GOVERNMENT OF WEST PAKISTAN
FINANCE DEPARTMENT

MEMORANDUM

FOR THE

COUNCIL OF MINISTERS

BUDGET ESTIMATES
1965-66

MEMORANDUM FOR THE COUNCIL OF MINISTERS

Subject .. BUDGET PROPOSALS FOR 1965-66.

Minister-in-charge .. Sheikh Masood Sadiq,
Finance Minister.

Secretary-in-charge .. Mr. V. A. Jafarey, C.S.P.,
Secretary to Government of West Pakistan,
Finance Department.

FINANCIAL POSITION FROM 1955-56 TO 1963-64

The accounts for 1963-64, along with a summary of the financial operations of the Provincial Government from the date of integration to the end of 1963-64, are reproduced below—

(In crores of rupees).

		Actuals of 1963-64	1955-56 *to* 1963-64
A—*Revenue Account*—			
Revenue Receipts	..	1,47	7,94
Revenue Expenditure	..	1,38	6,97
Revenue Surplus	..	9	97
B—*Capital Expenditures*—			
(*a*) Direct Investments	..	39	3,02
(*b*) Loans and Advances	..	64	1,65
Total Capital Account Disbursements	..	1,03	4,67
Financed from—			
(1) Revenue Surplus	..	9	97
(2) Public Debt	..	92	3,24
(3) State Trading Surplus	..	1	10
(4) Unfunded Debt	..	2	12
(5) Net Deposits and Advances (Including remittances, etc).	..	—3	23
Total	..	1,01	4,66
Decrease in cash balances		2	1
Total		1,03	4,67

2. Total expenditures in the revenue account since integration amounted to Rs. 6,97 crores against revenue receipts of Rs. 7,94 crores. It would be noticed that the surplus on revenue account has been sizeable, totalling Rs. 97 crores over a period of nine years. Expenditures in the capital account amounted to Rs. 4,67 crores. Although the bulk of capital expenditures have been financed from borrowing, the contribution made by revenue surpluses and other non-loan resources has not been negligible. During this period, cash balances were drawn down by a net amount of Rs. 1 crore only. The financial operations of the province have been, on the whole, satisfactory.

3. The review of the financial position in 1964-65 and the budget proposals for 1965-66 have been arranged in the following parts :—

(*i*) Non-developmental, which is largely in the revenue account;

(*ii*) Developmental, which is mainly in the capital account;

(*iii*) Summary of revenue accounts, including both developmental and non-developmental.

1964-65

NON-DEVELOPMENTAL BUDGET

Revenue Receipts

4. Reveneue receipts (excluding developmental grants) declined from Rs. 1,33·99 crores in the budget estimates to Rs. 1,33·11 crores in the revised estimates. There was thus a net deterioration of Rs. 0·88 crores during the course of the year. The variations are summarised below:—

	Budget Estimates 1964-65	*Revised Estimates* 1964-65	*Variations*
	(In crores of rupees)		
Provincial taxes ..	35·69	38·13	+2·44
Central tax assignments ..	48·39	47·57	—0·82
Central non-development grants ..	2·99	3·58	+0·59
Irrigation receipts (Net) ..	5·79	5·28	—0·58
Other Provincial receipts ..	41·13	38·55	—2·5
Total ..	1,33·99	1,33·11	—0·88

5. The improvement in provincial taxes is due to new taxation in 1964-65 and higher collections of land revenue and Motor Vehicles taxes. In the case of new taxes, receipts from electricity duty are estimated at Rs. 71 lakhs and from the profession tax at Rs. 41 lakhs. The decrease of Rs. 82 lakhs in Central assignments is due to reduction in export duties. Net irrigation receipts will decline by Rs. 51 lakhs, because of increased expenditure of Rs. 64 lakhs on Rechna Doab Tubewells, off-set by an imporvement of Rs. 13 lakhs in gross receipts. The revenues expected from miscellaneous sources show a net deterioration of Rs. 2·58 crores between the budget and the revised estimates. The principal reduction is in income from sale of land, which will be Rs. 1·27 crores less than what was originally anticipated.

Revenue Expenditure

6. Revenue expenditure, on non-developmental account, increased from Rs. 1,08·62 crores in the budget estimates to Rs. 1,10·15 crores in the revised estimates. The main increases are as follows:—

(*a*) *General Administration* (*Rs.* 26 *lakhs*)—Increased contribution to election expenditures.

(*b*) *Police* (*Rs.* 114 *lakhs*)—On account of subsidised rations, increased expenditure on contingencies and additional security measures.

(*c*) *Civil Works* (*Rs.* 36 *lakhs*)—Increased maintenance grants to buildings.

(*d*) *Relief*—(*Rs.* 40 *lakhs*)—Cyclone relief in Hyderabad Division.

(*e*) *Miscellaneous* (*Rs.* 188 *lakhs*)—On account of transfer to Sugarcane Cess Fund and on acquisition of land from the Land Commission.

These increases have been partially off-set by reduction in other expenditures, which are spread over a number of heads.

Revenue surplus for development

7. As a result of increased non-developmental expenditures and the deterioration in receipts, the revenue surplus for development has declined from Rs. 25·37 crores estimated in the budget to Rs. 22·96 crores in the revised estimates. This is a somewhat unsatisfactory position and has considerably increased our difficulties in financing the current year's development programme.

Capital Account

8. In the state trading budget, the net surplus of receipts over expenditures was originally estimated at Rs. 2·37 crores. In the Revised Estimates, the net surplus has declined slightly to Rs. 1·99 crores. The reduction in the surplus is due to the higher price sanctioned for sugarcane, which has been met from Government's profit on sugar trading.

9. The expenditure on debt repayment has declined slightly from Rs. 11·42 crores estimated in the budget to Rs. 11·09 crores in the revised estimates. Details of debt re-payment are as follows:—

	(In crores of rupees)
(1) Market Loan ..	5·94
(2) Central Government Loan (including Foreign Loan) ..	5·15
Total ...	11·09

Ways and Means position

10. The ways and means position of the Provincial Government was satisfactory during the first six months of the financial year. However, since January 1965, the cash balances have come under strain. In view of the possible deficit in the financing of the development programme for 1964-65, the situation will not be free from anxiety for the remaining part of the year.

1964-65

DEVELOPMENT BUDGET

Development Expenditure

11. The Annual Development Programme for 1964-65 provided for a gross expenditure of Rs. 2,10 crores and net expenditure of Rs. 1,80 crores. The Revised Estimates for developmental expenditure during 1964-65 are Rs. 1,90 crores. The sector-wise breakdown is as follows:—

	Budget 1964-65	*Revised* 1964-65
	(In crores of rupees)	
Agriculture	31,97·53	32,26·02
Water and Power	72,77·92	65,37·79
Industries	11,02·67	4,75·43
Transport and Communication ..	36,90·21	34,95·54
Education and Training	15,16·18	12,69·48
Health	7,28·13	6,55·31
Manpower and Social Welfare	72·35	25·30
Works Programme	15,00·00	15,00·00
Physical Planning and Housing ..	19,60·46	17,92·21
Total	2,10,45·45	1,89,77·08

12. The shortfall between the budget and revised is of the order of 9 per cent. The shortfall has occurred mainly in utilisation of foreign aid, where disbursements are anticipated to be 23 per cent less than what was provided in the budget. The shortfall in rupee and foreign exchange expenditure met from our own resources is only 5 per cent. Further decreases are anticipated between the revised estimates and actual expenditures. However, it would appear that implementation in respect of programmes financed from our own resources is improving and that it has become risky to budget for a very large shortfall in expenditures.

Financing of the Development Programme

13. At the time of framing of the budget, it was estimated that financing would be required only for the net programme amounting to Rs. 1,80 crores. In actual fact, financing was arranged for Rs. 1,75 crores only, leaving an uncovered gap of Rs. 5 crores. Thus, there was an overall deficit of Rs. 35 crores between developmental expenditure provided in the budget and the actual unds available. It was expected that the deficit would be wiped out by shortfalls in expenditures.

14. The revised estimates of resources for development during 1964-65 are Rs. 1,73 crores. The breakdown is given below :—

	Budget 1964-65	*Revised* 1964-65
	(In crores of rupees)	
Provincial resources	42	54
Assistance from Centre	68	66
Foreign rupee grants	18	17
Foreign aid	47	36
Total ..	1,75	1,73

It would be noticed that despite an increase of Rs. 12 crores in the contribution made by the province, the overall resources have declined by Rs. 2 crores. The principal reason for the shortfall in resources is the reduction of Rs. 11 crores in the utilisation of foreign aid.

15. As a result of shortfall in rupee expenditures being less than anticipated and a slight decline in resources, a serious gap has emerged between the revised estimates of expenditures and the funds available to meet it. This gap of nearly Rs. 17 crores was brought to the notice of the Central Government with a request for additional assistance of Rs. 10 crores. The Central Government have agreed to give an extra Rs. 3 crores only. It is true that the gap would be reduced by surrender of funds between now and the close of the year. In case the surrenders do not materialise, the Provincial Government would find themselves in serious financial difficulties towards the end of the year.

OVERALL REVENUE BUDGET

16. The position in the Revenue Account, including both developmental and non-developmental expenditures was as follows:—

	Budget Estimate 1964-65	*Revised Estimate* 1964-65
Receipts—	(In crores of rupees).	
(*i*) Developmental grants	30·74	29·67
(*ii*) Other receipts	1,33·99	1,33·11
Total ..	1,64·73	1,62·78
Expenditures—		
(*i*) Developmental	46·15	47·64
(*ii*) Non-Developmental	1,08·62	1,10·16
Total ..	1,54·77	1,57·80
Surplus ..	9·96	4·98

1965-66

NON-DEVELOPMENTAL ACCOUNT

Revenue Receipts

17. Revenue receipts (excluding developmental grants) are expected to increase from Rs. 1,33·11 crores in the revised estimates of 1964-65 to Rs. 1,50·16 crores in the next year's budget estimates. The variations are summarised below —

	Revised Estimates 1964-65	*Budget Estimates* 1965-66	*Variations*
	(In crores of rupees)		
Provincial taxes	38·13	39·68	+1·55
Central tax assignments	47·57	58·93	+11·36
Central non-development grants	3·58	2·99	—0·59
Irrigation receipts (Net) ...	5·28	4·32	—0·96
Other Provincial receipts ...	38·55	44·24	+5·69
Total ...	1,33·11	1,50·16	+17·05

18. There is a steady improvement in the receipts from Provincial taxes, except, in the case of capital gains tax and betterment levies. During 1964-65 the collection from these two taxes have been extremely disappointing and the position is not expected to improve substantially during the next year, unless remedial measures are undertaken. These two taxes are discussed in detail below :—

(*a*) *Capital Gains Tax*—The collections during 1964-65 are expected to be Rs. 1½ lakhs as against the original estimate of Rs. 30 lakhs. For the next year also, the Board of Revenue have estimated that collections will not exceed Rs. 3 lakhs. A report has been called for from the Board of Revenue but has not yet been received. It is obvious, however, that the tax is being evaded since it is well-known that large profits are being made on the sale of urban immovable properties. Remedial measures may be considered in the light of the report received from the Board of Revenue.

(*b*) *Betterment Levies*—The budget estimates for betterment levies was Rs. 60 lakhs, which has been reduced to Rs. 20 lakhs in the revised estimates. The shortfall is thus of the order of Rs. 40 lakhs. For the next year, an *ad hoc* estimate of Rs. 45 lakhs has been made in the Budget. Betterment levies have been imposed in the Thal and the Ghulam Muhammad Barrage projects. In Ghulam Muhammad Barrage, the Act was passed by the Assembly only during the current year and the rules have yet to be notified. The work of assessment can be taken up only after the rules have been published. No collections, can therefore, be expected during the current year. It is however, apprehended that unless the rules are promptly notified and assessment taken up immediately, it may not be possible to make any collections next year also. In the Thal, the Act was passed a long time ago and assessment has been completed to a substantial extent. However, collections appear to be extremely poor. In 1964-65, only Rs. 20 lakhs is expected to be collected, against a current demand of Rs. 49 lakhs. It is reported that there are large outstanding arrears also. It is necessary to take strict measures to enforce prompt payment of dues.

19. An increase of Rs. 11·36 crores is expected next year in the revenue assignments from the Central Government. Of this amount, roughly Rs. 5·36 crores is due to normal growth in revenues and Rs. 6 crores is on account of additional transfers recommended by the Finance Commission.

20. Gross receipts from water-rates are expected to go up from Rs. 18·53 crores in the Revised Estimates of 1964-65 to Rs. 18·72 crores in the Budget Estimates for 1965-66. However, the working expenses will increase sharply from Rs. 13·26 crores to Rs. 14·40 crores in 1965-66. As a result, the net receipts are expected to decline by Rs. 95 lakhs.

21. The increase in working expenses is due to the higher expenditure, which is being incurred on operating the tube-well reclamation projects in Scarp No. I (Rechna Doab) and part of Scarp No. II (Chaj Doab). The direct working expenses in Rechna Doab (excluding interest and depreciation) have increased from Rs. 13·4 per acre in 1963-64 to Rs. 16·3 per acre in 1964-65. Next year, the expenditure is likely to be Rs. 21·50 per acre. The Government have, as yet, no corresponding income from the project. At a meeting convened by the Chief Secretary on the 26th April 1965, it was decided to levy an increased composite water-rate on a crop basis to recover a substantial part of the recurring expenditure on operating the tube-wells. The recommendations of this meeting will be submitted separately to the Council of Ministers for decision. If these recommendations are approved, the deterioration in net receipts from irrigation would to some extent be halted, although we would still be giving a subsidy on tube-well reclamation particularly in respect of interest and amortization on the heavy investment made in the projects.

22. The other receipts of Government are expected to go up by Rs. 5·69 crores between the Revised Estimates for 1964-65 and the Budget Estimates for 1965-66. The principal increase will occur in interest charges on loans advanced by the Provincial Government. There will also be a substantial increase in the revenues from forests.

23. It is necessary to bring to the notice of the Council of Ministers that recovery of contributions from local bodies in respect of provincialised institutions is not yet satisfactory. It appears necessary to issue a strong directive to the Commissioners and Deputy Commissioners that payment of dues by local bodies in accordance with the provisions of statutory rules or contracts, should be strictly enforced.

24. The Budget for 1964-65 had estimated that income from sale of land, etc., would amount to Rs. 7 crores. However, as noted earlier, the Revised Estimates have been reduced to Rs. 5·73 crores. Next year, the Board of Revenue have estimated that the income will be Rs. 6·89 crores. The area-wise position of income from sale of land is brought to the notice of the Council of Ministers :—

(*i*) *Punjab-Bahawalpur*—The Revised Estimates for the current year are Rs. 291 lakhs. The Budget Estimates for next year are Rs. 275 lakhs. Sales of land have been stopped in this area but the collection of previous instalments appears to be satisfactory. It may be noted that state land in the developed colonies of former Punjab-Bahawalpur can be leased out on very profitable terms and, therefore, any reduction in income from sale of land is compensated by higher receipts from leases for temporary cultivation.

(*ii*) *Sukkur Barrage*—The Revised Estimates are Rs. 90 lakhs as against next year's Budget Estimates of Rs. 100 lakhs. It is proposed to sell by auction 25,000 acres next year. The average price expected in auction is Rs. 275 per acre. The Board of Revenue have pointed out that the remaining state land in Sukkur Barrage is of inferior quality and, therefore, the average price in acution tends to be on the low side.

(*iii*) *Ghulam Muhammad Barrage*—The total income in 1964-65 will be Rs. 14 lakhs, the collection of instalments having been suspended as a result of the cyclone calamity. For 1965-66 Agricultural Development Corporation have estimated that total income will be Rs. 75 lakhs, of which Rs. 55 lakhs will be instalments on previous sales and Rs. 20 lakhs from new sales. The Agricultural Development Corporation propose to dispose of 84,000 acres of which 13,000 acres will be by auction and 71,000 acres by allotment. The average price in auction is expected to be Rs. 325 per acre. The collection of instalments in Ghulam Muhammad Barrage appears to be unsatisfactory. The Board of Revenue have estimated that the current demand in 1965-66 would be Rs. 149 lakhs against which the Agricultural Development Corporation expect to collect Rs. 55 lakhs only. The Board of Revenue propose to hold consultations with the Agricultural Development Corporation and the local officers with a view to improving the collection of instalments.

(*iv*) *Guddu Barrage*—The Revised Estimates for the current year are Rs. 20 lakhs. The shortfall in receipts is due to the fact that 30,000 acres earmarked for auction could not be disposed of due to delay in rectangulation. The next year's estimates are Rs. 75 lakhs, of which Rs. 50 lakhs will be from instalments on previous sales and Rs. 25 lakhs from new sales. The Agricultural Development Corporation propose to dispose of 2,00,000 acres next year, of which 20,000cres will be by auction. The average auction price is being ascertained from the Project Director.

Revenue Expenditures

25. Non-developmental revenue expenditures are expected to increase from Rs. 1,10·15 crores in the Revised Estimates of 1964-65 to Rs. 126·91 crores in the Budget Estimates for 1965-66. The increase is broadlydue to the following factors :—

(In crores of rupees)

(*i*) Increase in interest	9·77
(*ii*) Subsidised rations for police	0·46
(*iii*) Transfer to Sugarcane Cess Fund	0·26
(*iv*) Revision of pay scales of patwaris	0·22
(*v*) Miscellaneous increase in continuing expenditures	2·33
(*vi*) New expenditures (subject to the approval of the Council of Ministers)	3·72
Total ..	16·76

26. The sharp increase in interest charges is due to certain abnormal factors. The usual increase in interest charges, on account of borrowing for development, is roughly Rs. 3½ crores. Next year, however, the Provincial Government would be required to pay Rs. 4 crores more on account of revival of interest charges, which were suspended by the Central Government for a period of three years ending 1964-65. In addition, a provision of Rs. 2 crores has been made towards payment of arrears of suspended interest totalling Rs. 12 crores.

27. The total cost of subsidised police rations will be about Rs. 86 lakhs per annum excluding Border Police which will amount to Rs. 29·49 lakhs. The increased expenditure has been partly absorbed in the current years revised estimates. Next year, an additional amount of Rs. 46 lakhs will be needed for the full year cost of the concession. The estimated cost of revision of patwaris' pay scales is Rs. 35 lakhs which has been partly absorbed in the current year's budget. An additional amount of Rs. 22 lakhs will be required for this purpose next year.

28. Miscellaneous increases in existing expenditures are broadly due to two reasons. Firstly, there is a considerable throw-forward into the next year of expenditure sanctioned for the educational schemes in the current year. In the case of Education Department, expenditures on existing commitments will increase by Rs. 149 lakhs between 1964-65 and 1965-66 Secondly, recurring expenditures amounting to Rs. 278 lakhs have been transferred from the development programme to the non-developmental budget on the expiry of the Plan Period. The increase in expenditures, noted above, have been partially off-set by reductions in expenditure on relief and elections.

29. In view of the extremely difficult financial position, new expenditure proposals (excluding irrigation expenses) have been restricted to Rs. 3·15 crores as against Rs. 5·76 crores allowed in 1964-65 and Rs. 5·06 crores in 1963-64. This has inevitably resulted in a considerable slowing down of administrative and social services programme.

30. The new expenditure proposals are summarised in Annexure I. The important items are reviewed below:—

31. *Administaration*—The only substantial item is Rs. 34 lakhs for the Police, mainly for transport. Other administrative expenditures have been severely held down. Opening of new sub-divisions and undertaking of new settlement operations have had to be deferred. Provision has been made, however, for the new Kachi District in Kalat Division.

32. *Development Department*:—(*a*) *Education*—A total of Rs. 118 lakhs has been allowed as against Rs. 151 lakhs in 1964-65. The bulk of the amount will go into the Secondary Education Sector for provincialisation of District Council Schools. As a result of this, the expansion of other programmes have had to be slowed down.

The subsector programmes are as follows:—

(*i*) *Primary Education* (*Rs.* 6·72 *lakhs*)—Provides for 1,000 school teachers as against 5,000 in 1964-65. Target for Third Plan is 50,000 school teachers.

(*ii*) *Secondary Education* (*Rs.* 66·36 *lakhs*)—An amount of Rs. 49 lakhs will go into provincialisation of District Council Schools and Rs. 15 lakhs for other schemes.

(*iii*) *Universities* (*Rs.* 21·00 *lakhs*)—Practically, the entire amount will be consumed in revision of pay scales. Other expansion would have to be deferred.

(*iv*) *Higher Education* (*Rs.* 9·64 *lakhs*)—The cut made in higher education is proportionately less.

(*v*) *Technical Education* (*Rs.* 7·54 *lakhs*)—This has been allowed to expand as compared to previous years.

(*vi*) *Special Institutions* (*Rs.* 0·99 *lakhs*)—No change.

(*vii*) *Administration* (*Rs.* 6·09 *lakhs*)—To make up deficiencies in inspection, a higher amount is being allowed this year.

(*b*) *Health Department*—An amount of Rs. 22 lakhs has been allocated for new expenditures in 1965-66, as compared to Rs. 13 lakhs for 1964-65. The budget takes care of requirements of medical colleges for increased enrolment. However, programme for rural health centres has been cut down from 19 to 11, and provincialisation of local bodies hospitals has had to be postponed.

(*c*) *Buildings and Roads Department*—Maintenance expenditure on buildings has had to be held down below the yardstick (by about Rs. 93 lakhs) on account of shortage of funds.

Revenue Surplus for Development

33. The surplus for development will improve slightly from Rs. 22·96 crores in 1964-65 (Revised) to Rs. 23·25 crores in 1965-66. We have been able to maintain the surplus with considerable difficulty by drastic reduction in new expenditures of the Education Department and other development departments. The exceptional difficulties in the current year were due to the following factors :—

(*i*) Abnormal increase of Rs. 6 crores in interest charges, which has to be absorbed in 1965-66.

(*ii*) Expenditure on administration has been higher than anticipated.

(*iii*) There have been shortfalls in income from irrigation and sale of land.

34. The Central and Provincial Governments are finding it desparately difficult to finance next year's projected development programmes. Additional resources, which can be raised, would have to be diverted towards development. Thus, it would be difficult to make additional allocations for the non-developmental budget, even if more resources become available. It is essential that further increases in administrative expenditures are held down. As regards social services, the position may be reviewed later in the year and additional allocations may be made if the financial position improves. It is expected that the position in 1966-67 will be considerably better and that we shall be able to undertake substantial expansion in educational and health programmes.

Capital Account

35. Next year's estimate of state trading include a provision for the working expenses of the A. C. C. Factories taken over by Government during the current year. The over-all position of the state trading budget is that gross expenses are expected to be Rs. 97·65 crores, while receipts will be Rs. 1,01·84 crores. There will be a surplus of receipts over expenditures amounting to Rs. 4·19 crores.

36. Expenditure on re-payment of loans will amount to Rs. 15·58 crores next year. A provision of Rs. 6·45 crores has been made for repayment of Central Government loans, including foreign loans. The re-payment will be met from miscellaneous Capital receipts, including recoveries from semi-autonomous bodies. An amount of Rs. 9·13 crores is needed for repayment of Market Loan, Land Commission's Compensation Bonds and payment of instalments in respect of acquisition of A. C. C. Factories. The repayment of market loan will have to be re-financed from fresh borrowings. The instalments to the A. C. C. would be met from the cash reserves taken over by Government at the time of acquisition.

1965-66

DEVELOPMENT BUDGET

Annual Development Programme

37. The next year's annual development will be a significant step forward towards the implementation of the directives contained in the President's Manifesto. The Objectives of the Manifesto, with some exceptions, have already been incorporated in the Outline of the Third Plan. The Annual Development Programme for 1965-66 is, therefore, based largely on

the Outline of the Plan, with appropriate changes in emphasis to reflect the priorities given in the Manifesto. Unfortunately, the resources for the next year are limited and West Pakistan will, therefore, be able to make only a very modest start with the implementation of the President's Manifesto and the targets of the Third Plan.

38. The Outline of the Third Five-Year Plan provides for a gross expenditure of Rs. 13,50 crores by the Government of West Pakistan. The net expenditure will be Rs. 1150 crores. This may be compared with the estimated expenditure of Rs. 5,88·3 crores during the Second Plan period. The final version of the Third Plan will be approved some time later this month. It is expected that some adjustments will be made in the Plan to reflect more fully the provisions of the Manifesto.

39. The overall size of the next year's Annual Development Programme has been the subject of protracted negotiations between the Central and Provincial Governments. The pincipal difficulty has been the shortage of resources which, though higher than the current year, are still not commensurate with the targets of the Third Plan. Moreover a larger proportion of national resources are being earmarked for East Pakistan in pursuance of the objective of removing inter-wing disparity. In view of these circumstances, West Pakistan has been able to secure a net programme of Rs. 190 crores only for 1965-66. This may be compared with the level of development expenditure in the current year, which is expected to be between Rs. 190 crores and Rs. 180 crores. The acceleration from the current year to the next year will thus be a maximum of Rs. 10 crores or 5·5 per cent only. As regards the gross programme, the current year's experience shows that shortfalls in expenditure are getting smaller. It is, therefore, proposed to provide for a shortfall of Rs. 28 crores only as against Rs 30 crores in 1964-65. The gross programme for West Pakistan will thus be Rs. 218 Crores against Rs. 210 crores in 1964-65 The overall size of next year's Annual Development Programme has been agreed upon between the Centre and the Provinces, at ministerial level, and is subject to approval of the National Economic Council.

40. The sectoral breakdown of the Annual Development Programme for 1965-66 (Annexure XII) is given below, along with comparative figures 1964-65, and for the allocations in the Outline of the Third Plan :—

ANNEXURE XI

Sector	1964-65 (Revised)	1965-66 (Budget)	Third Plan (5 years)
(In crores of rupees)			
Agriculture	32·26	35·19	1,86·00
Water and Power	65·28	71·61	4,37·00
Industries, Fuels and Mines	4·76	13·06	1,43·00
Transport and Communications	34·96	40·21	2,10·00
Physical Planning and Housing	17·92	16·00	95·00
Education and Training	12·69	17·52	1,15·00
Health	6·55	8·32	56·00
Social Welfare and Manpower	0·25	0·65	8·00
Works Programme	15·00	15·00	1,00·00
Bulk provision for Schemes of Bahawalpur Division ..	..	0·50	..
Total ..	1,89·77	2,18·06	13,50·00

41. An analysis of the programme in terms of the President's Manifesto is given below:—

(i) *To adopt all such measures as may be necessary to control water-logging and salinity in West Pakistan*—An amount of Rs. 18·69 crores has been provided in next year's Annual Development Programme for reclamation and drainage as compared to Rs. 8·77 crores in the current year's revised estimates. The allocation for anti-water logging and salinity measures has thus increased by over 100 per cent whereas the overall size of the Annual Development Programme has risen by 5 per cent only.

(ii) *To provide greater educational facilities, as envisaged in the Third Plan*—The provision for education has been increased by 38 per cent from Rs. 12·69 crores in 1964-65 (Revised) to Rs. 17·51 crores in 1965-66.

(iii) *To ensure that there is no unbalanced increase in population*—An amount of Rs. 60 lakhs is being provided in next year's Annual Development Programme for Family Planning. The expenditure during the current year was insignificant

(iv) *To expand further the scope of the Rural Works Programme, both in financial and as well as functional terms*—Next year's Annual Development Programme provides Rs. 15 crores for the Works Programme. In the current year also, Rs. 15 crores was provided in the budget but utilisation is expected to be much less. There will thus be a considerable increase in actual expenditures through the Works Programme, It was not possible to make a higher allocation because of shortage in overall resources and also the limited availability of PL 480 Funds. The allocations will be increased in subsequent years to make up the target of Rs. 100 crores for the Third Plan.

Changes in the functional scope of the Works Programme are separately under consideration and need not be reflected in the budget.

(v) *To transfer functions gradually to Basic Democracies*—The general question of transfer of functions to Basic Democracies is under examination separately. In the meantime, proposals for transfer of development projects to Basic Democracies for execution are contianed in paragraph 42 below.

(vi) *Rehabilitation of homeless persons and provision of better housing facilities*—It has not been possible for the Provincial Government to implement this directive because the Outline of the Third Five-Year Plan is at complete variance with it. Despite the strong protests of the Government of West Pakistan, the allocations made for housing in the Outline of the Third Plan remain grossly inadequate. The matter has been taken up with the Central Government. Unless the deficiency is rectified by the National Economic Council, in the final version of the Third Plan, there will not be sufficient resources to implement the directive.

(vii) *To maximise utilisation of national resources*—This is a comprehensive directive of very wide application. The effort to maximise the utilisation of national resources is reflected in the increased allocation made for productive sectors, such as, Agriculture and Industries. In actual fact, the entire developmental effort is directed towards the increased utilisation of natural and human resources of the country.

42. It will be recalled that at a meeting of the Council of Ministers held in June 1964, the Governor had directed that the possibility of transferring development projects to Basic Democracies for execution should be examined. In pursuance of this directive, Finance Department consulted the Administrative Departments and the Accountant-General. The Administrative Departments suggested a few projects, which they were willing to hand over to Basic Democracies for execution. A procedure was also evolved, in consultation with the Accountant-General, for accounting of moneys spent through the Basic Democracies. In the meantime, the President's Manifesto has been published and the Provincial Government have undertaken a more comprehensive examination of this issue. However, to-date, no specific recommendations have emerged. It is suggested,

therefore, that a modest beginning may be made next year on the basis of the programme agreed to by the Administrative Departments. It is recommended that:—

(*a*) projects listed in Annexure II may be transferred for execution to Basic Democracies next year;

(*b*) the responsibility for execution should rest on the District Councils, although they may associate the Union Councils with them. In view of the technical and accounting requirements of Government, it would not be advisable, at present to go below the District Council level;

(*c*) the designs and specifications will be laid down by the Government Departments

(*d*) the accounts should be kept as required by the Accountant-General;

(*e*) appropriate procedures should be evolved for co-ordination inspection and evaluation;

(*f*) after construction, the projects should revert to Government Departments for operation and maintenance.

43. The region-wise breakdown of the Annual Development Programme, 1965-66, as compared to the original Annual Development Programme, for 1964-65, is given below:—

(In crores of rupees).

	1964-65 (*Budget*)	1965-66 (*Budget*)
Former N. W.F.P.	9·16	11·14
Former Punjab	41·63	55·51
Former Bahawalpur..	4·46	3·70
Former Sind	34·68	37·33
Former Baluchistan	6·58	6·77
Karachi	11·69	8·40
Frontier Regions	2·34	3·53
Provincial Schemes	99·91	91·17
Total ..	2,10·45	2,17·56

44. The provision for 1965-66 is higher than the original allocation for 1964-65 in all regions except Karachi and Bahawalpur. So far as Karachi is concerned, the sharp reduction is due to the fact that (*a*) the construction of displaced persons colonies, started in the Second Plan, is now nearing completion; (*b*) heavy engineering projects, excepting the Machine Tool Factory, will take some time to get started. It may also be noted that the Provincial Annual Development Programme does not include expenditure on power development in Karachi, which is being charged to the Central Government's Plan allocation. The expenditure on housing schemes of the Karachi Development Authority, which is being financed from concurrent receipts, is also not reflected in these figures. In the case of Bahawalpur, the reduction is largely due to non-availability of suitable new schemes to replace those which have been completed. It is accordingly suggested that a bulk provision of Rs. 50 lakhs may be made in the Annual Development Programme for new schemes of the Bahawalpur Division. The region-wise breakdwown includes expenditure on schemes, which can be identified as pertaining to a particular region. In addition to these, large expenditures would be incurred in each region from allocations for provincial schemes.

45. The breakdown of the Annual Development Programme between new and on-going schemes is as follows :—

	(In crores of rupees).
Ongoing	1,55·26
New	62·80
Total	2,18·06

Financing of the the Annual Development Programme

46. Agreement has been reached with the Central Government regarding the financing of the net programme of Rs. 1,90 crores for 1965-66. The financing arrangements are summarised below :—

		(In crores of rupees).
Provincial resources		57
Central assistance—		
(*i*) Grants	26	81
(*ii*) Loans	55	
Foreign Aid		52
Total ..		1,90

47. The details of the Provincial Government's resources are given in Annexure III . The contribution of the Provincial Government will increase from Rs. 42 crores provided in the budget estimates of 1964-65 to Rs. 57 crores next year. Even if the additional revenues transferred by Centre under the Finance Commission's Award are excluded, there is a substantial increase of Rs. 8 crores in the resources made available by the province. As against the increased effort, which is being made by the Government of West Pakistan, the assistance from the Central Government will remain more or less static. This is mainly due to the fact that East Pakistan will be implementing a larger programme, with a much smaller contribution from its own resources, the deficiency being made up by increased Central assistance.

48. An important change in next year's budgetting will be that the shortfall will not be left to chance but will be deducted from the allotment of rupee funds made in the budget for Government Departments and semi-autonomous bodies. The implementation of programmes is improving and the Government can no longer take the risk of a heavy deficit. Even in the current year, the Provincial Government are likely to run into serious difficulties if the shortfall is smaller than anticipated. For the next year, the Central Government have made it clear that they will take no responsibility if the shortfall does not materialise and that the Provincial Government should take appropriate steps to keep expenditures within the funds available.

49. The contribution made by the province towards the development programme will exhaust all available resources, and will leave very little funds for meeting additional unbudgeted expenditures during the next year. It is not safofe to work so close to the margin and it is essential that additional resources should be mobilised by the province during 1965-66.

50. The foreign exchange component of next year's Annual Development Programme is Rs. 78·36 crores. Of this, Rs. 52·25 crores will be met from foreign aid and Rs. 26·11 crores from our own resources or commodity aid. The discussions with the Central Government on the foreign exchange budget for 1965-66 are due to commence in the next fortnight and it is hoped that it would be possible to arrange for financing the nntire programme.

OVERALL REVENUE BUDGET

51. The composite picture of the revenue account, including both developmental and non-developmental items, is as follows :—

(In crores of rupees).

	Budget Estimate 1965-66
Revenue Receipts—	
(*i*) Development Grants	27·34
(*ii*) Other Receipts	15.0·16
Total ..	17,7·50
Revenue Expenditure—	
(*i*) Developmental	52·55
(*ii*) Non-developmental	12,6·91
Total ..	17,9·46
Deficit	1·96

52. The deficit of Rs. 1·96 crores in the revenue account will be eliminated when the appropriate adjustments are made for short-falls in developmental expenditure. The budget presented to the Provincial Assembly will show a surplus in the revenue account.

CONTINGENCY ITEM

53. In the current year a provision of Rs. 12 crores was made for the Contingency Item. This provision was found to be insufficient due to import of additional quantity of 7·75 lakhs tons of wheat at an estimated cost of Rs. 32 crores in order to meet increased demand and to build-up suitable reserve in the Province. Government had, therefore, to move the Provincial Assembly for a Supplementary Budget which covered certain other miscellaneous items as well. In accordance with the provisions of Article 45 (1) of the Constitution; the Governor has discretion to provide under the Contingency Item an amount equivalent to 10 per cent of the Revenue expenditure proposed in the Budget. For the next year it is recommended that the current year's provision of Rs. 12 crores may be repeated for the Contingency Item, which is within the Constitutional provisions.

GENERAL

54. During the Third Plan, the Provincial Government would be required to mobilise much larger resources than can be raised through taxation. In this context, it is essential that the semi-autonomous bodies should contribute the maximum amount towards the financing of their own development projects and also relieve Government of the burden of any subsidies, that they may have been enjoying, so far. In this connection, the Finance Department have undertaken a review of the financial position of major semi-autonomous bodies with particular reference to their performance in 1963-64. The exercise has been hampered by lack of data The results of the investigations conducted to date and some of the recommendations which emerge therefrom are noted below:—

West Pakistan Industrial Development Corporation

55. The balance sheet and income and expenditure statement of W.P.I.D.C. for 1963-64 are summarised in Annexures IV and V. It has already been brought to the notice of the Council of Ministers that recurring income from investments in the W.P.I.D.C. is insignificant compared to the interest

payments on the debt incurred by the Provincial Government. The W.P.I.D.C. has thus been receiving a heavy recurring subsidy from the evenuesof the Province. The year-wise position is indicated below:—

Year	Capital Outlay at the end of	Interest Payment	Recurring Income from W.P.I.D.C.	Subsidy (3-4)
1	2	3	4	5
	(In lakhs of rupees)			
1962-63	50,79	2,41	25	2,16
1963-64	50,57	2,40	27	2,13
1964-65 (Revised)	52,32	2,49	25	2,24
1965-66 (Budget Estimate)	53,75	2,55	22	2,33

It is estimated that on the basis of existing arrangements, the total subsidy during the Third Plan period will be Rs. 11·10 crores.

56. The question of eliminating the subsidy has been discussed with the W.P.I.D.C. They have agreed to pay interest (or a fixed return) on the investment made by Government, provided; they are given greater freedom to fix selling prices; and selection and location of projects are based as far as possible on economic considerations. We may agree in principle, that the W.P.I.D.C. should be free to charge market prices. This will not apply to fertilisers where Government is the sole bulk purchaser and a heavy subsidy is given on sales to consumers. In the case of fertilisers, minor adjustments in price can be considered by the Fertiliser Review Committee if it can be shown that present prices are not giving a minimum return on the capital. On the question of selection/location of projects, there should be little disagreement with the views expressed by the W.P.I.D.C.

57. The W.P.I.D.C. have agreed to pay full interest on the Government investments from 1965-66. It is, however, doubtful if they can suddenly increase their surpluses from an average of Rs. 25 lakhs per annum to Rs. 2·10 crores. It is suggested, therefore, that the levy of full interest charge should be introduced gradually. The following proposals are made in this connection:—

(*i*) In 1965-66, W.P.I.D.C. should pay a fixed return of 2% on investments. This will amount to Rs. 104 lakhs. The fixed return should be increased to 3% in 1966-67. From 1967-68, full interest should be charged which would be equivalent to the rate payable by the Provincial Government on rupee loans received from the Centre.

(*ii*) The returns stipulated above would be all inclusive. The W.P.I.D.C. would not be required to credit separately the profits/dividends of individual companies or projects.

(*iii*) Interest would be payable from the date the project comes into operation. A grace period will be allowed for the construction phase.

(*iv*) The W.P.I.D.C. would not be required to repay the principal amount. However, as and when the projects are dis-invested, the total sale-proceeds will be credited to Government, as is the practice at present.

(v) The ability of the WPIDC to pay this fixed return depends upon the success in increasing the profitability of their undertakings. This can be brought about through greater efficiency, reduction in cost and adjustment of selling prices. The W.P.I.D.C must not, therefore concentrate solely on raising their prices. They must pay equal attention to the problems of increasing efficiency and reducing costs.

58. The Provincial Government have taken up with the Central Government the question of reducing the debt owed to the Central Government on account of W.P.I.D.C's investments to the extent to which these investments were financed from foreign grants. It is estimated that the Provincial Government's pre-transfer debt can be scaled down from Rs. 50 crores to Rs. 37·6 crores if our claims are admitted by the Centre. Necessary details have been supplied to the Central Government and the matter is being pursued with them for an early decision.

59. Our request to the W.P.I.D.C. to finance a part of their development programme from their own resources has met with an encouraging response. The extent of self financing is progressively on the increase. In 1965-66, the W.P.I.D.C. will finance an expenditure of Rs. 2,28 lakhs from their own resources as compared to Rs. 21 lakhs in 1964-65.

Road Transport Corporation

60. The salient features of the financial operations of the Road Transport Corporation during 1963-64 are summarised in Annexure VI. The financial position of the Road Transport Corporation is satisfactory. The Corporation has been paying regularly a fixed return of 7½ per cent on Government's original investment and has also been financing its expansion from its own resources. However. the following points are brought to the notice of the Council of Ministers :—

(i) In the cost of operations, expenditures on spare parts is very high and has been fluctuating erratically. The Corporation is also over-stocked on stores. In terms of value, the stores at the end of the year were equal to more than two years' requirements. The mismanagement in purchase of spare parts, etc., has already been brought to light by the Governor's Inspection Team.

(ii) The Road Transport Corporation has accumulated enormous cash surpluses which they are investing in banks. At the end of 1963-64 the surpluses amounted to Rs. 598 lakhs or roughly 50 per cent of the total development programme of the Corporation for the Third Plan Period. Keeping in view the surpluses that will be generated in future years' as well as the capital liabilities that will have to be discharged, the funds available with Road Transport Corporation are clearly in excess of their requirements At present these surpluses are of benefit to commercial banks only and cannot be used either by Government or other semi-autonomous bodies. To make these deposits mobile, while safeguarding the Road Transport Corporation from loss, it is suggested that the Road Transport Corporation should maintain some of their surplus funds in a special deposit account with the Provincial Government on which interest will be paid, as in the case of Railway Reserve Funds It is recommended that the Road Transport Corporation should transfer in accordance with a phased programme Rs. 2 crores to the special deposit account. The withdrawals from the deposits account would have to be budgeted for in advance. The transfer of Rs 2 crores to the deposit account would still leave Road Transport Corporation with enough surplus cash for financing the next 2 or 3 years' requirements.

WATER AND POWER DEVELOPMENT AUTHORITY

61. The income and expenditure accounts for 1963-64 and the balance sheet as on the 30th June, 1964 are summarised in Annexure VII and VIII.

62. In 1963-64, WAPDA'S current income was Rs. 17·4 crores as against current expenditures of Rs. 16·03 crores, leaving a revenue surplus of Rs. 1·37 crores. The surplus was derived from the profit of Rs. 1·38 crores made on power operations, which represents a return of 8 per cent on the turnover of Rs. 15·5 crores. The profit, when compared with the investment of Rs. 1,80 crores, was negligible. However, since WAPDA have been charging both interest and loan repayment to the revenue account, there is reason to believe that the actual profits were not insignificant.

63. The Provincial Government have rightly resisted the attempts to lower the electricity tarrif. Any reduction in electricity rates would weaken WAPDA'S ability to contribute towards the financing of their development programme. Until 1963-64, WAPDA had financed an expenditure of Rs. 11 corres from their own resources. In the current year, WAPDA'S contribution will be over Rs. 3 crores.

64. An amount of Rs. 7 crores has been shown as an outstanding claim of the Power Wing against water projects. Since water projects are ultimately transferred to Government at cost, while power projects belong to WAPDA, it is necessary that the broad basis of inter-wing adjustments should be settled with Government.

65. WAPDA have been paying regularly the interest on Government loans and also the fixed return on pretransfer investments.

KARACHI DEVELOPMENT AUTHORITY

66. The accounts of the K. D. A. for 1963-64 and their balance sheet on 30th June 1964 are summarised in Annexure IX and X. As the K. D. A. have not properly segregated their revenue and capital accounts, it is not possible to make an accurate assessment of their financial position. The total receipts during 1963-64 were Rs. 6,42 lakhs against an expenditure of Rs. 5,91 lakhs. The surplus of Rs. 51 lakhs is, however, not genuine, as the receipts include amounts which should have been handed over to Government.

67. At the end of 1963-64, K. D. A. had an unspent balance of Rs. 1·35 crores, from amounts advanced by Government for expenditure on displaced persons colonies. The excess has been adjusted against releases made during 1964-65. K. D.A. have also been holding on to the receipts totalling Rs. 1·03 crores collected from displaced persons colonies. Of this, an amount of Rs. 80 lakhs will be deposited by K. D. A. with Government during the current year.

68. The collection of hire purchase instalments from allottees is unsatisfactory. The K.D.A. are also incurring a loss on providing municipal services to these colonies. Finance Department have repeatedly drawn the attention of the Administrative Departments to this unsatisfactory situation, which can only be resolved by handing over the municipal functions either to the K. M. C. or a separate local authority. Neither Government nor K. D. A. can afford to subsidise municipal services.

69. So far as K. D. A's own development schemes are concerned the accounts show that, by 1963-64, K. D. A. had made a profit of Rs. 1·5 crores. However, there is some reason to believe that the profits are inflated since K. D. A. have been charging all their establishment to displaced persons colonies or the water supply scheme.

70. The K. D. A. also appear to be holding excessive stocks, which are disproportionate to the size of their developmental expenditures.

71. K. D. A. have not submitted the detailed accounts of the water supply schemes, which they are allegedly running at a loss. An investigation into water supply accounts is being undertaken separately by the Chief Cost Accounts Officer of the Central Government. It is urgently necessary

to rationalise the water rates and the system of collection to ensure that water supply and sewerage operations do not run at a loss. The K. D. A are in arrears with the interest and principal repayments of loan taken from Government.

72. The position with regard to self-financing of projects has improved K. D. A. have undertaken to provide funds from their own resources for the Annual Development Programme of 1964-65 and 1965-66, excluding the displaced persons colonies.

CONCLUSION

73. The Council of Ministers are requested to approve :—

(*i*) Annual Development Programme for 1965-66 (Annexure XII).

(*ii*) Phasing of future expenditure on new schemes (Annexure XIII)

(*iii*) Schedule of New Expenditure for 1965-66 (Annexure XIV)

(*iv*) Proposals contained in paragraphs 18 (*b*), 23, 42, 44, 48, 49, 52, 53, 57, 60, and 64.

74. The Finance Minister has approved the above memorandum.

LAHORE :
The 11th May 1965

V. A. JAFAREY,
Secretary to Government
West Pakistan, Finance Department.

ANNEXURES

ANNEXURE I

STATEMENT SHOWING THE POSITION OF NON-DEVELOPMENT ITEMS OF NEW EXPEDITURE FOR THE YEAR 1965-66

[In thousands of rupees]

Head of Account	Schedule of New Expenditure 1964-65	Schedule of New Expenditure 1965-66		
		Continued	New	Total
Revenue Account				
6—Opium	1,99	67	...	67
7—Land Revenue	70,87	69,75	72	70,47
8—Provincial Excise	5,54	5,72	...	5,72
9—Stamps	82	27	..	27
10—Forests	25,47	16,71	9,13	25,84
11—Registration	1,37	93	...	93
12—Charges on account of M.V. Acts	2,41	2,99	1	3,00
13—Other Taxes and Duties	14,02	4,83	40	5,23
18—Other Revenue Expenditure	2,01	2,00	2,76	4,76
25—General Administration	1,88,91	1,64,02	11,70	1,75,72
27—Administration of Justice	26,56	21,84	21	22,05
28—Jails and Convict Settlement ...	13,18	8,64	61	9,25
29—Police	2,69,86	2,86,34	33,63	3,19,97
34—Frontier Regions	75,75	80,07	9,59	89,66
36—Scientific Departments	5,54	6,18	26	6,44
37—Education	5,74,52	6,15,40	1,18,34	7,33,74
38-A—Health Services	1,79,00	1,56,19	21,67	1,77,86
39—Public Health	44,44	63,42	2,07	65,49
40—Agriculture	2,14,90	3,73,52	...	3,73,52
41—Veterinary	8,66	55,76	...	55,76
42—Co-operation	26,44	35,48	71	36,19
43—Industries	34,89	28,90	4,60	33,50
47—Miscellaneous Departments	38,96	36,89	5,80	42,69
50—Civil Works	1,97,32	...	45,00	45,00
54—Relief	10,61	54	10,00	10,54
55—Superannuation Allowances and Pensions ...	50,00	...	...	...
56—Stationery and Printing	73,01	49,05	8,44	57,49
57—Miscellaneous	1,53,72	2,29,18	28,60	2,57,78
64-B—Civil Defence	7,00	7,06	24	7,30
Charges on Buildings and Roads Establishment ...	1,07,32	1,05,03	3,74	1,08,77
Charges on Irrigation Establishment ...	1,84,24	1,95,25	95	1,96,20
XVII—Irrigation Working Expenses	31,51	...	52,53	52,53
Total ...	26,40,84	26,22,63*	3,71,71	29,94,34

*Includes Rs. 2·78 crores in respect of development schemes which have now been classified as non-development, in respect of the following departments, with effect from the year, 1964-65 :—

	(In crores of rupees)
Education ...	0·49
Agriculture ...	1·82
Animal Husbandry ...	0·47
Total ...	2·78

ANNEXURE II

LIST OF DEVELOPMENT PROJECTS TO BE TRANSFERRED TO DISTRICT COUNCILS FOR EXECUTION

[In lakhs of rupees]

Department	*Scheme*	*Provision in A.D.P. 1965-66.*
Irrigation Department ..	Lining of Karezes in Kalat	1·00
Board of Revenue ..	Construction of Dak Bungalows	..
Education ..	Construction of Primary Schools	30·00
Health ..	Construction of Rural Health Centres	67·90

ANNEXURE II

LIST OF DEVELOPMENT PROJECTS TO BE TRANSFERRED TO DISTRICT COUNCILS FOR EXECUTION

[In lakhs of rupees]

Department	Scheme	Provision for A.D.P. 1965-66.
Irrigation Department ..	Lining of Nareos in Kalat	1·00
Board of Revenue ..	Construction of Dak Bungalows	..
Education ...	Construction of Primary Schools	30·00
Health ..	Construction of Rural Health Centres	67·00

ANNEXURE III

PROVINCIAL RESOURCES

[In crores of rupees]

Revenue Surplus	23·34
Railway Reserve Funds	10·71
Market Loans (Net)	8·28
Unfunded Debt	2·95
Other Deposits	1·76
A. C. C. Balance	1·50
Sale of W.P.I.D.C. assets	1·02
Other Capital Receipts	1·87
Self financing of semi-autonomous bodies	5·57
Total ..	57·00

ANNEXURE IV

W.P.I.D.C.

INCOME AND EXPENDITURE

1963-64

[In lakhs of rupees]

Expenditure			*Income*	
Administration	—44	33	Interest	21
Less charged to projects	11		Insurance Commission	5
			Commission on managed Companies	17
Net	33		Other commissions and receipts	6
Medical Centre and Technical Divisions.	—14			
Less charged elsewhere	14			
Net	*Nil*			
		33		49
Surplus		+16		

ANNEXURE V

W.P.I.D.C.

BALANCE SHEET

As on 30th June 1964

[In lakhs of rupees]

Assets		*Liabilities*	
Fixed Assets ..	79	Provincial Government Funds ..	61,15
Investment in Provincial Government projects.	58,42	Dues of the Provincial Government.	1,42
Survey and investigation ..	29	Central Government Funds ..	12,50
Investment in Central Government Projects.	11,46	Dues of the Central Government	36
Loans to Companies ..	2,90	Current liabilities ..	1,57
Other current assets ..	60	Reserves ..	1,07
Cash ..	3,95	Profits ..	34
	78,41		78,41

ANNEXURE VI

ROAD TRANSPORT CORPORATION

[In lakhs of rupees]

	1962-63	1963-64
Profits—		
Net profit on transport operations	28	24
Other Income	36	55
Total Profits ..	64	79
Transport Operations—		
Gross income per mile	1·15	1·23
Gross expenditure per mile	0·98	1·07
Overheads per mile	0·10	0·10
Net income per mile	0·7	0·6

Assets and liabilities—

As on 30th June 1964.

[In crores of rupees]

Assets		*Liabilities*		
Fixed Assets	9·18	Capital ..	..	6·15
Stores	2·45	Reserves ..	..	5·86
Sundry Credits	1·00	Debt ..	..	6·19
Financial investments ..	5·98	Other Funds	..	1·78
Cash	1·37			
Total ..	19·98			19·98

ANNEXURE VII

WAPDA

1963-64

INCOME AND EXPENDITURE

(REVISED ESTIMATE)

CURRENT ACCOUNT

(In lakhs of rupees).

Income		*Expenditure*	
Power	17,00	Power	15,62
Printing Press	22	Printing Press	19
Miscellaneous	18	Water Wing	22
Total	17,40		16,03
Surplus or deficit			+1,37

CAPITAL ACCOUNT

Expenditure		*Financing*	
Water Division—	..	Development Loan	25,05
(*i*) Guddu	6,09	Foreign Loans	12,81
(*ii*) Other Projects	15,41	Debentures	2,52
(*iii*) Loans	38	Advances for Guddu	6,09
Total	21,88	Other resources	6
Power Division—			
(*i*) Operation	8,65		..
(*ii*) Development	16,35		..
Total	25,00		..
Total	46,88		46,53

ANNEXURE VIII

WAPDA

Balance Sheet

As on 30th June 1964

WATER

(In lakhs of rupees)

Assets				*Financed from*
Projects under construction	..	73,02	Provincial Government's loan and Advances.	65,79
Other Fixed Assets	..	1,31	Debentures ..	1,75
Sundry Credits	..	1,24	Foreign Loans ..	5,41
Cash	..	2,20	Sundry Debts ..	4,82
Total	..	77,77		77,77

POWER

Assets				*Financed from*
Fixed Assets	..	1,61,75	Government Loans ..	1,32,51
Stocks and Stores	..	7,44	Debentures ..	9,00
Other current assets	..	5,97	Foreign Loans ..	22,62
Cash	..	4,76	Sundry Debts ..	4,15
			Surplus ..	11,63
Total	..	1,79,92	..	1,79,92

ANNEXURE IX

KARACHI DEVELOPMENT AUTHORITY—DEVELOPMENT WING

INCOME AND EXPENDITURE 1963-64

(In lakhs of rupees)

Receipts		*Expenditure*	
(1) Housing Schemes ..	1,28	(1) Housing Schemes ..	83
(2) Government advances for construction of displaced persons colonies.	2,99	(2) Construction of displaced persons colonies.	2,79
(3) Government advances for maintenance of displaced persons colonies.	17	(3) Maintenance of displaced persons colonies.	40
(4) Receipts from allottees of displaced persons colonies.	80	(4) Deposits, advances and suspense.	1,89
(5) Deposits, advances and suspense.	1,18		
Total	6,42		5,91

ANNEXURE X

KARACHI DEVELOPMENT AUTHORITY

BALANCE SHEET—30TH JUNE 1964

(In lakhs of rupees)

Assets		*Liabilities*	
(1) Investment in Projects	.. 22	(1) Loan and Sundry Debts	.. 3,69
(2) Stocks	.. 2,41	(2) Unspent balances of Government funds.	.. 1,35
(3) Other current assets	.. 1,51	(3) Collection on behalf of Government.	.. 1,04
(4) Financial investments	.. 27	(4) Reserve Funds	.. 84
(5) Cash	.. 4,09	(5) Profits & Surplus	.. 1,58
Total	.. 8,50	Total	.. 8,50