Auditor-General of Pakistan

February 2026

Audit Report on

PAKISTAN TELECOMMUNICATION AUTHORITY (PTA)

Report No: DG AUDIT P&TS 26-004

Audit Year 2025-26

Financial Year 2024-25

PREFACE

Articles 169 & 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 audit of receipts and expenditure of the Federation and the Provinces or the accounts of any authority or body established by or under the control of the Federal or a Provincial government.

This report is based on the audit of Pakistan Telecommunication Authority (PTA) for the financial year 2024-25. The Director General Audit P&TS conducted audit during audit year 2025-26 on a test check basis with a view to make an independent assessment of the entity and provide reliable information to the stakeholders for sound decision-making. The report also aims to improve the internal controls of the entity, thereby enabling the management to take corrective action and enhance operational efficiency.

The Audit Report includes key facts about the entity, an audit snapshot, findings on systemic issues, conclusion and recommendation for executive action. The audit findings indicate several matters related to the stated roles & responsibilities of the entity, financial management, human resources management, operational processes, achievements of targets/KPI and digitization.

The audit observations were shared with the entity as well as the Principal Accounting Officer (PAO) and the responses received were evaluated before finalization of this report. The observations were discussed with the PAO in Departmental Accounts Committee (DAC) meeting held on 17.12.2025 and the outcomes of the meeting have been incorporated in the report.

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 it to be laid before the both houses of Majlis-e-Shoora (Parliament).

Islamabad
Dated: *February, 2026*

(Maqbool Ahmad Gondal)
Auditor-General of Pakistan

Department of the Auditor-General of Pakistan



The Auditor General's organization is the supreme audit institution in the country, ensuring public accountability and fiscal transparency in governmental operations. The organization is expected to bring about improvements in the financial discipline and internal control environment across the executive departments, thereby minimizing the possibility of waste and fraud.

The Auditor-General of Pakistan is appointed under the Constitution of the Islamic Republic of Pakistan. His reports are laid before the legislature and are discussed in the Public Accounts Committees of the respective legislative Assemblies. The Auditor General's mandate enables the office to strengthen the legislative oversight by providing an independent and objective assessment of the governance process at the federal, provincial, and local levels.

AUDIT SNAPSHOT

Why did we conduct this audit?

The audit was undertaken to assess PTA's role as a regulator of telecommunication sector. Audit reviewed the PTA's statutory mandate under Section 4(1) of the Pakistan Telecommunication (Re-organization) Act, 1996 involving its major function to regulate the establishment, operation and maintenance of telecommunication systems and provision of telecommunication service in Pakistan; grant and renew licenses for any telecommunication system and telecommunication service; receive and expeditiously dispose off applications for the use of radio-frequency spectrum; promote and protect the interest of users of telecommunication services etc.

The performance of PTA as regulator has also been evaluated against its mandate to promote telecom sector growth, ensure national exchequer contributions, implement Quality of Service (QoS) standards, protect consumer interest, enforce legal compliance and assess the effectiveness of its regulatory oversight and enforcement actions.

What did we find?

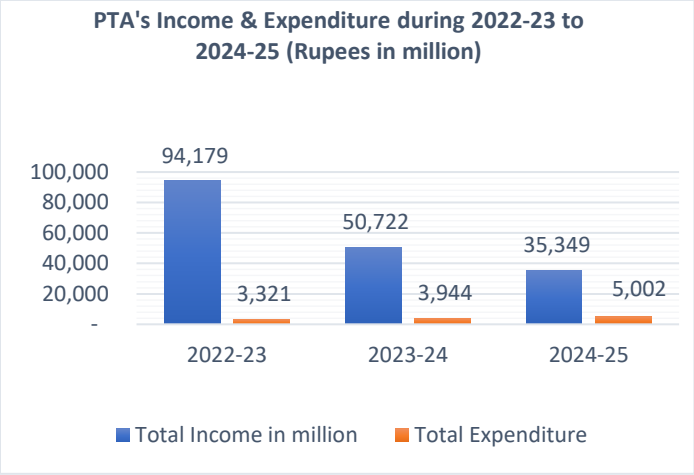
- PTA did not check & review the area of Data Centers under the licensing regime despite falling within the definition of "telecommunication systems," resulting in regulatory failure and the loss of potential revenue to the national exchequer.
- PTA did not remit surplus balances to the Federal Consolidated Fund (FCF) within the prescribed timeframe resulting into delayed deposit of surplus.
- PTA failed to impose statutory penalties on PTML (Ufone) despite established cases of organized crime of illegal activation of SIMs by franchisees and PTML staff.
- Significant Annual Regulatory Dues (ARDs) remained unrecovered due to delayed enforcement actions, weak follow-up of Show Cause Notices, and over-reliance on prolonged litigation, adversely affecting government revenues.
- Authority members approved and received inadmissible pay, allowances, and benefits without approval of the Federal Government showing weak financial discipline.
- PTA did not conduct mandatory Quality of Service (QoS) surveys as required under Fixed Broadband QoS Regulations, 2022, leading to weak consumer protection and ineffective monitoring of service standards.
- Ownership of prime vested property (RTTS Building, Islamabad) was not transferred to PTA's name despite lapse of nearly three decades, exposing the Authority to legal and custodial risks.
- Absence of a clear gazette notification under Section 3(1) of PTRA, 1996 raised concerns regarding statutory compliance, governance legitimacy and legal validity of certain decisions.

Key Assessments

Income of PTA showed a consistent decline of resources over the three years, decreasing from Rs 94,179 million (2022-23) to Rs 35,349 million (2024-25). The main reason of declining of income is non-auction of 5G spectrum.

Expenditure, on the other hand, shows an increasing trend, rising from Rs. 3,321 million to Rs 5,002 million during the same period. Expenditure was raised due to increase in human resource cost, administrative expenses and legal charges.

The growth of telecom sector in rural and remote regions has been found uneven facing lower service quality and limited broadband speed indicating that growth of the sector has been quantitative rather than uniformly qualitative.



Source: Annual Audited Financial Statement of PTA Figure-I

⚠ **RISK SIGNAL — Receivable Dependence**

Persistent increasing trend of court cases indicates recovery of receivables subject to court decision. Non-recovery ultimately affects Federal Consolidated Fund (FCF) due to non-remittance to government exchequer.

⚠ **OPERATIONAL RISK- Weak Regulatory Oversight**

Weak Regulatory framework resulted in

What did we Recommend?

- PTA should take steps to bring Data Centers and similar emerging ICT infrastructure/ technologies under an appropriate licensing and regulatory framework.
- PTA should prioritize timely spectrum auctions and align regulatory actions with long-term sector growth and technological advancement besides maintaining the cashflow remittance to FCF.
- PTA should remit surplus funds to the FCF within prescribed timelines and institutionalize SOPs to ensure automatic and timely surrender of surplus balances.
- PTA should judicially determine the Show Cause Notices, impose penalties as per law and initiate criminal proceedings where organized telecom fraud is established.
- Enforcement orders should be issued promptly for recovery of outstanding Annual Regulatory Dues (ARDs), and periodic monitoring mechanisms should be established to ensure timely recoveries.
- All pay, perks, and allowances of the Authority Members should be strictly aligned with Federal Government approvals/policy and inadmissible payments should be recovered in accordance with PAC/DAC directives.
- Mandatory QoS surveys should be conducted regularly, findings be published transparently, and non-compliance by service providers be penalized to protect the consumer interests.
- PTA should immediately pursue transfer of ownership of all vested properties, update the Fixed Assets Register, and ensure periodic physical verification under senior management oversight.

issuance of fake IDs and non-issuance of timely enforcement orders against the illegal users of Radio Frequency.

- PTA should seek formal legal clarification and ensure issuance of appropriate gazette notifications to regularize the constitution of the Authority and strengthen governance legitimacy.

HIGHLIGHTS

ENTITY SUMMARY SHEET — PTA (FY 2024-25)

Description	Details *(Figures in Rs million)*
Legal Framework of Entity	Body Corporate established on 1st January, 1996 under the Section 3(1) of Pakistan Telecommunication (Re-organization) Act 1996, (PTRA) and was placed under the administrative control of the Cabinet Division. However, the Finance Division, in terms of Regulation 5, of Financial Management and Powers of Principal Accounting Officers (FMPPAO) Regulations, 2021, with the approval of the Prime Minister vide letter No. 3(10) 131/2021 dated 22.07.2025 designated the Chairman PTA as Principal Accounting Officer (PAO).
Key Responsibilities / Mandate & Objectives	In terms of the Section 4(1) of the PTRA, 1996 the major function of PTA is to regulate the establishment, operation and maintenance of telecommunication systems and provision of telecommunication service in Pakistan; grant and renew licenses for any telecommunication system and telecommunication service; receive and expeditiously dispose-off applications for the use of radio-frequency spectrum; promote and protect the interest of users of telecommunication services; promote rapid modernization of telecommunication systems and service; investigate and adjudicate on complaints and other claims; make recommendation to the Federal Government with respect to international telecommunications; regulate arrangements amongst telecommunication service providers of sharing their revenue derived from telecommunication service and regulate competition in the telecommunication sector and protect consumer rights.
Total Assets (Current / Non-Current)	**Total Assets:** Rs. 24,200 million Current Assets: Rs. 22,407 million Non-Current Assets: Rs. 1,793 million **Source:** Audited Financial Statement
Total Liabilities (Current / Non-Current)	**PTA Fund:** Rs. 12,391 million **Total Liabilities:** Rs. 11,809 million **Current Liabilities:** Rs. 6,560 million **Non-Current Liabilities:** Rs. 5,249 million **Source:** *(Audited Financial Statement FY 2024-25)*
Income / Revenue	Revenue: Rs. 35,489.307 million
Expenditure	CAPEX: Rs. 185.646million OPEX: Rs. 4,816.896million Total expenditure: Rs. 5,002.542 million
Receipts	Receipts consist of revenue earned from annual regulatory dues, interest earned on bank deposits and rental income
Cash Balances	Rs. 12,035.192 million
Total Investments	NIL
Funding Sources	Revenue generated by issuance & renewal of telecommunication licenses and Annual Regulatory Dues (ARDs).
Total Allocations	Rs. 6,145.105 million
Accounting Policy	PTA use accrual based double entry accounting system
Status of Financial Statements	Audited and approved up to FY 2024-25.

Description	Details *(Figures in Rs million)*
Composite Risk Rating	B (Moderate Risk) detail in Annex-II
Compliance Status of Audit Recommendations	Partial Compliance/ Weak Implementation Past recommendations largely unimplemented; receivables increase due to litigations, and weak financial / regulatory enforcement.

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ABBREVIATIONS

ALF	Annual License Fee
ARDs	Annual Regulatory Dues
AR	Audit Report
ARFSF	Annual Radio Frequency Spectrum Fee
BVS	Bio-metric Verification System
CMO	Cellular Mobile Operators
CPF	Contributory Provident Fund
DAC	Departmental Accounts Committee
ESR	Employee Service Regulations
FAB	Frequency Allocation Board
FCF	Federal Consolidated Fund
FLL	Fixed Local Loop
3G/4G	3rd / 4th Generation
GB	Gilgit Baltistan
GoP	Government of Pakistan
HRA	House Rent Allowance
ICT	Information Communication Technology
ILF	Initial License Fee
ISF	Initial Spectrum Fee
IT	Information Technology
KPIs	Key Performance Indicators
LDI	Long Distance International
LI	Lawful Interception
LPAF	Late Payment Additional Fee
LL	Local Loop
LTE	Long Term Evolution
MfDAC	Memorandum for Departmental Accounts Committee
MoITT	Ministry of Information Technology and Telecommunication
MoU	Memorandum of Understanding
MP	Management Position
NGMS	Next Generation Mobile Service
NMB	National Measurement of Broadband
NOC	No Objection Certificate
OFC	Optical Fiber Cable
PAO	Principal Accounting Officer
PAC	Public Accounts Committee
PTA	Pakistan Telecommunication Authority
PTCL	Pakistan Telecommunication Company Ltd.
PTML	Pakistan Telecom Mobile Ltd.
PTRA	Pakistan Telecommunication Re-Organization Act

QoS	Quality of Service
R&D	Research and Development
SCN	Show Cause Notice
SIM	Subscriber Identity Module
SLA	Service Level Agreement
SOPs	Standard Operating Procedures
USF	Universal Service Fund
WLL	Wireless Local Loop

OVERVIEW OF THE ENTITY

Pakistan Telecommunication Authority (PTA) is a body corporate established on 1st January 1996 under Pakistan Telecommunication (Re-organization) Act, 1996 and was placed under the administrative control of the Cabinet Division. However, the Finance Division, in terms of Regulation 5, of Financial Management and Powers of Principal Accounting Officers (FMPPAO) Regulations, 2021designated the Chairman PTA as Principal Accounting Officer (PAO) with the approval of the Prime Minister, vide letter No. 3(10) 131/2021 dated 22.07.2025. The Authority consists of four Members to be appointed by the Federal Government. As per section 3(9) of PTRA the decision of the Authority shall be subject to majority of its members.

PTA's main functions are to act as a regulator for telecommunication sector in Pakistan through its Headquarter in Islamabad and zonal offices situated in all over Pakistan. PTA grants & renews the telecommunication licenses on prescribed regulatory fee for provision of telecommunication services in accordance with the license conditions and International Telecommunication Union (ITU) standards.

Additionally, PTA is responsible to regulate the establishment, operation and maintenance of telecommunication systems and the provision of services in Pakistan; Promote and protect the interests of users, modernize telecommunication systems and provide a wide range of high quality, efficient, cost-effective and competitive telecommunication services in the country; Make recommendations for the Federal Government on policies for International Telecommunications; and Regulate arrangements amongst telecommunication service providers of revenue sharing derived from telecommunication services. Effective planning, allocation of skilled personnel, recovery of receivables, effective monitoring of legal cases and timely execution of regulatory functions are therefore, critical to achieving financial viability and operational efficiency.

PTA does not prepare its financial statements in accordance with the International Financial Reporting Standards (IFRS). The financial statements are prepared by PTA in accordance with the Pakistan Telecommunication Authority Finance and Accounting Manual approved by the members of the Authority. The internal audit wing exists in PTA but no internal audit report is prepared by it. The external audit is conducted by the Auditor-General of Pakistan.

As a Corporate body, PTA is required to safeguard the interest of users by enforcing Telecom Consumer Protection Regulations 2009 as amended from time to time. PTA is also responsible for auction of spectrum to provide latest technologies of telecommunication and data services to the people of Pakistan.

AUDIT FINDINGS

1. STATED MANDATE, ROLE AND RESPONSIBILITIES

In terms of the Section 4(1) of the PTRA, 1996 the major function of PTA is to regulate the establishment, operation and maintenance of telecommunication systems and provision of telecommunication service in Pakistan; grant and renew licenses for any telecommunication system and telecommunication service; receive and expeditiously dispose-off applications for the use of radio-frequency spectrum; promote and protect the interest of users of telecommunication services; promote rapid modernization of telecommunication systems and service etc.

1.1 Regulatory oversight/governance

As a sector regulator, PTA is responsible for enhancing and optimizing the licensing regime to cater for emerging technological market trends and the PTA is required to continue to prepare requisite license templates, information packages and other necessary measures with the approval of the Federal Government (MoITT), to facilitate the licensing process.

1.1.1 Non-inclusion of data centers in licensing regime due to weak regulatory governance

As per Section 2(h)&(u), of the Pakistan Telecommunication Re-Organization Act, 1996, the term “License” means an authorization granted by the Authority for establishment, operation or maintenance of any telecommunication system or provision of any telecommunication service. The term “Telecommunication System” means any electrical, electro-magnetic, electronic, optical or optio-electronic system for the emission, conveyance, switching or reception of any intelligence within or into, or from, Pakistan, whether or not that intelligence is subjected to re-arrangement, computation or any other process in the course of the system, and includes a cable transmission system, a cable television transmission system and terminal equipment. The Section 20(1), of the Act ibid, requires that no person shall establish, maintain or operate any telecommunication system or provide any telecommunication service unless he has obtained a license under this act. Further, the Clause 5.2.2 read with Clause 5.2.7 of the Telecommunication Policy, 2015 requires that the present licensing regime already distinguish between those operators that provide infrastructure as well as services and those that provide services alone. Nevertheless, there is a need to further enhance and optimize the licensing regime to cater for emerging technological market trends and the PTA will continue to prepare requisite license templates, information packages and other necessary measures with the approval of the Federal Government (MoIT), to facilitate the licensing process. Issuance of revised licenses would commence as soon as possible after the approval of the revised licensing regime by the Federal Government.

PTA under the Cabinet Division, Islamabad was required to enhance and optimize the licensing regime to cater for emerging technological markets and trends with the approval of the

Federal Government in accordance with the telecom policy 2015.

Audit observed that the PTA did not bring the services of the data centers under the licensing regime and submit any licensing template, information package for the approval of the Federal Government. Audit further noticed that the Authority under the Section 5(2)(o) of the PTRA, issued the "Critical Telecom Data and Infrastructure Security Regulations, 2020" for the security of critical telecom data and infrastructure related to the Telecom Sector for all PTA licensees without bringing all the data centers across the country under the licensing regime.

Audit contends that non-bringing of all data centers under the licensing regime not only deprived the national exchequer from the revenue but also left this market segment unregulated and vulnerable with respect to security of critical telecom infrastructure of Telecom Sector.

The matter was reported to the management and PAO during November, 2024. It was replied that the Federal Government issued a "Pakistan Cloud First Policy, 2022" to encourage cloud adoption considering Data Centers/Cloud Data Centers as an ICT infrastructure. Further, MoITT issued "Accreditation Criteria for Cloud Service Providers" for Cloud Data Centers established by Public and/or Private Sector Organizations through a Cloud Office established under MoITT. Paragraph 5.2.3 of TP, 2015, Federal Government mandated MoITT to review licensing policy framework/ licensing regime and MoITT is already in process of acquiring services of a reputed consultant for the matter.

The reply is not plausible as the Data Centers come under the definition of "Telecommunication Systems" as per Section 2(h)&(u) of PTRA, 1996. Further, PTA had also issued the "Critical Telecom Data and Infrastructure Security Regulations, 2020" in accordance with PTRA for the security of critical telecom data and infrastructure related to the Telecom Sector. Moreover, PTA is mandated to conduct bi-annual assessment to review the licensing policy framework under the Clause 5.2 of the Telecom Policy, 2015.

The matter was discussed in the DAC meeting held on 26th& 27th December, 2024.The DAC directed to pend the above para involving the audit of regulatory functions for further pursuance till the decision of case of audit of regulatory functions of NEPRA from Supreme Court of Pakistan. D.G Audit, however, contended that the audit of regulatory functions of PTA could not be linked with the litigation case of NEPRA as PTA was not a party in the instant case and did not fall under the ambit of sub-judice matters.

Audit recommends that the matter may be referred to Federal Government to seek necessary clarification under intimation to audit.

(DP No.267-25 MfDAC)

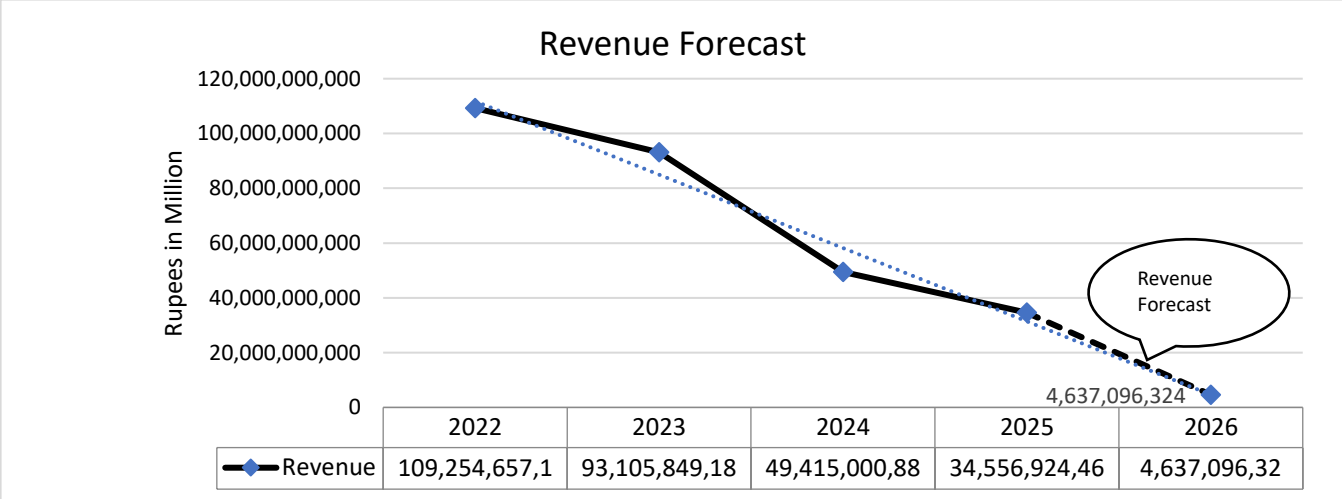
2. FINANCIAL PERFORMANCE REVIEW (2022-2025)

The audit conducted a financial performance review of PTA which included revenue generation, liquidity position, and amounts deposited by PTA into the Federal Consolidated Fund (FCF) over the Four-year period from 2022 to 2025. The review revealed a persistent decline in revenue generation and a downward trend in revenue forecast indicating weakening financial performance

resulting into lesser deposits in FCF. The continued increase in receivables reflects inefficiencies in collection mechanisms, suboptimal resource utilization and ineffective financial controls. Collectively, these weaknesses pose a material risk to cash flow stability and underscores the urgent need to strengthen revenue management, financial oversight, and operational governance frameworks.

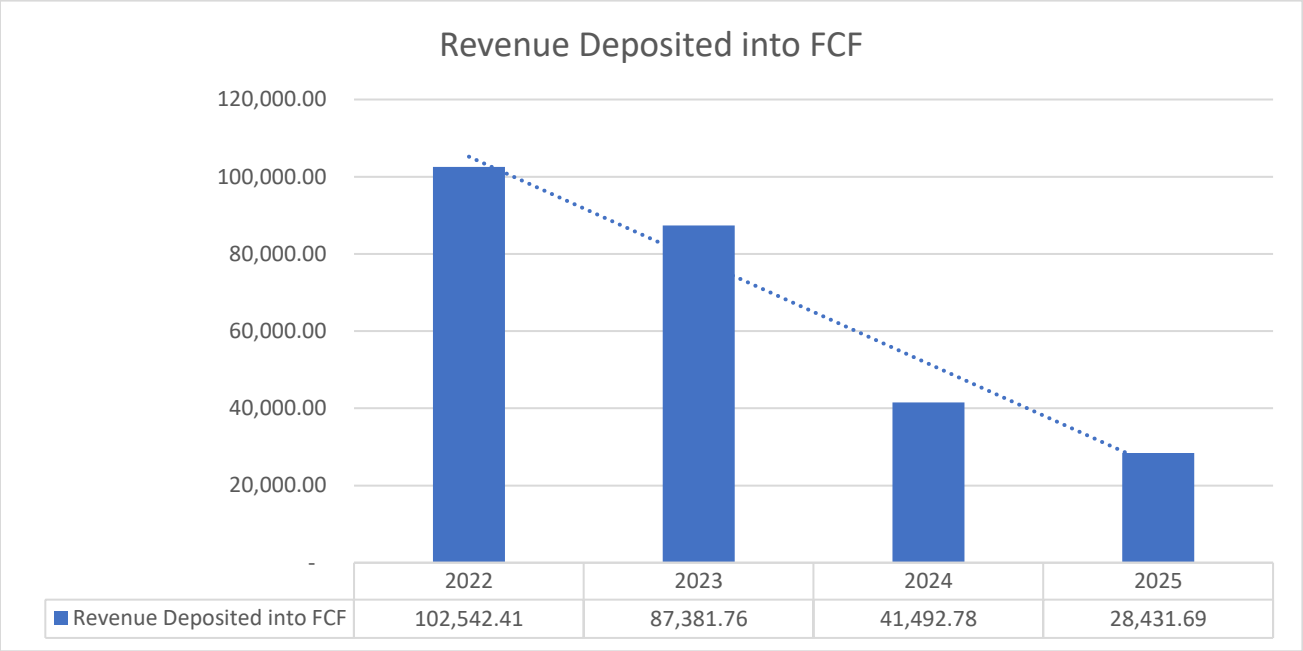
2.1 Revenue Generation and Its Forecast

Pakistan Telecommunication Authority (PTA) generates revenues mainly from License Fees from Telecom Operators, renewal fees, spectrum auction, regulatory fee & Annual Charges and fines & penalties etc. Audit noticed a persistent decline in the revenue collection of PTA. Collectively, this weakness poses a material risk to cash flow stability and underscores the urgent need to strengthen revenue management, financial oversight, and operational governance frameworks. During the last four financial years from 2022 to 2025, the financial statements data of revenue earnings by the PTA and forecast for revenue for the year 2026 is presented in the following **Figure-II:**



The review of above financial data revealed that PTA is facing persistent declining trend in terms of revenue generation from PKR 109,254.657 million in 2022 to PKR 34,556.921 million in 2025 which is almost 68% less than the revenue received in 2022. The deep dig of the issue revealed that the major element of decrease in the revenue was the decrease in the ILF/ISF which has significantly decreased from PKR 100,249.649 million in 2022 to 20,131.882 million in 2025. Further a forecast developed in this regard indicates that the revenue in 2026 will further decline to the minimum level of Rs4,637.096 million.

As a consequence of decrease in revenue collected by PTA, audit noticed a sharp declining trend in amounts deposited by PTA into FCF. The data indicates that PTA deposited PKR 102,542.41 million in 2022 which decreased to PKR 28,431.69 million in 2025. One reason of this diminishing trend is the delay in auction of 5G spectrum. PTA could not conduct the 5G auction in 2023-24 and 2024-25. A trend in decrease in revenue deposited into FCF is presented in **Figure-III:**



2.2 Liquidity

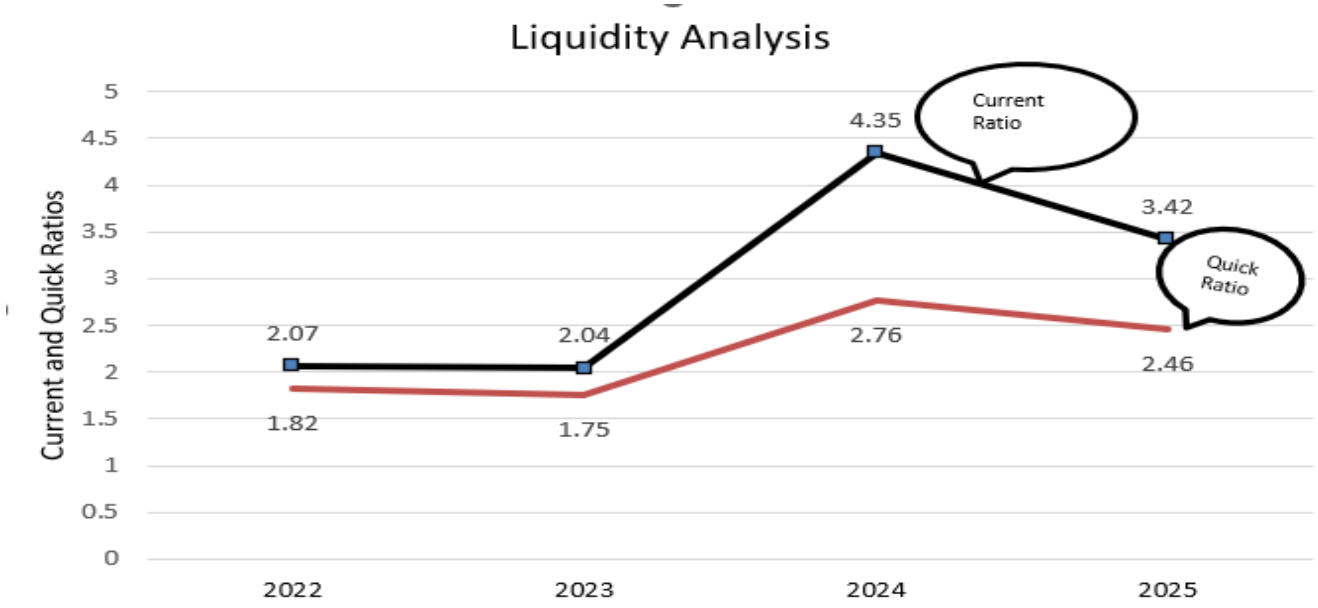
Analysis of liquidity position was conducted to assess PTA's ability to meet its short-term financial obligations promptly and efficiently without causing significant financial strain or resorting to external financing. The emphasis was on evaluating the Authority's ability to convert its assets into cash and manage its current liabilities effectively. The current ratios and quick ratios over the period under review were worked out as presented in following **Table-I.**

(Rupees in Million)

Years	2022	2023	2024	2025
Total Current Assets	17,951.32	23,101.63	20,669.17	22,407.35
Total Current Liabilities	8,664.64	11,340.66	4,748.94	6,559.88
Prepayments	2,215.27	3,284.54	7,562.45	6,296.03
Total Quick Assets	15,736.06	19,817.09	13,106.72	16,111.31
Current Ratios	**2.07**	**2.04**	**4.35**	**3.42**
Quick Ratio	**1.82**	**1.75**	**2.76**	**2.46**

The above table shows that both current and quick ratios of PTA remained stable and well above the standard benchmark. The current ratio has shown steady consolidation from 2.07 in 2022 to 4.35 in FY 2023-24 mainly due to decrease in current liabilities of PTA from Rs 8,666.64 million in 2022 to Rs 4,748.94 million in 2024 due to settlement of obligations to AJK and GB Council. Although, it declined slightly in 2025 but remained well above the standard benchmark of 2:1. A similar trend was also observed in quick ratio which also remained well above the

threshold of 1:1. The quick ratio also improved from 1.82 in 2022 to 2.76 in 2024 with little correction in 2.46 2025. The same trending has also be shown with in following **Figure-IV**

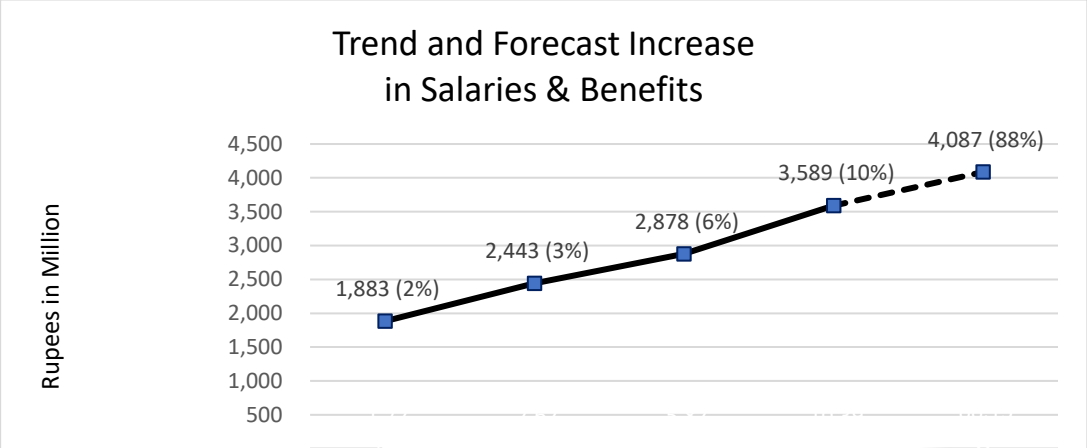


The above figure shows that both curves of Current and Quick ratios are showing increasing trend from FY 2022-23 to 2024-25 from 2.07 and 1.82 in 2022 to 3.42 and 2.46 in FY 2024-25.

2.3 Trend and Forecast increase in Salaries and Benefits of employees

As per Section 10 (3) of Pakistan Telecommunication (Re-organization) Act, 1996 PTA has powers to make regulations for appointment, promotion, termination and other terms and conditions of employment of its employees. PTA exercises financial autonomy in determination of pay and allowances of its employees.

But the financial autonomy in determination of pay and allowances of the Authority and its employees also require the PTA to implement strict financial discipline and control of HR expenditures. Audit has observed financial irregularities in pay and allowances of the authority which has been reported in the Para 7.1 of this report. However, forecast has been developed on the basis of trend of HR Cost from FY 2021-22 to FY 2024-25 which is presented in following **Figure-V**



	2022	2023	2024	2025	2026
Salaries & Benefits	1,883	2,443	2,878	3,589	4,087
%age of Revenue	1.72	2.62	5.82	10.39	88.13

The above forecast developed from the trend in increase of expenditure and employee salaries and benefits from FY 2021-22 to 2024-25 which indicates that the expenditure will increase from current level of Rs 3,589.25 million in 2024-25 to Rs 4,087 million representing an increase up to 88% of forecasted revenues. PTA needs to implement strict internal controls to achieve cost efficiency in controlling HR expenditures.

2.4 Preparation of the Financial Statements without approved accounting policies

In terms of the Section 14 of the Pakistan Telecommunication Re-organization Act (PTRA), 1996 the accounts of the Authority shall be maintained in such forms and in such manner as the Federal Government may determine in consultation with the Auditor-General of Pakistan.

As per Note 2.1 (a)&(b) of the Financial Statements for FY 2024-25, containing the Statement of Compliance, the financial statements have been prepared in accordance with the accounting policies of Pakistan Telecommunication Authority Finance and Accounting Manual" approved by the Members of the Authority and the financial statements have been prepared to assist the Authority to meet the reporting requirements of the Government of Pakistan.

Audit observed that as per PTRA the accounts of the Authority are required to be maintained in such forms and manners approved by the Federal Government but the PTA Finance and Accounting Manual was not approved from the Federal Government as required under the Act. Further, in the absence of approval of the Federal Government, the reporting requirements of the Government of Pakistan were also not specified.

Audit contends that preparation of financial statements without approval of the accounting policies from the Federal Government did not show the true and fair view of the financial affairs of the Authority.

Audit recommends that the accounting policies be immediately approved from the Federal Government and the Financial Statements be prepared according to the approved accounting policies.

The pattern indicates not merely inflationary adjustments but structural enrichment of employee benefits, potentially creating long-term actuarial burdens and inter-generational financial commitments. In the absence of transparent benchmarking with federal standards, performance-linked justification, and actuarial sustainability assessments, the Authority's increasing HR expenditure policy appears liberal and potentially inconsistent with sound public financial management principles.

3. FINANCIAL MANAGEMENT

Financial management is a critical component of Pakistan Telecommunication Authority's governance framework, as it ensures the effective planning, utilization, control, and reporting of financial resources in accordance with applicable laws, rules, and regulations.

PTA's financial management was weak despite availability of sufficient internal controls and clear provisions in the Telecommunication (Re-organization) Act, 1996. PTA is mandated to prepare its own budget and deposit surplus amount to FCF at the end of financial year, however, the management did not transfer the surplus amount which affected the revenues of national exchequer.

The entity's financial position shows notable concerns, including the deposit of Rs 2,230 million as Federal Excise duty under protest to obtain an automatic stay, significant unrecovered revenues, and a threefold increase in legal and consultancy charges.

3.1 Non-transfer of balances to Federal Consolidated Fund (FCF)

According to Section 12 (1) & (3) of Pakistan Telecommunication (Re-Organization) Act (PTRA), 1996, the Authority shall, in respect of each financial year, prepare its own budget and submit to the Federal Government three months before the commencement of every financial year for information. Any surplus of receipts over the actual expenditure in a year shall be remitted to the Federal Consolidated Fund and any deficit from the actual expenditure shall be made up by the Federal Government.

PTA under Cabinet Division, Islamabad is required to transfer its closing balance of collection account to Federal Consolidated Fund (FCF) at the end of financial year.

Audit examined the relevant record of banking operations and observed that PTA had a balance of Rs.4,915,640,270 as on 30.06.2025 in its collection account but did not transfer the same to FCF in violation of above section of PTRA. The detail is as under:

(Rs in Million)

Name of Banks	Account No.	Account title	Balance as on 30.06.2025
NBP Jinnah Avenue Branch Islamabad	3000942222	PTA collection Account	4,915.640

Audit contends that non-timely transfer of balances to FCF indicated weak financial management as well as implementation of internal controls.

The matter was reported to the management and PAO during November, 2025. It was replied that the amount of Rs. 4,915.640 million as identified by audit was due to FCF on 30th June, 2025 and was not transferred to FCF by PTA Management on account of surplus. As per practice, the amount of surplus due to FCF is surrendered to FCF every year upon finalization of Audited Financial Statements which are expected to be finalized by the end of November. The amount of surplus for the year ended 30thJune, 2025 duly audited by PTA's commercial auditors will be surrendered to FCF after finalization/audit of the

financial statements for the year ended 30th June, 2025 in due course.

The reply is not tenable. Section 12 (3) of PTRA 1996 clearly states that any surplus of receipts over the actual expenditure in a year shall be remitted to the Federal Consolidated Fund. Therefore, balance as on 30th June, 2025 should be remitted to FCF without any delay.

The matter was discussed in the DAC meeting held on 17th December, 2025. The DAC directed PTA to deposit 75% of estimated surplus into FCF by 30th June each year. However, the balance amount shall be surrendered to FCF after finalization of Audited Financial Statements.

Audit recommends implementation of the DAC directives. (DP No.41-26)

4. MONITORING AND ENFORCEMENT

Effective monitoring and timely enforcement actions, including issuance of enforcement orders and imposition of penalties, are essential controls to ensure regulatory compliance, safeguard government revenues, and deter unlawful practices in the telecommunication sector. Audit evaluated the adequacy of PTA's monitoring and evaluation mechanisms, with particular focus on enforcement actions relating to recovery of dues and regulatory compliance.

Audit observed that M/s PTML was involved in un-authorized and illegal issuance of Ufone SIMs without the knowledge and physical biometric verification of thumb / fingers of CNIC holder through biometric verification system but PTA instead of referring the matter for further investigation, disposed off the show cause notice against M/s PTML on the basis of warning issued by the operator to its staff. The Authority also did not issue enforcement order for recovery of dues which resulted in weak receivable management.

4.1 Non-imposition of penalty on PTML for organized fake SIM fraud

According to Clause 6.7.11 of the license, the licensee is under obligation to activate the SIMs after proper verification as per applicable Regulations, Directives and SOPs. Section 23(1) of the Pakistan Telecommunication (Re-organization) Act, 1996 requires that where a licensee contravene any provision of this Act or the rules made there under or any term or condition of the license, the Authority may by a written notice require the licensee to show cause within thirty days as to why an enforcement order may not be issued. The Section 23(3)(c)(i)&(ii) of the Act further require that where a licensee fails to remedy the contravention within the time allowed by the Authority or any of its officers, the Authority may by an order in writing and giving reason levy fine which may extend to three hundred and fifty million or suspend or terminate the license, impose additional conditions or appoint an Administrator to manage the affairs of the licensee. Further, Section 31(1)(a) and 31(2) of the Act, state that whoever, establishes, maintains or operates a telecommunication system or telecommunication service or carries on any other activity in contravention of this Act or the rules or regulations made there under; every offence specified in sub-section (1) shall be punishable with imprisonment which may extend to three years, or with fine which may extend to ten million rupees, or with both.

PTA under Cabinet Division, Islamabad issued Show Cause Notice (SCN) on 6th February, 2025 to M/s Pakistan Telecom Mobile Limited (PTML) due to un-authorized and illegal issuance of SIMs against the CNICs of residents of Punjab province by the franchisees of Baluchistan province.

Audit examined the relevant record and observed that SCN to PTML was issued for un-authorized and illegal issuance of Ufone SIMs against the residents of Lahore and Gujrat. Fourteen (14) SIMs were issued in Baluchistan whereas one (01) was issued from Multan and one (01) from Muzaffargarh without the knowledge and physical biometric verification of thumb / fingers of CNIC holder. It was further

noticed that biometric verification system (BVS) devices issued to seven (07) franchisees of Baluchistan were shifted to five (05) Districts of Punjab and approximately 2000 SIMs were activated through the said BVS devices during September to November, 2024. After investigation the matter was established but no FIRs were lodged against franchisees. Show Cause Notice to cellular mobile operator was issued in February, 2025 but no action for imposing penalty was taken under section 23(3)(c)(i) of PTRA.

Audit contends that appropriate action was not taken against the operator for alleged fraud and organized crime to impose the penalty.

The matter was reported to the management and PAO during November, 2025. It was replied that a Show Cause Notice was issued to the M/s PTML (Ufone) and the matter was under the review for final decision of the Authority.

The view point of audit has been accepted by the management.

The matter was discussed in the DAC meeting held on 17th December, 2025. The DAC directed PTA to get the record of Show Cause Notices and their disposal verified from audit.

Audit recommends that final outcome of the case be shared with audit.

(DP No.50-26)

Note: A similar issue of illegal biometric verification of SIMs of innocent BISP Beneficiaries women across Pakistan was also reported earlier in the MfDAC Report for the Audit Year 2024-25 vide Para No. 263-2025 MfDAC. The recurrence of same irregularity with no regulatory action/investigation against the organized crime is a matter of serious concern.

4.2 Non-issuance of enforcement orders for recovery of dues

According to Clauses 4.1.1 and 4.1.2 of the general conditions of various LDI/LL/WLL licenses, the licensee shall pay the Initial License Fee (ILF), Initial Spectrum Fee (ISF), Annual Radio Frequency Spectrum Fee (ARFSF), Universal Service Fund (USF), Research and Development Fund (R&D Fund) and Late Payment Additional Fee (LPAF) on annual regulatory dues to the authority as per agreed rates in the licenses within 120 days of issuance of demand notes.

PTA under Cabinet Division, Islamabad issued Show Cause Notices (SCNs) on 31.01.2025 & 26.02.2025 to M/s Pak Telecom Mobile Limited (PTML and M/s Pakistan Telecommunication Company Limited (PTCL) respectively due to non-depositing of outstanding Annual Regulatory Dues (ARDs).

Audit observed that PTA issued Show Cause Notice (SCN) to M/s PTCL for depositing of ARDs amounting to Rs 1,844.990 million including late payment charges. Another SCN was also issued to M/s PTML for depositing ARDs amounting to Rs41.308 million including late payment charges. The operators failed to deposit the amount till date but the authority did not take any action as required under section 23 of the PTRA, 1996.

Audit contends that non recovery of the dues reflects weak receivable management as well as regulatory oversight.

The matter was reported to the management during October, 2025. It was replied that the ARDs in case of PTCL relates to the years 2018 to 2023 and in case of PTML 2019 & 2020. However, an amount of Rs. 1012.289 million has been recovered from PTCL. Further the matters are subjudice before the Supreme Court of Pakistan (SCP).

The recovered amount has been verified by audit and the amount of para has also been reduced to the extent of recovery.

The matter was discussed in the DAC meeting held on 17th December, 2025. The DAC reduced the para to the extent of amount of Rs 1.012 billion verified by audit and settled the para subject to verification of recovery of balance amount.

Audit recommends that strenuous efforts be made to recover the balance amount under intimation to audit.

(DP No.36-26)

5. CONSUMER PROTECTION

Consumer Protection is a core regulatory responsibility aimed at safeguarding the rights and interests of telecom users across Pakistan. PTA is required to ensure the provision of quality, affordable and reliable telecommunication services by enforcing service standards, monitoring network performance, and preventing unfair trade practices by operators. PTA also plays a vital role in establishing effective complaint redressal mechanisms, enabling timely resolution of consumer grievances, and promoting digital awareness regarding user rights and data privacy.

5.1 Non-conducting of Technical Quality of Service survey of Fixed Broadband services

According to the Regulation 5(2) of the Fixed Broadband Quality of Service (Regulations), 2022 all monitoring by the Authority shall be checked against the following Key Performance Indicators (KPIs)/parameters at end user level and at Network End. The KPIs for QoS included (1) Service Uptime Success rate >98% or above, Network availability (i) Access Nodes (ii) Core Nodes, (2) Data Throughput (i) Download Data Throughput (ii) Upload Data Through Put; (3) Network Latency/Round Trip Time (4) Packet Loss (5) Jitter and (6) Webpage loading time etc. The Regulation 7(2) & (4) further required that the Authority may depute its representatives to be present at quality tests and surveys carried out by the BSP and the Authority shall intimate and notify a National Measurement of Broadband (NMB) as determined by the Authority.

PTA under Cabinet Division, Islamabad issued the Fixed Broadband Quality of Service (Regulations), 2022. PTA was required to conduct the Quality of Service (QoS) of fixed broadband service providers in Pakistan as well as in AJ&K and GB at end user level and at Network End Level.

Audit observed that PTA did not conduct the requisite quality of service measurement, testing, inspections, monitoring and reporting during the financial year 2023-24. The PTA under the above regulation was required to prepare National Measurement Programme (NMP) from large pool of prospective participants for onward submission to the authority on quarterly basis or as determined/recommended. The Fixed Broadband service providers were also required to keep the record of the said quality tests and surveys for inspection and audit by the designated representatives of the authority.

Audit contends that the non-conducting of quality-of-service (QoS) surveys under the regulations showed the weak internal controls resulting into inadequate regulation of fixed broadband services by the PTA.

Audit reported the matter to the management and PAO during November, 2024. It was replied that in FY 2023-24, PTA conducted network level surveys and reports were published on official website for the information of general public. Press Release was also issued by PTA for conducting Quality of Service (QoS) Surveys for Fixed-Line Broadband in Pakistan for Q1&Q2 2024.

The reply is not tenable as no QoS survey of Fixed Broadband Service Providers across the country was conducted since promulgation of QoS Regulations.

The matter was discussed in the DAC meeting held on 26th& 27th December, 2024.The DAC directed PTA management to get its stance verified from audit on the basis of available record. No record was produced till finalization of this report.

Audit recommends that matter may be investigated to fix responsibility against those held responsible for non-compliance of DAC directives.

(DP No.294-25MfDAC)

6. ASSET MANAGEMENT

Asset management is a key element of Pakistan Telecommunication Authority's financial and administrative framework, as it ensures proper acquisition, ownership, utilization, safeguarding, and disposal of assets in accordance with applicable laws and regulations. Effective asset management not only protects public resources but also ensures their optimal use in support of the Authority's regulatory mandate.

PTA's asset management practices, including the acquisition and transfer of ownership of land, maintenance of asset records, and compliance with relevant rules. Audit observed weaknesses in ensuring timely transfer of title of land in PTA's name, exposing the Authority to potential legal and financial risks.

6.1 Non-transfer of ownership of vested property

According to Para 1.3.4.2 of APPM, the PAO shall ensure that Fixed Assets Register kept in his department is properly maintained and is up-to-date. The department/entities will regularly review their holding of fixed assets. Para 5.5.1 of FAM states that internal control structure provides reasonable assurance that assets are safe-guarded against loss due to waste, abuse, mismanagement, errors, fraud and other irregularities. Further, as per Section 7(o) of the Financial Management and Powers of Principal Accounting Officers Regulations, 2021, the principal accounting officer shall be responsible for safe custody of assets including maintenance of assets and inventory registers.

Upon promulgation of Pakistan Telecommunication (Re-organization) Act, 1996, Regional Telecom Training School (RTTS) building measuring 12,777 sq. yards. situated at Plot No.112, sector H-10/4 was vested to PTA as per Ministry of Communication's SRO 658(I)/99, dated 8th June, 1999.

Audit observed that PTA failed to get transferred the ownership/lease of the vested property in its name from CDA despite the lapse of a period of 29 years. The value of the property as per FBR notification dated 27.07.2022 is Rs. 383,310,000 (Rs.12,777 x 30,000 per Sq. yard).

Audit contends that due to weak asset management ownership of prime property could not be got transferred in the name of PTA.

The matter was reported to the management and PAO during November, 2025. It was replied that at the time of establishment of PTA, certain assets were vested from PTC to PTA in which Plot No. 112, Sector H-10/4, Islamabad was also included. The transfer of the said plot was approved by the CDA vide letter dated 15th June, 1999 but the only outstanding issue was provision of B-1 & B-2 forms which is not possible as the 1st floor was constructed in 1986-87. CDA has changed regulations after earthquake 2005. The new construction will require demolish of existing floor, preparation of new design and approval of DWP.

The reply is not tenable as the transfer of ownership of property from PTC to PTA was considered and approved by CDA subject to payment of transfer fee. It was further stated that the said plot was allotted on 26th June, 1984 and according to clause (vi) of allotment letter the building was required to be completed within two years up to 26th June, 1986 and the property has not yet been transferred on the name of PTA.

The matter was discussed in the DAC meeting held on 17th December, 2025. The DAC directed PTA to pursue the case with CDA and final outcome thereon may be shared with Audit.

Audit recommends implementation of DAC directives.

(DP No.39-26)

7. HUMAN RESOURCE MANAGEMENT

Human Resource Management is a critical function of Pakistan Telecommunication Authority, as it ensures the availability, motivation, and effective utilization of human capital required to discharge its regulatory mandate. Sound HR management practices, including transparent recruitment, equitable pay and allowances, performance management, and compliance with applicable rules and policies, are essential for promoting efficiency, accountability, and financial discipline within the Authority. This chapter examines PTA's human resource management framework with particular focus on policies governing pay, allowances, and perks, to assess compliance with approved regulations and reasonableness of benefits extended to the Members of the Authority and Chairman.

7.1 Conflict of interest due to in-admissible payment of pay, perks & allowances

According to Regulation 7 (a) of Financial Management and Powers of Principal Accounting Officers Regulations, 2021, states that the PAO shall be responsible to adhere to and enforce the principles of financial propriety, including the compliance of laws, rules, regulations, maintaining high standard of prudence, vigilance, due diligence and ensuring value for money while incurring expenditure and collecting government receipts. Further, as per Finance Division OM dated 31-10-2023 regarding revision of Management position Scales MP-I, MP-II, MP-III), entitlement of basic pay, house rent allowance and utilities for MP scales were revised w.e.f. 01.10.2023. Moreover, as per para 6 (vii) of Establishment Division OM dated 22.06.2020, after completion of one tenure of 3/4/5 years as the case may be the incumbent shall be eligible to compete afresh against any MP Scale position, subject to meeting the advertised criteria.

The Members and Chairman of PTA under Cabinet Division, Islamabad are appointed by the Federal Government who are entitled for salaries, allowances and privileges including medical facility as defined by the Finance Division.

Audit observed that PTA made an inadmissible payment of pay, perks and allowances amounting to Rs. 28,691,617 to the Members of the Authority in violation of above. The detail is as under:

Sr. No.	PDP No.	Description	Amount (Rs)
1.	46-26	In-admissible payment of Perks & Allowances to Authority Members	11,505,024
2.	47-26	Overpayment due to wrong fixation of pay	7,130,088
3.	48-26	Unjustified payment of Proficiency Allowance to Authority Members	6,149,405
4.	49-26	Unjustified payment of Eid Allowances to Authority Members	3,907,100
		Total	**28,691,617**

Audit contends that due to non-adherence to instructions of Finance & Establishment Division, the authority members approved revision in medical policy and perks & allowances themselves which tantamount to conflict of interest as the appointment of authority members is exclusive mandate of the Federal Government. Hence, all the financial and

fringe benefits should have been decided by the said forum.

Audit reported the matter to the management and PAO during October & November, 2025. It was replied that the terms and conditions of the employment of the Chairman and Members of the Authority are still awaited. However, PTA paid the salaries, allowances and privileges to the Chairman and Members in view of the section 3(7) of PTA Act, Finance Division O.M dated 17.01.2007 and 07.09.2009 and Opinion of Law & Justice Division dated 3rd August, 2021.

The reply is not tenable. The PAC in its meeting held on 27th August, 2025 while discussing para 1.4.2 of AR 2023-24 in an identical issue has already directed to recover the inadmissible amount from the concerned officers.

The matter was discussed in the DAC meeting held on 17th December, 2025. The DAC directed PTA to review the PTA's Medical Policy in line with issues raised by audit and get it verified from Audit. DAC further directed PTA to implement the decision of PAC and get the record regarding re-appointment of the officer as a member verified from audit. No record was produced till finalization of this report.

Audit recommends implementation of DAC directives.

(DP No. 46,47,48 & 49-26)

8. OTHERS

This chapter covers audit observation that does not fall directly under core functional areas and highlights systemic and regulatory issues, procedural lapses, and statutory non-compliances that may adversely affect transparency, accountability, and the lawful functioning of the organization. Audit analysis is for strengthening the overall control environment and ensuring adherence to governing laws, rules, and directives of the competent authorities.

8.1 Non-issuance of notification for constitution of the Authority

According to Section 3(1) of Pakistan Telecommunication (Re-organization) Act, 1996, as soon as may be, after the commencement of this Act, the Federal Government shall, by notification in the official Gazette, establish an authority to be known as the Pakistan Telecommunication Authority which shall be a body corporate, having perpetual succession and a common seal with powers, subject to the provisions of this Act, to acquire and hold property, both moveable and immovable, and to sue and be sued by its name.

On promulgation of Pakistan Telecommunication (Re-organization) Act, 1996, the Federal Government appointed three Members of the Authority i.e Member (Finance), Member (Compliance & Enforcement) and Member (Technical). Among three members one member was appointed as Chairman of the Authority as per Act.

Audit observed that the Federal Government did not notify the PTA Authority in the official Gazette as required in PTRA 1996 which rendered the process as irregular in violation of the Section 3(1) as stated above.

Audit contends that establishment of the Authority without any gazette notification resulted in weak governance and accountability, administrative lapses and legal validity of its decisions.

The matter was reported to the management and PAO during November, 2025. It was replied that in pursuance of section 3 of the Telecommunication Ordinance, 1995 (LXIII of 1995), the then Federal Government i.e. Ministry of Communication vide Notification No.5(4) / 95 / PTC dated 07-08-1995 notified the establishment of Pakistan Telecommunication Authority.

The matter was discussed in the DAC meeting held on 17th December, 2025. The DAC directed PTA to submit the revised reply after seeking legal opinion from Ministry of Law & Justice.

Audit recommends implementation of DAC directives.

(DP No.44-26)

CONCLUSION

The audit of Pakistan Telecommunication Authority (PTA) for the Financial Year 2024–25 reveals significant systemic weaknesses in governance, financial management, regulatory enforcement, and compliance with statutory requirements. Despite PTA's critical role as the national regulator of the telecommunication sector, the audit identified persistent non-compliance with provisions of the Pakistan Telecommunication (Re-organization) Act, 1996, particularly in relation to timely remittance of surplus funds to the Federal Consolidated Fund, enforcement of regulatory penalties, and safeguarding of public interest. Ineffective monitoring and delayed enforcement actions resulted in non-recovery of substantial regulatory dues and failure to impose penalties in cases of organized fake SIM fraud, undermining regulatory deterrence and posing risks to public interest and national security.

The audit further highlighted serious governance concerns arising from conflicts of interest due to inadmissible payments of pay, perks, and allowances to Authority Members, as well as unresolved issues relating to the formal constitution of the Authority.

Deficiencies in asset management, consumer protection mechanisms, and adaptation of the regulatory framework to emerging technologies further indicate weak internal controls and oversight.

Collectively, these shortcomings have adversely affected PTA's financial sustainability, regulatory effectiveness, and credibility as an independent regulator. Prompt and decisive corrective actions, strict adherence to statutory provisions, and strengthening of internal control and accountability frameworks are imperative to ensure transparency, protect public resources, and enable PTA to effectively discharge its mandate in the evolving telecommunications landscape.

RECOMMENDATIONS

In light of the audit findings, Audit recommends that PTA should undertake the following corrective and preventive measures to strengthen governance, enhance financial discipline, and improve regulatory effectiveness:

i. PTA should coordinate with the Federal Government to bring Data Centers and similar emerging ICT infrastructure under an appropriate licensing and regulatory framework.
ii. PTA should remit surplus funds to the Federal Consolidated Fund within prescribed timelines and institutionalize SOPs to ensure automatic and timely surrender of surplus balances.
iii. PTA should judiciously conclude Show Cause Notices, impose penalties as provided under law, and initiate criminal proceedings where organized telecom fraud is established.
iv. Mandatory QoS surveys should be conducted regularly, findings published transparently, and non-compliance by service providers penalized to protect consumer interests.
v. PTA should prioritize timely spectrum auctions, rationalize expenditures, diversify revenue streams, and align regulatory actions with long-term sector growth and technological advancement objectives.
vi. PTA should immediately pursue transfer of ownership of all vested properties, update the Fixed Assets Register, and ensure periodic physical verification under senior management oversight.
vii. Enforcement orders should be issued promptly for outstanding ARDs, litigation should be pursued vigorously, and periodic monitoring mechanisms should be established to ensure timely recoveries.
viii. All pay, perks, and allowances for Authority Members should strictly align with Federal Government approvals, and inadmissible payments should be recovered in accordance with PAC/DAC directives.
ix. PTA should seek formal legal clarification and ensure issuance of appropriate gazette notifications to regularize the constitution of the Authority and strengthen governance legitimacy.

APPENDIX-I

AUDIT OBJECTIVES, SCOPE, METHODOLOGY

A. Audit Objectives

The audit aimed to evaluate testing compliance with Authority, Rules & Regulations but expressing no opinion. PTA's financial sustainability, governance practices, and compliance with statutory and regulatory frameworks. It assessed the effectiveness of internal controls, financial& asset management systems, regulatory functions and HR management processes. The audit further sought to determine whether PTA monitored the telecom operators efficiently and effectively for delivering quality services to consumers. It also examined receivable management and regulatory functions to identify systemic risks, governance lapses, and operational inefficiencies requiring corrective measures.

B. Audit Scope

The audit scope encompassed a review of the financial year 2024-25 on a test check basis. The filed audit procedures were conducted at PTA Headquarters, Islamabad during October 2025.

C. Audit Methodology

The audit followed ISSAI standards and a risk-based audit approach. It included examination of financial statements, verification of transactions, procurement reviews, HR utilization assessment and receivable reconciliations. Interviews and walkthroughs were conducted with finance, HR, and procurement teams. Analytical procedures covered cash-flow sustainability, accounting and billing system, staffing efficiency and cost impacts. Findings were structured using AGP format (Criterion, Condition, Cause, Effect and recommendations).

APPENDIX-II

COMPOSITE (RISK) RATING

Rating Scale: A = Low Risk | B = Moderate Risk | C = High Risk | D = Critical Risk

Area of Assessment	Audit Criteria	Key Audit Observations (PTA)	Risk Rating
Governance & Oversight	Proper constitution of Authority, lawful decision-making, effective oversight	Non-issuance of gazette notification for constitution of Authority; self-approval of perks and benefits by Members; weak compliance with statutory requirements	A – Low Risk
Financial Management & Sustainability	Compliance with PTRA, timely remittance to FCF, financial discipline	Non-transfer of surplus of Rs 4,915.640 million to FCF; declining income with rising expenditure; weakening benefit-cost ratio	B – Moderate Risk
Regulatory Enforcement	Timely enforcement actions, penalties, deterrence	Failure to impose maximum penalties in organized fake SIM fraud; delayed/non-issuance of enforcement orders; weak deterrence	C – High Risk
Receivables Management	Recovery of dues, litigation management	Non-recovery of substantial ARDs; heavy dependence on court cases; delayed enforcement affecting national exchequer	B – Moderate Risk
Asset Management	Ownership, safeguarding, asset records	Prime vested property not transferred for 29 years; exposure to legal and custodial risks	B – Moderate Risk
Human Resource Management	Compliance with pay rules, conflict-of-interest controls	Inadmissible payments of Rs 28.69 million; conflict of interest due to self-approved perks; PAC directives pending	D – Critical Risk

Overall Composite Risk Rating: B / Moderate Risk

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APPENDIX-III

INDEX OF FINDINGS

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1.	**STATED MANDATE, ROLE AND RESPONSIBILITY**	
1.1.1	Non-Inclusion of data centers in licensing regime due to weak regulatory governance	**267-25**
2.	**FINANCIAL PERFORMANCE REVIEW**	
2.1	Revenue Generation and its Forecast	**-**
2.2	Liquidity	**-**
2.3	Trend and Forecast increase in Salaries and Benefits of Employees	**-**
2.4	Preparation of Financial Statements without approved accounting policies.	**-**
3.	**FINANCIAL MANAGEMENT**	**-**
3.1	Non-transfer of balances to Federal Consolidated Fund (FCF)	**41-26**
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4.1	Non-imposition penalty on PTML for organized fake SIM fraud	**50-26** **263-25**
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5.	**CONSUMER PROTECTION**	
5.1	Non-conduct of Technical Quality of Service Survey (QoS) of Fixed Broadband Service	**294-25**
6.	**ASSET MANAGEMENT**	
6.1	Non-transfer of ownership of vested property	**39-26**
7.	**HUMAN RESOURCE MANAGEMENT**	
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