



**AUDIT REPORT  
ON  
THE ACCOUNTS OF  
CENTRAL ZAKAT FUND,  
ZAKAT COLLECTION CONTROLLING  
AGENCIES/  
ZAKAT COLLECTION OFFICES  
AND  
ISLAMABAD ZAKAT & USHR  
COMMITTEE  
AUDIT YEAR 2016-17**

**AUDITOR – GENERAL OF PAKISTAN**

## TABLE OF CONTENTS

ABBREVIATIONS & ACRONYMS	ii
PREFACE	iii
EXECUTIVE SUMMARY	1
SUMMARY OF TABLES & CHARTS	5
I <i>Audit Work Statistics</i>	5
II <i>Audit Observations Regarding Financial Management</i>	5
III <i>Outcome Statistics</i>	6
IV <i>Irregularities Pointed Out</i>	6
V <i>Cost-Benefit</i>	7
<b>CHAPTER 1</b> CENTRAL ZAKAT FUND	8
1.1 <i>Introduction</i>	8
1.2 <i>Comments on Budget &amp; Accounts</i>	9
1.3 <i>Brief Comments on the Status of Compliance with PAC Directives</i>	9
1.4    AUDIT PARAS	10
<b>CHAPTER 2</b> ZAKAT COLLECTION CONTROLLING AGENCIES / ZAKAT COLLECTION OFFICES	13
2.1 <i>Introduction</i>	13
2.2 <i>Comments on Budget &amp; Accounts</i>	13
2.3    AUDIT PARAS	14
<b>CHAPTER 3</b> ISLAMABAD ZAKAT & USHR COMMITTEE	24
3.1 <i>Introduction</i>	24
3.2 <i>Comments on Budget &amp; Accounts</i>	24
3.3 <i>Brief Comments on the Status of Compliance with PAC Directives</i>	25
3.4    AUDIT PARAS	25
<b>CHAPTER 4</b> NATIONAL LEVEL HEALTH INSTITUTIONS	35
4.1 <i>Introduction</i>	35
4.2 <i>Comments on Budget &amp; Accounts</i>	35
4.3    AUDIT PARAS	35
<b>ANNEXES</b>	39

## ABBREVIATIONS & ACRONYMS

AIR	Audit & Inspection Report
AG	Accountant General
AGPR	Accountant General Pakistan Revenues
CAZ	Chief Administrator Zakat
CZA	Central Zakat Administration
CZC	Central Zakat Council
CZF	Central Zakat Fund
CMA	Controller Military Accounts
CDC	Central Depository Company
CDRs	Central Depository Receipts
DAC	Departmental Accounts Committee
DAO	District Accounts Office
DSC	Defense Saving Certificates
DZA	Directorate of Zakat Audit
DZF	District Zakat Fund
FDRs	Fixed Deposits Receipts
GBZF	Gilgit Baltistan Zakat Fund
HWC	Health Welfare Committee
ICT	Islamabad Capital Territory
IPSAS	International Public Sector Accounting Standards
IZUC	Islamabad Zakat & Ushr Committee
LZC	Local Zakat Committee
MFDAC	Memorandum for Departmental Accounts Committee
MORA	Ministry of Religious Affairs and Interfaith Harmony
NAM	New Accounting Model
NLHI	National Level Health Institution
NORI	Nuclear Medicines, Oncology and Radiotherapy Institute
NSC	National Saving Center
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PZC	Provincial Zakat Council
PZF	Provincial Zakat Fund
TDRs	Terms Deposit Receipts
ZCCA	Zakat Collection Controlling Agency
ZCOs	Zakat Collection Offices
ZCR	Zakat Collection Report

## **PREFACE**

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan 1973, read with Sections 8 and 12 of the Auditor General (Functions, Powers and Terms and Conditions of Service) Ordinance 2001 and Clause (7) of Section 11 of Zakat and Ushr Ordinance, 1980, require the Auditor General of Pakistan to conduct audit of the Central Zakat Fund, Provincial Zakat Funds, District Zakat Funds and Local Zakat Funds.

The Report is based on Compliance Audit of Central Zakat Fund, Zakat Collection Controlling Agencies (ZCCAs) / Zakat Collection Offices (ZCOs) and Islamabad Zakat and Ushr Committee for the financial year 2015-16. The Directorate of Zakat Audit conducted audit during the year 2016-17 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of Rs 1 million or more. Relatively less significant issues are listed in the Annex-1 of the Audit Report. The Audit observations listed in the Annex-1 shall be pursued with the Principal Accounting Officer at the DAC level and in those cases where the Principal Accounting Officer (PAO) does not initiate appropriate action, the Audit observations will be brought to the notice of the Public Accounts Committee through next year's Audit Report.

Audit findings indicate the need for adherence to the regularity framework besides instituting and strengthening internal controls to avoid recurrence of similar violations and irregularities.

Despite repeated requests dated 14-12-2016, 15-12-2016 and 28-12-2016, the PAOs did not convene DAC meeting to-date.

The Audit Report is submitted to the President in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973, for causing it to be laid before both houses of Majlis-e-Shoora [Parliament].

Dated:

**(Rana Assad Amin)**  
**Auditor-General of Pakistan**

## **EXECUTIVE SUMMARY**

Zakat system was introduced in Pakistan through Zakat and Ushr Ordinance, 1980. Zakat deducted on compulsory basis and collected on voluntary basis by the financial and other institutions is kept in the Central Zakat Fund (CZF), which is managed by the Central Zakat Administration (CZA). Funds in the CZF are released to the Provincial Zakat Funds (PZFs) including FATA, Gilgit-Baltistan Zakat Fund (GBZF) and Islamabad Capital Territory. Provincial Zakat Councils (PZCs) release funds from PZFs to DZFs and Health Welfare Committees of Provincial Level Health Institutions in the provinces for assistance to the Mustahiqeen.

The Directorate of Zakat Audit (DZA) carries out the audit of Central Zakat Fund (CZF), Provincial Zakat Funds (PZFs), District Zakat Funds (DZFs) and Zakat Collection Controlling Agencies (ZCCAs) / Zakat Deduction Offices (ZCOs). Directorate of Zakat Audit (DZA) has a human resource of 24 officers and staff having 5976 mandays. The annual budget amounting to Rs 46.574 million was allocated to this office during 2016-17.

The office is mandated to conduct regularity (compliance with authority audit) of formations under its jurisdiction to assess transparency in collection and distribution of Zakat. The procedures followed during this process consist of examining selected documents, interaction with employees during field work, interviewing beneficiaries to evaluate their satisfaction on Zakat system, examining selected documents and records, filling internal control questionnaires to assess the internal control system and reviewing applicable laws and regulations.

### **a. Scope of Audit**

The total amount of Zakat collected and released by Ministry of Religious Affairs and Interfaith Harmony to Provinces and ICT during the financial year 2015-16 was Rs 5,303.53 million. This whole amount was subjected to audit at CZA level. However, 63 Zakat Collection Controlling Agencies / Zakat Collection Offices (out of 307 ZCCAs) were audited on test check basis during the audit year 2016-17.

The total budget received by Islamabad Zakat & Ushr Committee from Ministry of Religious Affairs and Interfaith Harmony during the financial year 2015-16 was

Rs 132.790 million. This amount included funds for onward release to NLHIs in ICT, Local Zakat Committees (LZCs), educational institutions and deeni madaris. The entire budget was subjected to audit at District level. However, 79 LZCs out of 148 LZCs were selected for audit on test check basis at Local Committees level which in terms of percentage was 53% of total Local Zakat Committees.

**b. Recoveries at the Instance of Audit**

Recovery of Rs 275.856 million, which was not in the notice of the executive, was pointed out by audit, but no recovery was effected until the time of compilation of this report.

**c. Audit Methodology**

The audit year 2016-17 followed intensive application of desk audit techniques in Directorate of Zakat Audit. This was facilitated by the use of SAP (limited to the amount of deduction of Zakat made by AG and AGPR offices) and preparation of permanent / planning files. Desk review helped auditors in understanding the systems, procedures, environment, and the auditee entity before starting field activity. This greatly facilitated in the identification of high risk areas for substantive testing in the field.

**d. Comments on Internal Controls and Internal Audit Department**

Internal Audit Department of Zakat was non-existent at CZA level. However, at PZAs levels, the Internal Audit Department was not functioning effectively mainly due to inexperienced internal auditors, shortage of staff and lack of job security being contract employees. Therefore, Internal Audit Department needs to be strengthened. The irregularities pointed out in the Report led to general conclusion that internal controls were very weak and ineffective.

**e. Audit Impact**

On the recommendation of Audit, the Ministry of Religious Affairs and Interfaith Harmony has now started the process of collecting pre-receipted copies of form CZ-08 from ZCCAs / ZCOs, which will help in increasing transparency in the process of

Zakat collection / deduction and reconciliation of Zakat fund. Annex-2 (Audit Impact Summary) provides additional information on improvement of rules, systems and procedures that occurred because of audit.

**f. The Key Audit Findings of the Report;**

- i. Non-reconciliation of collection of Zakat was pointed out in one para.<sup>1</sup>
- ii. Non-production of record was pointed out in one para.<sup>2</sup>
- iii. Non-collection of Ushr was pointed out in one para.<sup>3</sup>
- iv. Recovery pointed out in six paras amounted to Rs 275.856 million.<sup>4</sup>
- v. There were fourteen cases of irregular expenditure / payments and violation of rules amounting to Rs 410.492 million.<sup>5</sup>

Audit paras for the audit year 2016-2017 involving procedural violations including internal control weaknesses and irregularities not considered significant for reporting to the PAC, are included in MFDAC (Annex-1).

**g. Recommendations**

- i. Reconciliation of Zakat collection should be carried out regularly.
- ii. Relevant record should be produced for audit and strict action taken against persons held responsible for non-production under section 14(2) and (3) of the Auditor-General's Ordinance No. XXIII of 2001 read with section 21(3A) of Zakat & Ushr Ordinance, 1980.
- iii. Islamabad Zakat and Ushr Committee may pursue the matter regarding assessment and collection of Ushr with Revenue Department for immediate action.
- iv. Zakat deducted by ZCCAs / ZCOs should be deposited without any delay in CZF-08.

---

<sup>1</sup> Para 1.4.2

<sup>2</sup> Para 2.3.1

<sup>3</sup> Para 3.4.1

<sup>4</sup> Para 2.3.2, 2.3.4, 2.3.5, 2.3.8, 3.4.5 & 3.4.6

<sup>5</sup> Para 1.4.1, 2.3.3, 2.3.6, 2.3.7, 3.4.2, 3.4.3, 3.4.4, 3.4.7, 3.4.8, 3.4.9, 3.4.10, 4.3.1, 4.3.2 & 4.3.3

- v. Assessment, collection and deduction of Zakat should be made by ZCCAs / ZCOs strictly in accordance with provisions of Zakat and Ushr Ordinance, 1980 and the Zakat Collection and Refund Rules 1981.
- vi. Refund of unspent balances of Zakat Fund needs to be made timely by the management.
- vii. Bank authorities need to be instructed to issue cheque books to all Local Zakat Committees (LZCs) with every leaf marked with crossed/Payees account only so that payments to ‘mustahiqeen’ can only be made through crossed cheques.
- viii. Proper resolutions should be passed by LZCs before payment to beneficiaries.



## SUMMARY OF TABLES AND CHARTS

**Table I: Audit Work Statistics**

Sr.No.	Description	No. of Entities	Budget (Rs. in Million)
1	Total Entities (PAO's) in Audit Jurisdiction	2	5,303.53
2	Total Formations in Audit Jurisdiction	307	5,303.53
3	Total Entities (PAO's) Audited	2	5,303.53
4	Total Formations Audited	*69	*5,303.53
5	Audit And Inspection Reports	69	5,303.53
6	Special Audit Reports	-	
7	Performance Audit Reports	-	
8	Other Reports	-	-

\*The CZA was one of the 69 formations audited, which alone made collection and onward disbursements of Rs 5,303.53 million during the financial year 2015-16. In addition Islamabad Zakat & Ushr Committee (having total funds received of Rs 132.790 million), 63 ZCCAs / ZCOs, 03 NLHIs and Pakistan Madrassa Education Board / Model deeni madaris were also audited on test check basis during the financial year 2015-16.

**Table II: Audit Observations Regarding Financial Management**

Sr.No.	Description	Amount placed under Audit observation (Rs. in Million)
1	Unsound asset management	-
2	Weak financial management	-
3	Weak Internal controls relating to financial management	773.165
4	Other	-
	<b>Total</b>	<b>773.165</b>

**Table III: Outcome Statistics**

S. No.	Description	Total Last Year (Rs in Million)	Total Current Year (Rs in Million)
1	Outlays Audited	5,176.036	5,303.53
2	Monetary Value of Audit Observations	*69,628.95	773.165
3	Recoveries Pointed Out at the instance of Audit	2,033.21	275.856
4	Recoveries Accepted / Established at the instance of Audit	39.519	NA
5	Recoveries Realized at the instance of Audit	7.865	0.99

\* including amount of Zakat not realized amounting to Rs 65,483.70 million

**Table IV: Irregularities Pointed Out**

S. No.	Description	Amount Placed under Audit Observation (Rs in Million)
1.	Violation of Rules and regulations and violation of principal of propriety and probity in public operations	686.348
2.	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	-
3.	Accounting Errors (accounting policy departure from IPSAS, misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	-
4.	Weaknesses of internal control systems.	-
5.	Recoveries and overpayments, representing cases of established overpayment or misappropriations of public money.	-
6.	Non-production of record	86.817
7.	Others, including cases of accidents, negligence etc.	-
	<b>Total:</b>	<b>773.165</b>

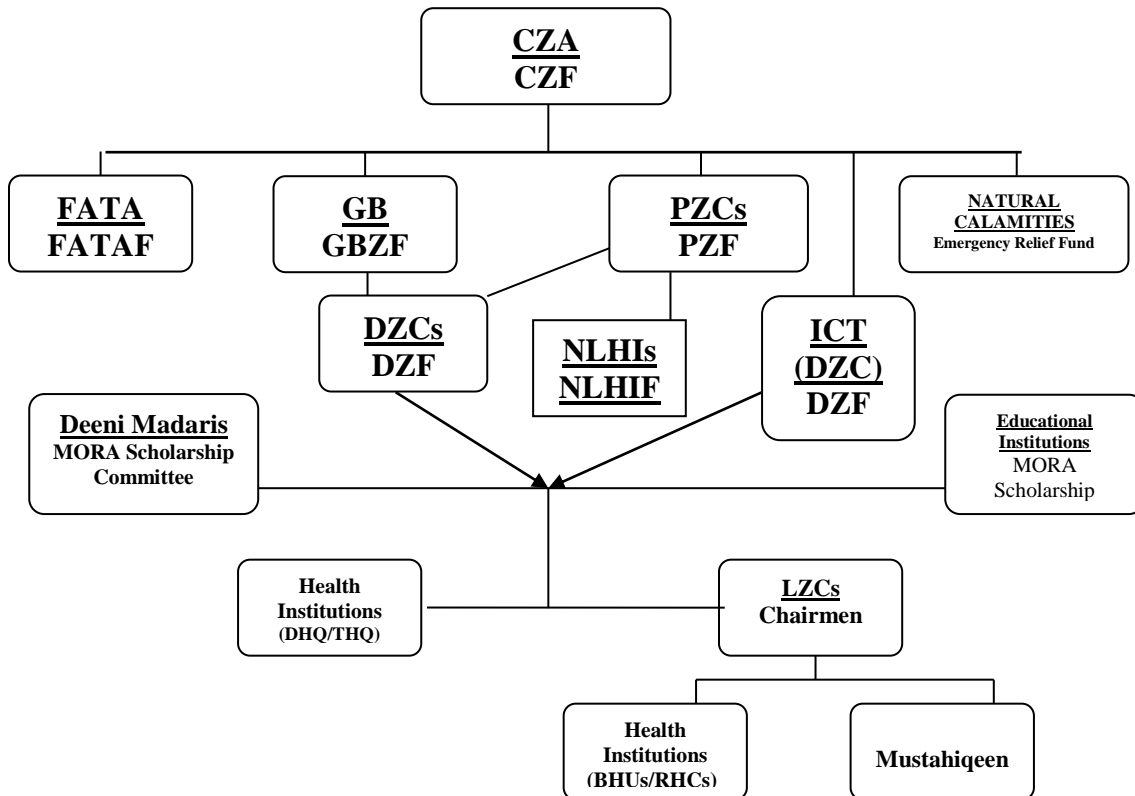
**Table V: Cost-Benefit**

<b>Sr. No.</b>	<b>Description</b>	<b>Amount (Rs in Million)</b>
1	Outlays audited (Items 1 of Table 3)	5,303.53
2	Expenditure on Audit	46.574
3	Recoveries realized at the instance of Audit	0.99
	Cost-Benefit ratio	1 : 0.02

# CHAPTER – 1 CENTRAL ZAKAT FUND

## 1.1 Introduction

Zakat deducted on compulsory basis and collected on voluntary basis by the financial and other institutions is kept in the Central Zakat Fund (CZF), which is managed by the Central Zakat Administration (CZA). CZA releases Zakat Fund collected during the year to Provincial Zakat Councils as per provincial share on population basis, as approved by Council of Common Interest (CCI) after making direct lump sum releases to GBZF, ICT, NLHIs, Natural Calamities / Emergency Relief and others (administrative / non-administrative, special Eid grants) out of total budget. In addition to regular Zakat disbursement programmes, funds are also allocated on account of Educational Stipends (Technical). The funds flow management chart of CZF is as follows:



## 1.2 Comments on Budget & Accounts

Statement of Accounts of the Central Zakat Fund for the years 2014-16 was as under:

Particulars	FY 2014-15 (Rs in million)	FY 2015-16 (Rs in million)
Opening Balance	4,778.180	5,398.53
*Receipts	5,796.390	7,475.94
Funds Available	10,574.570	12,874.47
Disbursements	5,176.036	5,303.53
Closing Balance	5,398.534	7,570.94

\*Include refund of unspent balances.

Source: State Bank of Pakistan

The receipt figures of current year show an increase of 21.30 % as compared to last year. The CZA disbursed an amount of Rs 5,303.53 million to PZFs including FATA, Gilgit-Baltistan Zakat Fund and Islamabad Capital Territory during the year 2015-16, which shows increase of 2.5% as compared to last year.

## 1.3 Brief Comments on the Status of Compliance with PAC Directives

Reports for the Audit Years 2002-03, 2005-06, 2009-10, 2011-12, 2012-13, 2014-15 and 2015-16 have not yet been discussed in PAC. Audit recommends that audit reports should be placed before the PAC regularly and discussed like rest of the audit reports. The status of compliance with PAC Directives is given below:

Audit Year	Status of PAC/Remarks	No. of Audit Paras (Sub-Paras) Discussed	Paras (Sub-Paras) Not Complied
1995-98	PAC held	19 (104)	(36)
1998-99 SAR	PAC held	79	14
1998-99	PAC held	21	21
1999-00	PAC held	21	21
2000-01	PAC held	47	5
2002-03	PAC not held	-	-
2003-04	PAC held	7 (23)	(12)
2004-05	PAC held	8	8
2005-06	PAC not held	-	-
2006-07	PAC held	8	5
2007-08	PAC held	8	8

2008-09	PAC held	10	7
2009-10	PAC not held	-	-
2010-11	PAC held	18 (64)	(44)
2011-12	PAC not held	-	-
2012-13	PAC not held	-	-
2013-14	PAC held	13	10
2014-15	PAC not held	-	-
2015-16	PAC not held	-	-

## 1.4 AUDIT PARAS

### Irregularity and non compliance

#### 1.4.1 Late deposit of Zakat – Rs 202.798 million

According to Rule 33 (4) of Zakat Collection and Refund Rules, 1981, “ZCCAs will remit immediately after the close of the periods given in consolidated Zakat Collection Reports (Form CZ-08A and CZ-08B), the aggregate of the amount collected by their ZCOs, less refunds, to the Central Account No.8-Central Zakat Fund with the State Bank of Pakistan, provided that the ZCCAs dealing with assets at Serial No. 1 (Savings Bank and similar accounts) will make, in addition to the above periodical remittances, an additional remittance immediately after the deduction date”.

Audit observed that 19 ZCCAs did not timely deposit the Zakat amounting to Rs 202.798 million during the Financial Year 2015-16 into the Central Zakat Fund Account No. 08, which was held as irregular. The detail is given at Annex-3.

Audit contends that the late remittances of Zakat resulted in irregular use of Zakat by ZCCAs.

Management replied that the irregularity was committed at ZCCA level and subsidiary accounts are available with concerned ZCCAs so the audit may point out the irregularity to the respective ZCCAs. The Zakat Collection Reports submitted by ZCCA to the CZA contain only a certificate that all exemptions and refunds are fully

documented, hence CZA is not in a position to collect the initial / subsidiary record from thousands of ZCCAs.

The reply is not acceptable because being controlling Ministry, the Ministry of Religious Affairs and Interfaith Harmony is responsible for monitoring the mechanism of Zakat Collection. Additionally, the observation relates to late deposit and not about the exemptions granted and refunds made thereof. The challans showing late deposit dates are sufficient evidence for fixing responsibility.

Despite repeated requests dated 14-12-2016 and 28-12-2016, the PAO did not convene DAC Meeting to-date.

Audit recommends that, as already decided by DAC in its meeting held on 06-02-2014, the Administrator General Zakat may propose amendments in Ordinance / Rules for imposition of penalty / charges for late deposit in order to discourage retention and late remittances of Zakat by ZCCAs.

#### **1.4.2 Non-reconciliation of Zakat collection**

Para-64 of Accounting Procedure for the Central Zakat Fund states that “At the close of each month, the entries recorded in the registers maintained in the Central Zakat Administration (CZA) will be compared with the figures reported by the State Bank of Pakistan through the monthly statements on forms CZ-21 and CZ-22 and the accompanying documents. In case of discrepancy, the details supplied by the State Bank of Pakistan will be checked and reconciled with those given in the return on form CZ-08 sent directly by the Zakat Collection and Controlling Agencies (ZCCAs) and those available in the record of the CZA. If any discrepancy persists, it shall be settled by referring the matter to the State Bank of Pakistan and /or to the ZCCAs concerned or other relevant agency/office. The accounts of Central Zakat Fund shall be reconciled on monthly basis”.

During audit of Zakat record of Ministry of Religious Affairs and Interfaith Harmony for the FY 2015-16, it was observed that out of total Zakat Collection of Rs 7,475.94 million, pre-receipted copies amounting to Rs 1,177.088 million were not available in the record of CZA.

The irregularity occurred because department was only depending upon the figures intimated by the State Bank of Pakistan on monthly basis without any verification.

Audit contends that in the absence of proper reconciliation, the accuracy of amounts / accounts could not be ascertained.

Management replied that letters have been issued to 17 ZCCAs to furnish pre-receipted copies to reconcile the amount.

The reply is not acceptable by Audit because the management has not put in place methods of identification of different ZCCAs, therefore proper reconciliation can not be done.

Despite repeated requests dated 14-12-2016 and 28-12-2016, the PAO did not convene DAC Meeting.

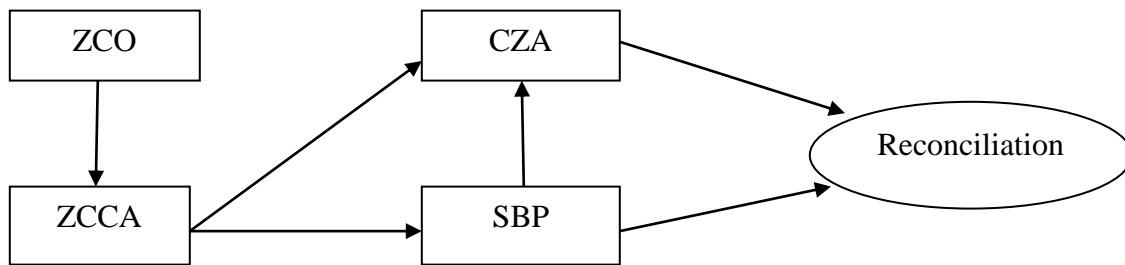
Audit recommends that reconciliation of Zakat collection should be made on monthly basis and proper identification of different ZCCAs may be made to ensure accuracy of Zakat receipt. Moreover an inquiry be initiated to fix responsibility for this lapse.



## Chapter-2 ZAKAT COLLECTION CONTROLLING AGENCIES AND ZAKAT COLLECTION OFFICES

### 2.1 Introduction

Zakat Collection and Refund Rules, 1981 prescribe procedures to be followed by Zakat Collection Controlling Agencies (ZCCA) and Zakat Collection Offices (ZCO) for the collection / deduction of Zakat Fund. The flow of accounting information for collection is from the ZCOs to ZCCAs to Central Zakat Fund Account No.8 being maintained at State Bank of Pakistan. The flow of information regarding collection and disbursement is shown in the following diagram:



The Directorate of Zakat Audit conducted audit of 63 ZCCAs / ZCOs (as detailed in Annex-15) during the Audit Year 2016-17 out of many ZCCAs (banks and companies), 13,000 Post Offices (ZCOs) and 367 National Saving Centers (ZCOs) working under 12 Regional Directorates.

### 2.2 Comments on Budget and Accounts

The total deductions (including refunds) made by ZCCAs / ZCOs during the year 2014-15 were Rs 7,475.94 million as compared to Rs 5,398.534 million in previous year. This shows an increase of 38% as compared to last year.

## 2.3 AUDIT PARAS

### Non-production of record

#### 2.3.1 Non-production of record – Rs 86.817 million

According to Section 14, sub section 2 of the Auditor General’s Ordinance, 2001 “The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with request for information in as complete a form as possible and with all reasonable expedition” and sub section 3 provides “Any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person”.

Despite repeated reminders, Thirteen (13) ZCCAs / ZCOs did not produce the auditable record of Zakat assessed and collected / deducted amounting to Rs 86.817 million during the years 2012-16 as detailed in Annex-4. Therefore the correct amount of Zakat assessment and deduction could not be verified.

Management of Nimir Resins (Pvt.) Ltd. Sheikhpura replied that they had not issued / paid dividend during the period under audit. The reply is not tenable as observation was related to provident fund payments and not regarding Zakat deduction from dividends.

Ittehad Chemicals Pvt. Ltd. Lahore replied that the declarations are available with brokers.

Coastal Refinery Pvt. Ltd. Karachi replied that it does not come under the requirement of Zakat deduction as company has signed an agreement of sale of project with local refinery.

HUM Network Ltd. Lahore replied that time is required for arranging record.

International Steel Ltd. Karachi replied that the shareholders were exempted on the basis of non-muslim / fiqa and company’s shareholdings etc.

Crescent Steel & Allied Products Ltd Lahore replied that the Provident Fund function as separate legal person and is not a part of Crescent Steel.

Pioneer Cement Ltd Lahore replied that Zakat was appropriately deducted and deposited into CZF and was shared with auditors accordingly, however, breakup of the amount is yet to be done.

Rousch Pakistan Power Ltd. Lahore replied that record will be provided within 07 days.

However, the matter was reported to the management on Continental Capital Management Pvt. Ltd. Karachi, Nishat Power Ltd. Lahore, HBL New Anarkali Br. Lahore, UBL Main Branch Jhang, MCB Main Branch Attock and Allied Bank Ltd. Jinnah Road Quetta on 26-07-2016, 06-09-2016, 27-07-2016, 01-12-2016, 13-10-2016 and 23-09-2016 respectively but no reply was received.

The replies are not tenable as relevant record / supporting evidences were not verified from audit.

Despite repeated requests dated 14-12-2016 and 28-12-2016, the PAO did not convene DAC Meeting.

Audit recommends that record may be produced to audit and inquiry may be conducted and disciplinary action be taken against the person(s) responsible for non-production of record.

### **Irregularity and non compliance**

#### **2.3.2 Irregular exemption granted without obtaining declarations or on invalid declarations – Rs 228.566 million**

Para 20 of Chapter III of Zakat Collection and Refund rules, 1981 provides that Zakat shall not be deducted in respect of the assets of a person claiming exemption on the ground of faith and fiqh under the first proviso to sub section (3) of section 1 of the Ordinance, provided he files with the ZCO an attested true copy of the declaration, on form CZ50 within a period not less than thirty days preceding the Valuation Date.

In contravention of above provision, 40 ZCCAs / ZCOs granted exemption of Rs 228.566 million to individuals without obtaining the declarations on Form CZ-50 or on invalid declarations i.e., its submission within one month before the valuation date or on fictitious declarations. The managements in general replied that either the declarations were with CDC or the deficiencies in declarations had been rectified.

The replies are not tenable as no valid declarations were verified from audit. Details and management replies are given in Annex-5.

The irregularity occurred due to ignorance of rules and procedures governing Zakat exemption and improper maintenance of record by ZCCAs.

The non-deduction of Zakat from individuals resulted into less collection of Zakat Fund.

Despite repeated requests dated 14-12-2016 and 28-12-2016, the PAO did not convene DAC Meeting.

Audit recommends that the amount of Zakat not deducted without declaration forms should be recovered and deposited into Zakat Fund Account CZF-08 under intimation to Audit.

### **2.3.3 Unjustified exemptions granted by NSCs on assets codes 101 under the title “non-maturity” – Rs 58.773 million**

First Schedule to Zakat and Ushr Ordinance, 1980 provides rate and basis for computing the amount to be deducted as Zakat for asset code 101 as “2.5% of the amount standing to the credit of an account at the commencement of the day on the Valuation date 2[(No deduction shall be made in case the amount standing to the credit of an account does not exceed the amount notified by the Administrator General”

Audit observed during scrutiny of record of Central Directorate of National Saving (CDNS) that 05 RDNS submit quarterly reports to CDNS shows Zakat amounting to Rs 58,772,845 was exempted by 148 NSCs under the title “non-maturity” on asset code 101, which was held as unjustified and recoverable. The exemption from Zakat on asset code 101 on the basis on non-maturity is not covered under the rules as Zakat is deductible on 1<sup>st</sup> of Ramazan if the value standing at the credit of account is more than the value of nisab notified by Administrator General. The detail is given below:

<b>Sr. no.</b>	<b>Name of Region</b>	<b>Valuation Date</b>	<b>Total NSCs</b>	<b>Amount exempted (Rs)</b>
1	Gujranwala	19-06-2015	29	225,364,745
2	Faisalabad	-do-	39	1,986,287,431
3	Sukkur	-do-	29	128,461,347
4	Karachi	-do-	36	9,346,352
5	Quetta	-do-	15	1,453,952
	Total			2,350,913,827
	<b>Zakat Involved (Rs) 2.5% of total</b>			<b>58,772,845</b>

The irregularity occurred due to weak internal controls.

Audit contends that this has resulted into less collection of Zakat, which suffered mustahiqeen from due benefits of Zakat.

The matter was reported to the management on 18-08-2016 but no reply was received.

Despite repeated requests dated 14-12-2016 and 28-12-2016, the PAO did not convene DAC Meeting.

Audit recommends to justify the matter otherwise inquiry may be conducted to fix the responsibility and recover the amount of Zakat less calculated / deducted.

#### **2.3.4 Non-deduction of Zakat from companies and individuals accounts – Rs 13.548 million**

Para 19 of Zakat Collection and Refund Rules 1981 provides that the Zakat shall not be deducted in respect of the assets of a company or other association of persons or body of individuals, if not less than fifty percent of the value of its shares is owned by or the beneficial ownership thereof is held in the names of individuals who are not Muslim citizens of Pakistan: the fact to be established through a solemn affirmation in writing, together with the requisite details, to be given by its Principal Executive in Pakistan.

In violation of above rules, Five (5) ZCCAs / ZCOs did not deduct Zakat amounting to Rs 13.548 million during Financial Year 2013-16 from companies and individuals

accounts without specifying any reasons of exemption as required under Zakat Collection and Refund Rules 1981. Details are given in Annex-6.

The irregularity occurred due to non-observance of rules and procedures governing Zakat exemption and improper maintenance of record by ZCCAs.

Audit contends that non-deduction of Zakat from the companies and individual accounts resulted into less collection of Zakat Fund.

Management of Allied Bank Ltd. Main Branch Kasur replied that Zakat is not applicable on finance account of M/S Rehman Traders.

Allied Bank Ltd Main Branch Blue Area Islamabad replied that the companies exempted were either owned indirectly by Federal Government or company's owner were non-muslim.

However, the matter was reported to the management of remaining three ZCCAs but no reply has been received to-date.

The replies are not tenable as valid documentary evidences in that regard was shown to Audit.

Despite repeated requests dated 14-12-2016 and 28-12-2016, the PAO did not convene DAC Meeting.

Audit recommends that the objected amount of exemptions granted without fulfilling requirement of rules should be recovered or the documentary evidence of exemptions be provided to Audit.

### **2.3.5 Irregular exemption granted to individuals on the grounds of 'non-resident / non-muslims without providing any proof / affirmation - Rs 12.79 million**

Rule 17 of Chapter III of Zakat collection and refund rules 1981 provides that Zakat shall not be deducted in respect of assets of non-muslims: the fact of a person being non-muslim to be established through the record available with the ZCO or a solemn affirmation in writing of the person concerned. Similarly, rule 18 provides that Zakat

shall not be deducted in respect of assets of a person who is not a citizen of Pakistan, the fact that an individual is not a citizen of Pakistan to be established through an attested true copy of the passport or equivalent documents establishing his nationality accompanied by a solemn affirmation in writing that he is not a citizen of Pakistan.

In violation of above rules, Zakat amounting to Rs 12.79 million was not deducted by four (4) ZCCAs / ZCOs from individuals during financial years 2013-16 on the grounds of their status as non-resident and non-muslim without obtaining proper evidence as required under the rules. Details are given in Annex-7.

Audit contends that the improper / incomplete maintenance of record by ZCCAs may have resulted in occurrence of this irregularity.

Management of Lotte Chemical Pakistan Ltd Karachi replied that Record of physical shareholders (are with ICI Pakistan Ltd.) and CDC shareholders are not available with the company.

Pioneer Cement Ltd Lahore replied that all necessary record is available.

Premier Insurance Pvt Ltd Karachi replied that the record is available with registrar or CDC.

However, the matter was reported to the management of HBL New Anarkali Branch Lahore on 27-07-2016 but no reply was received to-date.

The replies are not tenable as no relevant record was produced to audit.

Audit contends that non-deduction of Zakat from individuals resulted into less collection of Zakat Fund of Rs 12.79 million.

Despite repeated requests dated 14-12-2016 and 28-12-2016, the PAO did not convene DAC Meeting.

Audit recommends that the amount of less deducted Zakat should be recovered and deposited into Zakat Fund under intimation to Audit.

### **2.3.6 Late deposit of Zakat deducted – Rs 28.484 million**

Rule 3 (1) of Zakat collection and refund rules 1981 provides that “Each ZCCA shall ensure the correct deduction of Zakat by its ZCOs, and the proper accounting, control and remittance thereof, in accordance with the provision of the Ordinance, the rules and the instructions which the CZA may issue in this behalf, from time to time”. Rule 33 (4) further adds that “ZCCAs will remit immediately after the close of the periods given in consolidated Zakat Collection Reports (Forms CZ-08A and CZ-08B), the aggregate of the amount collected by their ZCOs less refunds, to the Central Accounts No. 8-Central Zakat Fund with the State Bank of Pakistan”.

Audit observed that Nine (9) ZCCAs / DCOs did not timely deposit the Zakat amounting to Rs 28.484 million into CZF-08 deducted by them during the years 2011-15, in violation of above rules. Details are given in Annex-8.

The irregularity occurred due to ignorance of rules and procedures governing remittances of Zakat and delay in submission of quarterly reports by ZCOs to its head offices.

Audit contends that late remittances of Zakat resulted in irregular use of Zakat by ZCCAs.

Management of Pioneer Cement Ltd Lahore replied that Zakat was appropriately deducted and deposited in the CZF.

Engro Power Generation Co Ltd Karachi replied that due to quantum of work, an unintentional delay was occurred.

AGPR Karachi replied that the delay was due to internal consolidation of Zakat deduction and necessary scrutiny of vouchers and posting in ledgers.

However, the matter was reported to the management of remaining six ZCCAs but no reply has been received to-date.

The replies were not tenable as Zakat was required to be deposited within the stipulated time.



Despite repeated requests dated 14-12-2016 and 28-12-2016, the PAO did not convene DAC Meeting.

Audit recommends that the amount should be deposited into CZF-08 immediately besides fixation of responsibility against persons responsible for non / late deposit. MORA may also consider amendment in the rules to impose penalty for late deposit of Zakat.

### **2.3.7 Non / Less deduction of Zakat on Saving / Special Saving Certificates / Accounts and TDRs / FDRs – Rs 14.49 million**

Column 5 of row 3 of First Schedule to Zakat & Ushr Ordinance 1980 specify the deduction date as “ The date on which the first return is paid, or the date of encashment / redemption/withdrawal, which ever be earlier in the Zakat year” and Zakatable assets as “Fixed Deposit Receipts and Accounts and similar receipts and accounts and certificates (e.g. Khas, Deposit Certificates), by whatever name described, issued by the banks operating in Pakistan, post offices, National Savings Centers and financial institutions, on which return is receivable by the holder periodically or is received earlier than maturity or withdrawal”.

Similarly Rule 6 (1) & (2) of Zakat collection & refund rules 1981 further adds that a ZCO shall maintain a separate folio for each quarter for each type of instrument handled by it under this classification in the Zakat Deduction/Refund register (Form CZ-02) and fill in the necessary details at the time of payment of return or of encashment / redemption / withdrawal, as the case may be. For the assets belonging to this category where return becomes receivable by the assets holder on a certain date in a Zakat year but is not collected by him, Zakat shall nevertheless be deducted for each Zakat year involved as if the return had been collected by the asset holder when receivable by him. In case an asset or/and its return coupon is/are in the possession of the asset holder, Zakat shall be so deducted at the time either of these is presented to the ZCO”.

Audit observed that 06 ZCCAs / ZCOs either not deducted Zakat on maturity of Saving Accounts and TDRs / FDRs or deducted Zakat from holders of Special Saving Certificates / Accounts only once i.e., on encashment / maturity of SSCs. Furthermore, withdrawal of principal amount on Special Saving Accounts instead of

deduction of Zakat in each Zakat year on the date on which the first return is paid / payable in each Zakat year. Thus, Zakat amounting to Rs 14.49 million was non / less deducted during the FYs 2013-16, which was held as irregular. Detail is given at Annex-9.

The irregularity occurred due to weak internal controls.

Audit contends that such violation has resulted in loss of Rs 14.49 million to Zakat fund.

The matter was reported to the managements of GPO Quetta, GPO Gilgit, NSC DHA Lahore, NSC Jinnah Road, Quetta, HBL New Anarkali Branch, Lahore, NIB Bank Ltd Blue Area, Islamabad on 30-09-2016, 21-11-2016, 06-09-2016, 30-09-2016, 10-08-2016 and 27-07-2016 respectively but no reply has been received to-date.

Despite repeated requests dated 14-12-2016 and 28-12-2016, the PAO did not convene DAC Meeting.

Audit recommends that the amount of Zakat should be deducted on maturity and the amount of Zakat less / non deducted may be recovered.

### **2.3.8 Non-deduction of Zakat on Zakatable assets (PLS / Similar Bank Accounts) – Rs 13.44 million**

According to Zakat & Ushr Ordinance 1980 and Zakat Collection and Refund Rule, 1981, Zakat on saving/similar accounts by whatever name described be deducted @ 2.5% of the amount standing to the credit of the account at the commencement of the day on the valuation date except those exempted under the rules.

During audit of Mari Petroleum Company Limited it was observed that Bank Balances (Deposit Accounts) were lying in Askari Bank Ltd at the end of FY on 30-06-2014 (1<sup>st</sup> of Ramazan). Zakat deduction status on the non-exempted portion of deposit accounts balances has not been provided to audit. Bank balances of Rs 3,273 million was lying in Askari Bank Limited at the end of FY 2013-14 (source: Annual Report 2014). Neither the status of deduction of Zakat on non-exempted portion

amounting to Rs 13.44 million (16.40%) nor proof of Zakat deduction / bank statements was produced to audit.

The irregularity occurred due to non-observance of Zakat rules.

Audit was not able to verify the deduction of Zakat as on 1<sup>st</sup> of Ramazan.

Management replied that no bank balances were lying in the Askari bank Ltd during the year 2013-14, which were subject to Zakat under the Zakat and Ushr Ordinance 1980 as on 1<sup>st</sup> of Ramazan 30-06-2014.

The reply is not acceptable as no valid documentary evidence in that regard was shown to audit.

Despite repeated requests dated 14-12-2016 and 28-12-2016, the PAO did not convene DAC Meeting.

Audit recommends that the status of Zakat deduction as on 30-06-2014 on assets liable to Zakat may be shown to audit and in case Zakat was not deducted from Zakat deductible assets, the same may be deducted and deposited into CZF-08.

## CHAPTER -3 ISLAMABAD ZAKAT & USHR COMMITTEE

### 3.1 Introduction

The Islamabad Zakat & Ushr Committee (IZUC) consists of 148 LZCs out of which 79 LZCs were subjected to audit. The IZUC provided Zakat Funds to LZCs and various institutions for disbursement to mustahiqeen under various Zakat regular programmes like Guzara Allowance, Educational Stipends, Deeni Madaris, Health Care and Marriage Assistance to unmarried mustahiq women.

### 3.2 Comments on Budget & Accounts

Total budget allocation for the year 2015-16 was as under:

<b>Particulars</b>	<b>FY 2015-16 (Rs in Million)</b>
Opening Balance	77.525
Receipts	132.790
Total Available Funds	210.315
Disbursements	151.404
Closing Balance	58.911

IZUC Islamabad received an amount of Rs 132.790 million (4% more than the previous year) from Ministry of Religious Affairs and Interfaith Harmony during the financial year 2015-16 and disbursed an amount of Rs 151.404 million during the year 2015-16, which was 72% of the total available funds. The balances at year end were not refunded into CZF account.

### 3.3 Brief comments on the status of compliance with PAC Directives

Reports for the Audit Years 2002-03, 2005-06, 2009-10, 2011-12, 2012-13, 2014-15 and 2015-16 have not yet been discussed in PAC. Audit recommends that audit reports should be placed before the PAC regularly and discussed like rest of the audit reports. The status of compliance with PAC Directives is given below:

<b>Audit Year</b>	<b>Status of PAC / Remarks</b>	<b>No. of Audit Paras (Sub-Paras) Discussed</b>	<b>Paras (Sub-Paras) Not Complied</b>
2007-08	PAC held	8	8
2009-10	PAC not held	-	-
2010-11	PAC held	9	3
2011-12	PAC not held	-	-
2012-13	PAC not held	-	-
2013-14	PAC held	7	7
2014-15	PAC not held	-	-
2015-16	PAC not held	-	-

### 3.4 AUDIT PARAS

#### Irregularity and non-compliance

##### 3.4.1 Non-collection of Ushr

Para 40 & 41 of 66<sup>th</sup> meeting of Central Zakat Council held on 13<sup>th</sup> October, 1994 provides that the District Zakat Committee will give their full attention and best efforts to improve the collection of Ushr and make the system a success. Provincial Governments should be urged through Chief Secretaries to extend their support to respective Revenue Departments to monitor the assessment and collection of Ushr.

Audit has however observed during examination of record at DZC level that no Ushr is being assessed / collected by the committee since 1990 which is a violation of provisions of Zakat and Ushr Ordinance as well as decisions taken by CZC from time to time in this regard.

Due to lack of coordination between Zakat office and Revenue Department, assessment and collection of Ushr could not be made.

Audit contends that non-assessment, collection and deposit of Ushr has resulted in a loss to the Zakat exchequer.

The matter was reported to the management on 12-10-2016 but the management did not submit any reply.

Despite repeated requests dated 15-12-2016 and 28-12-2016, the PAO did not convene DAC Meeting.

Audit recommends that the management may pursue the matter with Revenue Department for immediate action regarding assessment and collection of Ushr.

### **3.4.2 Non-disbursement of Zakat Fund Available in DZF - Rs. 79.321 Million**

Section 16 of the Zakat and Ushr Ordinance, 1980 provides that DZC shall oversee particularly the disbursement and utilization of the money in the District Zakat Fund and the Local Zakat Fund, and for this purpose, make plan for the district.

During scrutiny of record, it was observed that Zakat Funds amounting to Rs 79,321,316 was allocated for disbursement among the mustahiqeen by the management during the year 2015-16 but a huge sum of Rs 76.996 million was not disbursed up to end of the year. Detail is given below:

<b>S. No.</b>	<b>Head of Account</b>	<b>Amount Allocated (Rs)</b>	<b>Amount Disbursed (Rs)</b>	<b>Balance (Rs)</b>
1	Education	1,796,220	220,000	1,576,220
2	Reserve Fund	77,525,096	2,105,120	75,419,976
	<b>Total</b>	<b>79,321,316</b>	<b>2,325,120</b>	<b>76,996,196</b>

The irregularity occurred due to weak internal controls and poor financial management.

Audit contends that a large number of mustahiqeen were deprived off financial assistance out of Zakat programme.

This is a violation of Zakat and Ushr Ordinance, 1980 which has resulted in unlawful retention of Zakat Fund.

The matter was reported to the management on 12-10-2016 but no reply has been received to-date.

Despite repeated requests dated 15-12-2016 and 28-12-2016, the PAO did not convene DAC Meeting.

Audit recommends that responsibility for non-utilization of funds be fixed.

### **3.4.3 Unjustified releases to deeni madaris without determination of istehqaq by the respective LZCs – Rs 1.148 Million**

According to Para 1 of Chapter-4 of Zakat Disbursement Procedure regarding stipend to the students of Deeni Madaris approved by CZC in its 85<sup>th</sup> meeting held on 18<sup>th</sup> May 2002, Istehqaq shall be determined by the respective Local Zakat Committee.

Audit observed that a sum of Rs 1,148,850 was released by DZC Islamabad as stipends for the students of 10 deeni madaris during the year 2015-16 without determination of proper istehqaq of such students by the respective LZCs. The *istehqaq* was determined only by Chairmen of respective LZCs instead of complete LZC of student's Permanent / Present Address or the names of students was not found in the LZCs record i.e., Resolution Register, which was held as irregular. Detail is given at Annex-10.

The irregularity occurred due to weak internal controls.

Audit contends that non-observance of such provision may curb the role of LZCs of the area of residence. Moreover, this may have resulted in accommodating non-mustahiqeen at the cost real mustahiqeen.

The matter was reported to the management on 12-10-2016 but no reply has been received to-date.

Despite repeated requests dated 15-12-2016 and 28-12-2016, the PAO did not convene DAC Meeting.

Audit recommends that inquiry may be held and report be shared with audit.

#### **3.4.4 Unjustified releases to technical institute – Rs 1.370 million**

According to Para 3.1 & 3.2 Chapter-3 of Zakat Disbursement Procedure regarding stipend to the students of Technical Institutions approved by CZC in its 85<sup>th</sup> meeting held on 18<sup>th</sup> May 2002 provides that the Local Zakat Committee (LZC) of the area of student’s permanent residence shall certify his /her Istehqaq. For this purpose, the student will use a prescribed Zakat Scholarship form titled “MORA Scholarship” Form No. MORA-I. (Technical).

A sum of Rs 1,370,000 (as detailed below) was released to Construction Technology Training Institute Islamabad as stipends for mustahiq-e-Zakat students during the year 2015-16. Audit observed the following discrepancies:

- i. Training Institute was not eligible for MORA Scholarships as the same was not enlisted under the procedure.
- ii. Istehqaq of the students were not determined by the LZCs for MORA scholarship committee on prescribed form.
- iii. MORA Stipend Committee for the institution was not notified.

Detail of disbursement made by DZC Islamabad to the institute is given below:

<b>Sr. No.</b>	<b>Cheque #</b>	<b>Date</b>	<b>Amount (Rs)</b>
1	4977	17-08-2015	170,000
2	11899	16-09-2015	600,000
3	16364	16-09-2015	600,000
<b>Total</b>			<b>1,370,000</b>

The irregularity occurred due to weak internal controls.

Audit contends that non-observance of such provision may curb the role of LZCs of the area of residence.



The matter was reported to the management on 12-10-2016 but no reply has been received to-date.

Despite repeated requests dated 15-12-2016 and 28-12-2016, the PAO did not convene DAC Meeting.

Audit recommends that inquiry may be held and report be shared with audit.

#### **3.4.5 Non-refund of unspent balance of Training Institute Rs 1.318 Million**

In terms of Para 62 of minutes of 92<sup>nd</sup> meeting of CZC held on 28<sup>th</sup> June, 2004, unspent balances as on 30<sup>th</sup> June each year will be refunded to CZF.

During scrutiny of record of DZC Islamabad, it was observed from bank statement of Construction Technology Training Institute Islamabad that closing balance for the year 2015-16 on 30<sup>th</sup> June, 2016 was Rs 1,318,024. Under the provision mentioned above the amount was required to be refunded to DZF account but the same was not done.

The irregularity occurred due to weak internal controls and poor financial management

Audit contends that such a violation deprived a number of mustahiqeen from due benefits of Zakat and also created hindrance in preparation of budgetary estimates for the next year.

The matter was reported to the management on 12-10-2016 but no reply has been received to-date.

Despite repeated requests dated 15-12-2016 and 28-12-2016, the PAO did not convene DAC Meeting.

Audit recommends that inquiry may be conducted and responsibility for non-compliance be fixed besides refund of unspent balances.

## **LOCAL ZAKAT FUND**

### **3.4.6 Non-refund of unspent balances – Rs 6.194 million**

In terms of Para 62 of minutes of 92<sup>nd</sup> meeting of CZC held on 28<sup>th</sup> June, 2004, unspent balances as on 30<sup>th</sup> June each year shall be refunded to CZF.

In violation of laid down procedure, 38 LZCs of IZUC Islamabad did not refund unspent balances of Rs 6,194,218 at the end of financial year 2015-16. Detail is at Annex-11.

The irregularity occurred due to weak internal controls and poor financial management.

Audit contends that such a violation deprived a number of mustahiqeen from due benefits of Zakat and also created hindrance in preparation of budgetary estimates for the next year.

The matter was reported to the management on 12-10-2016 but no reply has been received to-date.

Despite repeated requests dated 15-12-2016 and 28-12-2016, the PAO did not convene DAC Meeting.

Audit recommends that unspent balance should be refunded to CZF-08 immediately and action may also be taken against the person(s) at fault.

### **3.4.7 Payment made without passing resolutions or on defective resolutions – Rs 5.256 million**

Under the provision of Chapter-II, Para 21(1,2) of the Accounting Procedure, operational arrangement of local Zakat Fund, “each disbursement will be authorized by the LZC within the framework of the Zakat laws and the rules and the instructions issued there under. Each payment from LZC will be covered by a resolution of LZC, which will be duly minuted and recorded. The particulars of the payee, amount in

each case and head of disbursement will be indicated invariably in the minutes of the LZCs meeting.

During scrutiny of record, it was revealed that the Chairmen of 10 LZCs did not comply with the provision mentioned above and disbursed an amount of Rs 5,255,500 (details are given in Annex-12) during the years 2012-16 to the beneficiaries without passing resolutions or on defective resolutions of LZCs at the time of making payment, which was held as irregular.

The irregularity occurred due to weak internal controls.

Audit contends that the absence of resolution of LZC may lead to unauthentic payment.

The matter was reported to the management on 12-10-2016 but no reply has been received to-date.

Despite repeated requests dated 15-12-2016 and 28-12-2016, the PAO did not convene DAC Meeting.

Audit recommends that the resolutions registers duly completed may be shown to audit and responsibility be fixed for non-compliance .

#### **3.4.8 Payment through cash / open cheques / self cheques instead of crossed cheques – Rs 3.538 million**

Para 2 of Zakat Disbursement Procedure duly approved by the Central Zakat Council in its 87<sup>th</sup> meeting held on 16<sup>th</sup> November, 2002 provides that payment shall be made to Mustahiqeen through crossed cheques by the respective LZC.

In violation of laid down procedure, the Chairmen of 14 LZCs disbursed a sum of Rs 3,538,000 during the years 2013-16 through cash / open cheques / self cheques instead of crossed cheques. Detail is given at Annex-13.

The irregularity occurred due to weak internal controls.

Audit contends that in the absence of payment through crossed cheques, the chances of misuse of Zakat funds can not be ruled out.

The matter was reported to the management on 12-10-2016 but no reply has been received to-date.

Despite repeated requests dated 15-12-2016 and 28-12-2016, the PAO did not convene DAC Meeting.

Audit recommends that responsibility be fixed for non-compliance.

### **PAKISTAN MADRASSAH EDUCATION BOARD**

#### **3.4.9 Non-release of funds to Model Deeni Madrassah Islamabad for payment of monthly stipend - Rs 2.40 million**

Para-6 (Step-3) of Chapter-4 (Stipends of Students of Deeni Madaris) of Disbursement Procedure for Zakat Fund approved by CZC in its 85th meeting held on 18th May, 2002 provides that the payment shall be made in cash on monthly basis, under a prescribed receipt duly signed by the student.

Audit observed that total number of 400 mustahiq students were enrolled in Model Deeni Madaris (MDM) Islamabad during the year 2015-16 but monthly stipend @ Rs 500 per month was not paid to the students as no funds for monthly stipends were released by PMEB to MDM Islamabad, which was held as irregular.

The irregularity occurred due to weak internal controls and poor financial management.

Audit contends that mustahiq students were deprived due to non-payment.

Management replied that Zakat funds have not been released to Pakistan Madrassah Education Board by Islamabad Zakat and Ushr Committee during the years 2014-16, therefore share of scholarship was not made.

The reply was not tenable because expenditure other than payment of stipend to mustahiq students were incurred from the already available sufficient funds of Rs 23.42 million during the year 2015-16.

Despite repeated requests dated 15-12-2016 and 28-12-2016, the PAO did not convene DAC meeting.

Audit recommends to conduct an inquiry for fixation of responsibility besides payment of monthly stipends to students for the said period.

## **MODEL DEENI MADRASSAH**

### **3.4.10 Purchase of miscellaneous items without calling open tender - Rs 2.834 million**

Para 12 (2) of Public Procurement Rules, 2004 states that all procurement opportunities over one million rupees should be advertised on the Authority's website as well as in other print media or newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies, one in English and the other in Urdu.

Audit observed that Model Deeni Madrasah, Haji Camp, I-14/4, Islamabad purchased mess items amounting to Rs 2,863,947 during the year 2015-16 without calling for open tenders, which was held as irregular. The purchases were made on the basis of quotations. Detail is given at Annex-14.

The irregularity occurred due to weak internal controls

Audit contends that in the absence of open tender, the principal of economy could have been compromised.

Management replied that as the funds during the last two years have not been received, therefore without availability of sufficient funds for open tender system was not adopted and the mess items were purchased from Utility Store corporation on concessional rates.

The reply is not acceptable because tender should have been called as the expenditure more than the allowable limit was incurred during the year 2015-16.

Despite repeated requests dated 15-12-2016 and 28-12-2016, the PAO did not convene DAC meeting.

Audit recommends to conduct an inquiry for fixation of responsibility against person(s) at fault.

## CHAPTER – 4 NATIONAL LEVEL HEALTH INSTITUTIONS

### 4.1 Introduction

Islamabad Zakat and Ushr Committee issues lump sum amount directly to 06 National Level Health Institutions (NLHIs) operating in ICT for the provision of health assistance to poor and needy people. The Health Welfare Committee (HWC) of each hospital has been authorized to utilize Zakat Funds. The composition of Health Welfare Committee is as under:

- |      |   |           |
|------|---|-----------|
| i.   | Medical Superintendent/Head of the Health Institution | Chairman  |
| ii.  | A senior doctor of the Health Institution             | Member    |
| iii. | Chairman, District Zakat Committee (DZC)              | Member    |
| iv.  | Social Welfare Officer                                | Secretary |

### 4.2 Comments on Budget and Accounts

A sum of Rs 33 million was released to 06 National Level Health Institutions during the Financial Year 2015-16 by Islamabad Zakat and Ushr Committee, Islamabad. Out of 06 NLHIs, 03 NLHIs having budget of Rs 26.60 million were audited, which was 80.60 % of total allocated funds.

### 4.3 AUDIT PARAS

#### Irregularity and non-compliance

#### 4.3.1 Non utilization of Zakat funds - Rs 4.0 million

According to para-6 of the Revised Zakat Disbursement Procedure approved by the Central Zakat Council in its 94<sup>th</sup> meeting held on 2nd February, 2008 “mustahiqeen are to be provided by the institution with the facility of treatment, medicines and other assistance free of cost”

During the audit of HWC NORI Hospital Islamabad it was observed that a sum of Rs. 4,000,000 was released to HWC by District Zakat Committee Islamabad for the year 2015-16 for treatment of Mustahiqeen-e-Zakat patients. The HWC did not

utilize the Fund and instead, the amount was withheld during the financial year and was refunded back to District Zakat Committee Islamabad through cheques No. 811754 dated 10-06-2016. The HWC floated tender for the purchase of medicines for the year 2015-16 in October 2015 in response of which no firm submit the bid (as mentioned in the record of HWC) and no further effort was taken for the utilization of Zakat Fund till the close of financial year 2015-16. By this act of HWC a huge number of poor/mustahiq-e-Zakat patients were deprived of health facilities despite the fact that the Zakat fund was allocated for them and was available with HWC. Detail regarding the treatment of patients out of Zakat fund during last few years is as under:

<b>Year</b>	<b>No of Beneficiaries entertained out of Zakat Fund</b>
2014-15	311
2012-13	1874
2011-12	2114
2010-11	2343

Weakness of Internal controls and carelessness of the dealing hands may have resulted into such irregularity. To avoid the day to day working and to decrease the burden of work load might be another reason for non-utilization of Zakat fund.

The Zakat fund was not utilized for the betterment of poor mustahiqeen Zakat, which has deprived off the mustahiqeen from getting health care assistance out of Zakat Fund.

The matter was reported to the management on 27-09-2016 but no reply has been received to-date.

Despite repeated requests dated 15-12-2016 and 28-12-2016, the PAO did not convene DAC meeting.

Audit recommends to conduct an inquiry for fixation of responsibility against the person(s) at fault and matter may be referred to higher authorities to take action.



#### **4.3.2 Non-availability of approved list of retail prices of Surgical items and non-mentioning of manufacturer's name of items on invoices – Rs 3 million**

Para-5 of Chapter-5 “Health Care-National Level” approved by CZC in its 87<sup>th</sup> meeting held on 16<sup>th</sup> November, 2002, provides that the authority and responsibility of HWC shall be to approve expenditure and to ensure proper maintenance of accounts. Additionally, according to point No. 5 of specific conditions agreed with supplier “the chemist will provide updated latest / current price list of all drugs, surgical disposables and implants”.

During scrutiny of record of PIMS Islamabad, audit observed that surgical items amounting to Rs 3 million were purchased and payment was made to the medicine supplier M/S Dawn Pharmacy G-8 Markaz Islamabad during the year 2015-16 without availability of any approved (by any competent forum) price list (except some items of B BRAUN i.e., Vicryl and Prolene), which was held as irregular. In the absence of any approved price list of manufacturers i.e., Fersinus, Nipro Surgical, B Braun (other items), Comfort, Smith and Nephew, Mass pharma, Ethicon and Convatec, audit was unable to verify the authenticity of prices charged by medicine's supplier.

Additionally, some surgical items such as prolene, clostomy bag, Diathermy Lead surgical blade, skin graft blade etc., were purchased without mentioning manufacturer name and detail specs, which was held as irregular.

The irregularity occurred due to weak internal controls.

Audit contends that the absence of approved price list may have resulted in extra charge from Zakat fund.

The matter was reported to the management on 14-11-2016 but no reply has been received to-date.

Despite repeated requests dated 15-12-2016 and 28-12-2016, the PAO did not convene DAC meeting.

Audit recommends to inquire the matter and recover the excess amount charged from Zakat fund besides fixation of responsibility for purchase of surgical items without availability of approved price list.

{Para No.1 & 2 of AIR}

#### **4.3.3 Irregular payments to supplier of medicines through open cheques – Rs 3.080 million**

Sub-Clause (iv) Clause (b) Para 3 of instructions circulated by the Ministry of Religious Affairs (Zakat and Ushr Wing) vide No.30-CG-77(12) dated 16<sup>th</sup> February, 1998, provides that no amount shall be drawn by issuing open cheques, or in favour of self or in favour of bank. Moreover, Rule 157 of FTR Volume-I provides that payment shall be made through crossed cheques.

Audit observed that a total payment of Rs 3,028,220 was made by HWC Federal Government Services Hospital, Islamabad to M/S Saleh Chemist Melody Islamabad during the period 2014-16 through open cheques instead of crossed cheques which was held as irregular. Detail is given as under:

<b>S.No</b>	<b>Cheque No</b>	<b>Date</b>	<b>Amount (Rs)</b>
01	9450511	12.02.2015	311,940
02	9450512	28.04.2015	771,922
03	9450514	04.05.2015	596,506
04	9450517	23.09.2015	710,521
05	9450521	10.03.2016	144,721
06	9450523	04.04.2016	167,668
07	9450525	04.04.2016	324,942
<b>Total</b>			<b>3,028,220</b>

The irregularity occurred due to weak internal controls.

Audit contends that in the absence of payment through crossed cheques, the chances of misuse of Zakat funds can not be ruled out.

The matter was reported to the management on 30-09-2016 but the PAO / Department neither submitted any reply nor DAC meeting was convened till the finalization of this report.

Audit recommends that inquiry may be conducted for fixation of responsibility.

## ANNEXES

Annex-1

### MFDAC Paras

#### 1. Central Zakat Fund, Islamabad

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
1	Exemption Granted / Renewed for FY 2015-2016	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
2	Collection and Disbursement of Zakat remained centralized	-do-
3	Non-Collection of Ushr	-do-
6	Procedure for Zakat Collection/Deposit and relevant information for ZCCAs for code allotment not provided on official web site of Ministry	-do-
7	Exemption of Zakat granted by entities on Grounds "Other reasons" without any supporting / Justification	-do-
8	Detail of Zakat Collection and Deposit by entities / organizatio	-do-

#### 2. Kot Addu Power Company Ltd., Lahore

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
01	Late deposit of Zakat amounting to Rs 55.093 million	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
03	Zakat exemption allowed on improper Declarations (CZ-50) Detail of Assets/Account No. not mentioned by	-do-

	the employees – Rs 2.083 million	
04	Exemption allowed without attested True copy of CZ-50 – Rs 35,550	-do-
05	Irregular exemption of Zakat allowed on under value Declarations (CZ-50) submitted by Share Holders- Rs 2,250	-do-
06	Non-maintenance of Register on Form CZ-02 (Zakat Deduction/Refund Register)	-do-

### 3. Rousch Pakistan Power Ltd., Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
03	Non-maintenance of Register on Form CZ-02 (Zakat Deduction/Refund Register)	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.

### 4. Engro Power Green Quaidpur Ltd., Karachi

Para No. of AIR	Subject of Audit Para	DAC's Decision
02	Un-acknowledgement receipt Rs 1.390 million	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
03	Declaration (CZ-50) not obtained on Original Stamp Paper/True Copy Involving amounting – Rs 22,250	-do-
04	Exemption allowed from deduction of Zakat without specification of fiqa – Rs 5,250	-do-
05	Non Deduction of Zakat on Company Shares Holders – Rs	-do-

	4.831 million	
06	Non Maintenance of Register (Zakat deduction/Refund register) on Form (CZ-02)	-do-
07	Non-maintenance of records	-do-

#### 5. OGDCL Pakistan Ltd., Islamabad

Para No. of AIR	Subject of Audit Para	DAC's Decision
03	Deposit of Zakat into CZF Account No.08(A) instead of 08(B)	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
04	Irregular Zakat exemptions granted on photocopies of declarations which were not notarized	-do-

#### 6. Printing Corporation of Pakistan, Islamabad

Para No. of AIR	Subject of Audit Para	DAC's Decision
03	Exemptions from Zakat deduction granted on irregular declarations CZ-50-Rs 807,263	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.

#### 7. Summit Capital (Pvt) Ltd., Karachi

Para No. of AIR	Subject of Audit Para	DAC's Decision
01	Declaration (CZ-50) not obtained on Original Stamp Paper/True Copy Involving Rs. 167,320	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
02	Exemption allowed on incomplete	-do-

	declarations CZ-50 – Rs. 0.525 million	
03	Non Maintenance of Register (Zakat deduction/Refund register) on Form (CZ-02)	-do-
04	Non-maintenance of records	-do-

#### 8. Pioneer Cement Ltd., Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
03	Irregular exemption granted without an attested True copy of CZ-50 – Rs 103,972	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
04	Non-submission of Quarterly Reports to CZA	-do-
06	Non-maintenance of Register on Form CZ-02 (Zakat Deduction/Refund Register) for Provident Fund purpose	-do-
09	Exemption allowed to Physical Share Holders without an attested True copy of CZ-50 – Rs 36,904	-do-

#### 9. Gul Ahmad Textile Mills Ltd., Karachi

Para No. of AIR	Subject of Audit Para	DAC's Decision
02	Exemption allowed from deduction of Zakat without specification of fiqa – Rs 334,976	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
04	Non-maintenance of Register on Form (CZ-02) Zakat Deduction/Refund Register	-do-
05	Non-submission of the Quarterly	-do-

	Summery Report to the Zakat Deduction Controlling Officer/Head Office	
06	Non-maintenance of record	-do-

#### 10. Dewan Sugar Mills Ltd., Karachi

Para No. of AIR	Subject of Audit Para	DAC's Decision
02	Non Maintenance of Register on Form CZ-02 (Zakat Deduction/Refund Register)	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
03	Non-submissions of Quarterly/Annually Reports to CZA	-do-

#### 11. Crescent Steel & Allied Products Ltd., Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
02	Non-deposit of Zakat deducted from Shareholders – Rs 3.183 million	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
03	Less Deduction of Zakat from Shareholders – Rs 0.405 million	-do-
05	Exemption allowed to Shareholders without an attested True copy of CZ-50 – Rs 50,849	-do-
06	Non-maintenance of Register on Form CZ-02 (Zakat Deduction/Refund Register)	-do-
07	Non-submission of Quarterly Reports to CZA	-do-
08	Zakat Exemption Allowed to Non-Muslims & Non-Pakistani	-do-

	Shareholders without Solemn Affirmation – Rs 1.057 million	
--	--	--

### 12. Thal Industries Corporation Ltd., Multan

Para No. of AIR	Subject of Audit Para	DAC's Decision
02	Non-submission of Quarterly Reports to CZA	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.

### 13. GlaxoSmithKline Pharmaceuticals (Pvt) Ltd., Karachi

Para No. of AIR	Subject of Audit Para	DAC's Decision
02	Un-acknowledge Receipt of – Rs 3.304 million deposited in Account No.08 State Bank of Pakistan	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
04	Exemption allowed without attested True copy of CZ-50 – Rs1.057 million	-do-
05	Non-maintenance of Register on Form CZ-02 (Zakat Deduction/Refund Register)	-do-
07	Zakat exemption allowed to non-muslims and non-Pakistanis without Solemn Affirmation – Rs 305,467	-do-
08	Non-production of record	-do-
09	Non-submissions of Quarterly/Annually Reports to CZA	-do-



#### 14. International Steels Ltd., Karachi

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
01	Un-acknowledgement receipt – Rs 475,695/-	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
03	Exemption allowed on incomplete declarations CZ-50 – Rs. 9,181/-	-do-
04	Non-submission of the quarterly summery report to the Zakat deduction controlling officer	-do-
05	Non-maintenance of Register (Zakat deduction/Refund register) on Form (CZ-02)	-do-
06	Non-maintenance of records	-do-

#### 15. Habib Construction Service (Pvt) Ltd., Lahore

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
01	Non-maintenance of Register on Form CZ-02 (Zakat Deduction/Refund Register)	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
02	Non-submission of Quarterly Reports to CZA	-do-

**16. Byco Petroleum Pakistan Ltd., Karachi**

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
01	Declaration (CZ-50) not obtained on original Stamp Paper/True copy involving Rs. 291,514	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
03	Non-maintenance of Register (Zakat deduction/Refund register) on Form (CZ-02)	-do-
04	Non-maintenance of record	-do-

**17. Ittehad Chemical (Pvt) Ltd., Lahore**

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
04	Non-submission of Quarterly Reports to CZA	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
05	Non-maintenance of Register on Form CZ-02(Zakat Deduction/Refund Register)	-do-

**18. Lotte Chemical Pakistan Ltd., Karachi**

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
02	Un-acknowledge Receipt Deposited in Account No.08 State Bank of Pakistan – Rs 5.844 million	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
03	Exemption allowed without attested	-do-

	True copy of CZ-50 – Rs 706,387	
04	Non Maintenance of Register on Form CZ-02 (Zakat Deduction/Refund Register)	-do-
05	Zakat Exemption Allowed on Improper Declarations (CZ-50) Detail of Assets/Account No. not mentioned by the employees – Rs 396,115	-do-

#### 19. HBL New Anarkali Branch Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
04	Irregular Exemption allowed from Deduction of Zakat without Specification of Fiqah and by accepting Incomplete/Defective Declarations (CZ-50) – Rs 2.511 Million	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
07	Non Maintenance of Register on Form CZ-02 (Zakat Deduction/Refund Register)	-do-

#### 20. UBL Main Branch Jhang

Para No. of AIR	Subject of Audit Para	DAC's Decision
01	Non submission of the quarterly summary report to the Zakat deduction and controlling Office/head office	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
03	Exemption allowed on late received	-do-

	declaration CZ-50 -Rs. 49,475	
04	Non maintenance of form CZ-02	-do-

### 21. Allied Bank Ltd., Kasur

Para No. of AIR	Subject of Audit Para	DAC's Decision
01	Non Deposit of Zakat into CZF-08 amounting to Rs 1.214 million	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
03	Irregular Zakat Exemption Granted to Non Muslims without Solemn Affirmation - Rs 5,575	-do-
04	Non submission of the Quarterly Summery Report to the Zakat Deduction Controlling Officer/Head Office	-do-
05	Non Maintenance of Register on Form CZ-02 (Zakat Deduction/ Refund Register)	-do-

### 22. MCB Jail Road, Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
02	Exemption allowed without an attested True copy of CZ-50 Rs 1.870 Million	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
04	Irregular Exemption allowed from Deduction of Zakat without Specification of Fiqah and by accepting Incomplete/Defective Declarations (CZ-50) – Rs 1.406 Million	-do-

06	Non Maintenance of Record	-do-
----	---------------------------	------

### 23. NIB Bank Blue Area, Islamabad

Para No. of AIR	Subject of Audit Para	DAC's Decision
04	Exemption allowed on CZ-50 without attestation of Oath Commissioner - Rs. 864,268	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
06	Non maintenance of form CZ-02	-do-

### 24. UBL Nila Gumbad Branch Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
02	Irregular Acceptance of Under Valued (CZ-50) – Rs 909	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
03	Irregular Zakat Exemption Granted on Incomplete/Defective Declarations (CZ-50) – Rs 5,607	-do-
04	Non Maintenance of Register on Form CZ-02 (Zakat Deduction/ Refund Register)	-do-
05	Non-maintenance of Quarterly Summary Report	-do-

### 25. Askari Bank Jhelum Branch Old GT Road, Jhelum

Para No. of AIR	Subject of Audit Para	DAC's Decision
01	Irregular Exemption Granted without Obtaining Attested True Copies of form CZ-50 - Rs 593,599	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been

		convened so far.
02	Unjustified acceptance of Declaration CZ-50 Rs 95,756	-do-

**26. MCB Main Branch, Attock**

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
01	Irregular Exemption Granted without Obtaining Attested True Copies of form CZ-50 - Rs 342,901	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
04	Non Submission of Quarterly Reports to ZDCA	-do-

**27. Sindh Bank, I.I. Chundrigarh Road, Karachi**

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
01	Non Maintenance of Register (Zakat deduction/Refund register) on Form (CZ-02)	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
03	Exemption allowed on incomplete declarations CZ-50 Rs. 583,843.84	-do-

**28. Bank of Punjab, Chauburji Branch, Lahore**

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
02	Irregular Acceptance of Under Valued Declaration (CZ-50) - Rs 2,955	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
03	Non Maintenance of Register on	-do-

	Form CZ-02 (Zakat Deduction/ Refund Register)	
--	--	--

**29. Meezan Bank Ltd Main Branch Saddar Road, Peshawar**

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
01	Non submission of the quarterly summery report to the Zakat deduction and controlling Office/head office	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
04	Exemption allowed on unattested Copies of CZ-50 -Rs.8.683 million	-do-
06	Avoidance from Zakat by using banking Accounting System amounting to Rs. 139,024	-do-

**30. MCB Saddar, Peshawar**

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
01	Non submission of the quarterly summery report to the Zakat deduction and controlling Office/head office	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
04	Non Maintenance of Register on Form CZ-02 (Zakat deduction/ Refund Register)	-do-
05	Exemption allowed on unattested Copies of CZ-50 -Rs. 1.689 million	-do-

**31. Allied Bank Ltd Main Branch, Blue Area, Islamabad**

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
01	Non submission of the quarterly summery report to the Zakat deduction and controlling Office/head office	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
03	Exemption allowed on late received declaration CZ-50 -Rs. 30,498	-do-
04	Exemption allowed on CZ-50 without attestation of Oath Commissioner - Rs. 23,844	-do-
05	Avoidance from Zakat by using banking Accounting System amounting to Rs. 233,950	-do-
06	Non Maintenance of Register on Form CZ-02 (Zakat deduction/ Refund Register)	-do-

**32. MCB, I.I.Chundrigarh Road, Karachi**

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
02	Un acknowledge Receipt of Rs.37.102 million Deposited Account No.8 State Bank of Pakistan	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
03	Exemption allowed without attested True copy of CZ-50 Rs 174,300	-do-
04	Non Maintenance of Register on Form CZ-02 (Zakat Deduction/Refund Register)	-do-
05	Zakat Exemption Allowed on	-do-



	Improper Declarations (CZ-50) Detail of Assets/Account No not mentioned by the Account Holders	
06	Non-submissions of Quarterly/Annually Reports to CZA	-do-
07	Non-compliance to the Audit and Inspection Report for the Year 2008-09	-do-

### 33. ABL Jinnah Road, Quetta

Para No. of AIR	Subject of Audit Para	DAC's Decision
01	Non submission of the quarterly summery report to the Zakat deduction and controlling Office/head office	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
02	Exemption allowed on late received declaration CZ-50 -Rs. 30,498	-do-
03	Avoidance from Zakat by using banking Accounting System amounting to Rs. 341,518	-do-
04	Non Maintenance of Register on Form CZ-02 (Zakat deduction/ Refund Register)	-do-
06	Exemption from deduction of Zakat granted on irregular declarations CZ-50 -Rs. 484,078	-do-
07	Where about of Zakat Deposited in CZF not Known-Rs. 1.178 million	-do-

### 34. HBL Main Branch, Gilgit

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
01	Non submission of the quarterly summery report to the Zakat deduction and controlling Office/head office	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
04	Exemption Granted from deduction of Zakat on improper CZ-50 - Rs. 48,214	-do-
05	Exemption allowed on CZ-50 without attestation of Oath Commissioner - Rs. 39,555	-do-

### 35. GPO, Quetta

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
03	Acceptance of incomplete Zakat declarations (CZ-50)	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
04	Non-submission of Quarterly Zakat Collection Reports on Prescribed Form CZ-07	-do-
05	Non Maintenance of Zakat Deduction / Refund Register (Form CZ-02)	-do-

### 36. GPO, Gilgit

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
01	Late submission of the quarterly summery report to the Zakat deduction and controlling Office/head office	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
02	Non Deduction of Zakat on discharge of Regular Income Certificates-Rs 77,500	-do-
03	Non deduction of Zakat on Payment / Discharge of defense Saving Certificates-Rs 112,550	-do-

### 37. NSC Main Branch Mianwali

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
01	Non-deposit of Zakat into CZF - Rs 3.754 million	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
02	Non-maintenance of Zakat Deduction/Refund Register (Form CZ-02)	-do-
03	Non-deduction of zakat on discharge of Regular Income Certificates - Rs 426.167 million	-do-
04	Non-deduction of Zakat on Discharge of Behbood Saving Certificates -	-do-

	Rs. 1177.537 million	
05	Declaration (Form CZ-50) not obtained on original stamp paper/true copy	-do-
06	Non-conduct of Internal Audit	-do-

### 38. NSC Defence, Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
01	Irregular Acceptance of Under Valued (CZ-50) – Rs 525,700	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
02	Non Deposit of Zakat into CZF-08 amounting to Rs 4.899 million	-do-
03	Non Maintenance of Register on Form CZ-02 (Zakat Deduction/ Refund Register)	-do-
05	Non Deduction of Zakat on Re-investment of Defense Saving Certificates – Rs 320,770	-do-
07	Non-production of record	-do-

### 39. NSC Jinnah Road, Quetta

Para No. of AIR	Subject of Audit Para	DAC's Decision
01	Non-deduction of Zakat on Regular Income Certificates - Rs 8.98 million	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
04	Improper filling of forms CZ-07 - Difference of Rs 1.329 billion	-do-

05	Non Maintenance of Zakat Deduction / Refund Register	-do-
----	--	------

#### 40. CDNS, Islamabad

Para No. of AIR	Subject of Audit Para	DAC's Decision
02	Acceptance of Photocopy of Declaration instead of an Attested True Copy / notarized copy - Rs 216,561	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
03	Improper filling of FORM CZ-07/08	-do-
04	Non-obtaining of CZ-07 from RDNS for the asset code 101	-do-

#### 41. AGPR Sub-office, Karachi

Para No. of AIR	Subject of Audit Para	DAC's Decision
03	Non Maintenance of Register (Zakat deduction/Refund register) on Form (CZ-02)	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
05	Improper Maintenance of the Quarterly Summery Report to the Zakat Deduction Controlling Officer/Head Office	-do-
06	Internal Audit not conducted	-do-

**42. DAO, Naushero Feroz**

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
02	Non-maintenance of Zakat deduction/Refund Register (Form CZ-02)	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
03	Non-submission of Quarterly Zakat Collection Reports on prescribed form CZ-07	-do-

**43. DAO, Badin**

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
02	Exemption granted from deduction of Zakat against Incomplete Decralation CZ-50 Rs 422,205	-do-
03	Exemption allowed to Employees without an attested True copy of CZ-50-Rs 307,389	-do-
04	Non-maintenance of Register on Form CZ-02 (Zakat Deduction/Refund Register) by provident fund Section	-do-
05	Non-submission of Quarterly Reports to CZA	-do-

**44. DAO D.I. Khan**

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
05	Non-submission of Quarterly Zakat Collection Reports on prescribed form CZ-07	-do-
06	Non-maintenance of Zakat	-do-

	Deduction/Refund Register (Form CZ-02)	
--	--	--

**45. DAO Lakki Marwat**

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
03	Non-maintenance of Zakat Deduction/Refund Register (Form CZ-02)	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
04	Non-submission of Quarterly Zakat Collection Reports on prescribed form CZ-07	-do-

**46. AG Office, Balochistan, Quetta**

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
04	Non-submission of Quarterly Zakat Collection Reports on prescribed form CZ-07 & CZ-08	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
05	Non-maintenance of Zakat Deduction/Refund Register (Form CZ-02)	-do-

**47. Premier Insurance Ltd., Karachi**

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
03	Un-acknowledge Receipt of Rs.2.516 million Deposited in Account No.08 State Bank of Pakistan	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.

04	Exemption allowed without attested True copy of CZ-50 – Rs 327,744	-do-
05	Non Maintenance of Register on Form CZ-02 (Zakat Deduction/Refund Register)	-do-
06	Zakat Exemption Allowed on Improper Declarations (CZ-50) Detail of Assets/Account No. not mentioned by the employees – Rs 327,744	-do-
08	Non-submissions of Quarterly/Annually Reports to CZA	-do-

#### 48. Jubilee Insurance Co Ltd., Karachi

Para No. of AIR	Subject of Audit Para	DAC's Decision
02	Un-acknowledge Receipt of Deposited in Account No. CZ-08 State Bank of Pakistan –Rs 1.509 million	Despite repeated requests to PAO dated 14.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
03	Exemption allowed without attested True copy of CZ-50 – Rs 544,594	-do-
05	Zakat Exemption Allowed to Non-Muslims and Non-Pakistanis without Solemn Affirmation – Rs9.362 million	-do-
06	Non Maintenance of Register on Form CZ-02 (Zakat Deduction/Refund Register)	-do-



#### 49. Islamabad Zakat & Ushr Committee Islamabad

Para No. of AIR	Subject of Audit Para	DAC's Decision
01	Improper reconciliation of Zakat fund Account - Rs 1.037 Million	Despite repeated requests to PAO dated 15.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
03	Non-Release of Zakat fund to District level Health Institutions–Rs2.094 Million	-do-
04	Unequal distribution of Jahez Fund amongst certain Local Zakat Committees by depriving the rights of other LZCs – Rs. 3.760 Million	-do-
05	Irregular Releases of MORA Stipends to Educational institutions and Deeni Madaris without Approval of PZC – Rs.9.017 Million	-do-
06	Payment made to unregistered Deeni Madaris	-do-
08	Overpayment of Zakat funds to Deeni Madaris	-do-
09	Unjustified payment for the student of Azad Jammu & Kashmir	-do-
13	Unjustified Release of Marriage Grant Without Nikahnamas Rs 360,000	-do-
14	Non-payment of stipends to students – Rs 264,600	-do-
15	Non-production of record by the Chairman LZC	-do-
16	Unjustified Double Payment Of Jahez Fund- Rs 90,000	-do-
19	Non-maintenance of record – Rs 1.256 million	-do-
20	Unauthorized Deduction of Bank Charges – Rs. 35,501	-do-

21	Disbursement of Zakat Fund without Obtaining Acknowledgement/CNIC– Rs1.432 Million	-do-
24	Release of Guzara allowance in excess of prescribed Rs. 1.030 million	-do-
25	Un-authorized payment of Zakat funds to the beneficiaries of BISP - Rs 27,400	-do-
26	Less payment of Guzara allowance Rs 169,500	-do-
27	Irregular Payment of Guzara Allowance after Marriage Assistance – Rs 43,000	-do-

#### 50. PIMS, Islamabad

Para No. of AIR	Subject of Audit Para	DAC's Decision
03	Medicines issued on photocopies of same OPD slips – Rs 25,907	Despite repeated requests to PAO dated 15.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
04	Treatment of patients out of Zakat fund on irregular Istehqaq Certificates - Rs 246,756	-do-
05	Gluco-strips charged from Zakat Fund – Rs 82,932	-do-
06	Medicines issued without doctor's prescriptions – Rs 107,515	-do-
07	Improper maintenance of record	-do-
08	Proof of deposit of income tax not provided – Rs 894,857	-do-
09	Non-Conduct of Internal Audit	-do-
10	Adequate segregation of duties not observed	-do-

11	Payment made out of Zakat fund for non-registered patients – Rs 8,017	-do-
12	Excess rates of medicines / surgical items charged – Rs 62,481	-do-
13	Non-maintenance of minutes register of HWC	-do-

#### 51. F G Services Hospital (Polyclinic), Islamabad

Para No. of AIR	Subject of Audit Para	DAC's Decision
01	Non-deduction of Income Tax at source-Rs 99,264	Despite repeated requests to PAO dated 15.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
02	Non-refund of unspent balance-Rs 1.069 million	-do-
03	Purchase of medicines amounting to Rs 99,900 through defective tender system	-do-
04	Treatment of patients above ceiling limit without approval of HWC-Rs 1.167 million	-do-
06	Quality & quantity of medicines were not verified by the pharmacist/Doctor-Rs 5.009	-do-
07	Improper maintenance of Cash Book	-do-
08	Internal Audit not conducted	-do-
09	Non-compliance of previous audit paras	-do-
10	Un-acknowledgement of cheques from supplier-Rs 3.702 million	-do-

**52. Pakistan Madrassah Education Board and Model Deeni Madrassah, I-14/4, Islamabad**

<b>Para No. of AIR</b>	<b>Subject of Audit Para</b>	<b>DAC's Decision</b>
<b>PAKISTAN MADRASSAH EDUCATION BOARD</b>		Despite repeated requests to PAO dated 15.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
01	Non-maintenance of separate Bank Account (Current Account) for Zakat fund	-do-
02	Non-refund of unspent balance-18.663 million	-do-
03	Purchase of mess items, books and printing without calling open tender-Rs 733,272	-do-
05	Non-conduction of Internal Audit	-do-
06	Irregular purchase of Books without observing the principal of Tamleek-Rs 202,187	-do-
07	Direct payment to vendors on behalf of MDM Islamabad-Rs 541,575	-do-
08	Non-entering of stock items in the Stock register-Rs 0.242 million	-do-
09	Excess payment to M/S Capital Book Depot-Rs 44,707	-do-
<b>MODEL DEENI MADRASSAH ISLAMABAD</b>		
10	Unjustified withdrawl of Zakat fund in cash/advance withdrawl-Rs 780,000	Despite repeated requests to PAO dated 15.12.2016 and 28.12.2016, the DAC meeting has not been convened so far.
12	Payment to Utility Stores of Pakistan on cash memos-Rs 2.054	-do-

	million	
13	Improper operation of Bank account	-do-
14	No-conduction of Internal Audit	-do-
15	Non-maintenance of proper record for food charges	-do-
16	Non-constitution of MORA Scholarship Committee	-do-
17	Segregation of duties not observed in Mess	-do-

## Audit Impact Summary

Sr. No.	Change in Rules / Systems / Procedures	Audit Impact
1	Obtaining of Pre-receipted copies	On the recommendation of Audit, Ministry of Religious Affairs and Interfaith Harmony has started the practice of obtaining pre-receipted copies from ZCCAs. In that regard, letters were sent to approx. 3000 coded LZCs for submission of pre-receipted copies.
2	Devolution of powers to provinces after 18 <sup>th</sup> amendment	The PAOs of respective formations have been changed. The decentralization will facilitate the people at grass root level.
3	The CZA now started to disburse all the amount of Zakat deducted during the financial year and not keep any funds in CZF-08	More mustahiqeens have been benefited from Zakat
4	Centralization of Zakat collection	The CCI decided that the collection of Zakat will remain centralized with the Federal Government till next NFC awards and the Provincial Governments should hold discussions to evolve a mechanism for collection and disbursement of Zakat till next NFC awards

**Late deposit of Zakat – Rs 202.798 million**

S. No	Name of Organization	Deduction Date	Date of Deposit	Amount (Rs)
1.	State Life Insurance Corporation, Karachi	19-06-2015	26-05-2016	19,829,036
2.	ORIX Leasing (PAK) Ltd. Karachi	30-06-2015	28-12-2015	234,217
3.	Shifa International Hospital, Islamabad	19-06-2015	22-01-2016	833,332
4.	Indus Motor Co. Ltd. Karachi	28-06-2014	04-01-2016	255,152
5.	First Habib Modaraba, Karachi	30-06-2015	08-01-2016	925,782
6.	Islamabad Stock Exchange	19-06-2015	05-01-2016	13,071
7.	Director General Post Offices, Islamabad	19-06-2015	22-01-2016	44,757,222
8.	US Mission, FSN Staff US Embassy, Islamabad	19-06-2015	29-01-2016	308,186
9.	Lalpir Power Ltd., Lahore	19-06-2015	18-12-2015	384,124
10.	MCB Principal Office, Lahore	30-06-2014	26-01-2016	16,000,000
11.	Ismail Industries Ltd., Karachi	30-06-2015	28-12-2016	25,501
12.	PAK Data com Lahore	21-10-2015	23-12-2015	56,760
13.	Standard Chartered Karachi	30-09-2015	24-01-2016	1,461,189
14.	Security Papers Ltd., Karachi	30-06-2014	16-10-2015	223,418
15.	MCB Principal Office, Lahore	30-06-2014	28-10-2015	65,498
16.	MCB Principal Office, Lahore	30-06-2014	28-10-2015	250,760
17.	Director General Post Offices, Islamabad	30-06-2015	07-10-2015	33,580,364

18.	Director General Post Offices, Islamabad	19-06-2015	07-10-2015	21,346,607
19.	Office of the Accountant General (Punjab), Lahore	01-01-2015 to 31-03-2015	05-08-2015	62,248,007
	<b>Total</b>			<b>202,798,226</b>



**Non-production/availability of record**

<b>Sr. No.</b>	<b>Name of ZCCA / ZCO</b>	<b>Para No. of AIR</b>	<b>Detail of record not produced</b>	<b>FY / deduction date</b>	<b>Amount of Zakat involved (Rs in million)</b>
1	NIMIR RESINS (Pvt) Ltd. Sheikhpura	01	Total No of employees being paid Provident Fund Final payment / Non-refundable advances, Zakat exemption certificates etc	2014-16	-
2	Ittehad Chemicals Pvt Ltd Lahore	03	Exemption certificates relating to shares valuing 246.979 million	2013-15	6.174
	-do-	06	Total No of employees being paid Provident Fund Final payment / Non-refundable advances, Zakat exemption certificates etc	2012-15	-
3	Coastal Refinery Pvt Ltd. Karachi	01	Complete record on account of Zakat deduction and collection	2015-16	-
4	HUM Network Ltd Karachi	01	Complete record on account of Zakat deduction and collection	2015-16	-
5	International Steel Ltd Karachi	02	Exemption certificates of 1677 shareholders	2015-16	37.66
6	Crescent Steel & Allied Products Ltd Lahore	01	Auditable record of funded scheme of Providend Fund for employees	2013-16	-
7	Pioneer Cement Ltd Lahore	05	Record relating to employees and deposit of Zakat into CZF during last three years	2012-15	-

8	Continental Capital Management Pvt Ltd Karachi	01	Complete record on account of Zakat deduction and collection	2015-16	-
9	Rousch Pakistan Power Ltd Lahore	02	Complete auditable record of Final Payment of Provident Fund and Non-refundable advances	2011-16	-
10	Nishat Power Ltd Lahore	01	Exemption certificates of all shareholders who had submitted declarations	2014-16	-
11	HBL New Anarkali Br Lahore	06	Declarations of 279 Individuals/ Companies Account holders	2013-16	0.883
	UBL Main Br Jhang	05	Complete record of Account holders	2013-14 & 2014-15	-
12	MCB Main Br Attock	01	List of Accounts with balances on valuation date, detail of accounts exempted, pay orders issued before valuation date and cancelled afterwards, and detail of TDRs matured	2015-16	-
13	Allied Bank Ltd Jinnah Rd Quetta	05	Detail of 1424 exempted saving accounts on valuation date	30.06.14, 19.06.15 & 07.06.16	42.10
	<b>Total</b>				<b>86.817</b>

**Exemption granted without obtaining declaration on form CZ-50 or invalid declaration**

S. No	Name of ZCCAs / ZCO	Para No. of AIR	Amount of Zakat exempted (Rs in million)	Fin. Year / Valuation Date	Remarks	Reply of Management / Date of requisition
1	LOTTE Chemical Pakistan Ltd Karachi	01	47.365	2011	10118 Shareholders exempted without availability of Declaration on Form CZ-50 in record	For physical shareholders, we enclose photocopies of Declarations. As regards CDC Shareholders, the record is maintained on CDS. Sharebook detail is attached for kind reference
2	Ittehad Chemicals Pvt Ltd Lahore	02	7.409	2013-15	37 Shareholders exempted on scanned copy of a single invalid stamp paper.	No reply received (09-09-2016)
3	BYCO Petroleum Pakistan Ltd Karachi	02	0.206	2013-16	26 individuals exempted on incomplete declarations i.e. no specified particular of assets, date of issuance, etc	No reply received (09-11-2016 & 09-12-2016)
4	Glaxco-Smith Kline Ltd Karachi	01& 3	3.420	2015-16	2350 shareholders & 06 employees exempted without availability of declarations on CZ-50 in record	No reply received (17-08-2016 & 08-12-2016)
	-do-	06	0.143	2015-16	128 employees exempted on invalid declarations by not mentioning	No reply received (17-08-2016 & 08-12-2016)

					detail of assets on form CZ-50	
5	Thal Industries Corporation Ltd, Lahore	01	0.029	2014-16	30 shareholders exempted without availability of declarations on CZ-50 in record	Zakat was not deducted on the disclouser from CDC of the status of shareholders as exempted
6	Crescent Steel & Allied Products Ltd Lahore	04	4.658	2015-16	409 shareholders exempted without any exemption certificates	Record is with CDC
7	Dewan Sugar Mills Pvt Ltd Karachi	01	0.184	2013-15	135 employees exempted from Zakat on Final payment of Provident Fund without availability of declarations on CZ-50 in record	The requisite record is lying in Sajwal Factory
8	Gul Ahmad Textile Mills Ltd Karachi	01	0.276	2015-16	Zakat not deducted from 85 shareholders i.e no declations on CZ-50 were available in record	No reply received (09-08-2016 & 08-12-2016)
	-do-	03	0.256	2015-16	69 employees exempted on invalid declarations by not mentioning detail of assets in the CZ-50 form	No reply received (09-08-2016 & 08-12-2016)
9	Pioneer Cement Ltd Lahore	02	0.097	2014-16	33 employees exempted/Zakat not deducted without availability of declarations on CZ-50 in record	We are searching the relevant file and will be conveyed to the audit in due course
	-do-	07	33.519	2013-16	10296 shareholders exempted/Zakat not deducted availability of declarations on CZ-	All record is available with CDC

					50 in record	
10	Summit Capital Pvt. Ltd Karachi	02	1.905	2013-16	47 shareholders were exempted on incomplete declarations i.e. without specifying assets, etc	Zakat declarations were obtained on proper stamp paper, however, deficiencies in some of the declarations have been rectified now.
11	Printing Corporation of Pakistan, Islamabad	01	1.611	2013-16	58 employees exempted/Zakat not deducted without availability of declarations on CZ-50 in record	No payment has been made without obtaining declaration from payee except in one case who belongs to Ahmadi's
	-do-	02	0.216	2013-16	In-valid declarations i.e. declarations from 9 employees were not obtained 30 days before the valuation date	No reply received (19-09-2016)
12	OGDCL Islamabad	01	0.736	2015-16	157 shareholders exempted without obtaining and keeping in record declaration on form CZ-50	The declarations will be provided shortly
	-do-	02	0.869	2013-16	In-valid declarations i.e. declarations from 83employees were not obtained 30 days before the valuation date	No reply received (15-08-2016)

13	Kot Addu Power Ltd Lahore	02	27.436	2015-16	7374 shareholders exempted without availability of declarations on form CZ-50 in record	The declarations are with CDC, however a letter has been sent to all participants and CDC to provide the record
14	Asia Insurance Ltd Lahore	01	0.028	2013-16	41 employees exempted/Zakat not deducted without availability of declarations on form CZ-50 in record	No reply received (23-09-2016 & 07-12-2016)
15	Premier Insurance Pvt Ltd Karachi	01	4.265	2015-16	239 shareholders exempted without availability of declarations on form CZ-50 in record	CDC is custodian of the declarations of these shareholders.
16	Premier Insurance Pvt Ltd Karachi	02	0.241	2012-16	33 employees exempted/Zakat not deducted on non-refundable advances of Provident Fund without declarations on form CZ-50 in record	All the employees have been asked to submit declarations with in 30 days.
17	Jubilee General Insurance Comapany, Karachi	01	6.595	2015-16	938 shareholders exempted without availability of declarations on form CZ-50 in record	No reply received (09-11-2016 & 09-12-2016)
	-do-	04	0.298	2015-16	In-valid declarations, i.e. declarations from 51 employees were obtained without specifying particular of assets.	No reply received (09-11-2016 & 09-12-2016)

18	AGPR Sub-office Karachi	02	0.745	2013-16	In-valid declarations, i.e. declarations from 60 employees were obtained without specifying particular of assets, date of issuance, etc.	Noted for future compliance.
19	DAO Naushero Feroz	01	7.045	2013-16	621 employees exempted without availability of declarations on form CZ-50 in record	No reply received (13-12-2016)
20	DAO Badin	01	0.228	2015-16	61 employees exempted without availability of declarations on form CZ-50 in record	No reply received (09-11-2016 & 06-12-2016)
21	DAO D. I. Khan	02& 03	12.219	2013-16	1190 employees were given exemptions on Final payment of GPF & non-refundable advances without availability of declarations on form CZ-50 in record	No reply received (29-11-2016)
	-do-	04	0.315	2013-16	In-valid declarations i.e. declarations from 16 employees were not obtained 30 days before the valuation date	No reply received (29-11-2016)
22	DAO Lakki Marwat	01	0.139	2015-16	07 employees were given exemptions without availability of declarations on form CZ-50 in	No reply received (14-11-2016)

					record	
	-do-	02	0.258	2014-16	In-valid declarations i.e. declarations from 29 employees were not obtained 30 days before the valuation date	No reply received (14-11-2016)
23	AG Balochista, Quetta	02&03	1.190	2014-16	In-valid declarations i.e. declarations from 30 employees were not obtained 30 days before the valuation date and 42 employees not specified assets class, date & signature	No reply received (25-11-2016)
24	AGPR Sub-office Gilgit	01	0.031	2014-16	07 employees were given exemptions without availability of declarations on form CZ-50 in record	No reply received (21-11-2016)
	-do-	02	0.080	2014-16	In-valid declarations i.e. declarations from 14 employees were not obtained 30 days before the valuation date	No reply received (21-11-2016)
25	GPO Quetta	02	0.141	2012-15	In-valid declarations i.e. declarations from 08 employees were not obtained 30 days before the valuation date	No reply received (30-09-2016 & 05-12-2016)



26	UBL Main Br Jhang	02	1.073	2015-16	52 Account Holders were given exemptions without availability of declarations on form CZ-50 in record	No reply received (01-12-2016)
27	MCB Jail Road Br Lahore	03	0.051	2015-16	In-valid declarations i.e. declarations from 03 Account Holders were not obtained 30 days before the valuation date	No reply received (11-08-2016 & 09-12-2016)
28	NIB Bank Ltd Blue Area Islamabad	02	5.211	07.06.16	73 Account Holders were given exemptions without availability of declarations on form CZ-50 in record	No reply received (10-08-2016 & 09-12-2016)
	-do-	03	1.746	07.06.16	In-valid declarations i.e. declarations from 04 Account Holders were not obtained 30 days before the valuation date	No reply received (10-08-2016 & 09-12-2016)
29	UBL Nila Gumbad Br Lahore	01	0.652	2014-16	In-valid declarations i.e. declarations from 15 Account Holders were not obtained 30 days before the valuation date	No reply received (09-08-2016 & 09-12-2016)
30	Askari Bank Ltd Old GT Rd Jehlum Cantt	02	0.096	2012-13	In-valid declarations, i.e. declarations from 11 Account Holders were obtained without	No reply received (20-10-2016)

					specifying detail of assets	
31	MCB Main Br Attock	02	0.500	30.06.14, 18.06.15 & 07.06.16	Defective/fictitious declarations obtained from 09 account Holders	No reply received (13-10-2016 & 09-12-2016)
	-do-	03	0.343	30.06.14, 18.06.15 & 07.06.16	08 Account Holders were given exemptions without availability of declarations on form CZ-50 in record	No reply received (13-10-2016 & 09-12-2016)
32	Sindh Bank Ltd I.I. Chundrigar h Rd Karachi	02	0.584	2015-16	In-valid declarations, i.e. declarations from 12 Account Holders were obtained without specifying detail of assets, date issuance, etc.	No reply received (26-07-2016)
33	Bank of Punjab, Chauburji Br Lahore	01	0.070	2015-16	In-valid declarations i.e. declarations from 05 Account Holders were not obtained 30 days before the valuation date	Date of execution of CZ-50 was written instead of date of receipt which has been corrected now
34	Meezan Bank Ltd Main Br Saddar Peshawar	02	3.076	07.06.16	32 Account Holders were given exemptions without availability of declarations on form CZ-50 in record	No reply received (06-11-2016)
	-do-	03& 05	0.420	19.06.15 & 07.06.16	In-valid declarations i.e. declarations from 29 Account Holders were not	No reply received (06-11-2016)

					obtained 30 days before the valuation date and without serial no of vendor	
35	MCB Saddar Peshawar Cantt	02	10.675	30.06.14, 19.06.15 & 07.06.16	119 Account Holders were given exemptions without availability of declarations on form CZ-50 in record	No reply received (06-11-2016 & 09-12-2016)
	-do-	03&06	2.685	30.06.14, 19.06.15 & 07.06.16	In-valid declarations i.e. declarations from 70 Account Holders were not obtained 30 days before the valuation date and were not named, serial no of vendor missing, etc.	No reply received (06-11-2016 & 09-12-2016)
	-do-	07	0.405	19.06.15	Seial no 8730 of vendor issued for 19 account holders by taking photocopies of one such declaration	No reply received (06-11-2016 & 09-12-2016)
36	MCB I.I. Chundrigar h Rd Karachi	01	23.022	07.06.16	689 Account Holders were given exemptions without availability of declarations on form CZ-50 in record	No reply received (26-07-2016 & 09-12-2016)
37	Allied Bank Ltd Main Office Blue Area Islamabad	02	10.899	19.06.15 & 07.06.16	50 Account Holders were given exemptions without availability of declarations on form CZ-50 in record	Attested copies of CZ-50 provided by the customers, which are attached for reference

38	HBL Main Br Gilgit	02	0.162	19.06.15 & 07.06.16	25 Account Holders were given exemptions without availability of declarations on form CZ-50 in record	No reply received (21-11-2016)
	-do-	03	0.451	30.06.14 & 19.06.15	In-valid declarations i.e. declarations from 29 Account Holders were not obtained 30 days before the valuation date	No reply received (21-11-2016)
39	NSC Jinnah Rd Quetta	03	0.426	11.07.13, 30.06.14, 19.06.15 & 07.06.16	In-valid declarations, i.e. declarations from 15 Account/Certificate Holders were obtained without specifying detail of assets	No reply received 30-09-2016 & 05-12-2016
40	MARI Petroleum Company Ltd Islamabad	01& 02	0.227	2014-16	101 shareholders and 04 employees were given exemptions without availability of declarations on form CZ-50 in record	We are collecting declarations of remaining 101 shareholders from brokers. In case of employees it was replied that we have received valid copies of CZ-50 from employees. The reply was not tenable as declarations were found fictitious / w/o stamp vendor issuance date.
	-do-	03	1.644	11.07.13, 30.06.14, &	In-valid declarations i.e. declarations from	We have received valid copies of CZ-50 from

				19.06.15	28 employees were not obtained 30 days before the valuation date	employees. The reply was not tenable as declarations were found fictitious, w/o stamp paper / stamp vendor issuance date, contents were found different from previous declarations provided etc.,
<b>Total</b>			<b>228.566</b>			

**Annex-6**

Para 2.3.4

**Non-deduction of Zakat from companies / individuals accounts without specifying any reasons**

S. No.	Name of ZCCA / ZCO	Para No. of AIR	Valuation Date / FY	Amount of Zakat not deducted (Rs in million)	Remarks / irregularity
1.	HBL New Anarkali Br Lahore	02	30.06.2014, 19.06.2015 & 07.06.2016	0.418	Exemption granted to 10 Companies without specifying any reasons
2.	Allied Bank Ltd, Main Br Kasur	02	07.06.2016	0.050	M/S Rehman Traders & Co was exempted without any reason.
3.	MCB, Jail Road Br Lahore	05	30.06.2014, 19.06.2015 & 07.06.2016	0.404	Exemption granted to 06 Companies without specifying any reasons
4.	NIB Bank Ltd Blue Area Islamabad	07	2015-16	2.277	Exemption granted to 12 Companies without specifying any reasons
5.	Allied Bank Ltd Main Br Blue Area Islamabad	07	07.06.2016	10.399	Exemption granted to 02 Companies without specifying any reasons
<b>Total</b>				<b>13.548</b>	

**Annex-7**  
Para 2.3.5

**Exemption granted on the grounds of ‘non-resident / non-muslims without providing any proof / affirmation**

<b>S. No.</b>	<b>Name of ZCCA / ZCO</b>	<b>Para No. of AIR</b>	<b>Remarks</b>	<b>Fin Year</b>	<b>Amount of Zakat involved (Rs. in million)</b>
1.	LOTTE Chemical Pakistan Ltd Karachi	06	553 Shareholders having holding shares valuing 11.618 billion exempted without any proper evidence.	2015-16	6.422
2.	Pioneer Cement Ltd Lahore	08	377 non-muslim Shareholders having holding shares valuing 246.461 million exempted without any proper evidence.	2013-16	6.162
3.	Premier Insurance Pvt Ltd Karachi	07	26 non-muslim Shareholders having holding shares valuing 3.308 million exempted without any proper evidence.	2015-16	0.083
4.	HBL New Anarkali Br Lahore	05	03 non-muslim Account Holders having balance of Rs 4.909 million exempted without any proper evidence.	2013-16	0.123
<b>Total</b>					<b>12.79</b>

**Annex-8**  
Para 2.3.6

**Non/Late deposit of Zakat deducted**

S. No	Name of ZCCA	Para No. of AIR	Remarks	Year / Period	Amount of Zakat involved (Rs. in million)
1.	Ittehad Chemicals Pvt Ltd. Lahore	01	Non-deposit	2013-15	0.238
2.	Pioneer Cement Ltd Lahore	01	-do-	2013-14 & 2015-16	0.072
3.	Engro Power Generation Co Ltd Karachi	01	Late deposit	2013-15	9.203
4.	ROUSCH Pakistan Power Ltd	01	-do-	2013-14	3.772
5.	AGPR Karachi	01	-do-	2013-16	11.573
6.	DAO D I Khan	01	Non-deposit	2012-16	1.174
7.	AG Balochistan, Quetta	01	Non-deposit	2013-16	0.064
8.	HBL New Anarkali Br Lahore	01	Non-deposit	2013-16	0.228
9.	MCB Jail Road Br Lahore	01	Non-deposit	2013-16	2.160
<b>Total</b>					<b>28.484</b>



**Annex-9**

Para 2.3.7

**Non / Less deduction of Zakat on Saving / Special Saving Certificates / Accounts and TDRs / FDRs**

S. No	Name of ZCCA / ZCO	Fin Year / Valuation date	Para No. of AIR	No. of certificate / account holders	Amount of Zakat less deducted (Rs in million)	Remarks
1	GPO Quetta	2013-16	01	05	0.291	Saving Accounts & Special Saving Accounts
2	GPO Gilgit	07.06.16	04	06	0.021	Non-deduction of Zakat from Saving Accounts
	-do-	30.06.14, 19.06.15 & 07.06.16	05	137	2.696	Non-deduction of Zakat on withdrawal of Special Saving Certificates
3	NSC DHA Lahore	2015-16	04	21	1.434	Non-deduction of Zakat on redemption/withdrawal of Special Saving Certificates
4	NSC Jinnah Rd Quetta	2014-15	02	26	0.400	Less-deduction of Zakat on redemption/encashment of Special Saving Certificates
5	HBL New Anarkali Br Lahore	2015-16	03		0.93	Non-deduction of Zakat on matured TDRs / FDRs
6	NIB Bank Ltd Blue Area Islamabad	2015-16	05		8.718	Non-deduction of Zakat on matured TDRs & FDRs
<b>Total</b>					<b>14.49</b>	

**Annex-10**

Para 3.4.3

**Unjustified releases to deeni madaris without determination of istehqaq by the respective LZCs – Rs 1.148 Million**

<b>S. #</b>	<b>Formation</b>	<b>Cheque #</b>	<b>Date</b>	<b>Amount (Rs)</b>
1	Muhammadia Ghosia	13412	05/11/2015	275,400
2	Muhammadia Ghosia	13413	05/11/2015	33,750
3	Naeemia Rizvia	13418	05/11/2015	43,200
4	Raza Islamic College	13402	05/11/2015	133,650
5	Darul uloom Alsharia	13404	05/11/2015	54,000
6	Hanfia Zia Ul Uloom	13440	Dec-15	56,025
7	Darul uloom Alsharia	21207	May-16	54,000
8	Muhammadia Ghosia	21208	May-16	309,150
9	Hanfia Zia Ul Uloom	21230	May-16	56,025
10	Raza Islamic College	19800	May-16	133,650
<b>Total</b>				<b>1,148,850</b>

**Non-refund of unspent balances**

<b>S. No.</b>	<b>Name of LZC</b>	<b>Date</b>	<b>Amount (Rs)</b>
1	I-10/3-4	30.06.2016	713,666
2	Noor pur Shahan	30.06.2016	349,781
3	Ali pur-I	30.06.2016	93,000
4	Chatta Bakhtawar	30.06.2016	183,160
5	Sang jani ward-1	30.06.2016	38,551
6	F-6/1-2	30.06.2016	259,836
7	Rawal Town	30.06.2016	95,000
8	I-8/1-4	30.06.2016	190,441
9	G-9/2	30.06.2016	127,722
10	G-7/3-2	30.06.2016	35,000
11	Bobri	30.06.2016	123,552
12	Farash	30.06.2016	166,677
13	Kot Hatial Janubi -I	30.06.2016	196,500
14	Shadra-II	30.06.2016	117,000
15	Lakhwal	30.06.2016	88,942
16	Pahag Panwal	30.06.2016	259,095
17	Chirah khas -I	30.06.2016	36,837
18	Tumair _II	30.06.2016	209,966
19	Kalian Chirah	30.06.2016	6,166
20	Kijna	30.06.2016	82,145
21	Tarnol	30.06.2016	76,425
22	Chohan Sorain	30.06.2016	132,169
23	Mora Noor	30.06.2016	166,500
24	G-7/3-4	30.06.2016	223,695
25	Soban Saydan	30.06.2016	98,373
26	Kirpa-III	30.06.2016	165,000
27	Kot hatial shumali-II	30.06.2016	180,765
28	Johad	30.06.2016	36,085
29	I-10/1-2	30.06.2016	316,276
30	Rawat -II	30.06.2016	114,550
31	Sohan	30.06.2016	63,725
32	G-11	30.06.2016	462,000
33	Kot Hathyal Shumali 1	30.06.2016	200,560
34	Gangota Gujran	30.06.2016	6,880
35	G-7/1	30.06.2016	127,362

36	G-6/3-4	30.06.2016	174,820
37	Pind Parian	30.06.2016	208,429
38	Tarlai Kalan	30.06.2016	67,567
	<b>Total</b>		<b>6,194,218</b>

**Annex-12**

Para 3.4.7

**Payment made without passing resolutions or on defective resolutions  
– Rs 5.256 million**

<b>S.#</b>	<b>Name of LZC</b>	<b>Remarks</b>	<b>Dated</b>	<b>Amount (Rs)</b>
1	Badhana Kalan	Incomplete sign of members	7/2012	36,000
2	Badhana Kalan	Incomplete sign of members	02/7/2013	87,000
3	Badhana Kalan	Incomplete sign of members	13/08/2013	87,000
4	Badhana Kalan	Incomplete sign of members	28/04/2013	87,000
5	Badhana Kalan	Incomplete sign of members	08/2014	98,000
6	Badhana Kalan	Incomplete sign of members	07/2015	102,000
7	Badhana Kalan	Incomplete sign of members	01/2015	101,000
8	Badhana Kalan	w/o passing resolution	7/2016	73,000
9	Badhana Kalan	w/o passing resolution	4/2016	73,000
10	Badhana Kalan	w/o passing resolution	6/2016	84,000
11	I-8/1-4	w/o passing resolution	16/09/2015	15,8000
12	I-8/1-4	w/o passing resolution	15.01.2016	15,8000
13	I-8/1-4	w/o passing resolution	21.04.2016	15,8000
14	I-8/1-4	w/o passing resolution	26.06.2016	18,5500
15	Ali pur I	w/o passing resolution	06.05.2016	93,000
16	Ali pur I	w/o passing resolution	24.06.2016	108,500
17	Farash	w/o passing resolution	01.10.2015	115,000
18	Farash	w/o passing resolution	20.01.2016	115,000
19	Farash	w/o passing resolution	24.03.2016	40,000
20	Farash	w/o passing resolution	28.06.2016	133,000
21	Bobri	Defective resolution	21.09.2015	90,000
22	Bobri	Defective resolution	18.01.2016	105,000
23	Bobri	Defective resolution	02.05.2016	105,000
24	Bobri	Defective resolution	30.06.2016	122,500
25	Ali pur III	w/o passing resolution	24.07.2014	56,000
26	Ali pur III	w/o passing resolution	05.01.2015	60,000
27	Ali pur III	w/o passing resolution	24.06.2015	60,000

28	Ali pur III	w/o passing resolution	18.09.2015	60,000
29	Ali pur III	w/o passing resolution	01.02.2015	60,000
30	Ali pur III	w/o passing resolution	09.05.2016	60,000
31	Ali pur III	w/o passing resolution	27.06.2016	70,000
32	Bimber tarar	w/o passing resolution	30.06.2016	126,000
33	Kot Hatial Shomali –I	Defective resolution	20.03.2012	75,000
34	Kot Hatial Shomali –I	Defective resolution	10.07.2012	75,000
35	Kot Hatial Shomali –I	Defective resolution	24.04.2013	75,000
36	Kot Hatial Shomali –I	Defective resolution	21.10.2015	213,000
37	Kot Hatial Shomali –I	Defective resolution	20.01.2016	213,000
38	Kot Hatial Shomali –I	Defective resolution	11.05.2016	258,000
39	Kot Hatial Shomali –I	Defective resolution	12.07.2016	353,500
40	G-7/3-4	Defective resolution	23.06.2016	220,500
41	Suban Saydan	Defective resolution	22.07.2014	52,500
42	Suban Saydan	Defective resolution	29.01.2015	60,000
43	Suban Saydan	Defective resolution	16.06.2015	60,000
44	Suban Saydan	Defective resolution	16.10.2015	60,000
45	Suban Saydan	Defective resolution	16.01.2016	60,000
46	Suban Saydan	Defective resolution	09.06.2016	60,000
47	Suban Saydan	Defective resolution	25.06.2016	65,000
48	Suban Saydan	Defective resolution	11.07.2016	38,500
49	G/7/1	Defective resolution	04.10.2015	75,000
50	G/7/1	Defective resolution	18.11.2015	100,000
51	G/7/1	Defective resolution	17.01.2016	75,000
	<b>Total</b>			<b>5,255,500</b>

**Annex-13**

Para 3.4.8

**Payment through cash / open cheques / self cheques instead of crossed cheques –  
Rs 3.538 million**

Sr. No.	Name of LZC	No. of Beneficiaries	FY	Amount (Rs)
1	Gagri	34	2013-16	900,000
2	Soti ni pari	90	2014-15	270,000
3	Kalian chirah	40	2015-16	120,000
4	Sohan	99	2015-16	297,000
5	Pahag Panwal	48	2015-16	144,000
6	Kot Hathyal Shumali 1	16	2015-16	48,000
7	I-10/1-2	6	2015-16	18,000
8	Noor Pur Shahan	376	2013-16	1,145,000
9	Gangota Gujran	3	2015-16	12,000
10	G-7/3-1	7	2015-16	21,500
11	Tarlai Kalan	24	2015-16	72,000
12	Chapar Mir Kanal	25	2015-16	92,000
13	Chapar Mir Kanal	23	2015-16	80,500
14	E-8 & F-8	3	2015-16	60,000
	<b>Total</b>	<b>794</b>		<b>3,280,000</b>

**Payment in Cash by drawing self cheques**

S. No.	LZC Name	Cheque No.	Date	Amount (Rs)
1	Suban Syedan	5879513	30-08-2010	36,000
2	-do-	5879516	19-01-2011	45,000
3	-do-	5879531	18-07-2011	21,000
4	-do-	5879547	19-10-2012	6,000
5	-do-	5879580	10-07-2015	150,000
	<b>Total</b>			<b>258,000</b>
	<b>Grand Total</b>			<b>3,538,000</b>

**Annex-14**

Para 3.4.10

**Purchase of miscellaneous items without calling open tender -  
Rs 2.834 million**

<b>Sr. no.</b>	<b>Date</b>	<b>Cheque No.</b>	<b>Amount (Rs)</b>
1.	02-07-2015	5133010	20,000
2.	08-07-2015	5133011	20,000
3.	13-08-2015	5133013	35,000
4.	21-08-2015	5133014	30,000
5.	28-08-2015	5133015	363,703
6.	28-08-2015	5133016	30,000
7.	11-09-2015	5133017	40,000
8.	18-09-2015	5133018	20,000
9.	07-10-2015	5133019	40,000
10.	13-10-2015	5133020	167,793
11.	20-10-2015	5133021	40,000
12.	04-11-2015	5133022	40,000
13.	04-11-2015	5133024	307,581
14.	18-11-2015	5133025	40,000
15.	02-12-2015	5133026	241,000
16.	02-12-2015	5133027	40,000
17.	15-12-2015	5133030	30,000
18.	06-01-2016	5133031	40,000



19.	07-01-2016	5133033	192,000
20.	04-02-2016	5133035	40,000
21.	23-02-2016	5133036	30,000
22.	02-03-2016	5133038	40,000
23.	02-03-2016	5133037	337,000
24.	16-03-2016	5133039	40,000
25.	06-04-2016	5133040	265,280
26.	06-04-2016	5133041	30,000
27.	20-04-2016	5133042	30,000
28.	05-05-2016	5133043	40,000
29.	10-05-2016	5133044	180,000
30.	18-05-2016	5133045	40,000
31.	06-06-2016	5133046	25,000
	<b>Total</b>		<b>2,834,357</b>

**List of ZCCAs / ZCOs audited**

<b>S. No.</b>	<b>Name of ZCCA</b>
1	Kot Addu Power Company Limited Lahore
2	Nishat Power Limited Lahore
3	Rousch Pakistan Power Ltd. Lahore
4	Engro Power Green Qaiderpur Ltd. Karachi
5	OGDCL Pakistan Ltd. Islamabad
6	Printing Corporation of Pakistan Press, Islamabad
7	Atlas Capital Market PVT Limited
8	Continental Capital Management Pvt. Ltd. Karachi
9	Pervez Ahmed Securities Limited Lahore
10	Zeal Pak Cement Factory Limited Karachi
11	Pioneer Cement Limited Lahore
12	Silver Star Insurance Company Limited
13	Asia Insurance Company Limited Lahore
14	Premier Insurance Limited Karachi
15	Jubilee Insurance Co. Limited
16	Colony Textile Mills Limited Lahore
17	Gul Ahmed Textile Mills Limited Karachi
18	Dewan Sugar Mills Limited Karachi
19	Crescent Steel & Allied Products Limited Lahore
20	Sitara Peroxide Limited Karachi
21	The Thal Industries Corporation Limited Multan
22	Glaxosmithkline Pharmaceuticals (Pvt.) Limited Karachi
23	International Steels Limited Karachi
24	Hum Network Limited Karachi
25	Habib Consturction Service (Pvt) Ltd. Lahore
26	PACE (PAKISTAN) Limited Lahore
27	Coastal Refinery Limited Karachi
28	Byco Petroleum Pakistan Limited Karachi
29	MARI Petrolieum Company Limited Islamabad

30	Telecard Limited Islamabad
31	Worldcall Telecom Limited Lahore
32	Ittehad Chemical PVT, Limited Lahore
33	Lotte Chemical Pakistan Limited Karachi
34	Nimir Industrial Chemicals Limited Sheilkhupura
35	AGPR Sub Office Karachi
36	DAO Naushero Feroze
37	DAO Badin
38	DAO D.I Khan
39	DAO Lakki Marwat
40	GPO Quetta
41	GPO Gilgit
42	AG Office Quetta
43	AGPR Gilgit
44	National Saving Centre Mianwali
45	National Saving Centre main branch Lahore
46	National Saving Centre Quetta
47	Central Directorate (HQ) of National Savings Islamabad
48	HBL Main Branch Lahore
49	UBL Main Branch Jhang
50	Allied Bank Main Branch Kasur
51	MCB Main Branch Lahore
52	NIB Bank Limited Islamabad
53	UBL Main Branch Lahore
54	Askari Bank Main Branch Jhelum
55	MCB main branch Attock
56	Sindh Bank main branch Karachi
57	Bank of Punjab Lahore
58	Meezan Bank Main Branch Peshawar
59	MCB Main Branch Peshawar
60	ABL Main Branch Islamabad
61	MCB Main Branch Karachi

62	ABL Main Branch Quetta
63	HBL Main Branch Gilgit