</u>
<b>SURPLUS FOR THE YEAR</b>		<u>-</u>	<u>-</u>

The annexed notes from 1 to 31 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, 2022**

	<b>Accumulated surplus</b>	<b>Total</b>
Balance as at July 01, 2020 - restated	-	-
Surplus for the year	-	-
Balance as at June 30, 2021	-	-
Surplus for the year	-	-
Balance as at June 30, 2022	-	-

The annexed notes from 1 to 31 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, 2022**

	2022 Rupees	2021 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Surplus for the year	-	-
Adjustment for non-cash and other items:		
Depreciation	572,503,699	526,692,417
Amortization of intangible assets	762,930,769	61,463,043
Transfers from other than Government entities	(33,370,783,269)	(35,725,001,644)
Amortization of deferred revenue	(1,335,434,468)	(588,155,460)
Transfers from Government	(214,313,620,892)	(156,912,758,485)
Financial charges	-	223,330
Operating deficit before working capital changes	(247,684,404,161)	(192,637,536,800)
Working capital changes:		
<b>Current assets:</b>		
Receivable under non-exchange transaction	(5,760,242,008)	(5,222,557,266)
Advances, deposit and prepayments	(466,500,205)	(506,118,901)
<b>Current liabilities:</b>		
Deferred revenue	(6,809,794,517)	4,285,439,749
Liabilities recognized under transfer arrangements	214,006,918,392	156,912,758,485
Payable under non-exchange transaction	11,447,870,652	1,835,190,165
Cash generated from operations	212,418,252,313	157,304,712,232
Finance cost paid	-	(223,330)
Interest income received	-	-
Net cash used in operating activities	(35,266,151,848)	(35,333,047,897)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of fixed assets	(128,279,844)	(368,532,802)
Additions in work-in-progress	7,028,386,652	(3,247,403,292)
Additions in intangible assets	(9,181,763,422)	(164,450,422)
Net cash used in investing activities	(2,281,656,614)	(3,780,386,516)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loans to beneficiaries	-	-
Transfers from other than Government entities	30,293,603,333	31,007,796,545
Net cash generated from financing activities	30,293,603,333	31,007,796,545
Net decrease in cash and cash equivalents	(7,254,205,128)	(8,105,637,868)
Cash and cash equivalents at the beginning of the year	22,185,200,005	30,290,837,873
Cash and cash equivalents at the end of the year	14,930,994,876	22,185,200,005

The annexed notes from 1 to 31 form an integral part of these financial statements.

**DIRECTOR GENERAL (F&A)**

**SECRETARY**



**BENAZIR INCOME SUPPORT PROGRAMME**  
**STATEMENT OF COMPARISON OF BUDGETED AND ACTUAL AMOUNTS**  
**BUDGET ON CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted amounts		Actual amounts on cash basis	Performance variance	Reasons of performance variance	
	Original budget	Final				
	2022	2022	2022	2022		
<b>Rupees</b>						
<b>PROGRAMMES/INITIATIVES</b>						
Benazir Kafalat-UCTs	176,669,000,000	168,436,000,000	168,246,000,000	190,000,000	Approved Budget for the FY 2021-22 was Rs. 250,000 million, out of which Rs. 30,000 million was surrendered by BISP to Poverty Alleviation & Social Safety Division, as per approval of the Federal Cabinet, for execution of Commodity Subsidy Program. Further, additional budget of Rs. 19,000 million has been provided to BISP for UCT payments under the Government's Fuel Subsidy scheme, during the month of June 2022. As per provisions of PFM Act, 2019, anticipated savings of Rs. 3,375 million have been surrendered by BISP to Finance Division.	
BISP Emergency Cash Transfers	20,147,000,000	8,740,224,000	8,740,224,000	-		
Fuel Subsidy Scheme	-	16,760,000,000	16,751,762,000	8,238,000		
Benazir Waseela-e-Taleem	21,885,000,000	20,485,000,000	20,482,712,500	2,287,500		
Benazir Nashonuma - Nutritional Program	4,760,000,000	4,870,455,862	4,870,455,862	-		
Benazir Undergraduate Scholarship Program	9,512,000,000	7,350,000,000	7,346,556,083	3,443,917		
BISP Hunar Programme	1,000,000,000	-	-	-		
Waseela e Rozgar	650,000,000	-	-	-		
Financial Literacy Programme	125,000,000	-	-	-		
	234,748,000,000	226,641,679,862	226,437,710,445	203,969,417		
<b>DIRECT COST OF INITIATIVES</b>						
Service charges	2,764,000,000	1,844,629,360	1,622,000,000	222,629,360		
Payment to CCT IPF, CCT Expansion cost & Compliance Monitors	1,150,000,000	517,351,864	514,000,000	3,351,864		
Payments to Government for services rendered	794,000,000	346,295,020	346,000,000	295,020		
Consultancy / research and survey	31,000,000	18,697,981	18,697,981	-		
Payments to others for service rendered	354,000,000	234,054,748	234,054,748	-		
<b>Administrative expense</b>						
Advertising and publicity	220,000,000	112,000,000	111,000,000	1,000,000		
Employee related expenses	3,500,000,000	3,070,000,000	3,054,329,442	15,670,558		
Operating expenses	500,000,000	404,830,000	388,670,558	16,159,442		
ADB interest charges booked by EAD	-	-	-	-		
Policy research unit	30,000,000	-	-	-		
	9,343,000,000	6,547,858,973	6,288,752,729	259,106,244		
<b>CAPITAL EXPENDITURE</b>						
National Socio Economic Registry	3,770,000,000	2,194,079,592	2,157,482,675	36,596,917		
Expenditure on acquisition of assets	2,139,000,000	242,000,996	242,000,996	-		
	5,909,000,000	2,436,080,588	2,399,483,671	36,596,917		
<b>Total original budgeted grant</b>	<b>250,000,000,000</b>	<b>235,625,619,423</b>	<b>235,125,946,845</b>	<b>499,672,578</b>		
<i>% of Difference Budget vs. Actual</i>				<i>0.21%</i>		

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) 2021-22 for BISP was Rs. 250,000 million (2020-21 Rs. 200,000 million). Out of this approved original budget final budget released by the Federal Government was Rs. 235,625 million (2021: Rs. 194,911 million).

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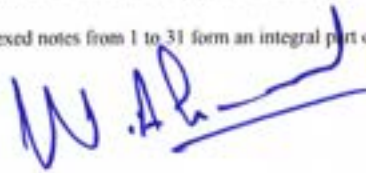
**BENAZIR INCOME SUPPORT PROGRAMME  
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL EXPENDITURE - (2/2)  
FOR THE YEAR ENDED JUNE 30, 2022**

Finance Division each year announces cut-off date for "Surrender of Anticipated Savings" of Budget. The cut-off date for the year 2021-22 was June 15, 2022, which was later extended to the end of June 30, 2022, accordingly, anticipated savings of Rs. 3,375 million (2021: Rs. 5,089 million) have been surrendered by BISP to Finance Division. Net budget performance variance is 0.21% (2021: 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 annexed notes from 1 to 31 form an integral part of these financial statements.



**DIRECTOR GENERAL (F&A)**



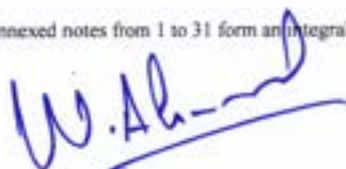
**SECRETARY**

**BENAZIR INCOME SUPPORT PROGRAMME  
RECONCILIATION OF BUDGET  
FOR THE YEAR ENDED JUNE 30, 2022**

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Total
	2022	2022	2022	
	Rupees			
<b>Actual amounts on comparable</b>	(232,726,463,174)	(2,394,453,694)	30,293,603,333	(204,827,313,535)
Basis differences	414,003,279	-	-	414,003,279
Timing differences	-	-	-	-
Entity difference	-	-	-	-
Presentation difference	197,046,308,047	112,797,080	-	197,159,105,127
<b>Actual amounts in the statement of cash flow</b>	<u>(35,266,151,848)</u>	<u>(2,281,656,614)</u>	<u>30,293,603,333</u>	<u>(7,254,205,128)</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
- (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 programs 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 31 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, 2022**

**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 Kafaalat 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.

*6/2/22*



**BENAZIR INCOME SUPPORT PROGRAMME  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**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.

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**BENAZIR INCOME SUPPORT PROGRAMME  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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.

*6/2/22*



**BENAZIR INCOME SUPPORT PROGRAMME  
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**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the presentation of financial statements are set out below. These policies have been consistently applied to all the years presented.

**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 year 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:

<b>Assets</b>	<b>Estimated depreciation rates (per annum)</b>	<b>Depreciation methods</b>
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 BISP 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 assets classes are as follows:

<b>Assets</b>	<b>Estimated amortization rates (per annum)</b>
Software	10%
NSER survey database	10%

**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.

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**BENAZIR INCOME SUPPORT PROGRAMME  
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**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 Limited Mandate Account -I (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 year.

**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.

**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, BISP 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.



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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 defrred 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.

**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.



**BENAZIR INCOME SUPPORT PROGRAMME  
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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.

**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.

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**BENAZIR INCOME SUPPORT PROGRAMME  
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**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 BISP'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.

**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	2022 Rupees	2021 Rupees
Government of Pakistan funded assets	4.1	711,447,311	1,181,641,056
Donor funded assets	4.2	92,115,537	66,145,647
		<u>803,562,848</u>	<u>1,247,786,703</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, 2022</b>					
Opening book value	12,481,121	36,506,972	944,529,362	188,123,601	1,181,641,056
Additions - at cost	26,833,527	16,827,301	39,034,355	120,000	82,815,183
Depreciation	(3,315,376)	(7,027,555)	(491,352,511)	(51,313,486)	(553,008,928)
Closing net book value	35,999,272	46,306,718	492,211,206	136,930,115	711,447,311
<b>Gross carrying value basis</b>					
<b>Year ended June 30, 2022</b>					
Cost	77,432,479	117,070,723	1,867,650,793	369,430,824	2,431,584,819
Accumulated depreciation	(41,433,207)	(70,764,005)	(1,375,439,587)	(232,500,709)	(1,720,137,580)
Net book value	35,999,272	46,306,718	492,211,206	136,930,115	711,447,311
<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>Depreciation rate (years)</b>	10	10	3	5	



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**4.2 Donor funded assets**

	Computer equipments	Machinery and other equipments	Furniture and fixtures	Vehicles	Total
	-----Rupees-----				
<b>Net carrying value basis</b>					
<b>Year ended June 30, 2022</b>					
Opening book value	7,867,520	-	-	68,112,527	66,145,647
Additions - at cost	10,381,965	8,436,052	22,741,144	3,905,500	45,464,661
Depreciation	(15,365,409)	(291,217)	(37,888)	(3,800,257)	(19,494,771)
Closing net book value	2,884,076	8,144,835	22,703,256	68,217,770	92,115,537
<b>Gross carrying value basis</b>					
<b>Year ended June 30, 2022</b>					
Cost	20,216,365	8,436,052	22,741,144	72,313,200	123,706,761
Accumulated depreciation	(17,332,289)	(291,217)	(37,888)	(13,929,830)	(31,591,224)
Net book value	2,884,076	8,144,835	22,703,256	58,383,370	92,115,537
<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	7,867,520	-	-	58,278,127	66,145,647
<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	7,867,520	-	-	58,278,127	66,145,647
<b>Depreciation rate (years)</b>	10	10	3	5	

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**BENAZIR INCOME SUPPORT PROGRAMME**  
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	Note	2022 Rupees	2021 Rupees
<b>5 INTANGIBLE ASSETS</b>			
<b>Software</b>			
<b>Net carrying value basis</b>			
Opening net book value		648,356,167	73,368,789
Additions		924,072	636,450,422
Amortization charge		(74,367,818)	(61,463,043)
Closing net book value		<u>574,912,421</u>	<u>648,356,167</u>
<b>Gross carrying value basis</b>			
Cost		769,452,498	768,528,426
Accumulated amortization		(194,540,077)	(120,172,259)
Net book value		<u>574,912,421</u>	<u>648,356,167</u>
Amortization rate (years)		10	10
<b>National Socio-Economic Registry (NSER) survey database</b>			
<b>Net carrying value basis</b>			
Opening net book value		-	-
Additions	6.1	9,180,839,350	-
Amortization charge		(688,562,951)	-
Closing net book value		<u>8,492,276,399</u>	<u>-</u>
<b>Gross carrying value basis</b>			
Cost		9,180,839,350	-
Accumulated amortization		(688,562,951)	-
Net book value		<u>8,492,276,399</u>	<u>-</u>
Amortization rate (years)		10	10
<b>6 WORK-IN-PROGRESS</b>			
NSER project cost	6.1	<u>-</u>	<u>7,028,386,652</u>

6.1 This represented survey payments to National Socio-Economic Registry (NSER) for the collection and acquisition of Households data. In July 2015, BISP board approved NSER in phase-manner; Phase-I (Pilot Project) and Phase-II (national rollout) through Computer Assisted Personal Interviewing (CAPI). NSER survey was completed in all districts and data became available for use at September 30, 2021, accordingly this has been transferred to intangible assets.

	Note	2022 Rupees	2021 Rupees
<b>6.2 Movement in work-in-progress</b>			
Opening balance		7,028,386,652	3,780,983,360
Additions during the year		2,152,452,698	3,247,403,292
Transfers during the year	6.1	(9,180,839,350)	-
Closing balance		<u>-</u>	<u>7,028,386,652</u>

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	Note	2022 Rupees	2021 Rupees
<b>7 RECEIVABLES FROM NON-EXCHANGE TRANSACTION</b>			
<b>Non current receivables under non-exchange transactions</b>			
Loans to beneficiaries against Waseela-e-Haq	7.1	36,239,763	48,319,684
<b>Current receivable under non-exchange transactions</b>			
Transfers receivable from GoP	7.2	16,213,595,676	10,443,257,562
Transfers receivable from other Government entities	7.3	1,003,668,575	1,001,684,761
Loans to beneficiaries against Waseela-e-Haq		12,079,921	12,079,921
		<u>17,229,344,173</u>	<u>11,457,022,243</u>
		<u>17,265,583,936</u>	<u>11,505,341,927</u>

7.1 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.

7.2 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.

	Note	2022 Rupees	2021 Rupees
<b>7.3 Transfers receivable from other Government entities</b>			
Receivable from State Life Insurance Company Limited (SLIC)	7.3.1	32,578,166	30,594,352
Balance with Pakistan Post Office	7.3.2	971,090,409	971,090,409
		<u>1,003,668,575</u>	<u>1,001,684,761</u>

7.3.1 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.

7.3.2 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.

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	Note	2022 Rupees	2021 Rupees
<b>8 ADVANCES, DEPOSIT AND PREPAYMENTS</b>			
Advance to World Food Programme	8.1	2,570,796,731	2,080,988,223
Deposits and prepayments	8.2	26,694,831	46,114,893
Other advances		5,538,749	9,426,990
		<u>2,603,030,311</u>	<u>2,136,530,106</u>

8.1 This represents advance contribution disburse to World Food Programme against the "Implementation of Health and Nutrition Conditional Cash Transfer Programme to preventing stunting" Program.

	Note	2022 Rupees	2021 Rupees
<b>8.2 Deposits and prepayments</b>			
Prepaid rent		16,400,695	23,792,383
Other prepaid expenses		10,294,137	22,322,510
		<u>26,694,831</u>	<u>46,114,893</u>

**9 BANK BALANCES**

Current account - local currency:

Special Account with National Bank of Pakistan	9.1	1,342,152,759	4,713,955,275
Limited Mandate Account-1 (LMA-1)	9.2	13,443,525,796	17,384,938,690
Donation account	9.3	145,316,321	86,306,040
		<u>14,930,994,876</u>	<u>22,185,200,005</u>

**9.1 Special Account with National Bank of Pakistan**

Asian Development Bank (ADB - SPDP)	256,311	3,885,387,904
World Bank - CRISP	206,440,400	-
World Bank - NSPP	352,314,033	23,651,278
Asian Development Bank (SPDP-Addnl Fin)	783,142,015	804,916,093
	<u>1,342,152,759</u>	<u>4,713,955,275</u>

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9.1.1 Special account with National Bank of Pakistan also includes assignment account in which contribution from Government of Pakistan (GoP) is received on account of budget approved by GoP for fiscal year 2021-22 amounting to Rs. 235,625 million (2021: Rs. 194,910 million). Further, at the year end outstanding amount of Rs. 499.7 million (2021: 612.6 million) lapsed from GoP assignment account.

9.1.2 Unused GoP funds lapsed movement:	Note	2022 Rupees	2021 Rupees
Opening balance		612,600,000	382,513,471
Grant received from GoP		235,625,619,423	194,910,683,717
Grant utilized for programme expenditure		(242,548,341,362)	(194,556,323,489)
Grant utilized for deferred expenditure		6,809,794,517	(124,273,699)
Closing balance		<u>499,672,578</u>	<u>612,600,000</u>

**9.2 Limited Mandate Account-1**

Habib Bank Limited		12,376,333,486	13,259,538,405
Bank Alfalah Limited		1,067,192,310	4,125,400,285
	9.2.1	<u>13,443,525,796</u>	<u>17,384,938,690</u>

9.2.1 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 to individual beneficiary accounts (LMA-2) electronically within five (05) days of receiving funds in LMA-1 account.

**9.3 Donation account**

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

	Note	2022 Rupees	2021 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	7,497,504
Recovery of Waseela-e-Haq loan and SLIC		(1,099,023)	10,621,974
Data sharing receipts		1,532,643	1,532,643
Ehsas Targeted Commodity Subsidy		70,731,278	-
Bank Guarantee - Waseela-e-Rozgar		40,445,444	40,445,444
		<u>145,316,321</u>	<u>86,306,040</u>

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	Note	2022 Rupees	2021 Rupees
<b>10 DEFERRED REVENUE</b>			
Opening balance		24,616,477,353	25,080,359,114
Addition of fixed assets during the year:			
Government of Pakistan (GoP)	4.1	82,815,183	371,680,708
Donor-funded assets	4.2	45,464,661	69,442,100
		128,279,844	441,122,808
Add: addition of intangible assets	5	9,181,763,422	636,450,422
Add/(less): Work in progress (NSER)		(7,028,386,652)	3,247,403,292
Add/(less): Deposits and Prepayments-net		(19,420,062)	18,235,047
Add/(less): Advances / grant - net		(9,072,031,069)	(4,218,937,870)
Less : Amortized during the year			
Government of Pakistan (GoP)	4.1	(553,008,928)	(519,875,964)
Donor-funded assets	4.2	(19,494,771)	(6,816,453)
Intangible assets	5	(762,930,769)	(61,463,043)
		(1,335,434,468)	(588,155,460)
		<u>16,471,248,368</u>	<u>24,616,477,353</u>

10.1 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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**11 LIABILITIES RECOGNIZED UNDER TRANSFER ARRANGEMENTS**

	Opening balance	Amount received during the year	Expenditure recognized as transfers revenue	Capital expenditure	Closing balance
	-----Rupees-----				
<b>30 June 2022</b>					
Foreign, Commonwealth & Development Office (FCDO)	(259,349,879)	259,349,879	-	-	-
Asian Development Bank (ADB SPDP)	3,885,387,903	948,886,773	(4,834,018,365)	-	256,311
Asian Development Bank - ISDP	-	21,005,446,000	(21,005,446,000)	-	-
International Development Association- NSPP	23,651,278	1,991,969,130	(1,618,849,714)	(44,456,661)	352,314,033
International Development Association- CRISP	-	5,988,887,351	(5,782,446,951)	-	206,440,400
Asian Development Bank (ADB)-additional financing	804,916,093	-	(21,774,078)	-	783,142,015
World Bank - NISP	-	63,791,500	(63,791,500)	-	-
China Foundation for Peace and Development	26,208,475	-	-	-	26,208,475
World Food Programme	7,497,504	-	-	-	7,497,504
	<b>4,747,661,253</b>	<b>30,258,330,633</b>	<b>(33,326,326,608)</b>	<b>(44,456,661)</b>	<b>1,375,858,738</b>
<b>30 June 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
Asian Development Bank - ISDP	-	-	-	-	-
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
World Bank - NISP	-	-	-	-	-
China Foundation for Peace and Development	26,208,475	-	-	-	26,208,475
World Food Programme	22,899,586	-	(15,402,082)	-	7,497,504
	<b>9,464,866,352</b>	<b>31,007,796,545</b>	<b>(35,914,459,343)</b>	<b>(69,892,180)</b>	<b>4,747,661,253</b>

**BENAZIR INCOME SUPPORT PROGRAMME**  
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12	PAYABLE UNDER NON-EXCHANGE TRANSACTION	Note	2022 Rupees	2021 Rupees
	Payable to Government of Pakistan against:			
	Waseela-e-Haq programme - non-current portion	12.5	36,239,763	48,319,684
	<b>Current payables</b>			
	<b>Payable to beneficiaries against:</b>			
	Benazir Kafaalat-UCTs	12.1	10,569,908,920	7,371,066,183
	Benazir Waseela-e-Taleem	12.2	13,467,552,000	4,924,031,000
	Waseela-e-Rozgar	12.3	787,380,866	787,380,866
	Health and Nutrition	12.4	-	17,349,240
	Payable to GoP against Waseela-e-Haq programme	12.5	18,074,733	24,016,813
	Commission and service charges payable	12.6	1,789,331,696	1,682,175,637
	Payable to GoP due from SLIC	12.7	32,578,167	30,594,352
	Other payables	12.8	122,187,541	502,529,180
			<u>26,787,013,922</u>	<u>15,339,143,270</u>

**12.1 Benazir Kafaalat-UCTs**

Payable to beneficiaries under UCT (LMA-1)	12.1.1	3,992,783,132	1,345,016,000
Pakistan Post Office	12.1.2	971,090,409	971,090,409
Arrears payable to UCT beneficiaries against de-credits	12.1.3	5,606,035,379	5,054,959,774
		<u>10,569,908,920</u>	<u>7,371,066,183</u>

12.1.1 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.

12.1.2 These balances are un-delivered money orders of beneficiaries through Pakistan Post Office.

12.1.3 This represents arrears payable to beneficiaries upon re-verification as beneficiaries are entitled to unconditional cash transfers once beneficiaries are re-verified.

12.2 This represents the amount of Rs. 5,616,434,000 (FY 2021: 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, arrears amounting to Rs. 7,851,118,000 (FY 2021: Rs. 2,417,495,500) have been booked during the year.

12.3 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.

12.4 This represents the amount payable to beneficiaries under Health and Nutrition programme.

12.5 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.

12.6 This amount represent services charges payable to banks against disbursement to beneficiaries.

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12.7 This represents interest income on amount due from State Life Insurance Company Limited for the year ended June 30, 2022. The interest is receivable at a rate of 6-month Treasury Bills cut-off yield less 1.5% (2021: 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.

12.8 Other payables	2022 Rupees	2021 Rupees
Payable to employees and others	105,632,878	149,413,685
Accrued expenses	16,401,735	83,979,723
Income tax payable	152,928	9,785,893
Foreign, Commonwealth and Development Office (FCDO)	-	259,349,879
	<u>122,187,541</u>	<u>502,529,180</u>

**13 CONTINGENCIES AND COMMITMENTS**

**13.1 Contingencies**

13.1.1 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.

13.1.2 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.

13.1.3 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 and above their spouses who were BISP beneficiaries. Similarly, BISP has recovered Rs. 8.02 million out of Rs. 23.506 million from its employees.

13.1.4 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.

**13.2 Commitments**

BISP has no capital commitment as at June 30, 2022 (2021: nil).

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**BENAZIR INCOME SUPPORT PROGRAMME**  
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14	TRANSFER FROM GOVERNMENT	Note	2022 Rupees	2021 Rupees
	Transfer from Federal Government	14.1	<u>214,006,918,392</u>	<u>158,802,797,995</u>

- 14.1 The Government of Pakistan (GoP) allocated a single line budget in respect of Benazir Income Support Programme in the Federal Budget amounting to Rs. 235.625 million (2021: Rs. 194,911.68 million). Out of the budgeted amount, Rs. 226,437 million (2021: Rs. 183,703 million) has been amortized during the year against project expenditure and whereas Rs. 8,688 million (2021: 10,594.41 million) is recognized against capital expenditure and administrative expenditure. The unutilized amount of Rs. 2,900 million (2021: Rs. 5,089 million) were surrendered while Rs. 504 million (2021: Rs. 612.6 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) and Asian Development Bank (ADB).

15	TRANSFERS FROM OTHER THAN GOVERNMENT ENTITIES	Note	2022 Rupees	2021 Rupees
	International Development Association- NSPP	15.1	1,618,849,714	5,030,766,032
	Foreign, Commonwealth & Development Office (FCDO)	15.2	-	4,780,100,000
	Asian Development Bank - SPDP	15.3	4,834,018,365	808,317,212
	Asian Development Bank - SPDP additional financing	15.4	21,774,078	2,619,750,000
	Asian Development Bank - ISDP	15.5	21,005,446,000	-
	World Food Programme	15.6	-	15,402,082
	World Bank - NISP	15.7	63,791,500	-
	International Development Association- CRISP	15.8	5,782,446,951	22,660,124,017
		11	<u>33,326,326,608</u>	<u>35,914,459,343</u>

- 15.1 The World Bank vide their project namely National Social Protection Program (NSPP) signed Financing agreement with Govt. of Pakistan on March 30, 2017 and has committed US\$ 100 million credit from IDA Scale-Up Facility (SUP). The Project aims to support the Government of Pakistan through BISP for:

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

- An Investment Project Financing (IPF) an amount of US\$ 10 million to finance critical areas to achieve the quality of results.

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

- 15.3 The Asian Development Bank (ADB) signed Agreement No. 3049-PAK (SF) for the project title "Social Protection Development Project" on November 13, 2013 to lend the Government of Pakistan of Special Drawing Rights SDR 283,776,000. This loans 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 (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.

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**BENAZIR INCOME SUPPORT PROGRAMME**  
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- 15.4 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.
- 15.5 The Asian Development Bank vide their project namely Integrated Social Protection Development Project (ISPDP) signed on December 10, 2021 has committed loan amounting to US\$ 600 million and grant amounting to US\$ 24.48 million for the purpose of the Program. The Program aims to strengthen and expand the social protection system to alleviate poverty for poor women and their families through three outputs: (i) institutional capacity for social protection and climate resilience strengthened, (ii) access to primary and secondary education improved for children and adolescents of poor families, and (iii) access to health services and nutrition supplies enhanced for women, adolescent girls, and children of poor families.
- 15.6 BISP signed a Memorandum of Understanding (MOU) with WFP under which WFP provided funds for cash transfer 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.
- 15.7 The World Bank vide their project namely National Immunization Support Project (NISP) signed on 26.03.2021 has committed US\$ 600 million (SDR 416,500,000) credit from IDA. The Project aimed to support the Government of Pakistan through (a) Program for Disbursement Linked Results (DLRs) in an amount of US\$ 550 million by making disbursements against the key results as part of the government's program and (b) The Technical Assistance component in an amount of US\$ 5 million.
- 15.8 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. and (b) The technical assistance component in an amount of US\$ 5 million.

	Note	2022 Rupees	2021 Rupees
<b>16 CONSULTANCY / RESEARCH AND SURVEYS</b>			
Individual consultants	16.1	226,132,321	196,317,929
Consultancy charges for Waseela-e-Taleem implementing partner firms and other vendors	16.2	62,807,611	41,300,967
	16.3	288,939,932	237,618,896

- 16.1 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 represents remuneration paid to consultants.
- 16.2 This represents payment to Aurat Publication and Information Service Foundation and MM Pakistan (Private) Limited against evaluation report of Waseela-e-Taleem Programme agreed on January 01, 2017. This also includes payments to consultants and vendors.

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**BENAZIR INCOME SUPPORT PROGRAMME**  
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16.3 Sources of payments:	2022 Rupees	2021 Rupees
Government of Pakistan funds	87,288,359	35,967,323
International Development Association- NSPP	179,038,656	179,038,656
Asian Development Bank (ADB SPDP)	22,612,917	22,612,917
	<u>288,939,932</u>	<u>237,618,896</u>

**17 COMMISSION AND SERVICE CHARGES**

Bank Alfalah Limited	717,574,776	573,369,155
Habib Bank Limited	1,010,896,535	834,099,197
Pakistan MNP Database (Guarantee) Ltd	70,731,278	-
Pakistan Post Office	-	3,776
	<u>1,799,202,589</u>	<u>1,407,472,128</u>

17.1 This represents service charges ranging from 0.5% to 1.63% (2021: 0.5% to 1.63%) of disbursed amounts to partner banks. BISP has engaged habib bank and bank alfalah for disbursement of funds to the beneficiaries.

17.2 Sources of payments:	Note	2022 Rupees	2021 Rupees
Government of Pakistan funds		<u>1,799,202,589</u>	<u>1,407,472,128</u>

**18 OPERATING EXPENSES**

Salaries and wages		3,521,407,500	2,959,307,192
Data validation charges - NADRA		209,258,477	644,492,245
Rent and other services		131,658,753	119,829,779
Depreciation	4.1, 4.2	572,503,699	526,692,417
Contribution and subscription		66,320,215	91,649,187
Communication charges		83,594,737	59,865,594
Printing and stationery		37,531,014	15,883,314
Travelling allowance		26,851,456	32,247,786
Utilities		34,550,853	29,210,970
Advertisement		108,164,851	46,574,228
Travelling charges		23,300,081	21,046,913
Amortization	5	762,930,769	61,463,043
Repair and maintenance		122,672,846	78,403,297
Trainings		20,986,725	1,019,757
Auditor remuneration		6,000,000	6,000,000
Office supplies		2,629,170	622,852
Transportation of goods		1,260,858	831,715
Newspapers, periodicals and books		517,714	1,106,314
Legal and professional charges		24,267	126,968,864
Entertainment		40,850	-
Finance charges		-	223,330
Other expenses	18.1	10,746,506	40,142,045
		<u>5,742,953,362</u>	<u>4,863,580,841</u>

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18.1 Other expenses comprise miscellaneous expenses incurred in the Head Quarter, Zonal and Tehsil Offices of BISP.

	<b>2022</b>	<b>2021</b>
	<b>Rupees</b>	<b>Rupees</b>
18.2 <b>Sources of payments:</b>		
Government of Pakistan funds	<u>5,742,953,362</u>	<u>4,863,580,841</u>

**19 UNCONDITIONAL CASH TRANSFER 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 year Rs. 2,000 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.

	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>Rupees</b>	<b>Rupees</b>
Transfer to beneficiaries	19.1	<u>203,664,071,941</u>	<u>173,056,880,677</u>
19.1 <b>Programme-wise transfers:</b>			
Regular unconditional cash transfer		168,320,733,941	124,600,973,386
Fuel subsidy - shock response		16,352,970,000	-
BISP emergency cash transfer		18,990,368,000	48,440,505,209
WFP-tharparkar project		-	15,402,082
		<u>203,664,071,941</u>	<u>173,056,880,677</u>
19.2 <b>Sources of cash transfer:</b>			
Government of Pakistan		170,539,396,906	142,018,292,907
Foreign, Commonwealth and Development Office (FCDO)		-	105,880,000
Asian Development Bank (ADB SPDP)		4,811,405,448	785,704,295
Asian Development Bank - additional financing		21,774,078	2,619,750,000
World Food Programme		-	15,402,082
International Development Association - CRISP		5,782,446,951	22,660,124,017
International Development Association - NSPP		1,439,811,058	4,851,727,376
World Bank - NISP		63,791,500	-
Asian Development Bank - ISDP		21,005,446,000	-
	19.3	<u>203,664,071,941</u>	<u>173,056,880,677</u>
19.3 <b>Modes of payments to beneficiaries:</b>			
Biometric Verification System (BVS)	19.3.1	<u>203,664,071,941</u>	<u>173,056,880,677</u>
19.3.1 This amount represents payment through Biometric Verification System to the beneficiary enabling them to withdraw their installments from any authorized franchise/ sales and service center.			

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**BENAZIR INCOME SUPPORT PROGRAMME**  
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**20 CASH TRANSFER TO BENEFICIARIES UNDER WASEELA-E-TALEEM**

Under this Waseela-e-Taleem, payment per quarter per child is made to the eligible beneficiaries to support the educational expenses from primary to higher secondary education. Respective child has to ensure seventy percent attendance in the school in order to be eligible for the benefit.

	Note	2022 Rupees	2021 Rupees
20.1	<b>Sources of cash transfer:</b>		
	Government of Pakistan funds	25,916,335,000	2,417,495,500
	Department For International Development	-	3,278,968,500
	20.2	<u>25,916,335,000</u>	<u>5,696,464,000</u>
20.2	<b>Modes of payments to beneficiaries:</b>		
	Biometric Verification System (BVS)	20.2.1 <u>25,916,335,000</u>	<u>5,696,464,000</u>

20.2.1 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 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.

	Note	2022 Rupees	2021 Rupees
21.1	<b>Sources of cash transfer:</b>		
	Government of Pakistan	21.2 <u>3,910,620,561</u>	<u>1,595,334,390</u>
21.2	<b>Modes of payments to beneficiaries:</b>		
	Cash transfer to beneficiaries	598,237,920	130,683,250
	Funds utilized by WFP	<u>3,312,382,641</u>	<u>1,464,651,140</u>
		<u>3,910,620,561</u>	<u>1,595,334,390</u>

**22 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 (2021: Rs. 40,000) is paid to eligible students alongwith the reimbursement of their university fees.

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	Notes	2022 Rupees	2021 Rupees
22.1 Sources of cash transfer:			
Government of Pakistan funds		<u>7,346,556,083</u>	<u>8,448,061,866</u>
22.2 Modes of payments to beneficiaries:			
Direct Bank Transfers	22.2.1	<u>7,346,556,083</u>	<u>8,448,061,866</u>
22.2.1	This amount represents payment through Direct Bank Transfers to the beneficiary enabling them to withdraw their stipend alongwith the university fees reimbursement.		

**23 TRANSACTION WITH RELATED PARTIES**

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

Nature of transactions	2022 Rupees	2021 Rupees
<b>Government of Pakistan</b>		
Contributions received	235,625,619,423	194,910,683,717
Lapsed funds at the end of the year	(499,672,578)	(612,600,000)

Balances at the year end are presented in respective notes.

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**BENAZIR INCOME SUPPORT PROGRAMME**  
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**24 REMUNERATION OF KEY MANAGEMENT PERSONNEL**

All of the key management personnel are Government employees assigned to BISP on deputation and the aggregate amount charged in the financial statements for remuneration are as per the terms of employment. Moreover, during the financial year, no (FY 2021: nil) compensation was given to any Board members.

	<b>2022</b>	<b>2021</b>
Remuneration of KMPs (Rupees)	34,564,518	28,155,372
Number of KMPs	6	6
Number of Board members	9	9

**25 SUMMARY OF BANK WISE DE-CREDITED AMOUNT AND THEIR PAYMENTS TO GOVERNMENT TREASURY**

Partner banks	De-credited funds as at opening	De-credited funds during the year	Total de-credited funds	Payment to Government treasury by partner banks	Balance with partner banks at year end (Note 25.1)
<b>30 June 2022</b>					
<b>Rupees</b>					
Bank Alfalah Limited	-	48,861,500	48,861,500	48,861,500	-
Habib Bank Limited	-	257,841,000	257,841,000	257,841,000	-
	-	306,702,500	306,702,500	306,702,500	-
<b>30 June 2021</b>					
Bank Alfalah Limited	-	518,115,405	518,115,405	518,115,405	-
Habib Bank Limited	-	547,314,000	547,314,000	547,314,000	-
	-	1,065,429,405	1,065,429,405	1,065,429,405	-

25.1 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.

**BENAZIR INCOME SUPPORT PROGRAMME**  
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**26 FINANCIAL ASSETS AND LIABILITIES**

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

Description	2022				Non interest / mark up bearing
	Total	Interest/mark up bearing		Sub total	
		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	17,265,583,936	-	-	-	17,265,583,936
<b>Carried at amortized cost</b>					
Cash and bank balances	14,930,994,876	-	-	-	14,930,994,876
	<u>32,196,578,812</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,196,578,812</u>
<b>Financial liabilities</b>					
<b>Carried at amortized cost</b>					
Payable under non-exchange transaction	26,787,013,922	-	-	-	26,787,013,922
	<u>26,787,013,922</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,787,013,922</u>
<b>On SOFP gap</b>	<u>5,409,564,889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,409,564,889</u>
<b>Off SOFP item</b>					
Financial commitment	-	-	-	-	-
<b>Total gap</b>	<u>5,409,564,889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,409,564,889</u>

6/30/22

**BENAZIR INCOME SUPPORT PROGRAMME**  
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Description	2021				Non interest / mark up bearing
	Total	Interest/mark up bearing		Sub total	
		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	14,426,471,967	-	-	-	14,426,471,967
<b>Carried at amortized cost</b>					
Cash and bank balances	22,185,200,005	-	-	-	22,185,200,005
	<u>36,611,671,972</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,611,671,972</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>21,272,528,702</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,272,528,702</u>
<b>Off SOFP item</b>					
Financial commitment	-	-	-	-	-
<b>Total gap</b>	<u>21,272,528,702</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,272,528,702</u>

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**BENAZIR INCOME SUPPORT PROGRAMME**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**27 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 exposure to each of the above risks, BISP 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 risk management framework. The Board is also responsible for developing and monitoring BISP risk management policies.

BISP 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 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 risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by BISP.

**27.1 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>2022</b>	<b>2021</b>
	<b>Rupees</b>	<b>Rupees</b>
Receivables from non-exchange transaction	17,265,583,936	14,426,471,967
Bank balances	14,930,994,876	22,185,200,005
	<u>32,196,578,812</u>	<u>36,611,671,972</u>

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**BENAZIR INCOME SUPPORT PROGRAMME**  
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BISP 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.

**27.2 Liquidity risk**

Liquidity risk is the risk that BISP will not be able to meet its financial obligations as they fall due. BISP 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 BISP 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, 2022</b>					
<b>Financial liabilities</b>					
Payable under non-	26,823,253,685	26,823,253,685	-	26,823,253,685	-
<b>June 30, 2021</b>					
<b>Financial liabilities</b>					
Payable under non-	15,339,143,270	15,339,143,270	-	15,339,143,270	-

**27.3 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.

**28 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.

**29 FUNDS MANAGEMENT**

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

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**BENAZIR INCOME SUPPORT PROGRAMME  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**30 NUMBER OF EMPLOYEES**

The number of permanent employees as at year end were 2,197 (2021: 2,241) and average number of employees during the year were 2,161 (2021: 2,125).

**31 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements are authorized for issue on ~~27-Dec-22~~ by the Board of Directors of BISP.



**DIRECTOR GENERAL (F&A)**



**SECRETARY**