



KPMG Taseer Hadi & Co.
Chartered Accountants

Benazir Income Support Programme

Annual Financial Statements

For the year ended
30 June 2023

**BENAZIR INCOME SUPPORT PROGRAMME
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipments	4	789,011,287	803,562,848
Intangible assets	5	9,784,085,310	9,067,188,820
Advances against capital assets	6	166,000,000	-
Receivables from non-exchange transactions	7	28,684,450	36,239,763
		<u>10,767,781,047</u>	<u>9,906,991,431</u>
CURRENT ASSETS			
Receivables from non-exchange transactions	7	19,453,437,253	17,229,344,173
Advances, deposits and prepayments	8	8,229,172,801	2,603,030,311
Bank balances	9	6,872,264,186	14,930,994,876
		<u>34,554,874,240</u>	<u>34,763,369,360</u>
TOTAL ASSETS		<u><u>45,322,655,287</u></u>	<u><u>44,670,360,791</u></u>
FUND AND LIABILITIES			
FUND AND RESERVES			
Accumulated surplus		-	-
NON-CURRENT LIABILITIES			
Deferred revenue	10	25,149,264,008	16,471,248,368
Liabilities recognized under transfer arrangements	11	232,177,946	1,375,858,738
Payables under non-exchange transactions	12	28,684,450	36,239,763
		<u>25,410,126,404</u>	<u>17,883,346,869</u>
CURRENT LIABILITIES			
Payables under non-exchange transactions	12	19,912,528,883	26,787,013,922
TOTAL EQUITY AND LIABILITIES		<u><u>45,322,655,287</u></u>	<u><u>44,670,360,791</u></u>
CONTINGENCIES AND COMMITMENTS	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, 2023**

	Note	2023 Rupees	2022 Rupees
REVENUE FROM NON - EXCHANGE TRANSACTIONS			
Transfers from Government	14	179,506,531,818	214,006,918,392
Transfers from other than Government entities	15	221,770,364,105	33,326,326,608
Amortization of deferred revenue	10	1,187,902,369	1,335,434,468
		402,464,798,292	248,668,679,468
EXPENSES			
General and operating expenditures			
Consultancy / research and surveys	16	467,629,034	288,939,932
Commission and service charges	17	2,494,272,608	1,799,202,589
Operating expenses	18	5,970,717,566	5,742,953,362
		8,932,619,208	7,831,095,883
Project expenditures			
Benazir Kafaalat - Unconditional Cash Transfers	19	327,372,635,426	203,664,071,941
Benazir Taleemi Wazaif - Conditional Cash Transfers	20	43,772,639,651	25,916,335,000
Benazir Nashonuma - Nutritional Program Transfers	21	13,919,865,023	3,910,620,561
BISP Scholarships for Undergraduates	22	8,467,038,984	7,346,556,083
		393,532,179,084	240,837,583,585
		402,464,798,292	248,668,679,468
SURPLUS FOR THE YEAR		-	-

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


DIRECTOR GENERAL (F&A)


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**BENAZIR INCOME SUPPORT PROGRAMME
STATEMENT OF CHANGES IN NET ASSETS / EQUITY
FOR THE YEAR ENDED JUNE 30, 2023**

	Accumulated surplus	Total
Balance as at July 01, 2021	-	-
Surplus for the year	-	-
Balance as at June 30, 2022	-	-
Surplus for the year	-	-
Balance as at June 30, 2023	-	-

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


DIRECTOR GENERAL (F&A)


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**BENAZIR INCOME SUPPORT PROGRAMME
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		-	-
Adjustment for non-cash and other items:			
Depreciation		171,587,088	572,503,699
Amortization of intangible assets		1,016,315,281	762,930,769
Transfers from other than Government entities		(222,054,326,497)	(33,370,783,269)
Amortization of deferred revenue		(1,187,902,369)	(1,335,434,468)
Transfers from Government		(179,506,531,818)	(214,313,620,892)
Financial charges		3,844	-
Operating deficit before working capital changes		(401,560,854,471)	(247,684,404,161)
Working capital changes:			
Current assets:			
Receivables from non-exchange transactions		(2,216,537,767)	(5,760,242,008)
Advances, deposits and prepayments		(5,626,142,490)	(466,500,205)
Current liabilities:			
Deferred revenue		9,865,918,009	(6,809,794,517)
Payables under non-exchange transaction		(6,882,040,352)	11,447,870,652
Cash generated from operations		(4,858,802,600)	(1,588,666,078)
Finance cost paid		(3,844)	-
Net cash used in operating activities		(406,419,660,915)	(35,266,151,848)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipments		(157,035,527)	(128,279,844)
Additions in work-in-progress		-	7,028,386,652
Additions in advances against capital assets		(166,000,000)	-
Additions in intangible assets		(1,733,211,771)	(9,181,763,422)
Net cash used in investing activities		(2,056,247,298)	(2,281,656,614)
CASH FLOWS FROM FINANCING ACTIVITIES			
Transfers from Government		179,506,531,818	214,006,918,392
Transfers from other than Government entities		220,910,645,705	30,293,603,333
Net cash generated from financing activities		400,417,177,523	244,300,521,725
Net decrease in cash and cash equivalents		(8,058,730,690)	(7,254,205,128)
Cash and cash equivalents at the beginning of the year		14,930,994,876	22,185,200,005
Cash and cash equivalents at the end of the year	9	6,872,264,186	14,930,994,876

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


DIRECTOR GENERAL (F&A)


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BENAZIR INCOME SUPPORT PROGRAMME
STATEMENT OF COMPARISON OF BUDGETED AND ACTUAL AMOUNTS
BUDGET ON CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted amounts		Actual amounts on cash basis	Performance variance	Reasons of performance variance
	Original budget	Final			
	2023	2023	2023	2023	
Rupees					
PROGRAMS / INITIATIVES					
Benazir Kafaalat - Unconditional Cash Transfers	240,100,000,000	274,096,418,000	274,096,418,450	(450)	Approved budget for the fiscal year 2022-23 amounted to Rs. 364,078 million. Furthermore, an additional allocation of supplementary budget amounting to Rs. 48,890 million was made during the year for indexation impact of Benazir Kafaalat - Unconditional Cash Transfers beneficiaries, Emergency Flood Relief Cash Assistance, Wheat Seed Subsidy and Benazir Nashonuma - Nutritional Program Transfers, bringing the total budget for fiscal year 2022-23 to Rs. 412,968 million. In accordance with the provisions outlined in the PFM Act of 2019, BISP has surrendered anticipated savings of Rs. 635 million to the Finance Division.
Fuel Subsidy Scheme	48,000,000,000	-	-	-	
Wheat Seed Subsidy (GoS)	-	8,390,000,000	8,390,000,000	-	
Emergency Flood Relief Cash Assistance	-	50,419,247,000	50,419,247,000	-	
Benazir Taleemi Wazaif	35,000,000,000	40,574,747,000	40,574,747,500	(500)	
Benazir Nashonuma - Nutritional Program Transfers	21,380,000,000	20,660,945,000	20,660,944,827	173	
BISP Scholarships for Undergraduates	9,270,000,000	8,614,591,478	8,614,591,478	-	
Waseela-e-Rozgar Program	-	163,000,000	162,840,247	159,753	
	353,750,000,000	402,918,948,478	402,918,789,502	158,976	
DIRECT COST OF INITIATIVES					
Service charges	2,000,000,000	2,322,719,000	2,322,719,331	(331)	
Payment to CCT IPF, CCT Expansion cost and Compliance Monitors	600,000,000	625,500,000	619,541,658	5,958,342	
Payments to Government for services rendered	244,000,000	347,028,000	364,781,191	(17,753,191)	
Payments to others for services rendered	360,000,000	386,000,000	381,561,022	4,438,978	
Administrative expense					
Advertising and publicity	180,000,000	45,000,000	31,427,090	13,572,910	
Employee related expenses	3,578,000,000	3,315,000,000	3,299,506,396	15,493,604	
Operating expenses	500,000,000	428,000,000	418,496,073	9,503,927	
Policy research unit	150,000,000	11,450,000	11,449,889	111	
	7,612,000,000	7,480,697,000	7,449,482,650	31,214,350	
CAPITAL EXPENDITURE					
National Socio Economic Registry	1,703,000,000	1,645,946,000	1,651,491,010	(5,545,010)	
Expenditure on acquisition of assets	1,013,000,000	287,000,000	253,624,611	33,375,389	
	2,716,000,000	1,932,946,000	1,905,115,621	27,830,379	
Total original budgeted grant	364,078,000,000	412,332,591,478	412,273,387,773	59,203,705	
<i>% of Difference Budget vs. Actual</i>				0.01%	

Annual budget process is based on Budget Call Circular issued by the Finance Division to all Principal 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 2022-23 for BISP was Rs. 364,078 million (2021-22 Rs. 250,000 million). Furthermore, supplementary budget amounting to Rs. 48,890 million was allocated the year. Out of this budget, final budget released by the Federal Government was Rs. 412,968 million (2021-22: Rs. 235,625 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 fiscal year 2022-23 was June 15, 2022, accordingly, anticipated savings of Rs. 635 million (2022: Rs. 3,375 million) have been surrendered by BISP to Finance Division. Net budget performance variance is 0.01% (2022: 0.21%) 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.

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DIRECTOR GENERAL (F&A)

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SECRETARY

**BENAZIR INCOME SUPPORT PROGRAMME
RECONCILIATION OF BUDGET
FOR THE YEAR ENDED JUNE 30, 2023**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Total
	2023	2023	2023	
	-----Rupees-----			
Actual amounts on comparable basis	(410,368,272,152)	(1,905,115,621)	220,910,645,705	(191,362,742,068)
Basis differences	5,644,959,423	-	-	5,644,959,423
Timing differences	-	-	-	-
Entity differences	-	-	-	-
Presentation differences	(1,696,348,186)	(151,131,677)	179,506,531,818	177,659,051,955
Actual amounts in the statement	<u>(406,419,660,915)</u>	<u>(2,056,247,298)</u>	<u>400,417,177,523</u>	<u>(8,058,730,690)</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 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 budgeted 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, 2023**

1 CORPORATION AND GENERAL INFORMATION

1.1 Status and nature of principal activities

Benazir Income Support Programme (BISP) is the premier and largest social safety net program 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 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 poorest of the poor.

a) Benazir Kafaalat - Unconditional Cash Transfers (UCTs)

The core Program of BISP, was initiated in 2008. The short term objective of the Program 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 Taleemi Wazaif - Conditional Cash Transfers

Benazir Taleemi Wazaif Conditional Cash Transfer Program was initiated to support the primary education of 4 to 12 years old children of BISP beneficiary families for their enrolments and retention. Further, it was expanded to include secondary education for 8 to 18 years old children and Higher Secondary Education for 13 to 22 years old children. 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.

c) Waseela-e-Rozgar Program

BISP launched Waseela-e-Rozgar 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 Program envisaged empowering the female beneficiary or her nominee to become economically independent through acquiring demand-driven vocational skills. The aim of the Program was to arrange training program 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 Program 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, 2023**

d) Waseela-e-Sehet Program

BISP launched Health Insurance Scheme called "Waseela-e-Sehet Program" in 2010 in Faisalabad district on pilot basis. The core objective of Waseela-e-Sehet program 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 Program

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) BISP Scholarships for Undergraduates

BISP started this program to provide the scholarships to the qualified students from low income families. Scholarship 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 entered into agreement with Higher Education Commission (HEC).

The Higher Education Commission (HEC) acts as implementing partner for the execution of Undergraduate Scholarship. BISP and HEC agreed to 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 Program Transfers

BISP has engaged the World Food Programme (WFP) for the delivery of nutrition services in line with the agreed project. The project was piloted in 9 districts of the country. The selection of districts was 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. Now this program has been extended across Pakistan.

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, 2023**

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 was provided for a period of four months in one instalment.

i) Emergency Flood Relief Cash Assistance

During the year ended 30 June 2023, BISP extended financial relief to beneficiaries in the regions of Pakistan severely affected by devastating floods. In order to alleviate the hardships faced by flood-affected beneficiaries, BISP disbursed payments to 2,763,776 beneficiaries, totaling Rs. 69.09 billion @ Rs. 25,000 per beneficiary, which included the benefit of Rs. 18.67 billion on account of unconditional cash transfer, thereby totaling Rs. 50.42 billion for emergency flood relief cash assistance. This financial support was facilitated by USD 150 million from National Disaster Risk Management Fund through Grant Implementation Agreement for Emergency Action Plan and USD 73 million from World Bank through Pakistan Crisis Resilient Social Protection Project.

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.

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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**BENAZIR INCOME SUPPORT PROGRAMME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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 equipments

Property and equipments are stated at cost less accumulated depreciation and any identified accumulated impairment loss, if any. Cost in relation to property and equipments comprise acquisition and other directly attributable costs. All other repair and maintenance costs 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 equipments over their estimated useful life. Depreciation on additions to property and equipments is charged on a prorated basis from the month in which property and equipments becomes available for use while no depreciation is charged for the month in which property and equipments 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 equipments are recognized in statement of financial performance.

The gain or loss arising from the derecognition of an item of property and equipment is recorded in the statement of financial performance when the item is derecognized.

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:

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

The gain or loss arising from the derecognition of an intangible asset is recorded in the statement of financial performance when the item is derecognized.

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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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 accounts 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 transactions

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 transactions 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 entities

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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**BENAZIR INCOME SUPPORT PROGRAMME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Receipts by BISP consist of receipts from the Government of Pakistan (GoP) and other donors. BISP recognizes receipts from funds allocated to the Programs 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 revolving fund 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 Rupees as per State Bank of Pakistan's Revised Accounting Procedures 2013 for revolving fund accounts.

3.11 Liabilities under transfer arrangements

Loans / grants received from donors specifically for a particular project / purpose are recognized as liabilities under transfer arrangements and any unutilized balance is to be returned to Federal Government as per financing agreements with donors / lenders. 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's decision in case of no activity in beneficiaries account for 9 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 deferred 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.

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**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 cheques in LMA-1 for onward disbursement in beneficiaries accounts (LMA-2) within 5 working days in accordance with agreements with banks. Similarly, amount not drawn by beneficiaries within nine months is returned back from LMA-2 to LMA-1. Year end balance (if any) available in LMA-1 is treated as cash and 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 Program launched by BISP as Waseela-e-Haq. The Program was launched in September 2009 to provide and enhance small business and entrepreneurship among the under privileged classes. Loans are repayable in fifteen (15) instalments. The initiative was closed in 2013, however recoveries from beneficiaries are 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 transfers to beneficiaries is recorded at the fair value and paid to the beneficiaries against BISP Program.

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.

**BENAZIR INCOME SUPPORT PROGRAMME
NOTES TO THE FINANCIAL STATEMENTS
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3.17 Significant accounting judgments and critical accounting estimates / assumptions

The preparation of financial statements in conformity with IPSAS requires the 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 equipments

Management has made estimates of residual values, useful lives and recoverable amounts of certain items of property and equipments. Any changes in these estimates in future years might affect the carrying amounts of the respective items of property and equipments 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.

	Note	2023 Rupees	2022 Rupees
4			
PROPERTY AND EQUIPMENTS			
Government of Pakistan funded assets	4.1	659,220,887	711,447,311
Donor funded assets	4.2	129,790,400	92,115,537
		<u>789,011,287</u>	<u>803,562,848</u>

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BENAZIR INCOME SUPPORT PROGRAMME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

4.1 Government of Pakistan funded assets

Description	Machinery and other equipments	Furniture and fixtures	Computer equipments	Vehicles	Total
Rupees					
Net carrying value basis					
Year ended June 30, 2023					
Opening book value	35,999,272	46,306,718	492,211,206	136,930,115	711,447,311
Additions - at cost	16,511,004	853,923	70,527,951	-	87,892,878
Depreciation	(5,783,133)	(6,098,076)	(76,914,481)	(51,323,612)	(140,119,302)
Closing net book value	46,727,143	41,062,565	485,824,676	85,606,503	659,220,887
Gross carrying value basis					
Year ended June 30, 2023					
Cost	93,943,483	117,924,646	1,938,178,744	369,430,824	2,519,477,697
Accumulated depreciation	(47,216,340)	(76,862,081)	(1,452,354,068)	(283,824,321)	(1,860,256,810)
Net book value	46,727,143	41,062,565	485,824,676	85,606,503	659,220,887
Net carrying value basis					
Year ended June 30, 2022					
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
Gross carrying value basis					
Year ended June 30, 2022					
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)	(1,720,137,508)
Net book value	35,999,272	46,306,718	492,211,206	136,930,115	711,447,311
Depreciation rate (years)	10	10	3	5	2021

BENAZIR INCOME SUPPORT PROGRAMME
NOTES TO THE FINANCIAL STATEMENTS
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4.2 Donor funded assets

	Computer equipments	Machinery and other equipments	Furniture and fixtures	Vehicles	Total
	Rupees				
Net carrying value basis					
Year ended June 30, 2023					
Opening book value	2,884,076	8,144,835	22,703,256	58,383,370	92,115,537
Additions - at cost	45,437,579	17,289,319	6,415,751	-	69,142,649
Depreciation	(7,969,390)	(1,791,138)	(2,620,637)	(19,086,621)	(31,467,786)
Closing net book value	40,352,265	23,643,016	26,498,370	39,296,749	129,790,400
Gross carrying value basis					
Year ended June 30, 2023					
Cost	59,177,479	25,725,371	29,156,895	78,789,665	192,849,410
Accumulated depreciation	(18,825,214)	(2,082,355)	(2,658,525)	(39,492,916)	(63,059,010)
Net book value	40,352,265	23,643,016	26,498,370	39,296,749	129,790,400
Net carrying value basis					
Year ended June 30, 2022					
Opening book value	7,867,520	-	-	68,112,527	66,145,647
Additions - at cost	10,381,956	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	2,884,067	8,144,835	22,703,256	68,217,770	92,115,537
Gross carrying value basis					
Year ended June 30, 2022					
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
Depreciation rate (years)	10	10	3	5	

BENAZIR INCOME SUPPORT PROGRAMME
NOTES TO THE FINANCIAL STATEMENTS
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	Note	2023 Rupees	2022 Rupees
5 INTANGIBLE ASSETS			
Software	5.1	580,452,466	574,912,421
National Socio-Economic Registry (NSER) survey database	5.2	<u>9,203,632,844</u>	<u>8,492,276,399</u>
		<u>9,784,085,310</u>	<u>9,067,188,820</u>
5.1 Software			
Net carrying value basis			
Opening net book value		574,912,421	648,356,167
Additions		85,399,585	924,072
Amortization charge		<u>(79,859,540)</u>	<u>(74,367,818)</u>
Closing net book value		<u>580,452,466</u>	<u>574,912,421</u>
Gross carrying value basis			
Cost		854,852,083	769,452,498
Accumulated amortization		<u>(274,399,617)</u>	<u>(194,540,077)</u>
Net book value		<u>580,452,466</u>	<u>574,912,421</u>
Amortization rate (years)		10	10
5.2 National Socio-Economic Registry (NSER) survey database			
Net carrying value basis			
Opening net book value		8,492,276,399	-
Additions	5.1.1	1,647,812,186	9,180,839,350
Amortization charge		<u>(936,455,741)</u>	<u>(688,562,951)</u>
Closing net book value		<u>9,203,632,844</u>	<u>8,492,276,399</u>
Gross carrying value basis			
Cost		10,828,651,536	9,180,839,350
Accumulated amortization		<u>(1,625,018,692)</u>	<u>(688,562,951)</u>
Net book value		<u>9,203,632,844</u>	<u>8,492,276,399</u>
Amortization rate (years)		10	10

5.1.1 During the year, BISP has made additions to the NSER Project cost such as payments to NADRA for the establishment of registration centers and data validation services and remuneration to the staff of the Education Department. These additions has been made to provide accurate and comprehensive data for effective implementation of BISP programs.

	Note	2023 Rupees	2022 Rupees
6 ADVANCES AGAINST CAPITAL ASSETS			
Advances against capital assets	6.1	<u>166,000,000</u>	-

6.1 This pertains to advances provided to suppliers for the acquisition of twenty five (25) Mini-Trucks as of May 4, 2023, aimed at facilitating the establishment of Mobile One Window Services. These advances were funded through the financial support received from Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), as per the terms outlined in the financing agreement executed between BISP and GIZ.

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BENAZIR INCOME SUPPORT PROGRAMME
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	Note	2023 Rupees	2022 Rupees
7 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS			
Non current receivables under non-exchange transactions			
Loans to beneficiaries against Waseela-e-Haq	7.1	28,684,450	36,239,763
Current receivables under non-exchange transactions			
Transfers receivable from GoP	7.2	18,287,564,918	16,213,595,676
Transfers receivable from other Government entities	7.3	1,150,522,114	1,003,668,575
Loans to beneficiaries against Waseela-e-Haq		15,350,221	12,079,921
		19,453,437,253	17,229,344,173
		<u>19,482,121,703</u>	<u>17,265,583,936</u>

7.1 This represents loans provided to beneficiaries selected through random computer ballot against Waseela-e-Haq program, 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's grace period.

7.2 This represents the receivable amount from the Government of Pakistan related to various financial obligations, including commission and service charges owed to partner banks, arrears due to UCT beneficiaries, provisions for payments to Benazir Taleemi Wazaif beneficiaries, liabilities associated with Waseela-e-Rozgar payments to partner organizations, and the accrued expenses.

	Note	2023 Rupees	2022 Rupees
7.3 Transfers receivable from other Government entities			
Receivables from State Life Insurance Company Limited (SLIC)	7.3.1	179,431,705	32,578,166
Balance with Pakistan Post Office	7.3.2	971,090,409	971,090,409
		<u>1,150,522,114</u>	<u>1,003,668,575</u>

7.3.1 During the financial year 2023, a reconciliation of receivables from State Life Insurance Company Limited (SLIC) was conducted. The Reconciliation Committee, comprised of representatives from SLIC and BISP, examined financial transactions related to the Waseela-e-Sehet Program. The outcome of the reconciliation revealed a remaining balance of Rs. 179.43 million as of June 30, 2023, representing the outstanding amount due from SLIC.

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

	Note	2023 Rupees	2022 Rupees
8 ADVANCES, DEPOSITS AND PREPAYMENTS			
Advance to World Food Programme	8.1	8,177,944,145	2,570,796,731
Deposits and prepayments	8.2	46,389,815	26,694,831
Other advances		4,838,841	5,538,749
		<u>8,229,172,801</u>	<u>2,603,030,311</u>

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

	Note	2023 Rupees	2022 Rupees
8.2 Deposits and prepayments			
Prepaid rent		15,057,056	16,400,695
Other prepaid expenses		31,332,759	10,294,137
		<u>46,389,815</u>	<u>26,694,831</u>

9 BANK BALANCES

Current account - local currency:

Special Account with National Bank of Pakistan	9.1	198,414,785	1,342,152,759
Limited Mandate Account-1 (LMA-1)	9.2	6,597,148,390	13,443,525,796
Donation account	9.3	76,701,011	145,316,321
		<u>6,872,264,186</u>	<u>14,930,994,876</u>

9.1 Special Account with National Bank of Pakistan

Asian Development Bank (ADB - SPDP)		-	256,311
World Bank - CRISP		142,498,320	206,440,400
World Bank - NSPP		-	352,314,033
Asian Development Bank - (SPDP - Additional Financing)		55,916,465	783,142,015
		<u>198,414,785</u>	<u>1,342,152,759</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 2022-23 amounting to Rs. 412,332 million (2022: Rs. 235,625 million). Further, at the year end outstanding amount of Rs. 59.2 million (2022: 499.7 million) lapsed from GoP assignment account.

	Note	2023 Rupees	2022 Rupees
9.1.2 Unused GoP funds lapsed movement:			
Opening balance		499,672,578	612,600,000
Grant received from GoP		412,332,591,478	235,625,619,423
Grant utilized for program expenditure		(402,907,142,342)	(242,548,341,362)
Grant utilized for deferred expenditure		(9,865,918,009)	6,809,794,517
Closing balance		<u>59,203,705</u>	<u>499,672,578</u>

9.2 Limited Mandate Account-1

Habib Bank Limited		5,110,225,830	12,376,333,486
Bank Alfalah Limited		1,486,922,560	1,067,192,310
	9.2.1	<u>6,597,148,390</u>	<u>13,443,525,796</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 beneficiaries 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:

	2023 Rupees	2022 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	963,545	(1,099,023)
Data sharing receipts	1,532,643	1,532,643
Ehsas Targeted Commodity Subsidy	-	70,731,278
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	53,400	-
Bank Guarantee - Waseela-e-Rozgar	40,445,444	40,445,444
	<u>76,701,011</u>	<u>145,316,321</u>

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BENAZIR INCOME SUPPORT PROGRAMME
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	Note	2023 Rupees	2022 Rupees
10 DEFERRED REVENUE			
Opening balance		16,471,248,368	24,616,477,353
Addition of Property and equipments during the year:			
Government of Pakistan (GoP)	4.1	87,892,878	82,815,183
Donor funded assets	4.2	69,142,649	45,464,661
		157,035,527	128,279,844
Add : addition of intangible assets	5	1,733,211,771	9,181,763,422
Less : Work in progress (NSER)		-	(7,028,386,652)
Add : Advance against capital assets	6	166,000,000	-
Add / (less): Deposits and Prepayments		19,694,984	(19,420,062)
Add / (less): Advances / grant - net		7,789,975,727	(9,072,031,069)
Less : Amortized during the year			
Government of Pakistan (GoP)	4.1	(140,119,302)	(553,008,928)
Donor funded assets	4.2	(31,467,786)	(19,494,771)
Intangible assets	5	(1,016,315,281)	(762,930,769)
		(1,187,902,369)	(1,335,434,468)
		<u>25,149,264,008</u>	<u>16,471,248,368</u>

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BENAZIR INCOME SUPPORT PROGRAMME
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11 LIABILITIES RECOGNIZED UNDER TRANSFER ARRANGEMENTS

	Opening balance	Amounts received during the year	Expenditures recognized as transfers revenue	Capital expenditures	Closing balance
Rupees					
30 June 2023					
Asian Development Bank (ADB SPDP)	256,311	-	(256,311)	-	-
Asian Development Bank (ISPDP)	-	78,242,617,051	(78,242,617,051)	-	-
International Development Association (NSPP)	352,314,033	-	(234,788,934)	(117,525,099)	-
International Development Association (CRISP)	206,440,400	97,866,758,754	(97,930,353,284)	(347,550)	142,498,320
Asian Development Bank (ADB) additional financing	783,142,015	8,764,151,500	(9,491,287,307)	(89,743)	55,916,465
World Bank (NISP)	-	-	-	-	-
China Foundation for Peace and Development	26,208,475	-	-	-	26,208,475
World Food Programme (WFP)	7,497,504	-	-	-	7,497,504
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	-	166,053,400	-	(166,000,000)	53,400
Pakistan Italian Debt for Development Swap Agreement (PIDSA)	-	500,000,000	(499,996,218)	-	3,782
National Disaster Risk Management Fund (NDRMF)	-	35,371,065,000	(35,371,065,000)	-	-
	1,375,858,738	220,910,645,705	(221,770,364,105)	(283,962,392)	232,177,946
30 June 2022					
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 (ISPDP)	-	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 (WFP)	7,497,504	-	-	-	7,497,504
	4,747,661,253	30,258,330,633	(33,326,326,608)	(44,456,661)	1,375,858,738

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BENAZIR INCOME SUPPORT PROGRAMME
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12	PAYABLES UNDER NON-EXCHANGE TRANSACTIONS	Note	2023 Rupees	2022 Rupees
	Payables to Government of Pakistan against:			
	Waseela-e-Haq program - non-current portion	12.4	28,684,450	36,239,763
	Current payables			
	Payables to beneficiaries against:			
	Benazir Kafaalat-UCTs	12.1	6,594,197,638	10,569,908,920
	Benazir Taleemi Wazaif Conditional Cash Transfers	12.2	11,344,870,151	13,467,552,000
	Waseela-e-Rozgar	12.3	638,836,688	787,380,866
	Payables to GoP against Waseela-e-Haq program	12.4	23,407,601	18,074,733
	Commission and service charges payables	12.5	903,515,572	1,789,331,696
	Payables to GoP due from SLIC	12.6	179,431,705	32,578,167
	Other payables	12.7	228,269,528	122,187,541
			<u>19,912,528,883</u>	<u>26,787,013,922</u>
12.1	Benazir Kafaalat-UCTs			
	Payables to beneficiaries under UCT (LMA-1)	12.1.1	155,174,250	3,992,783,132
	Pakistan Post Office	12.1.2	971,090,409	971,090,409
	Arrears payable to UCT beneficiaries against de-credits	12.1.3	5,467,932,979	5,606,035,379
			<u>6,594,197,638</u>	<u>10,569,908,920</u>

12.1.1 This represents the amount payable to beneficiaries under UCT program which are yet to be transferred 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. 295,860,000 (2022: Rs. 5,616,434,000) left undisbursed in LMA-1 accounts to beneficiaries under Benazir Taleemi Wazaif at the end of the reporting period. In addition, provision for payable to beneficiaries amounting to Rs. 11,049,010,151 (2022: Rs. 7,851,118,000) have been booked during the year. This provision is calculated by multiplying the total child population count by the installment rate, accounting for the average percentage of children meeting attendance requirements during the past three quarters.

12.3 This relates to amount payable to fifty three (53) 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 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.

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BENAZIR INCOME SUPPORT PROGRAMME
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12.5 This amount represents commission and service charges payable to banks in connection with beneficiary disbursements. During the financial year 2023, a reconciliation committee calculated penalties to be levied on banks for non-compliance with contractual provisions, resulting in penalties amounting to Rs. 1,275.50 million, which are accordingly adjusted from the payable amount.

12.6 This represents amount due from State Life Insurance Company Limited (SLIC). During the year, SLIC paid Rs. 67.1 million to BISP inclusive of interest income as per the terms of the contract between BISP and SLIC. Subsequently, BISP transferred the same amount to the Federal Government Treasury.

12.7 Other payables	2023 Rupees	2022 Rupees
Payable to employees and others	158,061,419	105,632,878
Accrued expenses	46,487,474	16,401,735
Income tax payable	23,720,634	152,928
	<u>228,269,527</u>	<u>122,187,541</u>

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 There were 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 Program which includes an estimated amount of Rs. 294.93 million along with markup of 12%, fee spent on arbitration and lawyer. During the year, the Honorable Supreme Court has ruled in favor of four service providers. Consequently, BISP has made payment of Rs. 162.84 million to four of the parties inclusive of interest (calculated on a simple interest basis). These four service providers have subsequently prayed to the Civil Court for payment of interest on a compound basis. If the request is decided in favor of the service providers, BISP would be required to pay an additional sum of Rs. 120.57 million. The management is confident that BISP has already paid the interest in line with the verdict of Honorable Court, therefore the eventual decision will be in favor of BISP.

13.1.2 Service providers providing media and advertisement services to BISP filed the instant suit for recovery of outstanding amount of Rs. 341.42 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 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. 545.78 million from government servants of BS-17 and above their spouses who were BISP beneficiaries. Similarly, BISP has recovered Rs. 17.61 million out of Rs. 23.44 million from its employees.

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BENAZIR INCOME SUPPORT PROGRAMME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

13.1.4 Management believes that no additional provision on account of above contingencies is required 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 favor of BISP.

13.2 Commitments

BISP has no capital commitments as at June 30, 2023 (2022: nil).

	Note	2023 Rupees	2022 Rupees
14 TRANSFERS FROM GOVERNMENT			
Transfers from Federal Government	14.1	<u>179,506,531,818</u>	<u>214,006,918,392</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. 412,968 million (2022: Rs. 235,625 million). Out of the budgeted amount, Rs. 390,447 million (2022: Rs. 226,437 million) has been amortized during the year against project expenditure and whereas Rs. 9,985 million (2022: 8,688 million) is recognized against capital expenditure and administrative expenditure. The unutilized amount of Rs. 635 million (2022: Rs. 2,900 million) were surrendered while Rs. 59 million (2022: Rs. 504 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).

	Note	2023 Rupees	2022 Rupees
15 TRANSFERS FROM OTHER THAN GOVERNMENT ENTITIES			
International Development Association (NSPP)	15.1	234,788,934	1,618,849,714
Asian Development Bank (ADB SPDP)	15.2	256,311	4,834,018,365
Asian Development Bank (ADB) additional financing	15.3	9,491,287,307	21,774,078
Asian Development Bank (ISPDP)	15.4	78,242,617,051	21,005,446,000
World Bank (NISPP)	15.5	-	63,791,500
International Development Association (CRISP)	15.6	97,930,353,284	5,782,446,951
Pakistan Italian Debt for Development Swap Agreement (PIDSA)	15.7	499,996,218	-
National Disaster Risk Management Fund (NDRMF)	15.8	35,371,065,000	-
	11	<u>221,770,364,105</u>	<u>33,326,326,608</u>

15.1 The World Bank vide their project namely National Social Protection Program (NSPP) signed Financing agreement with Government 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.

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BENAZIR INCOME SUPPORT PROGRAMME
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- 15.2 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.
- 15.3 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.
- 15.4 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.
- 15.5 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.
- 15.6 The World Bank vide their project namely Pakistan Crisis Resilient Social 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 program. and (b) The technical assistance component in an amount of US \$ 5 million.
- 15.7 Government of Pakistan (GOP) has signed a Debt Swap Agreement with Italian Embassy on April 04, 2023 for an amount of Rs. 500 million. In pursuance of this agreement, GOP transferred Rs. 500 million to BISP to address the stunting prevention in 1,000 days window opportunity in the children of BISP beneficiaries in flood affected areas. Duration of the project is six (6) months with closing date of September 30, 2023.
- 15.8 BISP has signed a Grant Implementation Agreement with National Disaster Risk Management Fund (NDRMF) on September 12, 2022 for an amount of US \$ 150 million. In pursuance of this agreement, BISP extended financial relief to beneficiaries in the regions of Pakistan severely affected by devastating floods.

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BENAZIR INCOME SUPPORT PROGRAMME
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FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
16	CONSULTANCY / RESEARCH AND SURVEYS		
Individual consultants	16.1	233,768,113	226,132,321
Consultancy charges for Taleemi Wazaif implementing partner firms and other vendors	16.2	<u>233,860,921</u>	<u>62,807,611</u>
	16.3	<u>467,629,034</u>	<u>288,939,932</u>

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 and evaluation, training, MIS, IT, financial management, procurement and communications. The amount represents remuneration paid to consultants.

16.2 This represents payment to Aurat Publication, Information Service Foundation and MM Pakistan (Private) Limited against evaluation report of Taleemi Wazaif Program agreed on January 01, 2017. This also includes payments to consultants and vendors.

	2023 Rupees	2022 Rupees
16.3	Sources of payments:	
Government of Pakistan funds	244,270,892	87,288,359
International Development Association (NSPP)	543,141	179,038,656
International Development Association (CRISP)	203,664,194	-
Asian Development Bank (ADB) - additional financing	19,150,807	-
Asian Development Bank (ADB SPDP)	-	22,612,917
	<u>467,629,034</u>	<u>288,939,932</u>

17 **COMMISSION AND SERVICE CHARGES**

Bank Alfalah Limited	1,023,772,320	717,574,776
Habib Bank Limited	1,470,500,288	1,010,896,535
Pakistan MNP Database (Guarantee) Limited	-	70,731,278
	<u>2,494,272,608</u>	<u>1,799,202,589</u>

17.1 This represents service charges ranging from 0.5% to 1.63% (2022: 0.5% to 1.63%) of disbursed amounts to partner banks. BISP has engaged Habib Bank Limited and Bank Alfalah Limited for disbursement of funds to the beneficiaries.

	2023 Rupees	2022 Rupees
17.2	Sources of payments:	
Government of Pakistan funds	<u>2,494,272,608</u>	<u>1,799,202,589</u>

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BENAZIR INCOME SUPPORT PROGRAMME
NOTES TO THE FINANCIAL STATEMENTS
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	Note	2023 Rupees	2022
18 OPERATING EXPENSES			
Salaries and wages		3,910,394,031	3,521,407,500
Data validation charges		280,564,125	209,258,477
Rent and other services		159,544,961	131,658,753
Depreciation	4.1, 4.2	171,587,088	572,503,699
Contribution and subscription		47,572,169	66,320,215
Communication charges		82,896,050	83,594,737
Printing and stationery		42,742,839	37,531,014
Travelling allowance		59,610,454	26,851,456
Utilities		50,618,823	34,550,853
Advertisement		31,457,546	108,164,851
Travelling charges		41,331,444	23,300,081
Amortization	5	1,016,315,281	762,930,769
Repair and maintenance		50,879,095	122,672,846
Trainings		1,887,936	20,986,725
Auditors' remuneration		6,000,000	6,000,000
Office supplies		1,401,583	2,629,170
Transportation of goods		5,582,424	1,260,858
Newspapers, periodicals and books		119,444	517,714
Legal and professional charges		213,133	24,267
Entertainment		-	40,850
Finance charges		3,844	-
Other expenses	18.1	9,995,296	10,746,506
		<u>5,970,717,566</u>	<u>5,742,953,363</u>

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

	2023 Rupees	2022 Rupees
18.2 Sources of payments:		
Asian Development Bank - additional financing	11,940,000	-
Government of Pakistan funds	5,958,777,566	5,742,953,363
	<u>5,970,717,566</u>	<u>5,742,953,363</u>

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BENAZIR INCOME SUPPORT PROGRAMME
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19 BENAZIR KAFALAT - UNCONDITIONAL CASH TRANSFERS

Under this program cash transfers are made to the beneficiaries based on eligibility criteria approved by BISP Board. It comprises two components UCT Regular Transfer and Shock Response. UCT Regular Transfer represents the transfer of fixed amounts to the active beneficiaries on periodic basis in their respective limited mandate accounts. UCT Shock Response payments are exceptional transfers made in case of any disaster or emergency.

	Note	2023 Rupees	2022 Rupees
Transfers to beneficiaries	19.1	<u>327,372,635,426</u>	<u>203,664,071,941</u>
19.1 Program - wise transfers:			
Benazir Kafaalat - Unconditional Cash Transfers		269,923,826,652	168,320,733,941
Fuel Subsidy Scheme		409,632,795	16,352,970,000
Emergency Flood Relief Cash Assistance	19.1.1	50,419,247,000	-
Wheat Seed Subsidy (Government of Sindh)		6,619,928,979	-
BISP Emergency Cash Transfers		-	18,990,368,000
		<u>327,372,635,426</u>	<u>203,664,071,941</u>

19.1.1 During the year, BISP extended financial relief to beneficiaries in the regions of Pakistan severely affected by floods. In order to alleviate the hardships faced by flood - affected beneficiaries, BISP disbursed payments to 2,763,776 beneficiaries, totaling Rs. 69.09 billion @ Rs. 25,000 per beneficiary, which included the benefit of Rs. 18.67 billion on account of regular unconditional cash transfer, thereby totaling Rs. 50.42 billion for emergency flood relief cash assistance. This financial support was facilitated by US \$ 150 million from National Disaster Risk Management Fund (NDRMF) through Grant Implementation Agreement for Emergency Action Plan and US \$ 73 million from World Bank through Pakistan Crisis Resilient Social Protection Project.

	Note	2023 Rupees	2022 Rupees
19.2 Sources of cash transfers:			
Government of Pakistan		106,571,811,474	170,539,396,906
Asian Development Bank (ADB SPDP)		256,311	4,811,405,448
Asian Development Bank - additional financing		9,460,196,500	21,774,078
International Development Association (CRISP)		97,726,689,090	5,782,446,951
International Development Association (NSPP)		-	1,439,811,058
World Bank (NISP)		-	63,791,500
Asian Development Bank (ISPDP)		78,242,617,051	21,005,446,000
National Disaster Risk Management Fund (NDRMF)		35,371,065,000	-
	19.3	<u>327,372,635,426</u>	<u>203,664,071,941</u>

19.3 Modes of payments to beneficiaries:

Biometric Verification System (BVS)	19.3.1	<u>327,372,635,426</u>	<u>203,664,071,941</u>
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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.

BENAZIR INCOME SUPPORT PROGRAMME
NOTES TO THE FINANCIAL STATEMENTS
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20 BENAZIR TALEEMI WAZAIF - CONDITIONAL CASH TRANSFERS

Under this program, 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	2023 Rupees	2022 Rupees
20.1 Sources of cash transfers:			
Government of Pakistan funds	20.2	<u>43,772,639,651</u>	<u>25,916,335,000</u>
		<u>43,772,639,651</u>	<u>25,916,335,000</u>
20.2 Modes of payments to beneficiaries:			
Biometric Verification System (BVS)	20.2.1	<u>43,772,639,651</u>	<u>25,916,335,000</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 BENAZIR NASHONUMA - NUTRITIONAL PROGRAM TRANSFERS

Under this program, 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. 2,000 per quarter is made to her in respect of new born baby. If the new born is a baby boy, quarterly payment of Rs. 2,000 is made while in case of baby girl a quarterly payment of Rs. 2,500. The maximum age limit of child for payment is 24 months. In regions affected by floods, BISP has increased the quarterly payment by an additional Rs. 1,000. As a result, for baby boys, the quarterly payment becomes Rs. 3,000, and for baby girls, it becomes Rs. 3,500.

	Note	2023 Rupees	2022 Rupees
21.1 Sources of cash transfers:			
Government of Pakistan	21.2	<u>13,919,865,023</u>	<u>3,910,620,561</u>
21.2 Modes of payments to beneficiaries:			
Cash transfer to beneficiaries		2,444,817,500	598,237,920
Funds utilized by WFP		<u>11,475,047,523</u>	<u>3,312,382,641</u>
		<u>13,919,865,023</u>	<u>3,910,620,561</u>

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BENAZIR INCOME SUPPORT PROGRAMME
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22 BISP SCHOLARSHIPS FOR UNDERGRADUATES

Under this program, BISP has engaged HEC as its implementing partner to award merit and need - based scholarships to eligible students enrolled in undergraduate programs in universities recognized by HEC all over Pakistan. Under this program a fixed stipend amount of Rs. 40,000 (2022: Rs. 40,000) is paid to eligible students along with the reimbursement of their university fees.

	Note	2023 Rupees	2022 Rupees
22.1 Sources of cash transfers:			
Government of Pakistan funds		<u>8,467,038,984</u>	<u>7,346,556,083</u>
22.2 Modes of payments:			
Direct Bank Transfers	22.2.1	<u>8,467,038,984</u>	<u>7,346,556,083</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 TRANSACTIONS 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	2023 Rupees	2022 Rupees
Government of Pakistan		
Contributions received	412,332,591,478	235,625,619,423
Lapsed funds at the end of the year	(59,203,705)	(499,672,578)

Balances at the year end are presented in respective notes.

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BENAZIR INCOME SUPPORT PROGRAMME
NOTES TO THE FINANCIAL STATEMENTS
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24 REMUNERATION OF KEY MANAGEMENT PERSONNEL

Most 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 (2022: nil) compensation was given to any Board members.

	2023	2022
Remuneration of KMPs (Rupees)	46,905,567	34,564,518
Number of KMPs	9	6
Number of Board members	11	9

25 SUMMARY OF BANK WISE DE-CREDITED AMOUNTS 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)
30 June 2023					
Rupees					
Bank Alfalah Limited	-	1,233,468,250	1,233,468,250	1,233,468,250	-
Habib Bank Limited	-	2,952,551,648	2,952,551,648	2,952,551,648	-
	-	4,186,019,898	4,186,019,898	4,186,019,898	-
30 June 2022					
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	-

25.1 This represents amounts remaining in the beneficiary accounts marked as "De-Credited" if there is no withdrawal for the period of 9-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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	2022				Non interest / mark up bearing
	Total	Interest / mark up bearing		Sub total	
		Maturity up to one year	Maturity after one year		
Rupees					
Financial assets					
Carried at fair value through surplus or deficit					
Receivables from non-exchange transactions	17,265,583,936	-	-	-	17,265,583,936
Carried at amortized cost					
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>
Financial liabilities					
Carried at amortized cost					
Payables under non-exchange transactions	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>
On SOFP gap	5,409,564,889	-	-	-	5,409,564,889
Off SOFP item	-	-	-	-	-
Financial commitments	-	-	-	-	-
Total gap	<u>5,409,564,889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,409,564,889</u>

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BENAZIR INCOME SUPPORT PROGRAMME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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's exposure to each of the above risks, BISP's objectives, policies and processes for measuring an 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 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's , 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.

27.1 Credit risk

Credit risk is the risk of financial loss to BISP if a 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:

	2023 Rupees	2022 Rupees
Receivables from non-exchange transactions	19,482,121,703	17,265,583,936
Bank balances	6,872,264,186	14,930,994,876
	<u>26,354,385,889</u>	<u>32,196,578,812</u>

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BENAZIR INCOME SUPPORT PROGRAMME
NOTES TO THE FINANCIAL STATEMENTS
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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.

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'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 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 -----				
June 30, 2023					
Financial liabilities					
Payables under non-exchange transactions	19,941,213,333	19,941,213,333	-	19,941,213,333	-
June 30, 2022					
Financial liabilities					
Payables under non-exchange transactions	26,823,253,685	26,823,253,685	-	26,823,253,685	-

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.

BENAZIR INCOME SUPPORT PROGRAMME
NOTES TO THE FINANCIAL STATEMENTS
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30 NUMBER OF EMPLOYEES

The number of permanent employees as at year end were 2,297 (2022: 2,197) and average number of employees during the year were 2,247 (2022: 2,161).

31 DATE OF AUTHORIZATION FOR ISSUE

These financial statements are authorized for issue on 22-Dec-2023 by the Board of Directors of BISP.


DIRECTOR GENERAL (F&A)


SECRETARY