AUDIT REPORT
ON
THE ACCOUNTS OF
POSTAL SECTOR
MINISTRY OF COMMUNICATIONS
AUDIT YEAR 2025-26

AUDITOR-GENERAL OF PAKISTAN

SERVING THE NATION BY PROMOTING ACCOUNTABILITY, TRANSPARENCY AND GOOD GOVERNANCE IN THE MANAGEMENT AND USE OF PUBLIC RESOURCES

FOR THE CITIZENS OF PAKISTAN

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's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 require the Auditor-General of Pakistan to conduct the audit of the accounts of receipts and expenditure from the Consolidated Fund and Public Accounts of the Federation and of each Province; and the accounts of any authority or body established by the Federation or a Province.

The report is based on the audit of the accounts of the Pakistan Post Office Department (PPOD) and Postal Life Insurance Company Limited (PLICL) for the Financial Year 2024-25. The Directorate General of Audit, Postal and Telecommunication Services (P&TS), Lahore conducted the audit during the Audit Year 2025-26 on a 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 significant audit findings. Relatively less significant issues are listed in Annex-I & II of the Audit Report. The audit observations listed in Annex-I & II shall be pursued with the Principal Accounting Officer at the DAC level and in all cases, where the Principal Accounting Officer does not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee (PAC) through the next year's Audit Report.

Impact Audit - a new concept has been introduced and made part of this report at Chapter - 3. It is an attempt to improve an organization's performance through critically reviewing its business processes to identify risks which are hindering it from achieving its intended objectives.

The audit findings indicate the need for adherence to the regulatory framework, besides instituting and strengthening internal controls to avoid recurrence of similar violations and irregularities. The Audit Report has been finalized in the light of discussions during the DAC meeting held from the 2nd to the 4th of December, 2025 and written responses of the entities.

There are certain audit findings, which were also reported in the previous Audit Report(s) and MFDAC Report(s). The recurrence of such irregularities is a matter of concern and needs to be addressed.

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

Islamabad
Dated:

(**Maqbool Ahmad Gondal)**
Auditor-General of Pakistan

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ABBREVIATIONS AND ACRONYMS

AGPR	:	Accountant General of Pakistan Revenues
AML/CFT	:	Anti-Money Laundering / Counter Financing of Terrorism
AMIS		Audit Management Information System
CCS	:	Chief Controller of Stamps
CDNS	:	Central Directorate of National Savings
CEO	:	Chief Executive Officer
DA PPO	:	Director of Accounts, Pakistan Post Office
DAC	:	Departmental Accounts Committee
DAGP	:	Department of the Auditor-General of Pakistan
DHL	:	Dalsey, Hillblom and Lynn
DSC	:	Defence Savings Certificate
DSPS	:	Divisional Superintendent Postal Services
EMS	:	Express Mail Service
FATF	:	Financial Action Task Force
FCF	:	Federal Consolidated Fund
FY	:	Financial Year
GFR	:	General Financial Rules
GPO	:	General Post Office
GST	:	General Sales Tax
IAC	:	Initial Account Code
LoC	:	Letter of Credit
Mos	:	Money Orders
MOC	:	Ministry of Communications
NBP	:	National Bank of Pakistan
NSPC	:	National Security Printing Corporation
PAC	:	Public Accounts Committee
PFM	:	Public Finance Management
PLICL	:	Postal Life Insurance Company Limited
PMG	:	Postmaster General
PPOD	:	Pakistan Post Office Department

PPF	:	Pakistan Post Foundation
PPRA	:	Public Procurement Regulatory Authority
PPSMB	:	Pakistan Postal Services Management Board
PTCL	:	Pakistan Telecommunication Company Limited
PT&T	:	Post, Telephone & Telegraph
SAP	:	Systems Applications and Products
SAR	:	Special Audit Report
SSR	:	Special Study Report
SECP	:	Securities & Exchange Commission of Pakistan
TSA	:	Treasury Single Account
UMS	:	Urgent Mail Services
UPU	:	Universal Postal Union

EXECUTIVE SUMMARY

The Audit Report presents results based on audit of the accounts for the FY 2024-25 of the PPOD and PLICL. The PPOD performs its functions under the provisions of the Post Office Act, 1898 and falls under the administrative control of the Ministry of Communications. The primary functions of the PPOD are the delivery of mail and the transfer of money through money orders. In addition, the PPOD is also performing various agency functions on behalf of different government departments and private organizations. The Postal Life Insurance business was being performed by the PPOD as an agency function until FY 2020-21. However, the business was entrusted to PLICL which was incorporated with the Securities and Exchange Commission of Pakistan (SECP) on 10th of March, 2020 under the Companies Act, 2017. The Company was registered as a life insurer under the Insurance Ordinance, 2000 on 26th of August, 2020. The SECP issued a commencement of business certificate to PLICL on 20th of January, 2021.

The Report has been finalized in the light of discussions during the DAC meetings held from 2nd to 4th of December, 2025.

The Directorate General of Audit, Postal & Telecommunication Services (P&TS), Lahore is responsible for conducting the audit of the PPOD & PLICL and their allied formations. This Directorate General has budgetary allocation of Rs 235 million for the Audit Year 2025-26 and a human resource of 66 officers/officials. Total man-days available to this office were 16,500 out of which 4,017 man-days were utilized for the audit of entities related to PPOD and PLICL.

Scope of Audit

This office has a mandate to conduct audit of 179 formations of the postal sector belonging to the PPOD and PLICL under the Ministry of Communications, Islamabad. The total expenditure and receipts of these formations were Rs 31,292.415 million (PPOD 30,355.985 + PLICL

936.430) and Rs 16,020.954 million (PPOD 11,033.994 + PLICL 4,986.960) respectively for FY 2024-25.

Audit coverage relating to expenditure for the current audit year comprised 53 formations of the Ministry of Communications having a total expenditure of Rs 5,318 million. Out of this, an amount of Rs 3,432 million was audited which constitutes 64.53 % of the total auditable expenditure.

Audit coverage relating to the receipts for the current audit year comprised 53 formations of the Ministry of Communications having total receipts of Rs 16,415 million out of which Rs 12,486 million was audited. In terms of percentage, the audit coverage for receipts remained 76.06 % of the auditable receipts.

The Directorate General of Audit P&TS also conducted audit of non-budgeted payments amounting to Rs 245,722 million on account of agency functions performed by the PPOD on behalf of various government departments and private organizations.

In addition to compliance and impact audit reports, the Directorate General of Audit P&TS also conducted audits of Foreign Aided Project, Automation of Post Office Project (Loan No. Pak-11). Report of this audit is being published separately.

Recoveries at the Instance of Audit

As a result of the audit, a recovery of Rs 7,662.726 million was pointed out in this report. The recovery effected from January to December, 2025 was Rs 1,885.557 million which was verified by the Audit.

Audit Methodology

The Permanent Files of the PPOD and PLICL at the Audit Office were updated following the acquisition of pertinent information from the entities, facilitating effective manpower planning and management ahead of the audit execution. The field audit was conducted utilizing data and

vouchers sourced from the Directorate of Accounts Pakistan Post Office (DA PPO), Lahore as well as all General Post Offices (GPOs) and PLICL offices.

The audit was carried out by adopting quantitative data collection method. The field audit activities encompassed a comprehensive range of tasks, including record reviews, field visits, physical inspections, and engagements with management. This Directorate General has implemented the Audit Management Information System (AMIS) and permanent/planning files of audit entities, Audit Inspection Reports, Proposed Draft Paras and Audit Reports were uploaded on AMIS successfully.

Audit Impact

On the recommendations of the audit, the PPOD has taken the following measures:

i) The PPOD has started the reconciliation of its agency functions account with the DA PPO and the National Bank of Pakistan which had not been reconciled for the last three years after the implementation of the new cash regime.
ii) The PPOD has reduced the retention of cash limits by the GPOs and sub offices and the minimum cash retention limits have been declared as maximum limits
iii) The PPOD has deposited the retained pension funds of Rs 3.26 billion into the Federal Consolidated Fund (FCF).

Comments on Internal Controls

i) After the opening of separate bank accounts for each function and the acceptance of liability (payable to utility companies) by the Finance Division, the PPOD utilized the cash balance of Rs 11.278 billion from July, 2022 to June, 2025 without any justification.

ii) The PPOD failed to devise a mechanism for imprest money and continued to draw cash worth millions of rupees from postal treasuries on paper chits.

iii) Key posts including those of Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Internal Auditor (CIA) have been vacant in PLICL for a long time, hindering the strategic decision-making process and business operations.

iv) The contract and procurement management of the PPOD is quite weak which undermines the principles of transparency and fairness.

v) After the implementation of the new cash management regime in pursuance of the Public Finance Management (PFM) Act, 2019, the PPOD did not update its Manuals and Procedures.

vi) After the conversion of the PPOD from the departmental accounting system to the SAP system of the AGPR, the prevalent procedures for reconciliation were not adopted. Similarly, PLICL did not reconcile its financial and physical assets with the PPOD despite the formation of a Joint Management Team.

vii) The postal authorities did not prepare any internal audit report. Similarly, PLICL's internal audit wing did not prepare an internal audit report as required under AML/CFT regulations and the SECP regulatory framework.

viii) Manual processing and manual entries in ledgers are a major weakness that could lead to fraud and embezzlement in the PPOD & PLICL.

ix) The receivable management of both the PPOD and PLICL reflects weaknesses due to which huge amounts are outstanding and need to be recovered.

x) The slow compliance with Public Accounts Committee (PAC) directives has resulted in a backlog in the PPOD in terms of non-compliance with PAC directives from 1987-2020.

Key Audit Findings:

The Audit Report comprises twenty-two (22) Audit Findings highlighting serious irregularities as follows:

i) Thirty-three (33) cases of fraud, misappropriation, embezzlement, theft and dacoity involving public money of Rs 50.395 million were observed.[1]

ii) Two (02) cases of procurement related irregularities amounting to Rs 74.556 million were pointed out.[2]

iii) Five (05) cases of unauthorized management of accounts with commercial banks involving an amount of Rs 42,029.278 million were revealed.[3]

iv) Two (02) cases of receivables/recoveries amounting to Rs 1,320.072 million were noticed.[4]

v) Twelve (12) cases of irregularities under the head - Others amounting to Rs 20,287.122 million were observed.[5]

Recommendations

The new cash management system was introduced in PPOD in compliance with the Public Finance Management Act, 2019, with the objective of discontinuing PPOD's direct access to Account-I. Its implementation improved financial discipline by opening separate accounts for each agency function and shifting PPOD's operational expenditure to AGPR counters. However, audit findings reveal that the intended benefits have been partially achieved due to weak planning, delayed revision of accounting procedures, inadequate IT integration, and insufficient internal controls, resulting in continued issues of delayed reconciliations, late fund transfers, and operational inefficiencies. The detail recommendations are as under:

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1 Paras 1.4.1
2 Paras 1.5.1 & 2.4.1
3 Paras 1.5.2 to 1.5.5 & 2.4.2
4 Paras 1.6.1 to 1.6.2
5 Paras 1.7.1 to 1.7.10, 2.5.1 & 2.5.2

i) The PPOD needs to update and strengthen its internal controls to prevent fraud and embezzlement, besides the finalization of disciplinary cases against the responsible(s).
ii) Adherence to PPRA Rules in the procurement of goods and services should be ensured.
iii) The PPOD needs to adhere to the accounting procedures and TSA implementation while operating the agency function accounts and ensure timely reconciliations with stakeholders.
iv) The revenue recovery mechanism needs to be made effective so that postal and PLICL dues may be recovered in a timely manner from government departments and other organizations.
v) The PPOD needs to recover the amount of pledged DSCs of subscribers from PTCL.
vi) The PPOD needs to ensure timely deposit of revenue into the Federal Consolidated Fund (FCF).
vii) The drawals of cash from postal treasuries on paper chits should immediately be stopped and an alternate mechanism should be devised in consultation with the Finance Division.

ORGANIZATIONAL ANALYSIS

a. Pakistan Post Office Department (PPOD)

The Pakistan Post Office Department (PPOD) is a historic federal institution that has long played a critical role in Pakistan's communication and service delivery infrastructure. Over time, it has expanded beyond traditional mail services to include, financial agency services, for federal and provincial governments, including collection of utility bills, taxes, remittances, and secure delivery of official documents across the country and government-to-citizen facilitation. With its extensive nationwide network of post offices and a large workforce, the PPOD remains an important public sector entity, particularly in rural and remote areas. However, in the face of rapid global transformation in the postal and logistics sector, the PPOD is confronted with multifaceted structural, financial, and governance challenges that necessitate a comprehensive sectoral analysis. This analysis examines the institutional framework, market environment, financial performance, key challenges, and future prospects of the PPOD.

The PPOD operates under the Post Office Act, 1898, and functions administratively under the Ministry of Communications, Islamabad. It is governed through the Pakistan Postal Services Management Board (PPSMB). As of FY 2024-25, the PPOD operates a network of 10,508 post offices, including 85 General Post Offices (GPOs) and employs approximately 38,853 personnel, including extra-departmental employees. Despite this extensive physical presence and human resource base, the PPOD's operational efficiency and commercial competitiveness remain limited.

Worldwide, state-owned postal services have undergone significant transformation over the past decade due to technological advancements and declining traditional mail volumes. Many countries have adopted market-oriented postal reforms, enabling public postal operators to compete

alongside private courier companies through tariff rationalization, corporatization, and Public-Private Partnerships (PPPs).

Globally, postal administrations have evolved from traditional mail carriers into diversified service providers, expanding into financial, logistics, and digital domains. Institutions such as Royal Mail (UK), USPS (USA), and Australia Post have leveraged automation, IT systems, and diversified revenue streams to remain sustainable. In South Asia, similar reforms are evident, Bangladesh Post has introduced electronic money transfer and mobile financial services, while Nepal Post has shifted toward logistics and e-commerce support.[6] In comparison, the Pakistan Post Office Department (PPOD) has initiated selective reforms, including new postal and logistics services, but has also faced contraction due to the withdrawal of key agency functions. Recent changes include the withdrawal of Account-I (Non-Food) operations through Letter of Credit in July 2022, making PPOD partially dependent on AGPR-based disbursements. Moreover, limited digitization capacity led to the transfer of Savings Bank Accounts and Certificates to the Central Directorate of National Savings (CDNS) and the shift of military pension disbursements to commercial banks under the Direct Credit System in FY 2022–23. These steps mark a structural divergence from global and regional postal models, which are expanding financial and digital services, while PPOD has relinquished them.

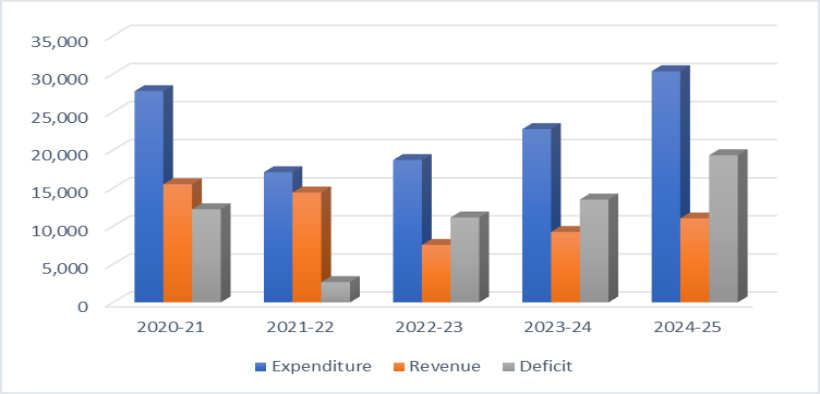
The PPOD has incurred substantial deficit over the past several years, as reflected in the following comparison of expenditure and revenue:

(Rs in Million)

Year	Budget	Expenditure	Revenue	Deficit
2020-21	21,414	27,741	15,518	12,223
2021-22	15,000	17,098	14,433	2,665
2022-23	15,719	18,697	7,547	11,150
2023-24	20,435	22,757	9,256	13,501
2024-25	23,474	30,356*	11,034	19,322

** this also includes Rs 6,000 million for clearance of pending liabilities of utility companies.*

6 Universal Postal Union (UPU) Reports



Source: Financial Statements of PPOD

The financial position of the PPOD, as reflected in the above table, indicates a 43.15% increase in losses, rising from Rs 13,501 million in FY 2023–24 to Rs 19,327 million in FY 2024–25. The escalation in the deficit is primarily attributable to rising establishment and operational costs, the absence of tariff rationalization, declining volumes in traditional mail services, and limited growth in commercial and logistics-based revenues. The trend highlights that the PPOD management did not effectively identify or operationalize alternative revenue streams or cost-containment measures to mitigate the widening gap between expenditure and income during the year. The discontinuation of major agency functions left a considerable workforce idle besides which, the new recruitments were also made but the management did not develop a strategic plan for their utilization to improve operation and boost the revenue of the PPOD.

Although the PPOD operates under the PPSMB, the Board has historically lacked full authority to revise domestic mail tariffs, requiring federal approval for rate changes. This constraint has limited the PPOD's ability to rationalize tariffs in line with rising operational costs.

The enactment of the State-Owned Enterprises (Governance and Operations) Act, 2023, and subsequent amendments to the PPSMB Ordinance, 2002 in 2024, represent significant steps toward improving governance, autonomy and operational efficiency of the PPOD. These

reforms aim to empower the PPSMB to independently determine postal tariffs, oversee operational restructuring, encourage PPPs, and introduce financial and digital reforms while ensuring transparency and accountability. As a result of this enhanced autonomy, PPOD's revenue increased from Rs. 9.256 billion (FY 2023-24) to Rs. 11.034 billion (FY 2024-25) following the revision of postal tariffs by the empowered Board.

The Government of Pakistan launched the Automation of Post Offices Project in 2015 with financing of USD 20.635 million from the Korean Exim Bank under the Economic Development Cooperation Fund (EDCF) for the modernization of postal services. The project seeks to expand ICT infrastructure, automate workflows, and enhance service delivery. However, progress has remained slow, limiting its impact on operational efficiency.

The PPOD possesses a substantial portfolio of immovable assets, many of which are located in prime urban locations. However, a significant portion remains underutilized or encroached upon, with inadequate documentation:

Total Office Buildings	Total Residential Buildings	Vacant Plots	Grand Total
838	3,317	120	4,275

Source: PPOD Annual Report 2023-24

The absence of a comprehensive asset management and monetization strategy has resulted in missed opportunities for revenue generation through leasing, redevelopment, or joint ventures.

The PPOD stands at a critical juncture. Despite its historic legacy, extensive infrastructure, and nationwide reach, it faces mounting financial deficits, declining service efficiency, and growing competitive pressure from private courier operators. The loss of key agency functions has significantly weakened its revenue base, while governance reforms have yet to be fully operationalized.

Although initiatives such as the Automation of Post Offices Project, Digital Franchised Post Offices (DFPOs), and EMS Plus indicate movement toward modernization, progress has been slow due to outdated systems and governance constraints. To ensure long-term sustainability, the PPOD must urgently implement SOE reforms, adopt market-oriented strategies, leverage public-private partnerships, rationalize tariffs, and diversify revenue streams. Strengthened governance, accountability, and digital transformation are essential for repositioning the PPOD within Pakistan's rapidly evolving postal and logistics landscape.

b. Postal Life Insurance Company Limited (PLICL)

PPOD managed the agency function of Postal Life Insurance (PLI) till 2019-20. In compliance with Financial Action Task Force Asia Pacific Group guidelines on Anti-Money Laundering and Combating the Financing of Terrorism, the Government of Pakistan opted to subject PLI to the regulatory oversight of the Securities and Exchange Commission of Pakistan. Subsequently, on 26th August, 2020, the Postal Life Insurance Company Limited (PLICL) was registered as a public limited life insurer under the Insurance Ordinance, 2000. The portfolio was officially transferred to PLICL on 2nd April, 2021.

Pakistan's insurance industry comprises 42 insurance companies which contributed Rs 66.67 billion to the national economy in the form of taxes and duties during FY 2024-25. The life insurance sector including PLICL faces low penetration at 0.7% of GDP[7]. As of 2021, Postal Life Insurance Company Limited (PLICL) held approximately 1.6% of the market share in Pakistan's life insurance sector[8]. The life insurance industry in Pakistan is predominantly led by the State Life Insurance Corporation (SLIC), which commanded over 70% of the industry's Gross Written Premium (GWP) in 2022[9].

[7] Insurance Industry Statistics 2024 issued by the SECP

[8] The Pakistan Credit Rating Agency Ltd

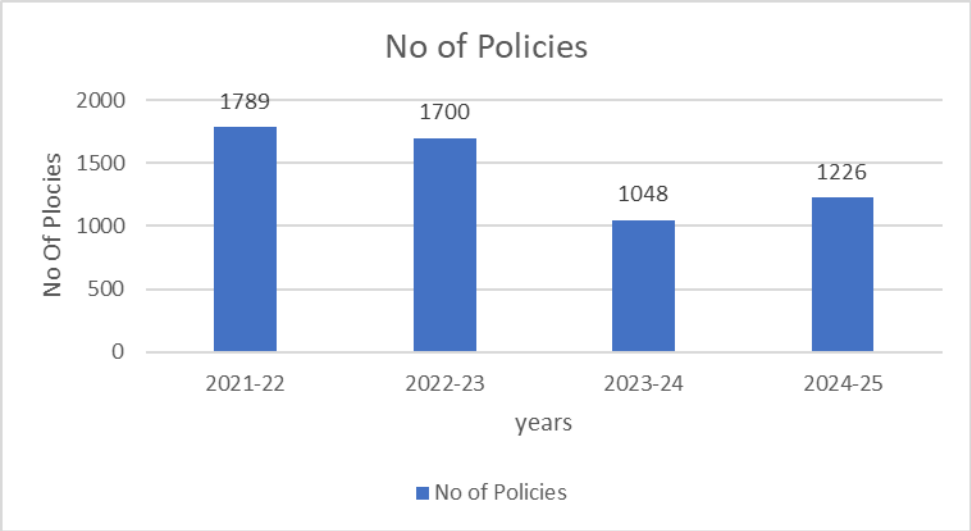
[9] https://www.globaldata.com

The life insurance industry in Pakistan has substantial growth potential, driven by a large and growing population, rising financial awareness, and an expanding middle class increasingly seeking financial protection. PLICL currently operates with a human resource strength of 432 officers and officials.

However, following its transition into a limited company, PLICL encountered serious weaknesses in the implementation of policies, procedures, and governance mechanisms. The company failed to establish an effective system of internal controls, resulting in delays in the settlement of claims. Accumulated liabilities amounting to Rs 9,085.352 million significantly undermined the company's operational and financial stability.

Over the last three financial years, PLICL has experienced a consistent decline in the number of policies issued, premium income, and sum assured. Although the number of policies issued in FY 2024–25 showed a 17 percent increase compared to FY 2023–24, the overall downward trend raises serious concerns regarding the company's long-term financial sustainability. The management has also failed to take proactive steps to identify new revenue streams by introducing innovative insurance products in line with its business plan. The decline in performance is largely attributable to delayed claim settlements, inefficient operational, sales, and financial management, as well as weak underwriting practices. A detailed analysis is provided below:

Year	No. of new policies	Premium Amount (Rs)	Sum assured (Rs)	% age of Increase/ (decrease) in policies
2021-22	1789	83,369,799	1,146,482,000	-
2022-23	1700	81,609,031	1,105,622,250	(5%)
2023-24	1048	51,148,593	686,644,120	(38%)
2024-25	1226	43,570,797	815,836,000	17%



In addition, the management's practice of settling claims without prior pre-audit raised serious concerns regarding data accuracy, reliability, and financial integrity. These issues were exacerbated by the absence of dedicated in-house insurance software and reliance on consultant-provided systems. Furthermore, critical leadership positions including those of Chief Executive Officer, Head of Internal Audit, Chief Financial Officer, and Chief Investment Officer remained vacant, adversely affecting daily operations, strategic planning, and decision-making.

The company failed to establish an effective sales and distribution structure contributed to a sharp 38 percent decline in business in terms of new policies during FY 2023–24, as compared to a 5 percent decline in FY 2022–23. However, during FY 2024–25, the number of new policies increased by 17 percent over the preceding year (FY 2023–24). Despite this growth in volume, the total premium decreased from Rs 51.149 million in FY 2023–24 to Rs 43.571 million in FY 2024–25, indicating that policies of relatively smaller value were secured during the year. Persistent challenges in resolving asset transfer issues from the PPOD, despite the convening of five Joint Management Team (JMT) meetings, further impeded operational efficiency.

In conclusion, PLICL was established to ensure regulatory compliance, reverse declining policy trends, and strengthen revenue generation. However, weak governance, management inefficiencies, delays in claim settlements, and the absence of product innovation have significantly constrained its growth in the life insurance market. Structural deficiencies such as vacant key positions, reliance on outdated or external software, and ineffective sales mechanisms have further exacerbated the decline in business performance. Unresolved asset transfer matters between PLICL and the PPOD continue to pose operational challenges.

To regain stability and competitiveness, PLICL must urgently address governance and management shortcomings, strengthen internal controls, fill key leadership positions, and introduce innovative insurance products aligned with market needs. A renewed focus on accountability, operational efficiency, and strategic growth is essential to revitalize the company and ensure its sustainability in an increasingly competitive insurance landscape.

MINISTRY OF COMMUNICATIONS

PAKISTAN POST OFFICE DEPARTMENT

Chapter-1

Pakistan Post Office Department

1.1 Introduction

A. The PPOD stands as an institution deeply rooted in history, tracing its origins to the colonial era, making it one of the oldest government departments in the Sub-Continent. Since its inception, the PPOD has played a pivotal role in shaping communication, commerce, and financial transactions within Pakistan. As an integral part of the nation's infrastructure, the department has evolved to meet the changing needs of society, serving as a critical link that connects millions of people throughout the country.

The PPOD was established as a service department under the Post Office Act, 1898. The department is headed by the Director General who is also the Chairperson of the Pakistan Postal Services Management Board. However, after the promulgation of the State-Owned Enterprises (Governance and Operations) Act, 2023, the PPSMB was reconstituted and five independent members were also included in the Board. The Board is headed by an independent member. The department consists of 09 Circles, each headed by a Postmaster General, based at Quetta, Karachi, Hyderabad, Multan, Lahore, Rawalpindi, Islamabad, Peshawar and Muzaffarabad. With a remarkable physical footprint, the PPOD boasts a network of 10,508 post offices, including 85 General Post Offices (GPOs) strategically managed by a workforce of 38,853 employees, including both regular and extra-departmental personnel. This extensive network ensures that the services provided by the PPOD reach urban centers and remote regions alike, making it a ubiquitous presence throughout the country.

The core functions of the Pakistan Post Office are diverse and expansive, encompassing both domestic and international postal services, as well as facilitating money orders. Beyond traditional postal activities,

the PPOD operates as an agency on behalf of the Federal and Provincial Governments, undertaking essential tasks such as the collection of utility bills, tax collection, and managing Western Union transactions. The department is also entrusted with the secure delivery of crucial identification documents, including NADRA ID cards and passports. In addition to these functions, the National Security Printing Corporation (NSPC), Karachi prints all types of postal stamps and revenue documents and the Chief Controller of Stamps (CCS), Karachi supplies these documents/stamps to all postal formations. This multifaceted approach underscores the PPOD's commitment to providing comprehensive services that address the varied requirements of its extensive clientele.

B. Comments on Budget and Accounts

i) The expenditure of Rs 145.029 million incurred under heads A09–Acquiring Physical Assets and A12–Civil Works during FY 2024-25 was not capitalized in the Balance Sheet, resulting in an understatement of fixed assets. Consequently, the value of fixed assets was reported as Rs 1,394.787 million as at 30 June 2025, which remained unchanged from the balance as at 30 June 2024.

ii) After the implementation of the Public Finance Management Act, 2019, receipts amounting to Rs 3,171.383 million and payments of Rs 2,134.464 million were shown as negative balances under the discontinued head of account for agency function G-7106 “Pakistan Post Office Miscellaneous”. The recording of receipts and payments under obsolete heads of account was unauthorized following the introduction of the Treasury Single Account (TSA) system in the PPOD.

iii) An amount of Rs 2,158.080 million was shown as cash with postmasters on the asset side of the Balance Sheet of the PPOD. After the discontinuation of the LoC system and the implementation of the TSA system, retention of cash by post offices was unjustified and resulted in an overstatement of the PPOD accounts. In addition, a decrease of Rs 1,039.939 million from the previous year’s balance

of Rs 3,198.019 million was not disclosed in the notes to the Balance Sheet.

iv) As per Note-7(ii) to the Balance Sheet of the PPOD, an amount of Rs 7,289.479 million under the head of account G07113 “Inland Money Orders” remained unadjusted as at 30 June 2025 due to differences in money orders issued, which required adjustment.

v) The Financial Statements of the Pakistan Post Office Department showed that expenditure of Rs 30,355.985 million was incurred under Grant No. 26, whereas revenue amounted to Rs 11,033.994 million, resulting in a deficit of Rs 19,321.991 million during FY 2024-25. The substantial deficit was attributable to heavy expenditure and reflected ineffective financial controls. The deficit increased by Rs 5,892.910 million (43.88%) compared to the previous year.

vi) The Finance and Revenue Accounts further revealed an outstanding balance of Rs 1,421.610 million under head Advances Repayable and Objection Book Advances (F02147 and F02151), recoverable from employees as at 30th June, 2025.

Table-1 Audit Profile of Pakistan Post Office Department

(Rs in Million)

Sl. No.	Description	Total	Audited	Expenditure audited FY 2024-25	Revenue / Receipts audited FY 2024-25
1	Formations	127	50	2,495.594	7,499.681

1.2 Classified Summary of Audit Observations

Audit observations amounting to Rs 61,358.734 million were raised in this report during the current audit of the Pakistan Post Office Department. This amount also includes recoveries of Rs 1,500.068 million as pointed out by audit. A summary of the audit observations classified by nature is as follows:

Table-II Overview of Audit Observations

(Rs in Million)

Sl. No.	Classification	Amount
1.	Reported cases of fraud, embezzlement and misappropriation	50.395
2.	Irregularities (A+B+C)	**42,072.686**
A	Procurement related irregularities	53.569
B	Management of Accounts with Commercial Banks	42,019.117
3.	Value for money and service delivery issues	-
4.	Receivables	1,320.072
5.	Other Irregularities	17,915.581
	Total	**61,358.734**

1.3 Status of Compliance with PAC Directives

Following table shows the compliance s tatus of PAC directives.

Sl. No.	Audit Report Year	Total Paras	Total No. of directives	Compliance			% of Compliance
				Received	Partial	Not Received	
1	1989-90	34	34	27	3	4	79
2	1991-92	31	31	15	5	11	48
3	1992-93	40	40	32	3	5	80
4	1993-94	20	20	9	5	6	45
5	1994-95	42	42	20	8	14	48
6	1996-97	89	89	46	7	36	52
7	1997-98	72	72	23	9	40	32
8	1998-99	74	74	35	7	32	47
9	1999-2000	56	56	4	11	41	7
10	2000-01	66	66	53	5	8	80
11	2001-02	23	23	10	9	4	43
12	2002-03	26	26	2	6	18	8
13	2003-04	17	17	8	4	5	47
14	2004-05	27	27	2	5	20	7
15	2005-06	30	30	17	2	11	57
16	2006-07	20	20	9	10	1	45
17	2007-08	30	30	17	2	11	57
18	2008-09	36	36	6	11	19	17
19	2009-10	70	70	34	23	13	49
20	2010-11	69	69	10	8	51	15
21	2011-12	76	76	4	2	70	5
22	2012-13	82	82	3	7	72	4
23	2013-14	84	84	17	10	57	20
24	2014-15	41	41	5	13	23	12
25	2015-16	58	13	1	12	45	8
26	2016-17	62	44	11	26	25	25
27	2017-18	62	49	5	34	23	10
28	2018-19	57	57	5	26	26	8
29	2019-20	76	12	7	02	03	58
30	2022-23	33	05	0	0	05	0
31	2023-24	32	10	01	01	08	10
30	2016-17 (SAR MPP)	14	14	0	2	12	0
31	1994-95 (SAR)	13	13	9	4	0	69
32	1996-97 (SSR)	13	13	2	11	0	15
33	1999-2000	14	14	3	11	0	21

	(SAR-114)						
34	1999-2000 (SAR-120)	10	10	0	10	0	0
35	1999-2000 (SAR-123)	7	7	3	4	0	43
36	2000-01 (SAR- 170)	52	52	37	15	0	71

The above table shows that the PPOD is not complying fully with the PAC directives. The PAO needs to look into the large number of pending PAC directives and take steps for their early compliance.

AUDIT FINDINGS

AUDIT FINDINGS

1.4 Cases of fraud, embezzlement and misappropriation

1.4.1 Loss due to theft & misappropriation - Rs 50.395 million

According to Para 238 of Post Office Manual Vol-VIII, the Superintendent must inspect, twice every twelve months, each head office and second-class head office within the limits of his division. The inspecting officer will not be relieved of his responsibility for contributing to the commission of any fraud or defalcation of government money, which has remained undetected during the inspection by him. Further, Rule 23 of Serial No.7, Appendix-2 of GFR Vol-II describes that in all such cases, departmental proceedings should be instituted at the earliest against all delinquents even against a government servant being prosecuted in a Criminal Court.

In nine (09) formations of the PPOD under the Ministry of Communications, Islamabad, the management detected 33 cases of fraud, misappropriation, embezzlement and dacoity in the collection of utility bills, value payable articles, money orders and cash involving a total amount of Rs 50.395 million during FY 2024-25. Detail is given in **Annex-III.**

Audit observed that the PPOD management neither recovered the objected amount from the officials involved in corruption and corrupt practices nor finalized disciplinary proceedings against them despite a lapse of a considerable period.

Audit contends that the non-recovery of the embezzled amount and the delay in the finalization of disciplinary proceedings against the officials raise serious concerns which reflect weak internal controls.

The matter was reported to the PAO and management during August to November, 2025. It was replied that an amount of Rs 7.669

million had been recovered and efforts are underway to recover the remaining amount.

The reply is not tenable as the disciplinary proceedings against the culprits were neither finalized nor the recovery was made as yet.

The matter was discussed in the DAC meeting held from 2nd to 4th of December, 2025. The DAC directed the management to recover the remaining amount, finalize disciplinary proceedings and get it verified from audit. No further progress was intimated till the finalization of this report.

Audit recommends immediate implementation of DAC directives.

Note: The issue was also reported earlier in the Audit Report(s) for Audit Year(s) 2018-19 to 2023-24 vide para(s) number 3.1.1, 1.4.1 to 1.5.7, 1.4.1 to 1.4.3, 1.4.1 to 1.4.3, 1.4.1 to 1.4.5, 1.4.1 & 1.5.1 to 1.5.2 respectively having financial impact of Rs 3,324.2 million. Recurrence of the same irregularity is a matter of serious concern.

(DP No. 68)

1.5 Irregularities

A. Procurement related irregularities

1.5.1 Irregular award of contract to security companies – Rs 53.569 million

According to Rule-38 of Public Procurement Rules, 2004, the bidder with the most advantageous bid, if not in conflict with any other law, rules, regulations or policy of the Federal Government, shall be awarded the procurement contract. Rule 2(h)(ii) ibid further stipulates that the bid in compliance with all the mandatory (technical) specification/ requirements and having lowest or financial proposal shall be considered the highest ranked bid based on inverse proportion calculation. In such combination, there shall be some specific weightage of both the technical proposal and financial proposal. The highest ranked bid shall be declared on the basis of combined evaluation.

Two postal circles of the PPOD under the Ministry of Communications awarded the procurement contracts worth Rs 53.569 million for hiring of security services. The detail is as follows:

(Rs in Million)

Name of Circle	PDP No.	Name of Security Company	Amount
PMG Hyderabad Circle	15	M/s Indus & Security Services	28.757
PMG, Islamabad Circle	19	M/s Sigma Security Services	24.812
		Total:	**53.569**

Audit observed that:

i) The PMG Hyderabad invited bids for hiring security services in July, 2023 and three firms were declared technically qualified. M/s Safety & Security Services was initially declared the lowest bidder, but its bid was rejected by the Grievance Committee for being below the minimum wage threshold and recommended the 2nd lowest bidder M/s Internet & Security Services for award of contract. The management awarded the contract to the 3rd lowest bidder, M/s Indus & Security Services instead of 2nd lowest bidder as recommended by the grievances committee.

ii) The PMG Islamabad conducted the technical evaluation of bids solely on a marks basis, while financial proposals were not evaluated through the inverse proportion method to determine most advantageous bid as required under PPRA. Further, clause 11.1 of the bidding documents prescribes 70 marks for selection/ qualification but during evaluation, the thresh hold was arbitrarily raised to 75 marks, violating the approved criteria.

Audit contends that the irregularities indicate non-compliance with procurement rules, weak internal controls, and compromised competitiveness.

Audit pointed this out to the management and PAO during September to November, 2025. The PMG Hyderabad replied that M/s

Safety & Security Services quoted the lowest rate. The Grievance Committee observed that the bid of the vendor was non-responsive as the net wage after deduction of taxes was below the minimum wage rates. The 2nd lowest bidder, M/s Internet Security Systems, also failed to meet mandatory documentary requirements. Therefore, the contract was awarded to the 3rd lowest bidder with the approval of the competent authority. The PMG Islamabad replied that out of seven, five were declared technically qualified. During financial scrutiny, one bidder complied with the compulsory Government-notified wage structure for security guards. The remaining bidders either quoted below-minimum wages or failed to meet essential conditions. However, an inquiry into the matter was being conducted.

The reply is not tenable as the grievance committee had recommended the award of the contract to M/s. Internet & Security Services, the 2nd lowest bidder. No documentary evidence was provided regarding non-fulfilment of mandatory documentary requirements by the 2nd lowest bidder. Further, the technical evaluation was conducted on marks basis while financial proposals were not evaluated as per Rule 2(h)(ii) of the PPRs.

The matter was discussed in the DAC meeting held from 2nd to 4th of December, 2025. The DAC directed the management to conduct fact finding inquiries at the Ministry level within one month and the inquiry report be shared with audit. No further progress was intimated till the finalization of this report.

Audit recommends immediate implementation of DAC directives.

(DP No.15 & 19)

B. Management of Accounts with Commercial banks

1.5.2 Missing Bank Credit of Utility Bill Collections – Rs 36,357 million

According to Para 6 of the Accounting Procedure issued by DGPPO vide letter dated the 21st of December 2022 for Utility

Companies, amounts collected by each GPO are required to be deposited in the designated NBP Account No. 4178563145 titled "Pakistan Post Agency Functions – Utility Bills" after deduction of service charges. Further, Para 14 of the procedure stipulates that the Director General, PPOD (Head Office) shall arrange reconciliations among the PPOD, Utility Companies, NBP, and DA PPO, Lahore. Postal Circles are also mandated to ensure regular reconciliations with designated NBP branches and submit reports to Head Office for consolidation.

The PPOD, under the Ministry of Communications opened a current account (declared as TSA by the Finance Division on the 23rd of September, 2024) with NBP to avail banking services for credit of their funds to be deposited in cash by 85 GPOs all over Pakistan limited to the amount of collections of different utility companies/agencies and subsequent transfer of these funds to utility companies through debit advice issued by the PPOD.

Audit observed that eighty-five (85) GPOs deposited an amount of Rs 1,028.921 billion for the period from June, 2022 to June, 2025 into NBP. However, only Rs 992.564 billion was credited by the bank, which resulted in a short credit of Rs 36.357 billion to the agency function account.

Audit contends that this anomaly indicates that either the bank failed to credit the full amount into the agency function account or collections were not deposited in the bank but were recorded in the PPOD, accounts. The non reconciliation of mandatory periodic reconciliations with NBP, leading to accumulation of un-reconciled differences of significant magnitude, also poses a serious financial risk.

The matter was reported to the PAO and management during September & November, 2025. It was replied that after reconciliation with departmental data i.e deposit slips and debit memos, the variations pointed out by the PPOD i.e. 132,595 credit transactions and 3,597 debit transactions were sent to NBP for rectifications and corrections.

The reply is not tenable as the PPOD did not reconcile variations with NBP on monthly basis as per the accounting procedure for agency functions and the MOU signed with NBP.

The matter was discussed in the DAC meeting held from 2nd to 4th of December, 2025. The DAC directed the management to reconcile the data with NBP and the outcome thereof be shared with audit. No further progress was intimated till the finalization of this report.

Audit recommends the implementation of DAC directives.

(DP No. 4)

1.5.3 Non-deposit of cash into NBP agency functions account– Rs 5,631.25 million

According to Para 6 of the Accounting Procedure of Utility Bills Collection, the amount collected by each GPO is required to be deposited in the NBP designated account No. 4178563145 titled as "Pakistan Post Agency Functions-Utility Bills". Para 8 further stipulates that the Chief/Senior Postmaster of the collecting GPO will daily transfer the whole amount of the concerned utility bill collection to the respective company after deduction of service charges maintained with NBP through transfer advice after issuance of proper sanction memo.

The PPOD under the Ministry of Communications, collected cash on account of utility bills, zakat, PLIC premium, taxes, recoveries and other agency/commercial functions which were ultimately transferred to the concerned companies/organizations. The DA PPOD, conducted reconciliation regarding receipts and payments to utility companies for the period from 2021-22 to 2024-25 and the results thereof were communicated to the PPOD management at the close of financial year 2024-25.

Audit observed that Eighty-five (85) GPOs collected Rs 982,104.935 million and deposited Rs 976,473.685 million into the

NBP designated bank account which resulted in short deposit of Rs 5,631.25 million.

Audit contends that lesser deposit of cash than the collected amount in the agency function account indicates procedural lapses and a lack of an effective reconciliation mechanism within the PPOD. Further, the PPOD also failed to identify where this lesser deposited amount was utilized.

The matter was reported to the PAO and management during September & November, 2025. It was replied that an amount of Rs 3,931.412 million had been deposited into the designated bank account. As regards the AJK circle, the GPOs paid the amount directly to the utility companies instead of depositing it into the agency function account.

The reply is not tenable as no documentary evidence was provided regarding the deposit of the amount into the agency function account. Further, the AJK circle made payment directly to utility companies instead of depositing it into the agency function account in violation of the accounting procedure. Moreover, no evidence was provided in this case as well.

The matter was discussed in the DAC meeting held from 2nd to 4th of December, 2025. The DAC directed the management to provide the record of the reconciled amount with the DA PPO Lahore and the subsequent deposit into the agency function account. It further directed the management, to reconcile the remaining amount within ten (10) days and get it verified from audit. No further progress was intimated till the finalization of this report.

Audit recommends immediate implementation of DAC directives.

(DP No. 37)

1.5.4 Unauthorized withdrawal by NBP from Quality Service Fund Account –Rs 30.867million

According to Section 146(3)(a) of the Banking Companies Ordinance 1962, the jurisdiction of the Banking Mohtasib in relation to

banking transaction shall be to enquire into complaints of banking malpractices. Section 147(6)(iii) further stipulates that, the Banking Mohtasib shall exercise his powers and authority in relation to fraudulent or unauthorized withdrawals or debit entries in the accounts.

The Pakistan Post Office Department (PPOD) maintains a non-lapsable Assignment Account No. 270776/1182864636 titled "Quality of Service Fund" at the National Bank of Pakistan (NBP) for receiving funds against projects approved/funded by the Universal Postal Union (UPU). This account was opened with the approval of the Finance Division. As of 30th of June, 2025, the account had a balance of Rs 30,866,876.

Audit observed that NBP (Main Branch) withdrew the entire amount of Rs 30,866,876 on 30th June, 2025 reducing the balance to nil, without any prior intimation or authorization from the PPOD. The funds were redeposited into the same account on the 22nd July, 2025 and the PPOD management remained unaware of this withdrawal.

Audit contends that the withdrawal of funds by NBP from a government-owned assignment account without prior authorization raises serious concerns over transparency, custodial control, and fiduciary responsibility.

The matter was reported to the management and PAO during September & November, 2025 it was replied that, the PPOD sought clarification from the Chief Manager, NBP Main Branch, Islamabad, However, no response was received to date. The matter was then taken up with the Banking Conduct & Consumer Protection Department, State Bank of Pakistan, for an independent investigation under Section 147 of the Banking Companies Ordinance on 22nd of September, 2025.

The reply is not tenable as the NBP had withdrawn the amount on 30th of June, 2025 but the PPOD management remained unaware of this withdrawal.

The matter was discussed in the DAC meeting held from 2nd to 4th of December, 2025. The DAC directed the management to pursue the case with the SBP vigorously for inquiry and to settle the para subject to revision of the MOU signed with NBP within ten (10) days. No further progress was intimated till the finalization of this report.

Audit recommends the implementation of DAC directives.

(DP No. 2)

1.5.5 Non-compliance with treasury single account rules

The Finance Division vide its letter dated the 23rd of September, 2024 declared the PPOD agency function account (utility bill collection) with daily sweeping arrangements under TSA rules. NBP was required under TSA rules to bring the account balance to zero at 5:00 PM each day and restore the same amount at 9:00 AM the next banking day morning.

The PPOD, under the Ministry of Communications, opened a current account with the National Bank of Pakistan (NBP) for depositing the agency function receipts and subsequent payment to the utility companies. After taking the said account into the single treasury account under sweeping arrangement, audit examined the bank statement and observed that:

i) On several occasions, after making a TSA withdrawal, a balance amount in billions of rupees was left in the account even after sweeping the balance. The detail is as follows:

Date	Balance before TSA withdrawal (Rs)	TSA withdrawal by NBP (Rs)	Balance available after sweep (Rs)
06.12.2024	14,515,821,243	10,515,821,243	4,000,000,000
09.12.2024	13,924,014,019	5,924,014,019	8,000,000,000
10.12.2024	14,942,491,324	6,942,491,324	8,000,000,000
11.12.2024	11,942,189,889	3,942,189,889	8,000,000,000
31.12.2024	8,198,212,153	6,198,212,153	2,000,000,000
31.01.2025	13,911,248,966	12,911,248,966	1,000,000,000

26.02.2025	7,422,446,320	7,395,511,106	26,935,214
14.04.2025	8,636,448,686	8,630,800,432	5,648,254

ii) The bank withdrew the full amount daily and still carried out more than 300 deposit and withdrawal transactions afterward. As a result, the account showed closing balances of millions and even billions on the same day, violating the required zero-balance procedure.

iii) On the 14th April, of 2025 (Monday), the bank made a TSA withdrawal of Rs 8,630,800,432 leaving the balance in the account at Rs 5,648,254. The amount was credited to the account on the 16th of April, 2025 (Wednesday) instead of repatriation of funds back into the account on the 15th of April, 2025 (Tuesday) violating the TSA instructions.

iv) After declaring the account as TSA, the bank daily sent a cash report to the PPOD management through email, but the PPOD management did not raise this issue with the State Bank of Pakistan and the Finance Division regarding non-implementation of TSA instructions.

Audit contends that keeping large balances in the account after TSA withdrawals shows weak enforcement of TSA rules by both NBP and the PPOD. Carrying out many transactions after bringing the balance to zero defeats the purpose of TSA and reflects poor monitoring. The PPOD took no action despite daily reports from NBP, showing negligence and lack of oversight. These irregularities violate TSA rules and increase the risk of misuse of funds.

The matter was reported to the management and PAO during September & November, 2025. It was replied that NBP was responsible for implemented the TSA instructions. The Finance Division also issued instructions to the SBP to devise a necessary operational mechanism for the transfer of funds to Account No. 1 on a daily basis and its repatriation on the next working day. However, the matter had been taken up with the

SBP and the Finance Division on 25th of November, 2025 for non-observance of TSA rules.

The reply is not acceptable as the PPOD was also equally responsible for ensuring compliance with TSA rules, being the account holder. Further, the PPOD also did not take any notice after the receipt of daily cash balance reports through email from NBP.

The matter was discussed in the DAC meeting held from 2nd to 4th of December, 2025. The DAC referred the para to PAC for corrective measures. No further progress was intimated till the finalization of this report.

Audit recommends that the PPOD management should pursue the case with the SBP and the Finance Division for observance of TSA rules in true letter and spirit.

(DP No. 34)

1.6 Receivables

1.6.1 Non-recovery of postal dues – Rs 981.289 million

According to Article 5 of the PT&T, IAC Volume-I and Para 8 of GFR Volume-I, it is the duty of the administrative department concerned to see that the dues of the Govt. are correctly and promptly assessed, collected and paid into the treasury.

The PPOD under the Ministry of Communications Islamabad executed different kinds of agreements for the provision of services with various departments, agencies, and autonomous bodies and received service charges on a monthly basis according to agreed rates.

Audit observed that forty-three (43) formations of the PPOD did not recover the different kinds of service charges/ postal dues, terminal dues, compensation cost from foreign postal administrations, service charges from utility companies etc. amounting to Rs 981.289 million during FY 2024-25. Detail is given in **Annex – IV.**

Audit contends that the non-recovery of postal dues despite the provision of postal services reflects weak financial controls.

The matter was reported to the PAO and management during August to November, 2025. It was replied that an amount of Rs 282.957 million had been recovered and efforts are underway to recover the remaining amount. No further progress was intimated till the finalization of this report.

The reply is not acceptable as no documentary evidence was provided for verification of the recovered amount.

The matter was discussed in the DAC meeting held from 2nd to 4th of December, 2025. The DAC directed the management to get the record verified from audit for the recovered amount. The DAC further directed the management to recover the remaining amount and get it verified from audit. No further progress was intimated till the finalization of this report.

Audit recommends that strenuous efforts be made to recover the outstanding postal dues without any further delay under intimation to audit.

Note: The issue was also reported earlier in the Audit Report(s) for Audit Year(s) 2018-19, 2019-20, 2021-22, 2022-23 & 2024-25 vide para(s) number 3.4.3, 1.8.2, 1.7.3, 1.7.2 & 1.8.3 respectively having financial impact of Rs 1,514.582 million. Recurrence of the same irregularity is a matter of serious concern.

(DP No. 57)

1.6.2 Non-recovery from PTCL on discharge of Defense Saving Certificates –Rs 338.783 million

According to the Finance Division U.O. No. F6(15) DS.Exp(Comm)/2019-20/47 dated the 15th of January 2024, PTCL's claim should be paid only if supported by a specific court decision or duly verified default by the PPOD as per its prescribed powers. Any unclaimed balance belongs to the Federal Government, and in all other cases, the security deposit should be recovered from PTCL.

The Pakistan Post Office Department under the Ministry of Communications, paid an amount of Rs 338,782,737 (Principal Rs 7,790,050 plus profit Rs 330,992, 687) to M/s. PTCL on account of encashment of defense saving certificates during 2014-15 to 2018-19 deposited by the general public as a security deposit for telephone connections in the previous years.

Audit observed that the said amount was neither recovered from M/s. PTCL nor the case was taken up with PTCL for recovery as per the clarification issued by the Finance Division.

The matter was reported to the management and PAO during September & November, 2025. It was replied that the matter had been taken-up with PTCL authorities on the 20th of November, 2025 for refund of the amount on account of discharge of defense saving certificates.

The reply is not tenable as the Finance Division issued guidelines on the 15th of January, 2024 for recovery from PTCL. Whereas, the PPOD took up the case with PTCL after a lapse of about two years.

The matter was discussed in the DAC meeting held from 2nd to 4th of December, 2025. The DAC directed the management to take-up the matter with PTA being the regulator for recovery. No further progress was intimated till the finalization of this report.

Audit recommends the implementation of DAC directives.

(DP No. 21)

1.7 Other Irregularities

1.7.1 Unauthorized utilization of liquidity – Rs 11,278 million

According to Articles 22 and 23 of the PFM Act, 2019, "the operation of the Federal Consolidated Fund and the Public Account of the Federation shall vest in the Finance Division under the overall supervision of the Federal Government and no authority shall incur or commit any expenditure or enter into any liability involving expenditure from the

Federal Consolidated Fund and Public Account of the Federation until the same has been sanctioned by a competent authority duly empowered".

The Finance Division, vide its letter dated 25th June, 2021, disallowed the Pakistan Post Office Department's (PPOD) direct access to the Central Account-I (Non-Food) and discontinued the practice of withdrawal of funds through Letter of Credit (LoC), effective from 1st of July, 2022. After the discontinuation of the letter of credit, the cash of Rs 13.433 billion was available with post offices as on 31st of July, 2022 which was reduced to Rs 2.154 billion as on 30th June, 2025. The detail is as follows:

(Rupees in Billion)

Opening balance as on 31st July, 2022 after discontinuation of LoC	**Closing balance as on 30th June, 2023**	**Closing balance as on 30th June, 2024**	**Closing balance as on 30th June, 2025**
13.433	6.593	3.198	2.154

Audit examined the relevant record and observed that after the opening of separate bank accounts for each agency function and the acceptance of liability balance of utility companies by the Finance Division, the PPOD utilized the cash balance of Rs 11.278 billion from July, 2022 to June, 2025. The utilization of a substantial amount of cash without authority was rendered un-authorized.

Audit is of the view that this situation depicts potential financial mismanagement and lacks transparency in the utilization of public funds.

The matter was reported to the management and PAO during September & November, 2025. It was replied that an amount of Rs 10.687 billion was excessively deposited into account No. 1, whereas an amount of Rs 0.807 billion relating to the LoC was used for payment of military pension by the GPOs. However, a reconciliation team under the chairmanship of the Addl. DG (FS) was actively working to reconcile the relevant data. Once the reconciliation process was completed, the

comprehensive report along-with explanation for the utilization of funds would be shared with audit.

The reply is not acceptable as the cash was gradually decreased in the last three years as shown in the above table. Further, no documentary evidence was provided regarding the deposit of cash into Account No. 1. Moreover, the DG PPO vide its letter dated the 30th of March, 2025 had also shown concern about the decreasing trend of liquidity. As regards the utilization of Rs 0.807 billion, an amount of Rs 0.346 billion was utilized from the LoC whereas the remaining amount of Rs 0.461 billion was utilized from agency function collections.

The matter was discussed in the DAC meeting held from 2nd to 4th of December, 2025. The DAC directed the management to finalize the reconciliation process and the report be shared with the PAO/Audit for scrutiny. No further progress was intimated till the finalization of this report.

Audit recommends the implementation of DAC directives.

(DP No. 6)

1.7.2 Non-deposit of revenue into the Federal Consolidated Fund – Rs 2,341.202 million

Articles 21 & 40(C)(2) of the Public Finance Management Act, 2019 requires that all Ministries and Divisions, their attached departments and subordinate offices and all public entities if so, required by their statutes, shall arrange remittances in the Federal Consolidated Fund (FCF) without delay, of all revenues as required by Article 78 of the Constitution and the Controller General of Accounts shall be responsible for its proper accounting. The revenue collection offices shall not retain or appropriate the collected amount to meet departmental expenditure except through the budgetary mechanism as provided under articles 80 to 83 of the Constitution.

The PPOD under the Ministry of Communications, Islamabad is performing various core and agency functions and generating revenue through the sale of postage stamps, booking of registered letters/parcels,

commission on, money orders, rent recoveries, commission realized from utility companies, and commission from other agency functions etc.

Audit observed that twenty-four (24) formations did not deposit/transfer the collected postal revenue of Rs 2,341.202 million into the Federal Consolidated Fund during FY 2024-25. Detail is given in **Annex-V.**

Audit contends that due to weak financial discipline and internal controls PPOD failed to deposit the collected amount into the Federal Consolidated Fund (FCF) promptly as required under the PFM Act, 2019.

The matter was reported to the management and PAO during August to November, 2025. It was replied that an amount of Rs 77,370,448 had been deposited into the Federal Consolidated Fund (FCF) and efforts were underway to transfer the remaining amount.

The reply is not acceptable as no documentary evidence regarding the deposit of the amount into the Federal Consolidated Fund (FCF) was provided to audit for verification.

The matter was discussed in the DAC meeting held from 2nd to 4th of December, 2025. The DAC directed the management to produce the record of the transferred amount for verification besides the transfer of the remaining amount into the Federal Consolidated Fund (FCF) under intimation to audit. No further progress was intimated till the finalization of this report.

Audit recommends the implementation of DAC directives.

Note: The issue was also reported earlier in the Audit Report(s) for Audit Year(s) 2023-24 & 2024-25 vide para(s) number 1.8.5 & 1.9.7 respectively having financial impact of Rs 3,455.804 million. Recurrence of the same irregularity is a matter of serious concern.

(DP No 56)

1.7.3 Unauthorized payment of money orders from postal revenue and agency functions receipt–Rs 1,100.420 million

According to Para 16 of the Accounting Procedure of Money Orders, the amount collected on account of money orders issued and unpaid by each GPO is required to be deposited into NBP Account No. 4179372126 titled as "PPOD Operations Money Order". Similarly, the amount for payment of money orders will be drawn from the account through cheques as per requirement on daily basis.

Twelve (12) formations of the PPOD under the administrative control of the Postmaster General Lahore disbursed an amount of Rs 1,127,609,274 on account of money orders during the financial years 2022-23 to 2024-25.

Audit observed that:

i) The payment of money orders was made from Postal revenue and agency function receipts.
ii) The revenue was recorded in the books of accounts but actually it could not become part of the Federal Consolidated Fund (FCF), resulting in mis-reporting of revenue to that extent.

Audit contends that the unauthorized payment of money orders out of postal revenue and agency function receipts reflects a weakness in financial discipline and internal control structure.

The matter was reported to the management and PAO during August to November, 2025. It was replied that the Accounting Procedure for Money Order Services was issued in December 2022 and the designated MO account became operational in January 2023. Due to non-availability of funds in this account, several GPOs either delayed depositing MO receipts or made MO payments from other postal receipts, which were later adjusted/deposited. However, an inquiry had been ordered to fix responsibility on the concerned GPOs.

The reply is not tenable as the PPOD management did not segregate the revenue and agency function amount utilized for payment of money orders. During verification an amount of Rs 27,189,460 had been verified and the amount of the para was reduced to the extent of the verified amount.

The matter was discussed in the DAC meeting held from 2nd to 4th of December, 2025. The DAC directed the management to complete the inquiry within one month and the outcome be shared with audit. The DAC further directed that the revenue amount be deposited into the Federal Consolidated Fund (FCF) and the agency function amount be adjusted against the relevant head of accounts. No further progress was intimated till the finalization of this report.

Audit recommends the implementation of DAC directives.

(DP No.3)

1.7.4 Irregular expenditure on purchase of revenue stamps – Rs 1,026.620 million

According to Article 21 & 40(C)(2) of the Public Finance Management Act, 2019 all Ministries and Divisions, their attached departments and subordinate offices and all public entities if so required by their statutes, shall arrange remittances in the Federal Consolidated Fund (FCF) without delay. The revenue collection offices shall not retain or appropriate the collected amount to meet departmental expenditure except through the budgetary mechanism. The Finance Division (Budget Wing) vide letter dated the 25th of June, 2021 devised a new cash management system in pursuance of the Public Finance Management Act, 2019 and directed the PPOD to implement the system w.e.f. the 1st of August, 2021.

Prior to the implementation of the New Cash Management Regime, PPOD purchased revenue stamps from funds drawn through Letters of Credit (LoC) and deposited the sale proceeds into the Federal Consolidated Fund (FCF). However, after the discontinuation of LoC-based drawals, no separate budgetary allocation or imprest was provided

to PPOD for the purchase of revenue stamps, nor was any revised accounting procedure prescribed. The PPOD under the Ministry of Communications purchased and sold revenue stamps of Rs 1,026,619,637 from treasuries for the period from 2022-23 to 2024-25 as per the following details:

(Amount in Rupees)

2022-23	2023-24	2024-25	Grand Total
310,403,976	379,738,597	336,477,064	1,026,619,637

Audit observed that:

i. Postal receipt was utilized for the purchase of revenue stamps instead of depositing the same into the Federal Consolidated Fund (FCF).
ii. After the implementation of the new cash management regime in the PPOD effective from July 2022, no accounting procedure was devised and approved by the competent authority.
iii. The PPOD was not receiving any service charges/ commission on the sale of revenue stamps.

Audit contends that, the purchase of revenue stamps from postal receipts indicates weak financial controls, non-compliance with statutory provisions, and irregular use of public funds.

The matter was reported to the management and PAO during August to November, 2025. It was replied that, the revenue stamps were purchased and sold as an obligation imposed by the Government of Pakistan and the case had been taken up with the Finance Division for approval of imprest money.

The reply is not tenable as the revenue stamps were purchased from the revenue of the PPOD instead of depositing the same into the Federal Consolidated Fund (FCF).

The matter was discussed in the DAC meeting held from 2nd to 4th of December, 2025. The DAC directed the management to pursue the case

with Finance Division vigorously. No further progress was intimated till the finalization of this report.

Audit recommends immediate implementation of DAC directives.

(DP No. 65)

1.7.5 Irregularities in renting out of space to NAB -Rs 590.813 million

According to Rule-7 of the Federal Treasury Rules, Volume-I, all moneys received by or tendered to Government officers on account of the revenues of the Federal Government shall without undue delay be paid in full into a treasury or into the bank. Money received as aforesaid shall not be appropriated to meet departmental expenditure. Further as per para 3.2.1 & 3.3.1 of the Lease & Tenancy Policy of Pakistan Post-2020, it requires that the concerned Postal Circle will submit capacity report and fair market assessment to Postal Headquarters, Islamabad for approval of the Director General for renting out of the said property and after obtaining approval, the Postal Circle will advertise its selected properties for rent, in main stream print and electronic media in accordance with the PPRs 2004.

The PPOD under the Ministry of Communications rented out space at the IMO (Parcel) building Karachi measuring 51,758 sq.ft at monthly rent of Rs 5,848,654 to NAB. The lease agreement was signed on the 1st of July, 2025.

Audit observed that:

i. A new clause was inserted in the lease agreement, on the direction of the Ministry of Communications, allowing adjustment of 50% of the rent against repair and maintenance costs. Consequently, the tenant deposited Rs 34.541 million and retained the remaining 50% amount, which was irregular, as government revenue cannot be appropriated to meet departmental expenditure.
ii. The space was rented out without observing the lease & tenancy policy as well as the PPRs and the rent agreement was directly

executed with NAB. Therefore, the contract amounting to Rs. 210,551,544 (Rs. 5,848,654 x 36 months) was held unauthorized.

iii. The building was rented out without considering the market rates prevailing in that area, causing a loss of rent amounting to Rs. 275,535,576 for the lease period. Further, the NAB authorities, had also occupied a lot of open space, for passage and parking of vehicles, on the front, back and right side of the GPO without any rent.

iv. A security deposit of Rs 70,183,848 was also not received from NAB.

Audit contends that the renting out of space to NAB was irregular and unauthorized, as the agreement was executed without observing the Lease & Tenancy Policy 2020 and the PPRs 2004, and involved an irregular adjustment of rental income against repair expenditure. The transaction resulted in a loss of revenue, non-recovery of the security deposit, and unauthorized use of additional space, indicating weak financial and administrative controls.

The matter was reported to the management and PAO during October to November, 2025. It was replied that NAB paid one-year advance rent of Rs 34.541 million, while the remaining 50% was retained for renovation as per the lease agreement. The agreement, treated as an administrative arrangement between two government entities, aimed to enhance revenue. The rent was fixed at Rs 113 per sq.ft as per Ministry of Housing rates and the matter of the security deposit was taken up with NAB.

The reply is not tenable as the revenue cannot be expended to meet departmental expenditure except through the budgetary mechanism. The space was rented out to NAB without following the approved lease and tenancy policy of the PPOD and without considering the market rates prevailing in that area.

The matter was discussed in the DAC meeting held from 2nd to 4th of December, 2025. The DAC took serious notice of the violations and directed recovery of adjusted rent from NAB, revision of the lease to include and recover rent for the occupied open space, assessment of market rates within ten days, and obtaining the security deposit in the form of CDR within one month, while renovation costs were to be met through the budgetary mechanism. No further progress was intimated till the finalization of this report.

Audit recommends immediate implementation of DAC directives.

(DP Nos. 12, 13, 14 & 39)

1.7.6 Non-payment to SEPCO -Rs 548.721 million

As per Articles 96 & 97 of the PT&T IAC Vol-1, the Consolidated Treasury Receipts (CTRs) and Consolidated Postal Receipts (CPRs) for payments made into the treasury and the moneys drawn from the treasury respectively should be prepared by the Postmaster of a GPO and sent to the District Treasury Office by the 4th of the next month and got verified from the Treasury Officer by the 10th of each month. The postmaster should then submit it to the DA PPOD Lahore for reconciliation.

Prior to the implementation of the new cash regime w.e.f the 1st of April, 2022, the PPOD collected cash on account of utility bills which was deposited into the Account No. 1 (Non-Food) and payments to the utility companies were made through cheques from the LoC issued by the DA PPOD Lahore. In the month of March, 2022, six GPOs Khairpur Mirs, Sukkur, Larkana, Nawab Shah, Shikarpur and Jacobabad collected cash of Rs 579,115,314 on behalf of SEPCO. Out of this Rs 548,721,905 was shown as paid to SEPCO as per the cash account.

Audit examined the relevant record and observed that:

i. The payment made during the month of March, 2022 Rs 548,721,905 was not verified by the district treasury officer,

Sukkur which showed that cash was charged in the cash account only.

ii. The actual collections remained Rs 579,115,314 during the month of March, 2022 whereas the same was shown as Rs 547,603,528 in the statement submitted to the DGPPO by the Dy. PMG, Hyderabad Circle on the 7th of May, 2022. Thus, an amount of Rs 31,511,786 was less accounted for.

Audit contends that the reported payment to SEPCO was neither verified by the District Treasury Officer nor supported by authentic payment evidence, indicating that the amount was only reflected in the cash account. Further, a short-accounting of Rs 31.512 million between actual collections and reported figures reflects weak financial controls and raises concerns regarding possible misreporting or misappropriation.

The matter was reported to the management and PAO in September & November, 2025. It was replied that an inquiry committee had been constituted on the 25th of November, 2025 to probe the issue within 15-days.

The matter was discussed in the DAC meeting held from 2nd to 4th of December, 2025. The DAC directed the management to complete the inquiry within 15-days and the report thereof be shared with the PAO/audit. No further progress was intimated till the finalization of this report.

Audit recommends the implementation of DAC directives.

(DP No. 35)

1.7.7 Unlawful drawal of cash on paper chits – Rs 323.439 million

According to Section 23(1) of the Public Finance Management Act, 2019, no authority shall incur or commit any expenditure or enter into any liability involving expenditure from the Federal Consolidated Fund and Public Account of the Federation until the same has been sanctioned by a competent authority duly empowered and the expenditure has been provided for the financial year. Further, the PAC in its meeting held on the

5th and 7th of November, 2001 directed the PAO to evolve some institutional arrangement to stop the practice of drawl of public money on paper chits on permanent footing.

The Finance Division made annual allocations under the Grant of the PPOD to meet its operational expenditure.

Thirty-seven (37) formations of the PPOD drew an illegal amount of Rs 323.439 million simply on paper chits from postal treasuries during FY 2024-25. The said amount was utilized without any budget allocation and sanction of the competent authority. Detail is given in **Annex-VI.**

Audit contends that the drawl of public money merely on paper chits is unlawful and contrary to the canons of financial propriety.

The matter was reported to the management and PAO during August to November, 2025. It was replied that paper chits of Rs 7.608 million had been adjusted and strict instructions were issued to all field formations that cash may not be withdrawn on paper chits in future.

The reply is not acceptable as neither the amount pointed out by audit had been adjusted nor was the responsibility for the violation of PAC directives fixed.

The matter was discussed in the DAC meeting held from 2nd to 4th of December, 2025. The DAC directed the management to inquire into the matter and take strict disciplinary action against those found responsible for the drawl of government money on paper chits under intimation to audit. No further progress was intimated till the finalization of this report.

Audit recommends the implementation of DAC directives.

Note: The issue was also reported earlier in the Audit Report(s) for Audit Year(s) 2023-24 & 2024-25 vide para(s) number 1.8.12 & 1.9.10 respectively having financial impact of Rs 168.126 million. Recurrence of the same irregularity is a matter of serious concern.

(DP No. 63)

1.7.8 Non-recovery from foreign postal administrations -Rs 312.778 million

According to Article 17-555(8) of the UPU Regulations, the operator can claim reimbursement for all bags not returned, the amount of reimbursement will be 10 SDR per bag w.e.f the 1st of April 2019.

The Pakistan Post Office Department (PPOD), under the Ministry of Communications, handles the international dispatch and receipt of mail, including parcels and letters under the Universal Postal Union (UPU) framework.

Audit observed that, the PPOD sent 87,101 mail bags to different countries from 2019 to 2025. Out of which only 4,791 empty bags were received back, whereas a huge number of 82,310 empty parachute bags had not been returned by the foreign postal administrations as indicated by Cambo Branch of IMO (Parcel), Karachi. The PPOD did not initiate any claims for the recovery of dues amounting to Rs 312.778 million (82,310 x 10 SDR per bag; 1 SDR = Rs 380).

Audit contends that despite clear entitlement to reimbursement, the PPOD did not initiate any financial claims, causing a loss to government revenue.

The matter was reported to the PAO and management during September & November, 2025. It was replied that the large-scale return of empty bags was operationally difficult and financially impractical. IMO Karachi had been consistently pursuing foreign administrations for the return of bags as per UPU guidelines.

The reply is not tenable as the PPOD did not raise claims to foreign postal administration as required under UPU regulations despite pursuance.

The matter was discussed in the DAC meeting held from 2nd to 4th of December, 2025. The DAC directed the management to raise claims to

foreign postal administration for recovery under intimation to audit. No further progress was intimated till the finalization of this report.

Audit recommends immediate implementation of DAC directives.

(DP No. 43)

1.7.9 Non recovery/irregular payment of fuel price adjustment to mail contractors -Rs 295.231 million

According to Rule 16(B)(1)(2) of the PPRA Rules 2004, the procuring agency may, during the contract execution, accept a request to make price adjustment (under circumstance of above normal price volatility) and shall make a comparison of the prices requested against the national or international price indicator guides adopted by the Authority and verify the justification for such price adjustment. The procuring agency shall determine the factors or percentage for price adjustment approved by the Principal Accounting Officer (PAO).

The Pakistan Post Office Department (PPOD) under the Ministry of Communications signed various mail conveyance contracts with different contractors across the country. An amount of Rs 295.231 million was paid to these contractors on account of fuel price adjustment due to an increase in HSD prices during FY 2023-24 & 2024-25, without obtaining approval of the PAO as required under the rules.

Audit observed that;

i) The case for regularization of the said expenditure incurred during FY 2023-24 amounting to Rs 179.996 million was sent to the PAO, who returned it with remarks that the amount be recovered and a compliance certificate to that effect be furnished. However, the PPOD management failed to take any effective steps to recover the irregular payment from the mail contractors as yet.
ii) An amount of Rs 115.235 million was also paid to the mail contractors on this account during the FY 2024-25 without the approval of the PAO.

Audit is of the view that the failure of the PPOD to recover the amount despite explicit directions of the PAO and its continued payments during the FY 2024-25 reflects weak financial discipline and ineffective internal controls, leading to a loss to the government exchequer.

The matter was reported to the PAO and management during September & November, 2025. It was replied that the case for ex-post facto approval was sent to the PAO and in response a query was received from the MoC that the amount be recovered and a certificate to that effect be submitted. Further, payment was made to the mail contractors with the approval of the DG PPOD.

The reply is not tenable as the PPOD management did not take any step to recover the amount from the mail contractors. Moreover, payment of fuel price adjustment was also made during FY 2024-25 without the approval of the PAO.

The matter was discussed in the DAC meeting held from 2nd to 4th of December, 2025. The DAC pended the para for fifteen day (15) for further decision by the PAO. It further directed the management to get the ex-post facto approval of payment made during 2024-25 from the PAO and get it verified from audit. No further progress was intimated till the finalization of this report.

Audit recommends that the PPOD management should immediately recover the amount from the concerned mail contractors and deposit it into the government treasury besides obtaining regularization of the expenditure incurred during FY 2024-25 under intimation to Audit.

(DP Nos. 7 & 64)

1.7.10 Shortage of cash in postal treasury –Rs 98.239 million

According to Regulation 3 of the Financial Management and Powers of Principal Accounting Officers Regulations, 2021, the Principal Accounting Officer (PAO) is responsible for all financial matters relating

to offices under his administrative control and he shall be custodian and operator of financial resources.

The Finance Division, vide letter dated the 15th of April, 2022, allowed the PPOD to draw Rs 25 billion through Letter of Credit (LoC) from Account No. 1 for clearance of outstanding liabilities of utility companies. Out of these funds, the Chief Postmaster, GPO Karachi, made payments amounting to Rs 4,211,244,139 to three utility companies.

Audit observed that:

i) An amount of Rs 4,113.005 million was paid to K-Electric, SSGC, and KW&SB out of the LoC issued on the 15th of April, 2022. However, the cash account for April, 2022 reflected a payment of Rs 4,211.244 million, resulting in excess charging of Rs 98.239 million beyond actual payments.

ii) The cash account was subsequently revised in June 2022, showing Rs 78.445 million as remitted to NBP. However, MIS data of NBP confirmed that this amount was never deposited into the bank account.

Audit contends that the incorrect recording of payments, subsequent revision of the cash account and non-deposit of the adjusted amount into the agency function account reflects a shortage of cash in the postal treasury.

The matter was reported to the management and PAO in September & November, 2025. It was replied that an inquiry committee had been constituted on the 25th of November, 2025 to probe the issue within 15-days.

The matter was discussed in the DAC meeting held from 2nd to 4th of December, 2025. The DAC directed the management to complete the

inquiry within 15-days and the report thereof be shared with the PAO/audit. No further progress was intimated till the finalization of this report.

Audit recommends the implementation of DAC directives.

(DP No.36)

MINISTRY OF COMMUNICATIONS

POSTAL LIFE INSURANCE COMPANY LIMITED

Chapter -2

Postal Life Insurance Company Limited (PLICL)

2.1 Introduction

A. The PPOD was operating Postal Life Insurance (PLI) on behalf of the Ministry of Finance in the past on no-profit no-loss basis. The Government of Pakistan converted PLI into a Company by the name of Postal Life Insurance Company Limited (PLICL) and incorporated it under the Companies Act, 2017. The Company was registered with the Securities and Exchange Commission of Pakistan (SECP) as a life insurer under the Insurance Ordinance, 2000 on the 26th of August, 2020. The Company started its business on the 2nd of April, 2021 with a limited scope of life insurance coverage only.

Before the portfolio conversion, PLI would submit its financial, operational and business reports to the Finance Division. After the conversion of PLI into PLICL, the company submits its Financial Statements and compliance reports to the SECP according to the Companies Act, 2017.

The PLICL is managed by the Board of Directors under the administrative control of Ministry of Communications and is chaired by a Chief Executive Officer (CEO) who is assisted by two General Managers based at Lahore & Karachi. It has three Regional Directorates located at Multan, Peshawar & Quetta. The Board is responsible for formulating corporate strategies and overseeing significant financial, operational and risk management decisions. The Board determines materiality levels, approves major transactions, appoints and compensates key executives and establishes governance frameworks. Additionally, it ensures compliance with legal and regulatory requirements while maintaining accountability through documented resolutions and policy records.

The main objectives of the Company are to:

i) Carry out all kinds of insurance businesses relating to life insurance.

ii) Take over assets and liabilities including policy holders' liabilities determined as on the transfer date in accordance with the insurance regulatory framework prescribed under the Insurance Ordinance, 2000 and relevant rules/regulations/directives/circulars/ guidelines/ contracts and undertakings of Postal Life Insurance under the vesting orders passed by the Federal Government.

iii) Carry on, in Pakistan and elsewhere, all kinds of family takaful businesses and generally every kind of family takaful and family re-takaful businesses whether now known or hereafter to be devised subject to such restrictions as imposed by the Insurance Ordinance, 2000.

iv) Transact the business of a life insurance Company including the sale and purchase or re-purchase of annuities, a reversionary interest and life or other interests of uncertain duration or commencement, and endowments for children, and sickness insurance, and all other business pertaining to or commonly transacted by life insurance companies.

B. Comments on Budget and Accounts

The PLICL did not provide the Financial Statements for the year 2024, till finalization of this report, hence no comments could be offered.

Table-1 Audit Profile of Postal Life Insurance Company Limited

(Rs in Million)

Sl. No.	Description	Total Nos.	Audited	Expenditure audited FY 2024-25	Revenue / Receipts audited FY 2024-25
1.	Formations	52	03	936.430	4,986.960

2.2 Classified Summary of Audit Observations

Audit observations amounting to Rs 2,402.689 million (including non-budgeted payments) have been raised in this report. A summary of the audit observations classified by nature is as follows:

Table-II Overview of Audit Observations

(Rs in Million)

Sl. No.	Classification	Amount
1.	Reported cases of fraud, embezzlement and misappropriation	-
2.	Irregularities	**31.148**
A	Procurement related irregularities	20.987
B	Management of Accounts with Commercial Banks	10.161
3.	Value for money and service delivery issues	-
4.	Receivables	-
5.	Other Irregularities	2,371.541
	Total:	**2,402.689**

2.3 Status of Compliance with PAC Directives

Audit of the entity was started in the Audit Year 2021-22; however, the reported Paras of PLICL have not been discussed in the Public Accounts Committee as detailed below:

Sl. No.	Audit Report Year	Total Paras	Total No. of directives	Compliance			% of Compliance
				Received	Partial	Not Received	
2	2022-23	06	04	01	-	03	25
3	2023-24	06	04	02	-	02	50

AUDIT FINDINGS

2.4 Irregularities

A. Procurement related irregularities

2.4.1 Irregular expenditure incurred on Postal Life Insurance System –Rs 20.987 million

According to Rule 16-A (4) of the PPRA Rules 2004, open and closed framework agreements may be made with the selected suppliers and service providers. The maximum duration of open framework agreements shall not be more than three years and the closed framework agreements shall not exceed one year.

The PLICL signed an agreement with M/s. Carbon8 Private Limited for configuration, modification, up gradation and support of existing Postal Life Insurance System (PLIS) on the 1st of April, 2021. The agreement was extended for two years from the 1st of April, 2022. After the completion of the period of three years, the agreement was extended on a quarterly basis for six (06) times from the 1st of April, 2024 to the 30th September, 2025.

Audit observed that the PLICL management incurred an expenditure of Rs 20,986,894 during 2024-25 on account of maintenance of PLIS. The expenditure was held irregular as the extensions were granted in violation of the PPRA Rules 2004.

Audit contends that irregular extensions were granted in violation of the PPRA Rules which indicates weak financial and contract management.

The matter was reported to the management and PAO during November, 2025. It was replied that the contract was awarded during 2021. Due to the prolonged absence of the CEO, CTO and Senior

Management, a new procurement process could not be undertaken. To ensure continuity the existing contract was extended till July 2025 on quarterly basis.

The reply is not tenable as the clarification was sought from PPRA in this regard by PLICL. PPRA in response to PLICL letter clarified that both the prior and further extensions did not fall under the permissible scope of Rule 42 and were illegal. PLICL also granted two extensions after clarification.

The matter was discussed in the DAC meeting held on 3rd of December, 2025. The DAC directed the management to conduct a fact-finding inquiry at the Ministry level within three months. No further progress was intimated till the finalization of this report.

Audit recommends the implementation of DAC directives.

(DP No.29)

B. Management of Accounts with Commercial Banks

2.4.2 Irregular transfer of funds in the personal accounts of employees for operating expenses -Rs 10.161 million

According to Para 30(2)(a) of the Public Finance Management Act, 2019 establishing institutional and administrative arrangements needed to manage an effective cash management system. Further, as per Para 2(j) of ibid "financial propriety" means the compliance of law, rules, regulations, while maintaining a high standard of prudence, vigilance, due diligence and ensuring value for money while incurring expenditure and collecting government receipts.

The PLICL management transferred funds amounting to Rs 10,160,828 into the personal bank accounts of its employees for operating expenses during 2024-25. The detail is given in **Annexure-VII**.

Audit observed that the transfer of funds into the personal bank accounts of employees for operating expenses was not covered under the rules.

Audit contends that the transfer of funds into personal accounts of employees for operating expenses indicates weak financial management of the company.

The matter was reported to the management and PAO during November, 2025. It was replied that funds were transferred to maintain the operating payment process and to ensure continuity of services. The matter was under discussion with UBL for the opening of operational accounts.

The reply is not tenable as transfer of funds into the personal accounts of employees for operating expenses was not covered under the rules. The PLICL has been in such a practice since its formation. The transfer of funds into the personal accounts may lead to fraud & misappropriation and the misuse of public money.

The matter was discussed in the DAC meeting held on 3rd of December, 2025. The DAC directed the management to conduct a fact-finding inquiry at the ministry level within three months. No further progress was intimated till the finalization of this report.

Audit recommends the implementation of DAC directives.

(DP No.27)

2.5 Others

2.5.1 Non-payment of interest on claims paid to policy holders - Rs 2,371.541 million

According to Section 118(1)(2) of the Insurance Ordinance 2000, it shall be an implied term of every contract of insurance that where payment on a policy issued by an insurer becomes due and the person entitled

thereto has complied with all the requirements, including the filing of complete papers, for claiming the payment, the insurer shall, if he fails to make the payment within a period of ninety days from the date on which the payment becomes due or the date on which the claimant complies with the requirements, whichever is later, pay as liquidated damages a sum shall be calculated at a monthly rate of five per cent higher than the prevailing base rate.

The PLICL Company under the Ministry of Communications, Islamabad is providing life insurance services to citizens of Pakistan and paid insurance claims against insurance policies amounting to Rs 2,371.541 million from 2021-22 to 2024-2025. The detail is as follows:

Financial Year	Number of Policy	Amount Paid (Rs)	Interest rate	Interest Due (Rs)
2021-22	14958	3,497.9	11.20%	391.765
2022-23	17967	4,128.4	15.58%	643.204
2023-24	14014	3,546.7	17.84%	632.731
2024-25	14755	3,945.3	17.84%	703.841
			Total:	**2,371.541**

Audit observed that the PLICL management paid claims to policy holders beyond the period of ninety days but interest of Rs 2,371.541 million was not paid to the policy holders due to late settlement of claims violating the above rules.

Audit contends that non-payment of interest on delayed settlement of policyholder claims reflects weak financial controls, disregard of statutory obligations, and denial of legitimate dues to policy holders.

The matter was reported to the management and PAO during November, 2025. It was replied that the delay in payment of claims was due to non-receipt of funds from the Finance Division. The payment of interest on late payment to policy holders was not mandatory. There was a

potential risk of judicial directives for non- payment of claims to policy holders.

The reply is not tenable as the non- payment of interest on late payment of claims to policy holders was a violation of the rules. The PLICL booked Rs 38 billion as interest for late payment from the Finance Division. Policy holders/ claimants are facing unjustified hardships besides being deprived of the right admissible under the rules.

The matter was discussed in the DAC meeting held on 3rd of December, 2025. The Management has accepted the point of view of audit and the DAC directed the management to place the para before the PAC. The DAC further, directed the management to move a summary and take up the matter with the Finance Division for payment of interest charges for late payment of claims to policyholders. No further progress was intimated till the finalization of this report.

Audit recommends the implementation of DAC directives.

(DP No.32)

2.5.2 Non-finalization/submission of annual audited accounts to the Commission

As per Section 223 (2) of the Companies Act 2017, the financial statements must be laid within a period of one hundred and twenty days following the close of the financial year of a company. Further, Section 46(1)(a) of the Insurance Ordinance 2000 stipulates that, every insurer shall at the expiration of each year prepare and deliver to the Commission with reference to that year annual accounts comprising statements of profits and losses for the shareholders duly audited by an approved auditor.

The PLICL management under the Ministry of Communications is required to get its accounts finalized within four months of the close of the calendar year 2024 for onward submission to the Commission.

Audit observed that the PLICL management failed to finalize its accounts despite the lapse of a period of more than eight months till the close of the financial audit.

Audit contends that the non-finalization/submission of annual audited accounts reflects weak internal controls and a violation of the rules.

The matter was reported to the management and PAO during November, 2025. It was replied that the external field work has been completed. Actuarial valuations were awaited. On receipt of these valuations the accounts will be finalized. Further, the delay was due to the non- constitution of the Board and non- appointment of the CEO.

The reply is not tenable as the accounts were not finalized in violation of the rules. The Board was available which had constituted an Executive Committee to carry on the function of the CEO.

The matter was discussed in the DAC meeting held on 3rd of December, 2025. The DAC directed the management to get the approval of the accounts in the Board meeting to be held in January, 2026. In case of non-approval of audited financial statements responsibility be fixed. No further progress was intimated till the finalization of this report.

Audit recommends the implementation of DAC directives.

(DP No.31)

MINISTRY OF COMMUNICATIONS

IMPACT AUDIT REPORT
ON POSTAL LIFE INSURANCE COMPANY LIMITED (PLICL)

Chapter-3

3. Impact Audit Postal Life Insurance Company Limited

3.1 Introduction

Postal Life Insurance (PLI) was established in 1884 with the primary objective of providing life insurance coverage to mail runners of the post office. Over the time, its services were extended to other government employees. After the independence of Pakistan in 1947, PLI started serving the general public through the Pakistan Post Office Department (PPOD) on a no-profit-no-loss basis under the Ministry of Finance.

The Government of Pakistan converted PLI into a Company in the name of Postal Life Insurance Company Limited (PLICL) and incorporated it under the Companies Act, 2017. The Company was registered with the Securities and Exchange Commission of Pakistan (SECP) as a life insurer under the Insurance Ordinance, 2000 on 26th of August, 2020. The Company started its business on the 2nd of April, 2021 with a limited scope of life insurance coverage only. The company submits its Financial Statements and compliance reports to the SECP according to the Companies Act, 2017.

The PLICL is managed by the Board of Directors under the administrative control of the Ministry of Communications and is chaired by a Chief Executive Officer (CEO) who is assisted by two General Managers based at Lahore & Karachi. It has three Regional Directorates located at Multan, Peshawar & Quetta. The Board is responsible for formulating corporate strategies and overseeing significant financial, operational and risk management decisions.

3.2 Overview

The PPOD carried out the agency functions of the Postal Life Insurance until the Financial Year 2019-20. In pursuance of the Financial Action Task Force Asia Pacific Group's guidelines on anti-money

laundering and combating terror financing, the Government of Pakistan decided to place Postal Life Insurance under the regulatory framework of the SECP. Accordingly, a public limited company, namely, Postal Life Insurance Company Limited was incorporated with the SECP under the Companies Act, 2017 on 10th of March, 2020. Subsequently, the Company was registered as a life insurer under the Insurance Ordinance, 2000 on 26th of August, 2020. The SECP issued a commencement of business certificate to PLICL on the 20th of January, 2021. The portfolio was transferred to the Company on the 2nd of April, 2021. The PLICL, being a company, is managed by a Board of Directors and falls under the administrative control of the Ministry of Communications.

The impact audit aims to assess the PLI's performance before conversion with that of PLICL's performance in the post-conversion set-up in areas such as fresh business acquisition, liabilities, claims processing, key vacant positions and overall financial managements.

4 Scope & Methodology

4.1 Scope

The scope of the impact audit covers the operations and effects of the PLICL after the conversion of PLI from April, 2021. The scope of the impact audit covers the assessment and achievement of the company objectives. Moreover, a comparison of services offered before and after the conversion into a Company would also be conducted to evaluate its impact on the service delivery to the general public and the improvement of fresh business, in line with the above-mentioned approved TORs. The audit teams visited the PLICL headquarters, Reginal Directorate and selected GPOs in order to collect information. Audit compared pre- and post-conversion performance across key indicators, including claims, new policies, premium income, business growth, policy surrenders, group insurance, and new products.

4.2 Methodology

In order to evaluate the impact, planned audit procedures were carried out at the PLICL Headquarter, Islamabad. The focus of the audit

was to assess the comparative analysis of PLI and PLICL, evaluate the business trend of PLICL since its conversion and examine the factors for the declining business trend of PLICL. The audit aimed to evaluate the efficiency and effectiveness of the system of policy claims payment and new business. The impact audit of PLICL was conducted through comprehensive document review, data analysis, and comparison of pre-conversion PLI operations with post-conversion PLICL performance. This included an examination of financial statements, actuarial reports, operational data and internal audit observations. Trend analysis, ratio analysis, benchmarking and assessing changes in business performance, claims management, and operational efficiency. In addition, structured interviews and questionnaires were administered to field staff and policyholders to gather qualitative insights on the effectiveness of the PLICL and the factors contributing to declining business trends.

5. Audit Objectives

The audit focused on evaluating the following aspects of PLICL's operations:

i. Make a comparative analysis of PLI and PLICL.
ii. Evaluate the business trend of PLICL since its conversion.
iii. Assess the settlement of claims mechanism of PLICL vis-à-vis erstwhile PLI.
iv. Examine the factors for the declining business trend of PLICL.

6. Significant Audit Findings

(a) Non-settlement of pending individual claims –Rs 9,085.352 million

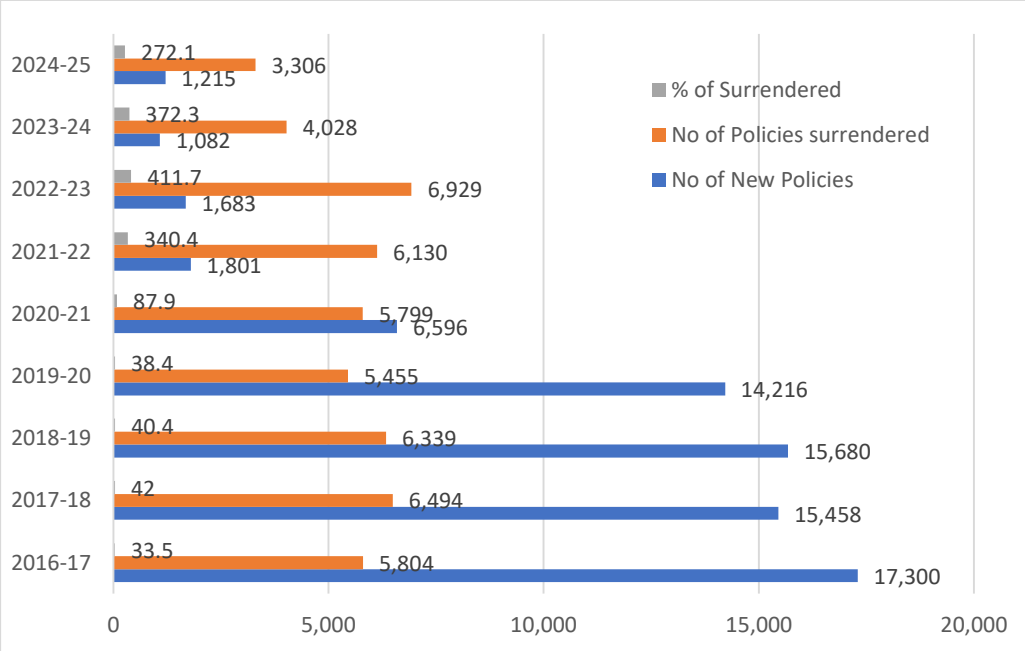
The company could not settle pending claims of 30,724 for Rs 6,846,943,987 until 2023-24. New claims of 23,374 for Rs 6,183,768,813 were received during the year FY 2024-25. The management could settle only 14,755 cases for Rs 3,946,360,500, whereas 39,343 claims of different categories amounting to Rs 9,085,352,300 remained pending during 2024-25. Due to non-payment of outstanding dues to policy holders, it created financial problems for claimants. Non-payment of outstanding claims affected fresh business and the goodwill of

company badly. Further, the company was using first in first out basis for payment of claims to policy holders. However, such policy was not implemented in letter and spirit. The detail of payment and pending amount is given as follows:

(Rs in Million)

Year	No of Policies Paid	Amount Paid	Pending Claims	Pending Amount
Pre-Conversion				
2016-17	11713	3,009.260	-	-
2017-18	14,281	3,502.880	-	-
2018-19	15,760	4,357.117	-	-
2019-20	14,373	4,153.432	-	-
2020-21	21,046	5,055.976	-	-
Post-Conversion				
2021-22	14,958	3,171.053	17,577	3,563.472
2022-23	17,967	3,962.687	20,843	4,501.431
2023-24	14,014	3,431.165	30,724	6,846.944
2024-25	14,755	3,970.449	39,343	9,085.352

Pre-Conversion data from PPOD Annual Reports 2015-16 to 2020-21 and post-conversion data from Postal Life Insurance System (PLIS).



An analysis of claims settlement performance indicates that during the pre-conversion period FY 2016-17 to FY 2020-21, the erstwhile PLI demonstrated a strong and timely claims settlement mechanism, with no reported pendency of claims. During this period, the number of policies paid increased from 11,713 in FY 2016-17 to 21,046 in FY 2020-21, while the amount paid against claims rose steadily from Rs 3,009.260 million to Rs 5,055.976 million. The absence of pending claims suggests effective processing capacity and adequate liquidity to meet policyholder obligations.

In contrast, the post-conversion period FY 2021-22 onward reflects a significant decline in claims management performance. Although claims continued to be paid ranging between 14,014 and 17,967 policies annually, with amounts paid between Rs 3,171.053 million and Rs 3,970.449 million a substantial backlog of pending claims emerged. Pending claims increased sharply from 17,577 claims amounting to Rs 3,563.472 million in FY 2021-22 to 39,343 claims involving Rs 9,085.352 million in FY 2024-25, reflecting an increase of over 124% in number and 155% in amount within three years. The accumulation of pending claims indicates weakening operational efficiency and possible liquidity or administrative constraints after corporatization.

(b) Declining trend in new business

Pre-Conversion

(Rs in Million)

Financial Year	No of New Policies Issued	Premium Income on fresh policies	Business Secured
2016-17	17,300	550.651	6,779.870
2017-18	15,458	555.067	5,862.337
2018-19	15,680	586.545	6,321.035
2019-20	14,216	477.657	6,357.972
2020-21	6,596	243.731	2,945.318
Total	**69,250**	**2,413.651**	**28,266.532**

Post-Conversion

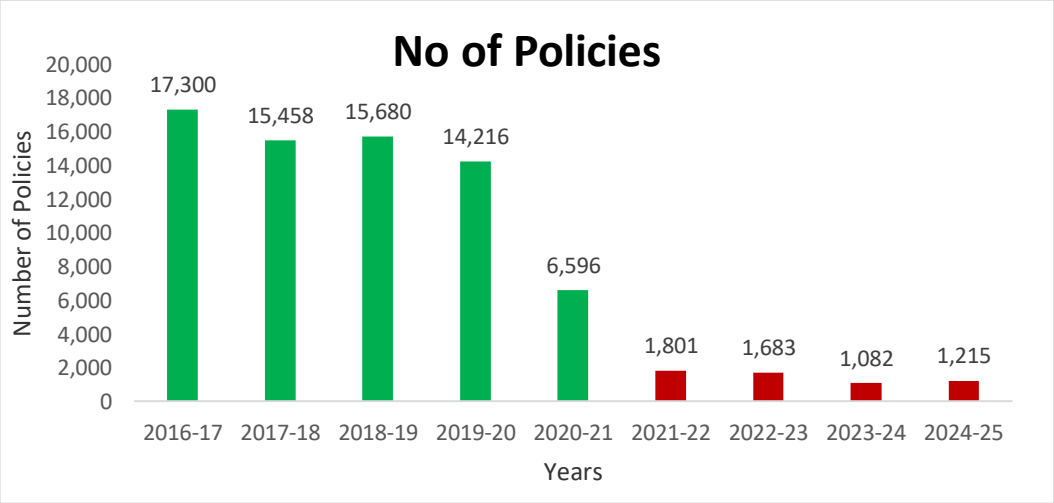
(Rs in Million)

Financial Year	No of New Policies Issued	Premium Income on fresh policies	Business Secured
2021-22	1,801	121.770	1,141.982
2022-23	1,683	66.214	1,104.222
2023-24	1,082	39.697	737.099
2024-25	1,215	53.199	815.836
Total	**5,781**	**280.88**	**3,799.139**

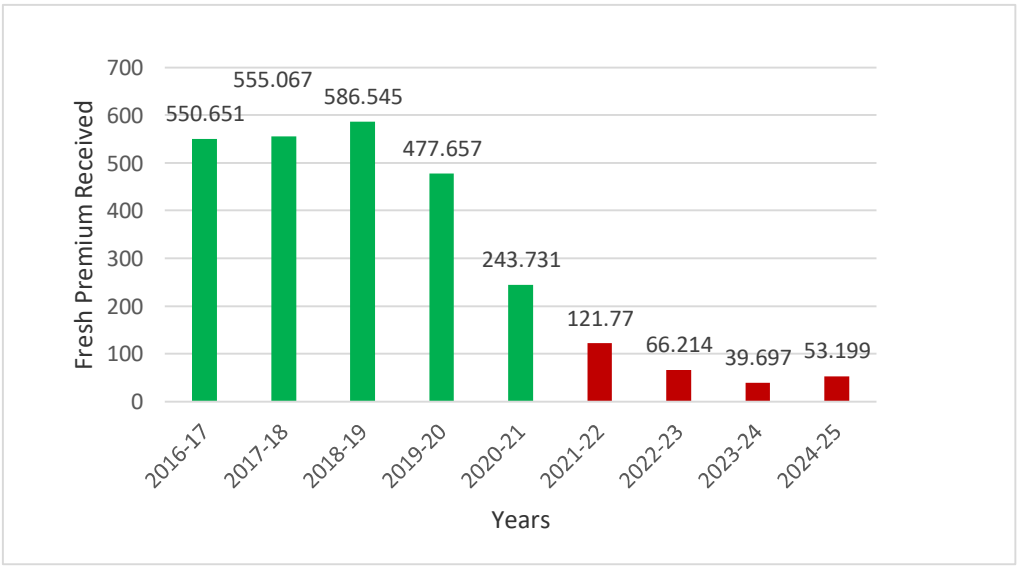
Pre-Conversion data from PPOD Annual Report 2020-21 and Post-conversion data from Postal Life Insurance System (PLIS).

A comparative analysis of the new number of policies issued, premium income on fresh policies, and fresh business secured reveals a substantial decline in business performance after the conversion of PLI into PLICL. During the pre-conversion period FY 2016-17 to FY 2020-21, PLI issued 69,250 policies, generating Rs 2,413.651 million as premium income on fresh policies and securing Rs 28,266.532 million in fresh business. This translates into annual averages of approximately 13,850 policies, Rs 483 million premium, and Rs 5,653 million fresh business, reflecting a comparatively stable and robust business acquisition framework.

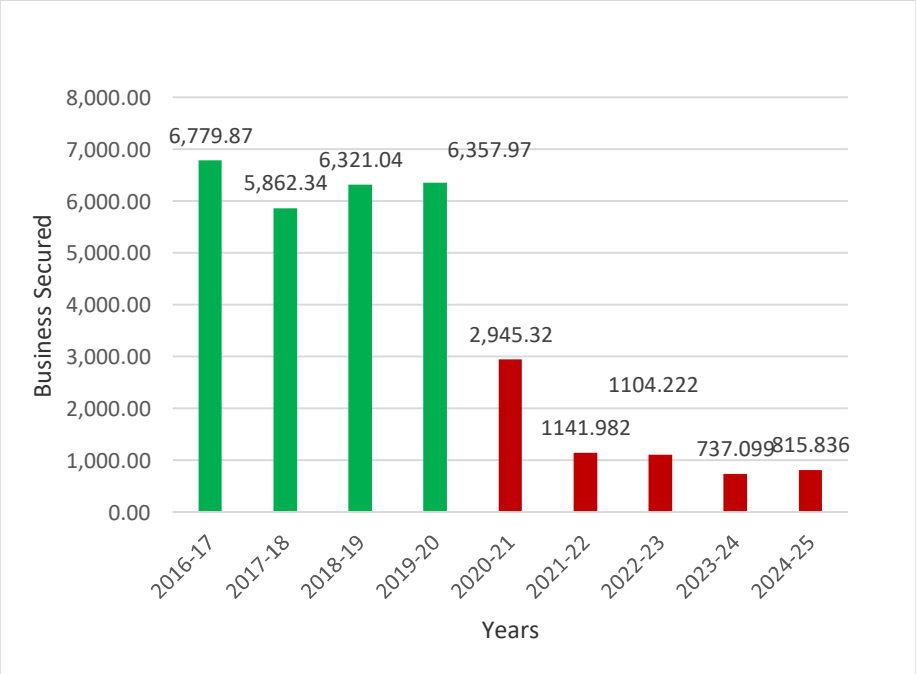
In contrast, during the post-conversion period FY 2021-22 to FY 2024-25, PLICL issued only 5,781 policies, with fresh premium income of Rs 280.880 million and fresh business secured amounting to Rs 3,799.139 million. On an annual average basis, this represents merely 1,445 policies, Rs 70 million premium, and Rs 950 million fresh business, indicating a sharp contraction of around 89% in policy issuance, 85% in premium income, and 83% in fresh business secured compared to the pre-conversion period. The graphically representation is as follows:



The above data relating to the number of policies issued indicates that during the pre-conversion period (PLI), the organization maintained a relatively stable to growing volume of policies. This suggests that the erstwhile departmental setup benefitted from customers trust associated with Pakistan Post, and simplified procedures, which collectively supported consistent business acquisition.



The graph depicting fresh premium received shows that, despite the conversion of PLI into Postal Life Insurance Company Limited (PLICL), the post-conversion period FY 2021-22 onward does not reflect a sustained improvement in fresh premium inflows. Any short-term stability or marginal increase visible immediately after conversion is followed by stagnation or decline in subsequent years, indicating difficulties in generating new business revenue under the corporate structure.



The graph relating to fresh business secured reflects an overall weak and inconsistent performance in the post-conversion period FY 2021-22 onward. Following the conversion of PLI into Postal Life Insurance Company Limited (PLICL), the volume/value of fresh business secured does not exhibit a sustained upward trend but a noticeable decline. This suggests that the corporatization has not yet translated into enhanced capacity to attract new insurance business.

The three indicators collectively demonstrate a strongly interlinked downward trend in the post-conversion era. The drastic reduction in the number of policies issued has directly translated into lower premium inflows and diminished fresh business volumes. Fresh business decline to Rs 737.099 million in FY 2023-24 and remained subdued at Rs 815.836 million in FY 2024-25. The business evidence clearly indicates that the objectives of corporatization enhanced efficiency, improved outreach, and business growth have not been achieved so far, and the post-conversion period reflects weakened market penetration, reduced sales effectiveness, and insufficient utilization of the Government network.

(c) Surrender of policies

The comparison of new policies issued and policies surrendered is as follows:

Amount Transferred (Rs)	Amount Transferred (Rs)	Amount Transferred (Rs)	Amount Transferred (Rs)
Pre-Conversion			
2016-17	17,300	5,804	33.5
2017-18	15,458	6,494	42.0
2018-19	15,680	6,339	40.4
2019-20	14,216	5,455	38.4
2020-21	6,596	5,799	87.9
Post-Conversion			
2021-22	1,801	6,130	340.4
2022-23	1,683	6,929	411.7
2023-24	1,082	4,028	372.3
2024-25	1,215	3,306	272.1

Pre-Conversion data from PPOD Annual Reports 2015-16 to 2020-21 and post-conversion data from Postal Life Insurance System (PLIS).

In the pre-conversion period FY 2016-17 FY 2019-20, surrender ratios ranged between 33.5% and 42%, which although high remained within a controllable range, supported by a relatively strong inflow of new

policies. However, in FY 2020-21, the surrender ratio sharply increased to 87.9%, signaling early stress coinciding with the transition phase.

The situation worsened drastically in the post-conversion period FY 2021-22 onward. Despite issuing only 1,801 policies in FY 2021-22, PLICL experienced 6,130 policy surrenders, resulting in a surrender ratio of 340%. The ratio further worsened to 412% in FY 2022-23, meaning that more than four policies were surrendered for every new policy issued. Although some reduction is observed in subsequent years, surrender ratios remain abnormally high, at 372% in FY 2023-24 and 272% in FY 2024-25, far exceeding acceptable insurance industry norms.

This simultaneous decline in inflows and persistence of high outflows has created a structurally unsustainable business position for PLICL, eroding its policy base and weakening liquidity. The data indicates that corporatization has so far failed to improve customer acquisition and retention; instead, it has coincided with reduced market outreach, weakened policy persistency, and increased financial strain arising from surrender payouts. The evidence demonstrates that the intended objectives of conversion business growth, financial strengthening, and operational efficiency have not been achieved, and that the continuation of this trend poses a serious risk to the long-term viability of the Company unless immediate corrective measures are undertaken.

(d) Group Insurance Business

(Rs in Million)

Financial Year	Premium Collected	Claims Paid
Pre-Conversion		
2016-17	1,222.903	647.291
2017-18	1,725.531	1,326.940
2018-19	1,766.375	1,499.071
2019-20	1,540.884	1,414.073
2020-21	959.236	792.085

Post-Conversion		
2021-22	Nil	Nil
2022-23	Nil	Nil
2023-24	Nil	Nil
2024-25	Nil	Nil

Pre-Conversion data from PPOD Annual Reports 2015-16 to 2020-21 and post-conversion data from Postal Life Insurance System (PLIS).

During the pre-conversion period FY 2016-17 to FY 2020-21, PLI maintained an active Group Insurance portfolio. Premium collection peaked at Rs 1,766.375 million in FY 2018-19, while claims paid reached Rs 1,499.071 million in the same year. Even though premium income declined to Rs 959.236 million in FY 2020-21, the business remained operational, generating substantial premiums every year. However, the claims-to-premium ratio remained high, ranging from approximately 53% to 85%, indicating tight margins but continued market presence and customer engagement. In contrast, during the post-conversion period FY 2021-22 to FY 2024-25, PLICL did not secure any Group Insurance business, resulting in zero premium collection. The complete cessation of business reflects a loss of institutional clients, inability to attract new group policies, or a strategic withdrawal from the segment after conversion.

The comparison clearly indicates that the conversion from PLI to PLICL adversely affected the Group Insurance segment, as an established business line generating up to Rs 1.77 billion annually was discontinued. This situation points towards ineffective transition planning, weak marketing strategy, pricing or regulatory constraints, and possible loss of government or corporate clientele.

(e) Types of Policies

The PLI and PLICL provide the following types of policies to their customers:

PLI	PLICL
Whole Life Policy (Limited) (WLP-VIII)	Endowment Assurance Policy (EAP)
Whole Life Policy (WLP-I)	Anticipated Endowment Assurance Policy (AEA)
Fixed Term Policy (FTP)	
Endowment Assurance (EA)	
Educational & Marriage Endowment (MEA)	
Joint Life Insurance (JEA)	
Anticipated Endowment Assurance Policy (AEA)	
Child Protection Policy	
Group Insurance	

Prior to the Company PLI was offering 10 kinds of policies including group insurance. After corporatization the company could introduce only two types of policies. This contraction in product range has reduced PLICL's ability to attract diverse customer segments, particularly corporate clients, families, and long-term savers, and has constrained premium growth potential.

The comparison clearly indicates that the conversion from PLI to PLICL resulted in product rationalization rather than expansion, which appears to have negatively affected business outreach and sustainability.

(f) Non-achievement of Business Targets

(Rs in Million)

Year	Target	Achievement	%
Pre-Conversion			
2016-17	152.294	302.738	198
2017-18	460.114	294.554	64
2018-19	460.331	311.935	87
2019-20	393.024	315.173	80
2020-21	354.380	144.117	40

Post-Conversion			
2021	0	79.966	-
2022	200	83.662	41
2023	200	61.624	30
2024	200	60.086	30
2025	100	18.991	18

Prior to the company PLI achieved business targets from 40% to 198% whereas after corporatization company achieved business targes from 18% to 41% in the last five years. The short-achievement of business targets reflects weak performance of PLICL.

g) Governance and Autonomy

The conversion of Postal Life Insurance (PLI) into Postal Life Insurance Company Limited (PLICL) provided a significant advantage in terms of improved governance and institutional autonomy. As a corporate entity, PLICL is governed by a Board of Directors, which ensures clearer accountability, defined roles, and professional oversight. This structure enables timely and informed decision-making, reduces procedural delays associated with the departmental system of PLI, and allows management to independently approve operational, financial, and administrative matters. Consequently, PLICL performs its function with greater efficiency and managerial responsibility. PLICL maintains separate accounts, actuarial reserves, and audited financial statements, improving financial discipline and sustainability.

h) Regulatory Compliance

The conversion has enhanced regulatory compliance and transparency. Operating as a limited company has allowed PLICL to align with the SECP corporate governance and insurance regulatory requirements, including standardized financial reporting, internal controls, and risk management frameworks. This corporate structure also facilitates better compliance with AML/CFT and FATF-related obligations.

Compared to the erstwhile PLI, the company model promotes transparency and supports adherence to national and international regulatory standards.

7. Mechanism for Settlement of claims

In PLI claims were paid from GPOs and funds were drawn through LoC. The GM was competent to grant sanctions for payments. In PLICL claims are paid after receipt of funds from the Finance Division through Assignment Account. The payments are made through banks after AML/CFT screening and detailed verifications.

8. Factors declining the business of PLICL

I. Non-Completion of Board and vacant key positions

After the promulgation of the SOE Act, 2023, four independent directors were appointed during September, 2024 out of which one director resigned. The Board was not completed until the close of Financial Year 2024-25. The key positions i.e CEO, CFO, CTO, CIA, Head of Departments (HODs) operations, HR and Marketing were vacant since long which effected the business adversely. Under Article 22(2) of the SOE Act, 2023, the appointment or removal of the CEO requires a decision by a three-fourths majority of the Board, including the vote of the nominee director representing the Federal or Provincial Government. Since the Board was not fully constituted, the statutory requirement for appointing the CEO could not be met. Consequently, the CEO position remained vacant.

II. Non provision of required funds for payment of claims

The Finance Division committed to pay Rs 48 billion with interest to PLICL for payment of legacy claims of PLI. During the period from 2021-22 to 2024-25, the Finance Division released funds of Rs 11,934.50 billion against PLICL demand of Rs 35.356 billion. The Finance Division did not provide the required funds for payment of legacy claims. The non

provision of required funds resulted in non-payment of claims to policy holders which damaged the good will of the company.

III. Non establishment of Marketing Strategy

After the corporatization of Company, no marketing strategy, procedures and policies were planned which resulted in declining fresh premium income.

IV. Failure to launch new products

As per the business plan approved by SECP, the Company was required to introduce new products in the market; however, this plan was not implemented as no new product was launched in the market from 2021-22 to 2024-25. Further, PLI was offering nine types of insurance policies, including group insurance, prior to corporatization. The Company introduced only two types of policies thereafter, significantly limiting customer choice. The failure to launch new products and provide a comprehensive range of policies adversely affected business growth and contributed to the overall decline in the Company's performance.

V. Lack of professional sales structure

The Company's inability to expand its market presence was primarily attributable to the non-availability of qualified and professional sales personnel. The absence of a dedicated and competent sales staff significantly constrained business development initiatives and undermined overall growth and competitiveness.

9. Survey Conducted

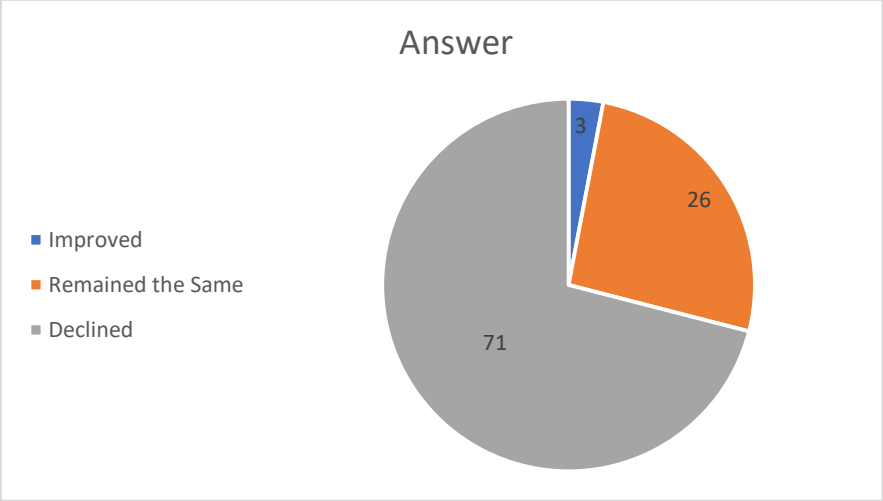
To evaluate the operations of the PLICL, two questionnaires were designed and circulated among 200 customers and 120 staff of PLICL in Lahore, Rawalpindi, Islamabad, Hyderabad, Peshawar, Multan and Kohat out of which one hundred and seventy (170) customers and 105 staff respondents of different demographic groups responded. The sample size

of the survey was selected keeping in view the outreach of PLICL in less privileged areas like Kohat.

9.1 Survey results of Policy Holders

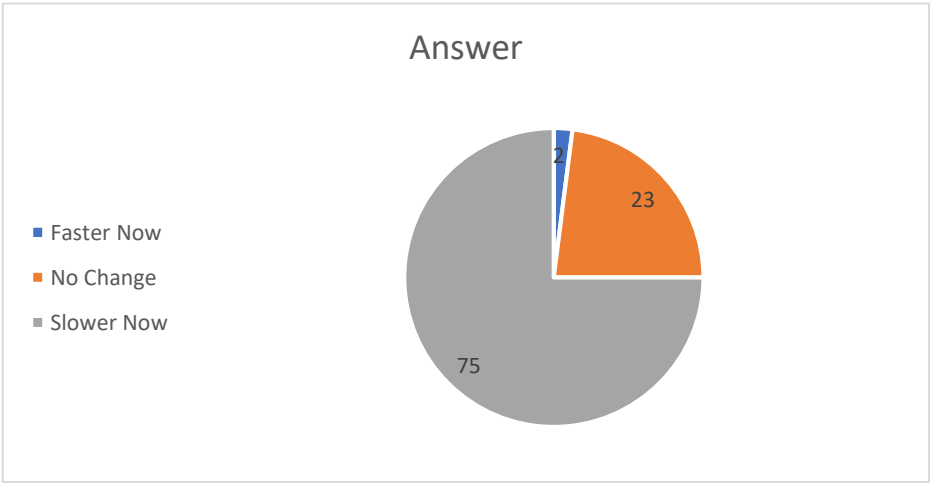
9.1.1 How do you compare the overall service quality before and after the corporatization of PLI?

While responding to the question, 71% perceived the service quality of PLICL as worse compared to the pre-conversion PLI setup. 26% of respondents were of the view that service quality remained about the same, while only 3% considered it better after corporatization. The graphical results are given as follows:



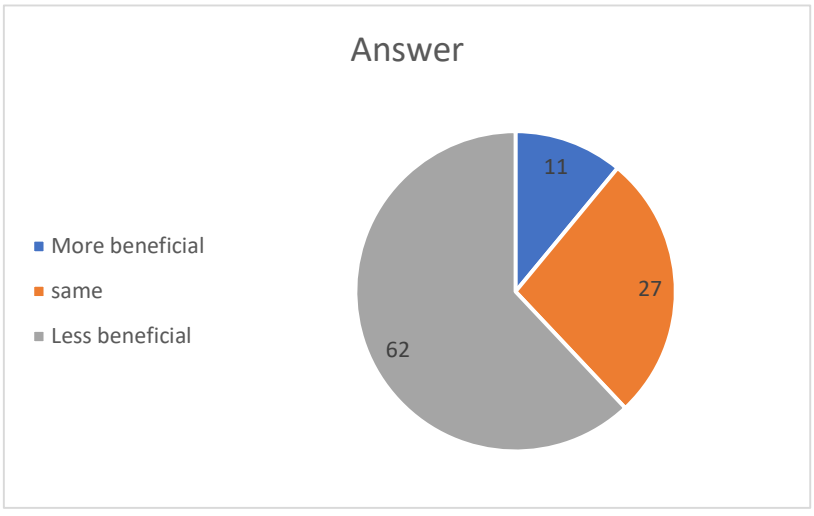
9.1.2 How would you compare the claim settlement timelines before and after the conversion?

In responses, 75% reported that claim settlement has become slower after the conversion, 23% observed no change in settlement timelines, 2% responded that claim settlement has become faster. The graphical results are given as follows:



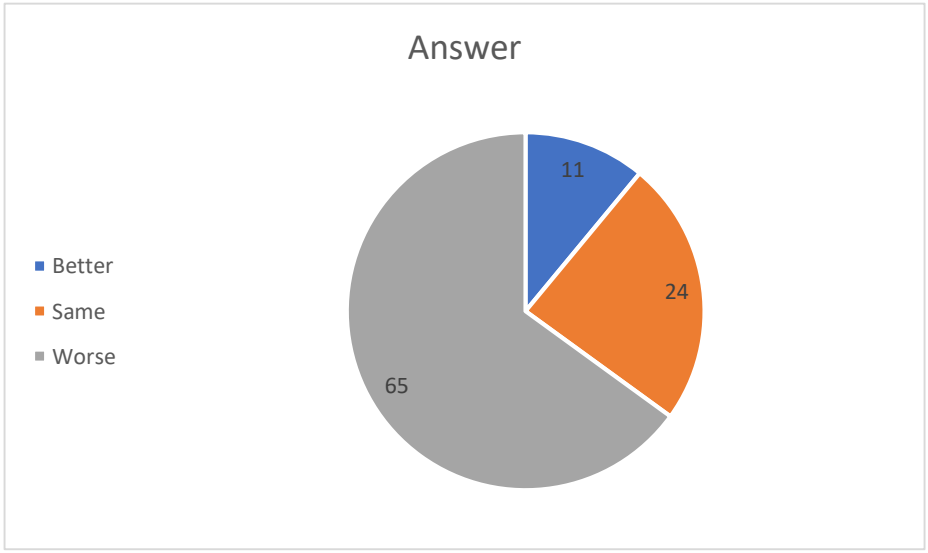
9.1.3 Are PLICL's insurance policies more beneficial than those offered by other companies?

A substantial majority of respondents 62% stated that PLICL's insurance policies are less beneficial than those of other insurers, Meanwhile, 27% of respondents considered PLICL's policies to be at par with those offered by other companies, only a small proportion 11% considered PLICL's policies to be more beneficial. The graphical results are given as follows:



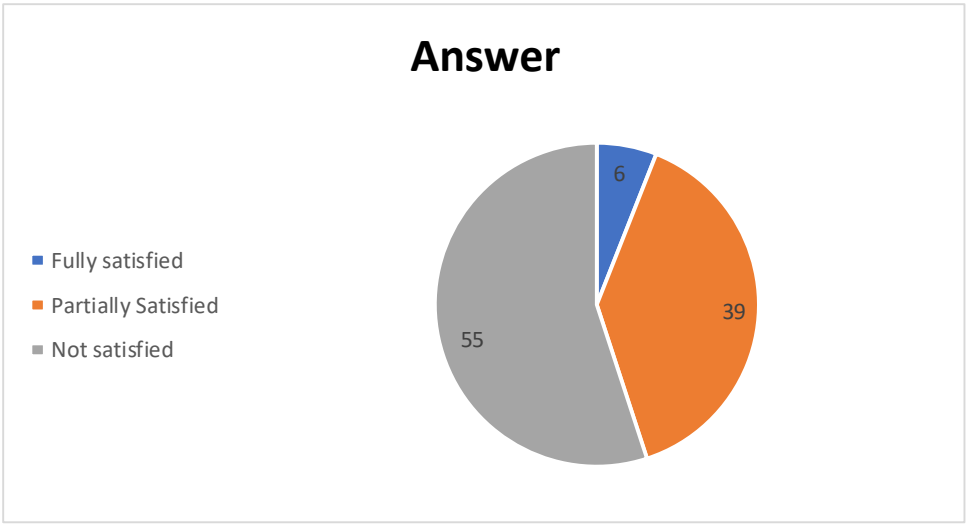
9.1.4 Compared to other life insurance providers, how would you rate PLICL overall?

Majority of respondents 65% rated PLICL as worse than other life insurance companies, 24% of respondents considered PLICL to be at par with other providers. Only 11% rated PLICL as better than other private companies. The graphically results is given as follows:



9.1.5 Are you satisfied with the customer services provided by PLICL?

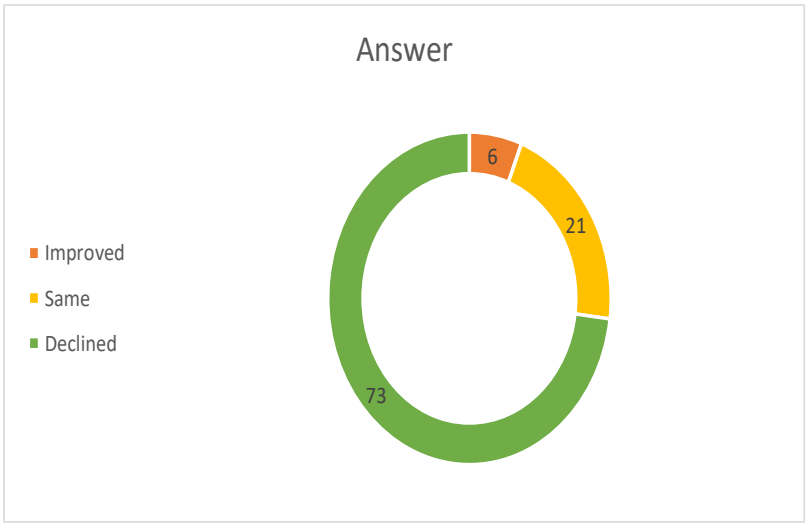
A substantial majority of respondents 55% stated that they are not satisfied with the customer services, 39% of respondents reported being partially satisfied. Only a very small proportion 6% expressed being fully satisfied. The graphically results are given as follows:



9.2 Survey results of Staff

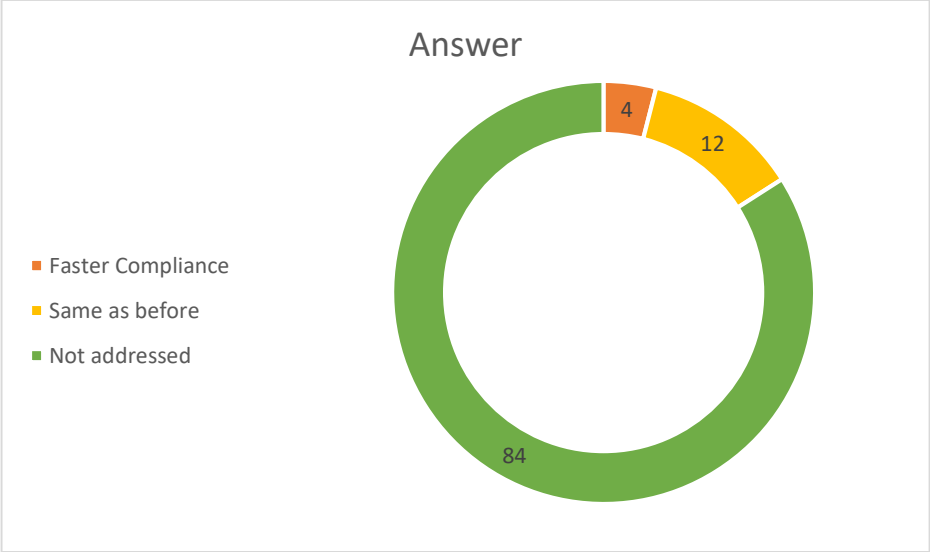
9.2.1 What do you feel about the fresh PLICL business?

A significant majority of respondents 73% responded that fresh business has declined. Meanwhile, 21% of staff considered the level of fresh business to be unchanged. Only a minimal proportion 6% reported an improvement in fresh business. The graphically results are given as follows:



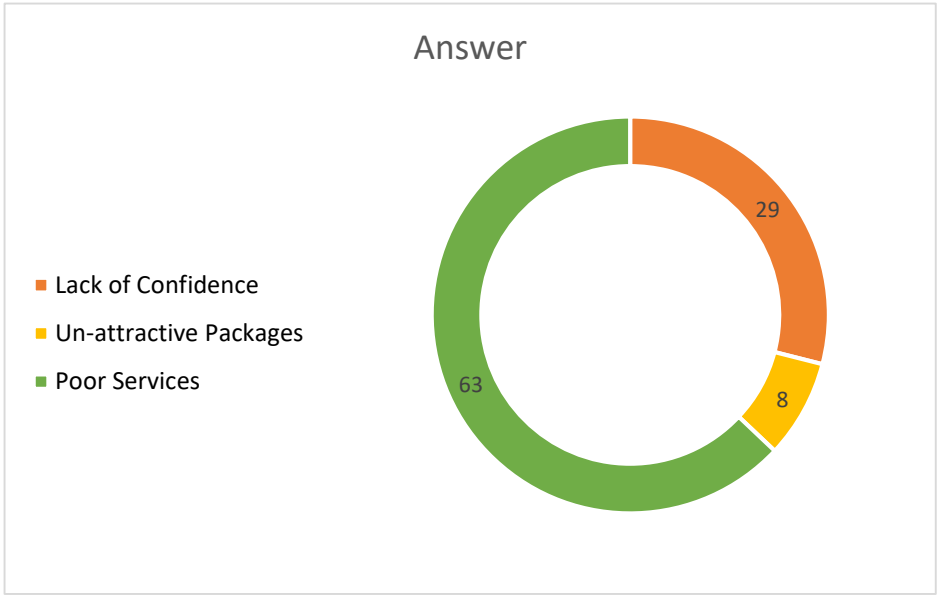
9.2.2 Are customer complaints resolved more effectively now?

The 84% of respondents reported that customer complaints are not addressed effectively, 12% of respondents observed that the complaint resolution process remains the same as before. Only a marginal 4% of respondents believed that complaints are resolved faster and with better compliance. The graphically results are given as follows:



9.2.3 What is your opinion about shortfall of PLICL Business?

A majority of 63% of respondents identified poor service quality as a key factor contributing to the decline in business, 29% of respondents attributed the business shortfall to a lack of confidence in PLICL. Only 8% of respondents considered unattractive insurance packages to be the main reason. The graphically results are given as follows:



Conclusion

The impact audit concludes that the conversion of Postal Life Insurance (PLI) into Postal Life Insurance Company Limited (PLICL) has not achieved its intended targets. Post-conversion, PLICL experienced a sharp decline in new premium income and fresh business secured, along with a significant contraction in its product offerings. The claim settlement performance weakened considerably, with a large backlog of unpaid claims amounting to Rs 9.085 billion, adversely affecting policyholder confidence, the Company's goodwill and also adversely affected citizens who relied on timely payments to meet their urgent financial needs.

The audit further identifies governance and structural weaknesses as key contributors to the declining performance of PLICL. The non-completion of the Board, prolonged absence of CEO, key management positions, non-establishment of marketing strategy, and non-provision of committed funds for legacy claims have collectively undermined operational effectiveness. Survey results from policyholders and staff corroborate these findings, reflecting reduced trust, dissatisfaction with claim

settlement timelines, and weakened competitiveness compared to other insurers. Overall, the evidence demonstrates that corporatization has so far resulted in operational disruption rather than improvement, and unless immediate corrective measures are undertaken particularly in governance, funding, claims management, product diversification, and marketing the long-term viability and public trust in PLICL remain at serious risk.

ANNEXURES

Annexure-I

Brief Description of Paras of PPOD Included in MFDAC

(Rs in Million)

Sl. No.	PDP No.	Subject	Amount
1.	01-2026	Unauthorized retention of pension funds	3,655.249
2.	05-2026	Non-compliance with MOU provisions and deficiencies in MIS reporting by NBP	-
3.	08-2026	Unauthorized treasury functions and retention of cash balance	2,154.453
4.	09-2026	Unauthorized transfer of amount by NBP without debit advices	99.174
5.	10-2026	Irregular expenditure on mail conveyance	11.621
6.	11-2026	Irregular expenditure on mail conveyance	13.051
7.	16-2026	Short recovery of share cost	13.248
8.	17-2026	Irregular expenditure on transportation of stamp boxes	4.465
9.	18-2026	Unauthorized payment of fuel price adjustment to mail contractor	4.907
10.	38-2026	Non-recovery of rent, pension contribution and postage charges from M/s. PLICL	426.267
11.	40-2026	Irregular Procurement of Stationery	3.000
12.	42-2026	Unauthorized deduction of Income Tax	53.853
13.	44-2026	Wasteful expenditure due to inadequate implementation of IT solutions	66.720
14.	45-2026	Irregular expenditure on provision of security services	37.198
15.	47-2026	Irregular expenditure on mail lines	18.706

16.	48-2026	Irregular expenditure without tender	6.300
17.	49-2026	Loss to PPOD due to non-acquisition of lands/building	-
18.	50-2026	Non deposit of Tax on Rental Income	8.290
19.	53-2026	Non-compliance with contractual obligation and non-forfeiture of security	12.568
20.	54-2026	Non-transfer of recovered amount of theft & misappropriation to FCF	16.204
21.	55-2026	Non-deposit of security by the mail contractors of	20.038
22.	58-2026	Un-authorized payment of commission to M/s PPF	18.424
23.	59-2026	Illegal occupation of PPOD Land	93.635
24.	60-2026	Non-recovery of rent and utility charges	4.031
25.	61-2026	Un-authorized payment of military pension from other sources	350.368
26.	62-2026	Non-recovery of standard rent from unauthorized occupant	125.607
27.	66-2026	Illegal retention of amount of taxes	96.643
28.	67-2026	Irregular procurement of printing from Pakistan Post Foundation	169.782
29.	69-2026	Non-availability of ownership documents of Postal land& Buildings	12,392.036
30.	70-2026	Loss due to retention of un-remunerative post offices	1,153.792
31.	71-2026	Un-justified payment of rent of residential accommodation	5.344
		Total	**21,034.970**

Annexure - II

Brief Description of PLICL Paras Included in MFDAC

(Rs in Million)

Sl. No.	PDP No.	Subject	Amount
1.	22-2026	Loss due to excess deduction of withholding tax on profit due to non-filer status of company	36.326
2.	23-2026	Non-transfer of withholding tax deducted at source Rs.17.955 million and Non-deposit of Late Payment Surcharge / interest to FCF	20.110
3.	24-2026	Non-deposit of unspent amount into assignment account	223.000
4.	26-2026	Un-authorized appointment of CEO of PLICL Company and unauthorized sanctions by CEO	265.100
5.	28-2026	Un-authorized approval of payments by BoD	441.852
6.	30-2026	Irregular payments made to Ex-CEO	2.036
7.	33-2026	Non-receipt of premium and penalty from PPOD	1,277.238
8.	51-2026	Irregular expenditure on payment of PLICL claims and perks to staff due to non-observance of Constitutional obligations while converting the PLI into PLICL	2,749.000
9.	52-2026	Doubtful deposit in the National Bank	-
Total			**5,014.662**

Annexure-III
(Para No. 1.4.1)

Details of loss & fraud cases occurred in formations of PPOD during 2024-25

(Rs in Million)

S. No	AIR No	Unit	Description	Amount	No of Cases
1	04-25	GPO/DSPS Gujranwala	Misappropriation of public money through utility bills	1.906	5
2	08-25	PMG Hyderabad	Misappropriations of public money	22.384	1
3	09-25	PMG Rawalpindi	Loss due to theft & misappropriation	1.717	9
4	12-25	PMG Muzaffarabad	Misappropriation of govt money	0	1
5	19-25	GPO Hyderabad	Misappropriation of cash in utility bills	1.533	1
6	19-25	GPO Hyderabad	Misappropriation in collection of utility bills	1.24	1
7	28-25	PMG Lahore	Loss due to theft & misappropriation	4.126	6
8	48-25	GPO Attock	Embezzlement of amount of Utility Bills	2.356	1
9	22-25	PMG Quetta	Loss due to dacoity	0.266	1
10	22-25	PMG Quetta	Non-recovery of loss due to burning incident	0.012	1
11	38-25	PMG Peshawar	Misappropriation in military pension payments	6.802	1
12	38-25	PMG Peshawar	Loss due to misappropriation & theft	8.053	5
TOTAL				**50.395**	**33**

Annexure-IV
(Para No. 1.6.1)

Details of non-recovery of postal dues during 2024-25

(Rs in million)

S. No	AIR No	Unit	Subject	Amount
1	01-25	GPO/DSPS Sargodha	Non-recovery of postal dues from bulk mail users	1.349
2	02-25	GPO/DSPS Bahawalpur	Non-recovery of postal dues from bulk users	0.726
3	03-25	GPO / DSPS Faisalabad	Non-recovery of postal dues from bulk users	2.427
4	04-25	GPO/DSPS Gujranwala	Non-recovery of postal dues from bulk mail users	4.085
5	05-25	GPO Okara	Non-recovery of postal dues from bulk mail users	0.501
6	06-25	GPO Karachi	Non-recovery of postal dues from express post bulk users	6.986
7	07-25	PMG Karachi	Non-recovery of postal dues from bulk mail users	22.203
8	08-25	PMG Hyderabad	Non-recovery of postal dues from bulk mail users	0.677
9	10-25	GPO/DSPS Jhang	Non-recovery of postal dues from bulk users	0.863
10	11-25	PMG Multan	Non-recovery of postal dues from bulk users	0.839
11	12-25	PMG Muzaffarabad	Non-recovery of postal dues from bulk mail users	0.686
12	13-25	GPO Sialkot	Non-recovery of postal dues from bulk mail users	5.454
13	14-25	GPO Sahiwal	Non-recovery of postal dues from bulk mail users	0.302
14	15-25	DG PPOD, Islamabad	Non-recovery of service charges from M/s. SNGPL	14.887
15	15-25	DG PPOD, Islamabad	Non-recovery of service charges on collection of PLI premium from PLICL	10.774
16	17-25	GPO/DSPS Rawalpindi	Non-recovery of postal dues from bulk mail users	2.748
17	18-25	GPO / DSPS Jhelum	Non-recovery of postal dues from bulk users	0.128
18	19-25	GPO Hyderabad	Non-recovery of postal dues from bulk mail users	0.941

19	20-25	GPO/DSPS Gujrat	Non-recovery of postal dues from bulk mail users	0.182
20	21-25	GPO/DSPS Multan	Non-recovery of postal dues from bulk users	2.967
21	23-25	GPO/DSPS Muzaffarabad	Non-recovery of postal dues from bulk mail users	0.104
22	25-25	PMG Islamabad	Non-recovery of postal dues from bulk mail users	285.588
23	26-25	GPO Latifabad	Non-recovery of postal dues from bulk mail users	0.183
24	28-25	PMG Lahore	Non-recovery of service charges	15.031
25	28-25	PMG Lahore	Outstanding amount against Government of Punjab	21.993
26	28-25	PMG Lahore	Non recovery of outstanding dues from Excise Department	4.57
27	28-25	PMG Lahore	Non-recovery of postal dues from bulk mail users	4.053
28	31-25	GPO/DSPS Islamabad	Non-receipt of claim from IMPASS	201.829
29	31-25	GPO/DSPS Islamabad	Receivables against Fast Track Delivery Service	107.277
30	31-25	GPO/DSPS Islamabad	Non-recovery of postal dues from bulk mail users	11.267
31	33-25	GPO Batkhela/DSPS Malakand	Non-recovery of postal dues from bulk mail users	0.07
32	34-25	GPO/DSPS Quetta	Non-recovery of postal dues from bulk mail users	0.466
33	35-25	GPO/DSPS Mirpur Khas	Non-recovery of postal dues from bulk mail users	0.451
34	36-25	GPO Rahim Yar Khan	Non-recovery of postal dues from bulk mail users	0.222
35	39-25	GPO/DSPS Abbottabad	Outstanding postal dues against bulk mail users of UMS Articles	0.383
36	39-25	GPO/DSPS Abbottabad	Outstanding postal dues against bulk mail users of Registered Articles	0.106
37	40-25	GPO/DSPS Sukkur	Non-recovery of postal dues from bulk mail users	0.12
38	41-25	GPO Kohat	Non recovery of service charges on account of delivery of PTCL Bills	2.045
39	41-25	GPO Kohat	Non-recovery of postal dues from bulk mail users	0.134

40	43-25	DSPS/ GPO DG Khan	Non-recovery of postal dues from bulk mail users	1.25
41	44-25	Controller IMO (Parcel), Karachi	Non-recovery of accepted Terminal Dues	89.97
42	44-25	Controller IMO (Parcel), Karachi	Non-recovery of accepted EMS claims	72.982
43	44-25	Controller IMO (Parcel), Karachi	Non-recovery of accepted parcel claims	9.461
44	46-25	GPO/DSPS Mardan	Outstanding postal dues against bulk mail users of Registered Articles	0.104
45	47-25	GPO Lahore Cantt	Non-recovery of postal dues from bulk mail users	1.141
46	48-25	GPO Attock	Non-recovery of postal dues from bulk mail users	0.221
47	48-25	GPO Attock	Outstanding postal dues against bulk mail users of Registered Articles	0.399
48	50-25	GPO/DSPS Mianwali	Non-recovery of postal dues from bulk mail users	0. 258
49	51-25	GPO/DSPS Nawabshah	Non-recovery of postal dues from express post bulk users	0.784
50	52-25	GPO/DSPS Rawalakot	Outstanding postal dues against bulk mail users of Registered Articles	0.005
51	53-25	GPO Lahore	Non-recovery of postal dues from bulk mail users	8.029
52	53-25	GPO Lahore	Non recovery of outstanding dues from Excise Department	4.57
53	53-25	GPO Lahore	Non-recovery of service charges from M/s. LESCO & M/s SNGPL	22.464
54	38-25	PMG Peshawar	Non-recovery of postal dues from PTCL	4.248
55	24-25	GPO/DSPS Mansehra	Non recovery of postal dues from bulk users	0.358
56	45-25	GPO Peshawar	Non-recovery of postal dues from bulk mail users	3.52
57	28-25	PMG Lahore	Non-receipt of revenue on acount of DFPO,s collection	26.166
Total				**981.289**

Annexure-V

(Para No. 1.7.2)

Details of non-deposit of revenue into the Federal Consolidated Fund

(Rupees in Million)

S. No	AIR No	Unit	Subject	Amount
1	01-25	GPO/DSPS Sargodha	Non-deposit of revenue into the Federal Consolidated Fund	30.018
2	04-25	GPO/DSPS Gujranwala	Less-deposit of postal revenue into the Federal Consolidated Fund (FCF)	4.083
3	05-25	GPO Okara	Non-deposit of revenue into the Federal Consolidated Fund	11.729
4	06-25	GPO Karachi	Short deposit of revenue into the Federal Consolidated Fund	14.905
5	07-25	PMG Karachi	Non-deposit of non-tax revenue into FCF	1.238
6	10-25	GPO/DSPS Jhang	Non-transfer of postal revenue in to FCF	73.384
7	13-25	GPO Sialkot	Non-deposit of postal revenue into the Federal Consolidated Fund (FCF)	246.986
8	15-25	DG PPOD, Islamabad	Non-deposit of revenue into the Federal Consolidated Fund	752.847
9	15-25	DG PPOD, Islamabad	Non deposit of amount of tax from NBP into Federal Consolidated Fund	18.785
10	15-25	DG PPOD, Islamabad	Non deposit of profit amount into FCF	16.279
11	20-25	GPO/DSPS Gujrat	Less deposit of postal revenue into the Federal Consolidated Fund (FCF)	1.244
12	21-25	GPO/DSPS Multan	Short deposit of revenue into NBP agency functions account	1.338
13	25-25	PMG Islamabad	Non-transfer of service charges to FCF	160.556
14	26-25	GPO Latifabad	Non-deposit of revenue into the Federal Consolidated Fund	6.973
15	26-25	GPO Latifabad	Non-deposit of recovered amount from military pensioners into FCF	0.48
16	28-25	PMG Lahore	Non-deposit of standard rent recovery into FCF	34.079
17	29-25	ECO Postal Staff College, Islamabad	Non-deposit of non-tax revenue into FCF	1.201

18	33-25	GPO Batkhela/DSPS Malakand	Less-deposit of revenue into the Federal Consolidated Fund	1.183
19	34-25	GPO/DSPS Quetta	Short deposit of revenue into the Federal Consolidated Fund	62.932
20	35-25	GPO/DSPS Mirpur Khas	Non-deposit of revenue into the Federal Consolidated Fund	27.264
21	40-25	GPO/DSPS Sukkur	Non-deposit of revenue into the Federal Consolidated Fund	1.245
22	41-25	GPO Kohat	Less-deposit of revenue into the Federal Consolidated Fund	13.685
23	47-25	GPO Lahore Cantt	Non-deposit of revenue into the Federal Consolidated Fund	360.231
24	53-25	GPO Lahore	Non-deposit of revenue into the Federal Consolidated Fund	405.701
25	24-25	GPO/DSPS Mansehra	Non deposit of revenue into the federal consolidated fund	45.486
26	12-25	PMG Muzaffarabad	Non deposit of revenue into the federal consolidated fund	7.134
27	45-25	GPO Peshawar	Non-deposit of revenue into the Federal Consolidated Fund	40.216
			Total:	**2,341.202**

Annexure-VI

(Para No. 1.7.7)

Details of unlawful drawal of cash on paper chits

(Rupees in Million)

S. No	AIR No	Unit	Subject	Amount
1	01-25	GPO/DSPS Sargodha	Unlawful drawal of cash from treasury on paper chits	25.830
2	02-25	GPO/DSPS Bahawalpur	Shortage of cash in post offices	1.085
3	03-25	GPO / DSPS Faisalabad	Unlawful drawl of cash on paper chits	11.911
4	03-25	GPO / DSPS Faisalabad	Un-authorized clearance of paper chits through cash / money orders	0.000
5	04-25	GPO/DSPS Gujranwala	Unlawful withdrawal of cash on paper chits by sub-offices	9.438
6	05-25	GPO Okara	Irregular drawl of cash on paper chits	17.300
7	06-25	GPO Karachi	Irregular retention of paper chits	0.046
8	09-25	PMG Rawalpindi	Unlawful drawal of cash on paper chits	128.522
9	10-25	GPO/DSPS Jhang	Unlawful drawl of cash on paper chits	2.293
10	10-25	GPO/DSPS Jhang	Un-authorized clearance of paper chits through cash/money orders	0.000
11	12-25	PMG Muzaffarabad	Unlawful drawal of cash from treasury on paper chits	0.224
12	13-25	GPO Sialkot	Unlawful withdrawal of cash on paper chits by sub-offices	9.170
13	14-25	GPO Sahiwal	Irregular drawl of cash on paper chits	4.830
14	17-25	GPO/DSPS Rawalpindi	Un-authorized drawal of cash from treasury on paper chits	8.439
15	18-25	GPO / DSPS Jhelum	Unlawful drawl of cash on paper chits	14.882
16	18-25	GPO / DSPS Jhelum	Un-authorized clearance of paper chits through cash / money orders	0.000
17	19-25	GPO Hyderabad	Irregular retention of paper chits	1.125
18	20-25	GPO/DSPS Gujrat	Unlawful withdrawal of cash on paper chits by sub-offices	5.883
19	21-25	GPO/DSPS Multan	Shortage of cash in post offices	2.096
20	26-25	GPO Latifabad	Irregular retention of paper chits	0.705
21	28-25	PMG Lahore	Unlawful drawal of cash on paper	38.020

			chits	
22	33-25	GPO Batkhela	Unlawful withdrawal of cash on paper chits by sub-offices	1.536
23	34-25	GPO/DSPS Quetta	Unlawful drawal of cash on paper chits	0.365
24	36-25	GPO Rahim Yar Khan	Irregular drawl of cash on paper chits	2.206
25	37-25	GPO Korangi, Karachi	Unlawful drawal of cash on paper chits by sub-offices	0.126
26	39-25	GPO/DSPS Abbottabad	Un-authorized drawl of cash from treasury on paper chits	2.508
27	39-25	GPO/DSPS Abbottabad	Un-authorized drawl of cash from treasury on paper chits	0.177
28	40-25	GPO/DSPS Sukkur	Irregular retention of paper chits	3.076
29	41-25	GPO Kohat	Unlawful withdrawal of cash on paper chits by sub-offices	2.151
30	42-25	GPO / DSPS Mirpur	Unlawful drawl of cash on paper chits	0.250
31	43-25	DSPS/ GPO DG Khan	Irregular drawl of cash on paper chits	4.530
32	46-25	GPO/DSPS Mardan	Un-authorized drawl of cash from treasury on paper chits	2.832
33	47-25	GPO Lahore Cantt	Irregular retention of paper chits	2.105
34	48-25	GPO Attock	Irregular drawal of cash from treasury on paper chits	5.011
35	49-25	GPO Nowshehra	Un-authorized drawl of cash from treasury on paper chits	1.666
36	50-25	GPO/DSPS Mianwali	Irregular drawl of cash on paper chits	1.709
37	52-25	GPO/DSPS Rawalakot	Un-authorized drawl of cash from treasury on paper chits	0.415
38	53-25	GPO Lahore	Unlawful drawal of cash from treasury on paper chits	1.091
39	24-25	GPO/DSPS Mansehra	Unlawful drawal of cash from treasury on paper chits	8.533
40	38-25	PMG Peshawar	Unlawful drawl of cash on paper chits	0.254
41	45-25	GPO Peshawar	Irregular retention of paper chits	1.099
Total				**323.439**

Annexure-VII
(Para No. 2.4.2)

Details of transfer of public funds in personal accounts

Name of employee	Name of office	CNIC No of employee	Bank Account NO	Amount Transferred (Rs)
Tahir Javaid (UDC)	RD PLICL Quetta	54400-0358085-9	HBL9427900693003	772,000
Tajamal Hussain UDC)	RD PLICL Peshawar	17301-1497654-9f	UBL109000275788562	4,360,226
Irfan Arshad (UDC)	RD PLICL Multan	32304-0584295-7	MCB1438029071001684	5,028,602
			Total:	**10,160,828**