



**AUDIT REPORT
ON
THE ACCOUNTS OF
FEDERAL BOARD OF REVENUE
(CUSTOMS)
AND
ISLAMABAD CAPITAL TERRITORY
(RECEIPTS)
AUDIT YEAR 2016-17**

AUDITOR-GENERAL OF PAKISTAN

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ABBREVIATIONS & ACRONYMS

AFU	:	Air Freight Unit
AGP	:	Auditor-General of Pakistan
AGPR	:	Accountant General Pakistan Revenues
AIR	:	Audit and Inspection Report
AY	:	Audit Year
BCA	:	Bank Credit Advice
BG	:	Bank Guarantee
C&F	:	Cost and Freight
CAATs	:	Computer Assisted Auditing Techniques
CBR	:	Central Board of Revenue
CD	:	Customs Duty
CFS	:	Container Freight Services
CGO	:	Customs General Order
CIF	:	Cost, Insurance and Freight
CKD	:	Completely Knocked Down
CPF	:	Common Pool Fund
Cus	:	Customs
DA	:	Daily Allowance
DAC	:	Departmental Accounts Committee
DC	:	Deputy Collector
DFSL	:	Duty-Free-Shop Limited
DG	:	Director General
DP	:	Draft Para
DTRE	:	Duty and Tax Remission for Exports
E&P	:	Exploration and Production
EDB	:	Engineering Development Board
EDS	:	Export Development Surcharge
EOL	:	Extra Ordinary Leave
EOU	:	Export Oriented Unit
Exp	:	Expenditure
FBR	:	Federal Board of Revenue

FDI	:	Foreign Direct Investment
FED	:	Federal Excise Duty
FTA	:	Free Trade Agreement
FY	:	Financial Year
GD	:	Goods Declaration
GFR	:	General Financial Rules
GPO	:	General Post Office
HS Code	:	Harmonized System of Coding
I&I	:	Intelligence and Investigation
ICT	:	Islamabad Capital Territory
INTOSAI	:	International Organization of Supreme Audit Institutions
IOCO	:	Input Output Co-efficient Organization
IOR	:	Input Output Ratio
IRS	:	Inland Revenue Service
KIBOR	:	Karachi Inter-Bank Offered Rate
LFP	:	Leave on Full Pay
LHP	:	Leave on Half Pay
LUMS	:	Lahore University of Management Sciences
MBCO	:	Manufacturing Bond Co-efficient Organization
MCC	:	Model Customs Collectorate
MT	:	Metric Ton
NLC	:	National Logistic Cell
NOC	:	No Objection Certificate
OEMs	:	Original Equipment Manufacturers
OIO	:	Order-in-Original
PAO	:	Principal Accounting Officer
PAC	:	Public Accounts Committee
PaCCS	:	Pakistan Customs Computerized System
PCA	:	Post Clearance Audit
PCT	:	Pakistan Customs Tariff
PDC	:	Post Dated Cheque
PMBQ	:	Port Muhammad Bin Qasim
POL	:	Petroleum, Oil and Lubricants
PRAL	:	Pakistan Revenue Automation Limited

RBD	:	Refined, Bleached and Deodorized
SAARC	:	South Asian Association for Regional Cooperation
SAFTA	:	South Asian Free Trade Area
SKD	:	Semi Knocked Down
SRO	:	Statutory Regulatory Order
TA	:	Travelling Allowance
WeBOC	:	Web Based One Customs
WHT	:	Withholding Tax

Preface

Articles 169 and 170 of the Constitution of 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 expenditure and receipts of Government of Pakistan.

The report is based on compliance with authority audit of revenue receipts and expenditure of Federal Board of Revenue (Customs) and receipts of Islamabad Capital Territory for the financial year 2015-16. The report also includes observations relating to previous years as well. The Directorate General of Audit, Customs & Petroleum, conducted audit during the period from July to November 2016 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of Rs. 1 million or more. Relatively less significant issues are listed in the Annexure-I of the Audit Report. The audit observations listed in the Annexure-I shall be pursued with the Principal Accounting Officer at the DAC level and in cases where the PAO does not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

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

Audit observations included in this Report have been finalized in the light of discussions in the DAC meetings.

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

Dated: 26 February 2017

(Rana Assad Amin)
Auditor-General of Pakistan

EXECUTIVE SUMMARY

The Directorate General of Audit, Customs & Petroleum is responsible for audit of revenue receipts and expenditure of Federal Board of Revenue (Customs) and receipts of Islamabad Capital Territory. Audit of 314 out of 397 formations was conducted by utilizing 23,474 man-days, incurring expenditure of Rs. 102 million.

a. Scope of Audit

Target of customs duty for the financial year 2015-16 was Rs. 348.50 billion against which actual collection was Rs. 404.57 billion, reflecting excess receipts of Rs 56.07 billion (16.09%). Customs duty was collected through FBR's field offices consisting of seventeen MCCs and other sister offices. Expenditure of FBR on Customs Wing during the year was Rs. 6.51 billion. Audit of receipts of 19 billion pertaining to MCC, Quetta for last three financial years was also conducted and audit of MCC Quetta for the FY 2015-16 will be conducted in next year.

Target of other taxes in Islamabad Capital Territory (ICT) for the financial year 2015-16 was Rs. 4.00 billion against which actual collection was Rs. 2.86 billion, reflecting short receipts of Rs. 1.14 billion (39.86%). These receipts were collected through ICT's six field offices.

The Directorate General of Audit, Customs & Petroleum conducted audit of above receipts and expenditure on test check basis in accordance with audit methodology as envisaged in Financial Audit Manual.

b. Recoveries at the instance of Audit

Recovery of Rs.39,410 million was pointed out by Audit in this report. FBR effected recovery of Rs.996 million during February 2016 to January 2017 at the instance of Audit which includes recovery pertaining to the previous years as well.

c. Audit Methodology

Audit activity started with detailed planning, development of audit programmes, establishing resource requirements and timing. The planned activities were executed as per audit programmes and results thereof were evaluated at appropriate levels

before issuance to auditee organizations. High-value and high-risk items were selected on the basis of professional judgement for substantive testing. Audit was conducted by applying CAATs.

d. Audit Impact

In last year audit report certain issues were highlighted, in response to which following changes have been made in rules and regulations:

- issue of enhancing the pitch of penalty where invoice and packing list were not found inside the container was raised. In this regard FBR has inserted new clause in Section 156 of Customs Act,1969 and also issued clarification in this regard.
- an observation was raised to highlight the issue that sim cards are not capital goods for mobile operators. In this regard FBR has issued clarification whereby Audit contention is accepted and resultantly a recovery of Rs 460 million is being affected.
- an observation was raised to highlight the contradiction in definition in “value of goods” for purpose of calculation of income tax as per SRO 638(I)/2005 and Income Tax Ordinance, 2001. FBR issued clarification in this regard where audit contention was accepted.
- issues of levy of Additional Customs Duty on auto parts imported in old & used condition was raised which has been referred to FBR for clarification
- issue regarding levy of Additional Sales Tax on imported vehicles under gift scheme has been raised.

e. Comments on Internal Controls and Internal Audit Department

Internal Audit is an appraisal activity established within the Department as a service to the entity. Its functions include, amongst other things, examining, evaluating and monitoring the adequacy and effectiveness of internal controls. Internal audit is an integral part of internal controls, sound financial management, and accountability structure.

Internal controls of the department were found weak and ineffective as various control lapses were identified during audit. There was poor monitoring of collection of customs duty and related taxes, weak reconciliation mechanism, inadequate coverage by internal audit and non-conducting of physical verification of inventories and assets. The report highlights that the system is already inadequate and internal controls is deteriorating day-by-day.

Audit emphasizes proper implementation of financial reporting mechanism and enforcement of Laws and regulations in letter and spirit for improving the internal controls and internal audit of the Department.

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

FBR

- i) Non-production of record¹
- ii) Inadmissible exemptions and concessions – Rs. 9,986.09 million²
- iii) Blockage of revenue– Rs. 33,928.58 million³
- iv) Non/short-realization of duty and taxes-Rs. 9,425.45 million⁴
- v) Under-valuation and misclassification of imported goods – Rs. 5,013.89 million⁵
- vi) Poor performance/weak internal controls like clearance of banned items, non-conducting post-exportation audit and non-collection of reconciliation statements from DTRE users - Rs. 4,736.65 million⁶
- vii) Non-recovery of adjudged revenue – Rs. 1,206.10 million⁷
- viii) Irregular expenditure on POL and repair of vehicles - Rs. 149.83million⁸

ICT

- i. Non/short-realization of revenue-Rs.328.95 million⁹

¹Para 2.4.3

²Para 2.4.7, 2.4.10, 2.4.14, 2.4.17, 2.4.19, 2.4.23, 2.4.28, 2.4.32, 2.4.40

³Para 2.4.4, 2.4.8, 2.4.15, 2.4.20, 2.4.47

⁴Para 2.4.9, 2.4.11, 2.4.13, 2.4.18, 2.4.22, 2.4.24, 2.4.26, 2.4.31, 2.4.33, 2.4.34, 2.4.36, 2.4.37

⁵Para 2.4.6, 2.4.16

⁶Para 2.4.2, 2.4.12

⁷Para 2.4.21

⁸Para 2.4.57

⁹Para 3.3.1,3.3.4,3.3.5,3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.15

Audit paras for the audit year 2016-17 involving procedural violations including internal control weaknesses and irregularities not considered worth reporting to PAC have been included in Annexure-I.

g. Recommendations

FBR should:

- i) ensure production of auditable record;
- ii) take measures that exemptions and concessions are granted according to Law besides making good the loss of revenue Rs. 9,986.09 million due to inadmissible exemptions and concessions pointed out by Audit;
- iii) direct field formations totake action for:
 - timely en-cashment of financial instruments worth Rs. 27,995.48 million
 - early disposal of the confiscated goods valuing Rs. 4,478.66 million
 - prompt clearance of un-claimed IGMs Rs. 763.98 million
 - disposal of wastage and factory rejects Rs. 467.37 million and
 - initiating legal/recovery proceeding against the defaulters Rs. 223.09 million
- iv) take action for recovery of amount pointed out by Audit:
 - Customs Duty Rs. 5,426.02 million
 - Sales Tax on imports Rs. 475.86 million
 - Federal Excise Duty on imports Rs. 112.30 million
 - Withholding Tax on imports Rs. 3,411.34 million
- v) ensure correct classification and valuation/assessment of imported goods besides taking action for recovery of government dues on account of customs duty and allied taxes of Rs. 5,013.89 million pointed out by Audit;

- vi) take measures to strengthen the internal controls to stop irregularities and ensure post exportation audit of DTRE users; and
- vii) expedite recovery of adjudged revenue of Rs. 1,206.10 million and;
- viii) obtain authorization from Vehicle Committee and frame SOPs for use of confiscated vehicles specifying make, model, chassis and engine numbers of vehicles

Commissioner ICT should:

- i. take action for recovery of amount pointed out by Audit:
 - capital value tax Rs. 306.61 million and
 - other fee and taxes Rs. 22.34 million.

SUMMARY TABLES

SUMMARY TABLES & CHARTS

Table 1: Audit Work Statistics

(Rs in million)

Sr. No	Description	No.	Receipts*	Expenditure**
1	Total Entities (Ministries/PAOs) in Audit Jurisdiction	2	407,427	6,513
2	Total Formations in Audit Jurisdiction	397	407,427	6,513
3	Total Entities (Ministries/PAOs) Audited	2	416,938	7,503
4	Total Formations Audited	314	416,938	7,503
5	Audit & Inspection Reports*** (with amount pointed out)	309	129,348	437
6	Performance Audit Reports	-	-	-

* Customs receipts Rs. 404,572 million, ICT receipts Rs. 2,855 million. Amount of receipt /expenditure audited (at Sr. No 4) includes receipts/ expenditure of MCC Quetta for FYs 2012-13, 2013-14 & 2014-15 and excludes receipts/ expenditure of MCC Quetta for the FY 2015-16.

** Expenditure relates to Customs Wing only

*** Five AIRs were merged by Karachi Office

Table 2: Audit Observations Regarding Financial Management

(Rs in million)

Sr.No	Description	Amount Placed under Audit Observations*
1	Unsound Asset Management	-
2	Weak Financial Management	93,953
3	Weak Internal Controls Relating to Financial Management	-
4	Others	-
Total		93,953

*represents total amount pointed out included in Audit Report and MFDAC

Table 3: Outcome Statistics*(Rs in million)*

Sr. No	Description	Receipts	Expenditure	AY 2016-17	AY 2015-16
1	Outlays Audited	416,938	7,503	424,441	290,194
2	Monetary Value of Audit Observations*	77,866	337	78,203	75,925
3	Recoveries Pointed out by Audit	39,313	97	39,410	25,997
4	Recoveries Accepted/Established at the instance of Audit	39,003	97	39,100	25,795
5	Recoveries Realized at the instance of Audit	994	2	996**	838

*represents amount included in Audit Report

**The amount was verified from 01.02.2016 to 31.01.2017

Table 4: Table of Irregularities Pointed Out*(Rs in million)*

Sr. No	Description	Amount Placed under Audit Observation*
1	Violation of rules and regulations and violation of principles of propriety and probity in public operations.	38,793
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	-
3	Accounting errors (accounting policy departure from IPSAS, misclassification, over or understatement of account balances) that are	-

	significant but are not material enough to result in the qualification of audit opinions on the financial statements.	
4	Weaknesses of internal control systems.	
5	Recoveries and overpayments, representing cases of established overpayment or misappropriations of public monies.	39,410
6	Non-production of record.	Seven offices
7	Others, including cases of accidents, negligence etc.	-

**represents amount included in Audit Report*

Table 5: Cost-Benefit

(Rs in million)

Sr. No.	Description	AY 2016-17	AY 2015-16	AY 2014-15
1	Outlays Audited (Items 1 of Table 3)	424,441	290,194	235,545
2	Expenditure on Audit	102	83	85
3	Recoveries realized at the instance of Audit	996	838	1,005
Cost-Benefit Ratio		1:9.8	1 : 10	1 : 12

CHAPTER-1 PUBLIC FINANCIAL MANAGEMENT ISSUES [AGPR and FBR]

Audit Paras

Significant paras, pointed out during audit of revenue and expenditure of Federal Board of Revenue (Customs) for the financial year 2015-16, are as under:

1.1 Federal Board of Revenue (Customs)

1.1.1 Under-statement of financial statements of the Federal Government- Rs.35,312 million

Risk Categorisation: High

Criteria

According to Para 3.4.2.12 of the Accounting Policies and Procedure Manual, each entity is required to reconcile its books of accounts with the bank record at the close of each month. This reconciliation is to be performed in accordance with the policies and procedures set out in Manual, General Financial Rules and Federal Treasury Rules.

Observation

The collection of customs duty as per State Bank of Pakistan was Rs. 439,884 million, whereas, FBR had reconciled collection of customs duty of Rs. 404,572 million with AGPR for the financial year 2015-16. The difference between actual collection made through banking channel and the reconciled figures by FBR came to Rs. 35,312 million without any known reason.

Implication

This seriously impaired true and fair position of financial matters of the Federal Government and receipts side of the financial statements was understated by Rs. 35,312 million.

ManagementReply

Management reply is awaited.

DAC'sRecommendations

DAC meeting was not convened on management report till finalization of the Report.

AuditComments

Reasons for this huge variation need to be explored, besides, ensuring meaningful reconciliation between FBR and SBP.

[Para 4 - MR]

1.1.2 Advance collection of customs duty to achieve revenue targets - Rs. 2,373.95 million

Risk Categorisation: High

Criteria

According to Para 2 (b) (i) of the Customs Treasury Procedures, 1980, the payment of Customs Duty at Custom House and Dry port shall be collected on bill of entry, shipping bill and not on challans.

Observation

Model Customs Collectorates Faisalabad, Preventive Karachi & (Appraisal/Preventive) Lahore managed and collected Customs Duty of Rs. 2,373.95 million in advance on treasury challans/additional duty bills with the implicit purpose of achieving the revenue targets during financial year 2015-16.

Implication

The figures of collection of Customs Duty in the Financial Statements represents untrue picture of financial transactions of the Federal Government.

Management Reply

The response of management is still awaited.

DAC's Recommendations

DAC meeting was not convened on management report till finalization of the Report.

Audit Comments

The attainable revenue target should be fixed to avoid advance collection of customs duty.

[Para 05 – MR, DP No.990-CD/K]

1.1.3 Over-statement of revenue due to non-disposal of rebate cases Rs. 8,422.25million

Risk Categorisation: High

Criteria

According to Rule 222 of sub-chapter 2 of the Customs Rules 2001, exporters falling under gold category are allowed duty drawback within seventy-two hours of receipts of complete requisite documents, while exporters falling under silver category are allowed duty drawback within fifteen days. Para-51 (vii) of chapter-13 of the CGO-12 dated 15.06.2002 provides all duty drawback claims found in order are paid serially to ensure that no claim is left out without proper justification. A register for recording the date of receipt and disposal of claim shall be maintained by the Section. The Collector shall personally check the register fortnightly. In case of any deviation the rebate Section must indicate the reasons thereof.

Observation

MCCs (Preventive/Appraisalment) Lahore and Export Port Muhammad Bin Qasim, Karachi withheld rebate cases of Rs. 8,422.25 million. The cases were pending

since more than one year either for processing or for issuance of cheques. This was committed with the implicit purpose of achieving the revenue targets during financial year 2015-16.

Implication

This reflects the over-statement of revenue figures of Government of Pakistan which impairs the true and fair view of Financial Statements.

Management Reply

The cases are pending due to non-completion of codal formalities and shortage of requisite documents.

DAC's Recommendations

DAC meeting was not convened on management report till finalization of the Report.

Audit Comments

Audit emphasizes timely disposal of rebate cases to lessen the difficulties of exporters and judicious fixing of attainable revenue targets.

[Para 2 – MR]

1.1.4 Late remittance of Government money by NBP attracting penalty Rs. 25.514 million

Criteria

According to agreement between FBR and NBP/SBP read with instructions contained in SBP's letter No. A.DGovt/195/01 dated 5th March, 2007, A, B & C category branches of National Bank of Pakistan are required to deposit government receipts with the State Bank of Pakistan within 24 hours, 48 hours and 72 hours respectively. Late deposits in State Bank of Pakistan attract imposition of penalty @ 15% per annum creditable to government head C-02227.

Observation

National Bank of Pakistan branches located at MCCs, PMBQ, Appraisalment (East / West), Preventive Karachi, MCC Gawadar and Directorate of Intelligence & Investigation Quetta retained an amount of RS. 53,614.984 million for the period ranging from 04 to 07 days. The undue delay was liable to penalty@ 15 % per annum which comes to Rs. 25.514 million.

Implication

As a result of non-compliance of applicable Rules and regulations, the government was deprived of its timely receipts.

Management Reply

Management explained that the amount of all six cheques had been credited to government account. It was further assured that no delay will be occurred in future and clear instructions had also been issued in this regard.

DAC's Recommendations

The DAC in its meeting held in February, 2017 directed the MCC to get the stated position verified from Audit.

Audit Comments

FBR should take up the matter with SBP to impose penalty on collecting branches of NBP in delayed cases and ensure timely remittance of government money.

[Para 04 – MR, DP Nos. 72&981 CD/K]

CHAPTER-2 FEDERAL BOARD OF REVENUE

2.1 *Introduction*

The Central Board of Revenue was created on 01.04.1924 through the CBR Act, 1924. The Central Board of Revenue was renamed as Federal Board of Revenue (FBR) in July, 2007. Revenue Division was created for effective formulation and implementation of fiscal policy measures. The Chairman FBR/Secretary Revenue Division is assisted by two Deputy Chairmen i.e. Customs and Inland Revenue, five support members and four functional members, with other assisting Directors General and is responsible for:

- Formulation and administration of fiscal policies,
- Assessment and collection of federal taxes, and
- Quasi-judicial function of hearing of appeals.

Pakistan Customs is the guardian of Pakistan's borders against movement of contraband goods and is facilitator of bona-fide trade. It provides a major source of revenue to the Government of Pakistan in the form of duties and taxes levied on the goods traded across the borders. It also helps to protect the domestic industry, discourage consumption of luxury goods and stimulate development in the under-developed areas. The Member Customs has the support of four Chief Collectors (North, Central and South (Appraisal and Enforcement) and seventeen Model Customs Collectorates besides organizations of Collectorates of Adjudication, Appeals and Directorates General of Intelligence & Investigation, Training & Research, Internal Audit, Post Clearance Audit, Transit Trade, Valuation and Input Output Co-efficient Organization.

2.2 *Comments on Budget and Accounts*

This chapter deals with customs duty collected by the Customs Department of FBR and expenditure thereof.

2.2.1 Revenue Collection vs Targets

FBR was assigned a revenue target for customs duty of Rs. 299.13 billion during FY 2015-16. Subsequently, the revenue target was revised upward to Rs. 348.50 billion. FBR, however, collected customs duty of Rs. 404.572 billion during the financial year as follows:

(Rs. in billion)

Tax Head	Original Target	Revised Target	Collection 2015-16	Difference from Revised Target	
				Absolute (4-3)	Percent
1	2	3	4	5	6
Customs Duty	299.13	348.50	404.57	56.07	16.09

Source: Federal Budget 2016-17 & Financial Statements of the Federal Government 2015-16

2.2.2 Variance analysis of Revenue Collection in FY 2015-16 and FY 2014-15

A comparison of net collection in FY 2015-16 and FY 2014-15 is tabulated below:

(Rs. in billion)

Tax Heads	Collection		Difference	
	FY: 2015-16	FY: 2014-15	Absolute	Percent
Customs Duty	404.57	300.33	104.24	34.71

Source: Financial Statements of Federal Government 2015-16 & 2014-15

FBR's collection of customs duty of Rs404.57 billion for the FY 2015-16 showed an increase of Rs104.24 billion (34.71%) as compared to the preceding year.

2.2.3 Budget vs Actual Expenditure

A comparison of budget with actual expenditure for the FY 2015-16 is as follows:

(Rs. in million)

Grant No.	Original Grant	Supplementary Grant	Final Grant	Actual Expenditure	Excess/ (Saving) (5-4)	%age (6/4)
1	2	3	4	5	6	7
042-Land Customs	6,620	325	6,665.07	6,513.20	(151.86)	6.22

Source: Federal Budget 2016-17, Appropriation & Re-appropriation Accounts 2015-16

There was a saving of Rs. 151.86 million in the Financial Year 2015-16 which was not surrendered. The saving indicated that budget had not been prepared with due diligence and estimates were not correct. While it's non-surrendering is attributed to lack of budgetary controls. Non-surrendering of un-utilized funds rendered the government unable to re-allocate the same to areas of priorities requiring additional funds.

2.3 Brief Comments on the Status of Compliance with PAC's Directives

S.No.	Audit Report Year	PAC's Directives	Compliance received	Compliance not/partially received	Percentage of compliance
1.	1985-86	32	29	03	91
2.	1986-87	32	15	17	47
3.	1987-88	26	0	26	0
4.	1988-89	132	78	54	59
5.	1989-90	10	07	03	70
6.	1990-91	63	22	41	35
7.	1991-92	53	46	07	87

8.	1992-93	66	48	18	73
9.	1993-94	09	03	06	33
10.	1994-95	50	21	29	42
11.	1995-96	45	23	22	51
12.	1996-97	31	26	05	84
13.	1997-98	66	49	17	74
14.	Special 97	13	10	03	77
15.	Special 98	03	02	01	67
16.	1998-99	69	64	05	93
17.	1999-00	30	18	12	60
18.	2000-01	26	22	04	85
19.	2001-02	04	0	04	0
20.	2002-03	30	21	9	70
21.	2003-04	39	25	14	64
22.	2004-05	17	05	12	29
23.	2005-06	26	17	09	65
24.	2006-07	27	18	09	67
25.	2007-08	25	02	23	08
26.	2008-09	65	29	36	45
27.	2010-11	47	20	27	43
28.	2013-14	04	01	3	25
Total		1040	621	419	60

The table showed that compliance of PAC directives was far from satisfactory. The compliance of the directives needs to be improved by FBR by taking audit observations seriously.

2.4 Audit Paras

A. Systemic Issues

2.4.1 Likely loss of revenue due to presence of too close PCT headings for identical goods in the 1st Schedule to the Customs Act – Rs 212.982 million

According to 1st Schedule to the Customs Act, 1969, the Duty and Taxes structure for goods classifiable under PCT headings 2106.9010 and 3302.1010 are as under;

Particulars	2106.9010 Concentrates for aerated beverage in all forms	3302.1010 Flavours and concentrates for use in aerated beverages
Customs Duty	20%	10%
Federal Excise duty	50%	50%
Regulatory Duty	10%	-
Sales Tax	17%	17%
Value Addition Tax	3%	3%
WHT	6%	6%

Contrary to the above, MCC Islamabad did not differentiate the goods imported by M/s Pepsi Cola, Pakistan that whether the same were concentrates or flavours and classified them under PCT heading 3302.1010 in 24 cases. Out of these 24 cases, in 7 cases, the examination/assessment staff identified the goods as flavours while in remaining 17 cases, there was no indication that whether the goods were flavours or concentrates, as detailed below;

S#	GD#	Declared/ascertained description of goods
1.	162, 246, 484, 995	5040 KILOS OF KEY 91444, 2700 KILOS OF KEY 92132, 5040 KILOS OF KEY 91444, 3060 KILOS OF KEY 92132
2.	445, 701	92132 KILOS OF KEY OIL, KILOS OF KEY OIL 90205
3.	451	DKS 230,231,232,233,234 DKA 97,96,99
4.	994	1440 KILOS OF ES F0000003756
5.	1378	ESSENCE MISC ES F000000

6.	1720	DKA296,197,199,299, DKS235,236,237,238,238,239
7.	1721, 1736	KEY 92132 KILOS, KEY 92132 & KEY 90205
8.	1838, 1884	ES F0000003756 ESSENCE, ES F0000003756 ESSENCE
9.	1993, 2039	KEY 92132 1980 KGS, KEY 90205 3000 KGS, KEY 90205 2000

It was held that the expression “concentrates” under PCT heading 3302.1010 was additional as the concentrates in all forms had already been classified under PCT heading 2106.9010. So, in 17 cases, where exact description had not been determined were concentrates and not flavours, hence, the same were required to be classified under PCT heading 2106.9010. This happened due to existence of similar PCT headings for same imported goods i.e. concentrate and lack of supervisory review by the higher authorities. This resulted in possible loss of revenue of Rs 212.982 million during the FY 2015-16.

The matter was reported during December, 2016. The department reported that amount was under recovery.

The DAC in its meeting held in February, 2017 directed the MCC to expedite recovery. Further progress was not intimated till finalization of the Report.

Audit recommends recovery of government dues, besides necessary correction in the Pakistan Customs Tariff.

[DP No. 3627-Cus]

2.4.2 Clearance of banned goods imported in violation of Import Policy Order

Import of items such as stainless steel sheets, cane sugar and used auto parts, was either banned or allowed on fulfilment of certain conditions provided in the Import Policy Order, 2013.

In 1,501 cases, eight field formations of FBR cleared consignments of imported goods on payment of duties and taxes, whereas as per examination reports, country of origin, PCT headings, the same were required to be confiscated being banned or restricted in terms of Import Policy Order, 2013. The irregularity/lapse

resulted in illegal clearance of banned goods valuing Rs. 565.097 million during the FY 2015-16. This happened due to negligence and weak internal controls.

The matter was reported during August to November, 2016. The Department intimated that cases of Rs 2.18 million were under recovery, Rs 532.75 million in the court of law and cases of Rs 30.17 million awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery, pursue the court cases and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC directives alongwith strict adherence to the provisions of Import Policy Order, besides fixing of responsibility.

[Annexure-2]

B Irregularity & Non-Compliance

2.4.3 Non-production of record

According to Section 14 (2) and (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 the officer-in-charge of any office or Department was required to afford all facilities and provide record for audit inspection and comply with requests for information in as complete form as possible and with all reasonable expedition. Any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts was subject to disciplinary action under relevant Efficiency and Discipline Rules.

Seven field offices of FBR did not produce auditable record related to receipts & expenditure and also denied access to the WeBOC system despite insistence by Audit. Resultantly, Audit could not verify the accuracy of revenue collection or amount of expenditure incurred. The statutory obligation was violated to hinder the auditorial function. Audit apprehended that the record was not produced intentionally to conceal irregularities and violations of Law committed by them. The detail of record not produced to Audit during the FY 2015-16, is as under;

S No.	DP No.	Name of Office	Following records were not provided
1.	3482-Cus & 609, 634, 635, 651, 654, 784, 785, 800, 850, 851, 868, 869-CD/K	MCCs Appraisalment, Lahore & PMBQ Imports, Karachi	GDs alongwith relevant documents in which benefit of SROs SRO 655 & 656 was allowed
2.	3626, 3792, 3796, 3800, 3819, 3827-Cus	MCCs Islamabad & Preventive, Lahore	Login ID for audit of clearances through WeBOC
3.	3996-Cus	MCC Appraisalment Lahore	DTRE records
4.	486-CD/K	MCC Quetta	Soft data of Imports/Exports
5.	608, 610, 616, 631, 636, 650, 653, 786, 787 & 889 -CD/K	MCCs PMBQ Imports, Karachi & Quetta	Partial record
6.	633 & 782-CD/K	MCC, PMBQ Imports, Karachi	Partial (record of SRO 565 (I)/2006)
7.	734-CD/K	MCC, Quetta	Record of write off cases

8.	785, 801, 846, 847, 848, 864, 865 & 866 - CD/K	MCC, PMBQ, Imports, Karachi	Cases in which benefit of Chapter 99 of Customs Tariff was granted
9.	870-CD/K	MCC PMBQ Imports, Karachi	S.R.O. 947(I)/2008
10.	913,914 & 996-CD/K	MCC Exports (PMBQ), Karachi	Record of Imports/Exports & Records in respect of Export G.Ds (with relevant documents), EGM and Rebate and Refund
11.	874-CD/K	MCC, East, Karachi	Full record of recovery cell
12.	892-CD/K	MCC PMBQ Imports, Karachi	Full record of auction files
13.	943-CD/K	MCC, Preventive, Karachi	Full record of Diplomatic Bonds
14.	114-Exp/K	MCC Quetta	TA Bills

The matter was reported during August to November, 2016. In case of WeBOC access, the Department contended that they are not authorized to provide login ID to any outside agency. It was further reported that in some cases record was ready for verification.

The DAC in its meeting held in February, 2017 directed the MCCs to submit comprehensive reply, to provide copies of GDs and other relevant record for verification and to get the stated position verified. Further progress was not intimated till finalization of the Report.

Audit recommends that access to the WeBOC system be immediately provided and requisite auditable record be produced, besides fixing responsibility.

[Annexure-3]

2.4.4 Blockage of revenue due to non-encashment of financial instruments Rs. 27,992.98 million

According to Section 81 of the Customs Act, 1969 the imported goods were to be assessed provisionally and were to be cleared without payment of duty and taxes on submission of bank guarantees or post-dated cheques of differential government

dues under various provisions of the Act and concessionary SROs. On non-fulfilment of prescribed conditions, these instruments were required to be encashed to recover government dues.

In 12,553 cases, twelve field formations of FBR did not encash financial instruments where the importers/exporters failed in fulfilling the requisite conditions. In certain cases, the maturity period of financial instruments had also been expired. The issue was established after scrutiny of Files and Registers of B.G. Section and soft data of financial instruments maintained by the PRAL. The irregularity/lapse resulted in blockage of revenue of Rs. 27,992.98million and corresponding loss to the Public Exchequer during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported recovery of Rs 36.65 million, Rs 275.10 million under recovery, Rs 11.99 million not due, Rs 307.20million regularized, Rs 55.87 million contested, Rs 21.99 million in the court of law, Rs 1.32 million under adjudication and Rs 27,282.86 million was awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery, pursue the court cases, finalize the adjudication process, submit comprehensive reply where contested and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[Annexure-4]

2.4.5 Loss of revenue due to non-imposition of fine and penalty - Rs 11,878.23million

SRO 499(I)/2009, dated 13.06.2009 and Section 156 of the Customs Act, 1969 provide the rates of redemption fine and penalty respectively for offences such as mis-declaration of origin, quantity and value.

In 51,319 cases, thirteen field offices of FBR either did not impose fine or failed to recover fine and penalty despite the fact that as per imports documents like invoice, packing list, examination reports, the importers/exporters committed offences such as mis-declaration of weight, quantity, value, description and origins of imported goods. This resulted in non-realization of revenue of Rs. 11,878.23million and corresponding loss to the Public Exchequer during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported recovery of Rs 0.765 million, Rs 77.24 million under recovery, Rs 1.07 million not due, Rs 19.34 million contested, Rs 0.50 million in the court of law, cases of Rs 1.25 million sent to Board for clarification and Rs 11,778.08 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery, pursue the court cases, submit comprehensive reply where contested, pursue the cases sent to Board for clarification and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[Annexure-5]

2.4.6 Loss of revenue due to misclassification of imported goods Rs.4,398.917 million

According to Section 18 of the Customs Act, 1969 imported goods were to be classified under First Schedule of the Customs Act.

In 5,511 cases, fourteen field offices of FBR cleared imported goods under incorrect PCT headings attracting lower rates of customs duty instead of correct PCT headings with higher rates. The irregularity/lapse resulted in short-realization of revenue of Rs.4,399.917 million during the FY 2015-16 and corresponding loss to the Public Exchequer. Detail of misclassification is as under;

DP No.	Imported Goods	Correct PCT heading/CD Rate	Incorrect classified PCT heading/ CD Rate
702-CD/K	HRC Alloy Steel	7208-1010/ CD 20%	7225-3000, 7227-9000/ CD 5%
4012-Cus	LCD/LED panels	8528-7212/ CD 20%, RD 10%	8529-9090/20 %, RD 0
3628-Cus	Bodies of vehicles (including cabs)	8707-1000/CD 50%/ ACD 15%	Eight different PCT headings
3606-Cus	Servers	8517-6990/CD 15%	Seven different PCT headings
3459-Cus	Remote control	8415-9099/ CD 20%	8543-7010/ CD 5%
3611-Cus	Set top boxes for internet	8528-7290/ CD 20%	8517-6950/ CD @ 5%
3674-Cus	Pile fabric	5801-9000/CD 20%	6001-9290/CD 16%
3750-Cus	Milk in the form of powder	402-1000/ CD 20% & ST 17%	402-2900/ 20% but ST exempt
3689-Cus	Bottles, flasks, jars and pots	7010-9000/CD 20%	7013-4900/CD 5%

The matter was reported during August to November, 2016. The Department reported recovery of Rs 3.27 million, Rs 216.85 million under recovery, Rs 2.88 million not due, Rs 153.48 million contested, Rs 128.67 million in the court of law, cases of Rs 92.42 million sent to Board/Classification Committee and Rs 3,801.33 million was awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery, pursue the court cases, submit comprehensive reply where contested, pursue the cases sent to Board/Classification Committee and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[Annexure-6]

2.4.7 Loss of revenue due to allowing unauthorised exemptions/concessions Rs. 3,636.053 million

SRO 678 (I)/2004 dated 07.08.2004 provides the detailed procedure for import, utilization and disposal of plant, machinery & equipment including vehicles by the E&P Companies, their Contractors and Service Providers.

In 1190 cases, MCCs Islamabad & Appraisement (East) Karachi allowed exemption of customs duty and allied taxes to E&P companies, their contractors and service providers on imported plant, machinery and equipment of Rs. 3,636.053 million during the FY 2015-16. None of the E&P companies, their Contractors and Service Providers had met following requirements as set out in the aforesaid SRO;

- (i) None of the E&P companies and their contractors had made any effort to develop software despite lapse of twelve years which was required to be done within a period of one year from the date of issuance of SRO;
- (ii) None of the Manufacturer-Cum-Importers (Service Providers) submitted consumption certificates which were required to be made within one month of the consumption;
- (iii) No record was available with the Collector of Customs where the service providers had failed in submission of consumption certificates within one hundred and eighty days;
- (iv) Delivery notes either not submitted by the manufacturer-cum-importers or the same were not kept in record; and
- (v) Some E&P companies and their contractors had reported items as surplus, scrap, junk or obsolete.

From above, it was evident that the customs authorities failed to implement the relevant conditions of SRO by extending undue favour at the expense of government exchequer.

The matter was reported during August to November, 2016. The Department reported that cases for Rs 2,646.45 million had been sent to Board for clarification and cases for Rs 989.60 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to pursue the cases with Board for early clarification and submit comprehensive reply in remaining cases. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[Annexure-7]

2.4.8 Blockage of government revenue due to non-disposal of confiscated goods/vehicles - Rs. 4,478.66million

According to Section 182 of the Customs Act, 1969 read with Sections 82, 89, 169 and 201 of the Act, CGO 12 dated 15.06.2002 and Rule 58 (1) of the Customs Rules, 2001 confiscated goods were required to be disposed of after observing codal formalities as given in the above laws.

In 2,444 cases, fourteen field offices of FBR did not dispose of confiscated goods/vehicles including perishable goods with reasonable expedition. Due to the very nature of perishable items and atmospheric conditions in which these goods/vehicles were kept in the warehouses, the chances of deterioration in the value, quality and in cases of perishable goods, its fitness for human consumption were very high. The irregularity/lapse resulted in blockage of revenue of Rs. 4,478.66million and corresponding loss to the Public Exchequer during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported recovery of Rs 335.79 million, Rs 2,658.67 million under recovery, Rs 284.81million not due, Rs 71.41 million regularized, Rs 144.35 million in the court of law, Rs 90.23 million under adjudication and Rs 681.13 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery, pursue the court cases, finalize the adjudication process and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends that all the confiscated goods/vehicles should be disposed of promptly for early recovery of government dues.

[Annexure-8]

2.4.9 Non/short-realization of withholding tax – Rs. 3,411.34 million

Section 148 of Income Tax Ordinance, 2001 provided the rates for collection of withholding tax at import stage. Further, Section 154 (3C) read with Section 164 of the Ordinance inter alia provided that the Collector of Customs, at the time of clearing of goods to be exported, was required to collect tax from the gross value of the goods at the rate of one percent of the value of the exported goods and to issue to the person from whom the tax had been collected a certificate prescribed under Rules.

In 86,725 cases, examination of goods declaration/shipping bills revealed that fourteen field offices of FBR either did not collect withholding tax on imported/exported goods or collected it at lower rates than leviable i.e. from 3% to 6%. This resulted in non/short-realization of revenue of Rs. 3,411.34 million during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported recovery of Rs1.71 million, Rs 20.22 million under recovery, Rs 13.12 million not due, Rs7.75 million contested, Rs130.48 million in the court of law, Rs 9.09 million under adjudication, Rs 7.52 sent to Board for clarification and Rs3,221.45 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery, pursue the court cases, finalize the adjudication process, submit comprehensive reply where contested and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[Annexure-9]

2.4.10 Short-realization of revenue due to grant of inadmissible exemption of customs duty under fifth schedule-Rs 3,350.024 million

The imported goods specified in the Fifth Schedule of the Customs Act, 1969 are liable to customs duty at the rates as specified in Table to the Schedule.

In 1,089 cases, six field formations of FBR granted inadmissible benefit of customs duty to the imported goods such as Omeprazole Sodium Sterile, Ceftriaxone Sodium Sterile, Poultry Vaccines, Zinc Sulphate and Lead Acid Batteries under Fifth Schedule of Customs Tariff despite the fact that the goods in question did not qualify for this benefit due to their physical description, classification etc. as shown in the examination reports, invoices and packing lists. This resulted in loss of revenue of Rs. 3,350.024 million during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported that cases for Rs 25.55 million were under recovery, Rs 7.74 million not due, Rs 3,289.13 million contested, Rs 9.02 million in the court of law and Rs 18.58 million was awaiting action by the Department.

The DAC in its meeting held in February, 2017, directed the MCCs to submit GDs to Audit for verification, referred the DP No.3610-Cus involving Rs 17.62 million to PAC, expedite recovery, pursue the court cases, submit comprehensive reply where contested and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends recovery, besides fixing responsibility against person(s) at fault.

[Annexure-10]

2.4.11 Non-realization of duty & taxes from Export Oriented Units Rs. 2,747.720 million

According to Rule 10 of SRO 327(I) 2009, the input goods may be imported by the licensee without payment of customs duty, sales tax, federal excise duty and income tax after declaring on the goods declaration that such input goods are being

imported for Export Oriented Unit for manufacture of export goods. Moreover, the exemption from customs-duty, sales tax, federal excise duty and income tax granted to plant, machinery, equipment and apparatus, including capital goods to be used solely within the limits of an Export Oriented Unit.

In 384 cases, three field offices of FBR cleared the imported input goods by extending the benefit despite that the same were not covered under the above SRO. Further, imported raw materials and machinery was released against indemnity bonds and post-dated cheques. However, even the importers failed to fulfil the prescribed conditions but no action was taken to enforce/encash the indemnity bonds and post-dated cheques despite lapse of a reasonable period.

Moreover, MCC Faisalabad issued a license which was being used against multiple premises situated at Lahore and Faisalabad against the provisions of Law. This resulted in non-realization of duty and taxes of Rs. 2,747.720 million during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported that cases of Rs 115.24 million were under recovery, Rs 16.02 million not due, Rs 52.85 million regularized, Rs 2,450.91 million sent to Board for clarification and Rs 112.69 million was awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery, pursue the cases with Board for clarification and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[Annexure-11]

2.4.12 Non-conducting post-exportation audit of DTRE users - Rs. 4,171.554 million

According to Rule 307-E (1) of Sub-Chapter-7 of the Customs Rules, 2001 post exportation audit was to be carried out and completed satisfactorily within a period of three months. Further Rule 307D read with Rule 305 of the Rules *ibid*, the

DTRE user was also required to submit a reconciliation statement, to the Regulatory Collector, in the form as set out in Appendix-III within sixty days of the expiry of utilization period allowed or earlier after export.

In 124 cases, DTRE record of seven MCCs revealed that they either failed to collect reconciliation statements of duty free imported goods in 20 cases or did not conduct post-exportation audit of DTRE users in 104 cases. This resulted in irregular remission of Duty and Taxes of Rs. 4,171.554 million during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported recovery of Rs 8.41 million, Rs 435.79 million under recovery, Rs 101.32 million not due, Rs 3.84 million regularized, Rs 130.01 million contested, Rs 3,492.17 million was awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery, submit comprehensive reply where contested and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends that an adequate and effective monitoring mechanism be devised and implemented to ensure that the licensees had timely submitted the reconciliation statements and the post-exportation audit was carried out within the prescribed time-limit. Moreover, action should also be initiated against those officers/officials held responsible for this slackness.

[Annexure-12]

2.4.13 Short-realization of regulatory duty on imported goods – Rs. 1,332.54 million

FBR vide SRO 568(I)/2014 dated 26.06.2014 levied regulatory duty on certain luxury and non-essential items at import stage at rates as prescribed table to the SRO *ibid*.

In 9,212 cases, imports documents such as GDs, banks challans revealed that fourteen field formations and one Directorate of FBR failed to recover regulatory duty on imported goods such as Dairy product, Fruits, Cosmetics, Mobile phones etc.

despite the fact that the goods attract regulatory duty under SRO ibid. This resulted in short-realization of revenue of Rs. 1,332.54 million during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported recovery of Rs 0.26 million, Rs 43.96 million under recovery, Rs 668.34 million contested, Rs 307.69 million in the court of law, Rs 0.24 million referred to Board for clarification and Rs 312.05 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery, pursue the court cases, submitted comprehensive reply where contested, pursue the cases with Board for clarification and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[Annexure-13]

2.4.14 Short-realization of revenue due to inadmissible exemption under Sixth Schedule of Sales Tax Act - Rs. 1,142.173 million

The imported goods such as skimmed milk, raw and pickled hides and skins, vegetables, bicycle parts, titanium oxide etc. as specified in Sixth Schedule to the Sales Tax Act, 1990 are exempt from Sales Tax, leviable under Section 3 of the Act subject to conditions and restrictions specified therein.

In 1,507 cases, eight field formations of FBR granted inadmissible exemption of sales tax to the imported goods under Sixth Schedule of the Act ibid despite the fact that the goods in question did not qualify for this concession due to their physical description, classification etc. This resulted in loss of revenue of Rs. 1,142.173 million during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported recovery of Rs 0.07 million, Rs 75.22 million under recovery,

Rs 9.51 million not due, Rs 45.79 million contested and Rs 1,011.05 million awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery, submit comprehensive reply where contested and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[Annexure-14]

2.4.15 Blockage of revenue due to non-clearance of unclaimed Import General Manifests – Rs. 763.98 million

According to Section 82 of the Customs Act, 1969 if any goods were not entered and cleared for home consumption or warehoused or transhipped within twenty days of the date of unloading thereof at a Customs station or within such extended period as the appropriate officer might allow, such goods might, after due notice given to the owner, be sold under the orders of the appropriate authority.

In 1,476 cases, seven field offices of FBR did not initiate legal action for clearance of Import General Manifests (IGMs) within the stipulated period of 20 days for realization of revenue involved therein. These Import General Manifests were lying un-claimed despite lapse of a considerable time. This resulted in blockage of revenue of Rs. 763.98 million during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported recovery of Rs 377.41 million, Rs 111.91 million under recovery, Rs 19.53 million not due, Rs 152.86 vacated in adjudication and Rs 102.29 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends disposal of un-cleared goods for realization of revenue.

[Annexure-15]

2.4.16 Loss of revenue due to under-valuation of imported goods - Rs. 620.05 million

Section 25 of the Customs Act, 1969 provided the detailed procedure for determination of value of the imported goods. Further, Section 25(A) empowers the Directorate General of Valuation, Karachi to fix the value of imported goods or class of goods.

In 1,402 cases, fourteen field offices of FBR did not assess the imported goods according to legal provisions or assessed them at values lower than the values fixed by the Directorate General of Valuation, Karachi. The irregularity was unearthed after scrutiny of G.Ds, Valuation Rulings and comparison of soft data of imports. The irregularity/lapse resulted in short-realization of revenue of Rs. 620.05 million and corresponding loss to the Public Exchequer during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported recovery of Rs 1.85 million, Rs 114.87 million under recovery, Rs 0.62 million not due, Rs 20.01 million contested, Rs 131.98 million in the court of law, Rs 12.02 million under adjudication, Rs 4.73 million sent to Classification Committee and Rs333.98 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery, pursue the court cases, finalize the adjudication process, submit comprehensive reply where contested and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[Annexure-16]

**2.4.17 Loss of revenue due to grant of inadmissible benefit of SRO 565
Rs. 666.294 million**

S.R.O. 565(I)/2006 dated 05.06.2006, provides exemption of custom duty on import of raw materials, sub-components, components, sub-assemblies and assemblies specified in column (3) for manufacture of goods specified in column (2) of the table to SRO.

In 160 cases, MCC Appraisement (West), Karachi, granted exemption of government dues under SRO 565(I)/2006 to imported raw material for manufacture of finished goods but instead of supplying the said products in the market on payment of sales tax, these were consumed in-house as intermediary input for further manufacturing of detergent which was not allowed as per provisions of SRO *ibid*. This resulted into inadmissible exemption of customs duty and allied taxes of Rs. 666.294 million during the FY 2015-16.

The matter was reported during November, 2016. The Department reported that the case was subjudice in the court of law.

The DAC in its meeting held in February, 2017 directed the MCCs to pursue the court case. Further progress was not intimated till finalization of the Report.

Audit recommends that the case be pursued vigorously.

[DP No. 282-CD/K]

2.4.18 Non-realization of duty and taxes plus warehousing surcharge on overstayed goods - Rs. 576.44 million

According to Section 98 of the Customs Act, 1969, non-perishable imported goods may remain in warehouse for a period of six months. The period can be extended by the competent authority for further three months. Further, according to Section 202(A) of the Act *ibid*, notwithstanding anything contained in this Act and without prejudice to any other action that may be taken there-under, if any person fails to pay the arrears within the prescribed time, he shall, in addition to the arrears,

be liable to pay surcharge at the rate of KIBOR plus three per cent per annum, of the total amount of arrears.

In 8,871 cases, thirteen field formations of FBR did not initiate action for recovery of duty and taxes from licensees of bonded warehouses who failed to clear the warehoused goods within the stipulated period. Further, default surcharge was also not recovered where the persons failed to deposit the government dues within prescribed time limit. Non-recovery of revenue of Rs 576.44 million was due to weak internal controls during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported that cases of Rs 400.11 million were under recovery, Rs 0.41 million not due, Rs 2.48 million contested, Rs 1.47 million in the court of law, Rs 171.79 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery, pursue the court cases, submit comprehensive reply where contested and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends recovery of duty and taxes along with surcharge, besides fixing responsibility for inordinate delay in clearance of bonded goods.

[Annexure-17]

2.4.19 Inadmissible exemption of customs duty under SRO 809(I)/2009 Rs. 533.582 million

SRO 809(I)/2009 dated 19.11.2009 provides exemption of customs duty on machinery and equipment, if imported by textile industrial units registered with Ministry of Textile Industry, excluding those manufactured locally, from payment of whole of customs-duty specified in the First Schedule to the Act.

In 16 cases, MCC Port Qasim, Karachi allowed exemption of customs duty in 368 Goods Declarations, in violation of ibid SRO as the goods in question were not

covered under the SRO. This resulted into loss of government dues of Rs. 533.852 million during the FY 2015-16.

The matter was reported during November, 2016. The Department reported that the case was subjudice in the court of law.

The DAC in its meeting held in February, 2017 directed the MCCs to pursue the court case. Further progress was not intimated till finalization of the Report.

Audit recommends that the case be pursued vigorously.

[DP No.838-CD/K]

2.4.20 Blockage of revenue due to non-disposal of wastage and factory rejects Rs. 467.37 million

According to Rule 307A (e) of the Customs Rules, 2001 read with SRO 327(I)/2008 dated 29.03.2008, a DTRE user was allowed, with the permission of the Regulatory Collector, to dispose-of through local sale, B-grade products, factory rejects or wastage on payment of leviable duty and taxes. Further, as per Rule 352 (10) of the Customs Rules, 2001 no wastage of input goods in terms of quantity, volume, weight or number, as the case may be, was to be allowed except as determined in the Analysis Certificate and no duty and taxes were to be charged on such wastage of the warehoused input goods, provided that such wastage was either destroyed in the presence of an officer of Customs, not below the rank of an Assistant Collector, or leviable Federal Excise Duty and Sales Tax was paid on such wastage before removal.

In 974 cases, the bond registers and monthly statements revealed that seven field offices of FBR did not initiate action for disposal of wastage produced during the manufacturing of output goods by DTRE users, Export Oriented Units and Manufacturing Bonds, to recover the government dues involved. This resulted in blockage of revenue of Rs. 467.37 million during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported recovery of Rs 1.90 million, Rs 3.36 million were under recovery, Rs1.94 million not due, Rs4.87 million contested, Rs128.04 million in the court of

law, Rs 0.35 million referred to Board for clarification and Rs 326.91 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery, pursue the court cases, pursue the cases with Board for clarification, submit comprehensive reply where contested and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[Annexure-18]

2.4.21 Non-recovery of adjudged government dues – Rs. 1,206.01 million

Section 202 of the Customs Act, 1969 read with the Chapter XI to the Customs Rules, 2001 provides the procedure for recovery of Government dues like deduction or requiring any other officer of Customs, Federal Excise and Sales Tax to deduct such amount from any money owing to such person, attachment and sale of any movable or immovable property of the defaulter or the guarantor, person, company, bank or financial institution of the defaulter and arrest and detention of the defaulter.

In 682 cases, record of recovery branches like recovery registers/statements revealed that nine field offices of FBR did not take prompt action for recovery of adjudged government dues despite lapse of considerable time. The irregularity/lapse resulted in non-recovery of revenue of Rs. 1,206.01 million and corresponding loss to the Public Exchequer during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported recovery of Rs 20.56 million, Rs 47.13 million under recovery, Rs 26.58 million not due, Rs 47.79 million in the court of law, Rs 2.54 million under adjudication and Rs 761.49 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery, pursue the court cases, finalize the adjudication process, and take immediate

action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends prompt realization of revenue besides, fixing of responsibility.

[Annexure-19]

2.4.22 Non-realization of value addition tax - Rs 382.78 million

According to Rule 58B of Sales Tax Special Procedure Rules 2007, the sales tax on account of minimum value addition shall be levied and collected on goods at import stage at the rate of three per cent of the value of goods.

In 14,518 cases, twelve field offices of FBR did not recover value addition tax at the time of clearance of imported goods or release of confiscated goods on duty and taxes. This resulted in non-realization of revenue of Rs 382.78 million during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported recovery of Rs 0.04 million, Rs 13.98 million under recovery, Rs 0.82 million not due, Rs 18.07 million contested, Rs 83.89 million referred to Board for clarification and Rs 265.17 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery, submit comprehensive reply where contested, pursue the cases with Board for clarification and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[Annexure-20]

2.4.23 Short-realization of Sales Tax due to grant of inadmissible exemption under SRO 1125(I)/2011 – Rs. 343.133 million

FBR vide SRO 1125(I)/2011 dated 31.12.2011 allowed exemption or lower rates of sales tax to certain imported goods relating to five sectors subject to certain conditions and restrictions.

In 302 cases, eight field formations of FBR either did not recover sales tax from the importers by granting inadmissible benefit under SRO 1125(I)/2011 or recovered the sales tax at lesser rates instead of leviable higher rates as prescribed in table to the SRO ibid. This resulted in loss of revenue of Rs. 343.133 million during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported that cases of Rs 71.09 million were under recovery, Rs 222.35 million not due, Rs 14.39 million contested, Rs 8.80 million referred to Board for clarification, and Rs 26.50 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery, submit comprehensive reply where contested, pursue the cases with Board for clarification and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[Annexure-21]

2.4.24 Non-realization of duty & taxes on disposal of machinery/spares Rs 332.57 million

According to Rule 10 (e) of the Export Oriented Units and Small and Medium Enterprises Rules, 2008 the unit was allowed to avail exemption from Customs Duty, Sales Tax and Federal Excise Duty on import of plant, machinery, equipment and apparatus including capital goods to be used solely within the limit of an Export Oriented Unit, provided that plant, machinery, equipment and apparatus including capital goods imported for an Export Oriented Unit were retained for a period of ten

years from the date of importation. Further, if plant, machinery, equipment and apparatus are sold or otherwise disposed of before the expiration of ten years, duty and taxes are required to be recovered at the prescribed rates.

MCCs Exports Custom House & Exports (PMBQ), Karachi did not take into consideration the duty and taxes on free imports of huge quantities of machinery & spares by Export Oriented Units. The licensees disposed of machinery/spares through replacement within ten years, but the MCCs did not recover duty & taxes leviable thereon. The irregularity/lapse resulted in loss of revenue of Rs. 332.57 million and corresponding loss to the Public Exchequer during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported cases of Rs 3.42 million were under recovery and Rs 329.14 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[Annexure-22]

2.4.25 Non/short recovery of assessed government dues – Rs. 88.65 million

According to Section 18 of the Customs Act 1969, customs duties shall be levied at such rates as are prescribed in the First Schedule or under any other Law for the time being in force on goods imported into Pakistan.

In 44 cases, MCC, Appraisement (East) Karachi and MCC, Quetta failed to recover government dues assessed, after post clearance, by the Intelligence & Investigation, Post Clearance Audit and Research & Development Section. This resulted in short-realization of revenue of Rs. 88.65 million during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported recovery of Rs 4.91 million, Rs 4.05 million were under recovery and Rs 79.68 million in the court of law.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery and pursue the court cases. Further progress was not intimated till finalization of the Report.

Audit recommends that duty and taxes be realized at prescribed rates and benefit of SROs be extended on merit, besides, fixing responsibility.

[DP Nos.493,612 & 657-CD/K]

2.4.26 Non-realization of additional customs duty on imported goods – Rs. 196.46 million

According to SRO 693(I)/2006 dated 01.07.2006, additional customs duty on the sub-components and components imported as part of any kit form for the assembly or manufacturing of motor cars and vehicles classifiable under PCT headings mentioned in column (2) of Table to the SRO is leviable at the rates as in column (4) of the Table specified in Appendix I and Appendix II as mentioned in column (3) of the said Table. Further, FBR vide SRO 1178(I)/2015 dated 30.11.2015 levied additional customs duty @ 1% on certain goods.

In 41,244 cases, eleven field formations of FBR either failed to recover additional customs duty on imported auto parts or recovered it at lesser rates than prescribed in SRO 693(I)/2006. Further, imported goods were also cleared without charging additional customs duty @ 1% leviable under SRO 1178(I)/2015. This resulted in non-realization of revenue of Rs. 196.46 million during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported recovery of Rs 0.15 million, Rs 1.40 million were under recovery, Rs 0.01 million not due, Rs 24.59 million contested and Rs 170.24 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery, submit comprehensive reply where contested and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[Annexure-23]

2.4.27 Excess payment of rebate - Rs. 184.027 million

According to SROs 209(I)/2009 to 212(I)/2009 all dated 05.03.2009, Duty Drawback was to be paid on duty paid raw materials used in manufacturing of exported goods at rates specified therein. Further, input goods were allowed to be imported free of duty by the licensees of Manufacturing Bonds, DTRE's users and Export Oriented Units under the Customs Rules, 2001 and SRO 327(I)/2008 dated 29.03.2008 respectively. Furthermore, in a Public Notice No. 01/2014-EXP/HQR issued by the MCC (Exports) Karachi vide C. No. SI/MISC/09/2009-EXP(HQ) dated 01.10.2014, it was decided to curb the practice of claiming Duty Drawback on input goods imported under any concessionary SRO. The exporters, at the time of claiming Duty Drawback, were required to submit an undertaking stating therein that they had not claimed any benefit under any concessionary SRO on imported goods used in the goods exported by them for which they were claiming Duty Drawback.

In 846 cases, five field formations of FBR paid rebate by overlooking the instructions contained in the Public Notice 01/2014 on the goods manufactured and exported by licensees of Manufacturing Bond, Export Oriented Units and DTRE users, in respect of which no duty had been paid at import stage. Further, rebate had also been paid either at higher rates than admissible or on the goods not entitle for rebate in terms of aforesaid SROs. The irregularity/lapse resulted in excess payment of duty drawback of Rs. 184.027 million and corresponding loss to the Public Exchequer during the FY 2015-16.

The matter was reported during August to November, 2016. The Department replied that cases for Rs 1.61 million were contested, Rs 110.34 million referred to Board for clarification and Rs 72.07 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to submit comprehensive reply where contested, pursue the cases with Board for clarification and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends recovery of overpaid amount of rebate, besides fixing of responsibility.

[Annexure-24]

2.4.28 Inadmissible benefit of Free Trade Agreements – Rs 157.85 million

According to SROs 659(I)/2007 dated 30.06.2007 and SRO 1261(I)/2007 dated 31.12.2017, goods imported into Pakistan from the People's Republic of China and Malaysia respectively are liable to customs duty at the concessionary rates as specified in Tables to the SROs *ibid*. Provided that the importer must possess FTA/PTA, showing the imported goods, PCT headings, quantity and port of shipment and claim concessionary rate at the time of import.

In 491 cases, nine field offices cleared goods imported from China and Malaysia granting concession of Rs. 157.85 million in customs duty and allied taxes, by extending the benefit of SROs 659(I)/2007 and 1261(I)/2007 by committing the following irregularities;

- (i) Importers did not possess original certificates of origin;
- (ii) Benefit was extended on excess than written quantity in certificate of origin;
- (iii) Lower rate of Customs Duty was charged than the agreed rates;
- (iv) Origins were other than China;
- (v) Goods were misclassified to avail the benefit of SRO;
- (vi) Duplicate PCT headings in the aforesaid SRO.

The matter was reported during August to November, 2016. The Department reported that cases of Rs 21.14 million were under recovery, Rs 2.64 million contested, Rs 13.11 million in the court of law, Rs 0.27 million referred to Board for clarification and Rs 120.69 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery, pursue the court cases, finalize the adjudication process, submit comprehensive reply where contested and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[Annexure-25]

2.4.29 Non-recovery of duty and taxes from licensees of manufacturing bonds Rs. 161.503 million

According to Rule 344 of the Customs Rules, 2001, the license issued under Rule 343, may be cancelled by the Collector on conviction of the licensee for any offense under any of the Acts or non-utilization of the license during the last twelve months, or for violation of any of the conditions specified in the license or on the request, in writing, by the licensee. Further, according to Rule 352 read with Rule 7 of the Rules *ibid*, the leftover quantities of raw materials imported in a manufacturing bond or those which could not be utilized in export for certain reasons can be got cleared by the licensee by filling ex-bond Goods Declaration for payment of duties and taxes leviable thereon.

In 04 cases, MCCs (Appraisement) Lahore, Sialkot and Peshawar either failed to recover the government dues from the licensees of manufacturing bonds whose licenses were cancelled but quantities of un-utilized raw materials, finished goods and wastage valuing Rs 338.313 million were lying with them which needed disposal against payment of leviable duty & taxes or the licensees crossed the monetary limits as shown in their licenses. This resulted in non-recovery of duty and taxes of Rs. 161.503 million during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported recovery of Rs 2.72 million, Rs 3.68 million were under recovery and Rs 155.11 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[DP Nos-4001,4070,4071,4072&4179-Cus]

2.4.30 Release of bank guarantees without obtaining acknowledgement of cross border certificates – Rs. 119.77 million

According to Rule 629 (10) of the Customs Rules, 2001 after crossing over the border by transport units, the relevant copies of GDs including Afghan Government's copy, shall be forwarded to the office en-route on the Afghan side for their endorsement in relevant portion of the GD as token of receipt of the transit goods. The Afghan office en-route shall return a copy of the GD with acknowledgment of receipt of the consignment to the Pakistan office en-route as confirmation of receipt of the consignment and forward the original GDs to the office of destination on the Afghan side.

In 386 cases, the Director Transit Trade, Quetta and MCC, Gawadar released bank guarantees without obtaining acknowledgements from Afghanistan Customs Authorities that the consignments had been received in Afghanistan. This resulted in release of financial instruments without acknowledgement of cross border certificates of Rs. 119.77 million during the FY 2015-16.

The DAC in its meeting held in February, 2017 directed the MCCs to provide proof that the exported goods had been received by the Afghan Customs Authorities. Further progress was not intimated till finalization of the Report.

Audit recommends that release of financial instruments without cross border certificates may be justified or responsibility fixed against the person(s) at fault.

[DP Nos. 182 & 479-CD/K]

2.4.31 Non-realization of duty & taxes due to non-achievement of export targets – Rs. 115.96 million

According to Rule 2 (1) of the SRO 327 (I)/2008 dated 29.03.2008, a unit registered as Export Oriented Unit (EOU) must export at least 80% of production, if established before 01-07-2007 and export 100% of its production if established on or after 01-07-2007.

MCC Export, Custom House, Karachi extended benefit of the SRO ibid to a licensee on imported machinery and spares and input items free of duty & taxes, but did not ensure the above provision of Law as the licensee failed to achieve export targets as they exported 69% to 74% during 2011 to 2014. The irregularity/lapse resulted in non-realization of revenue of Rs. 115.96 million during the FY 2015-16.

The matter was reported during November, 2016. The Department reported that the case is subjudice in court of law.

The DAC in its meeting held in February, 2017 directed the MCC to pursue the court cases. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[DP No. 500-CD/K]

2.4.32 Non-realization of revenue due to inadmissible benefit of SRO 492(I)/2009 Rs. 110.64 million

Under SRO 492(I)/2009 dated 13.06.2009, whole of custom duty and sales tax was exempt on temporary import of goods for subsequent exportation subject to prescribed conditions. The importer shall submit a bank guarantee or pay order or

indemnity bond along with post-dated cheque equivalent to the amount of custom duty and Sales Tax otherwise leviable thereon.

In 85 cases, four field offices of FBR either failed to realize duty & taxes on unconsumed quantity of imported raw materials like empty clear pet bottles or extended benefit to the goods such as lining material, papers, coated fabrics and air pumps not covered in the SRO *ibid*. Rather the customs authorities released the indemnity bonds and post-dated cheques without taking into consideration these aspects. This resulted in non-realization of revenue of Rs. 110.64 million and corresponding loss to the Public Exchequer during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported that recovery of Rs 0.40 million was made, Rs 38.05 million were under recovery, Rs 2.51 million not due, Rs 0.86 million contested, cases of Rs 7.53 million referred to Board for clarification and Rs 61.65 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery, submit comprehensive reply where contested, pursue the cases with Board for clarification and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends recovery of revenue, besides fixing responsibility.

[Annexure-26]

2.4.33 Non/short-realization of Federal Excise Duty – Rs. 112.301 million

Federal Excise Duty is leviable under Section 3 of the Federal Excise Act, 2005 at the rates prescribed in the First Schedule to the Act on specified goods.

In 4,634 cases, six field offices of FBR either misclassified imported goods like aerated water, concentrates and energy drinks under incorrect PCT headings to avoid the levy and collection of FED or charged it at lower rates than prescribed in the First Schedule to the Act *ibid*. This resulted in short-realization of revenue of Rs. 112.301 million during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported that recovery of Rs 0.18 million was made, Rs 106.13 million were under recovery, Rs 0.67 million not due, Rs 0.35 million contested and Rs 4.96 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery, submit comprehensive reply where contested and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[Annexure-27]

2.4.34 Non/Short-realization of revenue due to application of incorrect rate of Customs Duty – Rs. 45.48 million

According to Section 18 of the Customs Act, 1969, customs duties shall be levied at such rates as are prescribed in the First Schedule to the Act, or under any other Law for the time being in force, on goods imported into Pakistan.

In 639 cases, fourteen field offices of FBR cleared imported goods like RBD Palm oil, toys, bananas etc. either by charging lesser rates of Customs Duty than applicable or calculation of duty and taxes was wrong. This resulted in short-realization of revenue of Rs. 45.48 million during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported recovery of Rs 0.84 million, Rs 16.39 million as under recovery, Rs 0.10 million not due, Rs 1.37 million contested, Rs 10.69 million in the court of law, Rs 0.11 million sent to the Board for clarification and Rs 15.97 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery, pursue the cases with Court and with Board for clarification and to submit comprehensive reply where contested and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[Annexure-28]

2.4.35 Non-confiscation of smuggled vehicles having fake registration documents Rs. 90.73 million

According to Section 168 of the Customs Act, 1969, the appropriate officer may seize any goods liable to confiscation under this Act, and where it is not practicable to seize any such goods, he may serve on the owner of the goods or any person holding them in his possession or charge an order that he shall not remove, part with, or otherwise deal with the goods except with the previous permission of such officer. Further, FBR vide SRO 172(I)/2013 dated 05-03-2013, allowed clearance of smuggled/ non-duty paid motor vehicles, having non-tampered engine or chassis numbers, which had been seized or voluntarily presented to the customs on or before 31.03.2013, on payment of duty and taxes alongwith redemption fine.

In 119 cases, MCC, Quetta did not take action for confiscation of smuggled vehicles which were claimed to be cleared under amnesty scheme and presented to the respective Motor Registration Authorities for registration. The Motor Registration Authorities submitted documents to the Customs Authorities for verification. The Customs authorities identified these documents as fake/altered/overwritten. Customs authorities should have taken steps for confiscation of identified smuggled vehicles. This resulted in loss to National Exchequer amounting to Rs. 90.73 million during the FY 2015-16.

The matter was reported during November, 2016. The Department reported that case was pending in court of law.

The DAC in its meeting held in February, 2017 directed the MCC to pursue the court case vigorously. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility. [DP No. 611-CD/K]

2.4.36 Non-realization of revenue on un-utilized input goods-Rs. 93.01 million

According to Rule 12 of Export Oriented Units and Small and Medium Enterprises Rules notified vide SRO 327(I)/2008, dated 29.03.2008, the input goods shall be utilized within 2 years from the date of import. Moreover, according to Rule 350 (4) of SRO 450(I)/2001, dated 27.06.13, the period will not in any event exceed two years from the date of in-bonding or procurement of locally purchased goods. For duly justified reasons extension may be granted for another one year by special written approval of an officer not below the rank of Additional Collector of Customs.

In 45 cases, eight field formations of FBR did not initiate action for recovery of revenue from EOUs and DTRE users who imported duty-free input goods for manufacture and export of finished goods but failed to consume raw material and export of finished goods within the prescribed time. This resulted in non-realization of revenue of Rs. 93.01 million during the FY 2015-16. The irregularities took place due to lack of effective internal controls.

The matter was reported during August to November, 2016. The Department reported recovery of Rs 0.31 million, Rs 20.79 million as under recovery, Rs 1.89 million not due, cases of Rs 13.69 million contested, Rs 1.18 million in the court of law and Rs 55.15 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery, pursue the court cases and to submit comprehensive reply where contested and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[Annexure-29]

2.4.37 Non/short-realization of revenue on goods not covered in the licenses issued under SRO 450(I)/2001 – Rs. 78.85 million

According to Rule 299 of SRO 450(1)/2001, dated 18.06.2001, the Regulatory Collector was empowered to refer within seven days of receipt of an application under Sub-Chapter-7, such application to Input Output Coefficient Organization (IOCO) for determination of input-output ratios and wastages. Further, as per Rule 351 (1), the licensee was required to apply to the Collector, within fifteen days of issuance of manufacturing bond license, or sixty days before the first export of finished goods, for issuance of an Analysis Certificate as set out in Appendix-III showing the input and output ratio of input goods vis-a-vis finished goods along with wastages.

In 201 cases, four field offices of FBR cleared such imported input goods by extending the benefit of SRO 450(I)/2001 which were not covered under the licenses issued to the licensees of manufacturing bonds. This resulted in non-realization of duty & taxes of Rs. 78.85 million during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported that cases of Rs 0.01 million were under recovery, Rs 0.08 million not due, cases of Rs 64.48 million contested, cases of Rs 7.42 million sent to the Board for clarification and Rs 6.86 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery, pursue the court cases and to submit comprehensive reply where contested and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[Annexure-30]

2.4.38 Misuse of facility of DTRE resulting in short-realization of revenue of Rs. 56.50 million

According to Rule 298(1) of SRO 450(1)/2001, dated 18.06.2001 read with rules 296 and 307D, a direct exporter may obtain advance DTRE approval on the basis of his past export performance for the general class of export product.

In 03 cases, MCCs Multan and Appraisement, Lahore failed to recover the government dues from the DTRE users despite the fact that either the DTRE users exported the goods which were different from the goods for which he was allowed DTRE facility or the DTRE period was expired and the licensees did not export the manufactured goods. In one case facility of DTRE was granted to an indirect exporter. This resulted in short-realization of revenue of Rs. 56.50 million during the FY 2015-16 as detailed below:

S.No.	DP No.	Formation	Name of licensee	Misuse detail	Amount (Rs in million)
1.	3930-Cus	MCC Multan	M/s Ahmed Oriental Textile Mills	Exported goods not in accordance with as approved in analysis certificate	6.862
2.	3980-Cus	MCC App Lahore	M/s Roshan Packages Pvt Ltd.	DTRE approval was cancelled	32.727
3.	3982-Cus	MCC App Lahore	M/s Ellcot Spinning Mills Pvt. Ltd.	DTRE user exported the goods indirectly through another party	16.914
Total					56.503

The matter was reported during August to November, 2016. The Department contested cases for Rs 23.78 million and reported that Rs 25.98 million subjudice in the court of law and Rs 6.74 million was awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to submit comprehensive reply where contested, pursue the Court cases vigorously and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

2.4.39 Non/short-realization of anti-dumping duty – Rs. 10.91 million

The anti-dumping duty was levied under Anti-Dumping Duties Ordinance, 2015, pursuant to an investigation; (a) where an investigated product was dumped within the meaning of the Ordinance; and (b) where an injury was being caused to domestic industry within the meaning of this Ordinance. Further, the First Schedule of the Customs Act, 1969 also bears the rates of anti-dumping duty.

In 27 cases, three field offices of FBR cleared imported goods like Sorbitol, Hydrogen Peroxide, Polyester Fibre etc. liable to anti-dumping duty without realization of the duty at specified rates. This resulted in loss of revenue of Rs. 10.91 million during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported that cases of Rs 9.84 million were under recovery and Rs 1.07 million not due.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[Annexure-31]

2.4.40 Short-realization of revenue due to inadmissible exemption under Eighth Schedule of Sales Tax Act, 1990 – Rs. 50.79 million

The imported goods specified in the Eighth Schedule of the Sales Tax Act, 1990 were liable to Sales Tax at rates specified in Table to the Schedule.

In 163 cases, import record i.e. GDs revealed that four field formations of FBR either did not realize Sales Tax from the importers by granting inadmissible benefit under Eighth Schedule of Sales Tax Act, 1990 or realized it at lesser than

prescribed rates. This resulted in short-realization of revenue of Rs. 50.79 million during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported recovery of Rs 2.9 million was made, Rs 39.94 million were under recovery, cases of Rs 3.41 million contested and Rs 4.53 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery and to submit comprehensive reply where contested and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[Annexure-32]

2.4.41 Non-recovery of revenue after expiry of stay orders – Rs. 41.00 million

According to Article 199 (4A) of the Constitution of the Islamic Republic of Pakistan 1973 and Section 196 (7) of the Customs Act, 1969, an interim order made by a High Court against assessment or collection of public revenues shall cease to have effect on the expiration of a period of six months following the day on which it is made.

MCC Appraisement (West), Karachi did not initiate action for recovery of revenue against an importer who had been granted stay order by the Sindh High Court vide interim order dated 10.12.2010, in Special Customs References Nos. 312 & 313/2010. As the stipulated period of six months had expired since long but action was not initiated for recovery. This resulted in non-recovery of revenue of Rs. 41.00 million during the FY 2015-16.

The matter was reported during November, 2016. The Department reported that cases were subjudice in the Court of law.

The DAC in its meeting held in February, 2017 directed the MCCs to pursue the court cases vigorously. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[DP-329-CD/K]

2.4.42 Short-realization of revenue due to non-inclusion of insurance in the assessed value – Rs. 39.08 million

According to Section 25 (2) (a) of the Customs Act, 1969 read with CGO No. 22 of 2000 dated 29.11.2000, insurance is to be added in customs value of imported goods, provided that where insurance memos are issued by the insurance companies the actual paid amount of insurance may be accepted as the cost of insurance and where valid evidence of actual amount of insurance paid is not available, the insurance cost may be added in accordance with import tariff schedule to determine the customs value of the imported goods under Section 25 of the Act.

In 727 cases, six field formations of FBR cleared the imported goods in which government dues were assessed on the customs values in which 1% or actual paid insurance and loading charges were not included. Resultantly, imported goods were not properly valued for government dues. This resulted in short-realization of revenue of Rs. 39.08 million during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported that cases of Rs 32.67 million were under recovery, cases of Rs 1.85 million contested, Rs 3.12 million subjudice in the court of law and Rs 1.44 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery, pursue the court cases and to submit comprehensive reply where contested and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides, fixing responsibility.

[Annexure-33]

2.4.43 Illegal retention of GD processing fee – Rs. 28.49 million

According to Rules 4 to 8 of General Financial Rules, all moneys recovered as due to the Government are required to be deposited / credited into public account without any delay.

The National Bank of Pakistan, Dryport and AFU branches under the jurisdiction of MCC Islamabad collected and retained an amount of 28.49 million. The amount was collected as goods declaration processing fee since 1st January 2013 to 30th June 2016 and same was neither reported to the Treasury Office, MCC Islamabad nor remitted to the State Bank of Pakistan, Islamabad. This retention was unlawful as the Law requires immediate deposit of all moneys collected in connection with official transactions into Government Exchequer without delay. Further, no head of account was obtained from the Controller General of Accounts by FBR to classify this fee. This resulted in collection and illegal retention of G.D processing fee of Rs. 28.49 million by the MCC.

The matter was reported during December, 2016. The Department reported that Rs 1.30 million was not due and cases for Rs 27.19 million contested.

The matter was discussed in detail in the DAC meeting held in February, 2017 and could not be resolved due to difference in opinions of Audit and the department. DAC referred the matter to PAC for consideration.

Audit requires that the matter may be considered by the PAC.

[DP Nos. 3608, 3641-Cus]

2.4.44 Loss of Rs. 25.48 million due to short-accountal/un-justified reduction in closing balance of warehouse goods

According to Rule 358 of the Customs Rules, 2001, if any licensee fails to give proper account of warehouse goods, input goods or finished goods to the satisfaction of an officer of customs not below the rank of an Assistant Collector, the licensee shall pay on demand an amount equal to the customs duty, central excise duty, sales tax and income tax leviable thereon as if they were imported and used for home consumption and shall also be liable to penalties imposed for such violation under the Act.

In MCC, Gawadar a private bonded warehouse had reduced closing stock by 897.546 MT in two months. This caused loss of revenue of Rs 25.48 million as detailed below:

S.No.	Month	Actual closing balance	Closing balance reduced to	Difference in Qty	Duty & taxes involved (Rs. in million)
01	Feb, 2013	2,121.199 MT	2,118.199 MT	3.000 MT	0.10
02	Sep, 2014	3,523.593 MT	2,629.047 MT	894.546 MT	25.38
Total		5,644.792 MT	4,747.246 MT	897.546 MT	25.48

The matter was reported during November, 2016. The Department reported that the matter was under scrutiny.

The DAC in its meeting held in February, 2017 directed the MCC to submit comprehensive reply. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[DP No. 185-CD/K]

2.4.45 Non-realization of duty & taxes on goods lost in transit imported for ISAF/NATO Forces - Rs 24.75 million

According to Section 129 of the Customs Act 1969, where any goods are entered for transit across Pakistan to a destination outside Pakistan, the appropriate

officer may, subject to the provisions of the Rules, allow the goods to be so transited without payment of the duties which would otherwise be chargeable on such goods.

Contrary to the above, MCC Preventive, Karachi did not recover duty & taxes on the goods in 26 cases imported for ISAF/NATO Forces in the cases where quantity delivered against Transportation Permits (TPs) were either short by more than 1% or attacked/ambushed/or met accident while en-route to Afghanistan. Since the carrier was responsible for safe transportation of the cargos and its onward delivery to ISAF/NATO Forces in Afghanistan, therefore, the carrier was liable to pay duty and taxes involved in the goods lost in the Pakistan territory. The irregularity/lapse resulted in loss of revenue of Rs. 24.75 million and corresponding loss to the Public Exchequer.

The matter was reported during November, 2016. The Department reported that cases of Rs 12.27 million were subjudice in the court of law and Rs 12.48 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCC to pursue the court cases and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[DP No. 527, 528 & 533 –CD/K]

2.4.46 Irregular auction of diesel - Rs. 23.43 million

According to Rule 75(ii) of Customs Rules, 2001, the Collector may accept or reject any bid or offer or auction at any time before the goods are delivered to the successful bidder. He may also recall the proceedings and recover the goods even after delivery of goods if it is proved that there has been a deliberate attempt to cause loss to the Public Exchequer.

MCC Preventive, Karachi auctioned / sold confiscated foreign origin High Speed Diesel to M/s Askar Oil Services (Pvt) Ltd who's marketing operation was suspended all over the country by OGRA except Punjab w.e.f. 23rd April, 2014. An

order-in-original No. 18/2011 dated 04.07.2011 was also passed by the Additional Collector, MCC Hyderabad against M/s Askar Oil Services (Pvt) Ltd in transporting the smuggled foreign origin HSD and the adjudicating authority asked the OGRA to recheck the credentials and conduct of the company. Despite the above facts the MCC auctioned/sold diesel to the said company during April and June, 2016. This resulted in irregular auction of diesel to banned buyer amounting to Rs. 23.43 million.

The matter was reported during December, 2016. The Department reported that matter was under scrutiny.

The DAC in its meeting held in February, 2017 directed the MCC to submit comprehensive reply. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[DP No. 878-CD/K]

2.4.47 Loss of revenue due to delay in issuance of show cause notices/orders in original – Rs. 254.35 million

According to Section 179 read with Section 168 of the Customs Act, 1969 the cases shall be decided within one hundred and twenty days of the issuance of show cause notice or within such extended period as allowed by the Collector but such extension shall in no case exceed sixty days.

In 263 cases, MCCs, Islamabad, Appraisement (East/West), Karachi and Adjudication Quetta either issued orders-in-original as well as show-cause notices with a delay of 01 to 516 days which resulted in set aside of orders-in-original or did not finalize legal proceeding resulting in loss of revenue of Rs. 254.35 million during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported that cases of Rs 20.41 million were under adjudication and Rs 233.94 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to finalize the cases under adjudication and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[Annexure-34]

2.4.48 Non-filing of appeal against the orders of adjudicating authority causing loss of government property – Rs. 17.14 million

According to conditions (a) and (b) of the SRO 499(I)/2009, dated 13.06.2009, no option shall be given to pay fine in lieu of confiscation in respect of smuggled goods falling under clause (s) of Section 2 of the Customs Act, 1969 where the value of goods notified by the Federal Government in the official Gazette exceeds one hundred and fifty thousand rupees. Further, according to Section 157 (2) of the Act, every conveyance of whatever kind used in the removal of any goods liable to confiscation under the Act shall also be liable to confiscation.

Directorate of I&I, Islamabad confiscated offended goods covered under Section 2 (s) of the Act *ibid* in the light of orders of adjudicating authority but the vehicles which were used wholly and exclusively in smuggling of those goods were released after payment of redemption fine @ 20%, whereas, the same were liable to confiscation in terms of condition (b) of the SRO 499 and Section 157 (2) of the Customs Act. The Directorate released the vehicles involved in smuggling of notified goods instead of filing appeals against impugned orders in original. This resulted in loss to the government of Rs. 17.14 million during the FY 2015-16.

The matter was reported during October, 2016. The Department reported that matter was under scrutiny.

The DAC in its meeting held in February, 2017 directed the MCC to take immediate steps to resolve the issue. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[DP No.3599-Cus]

2.4.49 Loss of revenue due to under invoicing and mis-declaration

According to Rules 389 and 391 of the Customs Rules, 2001 all import cargo entered into Customs' area for clearance was required to be accompanied with a copy of packing list, invoice and in case of containerized cargo, a Consignment Note. These documents were to be furnished to Customs by the carrier at the time of pass-in of goods for export. The liability of placing such documents was upon the owner of goods as well as upon the carrier. The owner of goods and the carriers were required to explicitly convey the requirement of placing documents in the manner prescribed as an obligatory condition, to the person who packed or shipped the cargo.

In 1,227 cases, three field formations of FBR did not take cognizance of repeated violations of the above referred provisions of the Law and cleared imported goods by charging minimal penalty of Rs. 5,000 per case instead of Rs 50,000 per case where invoices and packing lists were not found placed inside the containers. As the liability of placing such documents was upon the owners of the imported goods and the carrier of the goods, therefore, it appeared as an intentional violation on the part of importers to conceal actual invoice value and physical description of imported goods for getting illegal financial benefits. This resulted in loss of revenue of Rs. 16.91 million.

The matter was reported during August to November, 2016. The Department reported that cases of Rs 0.35 million were under recovery and cases of Rs 16.56 million were contested.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery and to submit comprehensive reply where contested. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[Annexure-35]

2.4.50 Irrecoverable loss of Rs. 16.04 million due to non-traceability of defaulters

Section 202 of the Customs Act, 1969 read with Chapter XI of the Customs Rules, 2001 provides the procedure for recovery of Government dues like deduction or requiring any other officer of Customs, Federal Excise and Sales Tax to deduct such amount from any money owing to such person, attachment and sale of any movable or immovable property of the defaulter or the guarantor, person, company, bank or financial institution of the defaulter and arrest and detention of the defaulter.

MCC Exports, Custom House, Karachi reported to FBR during the financial year 2015-16 that government dues of Rs 16.04 million in 23 cases were “not likely to be recovered” being defaulters not being traceable. Recovery files of these defaulters were also not provided to Audit to ascertain the factual position and informed that the files and particulars of the defaulters such as name, national tax number, address, CNIC number of owners/directors were not available in the record. The stand taken by the management is not justified because it was their primary duty to maintain record of all the defaulters.

The matter was reported during November, 2016. The Department reported that case was under scrutiny.

The DAC in its meeting held in February, 2017 directed the MCC to re-examine the issue and re-submit comprehensive reply. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC’s directives.

[DP No.52 –CD/K]

2.4.51 Non-deduction of Export Development Surcharge and WHT on exports- Rs. 2.55 million

Section 154 (3C) read with Section 164 of the Income Tax Ordinance, 2001 provides that the Collector of Customs, at the time of clearance of goods to be exported, was required to collect tax from the gross value of the goods at the rate

of one percent of the value of the exported goods. Further, Section 11 of the Finance Act, 1991 provides levy of Special Customs Duty as Export Development Surcharge (EDS) on exportation of all goods at the rate of 0.25% of the export value.

In 245 cases, three field formations of FBR did not realize with-holding tax @ 1% and Export Development Surcharge @ 0.25% on goods exported from Pakistan. This resulted in non-realization of with-holding tax of Rs. 0.27 million and Export Development Surcharge Rs. 2.29 million, aggregating to Rs. 2.55 million during the FY 2015-16.

The matter was reported during August to November, 2016. The Department reported cases of Rs 0.05 million were under recovery, Rs 0.40 million not due, Rs 2.10 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery and to take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[Annexure-36]

2.4.52 Non-forfeiture of earnest money – Rs 4.47 million

According to Rule 68 of Customs Rules, 2001, the balance of the amount of bid shall be paid by the successful bidder in cash or through bank draft in the National Bank/Treasury as prescribed by the Collector, within a period of seven days excluding holidays, of the final acceptance of the bid. Further, according to Rule 69 of the Rules *ibid*, if the balance of the amount of the bid is not paid within the period or extended period specified in Rule 68, the earnest money shall be forfeited in favour of the Federal Government, and the goods may be sold by auction or otherwise.

In 23 cases, five field offices of FBR did not forfeit earnest money where 75% balance of the bid amount was not deposited within seven days of acceptance of bid. The balance amount was paid with a delay ranging from 15 to 73 days of approval of

the bids. The irregularity/lapse resulted in non-forfeiture of earnest money of Rs. 4.47 million.

The matter was reported during August to November, 2016. The Department reported that cases of Rs 2.83 million were under recovery and Rs 1.64 million were awaiting action by the Department.

The DAC in its meeting held in February, 2017 directed the MCCs to expedite recovery and take immediate action for balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[Annexure-37]

2.4.53 Short-realization of bid amount due to short-accountal of actual quantity Rs. 2.73 million

Under the provision of Rule 65 read with sub-rule (ii) of Auction Rules, 2001, all auction shall be on "As is where is" basis. All kind of goods shall be as lot or on weight basis.

MCC, Appraisement, Karachi (East) auctioned a lot of Footballs and Gloves on 01.09.2016 for Rs. 0.11 million. Record i.e. IGM No. 294/14 dated 15.08.2014, index 286, revealed that Footballs & Gloves having total quantity of 593 cartons, net weight 12000 kg was landed but auction / delivery was made to the extent of 23 cartons without stating any weight vide Delivery Order No. 7349 dated 08.09.2016. Thus a balance of 570 cartons remained un-accounted for. This resulted in short recovery of bid money of Rs. 2.73 million during the FY 2015-16 (570 cartons @ Rs. 4,783 per carton).

The matter was reported during December, 2016. The Department reported that case was under scrutiny.

The DAC in its meeting held in February, 2017 directed the MCC to re-examine the issue and re-submit comprehensive reply. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[DP No.818-CD/K]

2.4.54 Short-realization of foreign exchange - US\$ 28,118

According to the State Bank of Pakistan Notification No.F.E.3/2001-SB, dated 28-09-2001, the authorized bank shall undertake to ensure the realization of entire amount of sale proceeds for which 'Form-E' was issued by the bank.

MCC Quetta did not ensure realization of full amount of foreign exchange as M/s Dewan Cement Limited, Karachi exported goods worth US\$ 112,000 but realized foreign exchange of US\$ 83,882 and also evaded export development surcharge and income tax on short realized foreign exchange. The irregularity/lapse resulted in short realization of foreign exchange of US\$ 28,118, valuing Rs. 2.658 million (\$28,118 @ Rs. 94.56 per \$), income tax Rs. 0.03 million and export development surcharge Rs 0.01 million during the FY 2015-16.

The matter was reported during December, 2016. The Department reported that case was under scrutiny.

The DAC in its meeting held in February, 2017 directed the MCC to re-examine the issue and re-submit comprehensive reply. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[DP No. 739-CD/K]

2.4.55 Un-Lawful payment of rent to NLC from sale proceeds of auction Rs. 1.00 million

Section 201 of the Customs Act, 1969 provides procedure for application of sale proceeds of goods. Further, Section 14A of the Act, provides that any agency or person including port authorities managing or owning a customs-port, a customs-airport or a land customs station or a container freight station shall provide at its or his own cost adequate security and accommodation to customs staff for residential purposes, offices, examination of goods, detention and storage of goods and for other departmental requirements to be determined by the Collector of Customs and shall pay utility bills, rent and taxes in respect of such accommodation. The port was being managed by National Logistic Cell.

MCC Quetta paid an amount of Rs. 1.00 million to NLC as rent/storage charge of confiscated goods from sale proceeds of auction of the goods which was inadmissible. This resulted in un-lawful payment from sale proceeds and irregular payment of rent.

The matter was reported during November, 2016. The Department reported that case was under scrutiny.

The DAC in its meeting held in February, 2017 directed the MCC to re-examine the issue and re-submit comprehensive reply. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[DP No.81 –CD/K]

2.4.56 Irregular release of perishable and non-perishable goods after period of 21 to 432 days of import

According to Section 82 of the Customs Act, 1969, if any goods are not cleared for home-consumption or warehoused or transhipped or removed from the port area within twenty days of their arrival at a customs station or within such extended period not exceeding ten days, an officer not below the rank of Assistant

Collector may allow, and such goods, after the due notice given to the owner or custodian of the goods, may be sold in auction or taken into custody by Customs and removed from the port to a Customs warehouse for auction notwithstanding the fact that adjudication of the case under Section 179, or an appeal under Section 193, or 196, or a proceeding in any court is pending. Provided that animals and perishable and hazardous goods may, with the permission of the appropriate officer, be sold or destroyed at any time.

In 6,641 cases MCC (PMBQ) Karachi released huge quantity of perishable and non-perishable goods which remained in port area from 21 to 432 days. The MCC neither served notice to the owner or custodian of the goods nor auctioned the same and released perishable goods without laboratory tests. The irregularity/lapse resulted in irregular release of perishable and non-perishable goods. Detail is given below:-

S. No.	Items	No. of Cases	Delay in Days
01	Perishable Goods	398	105 to 432
02	Non-perishable/consumer Goods	6,243	21 to 391
	Total	6,641	

The matter was reported during December, 2016. The Department reported that case was under scrutiny.

The DAC in its meeting held in February, 2017 directed the MCC to re-examine the issue and re-submit comprehensive reply. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[Annexure-38]

2.4.57 Irregular expenditure on POL and repair of vehicles - Rs 149.83 million

According to Monetization Policy 2011, authorization from Vehicle Committee of the Cabinet Division was required for use of vehicles for operational purposes. Further, as per Rule 15 of Staff Car Rules 1980, proper record i.e. log books,

movement registers and requisition slips are required to be maintained in respect of all government vehicles for effective control over expenditure on POL and repair & maintenance of official vehicles. Further, according to Section 182 of the Customs Act 1969, the Board may authorize the use of confiscated vehicles for operational purposes by the Board or, with approval of the Board by its subordinate offices. Further as per instructions issued by FBR from time to time use of luxury vehicles for operational purposes was not allowed.

Thirty six field offices of FBR incurred expenditure of Rs. 149.83 million during the FY 2015-16 on POL and repair & maintenance of official/operational vehicles by committing following irregularities;

- (i) logbooks and movement registers were not maintained;
- (ii) authorization from Vehicle Committee of the Cabinet Division was not obtained for use of vehicles for operational purposes;
- (iii) vehicles were used by the officers whose nature of job did not require any field operations;
- (iv) nature of operations was defined neither by the Board nor by any field offices;
- (v) vehicles were used which were not on pool of the respective offices;
- (vi) when vehicles required some repair work, these were replaced by the new confiscated ones through an internal committee, which had no legality;
- (vii) vehicles ripe for auction were used; and
- (viii) luxury vehicles such as Toyota Land Cruiser, Pajero, Parado, Toyota Crown Car, Surf were being used for operational duties

Further, the Board, although has power to use confiscated vehicles for operational purposes, has not framed any Rules or not issued any SOPs so far to streamline the use of confiscated vehicles and control of expenditure thereon. In the absence of any Rules, misuse of vehicles by the customs staff cannot be overruled. Thus it resulted in irregular expenditure of Rs. 149.83 million on account of POL and repair & maintenance of vehicles.

The irregularity was pointed out to the Department during July to November, 2016. The Department replied that all the vehicles were used for operational purposes only and movement registers and log books were being maintained. Further, matter

has been taken up with FBR to get authorization from Vehicle Committee of the Cabinet Division. Audit was of the view that record should be maintained strictly in accordance with Staff Car Rules in respect of operational vehicles.

In its meeting held in February 2017, the DAC directed the Department to get the stated position verified from Audit and to pursue the matter with FBR to get authorization. Further progress was not reported till finalization of the Report.

Audit recommends that FBR should obtain authorization from Vehicle Committee and frame SOPs for use of confiscated vehicles specifying make, model, chassis and engine numbers of vehicles at the time of authorization.

[Annexure-39]

2.4.58 Irregular expenditure on pay & allowances due to overstaffing Rs. 70.97 million

According to Rule 12 of Fundamental Rules of Government of Pakistan, two or more government servants cannot be appointed substantively to the same permanent post at the same time and a government servant cannot be appointed substantively to a post on which another government servant holds a lien.

MCC Appraisal, Lahore, MCC Preventive, Lahore and MCC, Sialkot made payments of pay and allowances to the employees who were in excess of the sanctioned strength of the office in different cadres. This happened due to poor management of human resources by FBR and it resulted in irregular expenditure of Rs. 70.97 million during the Financial Year 2015-16.

The irregularity was pointed out to the Department during July to November, 2016. The Department replied that FBR is empowered to post the officers in field formations. All such officers are posted considering the requirement of concerned office. Audit did not agree with reply of the Department being vague and non-specific. Audit was of the view that employees cannot be posted excess than the sanctioned strength of the office and in case staff is posted excess than sanctioned strength then it should be got approved from competent authority.

In its meeting held in February 2017, the DAC directed the Department to take up the matter with the Board for regularization of the strength in excess of the sanctioned strength. Further progress was not reported till finalization of the Report.

Audit recommends that the matter may be investigated, responsibility be fixed and the excess employees regularized.

[DP Nos. 4050, 4118 & 4172-Exp]

2.4.59 Suspected embezzlement – Rs. 0.31 million

The standards of financial propriety under Para 10 of the GFR Vol-1 provide that the expenditure is not prima facie more than the occasion demands and that every government servant exercises the same vigilance in respect of expenditure incurred from public funds as a person of ordinary prudence would exercise in respect of expenditure of his own money.

MCC Appraisalment (East), Karachi disbursed an amount of Rs. 0.31 million on fake and forged vouchers for repair & maintenance and POL of various vehicles as the vouchers from different vendors contained similar handwriting and were signed by a single person. In case of POL vouchers necessary information was also missing to prove their genuineness. So it was held that the expenditure was not genuine and made only in papers. This resulted in embezzlement of public funds of Rs. 0.31 million during the FY 2015-16.

The irregularity/lapse was conveyed to the Department in November, 2016. The Department replied that matter is under scrutiny.

In its meeting held in February 2017, the DAC directed the Department to initiate fact finding inquiry and submit its finding to Audit. Further progress was not reported till finalization of the Report.

Audit recommends that the matter may be investigated to fix responsibility against person(s) at fault.

[DP Nos. 231-Exp/K]

2.4.60 Misclassification of expenditure - Rs 37.97 million

According to Para 4(ii) of the System of Financial Control and Budgeting issued vide No.F.3 (2)Exp.III/2006, dated 13th September, 2006, the funds allocated to a Ministry/Division, Attached Departments and Subordinate Offices are spent for the purpose for which they are allocated.

Twenty one field offices of FBR misclassified expenditure of Rs. 37.97 million during the FY 2015-16 under irrelevant heads of account. Few examples are as under:

Correct Head of Account	Misclassified under Head of Account
A09203 - IT Equipment	A09202 – Software
A09601 - Machinery and Equipment	A03370 - Others
A01273 - Honoraria	A06103- Cash Awards
A 01301-Repair and Maintenance of Machinery & Equipment	A09170- Others
A09170- Others	A09201- Purchase of Hardware

The irregularity was pointed out to the Department during May to November, 2016. The Department replied that Rs 37.82 million is under scrutiny and for Rs 0.15 million no response was received.

In its meeting held in February 2017, the DAC directed the Department to take up matter with the Board for regularization / clarification. Further progress was not reported till finalization of the Report.

Audit recommends corrective action besides fixing responsibility against person(s) at fault.

[Annexure-40]

2.4.61 Inadmissible payments of performance allowance due to non-declaration of assets – Rs. 14.17 million

According to FBR Notification No.2111-C-III/2015, dated 09.09.2015, the performance allowance was to be discontinued with immediate effect in respect of the officers who failed to submit their declaration of assets for a period of three months or filing of their Declaration of Assets, whichever is later.

Sixfield offices of FBR failed to deduct performance allowance from the salary of employees who did not submit their asset declaration to FBR in disobedience of notification *ibid*. This resulted in inadmissible payment of Rs. 14.17 million during the FY 2015-16.

The irregularity was pointed out to the Department during July to November, 2016. The Department reported recovery of Rs 2.65 million, Rs 10.10 million was under process of recovery and Rs 1.38 million was not due. Audit was of the view that due to slackness and sluggish attitude towards performance of official duty, excess expenditure was incurred which benefited the concerned official/officers.

In its meeting held in February 2017, the DAC settled the para to the extent of recovered amount and directed the Department to expedite recovery of Rs 10.10 million. Further progress was not reported till finalization of the Report.

Audit recommends that recovery of inadmissible payment of performance allowance be made asset declarations may be obtained and evidence be placed in record.

[Annexure-41]

2.4.62 Irregular payment of electricity charges – Rs. 13.87 million

According to Section 14A (1) of the Customs Act, 1969, any agency or person including port authorities managing or owning a customs port, a customs airport or a land customs station or a container freight station shall provide at its or his own cost adequate security and accommodation to customs staff for residential purposes, offices, examination of goods, detention and storage of goods and for other departmental requirements to be determined by the Collector of Customs and shall pay utility bills, rent and taxes in respect of such accommodation.

MCCs Exports, PMBQ, Karachi and Peshawar incurred expenditure on account of payment of electricity charges for office buildings provided by the port authorities in contradiction to Law *ibid*. This resulted in irregular expenditure of Rs. 13.87 million during the Financial Year 2015-16.

The irregularity/lapse was conveyed to the Department in September, 2016. MCC Exports, PMBQ, Karachi replied that the payment of electricity charges was regular and just earlier the payment to K-Electric was made by MCC PMBQ (Imports) and after the establishment of MCC Exports, PMBQ, this liability was shifted to this Collectorate. While, MCC Peshawar replied that the airport authorities were of the view that payment of utility bills was responsibility of MCC.

In its meeting held in February 2017, the DAC directed the Department to take up the matter with the Board. Further progress was not reported till finalization of the report.

Audit recommends implementation of DAC's directives.

[DP Nos. 3725 & 272-Exp/K]

2.4.63 Inadmissible grant of cash reward for routine duties –Rs.1.21 million

According to Rule 2(a) read with Rule 8 of Unified Reward Rules, 2006 issued vide SRO 1213(I)/2006 dated 01.12.2006, officers and staff of FBR or its subordinate offices who render meritorious services or show extra ordinary performance in their duties or are awarded certificate of gallantry, are eligible for reward. Meritorious services shall include an outstanding performance in one or more of the following spheres;

- (a) making original contribution in any field relating to the customs and displaying extra ordinary devotion to duty
- (b) exceeding budgetary targets through extra ordinary planning and efforts
- (c) displaying exceptional overall results in the detection of evasion of duty and allied taxes, anti-smuggling operations or recovery of arrears

Further, the reward sanctioning authority shall constitute a committee to examine the case record and suggest the name of officers/staff entitled to reward on the basis of performance. Furthermore, according to Rule 4 (2 & 4) of Customs Reward Rules 2012, the amount of reward shall be sanctioned after realization of whole of the duty and other taxes involved provided that in cases where more than half of the amount of duty and other taxes have been realized, reward may be sanctioned proportionate to the realized amount of duty and taxes involved.

Moreover, the amount of redemption fine and penalty shall not be taken into account for reward purposes.

MCCs Islamabad, Multan and Directorate of PCA, Lahore granted cash reward of Rs 1.21 million during the Financial Year 2015-16 to the officers/officials who neither rendered meritorious services or showed extra ordinary performance nor awarded any certificate of gallantry, as no evidence was produced to Audit in this regard. Further, no committee for evaluation of their performance was constituted. Moreover, officers/officials were already receiving two performance allowances in addition to their normal pay & allowances. Furthermore, cash reward was paid to the employees against the recovery of duty and taxes but the amount of default surcharge was not deducted while calculating the amount of admissible reward. It is worth mentioning that amount of penalty has been correctly deducted while calculating amount of admissible cash reward against recovery. This resulted in irregular expenditure on cash reward of Rs 1.21 million.

The matter was pointed out to the Department during July to November, 2016. In reply, it was stated by the Department that there was significant improvement in import related activities, outstanding dues had been recovered and litigation cases were defended. Regarding constitution of committee, it was stated that reward had been sanctioned by the competent authority. It was further stated that 100% performance allowance was admissible to the officers/officials who were selected through Internal Job Posting (IJP). While Directorate of PCA, Lahore reported that according to Rule 4(4) of Customs Reward Rules 2012, only amount of fine and penalty shall not be taken into account while calculating reward but default surcharge can be included in amount of recovery. The DAC in its meeting held in February 2017, directed Department to provide the detailed justification for awarding of cash reward and to take up the case with the Board for clarification regarding admissibility of cash reward on recovery of default surcharge. Further progress was not reported till finalization of the report.

Audit recommends that a committee may be constituted to examine the fairness in payments made and report may be communicated to Audit.

[DP Nos. 3570, 3957 & 4142-Exp]

2.4.64 Irregular payment through cash instead of crossed cheques Rs.4.34 million

Para 6.51 of DDO hand book read with Rules 147 to 167 of Treasury Rules states that all the payments should be made through crossed cheques drawn in favour of corporate or local bodies, firms, private persons or government servants.

Eight field offices of FBR made cash payments for acquiring goods and services from certain firms/persons, whereas, these payments should had been made through crossed cheques after obtaining vendor numbers of the firms/persons. This resulted in irregular payment of Rs. 4.34 million during the Financial Year 2015-16.

The irregularity was pointed out to the Department during July to November, 2016. The Department replied that an amount of Rs 1.64 million is under scrutiny whereas in case of Rs 2.70 million no response was received. In its meeting held in February 2017, the DAC directed the Department to submit comprehensive reply and get it verified from Audit. Further progress was not reported till finalization of the report.

Audit recommends that the proof of payments to vendors may be produced to Audit, besides fixing of responsibility against the person(s) at fault.

[Annexure-42]

2.4.65 Irregular expenditure on repair of buildings – Rs. 7.32 million

According to the System of Financial Control and Budgeting, 2006 issued vide No.F.3(2)Exp-III/2006, dated 13.09.2006, the powers has been conferred to the Head of the Department to accord sanction of expenditure. Further, according to Rule 10 (i) of GFR, Chapter-2, every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money.

MCCs Preventive, Lahore and Peshawar sanctioned budget for repair of customs buildings through Pak PWD. However, no powers regarding sanction to expenditure were available with the Collectorate. Moreover, in case of

MCC Peshawar no record of completion of desired work was available with the Collectorate. This resulted in inadmissible expenditure of Rs. 7.32 million during the Financial Year 2015-16.

The irregularity was pointed out to the Department during July to November, 2016. MCC Preventive, Lahore replied that Collectorate is custodian of customs colonies, therefore FBR allocated funds for repair and renovation. However, financial rules do not explain anything about the competency as to who will or will not sanction the funds for repair of residential buildings. Further, Pak PWD is the executing agency to take over the work so funds were placed /transferred to Pak PWD by AGPR so that repair work can be executed. While MCC Peshawar replied that the matter has been taken up with PWD for completion of work. Audit is of the view that collectorate should take up matter with quarters concerned to complete works and to get approval of sanctioning powers from competent authority. In its meeting held in February 2017, the DAC directed the Department to seek ex-post-facto approval of the Board regarding transfer of Budget to PAK PWD for repair of residential building and to pursue the case for completion of works. Further progress was not reported till finalization of the report.

Audit recommends implementation of DAC's directives.

[DP Nos. 3722 & 4120-Exp]

2.4.66 Irregular expenditure due to splitting of purchases – Rs. 6.19 million

According to PPRA Rule 9, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. Further according to Rule 50 any unauthorized breach of these rules shall amount to mis-procurement.

Seven field offices of FBR split-up the purchase orders to avoid getting sanctions from higher authorities. This resulted in incurring of irregular expenditure of Rs. 6.19 million during the Financial Year 2015-16.

The irregularity was pointed out to the Department during May to November, 2016. The Department replied that purchases were made keeping in view the requirement of the office. Audit is of the view that Department should plan its purchases as per annual purchase plan. In its meeting held in February 2017, the DAC directed the Department to take up matter with the Board for regularization and to get position verified from Audit. Further progress was not reported till finalization of the report.

Audit recommends implementation of DAC's directives.

[Annexure-43]

2.4.67 Unjustified expenditure on account of stores/stocks due to non-maintenance of stock register-Rs4.20 million

Para 148 of GFR Vol-I provides that all material should be examined, counted, measured or weighted as the case may be by a responsible government officer on its receipt. The officer receiving the material/stock should also record a certificate that he has actually received the material and accounted for in the Stock Register. Further, Para 149 of GFR Vol-I provides that material should be issued from Stock Register on submission of indent/demand, on the prescribed forms, by the authorized persons. It has been further laid down that when materials are issued, a written acknowledgement should be obtained from the recipients of the material.

Twelve field offices of FBReither did not maintain stock registers for fixed assets as required under the Rules *ibid* or maintained the same improperly. In absence of the stock registers, expenditure on stores and stocks was irregular and unauthenticated. This resulted in unjustified expenditure of Rs. 4.20 million during the Financial Year 2015-16.

The irregularity was pointed out to the Department in May and November, 2016. The department replied that stock register is being maintained in the Department. Audit is of the view that stock registers were incomplete and were not maintained as per codal provisions. The DAC in its meeting held in February 2017, directed the department to furnish registers to Audit for verification. Further progress was not reported till finalization of the report.

Audit recommends fixing responsibility on the person(s) at fault besides corrective measures.

[Annexure-44]

2.4.68 Inadmissible expenditure on pay and allowances – Rs. 3.85 million

Rule 7 (A) of Supplementary Rules states that conveyance allowance is not admissible during leave and according to Revised Leave Rules 1980, EOL may be granted without pay on any ground upto a maximum period of 5 years at a time. Further, according to Performance Allowance Guidelines 2012, performance allowance shall not be admissible for a period of leave exceeding forty-eight days, in a calendar year.

Eleven field offices of FBR did not stop the pay and allowances of officers/officials who remained on LFP/LHP or EOL. They continued to draw their normal pay & allowances during the period of leave. This resulted in inadmissible expenditure of Rs. 3.85 million during the Financial Year 2015-16.

The irregularity was pointed out to the Department during July to November, 2016. The Department reported recovery of Rs 0.70 million, Rs 2.99 million under recovery, and Rs 0.06 million as not due while Rs 0.10 million is awaiting any other action. Audit was of the view that due to slackness and sluggish attitude towards performance of official duty, excess expenditure was incurred which benefited the concerned officials/officers. The DAC in its meeting held in February 2017, directed the department to expedite recovery of Rs 2.99 million and submit detailed reply for Rs 0.10 million. Further progress was not reported till finalization of the report.

Audit recommends recovery of overpaid amount of pay and allowances immediately, besides fixing responsibility against person(s) at fault.

[Annexure-45]

2.4.69 Inadmissible payment of house rent allowance/house requisition and non-deduction of nominal rent – Rs. 2.47 million

According to Rule 26 of Accommodation Allocation Rules, 2002, a government servant can draw either house rent allowance or avail the facility of hired accommodation. Further, Accommodation Allocation Rules, 2002 and Ministry of Housing & Works, Islamabad notification No. F-2(3)/2003-Policy dated 31.07.2004 prescribe certain pre-requisites for payment of rent of residential accommodation. According to Rule 26 (1) normal rent at the rate of five percent of basic pay should be charged from allottee of the government accommodation.

Sixfield offices of FBR either paid house rent allowance despite provision of facility of hiring to the employees or house rent charges were not deducted from the salaries although government accommodations were provided. Further, the ibid hiring facility was also provided to the employees without fulfilment of pre-requisite conditions. This resulted in inadmissible expenditure on house rent allowance, house requisition and non-deduction of nominal rent of Rs. 2.47 million during the FY 2015-16.

The irregularity was pointed out to the Department during July to November, 2016. The Department reported recovery of Rs 0.06 million, Rs 1.09 million under recovery, Rs 0.25 million not due, Rs 0.37 million awaiting any action and Rs 0.70 million was not responded by the Department. The DAC in its meeting held in February 2017, directed the Department to expedite recovery of the balance amount and submit reply of the paras not responded. Further progress was not reported till finalization of the report.

Audit recommends recovery of overpaid amount of allowance/rent.

[Annexure-46]

2.4.70 Irregular expenditure due to non-carrying out of printing from government press–Rs.1.81 million

In terms of Serial No. 9(13) of System of Financial Control and Budgeting, 2006, printing of certain items was required to be carried out from Government

Printing Press. However, printing from a press other than Printing Corporation of Pakistan, should be undertaken only if the Principal Accounting Officer is satisfied that it is in public interest to do so and record a certificate to this effect. Moreover, NOC from Printing Corporation of Pakistan was also required to get the printing done from the private printer.

Twelve field offices of FBR incurred expenditure on account of printing of file covers, books and envelopes etc. through private printing presses instead of getting the same printed from Printing Corporation of Pakistan in violation of above provisions of Law. This resulted in irregular expenditure of Rs. 1.81 million during the Financial Year 2015-16.

The irregularity was pointed out to the Department during July to October, 2016. The Department reported that matter has been taken up with Printing Corporation of Pakistan to get the printed material. Audit is of the view that Department should actively pursue the matter. In its meeting held in February 2017, the DAC directed the Department to provide proof of correspondences with the Printing Corporation or to take up the matter with the Board for regularization. Further progress was not reported till finalization of the report.

Audit recommends implementation of DAC's directive.

[Annexure-47]

2.4.71 Non/Short-deduction of Benevolent Fund & Group Insurance Rs. 2.07 million

According to Establishment Division O.M No.18-22/Act-Admn/Plan/2002, dated 23.11.2012, the rates of monthly contribution towards Federal Employees Benevolent Fund have been revised w.e.f. 01.09.2012. Further, according to Establishment Division, SRO (I)/2013 dated 04.12.2013 the rate of monthly contribution toward Federal Employees Group Insurance has also been revised w.e.f 01.12.2013.

Fivefield offices of FBR failed to deduct benevolent fund and group insurance from the salaries of employees. This resulted in non/short-deduction of benevolent fund and group insurance of Rs. 2.07 million during the Financial Year 2015-16.

The irregularity was pointed out to the Department during July to November, 2016. The Department reported recovery of Rs 0.40 million and Rs 1.67 million was under recovery. In its meeting held in February 2017, the DAC directed the Department to expedite recovery of Rs 1.67 million. Further progress was not reported till finalization of the report.

Audit recommends that necessary corrective measures as per prescribed rates may be taken.

[Annexure-48]

2.4.72 Excess payment of Law Charges due to non-consolidation of identical cases – Rs. 2.19 million

According to notification issued by FBR vide No. C.No.92110-ML/2009, dated 05.08.2011, Law charges were payable according to the revised fee structure. Further, according to Serial No. 4 of the above notification fee for appearing in a case before High Court is Rs. 30,000 for the 1st case and for any additional identical nature of cases, it is Rs 4,000 but aggregate fee to any advocate shall not exceed Rs 100,000. Moreover according to para 126 of General Financial Rules, time barred claims should ordinarily be refused and no claim on account of such time barred items should be paid without sanction of the government.

Eightfield offices of FBR incurred expenditure on account of Law Charges either without taking into consideration the fact that the payments had been made in full for cases which were identical in nature being carrying common point of Law or special fee was paid in general nature cases. The decisions of the honourable Judges who issued one decision by clubbing the identical writ petitions also confirmed the view point of Audit. This resulted into excess payment of Law charges of Rs. 2.19 million during the Financial Year 2015-16.

The irregularity was pointed out to the Department during July to November, 2016. The Department reported recovery of Rs 0.01 million, Rs 0.06 million under recovery and contested an amount of Rs 0.28 million while Rs 1.84 million is awaiting any action by the Department. Audit was of the view that due to slackness and sluggish attitude towards performance of official duty, excess expenditure was incurred.

In its meeting held in February 2017, the DAC directed the Department to submit detailed reply on case to case basis for audit verification besides recovery of overpayment. Further progress was not reported till finalization of the Report.

Audit recommends recovery of the excess paid Law charges from the concerned advocates besides fixing of responsibility against the person(s) at fault.

[Annexure-49]

2.4.73 Non/short-deduction of withholding tax – Rs. 1.97 million

Sections 153 and 155 of Income Tax Ordinance, 2001 provide that every prescribed person making a payment in full or in part to any person on account of supply of goods, providing services and payment of rent of immovable property shall deduct withholding income tax from the gross amount at the prescribed rate. Further, according to Rule 3(i) of Sales Tax Special Procedure (Withholding) Rules, 2007, a withholding agent shall on purchase of taxable goods from person liable to be registered but not actually registered, deduct sales tax at the applicable rate of the value of taxable supplies made to him from the payment due to the supplier.

Twenty two field offices of FBR made payments on account of acquisition of goods and services and rent of immovable property but withholding tax was either not deducted or was deducted at lesser rates. This resulted in non/short deduction of withholding tax of Rs. 1.97 million during the Financial Year 2015-16.

The irregularity was pointed out to the Department during July to November, 2016. The Department reported recovery of Rs 0.06 million, Rs 1.27 million under recovery, Rs 0.13 million as not due, and contested an amount of Rs 0.03 million while awaiting any other action by the department was for Rs 0.48 million. Audit was

of the view that due to slackness and sluggish attitude towards performance of official duty, correct amount of taxes was not deducted.

In its meeting held in February 2017, the DAC directed the Department to expedite recovery of Rs 1.27 million and submit detailed reply for cases being contested/not responded. Further progress was not reported till finalization of the Report.

Audit recommends recovery of the amount overpaid besides fixing of responsibility against person(s) at fault.

[Annexure-50]

2.4.74 Irregular payment of honorarium – Rs. 2.39 million

According to Para 8 (17) of Annexure-I to the System of Financial Control & Budgeting, 2006, the head of Department is empowered to sanction the undertaking of work for which an honorarium is offered and the grant of acceptance of an honorarium is up to the level of Section Officer and equivalent, provided that the amount should not exceed one month's pay of the government servant concerned on each occasion. In the case of recurring honoraria, this limit applies to the total of recurring payment made to an individual in a financial year. Further, as per Financial Rule 46 (c), a competent authority may grant honorarium for doing certain work subject to fulfilment of following conditions;

- (i) the work is occasional in character;
- (ii) is so laborious or of such special merit as to justify special award; and
- (iii) the competent authority has given prior consent to the undertaking of work and the amount of honorarium is settled in advance.

MCC Preventive, Lahore and Islamabad sanctioned honorarium of Rs. 2.39 million during the Financial Year 2015-16 to the officers/officials, but none of them had performed any specific work as per Financial Rule 46(c) *ibid*. The nature of work performed in the subject cases was occasional in character and prior consent of competent authority was also not obtained. No specific justification was recorded while recommending the honorarium.

The irregularity was pointed out to the Department during July to November, 2016. The Department replied that honorarium has been sanctioned by head of the Department as per powers delegated to him. Further, an amount of Rs .08 million was recovered, Rs 0.01 million was under recovery and Rs 2.30 million was contested by the Department. Audit was of the view that powers were granted to the head of the department in the light of criteria and were not discretionary.

In its meeting held in February 2017, the DAC directed the Department to revisit the para in its true spirit and furnish reply to Audit. Further progress was not reported till finalization of the Report.

Audit recommends that the matter may be justified besides management should adhere to government Rules and procedure.

[DP Nos. 3558 & 4124-Exp]

2.4.75 Non realization of sales tax on services – Rs. 2.03 million

According to Second Schedule (taxable services) Sindh Sales Tax on Services Act, 2011, tax on services was deductible at different rates under tariff headings provided in the Act.

Twelve field offices of FBR failed to deduct sales tax, as required by Law, on services rendered by these offices. This resulted in non-realization of sales tax of Rs. 2.03 million during the Financial Year 2015-16.

The irregularity was pointed out to the Department during August to November, 2016. The Department reported recovery of Rs 0.07 million, Rs 0.19 million under recovery, Rs 0.04 million as not due, and Rs 1.65 million awaiting any action by the Department and for Rs 0.08 million no reply was furnished.

In its meeting held in February 2017, the DAC directed the Department to expedite recovery of Rs 0.19 million and submit detailed reply for cases not responded. Further progress was not reported till finalization of the Report.

Audit requires recovery of pointed out amount besides fixing responsibility against person(s) at fault.

[Annexure-51]

2.4.76 Inadmissible re-imburement of medical charges – Rs. 1.35 million

According to the Guidelines for submission and scrutiny of the medical claims issued vide Ministry of Health No F.5-38/2001-Chief(H), dated 16th March, 2006, cost of treatment taken from an authorized hospital /private clinic of the doctor is not admissible. Further according to Rule 16, if any patient has to get medical treatment from an unauthorized /private hospital /clinic in emergency, he is required to produce emergency certificate from the treating doctor showing the nature of disease and treatment given by the nearest Authorized Medical Attendant. Further, according to Rule 8 of Guidelines *ibid*, cash memos of medicines must be on proper form with licence number of the chemist and signed by the Authorised Medical Attendant.

Fourfield offices of FBR made payments on account of medical charges to employees who got medical treatment from un-authorized medical attendants. In addition, drug licence numbers were also not mentioned on the cash memos in certain cases. This resulted in inadmissible re-imburement of medical charges of Rs. 1.35 million during the Financial Year 2015-16.

The irregularity was pointed out to the Department during July to November, 2016. The Department reported Rs 0.52 million under recovery, and Rs 0.83 million is awaiting any other action. Audit was of the view that due to slackness and sluggish attitude towards performance of official duty, inadmissible expenditure was incurred.

In its meeting held in February 2017, the DAC directed the Department to expedite recovery. Further progress was not reported till finalization of the Report.

Audit recommends that the matter may be justified, besides, corrective action.

[DP Nos. 3565, 3589, 4098 &131-Exp/K]

2.4.77 Irregular award of contract for provision of services - Rs 2.00 million

According to Sindh Sales Tax on Services Rule 2011, it is mandatory for every service provider to get registered with Sindh Revenue Board.

Directorate General, Customs Valuation, Karachi awarded a contract for supply of magazines and periodicals to M/s Progressive International Agencies (Pvt.) Limited who was not registered with Sindh Revenue Board. This resulted in irregular award of contract of Rs 2.00 million during the Financial Year 2015-16.

The irregularity/lapse was conveyed to the Department in August, 2016. The Department accepted the irregularity. The DAC in its meeting held in February 2017, directed the Department to get it regularized from the competent authority. Further progress was not reported till finalization of the Report.

Audit requires implementation of DAC's directive.

[DP No.146/Exp/K]

2.4.78 Irregular expenditure without calling tenders – Rs. 1.31 million

According to Rule 12(1) of PPRA, Rules 2004, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the Authority's website in the manner and format specified by the Authority from time to time.

Two field offices of FBR did not observe the Rules *ibid* and incurred expenditure without calling for tenders to get competitive rates. This resulted in irregular expenditure of Rs. 1.31 million during the Financial Year 2015-16.

The irregularity was pointed out to the Department from May to October, 2016. The Department replied that matter is under scrutiny.

The DAC In its meeting held in February 2017, directed the Department to take up the matter with the Board for regularization. Further progress was not reported till finalization of the Report.

Audit recommends that matter may be investigated for the irregular expenditure and fixing the responsibility.

[Annexure-52]

2.4.79 Irregular advance payment on account of POL charges –Rs. 1.34 million

According to Rule 130 of Treasury Rules of Federal Government, the money is withdrawn from the Federal Consolidated Fund or the Public Account only through the presentation of bills.

MCCs Appraisalment (East) and Preventive Karachi made advance payments to PSO on account of POL charges. This resulted in irregular payment of Rs. 1.34 million during the Financial Year 2015-16.

The irregularity/lapse was conveyed to the Department in October, 2016. The Department replied that matter is being scrutinized. In its meeting held in February 2017, the DAC directed the Department to regularize the amount. Further progress was not reported till finalization of the Report.

Audit recommends that the matter may be justified, besides regularization and fixing of responsibility.

[DP Nos. 227 & 318-Exp/K]

2.4.80 Unjustified expenditure on account of contingent paid staff Rs. 1.03 million

According to Rule 12 of GFR Vol-I, a controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided. Further, according to Para 10 of Rules *ibid*, expenditure is not *prima facie* more than the occasion demands and that every government servant exercises the same vigilance in respect of expenditure incurred from public funds as a person of ordinary prudence would exercise in respect of expenditure of his own money.

Directorate of I&I, Karachi incurred expenditure on contingent paid staff without indicating terms & conditions and proper maintenance of payments recording violation Law ibid. This resulted in unjustified expenditure of Rs. 1.03 million during the Financial Year 2015-16.

The irregularity/lapse was conveyed to the Department in October, 2016. The Department reported that matter is under scrutiny. The DAC in its meeting held in February 2017, directed the Department to submit comprehensive reply and get it verified from Audit. Further progress was not reported till finalization of the Report.

Audit recommends implementation of DAC's directive.

[DP No.294-Exp/K]

2.4.81 Non-retrieving of government vehicle from retired officer and non-recovery of rent for private use of public property – Rs. 0.93 million

According to Rule 3 of Monetization Policy 2011, every PAO must ensure that the officers in BS-20 to BS-22 are not in possession or in use of any departmental operational/general duty vehicle, except the only vehicle allocated to him through this Monetization Policy. Further, as per Rule 7 of Staff Car Rules 1980, head of the Department may allow an officer to use staff car for private purposes in exceptional circumstances on payment of rent at prescribed rates.

MCC, Quetta allotted a Toyota Lexus Jeep, Model 2001 to the Director General, Special Initiative, FBR-Islamabad (BPS-21), an officer of Inland Revenue Services despite the fact that the officer was also drawing transport monetization allowance and availing the facility of a driver from the Department, as well. The officer was retired from government service on 05.09.2012 but the vehicle was not returned by him despite lapse of four years as was evident from record of the Collectorate. This resulted in not only non-retrieving of government vehicle but also non-recovery of rent for private use of vehicle of Rs. 0.93 million.

The irregularity/lapse was conveyed to the Department in August, 2016. The Department reported that matter is under scrutiny. The DAC in its meeting held in

February 2017, directed the Department to submit comprehensive reply and get it verified from Audit. Further progress was not reported till finalization of the Report.

Audit recommends that government vehicle be retrieved from the retired officer besides recovery of rent for private use of vehicle.

[DP No. 171-CD/K]

2.4.82 Non verification of degree/certificates of employees

According to Establishment Division's D.O.No.6(28)2011-DG-II, dated 08.03.2011, measures should be taken to authenticate degree/certificate of employees of all Federal organization/autonomous bodies and corporations. This function was the responsibility of concerned Secretary and Head of the Department /Organization and to satisfy regarding the genuineness of degree/other documents which were the requirements of the post.

Three field offices of FBR did not get the degrees/certificates of their employees verified from the concerned universities/HEC during the Financial Year 2015-16. This resulted in non-verification of degree/certificates of the employees.

The lapse was pointed out to the Department in July and August, 2016. The Department replied that the matter was being pursued. The DAC in its meeting held in February 2017, directed the Department to provide copies of the verified degrees to Audit for verification. Further progress was not reported till finalization of the Report.

Audit recommends fixing of responsibility on the person(s) at fault besides corrective measures.

[DP Nos 8, 14, 23 & 65-Exp/K]

2.4.83 Inadmissible award of tender and tax evasion on account of janitorial services

According to condition (2) (1) of SRO 1093 (I)/2015, dated 06.11.2015 issued by Public Procurement Regulatory Authority (Cabinet Division), Islamabad, all procuring agencies shall procure goods, service and works from the firms,

organization, consultants, companies, contractors or suppliers who are active taxpayers as per Federal Board of Revenue (FBR)'s database i.e. Active Taxpayers List (ATL). Further, payment to the bidders or suppliers shall be linked with active tax payee status, if a contractor or supplier is not in ATL, no payment shall be made until the contractor or supplier appears on ATL of FBR. Moreover according to Rule 39 of Public Procurement Rules 2004, the procuring agency shall require the successful bidder to furnish a performance guarantee which shall not exceed ten per cent of the contract amount. Furthermore, according to terms & conditions of tender notice No.01/2015-16, dated 02.12.2015, the bidder should be registered with Income Tax and Sales Tax Department, having their own office & phone/fax number and if found contrary the tender will be rejected.

MCC Appraisement (East), Karachi awarded a contract during the Financial Year 2015-16 for provision of janitorial services at internal and external premises of MCC, Audit however, observed following irregularities:

- (i) contractor was non-active and suspended taxpayer;
- (ii) contractor was not registered with Sindh Board of Revenue, hence evading sales tax on services as well;
- (iii) as per Rule performance guarantee was to be obtained from the contractor, which was not obtained as well; and
- (iv) as per PPRA regulations penalty clause was the mandatory part of the contract which was not found in the contract.

The irregularity/lapse was conveyed to the Department in October, 2016. The Departmental reply was incomplete. The DAC in its meeting held in February 2017, directed the Department to get the stated position verified from Audit. Further progress was not reported till finalization of the Report.

Audit recommends investigating the matter and fixing responsibility on the person(s) at fault, besides corrective measures.

[DP No.234-Exp/K]

Performance

2.4.84 Unsatisfactory performance of departmental audit

The Directorate General, Internal Audit was created under Sections 3B of the Customs Act, 1969. The functions/objectives of the Internal Audit are to conduct audit and send Reports to the concerned field formations for initiation of recovery.

The cost-benefit ratio of the Directorate of Internal Audit, Islamabad during the Financial Year 2015-16 is tabulated below;

(Rs. in million)

Name of office	Year	Amount pointed out	Amount recovered	Expenditure	Cost benefit ratio	Remarks
Directorate of Internal Audit, Islamabad	2014-15	2,046.83	34.27	44.07	1: 0.78	Cost benefit ratio based on amount recovered

From the above table, it was evident that Internal Audit had an unsatisfactory cost-benefit ratio which reflected poor performance of these offices.

The issue was pointed out to the Department in October, 2016. The Department replied that Internal Audit does not take action to improve recovery. It reports on the improvement of internal controls in the Department.

In its meeting held in February 2017, the DAC directed the Department to submit detailed reply justifying the expenditure versus performance to Audit as analysed by it. Further progress was not reported till finalization of the Report.

Audit recommends that FBR should take effective measures to improve the performance by developing key performance indicators and benchmarks for the purpose of evaluation.

[DP Nos. 3592-Exp]

Internal Control Weaknesses

Internal control environment of FBR's field formations was evaluated while conducting regularity audit for the year 2015-16. Weaknesses of internal controls observed are given in succeeding paragraph:

2.4.85 Submission of incomplete information in monthly returns by the licensees of manufacturing bond

According to Rule 352(2) of the Customs Rule, 2001, "Item-wise record of input goods received, manufactured and exported shall be maintained in the format as set out in Appendix-IV to this chapter, which shall be examined, stamped and signed by the supervising Customs official every month.

In 04 cases, four field formations of FBR did not take any action against the licensees of manufacturing bonds who had submitted incomplete monthly returns which did not show the basic necessary information in respect of duty free imported inputs like opening and closing balances of imported raw materials, quantity removed for manufacturing, wastage & factory rejects and the amounts of duty and taxes leviable on the stock of raw materials as well as finished goods. One cannot calculate the aggregating duty and taxes to check whether the licensees had crossed the monetary limit as determined in the license or not. This resulted in not only collection of incomplete monthly returns but also existence of weak Internal Controls within the Department.

The matter was reported during August to November, 2016. The Department reported that audit teams had been constituted to conduct audit of all licensees and units had been directed to submit revised monthly returns.

The DAC in its meeting held in February, 2017 directed the MCCs to submit the revised monthly returns alongwith audit results. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[DP Nos.3660, 4011, 4073, 4182-Cus]

CHAPTER-3 ISLAMABAD CAPITAL TERRITORY (ICT)

3.1 Introduction

Islamabad became the Capital of Pakistan on 24.02.1960. It remained under the administrative controls of Deputy Commissioner, Rawalpindi till 31.12.1980. From 01.01.1981, administrative functions were assumed by the Federal Government and the Islamabad Capital Administration was established and assigned all the powers and functions of a Provincial Government.

Under Presidential Order No. 18 of 1980, executive authority of Islamabad Capital Territory was to be exercised by the President through an Administrator known as the Chief Commissioner.

3.2 Comments on Budget and Accounts

This chapter deals with receipts categorized as Other Taxes collected by the ICT. These receipts consist of Registration Fee, Stamp Duty, Motor Vehicle Taxes, Vend Fee, Professional Tax, Tobacco Fee, Hotel Tax and Mutation Fee.

3.2.1 Revenue Collection vs Targets

ICT was assigned a revenue target of Rs. 4.37 billion during the Financial Year 2015-16 which was revised downward to Rs. 4.00 billion. The ICT could, however, collect receipts of Rs. 2.86 billion which were 39.86% less than the target as tabulated below:

(Rs. in billion)

Tax Head	Original Target	Revised Target	Actual Collection	Difference from Target	
				Absolute (4-3)	Percent
1	2	3	4	5	6
Other Taxes	4.37	4.00	2.86	1.14	39.86

Source: Federal Budget 2016-17 and Financial Statements of the Federal Government 2015-16

Audit was of the view if ICT Administration had taken adequate and effective measures for revenue collection, the targets could have been achieved without any downward revision.

3.2.2 Variance analysis of revenue collection in FY 2015-16 and FY 2014-15

A comparison between net collection of revenue for the Financial Year 2015-16 and the Financial Year 2014-15 is tabulated below:

(Rs. in billion)

Tax Heads	Collection		Difference	
	FY: 2015-16	FY: 2014-15	Absolute	Percent
Other Taxes	2.86	2.88	0.02	0.69

ICT's collection for the Financial Year 2015-16 of Rs. 2.86 billion depicted a decrease of Rs. 0.02 billion (0.69%) as compared to the previous year.

3.3 AUDIT PARAS

Irregularity & Non-Compliance

3.3.1 Non-recovery of Capital Value Tax – Rs. 306.61 million

According to Section 7 (1) of the Finance Act, 1989 read with Circular No. 03 of 2012 (Capital Value Tax) issued by the Federal Board of Revenue vide C.No.4 (60) ITP/2012-106335-R dated 1.08.2012, the Capital Value Tax was required to be charged at rates prescribed therein.

In 861 cases, Joint Sub-registrar, Sub-registrar (Rural), and Tehsildar, Islamabad Capital Territory, Islamabad either did not recover the Capital Value Tax or recovered it at lesser rates than applicable. The irregularity/lapse resulted in non/short-realization of Capital Value Tax of Rs. 306.61 million during the Financial Year 2015-16.

The irregularity/lapse was conveyed to the Department during August to October, 2016. The Department contested recovery of Rs. 14.56 million stating it was not due and intimated that cases of Rs.292.05 million were subjudice before Islamabad High Court, Islamabad.

The DAC in its meeting held on 03rd February, 2017 directed the Department to get the stated position verified and pursue the subjudice cases. Further progress was not intimated till finalization of the Report.

Audit recommends recovery, besides fixing responsibility against person(s) at fault.

[Annexure -53]

3.3.2 Blockage of revenue due to non-auction of condemned/obsolete/unserviceable vehicles – Rs. 77.47 million

According to para 167 of General Financial Rules, stores which are reported to be obsolete, surplus or unserviceable may be disposed of by sale or otherwise under

the orders of the authority competent to sanction the writing off of a loss caused by deficiencies and depreciation equivalent to their value.

In the offices of the SSP (Head Quarter), ICT Police & the Assistant Director (Soil Conservation), Islamabad Capital Territory, Islamabad 201 vehicles were lying pending for auction. The non-auctioning of condemned/obsolete/unserviceable vehicles caused blockage of revenue of Rs. 77.47 million during the Financial Year 2015-16.

The irregularity/lapse was conveyed to the Department in March, May and October, 2016. The Department intimated that condemned vehicles will be auctioned in the month of February 2017.

The DAC in its meeting held on 03rd February, 2017 directed the Department to auction the condemned vehicles at the earliest and get the position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends all the condemned vehicles be disposed of through auction at the earliest.

[DP No. 3495, 4243 & 4253-ICT]

3.3.3 Loss of revenue due to grant of driving licences for inadmissible period Rs. 77.07 million

According to Section 11 of the Motor Vehicle Ordinance, 1965, the currency of driving licences for driving a motor car or a motorcycle is three years and in any other case for a period of twelve months from the date of issue of last renewal.

Senior Superintendent Police (Traffic), Islamabad Capital Territory, Islamabad had issued driving licences for a period of five years. This was done on the basis of letter No. 4349-54/PA/SSP/I, dated 14.09.2009 issued by SSP Traffic Division, Islamabad, through which validity period of driving licences issued by Islamabad Licensing Authority was enhanced to 5 years. Audit was of the view that extension was granted unauthorized without amendment in relevant Law. During the period

2011-12 to 2015-16, government had to sustain a loss of Rs. 77.07 million. Further, loss of Rs. 95.51 million is likely to be occurred upto expiry date of these licenses.

The irregularity/lapse was conveyed to the Department during October, 2016. The Department intimated that no financial loss occurred as the fee had been recovered as per prescribed rates.

The DAC in its meeting held on 03rd February, 2017 directed the Department to consider the law point raised by Audit and get stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends early recovery of revenue, besides fixing of responsibility against the person(s) at fault.

[DP No. 4245-ICT]

3.3.4 Non-recovery of Advance Income Tax- Rs. 8.27 million

According to Section 236-K of the Income Tax Ordinance, 2001, any person responsible for registering or attesting transfer of any immovable property was required at the time of registering or attesting the transfer to collect from the purchaser or transferee Advance Tax where the value of immovable property was more than Rs. 3.00 million at rates specified in Division XVIII of Part IV of the First Schedule to the Ordinance.

In 54 cases, the Joint Sub Registrar and Tehsildar, Islamabad Capital Territory, Islamabad did not collect Advance Income Tax at the time of registering or attesting the transfer of immovable property at prescribed rates. This resulted in non-realization of revenue of Rs. 8.27 million during the Financial Year 2015-16.

The irregularity/lapse was conveyed to the Department during August to October, 2016. The Department intimated that recovery of Rs 0.85 million affected and notices for recovery of balance amount of Rs 7.42 million had been issued.

The DAC in its meeting held on 03rd February, 2017 directed the Department to get verify stated position from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends early recovery of revenue, besides fixing of responsibility against person(s) at fault under intimation to Audit.

[DP Nos. 4210&4221-ICT]

.3.3.5 Non/short-recovery of Mutation Fee –Rs. 3.27 million

According to S. No. 7 of the notification issued by the Board of Revenue, Punjab vide No.3007-78/1516-LRI, dated 22.11.1978 and adopted by the Islamabad Capital Territory entry based on oral sale of land in rural areas was required to be charged with the Mutation Fee @ 5.1 % of the value of land.

In 84 cases, Tehsildar, Islamabad Capital Territory, Islamabad either did not recover the mutation fee or recovered it less than the applicable rates. This resulted in loss to the exchequer of Rs. 3.27 million during the Financial Year 2015-16.

The irregularity/lapse was conveyed to the Department in September, 2016. The Department intimated that recovery of Rs 2.01 million affected and notices for recovery of balance amount of Rs 1.06 million had been issued.

The DAC in its meeting held on 03rd February, 2017 settled Rs 0.30 million as recovered and Rs 0.08 million as not due and directed the Department to get the stated position in respect of remaining cases verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends early recovery of revenue, besides fixing of responsibility against the person(s) at fault.

[DP Nos. 4222-ICT]

3.3.6 Non-recovery of Capital Gain Tax on transfer of immoveable property Rs. 3.09 million

According to FBR's notification issued vide C. No. 4(90)ITP/2007, dated 02.07.2012, every person responsible for registering or attesting transfer of any immoveable property was required, at the time of registering or attesting the transfer, to collect from the seller or transferor capital gain tax at the rate of 0.5% except in the case of Federal Government, Provisional Governments or a Local Governments. The only condition where tax was not to be withheld was where the seller produced evidence that the sale of property was being made after a period of more than two years from the date of purchase.

In 1,027 cases, Joint Sub-registrar, Sub-registrar (Rural), and Tehsildar, Islamabad Capital Territory, Islamabad did not recover Capital Gain Tax where the re-sale of property took place within two years of the first purchase. This resulted in non-realization of Capital Gain Tax of Rs. 3.09 million during the Financial Year 2015-16.

The irregularity/lapse was conveyed to the Department during September to October, 2016. The Department intimated that recovery of Rs 0.81 million affected and contested cases of Rs 0.45 million and notices for recovery of balance amount of Rs 1.83 million had been issued.

The DAC in its meeting held on 03rd February, 2017 settled Rs 0.22 million as recovered and Rs 0.07 million as not due and directed the Department to get the stated position in respect of remaining cases verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends early recovery of revenue, besides fixing of responsibility against the person(s) at fault.

[DP Nos. 4206, 4215&4224-ICT]

3.3.7 Non-realization of licence fee from vendor of liquor – Rs. 2.55 million

According to Rule 25 of the Islamabad Capital Territory Prohibition (Enforcement of Hadd) Rules, 1981, license is required for retail sale of intoxicating liquor on payment of prescribed fee of Rs. 150,000/-. The annual renewal fee is also recoverable @ Rs. 150,000 per year.

Excise & Taxation Officer, Islamabad Capital Territory, Islamabad failed to observe above provisions of Law that Diplomatic Bonded Warehouse namely M/s DDF, Chughtai Plaza, Islamabad was issued bonded warehouse License No 171/2001/231 by the Collectorate of Customs Islamabad for import and sale of liquor to foreign diplomats. The license was granted in the year 2001. The said bonded warehouse was also liable to get license from Excise Department, however, neither the importer applied for issuance of license nor the Excise Department took action for licensing of said unit. Further, license of M/s Sun Diplomatic Bonded Warehouse, Islamabad was renewed up to 2014-15. The licensee failed to get the license renewed for the year 2015-16 & 2016-17. This resulted in non-realization of license fee of Rs 2.55 million during the period 2001-02 to 2016-17.

The irregularity/lapse was conveyed to the Department during August, 2016. The Department intimated that recovery of Rs 0.50 million affected and notices for recovery of balance amount of Rs 2.05 million had been issued.

The DAC in its meeting held on 03rd February, 2017 settled Rs 0.50 million as recovered and directed the Department to get the stated position in respect of remaining cases verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends early recovery of revenue, besides fixing of responsibility.

[DP No. 4247& 4248-ICT]

3.3.8 Short realization of stamp duty and registration fee on mortgage deeds Rs. 2.49 million

According to Articles 40 (b) and 6 of the Schedule to the Stamp Act, 1899, stamp duty is leviable on “mortgage deed” and “agreement relating to deposit of title deeds, pawn or pledge”.

Sub-registrar (Rural), ICT, Islamabad did not recover stamp duty and registration fee while registering a mortgage deed in which financial facility of Rs. 83.22 million was extended by a mortgagor. The stamp duty was levied on token amount of Rs. 0.10 million instead of secured amount of Rs. 83.22 million. Further, the stamp duty leviable under Article 6 of Schedule-I to the Stamp Act, 1899 on deposit of title deed was also not recovered. This resulted in short realization of stamp duty and registration fee of Rs. 2.49 million during the Financial Year 2015-16.

The irregularity/lapse was conveyed to the Department in October, 2016. The Department intimated that notice had been issued for recovery.

The DAC in its meeting held on 03rd February, 2017 directed the Department to recover the amount pointed out. Further progress was not intimated till finalization of the Report.

Audit recommends early recovery of revenue, besides fixing of responsibility against person(s) at fault.

[DP No. 4246-ICT]

3.3.9 Non-realization of Token Tax – Rs. 1.52 million

According to Section 3 of the Motor Vehicle Taxation Act, 1958, tax on motor vehicles (token tax) is recoverable at the prescribed rate on quarterly / annual basis. Under Section 9 of the Act *ibid* non-payment of tax attracts levy of penalty not exceeding the amount of tax. Accordingly the tax not paid within the prescribed period along with penalty was recoverable as arrears of land revenue under Section 11 of the said Act. Further, advance tax under Section 234 of the Income Tax Ordinance, 2001 is to be collected according to the horse power of the vehicle at prescribed rates.

Excise & Taxation Officer, Islamabad Capital Territory, Islamabad did not recover motor vehicle tax (token tax) alongwith advance tax from the owners of certain motor vehicles. This resulted in non-realization of revenue of Rs. 1.52 million during the Financial Year 2015-16.

The irregularity/lapse was conveyed to the Department in August, 2016. The Department intimated that notice had been issued for recovery.

The DAC in its meeting held on 03rd February, 2017 directed the Department to recover the amount pointed out. Further progress was not intimated till finalization of the Report.

Audit recommends early recovery of revenue, besides fixing of responsibility.

[DP No. 4231-ICT]

3.3.10 Loss of revenue due to issuance and application of notification without concurrence of Finance Division - Rs. 1.20 million

According to Ministry of Interior's O.M. No. 2/17/88-ICT dated 22.04.1989, the Justice Division has authorized the Administration of Islamabad Capital Territory to perform the functions of the Provincial Government under any Law for the time being in force in Islamabad Capital Territory subject to such general or special instructions as may from time to time be given by the Federal Government. Further, under para 12 of Rules of Business 1973, the Chief Commissioner was made bound to consult Finance Division while issuing an order which directly or indirectly affects the finance of Federation

In 22 cases, the Joint Sub-registrar, Islamabad Capital Territory, Islamabad charged and collected registration fee and stamp duty at reduced rate of 0.25 % each of the value of the mortgage deed under notification No. 5(29)-B&A/98 (Vol-II) dated 02.02.2008 issued by the Chief Commissioner, ICT, Islamabad without concurrence of Finance Division. This resulted in short-realization of revenue of Rs. 1.20 million during the Financial Year 2015-16.

The irregularity/lapse was conveyed to the Department during October, 2016. The Department intimated that concurrence of Finance Division had been obtained.

The DAC in its meeting held on 03rd February, 2017 directed the Department to get stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends that Finance Division concurrence may be shown otherwise amount pointed out be recovered.

[DP No. 4208-ICT]

3.3.11 Non-realization of revenue due to non-renewal of Bus Stands Licenses and Route Permits – Rs. 1.15 million

According to notification issued vide No.5(29)-B&A/2007(Vol-III) dated 30.09.2009 by the Chief Commissioner, Islamabad Capital Territory, Islamabad, Route Permit Fee and License Fee for Bus Stands was required to be charged at rates prescribed therein.

The Secretary, Islamabad Transport Authority, Islamabad Capital Territory, Islamabad did not take action against the owners of vehicles of expired Route Permits in 250 cases and 11 operators of inter-city bus stands at Islamabad who were operating them without paying License Fee. This resulted in non-realization of revenue of Rs. 1.15 million in during the Financial Year 2015-16.

The irregularity/lapse was conveyed to the Department in September, 2016. The Department intimated that Rs 0.06 million had been recovered and notices for recovery of balance amount had been issued.

The DAC in its meeting held on 03rd February, 2017 directed the Department to get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends early recovery of revenue, besides fixing of responsibility against person(s) at fault.

(DP Nos. 4225, 4226&4227-ICT)

3.3.12 Recurring loss due to non-levy of stamp duty and registration fee on transfer of property

The Government of Punjab had levied stamp duty @ 3% of the value of property on transfer of right or interest relating to an immovable property by a development authority, housing authority, statutory body, cooperative housing society, company or a developer and every instrument by which a right or interest relating to an immovable property is being transferred registered, recorded or acknowledged by the authority, body society, company or developer.

The ICT Administration did not levy stamp duty in line with legislation made by the Government of Punjab. Property rights of billions of rupees were transferred by Bahria Town, Defence Housing Authority and other housing societies in its jurisdiction every year which remained out of tax net. This had been causing recurring loss of millions of rupees to the national exchequer for the last so many years.

The irregularity/lapse was conveyed to the Department during October, 2016. The Department intimated that the stamp duty was paid by the societies at the time of purchase of plot later on land was awarded by the society under their own laws. However, audit point of view was being considered to make such changes in the relevant laws.

The DAC in its meeting held on 03rd February, 2017 directed the Department to make necessary amendment in relevant laws to make it at par with fee and stamp duties applicable in Punjab. Further progress was not intimated till finalization of the Report.

Audit recommends immediate corrective action to secure the revenue.

[DP No. 4217-ICT]

3.3.13 Non-levy of stamp duty on release deeds

The Government of Punjab had levied stamp duty @ 3 % of the value of the property in respect of release deeds w.e.f. 01.07.2014 through Finance Act, 2004. In

Islamabad however, the rate of stamp duty of release deed is Rs 30 per release deed since creation of Islamabad District in 1980

The Joint Sub-registrar, Islamabad Capital Territory, Islamabad registered large number of release deeds by charging stamp duty of Rs 30 only. The ICT Administration had not levied reasonable stamp duty on release deeds. This had been causing recurring loss of revenue to the exchequer for the last so many years. Audit had pointed out the issue in the Audit Report 2002-03 (Para 7.1) but no remedial steps were taken despite lapse of 14 years. Immediate steps were required for amendment in relevant Law for levy of rationale stamp duty on release deeds.

The irregularity/lapse was conveyed to the Department in October, 2016. The Department intimated that audit point of view was being considered to make such changes in the relevant laws.

The DAC in its meeting held on 03rd February, 2017 directed the Department to make necessary amendment in relevant laws to make it at par with stamp duties applicable in Punjab. Further progress was not intimated till finalization of the Report.

Audit recommends that immediate remedial steps to amend the Rules be taken.

[DP No. 4209-ICT]

3.3.14 Non-realization of entertainment duty

Under Section 3 of The Entertainment Duty Act, 1958 the entertainment duty was recoverable on cinema ticket @ 50 % of the admission charges.

The Chief Commissioner, ICT, Islamabad discontinued collection of entertainment duty w.e.f. 11.11.2008 vide memorandum No. 8(5)-B&A/2005, dated 11.11.2008. However, the said memorandum was withdrawn by the authority on 11.03.2016 vide memorandum No.8(5) B&A/2005, dated 11.03.2016. Audit is of the view that discontinuation of collection of entertainment duty is unlawful as any amendment in the Entertainment Duty Act, could be made through an Act of Parliament and with concurrence of Finance Division. Due to grant of unlawful

exemption, the Government sustained loss of revenue of millions of rupees from 11.11.2008 to 10.03.2016. Further, the department did not take any action for recovery of entertainment duty from the cinema houses working in ICT after withdrawal of above office memorandum w.e.f.11.03.2016. The inaction resulted in non-realization of govt. revenue of Rs. 77.35 (approximately) during the period from 11.03.2016 to 28.07.2016. (The amount was calculated on minimum rate of admission ticket i.e. Rs. 500/- on 50 % occupancy).

The irregularity/lapse was conveyed to the Department during October, 2016. The Department intimated cases for recovery of Rs 77.35 million are subjudice before Islamabad High Court, Islamabad.

The DAC in its meeting held on 03rd February, 2017 directed the Department to pursue the case before Islamabad High Court, Islamabad. Further progress was not intimated till finalization of the Report.

Audit recommends recovery of government dues, besides fixing responsibility, for grant of irregular exemption.

[DP No. 4239 & 4240-ICT]

3.3.15 Loss of revenue due to application of incorrect rates of bed tax

According to Section 12 of the West Pakistan Finance Act, 1965 as amended by the Punjab Finance Ordinance, 1978 and further amended by the Punjab Finance Act, 1979, bed tax shall be charged at prescribed rate. The Islamabad District was created in 1980 and rates of duty & taxes applicable at that time in the Province of Punjab were adopted for Islamabad District.

Excise & Taxation Officer, ICT, Islamabad had assessed and recovered hotel tax @ Rs. 0.50 or Rs. 1 per lodging unit. This rate was enforced at the time of promulgation of West Pakistan Finance Act, 1965 but the authority failed to revise the rates of hotel tax in light of rates as amended vide Punjab Finance Act, 1978 & 1979, i.e. Rs. 20 per lodging unit per day for the lodging unit actually occupied if the hotelier charge more than Rs 300 per lodging unit (category E). Thus, hotel tax was being wrongly charged since the creation of Islamabad District in 1980. This had been

causing recurring loss. In eight selected cases a loss of Rs. 55.12 million (approximately) was noticed for the period 1999-2000 onward which was calculated as per available record. However, the actual loss may be manifold.

The irregularity/lapse was conveyed to the Department in October, 2016. The Department intimated that hotel tax was being charged in Islamabad under the West Pakistan Finance Act 1963, the Punjab hotel Tax Rules 1966 and vide notification No.4/1/81-AFT issued by Chief Commissioner Office, Islamabad. So, Punjab Finance Act 1978 and 1979 is not applicable in ICT. Audit holds that rate of hotel tax prevailing in Punjab in 1980 were applicable in Islamabad.

The DAC in its meeting held on 03rd February, 2017 directed the Department to make necessary amendment in relevant laws to make it at par with bed tax rate applicable in Punjab. Further progress was not intimated till finalization of the Report.

Audit recommends early recovery of revenue, besides fixing of responsibility.

[DP No. 4238-ICT]

3.3.16 Irregular expenditure on non-operational hatchery

The Deputy Director (Fisheries) Islamabad constructed a fish hatchery besides Rawal Dam by incurring an amount of Rs. 17.08 million. According to O.M. No.DDF-7(17)/703, dated 26.02.2007, the project will produce annually 25 lacs of fish of indigenous and exotic fish species through artificial breeding to meet the fundamental requirements of fish seed which were previously met by other Districts of the Punjab at distance places with involving much financial cost.

The hatchery was still non-operative and no fish seeds had been hatched so far since construction in 2006-07. If the hatchery had been made functional at its full swing, a sizeable amount of revenue might have become the part of national exchequer.

The irregularity/lapse was conveyed to the Department in October, 2016. The Department intimated that revised PC-I had been sent to competent Authority for provision of funds for reconstruction / rehabilitation of hatchery.

The DAC directed the Department to get stated verified from Audit.

Audit recommends immediate remedial steps, besides fixing of responsibility.

[DP No. 4252 -ICT]

ANNEXURES

Annexure-1

MFDAC

Statement of observations/paras included in MFDAC

(Rs in million)

S.No.	Name of Office	DP No. / File No./ Para No./ Part	Amount	Nature of observation
1.	MCC Islamabad	3566-Exp	0.533	Non recovery of interest on advances
2.	DG, I&I, Islamabad	3576-Exp	0.266	Non-recovery of interest on permanent advance
3.	Collector (Appeals) Islamabad	3585	0.10	Excess expenditure on account of POL charges of Generator
4.	Chief Collector (North) Islamabad	3582	0.37	Irrational expenditure on purchase of stores in abnormal quantities
5.	MCC Appraisement Lahore	3483	0	Non-assessment of packing material of cosmetics & food stuff items
6.	MCC Peshawar	3696	0	Ambiguous examination reporting of imported goods which may lead to possible loss of government revenue
7.	MCC Peshawar	3705	0	Wrong feeding of soft data of imports by PRAL
8.	MCC Peshawar	3741	0	Non observance of rules and procedures
9.	MCC Peshawar	4078	0	Illegal release of confiscated body of land cruiser in violation of terms of Customs Act, 1969

10.	Collectoarte of Adjudication Faisalabad	3896	1.62	Uneconomical expenditure on repairs etc.
11.	MCC App Lahore	4022	5.053	In-admissible benefit of chapter-99
12.	Collectorate of Customs (Appeals), Lahore	4063	0.02	In-admissible payment of Fuel Allowance & Presidency Allowance
13.	DG, I&I Islamabad	3579	0.03	Un-authorized expenditure on mobile phone
14.	DG, I&I Islamabad	3601	-	Unsatisfactory performance of DG I&I
15.	DG, Internal Audit Islamabad	3591	0.09	Un-authorize payment of rent of residential buildings
16.	Director Transit Trade Peshawar	3714	0.02	Excess payment of TA/DA Allowance
17.	Directorate of Intelligence & Investigation, Lahore	4095	0.02	In-admissible payment on account of newspapers and periodicals
18.	Directorate of PCA, Lahore	4140	1.10	Non disposal of Condemned Dead Stock Stores
19.	MCC Appraisalment, Lahore	3976	201.47	Non-payment of refund
20.	MCC Faisalabad	3839	0.91	Unauthorized payment of salaries and other expenses from the Public Consolidated Fund
21.	MCC Faisalabad	3843	0.30	Irregular payment of overtime allowance
22.	MCC Faisalabad	3847	0.03	Excess payment of telephone charges
23.	MCC Faisalabad	3837	0.47	Irregular Expenditure on account of Electronic communication

24.	MCC Gilgit Baltistan	3975	2.00	Non utilization of public stores/wastage of public resources
25.	MCC Gilgit Baltistan	3973	0.53	Irregular/un authorized payment of special pay and hard area allowance
26.	MCC Islamabad	3563	0.15	Inadmissible withdrawal of hard area allowance
27.	MCC Islamabad	3662	-	Non-initiation of action against the in active licensees
28.	MCC Multan	3959	0.20	Irregular/un-authorized expenditure under the head payment to others for services rendered
29.	MCC Multan	3958	0.19	Non disposal of replaced auto parts
30.	MCC Multan	3955-Exp	0.142	Non recovery of house building advance
31.	MCC Multan	3951	0.11	Un authorized expenditure on account of Advertisement & Publication
32.	MCC Peshawar	3728	0.04	Inadmissible payment of President House Allowance
33.	MCC Sialkot	4174	1.93	Irregular Payment under different heads of expenditure and loss of sales tax
34.	MCC Sialkot	4173	0.00	Irregular / un-authorized use of vehicles for operational purposes
35.	MCC Sialkot	4170	0.43	Irregular expenditure incurred on purchase of uniform

36.	MCC Sialkot	4184	0.00	Non-addressing certain discrepancies in import and export made under EPZ rules
37.	MCC Sialkot	4176	0.00	Non-submission of monthly withholding tax return by the DDO to the Commissioner Inland Revenue
38.	MCC Appraisalment, Lahore	4047/Exp	0.158	Non issuance of leave notification
39.	MCC Appraisalment, Lahore	4048/Exp	0.089	Irregular issuance of leave notification
40.	Director Internal Audit, Karachi	247-Exp/K	0.00	Decline in audit activity/performance
41.	Director Internal Audit, Karachi	248-Exp/K	13.63	Recoveries at the instance of internal audit.
42.	Director Internal Audit, Karachi	249-Exp/K	14,389.01	Non-pursuance of audit reports and recovery
43.	Director Internal Audit, Karachi	246-Exp/K	0.00	Non-submission of audit reports
44.	Director Internal Audit, Karachi	244-Exp/K	0.00	Rush of expenditure in the month of June, 2016
45.	Director Internal Audit, Karachi	240-Exp/K	0.04	Irregular payment against electronic communication
46.	Director, I&I, Karachi	295-Exp/K	0.00	Unjustified payments to K-electric and SEPCO
47.	Director, I&I, Karachi	302-Exp/K	0.02	Doubtful expenditure on account of transportation of goods
48.	Director, I&I, Karachi	291-Exp/K	0.00	Non-carrying out of physical verification of dead stock/store
49.	Director, I&I, Karachi	300-Exp/K	0.06	Excess payment of TA Allowance
50.	Director, I&I, Karachi	301-Exp/K	0.01	Excess payment of TA Allowance

51.	Chief Collector App.raisement, Karachi	180- Exp/K	0.00	Non-carrying out of physical verification of dead stock/store
52.	Chief Collector Appraisalment, Karachi	179- Exp/K	0.00	Non-maintenance of cash book
53.	Chief Collector Enforcement, Karachi	184- Exp/K	0.15	Unjustified expenditure on account of fumigation
54.	Chief Collector Enforcement, Karachi	185- Exp/K	0.25	Irregular expenditure on account of cost of other stores
55.	Chief Collector Enforcement, Karachi	194- Exp/K	0.00	Non-carrying out of physical verification of dead stock/store
56.	Chief Collector Enforcement, Karachi	193- Exp/K	0.00	Non-maintenance of cash book
57.	Collector Adjudication- I, Karachi	162- Exp/K	0.45	Irregular expenditure from the irrelevant financial year
58.	Collector Adjudication-I, Karachi	165- Exp/K	0.00	Non-carrying out of physical verification of dead stock/store
59.	Collector Adjudication-I, Karachi	160- Exp/K	0.15	Irregular expenditure on payment of liabilities of previous years
60.	Collector Adjudication-II, Karachi	173- Exp/K	0.00	Non-carrying out of physical verification of dead stock/store
61.	Collector Adj. -II, Karachi	172- Exp/K	0.00	Non-maintenance of cash book.
62.	Collector Customs Appeal, Karachi	330- Exp/K	0.00	Non-carrying out of physical verification of dead stock/store.
63.	Collector Customs Appeal, Karachi	328- Exp/K	0.01	Irregular expenditure on payment of liabilities of previous years

64.	Collector of Adjudication, Quetta	67-Exp/K	0.90	Rush of expenditure in the month of June, 2014
65.	Collector of Adjudication, Quetta	69-Exp/K	0.49	Rush of expenditure in the month of June, 2015
66.	Collector of Adjudication, Quetta	72-Exp/K	0.32	likely loss of national exchequer due to purchase of hardware at higher rate
67.	Collector of Adjudication, Quetta	87-Exp/K	0.00	Non conducting of physical verification of store/stock and internal check
68.	DG IPR, Karachi	252-Exp/K	0.00	Non-carrying out of physical verification of dead stock/store.
69.	DG IPR, Karachi	254-Exp/K	0.00	Non-maintenance of cash book.
70.	DG IPR, Karachi	255-Exp/K	0.03	Irregular expenditure on payment of liabilities of previous years
71.	DG IPR, Karachi	251-Exp/K	0.01	Non-adjustment of TA/DA advance
72.	Director I & I, Karachi	287-Exp/K	0.17	Doubtful expenditure on account of repair of machinery
73.	Director I & I, Quetta	25-Exp/K	0.07	Non-disposal of replaced tyres/ auto-parts and newspapers
74.	Director I & I, Quetta	31-Exp/K	0.10	Irregular expenditure on purchase of Customs Act
75.	Director I & I, Quetta	34-Exp/K	0.00	Non-completion of service books of non-gazetted staff.
76.	Director I & I, Quetta	41-Exp/K	0.02	Irregular expenditure on purchase of FAX machine
77.	Director I & I, Quetta	27-Exp/K	0.02	Over payment of electricity charges

78.	Director Reforms & Automation, Karachi	195-Exp/K	0.02	Non-realization of stamp duty
79.	Director Reforms & Automation, Karachi	197-Exp/K	0.06	Non-adjustment of TA/DA advances
80.	Director Reforms & Automations, Karachi	196-Exp/K	0.02	Irregular expenditure on payment of liabilities of previous years
81.	Director Risk Management, Karachi	260-Exp/K	0.00	Non-carrying out of physical verification of dead stock/store.
82.	Director Risk Management, Karachi	259-Exp/K	0.00	Non-maintenance of cash book.
83.	Director, I&I, Quetta	36-Exp/K	0.00	Non-carrying out of physical verification of dead stock/stores
84.	Director, I&I, Quetta	35-Exp/K	0.00	Non-carrying out of Internal Check/Audit
85.	Director, I&I, Quetta	30-Exp/K	0.08	Un-authorized expenditure on intercom telephone
86.	Director, Transit Trade, Quetta	90-Exp/K	0.96	Rush of expenditure in the month of June, 2014
87.	Director, Transit Trade, Quetta	96-Exp/K	0.30	Doubtful/ Irregular expenditure on account of travelling allowance
88.	Director, Transit Trade, Quetta	100-Exp/K	0.09	likely loss of national exchequer due to purchase of hardware at higher rate
89.	Director, Transit Trade, Quetta	110-Exp/K	0.00	Non-disposal of old news- papers& periodicals
90.	Director, Transit Trade, Quetta	112-Exp/K	0.00	Non-completion of service book of non-gazetted staff

91.	Director, Transit Trade, Quetta	113-Exp/K	0.00	Non-maintenance of G.P. Fund Registers in respect of Class - IV employees
92.	Director, Transit Trade, Quetta	108-Exp/K	0.00	Non-conducting of physical verification of store/stock and internal check
93.	Director, Transit Trade, Quetta	111-Exp/K	0.00	Improper maintenance of cash book
94.	MCC Appraisalment (East), Karachi	204-Exp/K	0.33	Non recovery of over-payment of arrear
95.	MCC Appraisalment (East), Karachi	212-Exp/K	0.00	Official use of operational vehicles
96.	MCC Appraisalment (East), Karachi	216-Exp/K	0.03	Acceptance of higher price through quotation
97.	MCC Appraisalment (East), Karachi	225-Exp/K	0.01	Non-deposit of tender fee
98.	MCC Appraisalment (East), Karachi	214-Exp/K	0.00	Irregular payment of arrear of residential telephone
99.	MCC Appraisalment (East), Karachi	235-Exp/K	0.00	Irregular payment for use of mobile phone facility
100.	MCC Appraisalment (East), Karachi	236-Exp/K	0.05	Irregular expenditure on account of cash reward due to payment from the budget grant of another financial year
101.	MCC Appraisalment (East), Karachi	202-Exp/K	0.03	Non-adjustment of TA/DA advance
102.	MCC Appraisalment (East), Karachi	209-Exp/K	0.10	Unjustified expenditure on maintenance of garden
103.	MCC Appraisalment (East), Karachi	203-Exp/K	0.01	Excess claim of TA/DA
104.	MCC Appraisalment (East), Karachi	238-Exp/K	0.00	Rush of expenditure in the month of June

105.	MCC Appraisalment (West), Karachi	132-Exp/K	0.11	Non-adjustment of TA/DA advance
106.	MCC Export, PMBQ, Karachi	276-Exp/K	0.00	Non-maintenance of cash book
107.	MCC Export, PMBQ, Karachi	267-Exp/K	0.09	Loss of government money due to over payment of electricity charges
108.	MCC Gwadar	49-Exp/K	5.63	Non verification sanctity of expenditure incurred
109.	MCC Gwadar	62-Exp/K	0.03	Inadmissible payment of Audit and Accounts Allowance to Staff
110.	MCC PMBQ Imports, Karachi	347-Exp/K	0.24	Expenditure without budget allocation by finance division
111.	MCC PMBQ Imports, Karachi	348-Exp/K	0.17	Laps/Non-utilization of funds due to late submission of cheques, after 30.06.2016
112.	MCC PMBQ Imports, Karachi	349-Exp/K	1.57	Non-surrender of savings
113.	MCC PMBQ Imports, Karachi	354-Exp/K	0.00	Non disposal of old newspaper
114.	MCC PMBQ Imports, Karachi	355-Exp/K	0.00	Non conducting of Physical Verification of Store Items
115.	MCC PMBQ Imports, Karachi	356-Exp/K	0.00	Non conducting of Internal Check / Audit
116.	MCC PMBQ Imports, Karachi	350-Exp/K	2.01	Rush of expenditure to extent
117.	MCC Preventive, Karachi	323-Exp/K	0.20	Late registration charges payment on account registration of vehicles
118.	MCC Preventive, Karachi	325-Exp/K	0.00	Non-conducting of physical verification of store/stock and internal check

119.	MCC Preventive, Karachi	316-Exp/K	0.15	Unjustified expenditure on maintenance of garden
120.	MCC Preventive, Karachi	324-Exp/K	0.00	Rush of expenditure in the month of June
121.	MCC Quetta	2-Exp/K	0.06	Over/undue payment to courier company
122.	MCC Quetta	3-Exp/K	0.16	Non-disposal of old and used spare parts
123.	MCC, Appraisalment West, Karachi	137-Exp/K	0.00	Non-carrying out physical verification of stores/stock
124.	MCC, Appraisalment West, Karachi	139-Exp/K	0.00	Non-maintenance of cash book
125.	MCC, Exports, Custom House, Karachi	121-Exp/K	0.00	Non-carrying out physical verification of stores
126.	MCC, Exports, Custom House, Karachi	123-Exp/K	0.00	Non-carrying out Internal Check
127.	MCC, Exports, Custom House, Karachi	125-Exp/K	0.00	Non-maintenance of cash book
128.	MCC, Exports, Custom House, Karachi	119-Exp/K	0.08	Non-adjustment of TA/DA advance
129.	MCC, Exports, Custom House, Karachi	115-Exp/K	3.47	Rush of expenditure in the month of June, 2016
130.	MCC, Quatta	17-Exp/K	0.00	Non-carrying out of physical verification of dead stock/stores
131.	MCC Appraisalment Lahore	F-269-4/I	52.340	Short-realization of government revenue due to misclassification and non-levy of additional customs duty on auto parts of motorcycle.

132.	MCC Appraisement Lahore	F-269-6/I	16.084	Non-imposition of redemption fine leviable under SRO 499(I)/2009
133.	MCC Appraisement Lahore	F-269-9/I	5.432	Non-imposition of redemption fine under SRO 499(I)/2009
134.	MCC Appraisement Lahore	F-269-10/I	4.309	Short-realization of government revenue due to non-levy of additional customs duty on auto parts of motor cars
135.	MCC Appraisement Lahore	F-269-15/I	2.225	Non-imposition of redemption fine leviable under SRO 499(I)/2009
136.	MCC Appraisement Lahore	F-269-16/I	1.990	Non-imposition of redemption fine under SRO 499(I)/2009
137.	MCC Appraisement Lahore	F-269-17/I	1.681	Short-realization of government revenue due to non-levy of additional customs duty on pumps
138.	MCC Appraisement Lahore	F-269-20/I	1.573	Short-realization of government revenue due to grant of inadmissible benefit of SRO 659(I)/2007
139.	MCC Appraisement Lahore	F-269-21/I	1.480	Short realization of government revenue due to inadmissible benefit of 6 th Schedule of Sales Tax Act
140.	MCC Appraisement Lahore	F-269-24/I	0.780	Non realization of regulatory duty on imported goods under SRO 601(I)/2015
141.	MCC Appraisement Lahore	F-269-30/I	0.414	Short-realization of government revenue due to misclassification of Car Floor Mats

142.	MCC Appraisement Lahore	F-269- 31/I	0.348	Short-realization of government revenue due to application of incorrect rate of customs duty
143.	MCC Appraisement Lahore	F-269- 34/I	0.242	Short-realization of government revenue due to grant of inadmissible benefit of 5 th Schedule of Customs Act, 1969
144.	MCC Appraisement Lahore	F-269- 36/I	0.231	Short-realization of government revenue due to under valuation of eye shadow
145.	MCC Appraisement Lahore	F-269- 43/I	0.084	Short-realization of government revenue due to misclassification of herbal tea
146.	MCC Appraisement Lahore	F-269- 45/I	38.199	Short-realization of government revenue due to non-levy of additional customs duty under SRO 1178(I)/2015
147.	MCC Appraisement Lahore	F-269- 46/I	12.457	Short-realization of government revenue due to non-levy of additional customs duty under SRO 1178(I)/2015
148.	MCC Appraisement Lahore	F-269- 47/I	1.180	Short-realization of government revenue due to mis-classification of imported goods
149.	MCC Appraisement Lahore	F-269- 50/I	0.067	Short-realization of government revenue due to non-levy of additional customs duty under SRO 1178(I)/2015

150.	MCC Appraisement Lahore	F-269- 53/I	22.163	Non finalization of provisional assessment under section 81 of Customs Act, 1969
151.	MCC Appraisement Lahore	F-269- 1/II	0.098	Short-realization of government revenue due to application of incorrect rate of customs duty
152.	MCC Appraisement Lahore	F-269- 2/II	0.077	Non-imposition of Redemption Fine under SRO 499(I)/2009
153.	MCC Appraisement Lahore	F-269- 3/II	0.054	Short-realization of government revenue due to application of incorrect rate of Income Tax
154.	MCC Appraisement Lahore	F-269- 4/II	-	Un-lawful import of goods not importable from India
155.	MCC Appraisement Lahore	F-269- 5/II	-	Short quantity of imported goods
156.	MCC Appraisement Lahore	F-269- 6/II	-	Non assessment of packing material of cosmetics & food stuff items
157.	MCC Appraisement Lahore	F-294-3/I	0.017	Short realization of Export Development Surcharge
158.	MCC Appraisement Lahore	F-295- 1/II	0.006	Short realization of govt. dues due to under assessment of import value
159.	MCC Appraisement Lahore	F-295- 2/II	0.005	Non recovery of penalty
160.	MCC Appraisement Lahore	F-297- 11/I	1.165	Short-realization of govt. revenue due to grant of inadmissible exemption of sales tax

161.	MCC Appraisement Lahore	F-297- 14/I	0.917	Short-realization of govt. revenue due to inadmissible exemption of sales tax
162.	MCC Appraisement Lahore	F-297- 17/I	0.375	Non-realization of additional sales tax
163.	MCC Appraisement Lahore	F-297- 22/I	0.043	Non realization of income tax and sales tax due to inadmissible exemption
164.	MCC Appraisement Lahore	F-297-1/I	-	Acceptance of declared value without obtaining any proof
165.	MCC Appraisement Lahore	F-297- 2/II	-	Release of imported old and used machinery without observing the legal provisions
166.	MCC Appraisement Lahore	F-314-1/I	1.783	Short assessment of amount of Bank Guarantee
167.	MCC Appraisement Lahore	F-315-1/I	-	Release of imported old and used machinery without observing the legal provisions
168.	MCC Appraisement Lahore	F-315- 2/II	-	Import of old and used vehicles in contravention of import policy order 2016
169.	MCC Appraisement Lahore	F-316-1/I	0.698	Short realization of government revenue due to under valuation
170.	MCC Appraisement Lahore	F-316- 1/II	-	Release of imported old and used machinery without observing the legal provisions
171.	MCC Appraisement Lahore	F-318- 2/II	0.005	Non levy of penalty

172.	MCC Appraisement Lahore	F-319-3/I	0.141	Non recovery of government dues
173.	MCC Appraisement Lahore	F-320-1/II	-	Suspected loss of revenue due to local sales of exportable items
174.	MCC Appraisement Lahore	F-321-1/I	0.129	Non realization of additional customs duty
175.	MCC Appraisement Lahore	F-321-1/II	0.016	Short-realization of government revenue due to miscalculation
176.	MCC Sialkot	F-81-10/I	0.031	Excess recovery from a DTRE user needs to be refunded
177.	MCC Sialkot	F-88-5/I	-	Non-observance of Public Notice issued by MCC Export (Karachi)
178.	MCC Sialkot	F-84-1/II	-	Non-conducting of Physical verification of Stores/Stock
179.	MCC Sialkot	F-84-2/II	-	Non-existence of internal control
180.	MCC Sialkot	F-84-3/II	-	Non-maintenance of certain registers
181.	MCC Sialkot	F-80-1/II	-	Non- application of correct rule by the Model Customs Collectorate, Sialkot in GPO, Sialkot
182.	MCC Preventive Lahore	F-268	0.800	Short realization of government revenue due to non levy of value addition tax on imported finished goods
183.	MCC Preventive Lahore	F-268	14.018	Inadmissible zero rating of sales tax under Fifth Schedule to the Sales Tax Act, 1990

184.	MCC Preventive Lahore	F-268	50.914	Loss of government revenue due to grant of inadmissible benefit of SRO 492(I)/2009
185.	MCC Preventive Lahore	F-268	3.596	Short realization of government revenue due to misclassification of imported goods
186.	MCC Preventive Lahore	F-268	0.265	Non realization of additional customs duty under SRO 1178(I)/2015
187.	MCC Preventive Lahore	F-268	-	Non-provision of link of WeBOC
188.	MCC Preventive Lahore	F-282-6/I	0.062	Short realization of penal surcharge on en-cashed bank guarantees
189.	MCC Preventive Lahore	F-280-6/I	0.035	Loss of govt. revenue due to non/ short realization of penalty
190.	MCC Preventive Lahore	F-280-7/I	0.013	Loss of govt. revenue due to non-realization of duty & taxes
191.	MCC Preventive Lahore	F-280-8/I	-	Improper maintenance of record
192.	MCC Preventive Lahore	F-283-4/I	0.005	Irregular payment of rebate
193.	MCC Preventive Lahore	F-286-2/I	-	Unlawful retention of sale proceed of auction custom, sales tax and income tax in current account of the collector instead of depositing in proper head of account
194.	MCC Preventive Lahore	F-286-3/I	-	Non observance of provision of auction rules
195.	MCC Preventive Lahore	F-286-4/I	-	Misuse and poor upkeep of non-tempered vehicles resulting in loss of

				millions of rupees to national exchequer
196.	MCC Preventive Lahore	F-286-5/I	0.557	Non-forfeiture of earnest money
197.	MCC Preventive Lahore	F-285-1/I	0.146	Non-assessment of goods brought in commercial quantity at statutory rate of duty and taxes
198.	MCC Preventive Lahore	F-285-2/I	0.133	Non-assessment of goods brought in commercial quantity at statutory rate
199.	MCC Preventive Lahore	F-285-4/I	0.037	Non-realization of duty and taxes on items inadmissible under free allowance of the Baggage Rule
200.	MCC Preventive Lahore	F-285-5/I	0.004	Short realization of revenue due to inadmissible benefit of duty free allowance
201.	MCC Preventive Lahore	F-285-6/I	-	Improper maintenance of record
202.	MCC Preventive Lahore	F-285-7/I	-	Revision of C& F value of articles for passenger's goods cleared through Baggage Scheme
203.	MCC Preventive Lahore	F-287-2/I	-	Blockade of government revenue due to non-disposal of detained goods
204.	MCC Preventive Lahore	F-287-3/I	0.010	Short realization of revenue
205.	MCC Preventive Lahore	F-287-4/I	0.010	Short realization of revenue
206.	MCC Preventive Lahore	F-312-1/I	0.019	Short-realization of government revenue due to misclassification of pc tablet

207.	MCC Preventive Lahore	F-312-2/I	0.010	Short-realization of government revenue due to inadmissible benefit of Sixth Schedule of the Sales Tax Act, 1990
208.	MCC Preventive Lahore	F-312-3/I	0.010	Short realization of government revenue due to misclassification of smart watches
209.	MCC Preventive Lahore	F-312-4/I	0.010	Short-realization of govt. revenue due to wrong calculation of duty and taxes
210.	MCC Preventive Lahore	F-312-1/I	0.005	Non-levy of regulatory duty
211.	MCC Preventive Lahore	F-312-2/II	0.004	Short-realization of government revenue due to wrong calculation of duty and taxes
212.	MCC Preventive Lahore	F-312-3/II	0.002	Short-realization of government revenue due to wrong calculation of duty and taxes
213.	MCC Preventive Lahore	F-307-1/I	337.805	Non realization of govt. revenue due to irregular grant of port-clearance of exported goods
214.	MCC Preventive Lahore	F-307-31/	0.071	Short-realization of revenue due to misclassification and inadmissible concession of customs duty under SRO. 659(i)/2007
215.	MCC Preventive Lahore	F-307-40/I	0.022	Short realization of govt. revenue due to short-levy of sales tax

216.	MCC Preventive Lahore	F-307- 41/I	0.019	Short realization of government revenue due to grant of inadmissible benefit of customs duty under fifth schedule to the customs act, 1969 on imported goods
217.	MCC Preventive Lahore	F-307- 42/I	0.017	Non- recovery of penalty/ fine levied by the customs authorities
218.	MCC Preventive Lahore	F-307- 43/I	0.016	Non-realization of revenue due to misclassification and inadmissible exemption of customs duty under SRO. 659(i)/2007
219.	MCC Preventive Lahore	F-307-1II	0.006	Short realization of income tax from non-filer
220.	MCC Preventive Lahore	F-309-4/I	0.481	Non-realization of sales tax due to inadmissible benefit of 6 th Schedule–
221.	MCC Preventive Lahore	F-309-5/I	0.082	Non-realization of additional sales tax
222.	MCC Preventive Lahore	F-309-6/I	0.022	Short realization of income tax
223.	MCC Gilgit Baltistan	F-04-10/I	14.196	Inadmissible exemption of duty & Taxes under expired free trade agreement with china
224.	MCC Multan	F-52-8/I	3.460	Inadmissible exemption of sales tax under sixth schedule resulting in loss of revenue
225.	MCC Multan	F-52-12/I	7.454	Non imposition of redemption fine @ 20% under SRO 499(I)/2009

226.	MCC Multan	F-52-18/I	1.213	Inadmissible exemption of sales tax under sixth schedule resulting in loss of revenue
227.	MCC Multan	F-52-22/I	0.815	Imposition of penalty of Rs. 5000/- only resulting into loss of national exchequer
228.	MCC Multan	F-52-23/I	0.055	Non – confiscation of imported goods not importable in second hand / used condition
229.	MCC Multan	F-44-2/I	0.005	Non assessment of goods brought in commercial quantity at statutory rate of duty and taxes
230.	MCC Multan	F-46-7/I		Non-compliance of conducting of post exportation audit at end of financial year
231.	MCC Multan	F-46-2/I		Non issuance of analysis certificate
232.	Director I & I, Multan	F-45-4/I	15.662	Unlawful delay in deposit of vehicles & goods in SWH resulting in blockage of government revenue
233.	Director I & I, Multan	F-45-5/I		Sale of confiscated tampered vehicles on nominal prices without obtaining the pay order/cheque from government department
234.	MCC Multan	F-43-5/I		Sale of tempered vehicles on nominal prices without obtaining the pay order/cheque from government department

235.	MCC Multan	F-43-4/I	15.310	Unlawful delay in deposit of vehicles & goods in SWH resulting in blockage of government revenue
236.	MCC Gilgit Baltistan	F-06-5/I	0.085	Non disposal of old news- papers and others periodicals
237.	MCC Gilgit Baltistan	F-06-7/I	0.007	Excess payment of TA/DA
238.	MCC Multan	F-48-6/I	0.005	Excess payment of TA/DA
239.	MCC Multan	F-48-7/I	0.122	Non disposal of old news- papers and others periodicals
240.	MCC Multan	F-48-15/I		Non-existence of internal control
241.	MCC Multan	F-48-16/I	34.000	Non recording of office/public asset in the appropriate stock register
242.	MCC Multan	F-48-1/II		Non-conducting of internal audit
243.	MCC Multan	F-48-2/II		Non-conduct of physical verification of stores/stock
244.	MCC Multan	F-48-3/II		Non maintenance of Ledgers of staff Cars
245.	MCC Appraisement Lahore	F-270-14/I	0.017	Non-realization of late payment surcharge
246.	MCC Appraisement Lahore	F-270-15/I	0.016	Non-imposition of redemption fine under SRO 499(I)/2009 - due to difference in declared and assessed weight
247.	MCC Appraisement Lahore	F-271-7/I	0.015	Non imposition of penalty for non-filing of GDs within stipulated period

248.	MCC Appraisement Lahore	F-271-8/I	0.004	Short-realization of government revenue due to misclassification of imported goods
249.	MCC Faisalabad	F-85-3/I	4.686	Rush of expenditure in the month of June
250.	MCC Faisalabad	F-86-5/I	0.750	Split over of expenditure under the head stationery
251.	MCC Faisalabad	F-87-17/I	0.006	Short deduction of Income Tax on supplies
252.	MCC Faisalabad	F-88-8/I	-	Non-existence of internal controls
253.	MCC Faisalabad	F-89-1/II	0.488	Uneconomical expenditure on repair of transport
254.	MCC Faisalabad	F-90-	-	Non-conduct of internal audit
255.	MCC Faisalabad	F-91-3/II	-	Non-conduct of physical verification of stores/stock and surprise checking of cash book
256.	MCC Faisalabad	F-94-1/I	0.004	Non-realization of sales tax & income tax on additional customs duty
257.	MCC Faisalabad	F-96-3/I	3.280	Non-realization of govt. revenue on local sale
258.	MCC Faisalabad	F-96-8/I	2.186	Non-realization of duty & taxes on local sale
259.	MCC Faisalabad	F-96-9/I	0.099	Short realization of income tax on unconsumed imported goods
260.	MCC Faisalabad	F-96-13/I	-	Possible loss to govt. revenue due to improper maintenance of accounts (Appendix-V)

261.	MCC Faisalabad	F-96-14/I	-	Non imposition/realization of penalty due to non-submission of Appendix-IV
262.	MCC Faisalabad	F-96-15/I	-	Improper maintenance of accounts
263.	MCC Faisalabad	F-96-1/II	15.280	Un-verifiable of foreign exchange
264.	MCC Faisalabad	F-97-4/I	17.325	Non realization of revenue on clearance of returned goods
265.	MCC Faisalabad	F-97-8/I	1.496	Short-realization of govt. revenue due to under valuation of old & used machinery
266.	MCC Faisalabad	F-97-9/I	-	Short-realization of govt. revenue due to misclassification of artificial leather.
267.	MCC Faisalabad	F-97-12/I	-	Loss of government revenue in millions due to misuse of Section 205 and section 79(I) of the Customs Act 1969.
268.	MCC Faisalabad	F-97-14/I	-	Grant of benefit of SRO 659(I)/2007 is irregular due to non-verification of FTA certificates.
269.	MCC Faisalabad	F-97-1/II	0.078	Non-realization of additional customs duty on imported goods
270.	MCC Faisalabad	F-97-2/II	0.002	Non-realization of federal excise duty
271.	Collectorate of Adjudication Faisalabad	F-92-3/I	1.277	Rush of expenditure in the month of June

272.	Collectorate of Adjudication Faisalabad	F-92-8/I	0.350	Split over of expenditure under the head stationery
273.	Collectorate of Adjudication Faisalabad	F-92-1/II	-	Non-conduct of physical verification of stores/stock and surprise checking of cash book
274.	Collectorate of Adjudication Faisalabad	F-92-2/II	-	Non-conduct of internal audit
275.	MCC Faisalabad	F-95-1/I	1.006	Non-realization of late payment surcharge
276.	MCC Faisalabad	F-95-3/I	0.165	Short- realization of income tax due to non-inclusion of FED in the value of oils
277.	MCC Peshawar	F-83	0.044	Short-realization of govt. revenue due to under valuation of imported goods
278.	MCC Peshawar	F-83	0.080	Non/Short-realization of RD on imported goods
279.	MCC Peshawar	F-84	0.062	Short-realization of govt. revenue due to recovery of lesser redemption fine at the time of release of confiscated goods
280.	MCC Peshawar	F-81	0.060	Short realization of personal penalty levied on confiscated goods
281.	MCC Peshawar	F-88	0.211	Short realization of govt. revenue due to application of incorrect rates of customs duty on imported goods
282.	Director I & I, Peshawar	F-91	-	Non-conduct of internal audit

283.	Director I & I, Peshawar	F-91	0.011	Excess payment of rent of residential building and rent of office building due to non-deduction of income tax
284.	Director I & I, Peshawar	F-91	0.377	Non-deduction of income tax from salaries of employees
285.	MCC Peshawar	F-97	-	Non-conduct of internal audit
286.	MCC Peshawar	F-97	0.227	Non-deduction of income tax from salaries of employees
287.	MCC Peshawar	F-90-	0.142	Non-deduction of income tax from salaries of employees
288.	Director I & I, Peshawar	F-135-5/I		Non-confirmation of registration of tempered vehicles sold to government organization against token money
289.	Chief Collector (North) Islamabad	F-139-1/I	0.015	Irregular expenditure through doubtful billing
290.	Chief Collector (North) Islamabad	F-139-2/I		Non-disposal of replaced auto parts
291.	Collector Appeals Islamabad	F-146-1/I		Non-disposal of replaced auto parts
292.	Directorate of IPRE Islamabad	F-140-1/II	0.012	Excess expenditure due to payment of sales tax on stationary items -
293.	Directorate of IPRE Islamabad	F-140-2/II	0.006	Un-authorized expenditure due to excess payment on account of travelling allowance
294.	MCC Islamabad	F-141-1/II	0.025	Excess payment of conveyance allowances
295.	MCC Islamabad	F-141-2/II		Improper maintenance of record of law charges

296.	MCC Islamabad	F-141-2/I	2.270	Illegal transfer of funds drawn from federal consolidated fund into common pool fund under the garb of Reward Rules, 2012
297.	MCC Islamabad	F-141-6/I	0.621	Short-realization of Withholding Tax
298.	DG I & I, Islamabad	F-137-3/I	0.832	Illegal transfer of funds drawn from Federal Consolidated Fund into common pool fund under the garb of Reward Rules, 2012
299.	DG I & I, Islamabad	F-137-1/II	0.015	Excess payment of pay & allowances during leave
300.	DG I & I, Islamabad	F-137-2/II	0.000	Non-recovery of laptops from officers transferred to other offices
301.	DG Internal Audit, Islamabad	F-138-8/I	0.025	Illegal transfer of funds drawn from federal consolidated fund into common pool fund under the garb of Reward Rules, 2012
302.	DG Internal Audit, Islamabad	F-138-11/I	0.019	Un-authorized expenditure due to excess payment on account of travelling allowance
303.	DG Internal Audit, Islamabad	F-138-6/I	0.063	Irregular disbursement of cash reward
304.	DG Internal Audit, Islamabad	F-138-7/I	0.050	Short-realization of Withholding Tax
305.	Sub-Registrar Rural, ICT, Islamabad	F-46-8/I	0.024	Short realization of registration fee
306.	Joint Sub-Registrar, ICT, Islamabad	F-47-8/I	0.030	Short realization of registration fee

307.	The Tehsildar, ICT, Islamabad	F-48-8/I	0.123	Short realization of mutation fee
308.	The Tehsildar, ICT, Islamabad	F-48-9/I	0.060	Short realization of abiana
309.	The Tehsildar, ICT, Islamabad	F-48-10/I	0.025	Short realization of mutation fee
310.	SSP Traffic Police, ICT, Islamabad	F-51-4/I	0.000	Non levy of licences fee on licences issued to motor driving school
311.	SSP Traffic Police, ICT, Islamabad	F-51-5/I	0.000	Non realization of charges for issuing of driving licence card
312.	The Excise & Taxation Officer, ICT, Islamabad	F-45-27/I	0.000	Registration of motor vehicles against defective GDs
313.	Excise & Taxation Officer, ICT, Islamabad	F-45-24/I	0.002	Non-realization of smart card fee
314.	SSP Traffic, Islamabad Capital Territory	4244	0.939	Non realization of licences renewal fee
315.	Additional Deputy Commissioner (Revenue) / Collector, ICT, Islamabad	4228	0.744	Irregular refund of registration fee
316.	Assistant Director Local Government & Rural Development ICT Islamabad	3491	1.23	Non-realization of department revenue due to non-collection of fee from Nikkah Registrar
317.	Assistant Director Local Government & Rural Development ICT Islamabad	3492	4.581	Non-realization of department revenue due to non-recovery of monthly domestic water connections
318.	Assistant Director Local Government & Rural Development ICT Islamabad	3493	1.300	Less collection of professional tax from petrol pumps/CNG pumps

319.	Senior Supp. Police (Traffic) Islamabad	3494	4.399	Non realization of CNIC verification fee
320.	District Health Officer (ICT) Islamabad	3496	0	Non establishment of health care commission
321.	The ETO Islamabad	4230	1.770	Short-realization of registration fee due to short assessment of value
322.	The ETO Islamabad	4232	0.107	Non-realization of education cess
323.	The ETO Islamabad	4233	6.940	Non-realization of advance income tax
324.	The ETO Islamabad	4234	0.155	Short-realization of advance income tax and transfer fee
325.	The ETO Islamabad	4235	0.066	Non- renewal of certificates of real estate agents/motor vehicle dealers
326.	The ETO Islamabad	4236	0.666	Non/short realization of government revenue
327.	The ETO Islamabad	4237	0.670	Non/short-realization of advance income tax
328.	The ETO Islamabad	4241	0.121	Non realization of advance income tax
329.	Licencing Authority (Add. D.C (General)), ICT, Islamabad	4229	0.333	Non realization of renewal fee from Arms Licence Holders
330.	The Excise & Taxation Officer, ICT, Islamabad	4242	0.152	Non realization of bed tax along with penalty
331.	The District Health Officer, Islamabad	3497	0.167	Short recovery of license fee
332.	SSP (HQ) Traffic, ICT, Islamabad	F-35-2/I	0.013	Non realization of income tax on receipt of auction money
333.	SSP (HQ) Traffic, ICT, Islamabad	F-35-3/I	15.839	Blockage of government revenue due to non-collection of challan fee

334.	SSP (HQ) Traffic, ICT, Islamabad	F-35-4/I	6.911	Variation between the reconciled figure of the Department and Federal Treasury Officer regarding license fee
335.	SSP (HQ) Traffic, ICT, Islamabad	F-35-5/I	1.093	Variation between the reconciled figure of the Department and Federal Treasury Office, Islamabad in respect of traffic violation tickets
336.	SSP (HQ) Traffic, ICT, Islamabad	F-35-7/I	0.021	Non realization of driving license fee
337.	SSP (HQ) Traffic, ICT, Islamabad	F-35-8/I		Disparity of license fees among different classes of licensees.
338.	SSP (HQ) Traffic, ICT, Islamabad	F-35-9/I		Weak Internal Control
339.	Local Govt. Islamabad	F-36-5/I		Non preparation of budgetary statement
340.	Local Govt. Islamabad	F-37-6/I		Improper maintenance of accounts
341.	Local Govt. Islamabad	F-38-7/I		Anticipated departmental revenue loss due to non survey of data of various receipts heads
342.	Industry & Labour Department, Islamabad	F-37-1/I	83.030	Non-reconciliation of departmental figure with FTO
343.	Industry & Labour Department, Islamabad	F-37-2/I	27.000	Non maintenance of record of petrol pumps inspection and checking weigh and measurements
344.	Industry & Labour Department, Islamabad	F-37-5/I	0.078	Anticipatory loss of revenue
345.	Industry & Labour Dept, Islamabad	F-37-6/I		Weak internal controls

346.	Health Department, Islamabad	F-38-3/I		Weak internal controls
347.	Live Stock & Dairy Dev., Islamabad	F-42-2/I	0.012	Suspected loss of govt. revenue
348.	Live Stock & Dairy Development, Islamabad	F-42-1/I	0.880	Non reconciliation of receipts for cow seeds
349.	Food Department, Islamabad	F-40-2/I	0.025	Non-Realization of license renewal fee
350.	Food Department, Islamabad	F-40-3/I		Non-imposition of fine
351.	Food Department, Islamabad	F-40-4/I		Weak internal controls
352.	Fisheries Department, Islamabad	F-41-2/I	10.000	Loss of govt revenue due to non-auction of commercial fishing rights
353.	Soil Conservation Dep., Islamabad	F-39-2/I	0.038	Short recovery of hiring charges
354.	MCC Peshawar	4066-Cus	15.152	Irregular release of post-dated cheques
355.	MCC Preventive, Karachi	21-CD/K	0.492	Irregular acceptances of bids having no earnest money
356.	MCC Preventive, Karachi	26-CD/K	0.000	Non-obtaining of orders of higher authority for acceptance of bid due to non-inclusion of income tax into reserve price.
357.	MCC Preventive, Karachi	27-CD/K	0.000	Non-obtaining of orders of higher authority for acceptance of bid due to non-inclusion of income tax into reserve price.
358.	MCC Preventive, Karachi	28-CD/K	0.000	Non-obtaining of orders of higher authority for acceptance of bid due to non-inclusion of income tax into reserve price.

359.	MCC Exports CH, Karachi	54-CD/K	13.825	Unjustified remission of duty and taxes due to variation in input-output ratio and export quantity
360.	Director I&I, Quetta	78-CD/K	0.770	Irregular payment of commission to auctioneer from sales proceeds
361.	MCC Quetta	83-CD/K	0.455	Loss of government revenue due to rejection of higher bid and then later on acceptance of lower bid
362.	Directorate of Transit Trade, Quetta	477-CD/K	0.000	Weak internal controls due to improper maintenance of 'check post register'
363.	Directorate of Transit Trade, Quetta	478-CD/K	0.000	Weak internal control due to non-submission of weekly reports by baleli check post
364.	MCC Exports, Customs House, Karachi	506-CD/K	0.184	Short realization of duty & taxes on excess consumption of input goods
365.	MCC, Appraisalment West, Karachi	544-CD/K	0.231	Loss of Government revenue due to non-submission of higher bid to competent authority for approval
366.	MCC, Appraisalment West, Karachi	545-CD/K	0.233	Loss of Government revenue due to non-submission of higher bid to competent authority for approval
367.	MCC, Appraisalment West, Karachi	547-CD/K	0.000	Non-re-auction of goods due to delay in payment of earnest money after 02 to 04 days of fall of hammer

368.	MCC, Quetta	761- CD/K	0.000	Non authentication of rebate register resulting in weak internal controls
369.	MCC, Quetta	762- CD/K	0.000	Non authentication of rebate register resulting in weak internal controls
370.	MCC, Quetta	763- CD/K	0.000	Non authentication of rebate register resulting in weak internal controls
371.	MCC, Quetta	764- CD/K	0.000	Non entry of particulars in 20 columns of rebate register
372.	MCC, Quetta	765- CD/K	0.000	Irregular stoppage of delivery order issued by Customs by F.C
373.	MCC Appraisalment, East, Karachi	810- CD/K	0.000	Non-existence of monitoring mechanism to watch the compliance of provisions of Small and Medium Enterprises Rules, 2008
374.	MCC Appraisalment, East, Karachi	824- CD/K	0.000	Delay in issuance of notice of Section 82 of the Customs Act, 1969
375.	MCC Appraisalment, East, Karachi	832- CD/K	0.000	Delay in issuance of notice of Section 82 of the Customs Act, 1969
376.	MCC, Preventive, Karachi	886- CD/K	0.038	Late-deposit of seized foreign currency to NBP / SBP
377.	MCC, Preventive, Karachi	946- CD/K	37.376	Likely loss of government revenue due to non-depiction of actual description of goods involving duty & taxes

378.	MCC, Appraisement West, Karachi	959-CD/K	0.157	Loss of Government revenue due to non-realization of earnest money
379.	MCC, Preventive, Karachi	984-CD/K	19.438	Non-reconciliation of monthly revenue figures with GPO
380.	MCC, Preventive, Karachi	985-CD/K	0.000	Improper maintenance of record
381.	DG Training & Research, Karachi	9	0.01	Late payment of surcharge due to late deposit of electricity charges
382.	DG Valuation (Customs), Karachi	4	0.08	Non- deduction of installments on motor cycle advance
383.	DG Valuation (Customs), Karachi	10	0.02	Irregular deduction of service charges by PSO
384.	DG Valuation (Customs), Karachi	11	0	Non- maintenance of cash book
385.	Director Reforms & Automations, Karachi	3	0	Non- recovery of conveyance allowance during leave period
386.	Director Reforms & Automations, Karachi	5	1.06	Non-recovery of House Building Advance
387.	Chief Collector (Enforcement) Karachi	13	0.05	Irregular expenditure on account of repair and maintenance of vehicles
388.	MCC Gwadar	59-Exp/k	0.14	Illegal /un-authorized payments on advertisement expense for auction of confiscated goods
389.	MCC Faisalabad	3836	0.25	Irregular expenditure on courier and pilot services
390.	Collectoarte of Adju., Faisalabad	3894	0.15	Irregular expenditure on courier and pilot services

391.	MCC, Quetta	09-Exp/K	0.69	Irregular expenditure on account of courier and pilot services
392.	MCC, Quetta	12-Exp/K	0.01	Irregular expenditure on account of courier and pilot services
393.	Director I & I, Quetta	22-Exp/K	0.23	Irregular expenditure on account of courier and pilot services
394.	Collector of Adjudication, Quetta	76-Exp/K	0.14	Irregular expenditure on account of courier and pilot services
395.	Collector of Adjudication, Quetta	83-Exp/K	0.03	Irregular expenditure on account of courier and pilot services
396.	Directorate of Transit Trade, Quetta	104-Exp/K	0.03	Irregular expenditure on account of courier and pilot services
397.	Directorate of Transit Trade, Quetta	106-Exp/K	0.01	Irregular expenditure on account of courier and pilot services
398.	MCC Export Customs House, Karachi	120-Exp/K	0.09	Irregular expenditure on courier services
399.	MCC Appraisement (West), Karachi	133-Exp/K	0.09	Irregular expenditure on courier services
400.	Directorate General Customs valuation, Karachi	140-Exp/K	0.56	Irregular expenditure on account of courier & pilot service
401.	Directorate Training & Research, Karachi	151-Exp/K	0.16	Irregular expenditure on account of courier and pilot services
402.	MCC Appraisement (East), Karachi	213-Exp/K	0.46	Irregular expenditure on account of courier and pilot services
403.	Director Internal Audit, Karachi	241-Exp/K	0.07	Irregular expenditure on account of courier and pilot service

404.	MCC Export (PMBQ), Karachi	266-Exp/K	0.14	Irregular expenditure on account of courier and pilot services
405.	Director, I&I, Karachi	281-Exp/K	0.15	Irregular expenditure on account of courier and pilot services
406.	Director Post Clearance Audit, Karachi	338-Exp/K	0.10	Irregular expenditure on account of courier and pilot service
407.	MCC Preventive, Karachi	29-CD/K	0.000	Non-conducting of stock taking of warehouse
408.	MCC Preventive, Karachi	35-CD/K	1.725	Non-realization of Customs Duty due to irregular exemption
409.	MCC Exports, Custom House, Karachi	67-CD/K	0.000	Unsatisfactory performance of Recovery Section
410.	MCC Appraisement (West), Karachi	590-CD/K	13.598	Irregular payment of salaries of laboratory employees
411.	MCC, Quetta	614-CD/K	0.000	Non-compliance of discrepancies pointed out by FTO in Report on Amnesty Scheme
412.	MCC Appraisement (West), Karachi	550-CD/K	0.000	Non-finalization of legal proceedings against clearing agent M/s. Paracha Traders
413.	MCC, Preventive, Custom House, Karachi	888-CD/K	0.000	Improper maintenance of State Ware House goods / record and non-conduct of stock taking
414.	MCC Appraisement, East, Karachi	947-CD/K	106.581	Blockage of revenue due to non-finalization of cases under adjudication

415.	DG Training & Research, Karachi	F-Exp-K/06-09-9/I	0.010	Loss of govt. money on account of late payment surcharge due to late deposit of electricity charges
416.	DG Valuation (Customs), Karachi	F-Exp-K/07-11-4/I	0.080	Non- deduction instalments on motor cycle advance
417.	DG Valuation (Customs), Karachi	F-Exp-K/07-11-10/I	0.020	Irregular deduction of service charges by PSO
418.	DG Valuation (Customs), Karachi	F-Exp-K/07-11-11/I	0.000	Non- maintenance of Cash book
419.	Director Reforms & Automations, Karachi	F-Exp-K/25-26-3/I	0.000	Non- recovery of conveyance allowance during leave period
420.	Director Reforms & Automations, Karachi	F-Exp-K/25-26-5/I	1.060	Non-recovery of House Building Advance
421.	Chief Collector (Enforcement) Karachi	F-Exp-K/08-16-13/I	0.050	Irregular expenditure on account of repair and maintenance of vehicles

Annexure-2

Para 2.4.2

Clearance of banned goods imported in violation of Import Policy Order

(Rs in million)

S.No.	DP No	Name of Office	Amount
1.	3502-Cus	MCC Appraisalment, Lahore	-
2.	3622-Cus	MCC Preventive, Islamabad	-
3.	3651-Cus	MCC Appraisalment, Islamabad	-
4.	3653-Cus	MCC Appraisalment, Islamabad	-
5.	4036-Cus	MCC Preventive, Lahore	6.316
6.	4149-Cus	MCC Sialkot	-
7.	5-CD/K	MCC Appraisalment, East, Karachi	9.339
8.	150-CD/K	MCC Quetta	-
9.	411-CD/K	MCC Import (PMBQ), Karachi	0.888
10.	434-CD/K	MCC Appraisalment West, Karachi	2.180
11.	662-CD/K	MCC Appraisalment, East, Karachi	8.078
12.	676-CD/K	MCC Appraisalment, East, Karachi	-
13.	699-CD/K	MCC Appraisalment, East, Karachi	532.747
14.	806-CD/K	MCC Appraisalment, East, Karachi	4.430
15.	809-CD/K	MCC Appraisalment, East, Karachi	1.119
Total			565.097

Annexure-3

Para 2.4.3

Non-production of record

S No.	DP No.	Name of Office
1.	3482-Cus	MCC Appraisalment, Lahore
2.	3626-Cus	MCC Appraisalment, Lahore
3.	3792-Cus	MCC Appraisalment, Lahore
4.	3796-Cus	MCC Appraisalment, Lahore
5.	3800-Cus	MCC Appraisalment, Lahore
6.	3819-Cus	MCC Appraisalment, Lahore
7.	3827-Cus	MCC Appraisalment, Lahore
8.	3996-Cus	MCC Appraisalment, Lahore
9.	114-Exp/K	MCC Quetta
10.	486-CD/K	MCC Quetta
11.	608-CD/K	MCC, PMBQ , Imports, Karachi
12.	609-CD/K	MCC, PMBQ , Imports, Karachi
13.	610-CD/K	MCC, PMBQ , Imports, Karachi
14.	616-CD/K	MCC Quetta
15.	631-CD/K	MCC, PMBQ, Imports, Karachi
16.	633-CD/K	MCC, PMBQ, Imports, Karachi
17.	634-CD/K	MCC, PMBQ, Imports, Karachi
18.	635-CD/K	MCC, PMBQ, Imports, Karachi
19.	636-CD/K	MCC, PMBQ, Imports, Karachi
20.	650-CD/K	MCC, PMBQ, Imports, Karachi
21.	651-CD/K	MCC, PMBQ, Imports, Karachi
22.	653-CD/K	MCC, PMBQ, Imports, Karachi
23.	654-CD/K	MCC, PMBQ, Imports, Karachi
24.	734-CD/K	MCC, Quetta
25.	780-CD/K	MCC, PMBQ, Imports, Karachi
26.	782-CD/K	MCC, PMBQ, Imports, Karachi
27.	783-CD/K	MCC, PMBQ, Imports, Karachi
28.	784-CD/K	MCC, PMBQ, Imports, Karachi

29.	785-CD/K	MCC, PMBQ, Imports, Karachi
30.	786-CD/K	MCC, PMBQ, Imports, Karachi
31.	787-CD/K	MCC, PMBQ, Imports, Karachi
32.	800-CD/K	MCC, PMBQ, Imports, Karachi
33.	801-CD/K	MCC, PMBQ, Imports, Karachi
34.	846-CD/K	MCC PMBQ Imports, Karachi
35.	847-CD/K	MCC PMBQ Imports, Karachi
36.	848-CD/K	MCC PMBQ Imports, Karachi
37.	850-CD/K	MCC PMBQ Imports, Karachi
38.	851-CD/K	MCC PMBQ Imports, Karachi
39.	864-CD/K	MCC PMBQ Imports, Karachi
40.	865-CD/K	MCC PMBQ Imports, Karachi
41.	866-CD/K	MCC PMBQ Imports, Karachi
42.	868-CD/K	MCC PMBQ Imports, Karachi
43.	869-CD/K	MCC PMBQ Imports, Karachi
44.	870-CD/K	MCC PMBQ Imports, Karachi
45.	874-CD/K	MCC, East, Karachi
46.	889-CD/K	MCC PMBQ Imports, Karachi
47.	892-CD/K	MCC PMBQ Imports, Karachi
48.	913-CD/K	MCC, Quetta
49.	914-CD/K	MCC, Quetta
50.	943-CD/K	MCC, Preventive, Karachi
51.	996-CD/K	MCC Exports (PMBQ), Karachi

Annexure-4

Para 2.4.4

**Blockage of government revenue due to non-encashment of
financial instruments – Rs 27,992.982million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	3499-Cus	MCC Appraisalment, Lahore	9.154
2.	3978-Cus	MCC Appraisalment, Lahore	1.315
3.	3979-Cus	MCC Appraisalment, Lahore	2,862.314
4.	3988-Cus	MCC Appraisalment, Lahore	8.901
5.	4021-Cus	MCC Appraisalment, Lahore	189.802
6.	4033-Cus	MCC Appraisalment, Lahore	128.203
7.	3635-Cus	MCC Islamabad	9.120
8.	3645-Cus	MCC Islamabad	0.821
9.	3664-Cus	MCC Islamabad	6.495
10.	3665-Cus	MCC Islamabad	36.585
11.	3667-Cus	MCC Islamabad	55.105
12.	3816-Cus	MCC, Preventive, Lahore	39.437
13.	3818-Cus	MCC, Preventive, Lahore	10.538
14.	3889-Cus	MCC Faisalabad	75.504
15.	4013-Cus	MCC Appraisalment, Lahore	14.472
16.	4067-Cus	MCC Peshawar	8.956
17.	4185-Cus	MCC Sialkot	157.776
18.	86-CD/K	MCC Quetta	29.101
19.	90-CD/K	MCC Quetta	0.122
20.	93-CD/K	MCC Quetta	2.124
21.	204-CD/K	MCC Exports (PMBQ), Karachi	12.415
22.	223-CD/K	MCC Exports (PMBQ), Karachi	128.551
23.	224-CD/K	MCC Exports (PMBQ), Karachi	124.281
24.	225-CD/K	MCC Exports (PMBQ), Karachi	14.965
25.	491-CD/K	MCC Appraisalment (East), Karachi	3,167.345
26.	494-CD/K	MCC Appraisalment (East), Karachi	226.558

27.	814-CD/K	MCC Appraisalment (East), Karachi	0.767
28.	875-CD/K	MCC Appraisalment (East), Karachi	11,787.606
29.	876-CD/K	MCC Appraisalment (East), Karachi	20.576
30.	833-CD/K	MCC Appraisalment (East), Karachi	8.874
31.	834-CD/K	MCC Appraisalment (East), Karachi	4.134
32.	962-CD/K	MCC Appraisalment (West), Karachi	21.788
33.	963-CD/K	MCC Appraisalment (West), Karachi	5.007
34.	883-CD/K	MCC Preventive, Karachi	0.050
35.	893-CD/K	MCC PMBQ Imports, Karachi	115.906
36.	894-CD/K	MCC PMBQ Imports, Karachi	56.209
37.	895-CD/K	MCC PMBQ Imports, Karachi	31.363
38.	896-CD/K	MCC PMBQ Imports, Karachi	19.422
39.	897-CD/K	MCC PMBQ Imports, Karachi	18.222
40.	898-CD/K	MCC PMBQ Imports, Karachi	9.000
41.	900-CD/K	MCC PMBQ Imports, Karachi	7,635.508
42.	901-CD/K	MCC PMBQ Imports, Karachi	634.168
43.	902-CD/K	MCC PMBQ Imports, Karachi	182.625
44.	903-CD/K	MCC PMBQ Imports, Karachi	72.857
45.	904-CD/K	MCC PMBQ Imports, Karachi	46.903
46.	941-CD/K	DG, Transit Trade, Karachi	2.037
Total			27,992.982

Annexure-5

Para 2.4.5

**Loss of revenue due to non-imposition of fine and penalty
- Rs 11,878.228million**

(Rs in million)

S.No.	DP No	Name of Office	Amount
1.	3461-Cus	MCC Appraisalment, Lahore	12.987
2.	3480-Cus	MCC Appraisalment, Lahore	0.207
3.	3509-Cus	MCC Appraisalment Lahore	0.180
4.	3688-Cus	MCC Appraisalment, Lahore	10.712
5.	3742-Cus	MCC Peshawar	1.065
6.	3744-Cus	MCC Peshawar	0.192
7.	3772-Cus	MCC Preventive, Lahore	1.280
8.	3793-Cus	MCC Preventive, Lahore	0.200
9.	3824-Cus	MCC Preventive, Lahore	0.511
10.	3868-Cus	MCC Faisalabad	3.780
11.	3882-Cus	MCC Faisalabad	0.050
12.	3926-Cus	MCC Multan	6.149
13.	3946-Cus	MCC Multan	0.302
14.	3966-Cus	MCC Gilgit Baltistan	0.105
15.	4028-Cus	MCC Appraisalment Lahore	0.180
16.	4153-Cus	Deputy Director I & I Gujranwala	0.127
17.	87-CD/K	MCC Quetta	0.100
18.	173-CD/K	MCC Quetta	6.429
19.	261-CD/K	MCC Gawadar	0.120
20.	315-CD/K	MCC Gawadar	2.400
21.	505-CD/K	MCC Exports CH, Karachi	0.350
22.	507-CD/K	MCC, Appraisalment West, Karachi	2.377
23.	508-CD/K	MCC, Appraisalment West, Karachi	6.000
24.	509-CD/K	MCC, Appraisalment West, Karachi	2.000
25.	510-CD/K	MCC, Appraisalment West, Karachi	1.000
26.	592-CD/K	MCC, PMBQ , Imports, Karachi	362.901
27.	600-CD/K	MCC, PMBQ , Imports, Karachi	8.247

28.	618-CD/K	MCC, PMBQ, Imports, Karachi	302.914
29.	626-CD/K	MCC, PMBQ, Imports, Karachi	7.511
30.	637-CD/K	MCC, PMBQ, Imports, Karachi	1,298.712
31.	643-CD/K	MCC, PMBQ, Imports, Karachi	21.303
32.	689-CD/K	MCC Appraisalment, East, Karachi	1.250
33.	715-CD/K	MCC Appraisalment, East, Karachi	0.490
34.	766-CD/K	MCC, PMBQ, Imports, Karachi	2,088.609
35.	769-CD/K	MCC, PMBQ, Imports, Karachi	156.081
36.	788-CD/K	MCC, PMBQ, Imports, Karachi	1,844.728
37.	789-CD/K	MCC, PMBQ, Imports, Karachi	243.283
38.	803-CD/K	MCC Appraisalment, East, Karachi	83.095
39.	835-CD/K	MCC PMBQ Imports, Karachi	4,697.638
40.	840-CD/K	MCC PMBQ Imports, Karachi	157.070
41.	854-CD/K	MCC PMBQ Imports, Karachi	379.477
42.	857-CD/K	MCC PMBQ Imports, Karachi	100.833
43.	887-CD/K	MCC, Preventive, Karachi	0.010
44.	929-CD/K	Director, I&I, Karachi	1.000
45.	948-CD/K	MCC Appraisalment, East, Karachi	0.572
46.	949-CD/K	MCC Appraisalment, East, Karachi	0.524
47.	950-CD/K	MCC Appraisalment, East, Karachi	0.455
48.	968-CD/K	MCC, Preventive, Karachi	0.900
49.	974-CD/K	MCC, Preventive, Karachi	4.100
50.	152-CD/K	MCC Quetta	0.252
51.	613-CD/K	MCC Quetta	57.470
Total			11,878.228

Annexure-6

Para 2.4.6

**Loss of revenue due to misclassification of imported goods
-Rs 4,398.917 million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	3459-Cus	MCC Appraisement, Lahore	49.378
2.	3465-Cus	MCC Appraisement, Lahore	2.894
3.	3466-Cus	MCC Appraisement, Lahore	2.320
4.	3467-Cus	MCC Appraisement, Lahore	2.039
5.	3469-Cus	MCC Appraisement, Lahore	0.911
6.	3470-Cus	MCC Appraisement, Lahore	0.781
7.	3500-Cus	MCC Appraisement, Lahore	6.497
8.	3503-Cus	MCC Appraisement, Lahore	0.590
9.	3506-Cus	MCC Appraisement, Lahore	0.222
10.	3514-Cus	MCC Appraisement, Lahore	0.178
11.	3596-Cus	DD, SWH I&I Islamabad	0.259
12.	3606-Cus	MCC Islamabad	80.408
13.	3611-Cus	MCC Islamabad	14.813
14.	3618-Cus	MCC Islamabad	1.271
15.	3628-Cus	MCC Islamabad	90.322
16.	3632-Cus	MCC Islamabad	16.474
17.	3636-Cus	MCC Islamabad	7.236
18.	3674-Cus	MCC Peshawar	3.050
19.	3679-Cus	MCC Peshawar	2.058
20.	3683-Cus	MCC Peshawar	0.115
21.	3689-Cus	MCC Peshawar	0.624
22.	3694-Cus	MCC Peshawar	4.774
23.	3702-Cus	MCC Peshawar	0.201
24.	3703-Cus	MCC Peshawar	0.174
25.	3752-Cus	MCC Peshawar	0.144
26.	3756-Cus	MCC Peshawar	3.204

27.	3757-Cus	MCC Peshawar	0.269
28.	3761-Cus	MCC Peshawar	0.103
29.	3762-Cus	MCC Peshawar	0.116
30.	3770-Cus	MCC Preventive, Lahore	3.946
31.	3774-Cus	MCC Preventive, Lahore	0.439
32.	3776-Cus	MCC Preventive, Lahore	0.549
33.	3795-Cus	MCC Preventive, Lahore	0.008
34.	3801-Cus	MCC Preventive, Lahore	9.617
35.	3802-Cus	MCC Preventive, Lahore	2.304
36.	3803-Cus	MCC Preventive, Lahore	2.086
37.	3872-Cus	MCC Faisalabad	0.349
38.	3918-Cus	MCC Multan	0.233
39.	3928-Cus	MCC Multan	0.034
40.	4012-Cus	MCC Appraisalment, Lahore	113.858
41.	4014-Cus	MCC Appraisalment, Lahore	36.998
42.	4024-Cus	MCC Appraisalment, Lahore	1.942
43.	4027-Cus	MCC Appraisalment, Lahore	0.289
44.	4032-Cus	MCC Appraisalment, Lahore	0.047
45.	3-CD/K	MCC Appraisalment, East, Karachi	2.803
46.	38-CD/K	MCC Preventive, Karachi	0.433
47.	40-CD/K	MCC Preventive, Karachi	0.204
48.	41-CD/K	MCC Preventive, Karachi	1.472
49.	96-CD/K	MCC Quetta	1.939
50.	107-CD/K	MCC Quetta	2.538
51.	139-CD/K	MCC Quetta	1.878
52.	178-CD/K	MCC Quetta	0.099
53.	267-CD/K	MCC Appraisalment West, Karachi	24.465
54.	371-CD/K	MCC Appraisalment West, Karachi	100.256
55.	372-CD/K	MCC Appraisalment West, Karachi	3.825
56.	410-CD/K	MCC Import (PMBQ), Karachi	0.000
57.	412-CD/K	MCC Import (PMBQ), Karachi	0.560
58.	413-CD/K	MCC Import (PMBQ), Karachi	1.711
59.	435-CD/K	MCC Appraisalment West, Karachi	1.683
60.	438-CD/K	MCC Appraisalment West, Karachi	0.714
61.	551-CD/K	MCC Appraisalment West, Karachi	6.596
62.	553-CD/K	MCC Appraisalment West, Karachi	2.040

63.	554-CD/K	MCC Appraisement West, Karachi	1.736
64.	572-CD/K	MCC Appraisement West, Karachi	1.258
65.	655-CD/K	MCC Appraisement, East, Karachi	16.823
66.	658-CD/K	MCC Appraisement, East, Karachi	4.270
67.	660-CD/K	MCC Appraisement, East, Karachi	29.723
68.	661-CD/K	MCC Appraisement, East, Karachi	3.609
69.	666-CD/K	MCC Appraisement, East, Karachi	0.131
70.	678-CD/K	MCC Appraisement, East, Karachi	2.408
71.	680-CD/K	MCC Appraisement, East, Karachi	39.464
72.	681-CD/K	MCC Appraisement, East, Karachi	11.353
73.	683-CD/K	MCC Appraisement, East, Karachi	2.425
74.	685-CD/K	MCC Appraisement, East, Karachi	1.033
75.	687-CD/K	MCC Appraisement, East, Karachi	0.655
76.	693-CD/K	MCC Appraisement, East, Karachi	27.604
77.	696-CD/K	MCC Appraisement, East, Karachi	3.937
78.	697-CD/K	MCC Appraisement, East, Karachi	0.975
79.	702-CD/K	MCC Appraisement, East, Karachi	3603.004
80.	704-CD/K	MCC Appraisement, East, Karachi	3.127
81.	705-CD/K	MCC Appraisement, East, Karachi	0.792
82.	712-CD/K	MCC Appraisement, East, Karachi	1.280
83.	713-CD/K	MCC Appraisement, East, Karachi	0.841
84.	825-CD/K	MCC Appraisement, East, Karachi	10.324
85.	826-CD/K	MCC Appraisement, East, Karachi	1.451
86.	827-CD/K	MCC Appraisement, East, Karachi	4.245
87.	828-CD/K	MCC Appraisement, East, Karachi	3.674
88.	829-CD/K	MCC Appraisement, East, Karachi	0.823
89.	987-CD/K	MCC, Preventive, Karachi	4.612
Total			4,398.917

Annexure-7
Para 2.4.7

**Loss due to allowing unauthorised exemptions/concessions –
Rs. 3,636.053 million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	3604-Cus	MCC Islamabad	548.410
2.	3656-Cus	MCC Islamabad	441.190
3.	656-CD/K	MCC Appraisalment. East, Karachi	88.470
4.	701-CD/K	MCC Appraisalment. East, Karachi	1,712.003
5.	804-CD/K	MCC Appraisalment. East, Karachi	674.792
6.	811-CD/K	MCC Appraisalment. East, Karachi	171.188
Total			3,636.053

Annexure-8

Para 2.4.8

Blockage of government revenue due to non-disposal of confiscated goods/vehicle- Rs. 4,478.655million

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	20-CD/K	MCC Preventive, Karachi	5.746
2.	22-CD/K	MCC Preventive, Karachi	7.956
3.	24-CD/K	MCC Preventive, Karachi	0.103
4.	46-CD/K	MCC Preventive, Karachi	50.344
5.	529-CD/K	MCC Preventive, Karachi	6.958
6.	531-CD/K	MCC Preventive, Karachi	5.831
7.	532-CD/K	MCC Preventive, Karachi	5.330
8.	534-CD/K	MCC Preventive, Karachi	3.266
9.	536-CD/K	MCC Preventive, Karachi	0.120
10.	879-CD/K	MCC Preventive, Karachi	6.645
11.	880-CD/K	MCC Preventive, Karachi	17.916
12.	883-CD/K	MCC Preventive, Karachi	26.870
13.	975-CD/K	MCC Preventive, Karachi	0.000
14.	68-CD/K	MCC Quetta	42.400
15.	69-CD/K	MCC Quetta	56.468
16.	70-CD/K	MCC Quetta	69.200
17.	85-CD/K	MCC Quetta	4.298
18.	143-CD/K	MCC Quetta	220.860
19.	144-CD/K	MCC Quetta	40.776
20.	145-CD/K	MCC Quetta	58.055
21.	147-CD/K	MCC Quetta	31.360
22.	148-CD/K	MCC Quetta	21.128
23.	149-CD/K	MCC Quetta	53.147
24.	179-CD/K	MCC Quetta	0.022
25.	475-CD/K	MCC Quetta	24.718
26.	476-CD/K	MCC Quetta	0.000
27.	909-CD/K	MCC Quetta	0.782

28.	916-CD/K	MCC Quetta	0.401
29.	917-CD/K	MCC Quetta	0.761
30.	918-CD/K	MCC Quetta	2.004
31.	259-CD/K	MCC Gawadar	8.325
32.	264-CD/K	MCC Gawadar	27.200
33.	265-CD/K	MCC Gawadar	1.417
34.	359-CD/K	MCC Gawadar	32.594
35.	393-CD/K	MCC Gawadar	10.600
36.	537-CD/K	MCC, Appraisalment West, Karachi	33.674
37.	538-CD/K	MCC, Appraisalment West, Karachi	14.405
38.	542-CD/K	MCC, Appraisalment West, Karachi	6.874
39.	558-CD/K	MCC, Appraisalment West, Karachi	85.473
40.	955-CD/K	MCC, Appraisalment West, Karachi	4.820
41.	956-CD/K	MCC, Appraisalment West, Karachi	3.419
42.	965-CD/K	MCC, Appraisalment West, Karachi	289.096
43.	966-CD/K	MCC, Appraisalment West, Karachi	78.500
44.	967-CD/K	MCC, Appraisalment West, Karachi	45.000
45.	817- CD/K\	MCC Appraisalment. East, Karachi	33.398
46.	819-CD/K	MCC Appraisalment. East, Karachi	14.533
47.	820-CD/K	MCC Appraisalment. East, Karachi	9.390
48.	821-CD/K	MCC Appraisalment. East, Karachi	5.760
49.	830-CD/K	MCC Appraisalment. East, Karachi	4.667
50.	871-CD/K	MCC Appraisalment. East, Karachi	2.565
51.	872-CD/K	MCC Appraisalment. East, Karachi	12.932
52.	890-CD/K	MCC PMBQ Imports, Karachi	0.000
53.	891-CD/K	MCC PMBQ Imports, Karachi	0.000
54.	921-CD/K	Directorate of I&I, Karachi	36.051
55.	922-CD/K	Directorate of I&I, Karachi	28.610
56.	923-CD/K	Directorate of I&I, Karachi	23.330
57.	932-CD/K	DG Pakistan Coast Guards, Karachi	7.808
58.	933-CD/K	DG Pakistan Coast Guards, Karachi	15.800
59.	934-CD/K	DG Pakistan Coast Guards, Karachi	2.250
60.	935-CD/K	DG Pakistan Coast Guards, Karachi	6.640

61.	936-CD/K	DG Pakistan Coast Guards, Karachi	1.215
62.	937-CD/K	DG Transit Trade, Karachi	0.000
63.	939-CD/K	DG Transit Trade, Karachi	0.000
64.	942-CD/K	DG Transit Trade, Karachi	30.215
65.	969-CD/K	MCC, Preventive, Karachi	1.175
66.	976-CD/K	MCC, Preventive, Karachi	-
67.	986-CD/K	MCC, Preventive, Karachi	0.000
68.	3594-Cus	MCC Islamabad	6.889
69.	3595-Cus	MCC Islamabad	36.668
70.	3600-Cus	DD, SWH I&I Islamabad	214.817
71.	3729-Cus	MCC Peshawar	53.917
72.	3734-Cus	DD (SWH) (I&I) Peshawar	14.777
73.	3743-Cus	MCC Peshawar	18.093
74.	3798-Cus	MCC Preventive, Lahore	0.591
75.	3820-Cus	MCC Preventive, Lahore	50.550
76.	3821-Cus	MCC Preventive, Lahore	45.650
77.	3822-Cus	MCC Preventive, Lahore	7.895
78.	3823-Cus	MCC Preventive, Lahore	6.500
79.	3828-Cus	MCC Preventive, Lahore	67.190
80.	3829-Cus	MCC Preventive, Lahore	9.800
81.	3832-Cus	MCC Preventive, Lahore	0.988
82.	3833-Cus	MCC Preventive, Lahore	0.205
83.	3834-Cus	MCC Preventive, Lahore	9.268
84.	3850-Cus	MCC Faisalabad	1.900
85.	3851-Cus	MCC Faisalabad	15.704
86.	3852-Cus	MCC Faisalabad	8.510
87.	3854-Cus	MCC Faisalabad	19.550
88.	3855-Cus	MCC Faisalabad	21.224
89.	3856-Cus	MCC Faisalabad	0.500
90.	3870-Cus	MCC Faisalabad	29.332
91.	3876-Cus	MCC Faisalabad	1.876
92.	3899-Cus	Directorate of I & I (SWH), Faisalabad	38.800
93.	3900-Cus	Directorate of I & I (SWH), Faisalabad	60.425

94.	3901-Cus	Directorate of I & I (SWH), Faisalabad	4.81
95.	3903-Cus	MCC Multan	21.900
96.	3904-Cus	MCC Multan	43.571
97.	3905-Cus	MCC Multan	6.500
98.	3906-Cus	DD SWH I&I Multan	59.000
99.	3907-Cus	DD SWH I&I Multan	129.743
100.	3910-Cus	DD SWH I&I Multan	23.500
101.	3935-Cus	MCC Multan	0.100
102.	4076-Cus	MCC Peshawar	62.862
103.	4077-Cus	MCC Peshawar	9.287
104.	4082-Cus	MCC Peshawar	64.744
105.	4083-Cus	MCC Peshawar	336.008
106.	4085-Cus	DD (SWH) (I&I) Peshawar	26.590
107.	4115-Cus	Directorate of I&I, (SWH), Lahore	34.708
108.	4116-Cus	Directorate of I&I, (SWH), Lahore	109.661
109.	4148-Cus	MCC Sialkot	4.000
110.	4151-Cus	MCC Sialkot	43.572
111.	4154-Cus	DD I & I, Gujranwala	46.864
112.	4163-Cus	MCC Sialkot	0.255
113.	530-CD/K	MCC Preventive, Karachi	6.732
114.	535-CD/K	MCC Preventive, Karachi	1.092
115.	884-CD/K	MCC, Preventive, Karachi	1,000.00
116.	885-CD/K	MCC, Preventive, Karachi	7.866
117.	915-CD/K	MCC, Quetta	52.470
Total			4,478.655

Annexure-9

Para 2.4.9

Non/short realization of withholding tax– Rs. 3,411.344 million

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	25-CD/K	MCC Preventive, Karachi	0.529
2.	76-CD/K	MCC Quetta	0.099
3.	77-CD/K	MCC Quetta	0.077
4.	79-CD/K	MCC Quetta	0.110
5.	94-CD/K	MCC Quetta	1.278
6.	95-CD/K	MCC Quetta	0.168
7.	97-CD/K	MCC Quetta	0.243
8.	98-CD/K	MCC Quetta	1.784
9.	102-CD/K	MCC Quetta	7.395
10.	109-CD/K	MCC Quetta	0.875
11.	110-CD/K	MCC Quetta	0.057
12.	111-CD/K	MCC Quetta	0.644
13.	124-CD/K	MCC Quetta	0.874
14.	166-CD/K	MCC Quetta	0.148
15.	168-CD/K	MCC Quetta	0.716
16.	169-CD/K	MCC Quetta	0.448
17.	170-CD/K	MCC Quetta	0.026
18.	183-CD/K	MCC Gawadar	77.533
19.	184-CD/K	MCC Gawadar	51.925
20.	328-CD/K	MCC Gawadar	0.077
21.	361-CD/K	MCC Gawadar	0.646
22.	390-CD/K	MCC Gawadar	0.763
23.	391-CD/K	MCC Gawadar	0.438
24.	395-CD/K	MCC Gawadar	0.598
25.	398-CD/K	MCC Gawadar	2.442
26.	403-CD/K	MCC Gawadar	0.183
27.	404-CD/K	MCC Gawadar	0.124
28.	591-CD/K	MCC, PMBQ , Imports, Karachi	678.825
29.	596-CD/K	MCC, PMBQ , Imports, Karachi	38.336
30.	601-CD/K	MCC, PMBQ , Imports, Karachi	6.895

31.	604-CD/K	MCC, PMBQ , Imports, Karachi	0.038
32.	605-CD/K	MCC, PMBQ , Imports, Karachi	0.003
33.	619-CD/K	MCC, PMBQ, Imports, Karachi	120.585
34.	621-CD/K	MCC, PMBQ, Imports, Karachi	36.104
35.	624-CD/K	MCC, PMBQ, Imports, Karachi	14.590
36.	629-CD/K	MCC, PMBQ, Imports, Karachi	0.240
37.	630-CD/K	MCC, PMBQ, Imports, Karachi	0.073
38.	638-CD/K	MCC, PMBQ, Imports, Karachi	466.337
39.	644-CD/K	MCC, PMBQ, Imports, Karachi	18.977
40.	645-CD/K	MCC, PMBQ, Imports, Karachi	18.638
41.	649-CD/K	MCC, PMBQ, Imports, Karachi	0.597
42.	767-CD/K	MCC, PMBQ, Imports, Karachi	474.189
43.	771-CD/K	MCC, PMBQ, Imports, Karachi	97.242
44.	772-CD/K	MCC, PMBQ, Imports, Karachi	20.272
45.	778-CD/K	MCC, PMBQ, Imports, Karachi	0.573
46.	790-CD/K	MCC, PMBQ, Imports, Karachi	227.007
47.	791-CD/K	MCC, PMBQ, Imports, Karachi	164.585
48.	797-CD/K	MCC, PMBQ, Imports, Karachi	3.497
49.	798-CD/K	MCC, PMBQ, Imports, Karachi	2.734
50.	837-CD/K	MCC PMBQ Imports, Karachi	579.105
51.	841-CD/K	MCC PMBQ Imports, Karachi	26.331
52.	856-CD/K	MCC PMBQ Imports, Karachi	182.021
53.	860-CD/K	MCC PMBQ Imports, Karachi	3.189
54.	863-CD/K	MCC PMBQ Imports, Karachi	0.211
55.	992-CD/K	MCC, Preventive, Karachi	5.537
56.	3485-Cus	MCC, Peshawar	3.300
57.	3508-Cus	MCC Appraisalment Lahore	0.574
58.	3603-Cus	MCC Islamabad	5.790
59.	3614-Cus	MCC Islamabad	5.848
60.	3615-Cus	MCC Islamabad	3.410
61.	3670-Cus	MCC, Peshawar	1.661
62.	3698-Cus	MCC, Peshawar	28.531
63.	3740-Cus	MCC, Peshawar	0.150
64.	3759-Cus	MCC, Peshawar	0.072
65.	3775-Cus	MCC, Preventive, Lahore	0.757
66.	3788-Cus	MCC, Preventive, Lahore	0.038

67.	3789-Cus	MCC, Preventive, Lahore	0.377
68.	3790-Cus	MCC, Preventive, Lahore	0.026
69.	3794-Cus	MCC, Preventive, Lahore	0.109
70.	3809-Cus	MCC, Preventive, Lahore	0.286
71.	3877-Cus	MCC Faisalabad	0.076
72.	3881-Cus	MCC Faisalabad	0.011
73.	3923-Cus	MCC Multan	7.636
74.	3987-Cus	MCC Appraisalment Lahore	14.680
75.	4030-Cus	MCC Appraisalment Lahore	0.036
76.	4040-Cus	MCC, Preventive, Lahore	0.779
77.	4042-Cus	MCC, Preventive, Lahore	0.266
78.	4158-Cus	MCC Sialkot	0.000
Total			3411.344

Annexure-10

Para 2.4.10

**Short realization of government revenue due to grant of inadmissible exemption of customs duty under fifth schedule of Customs Act-
Rs 3,350.024 million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	3610-Cus	MCC Islamabad	17.619
2.	3617-Cus	MCC Islamabad	2.463
3.	3640-Cus	MCC Islamabad	2.044
4.	3749-Cus	MCC Peshawar	1.767
5.	3753-Cus	MCC Peshawar	0.997
6.	3764-Cus	MCC, Preventive, Lahore	17.922
7.	3768-Cus	MCC, Preventive, Lahore	6.756
8.	3778-Cus	MCC, Preventive, Lahore	0.128
9.	3784-Cus	MCC, Preventive, Lahore	0.078
10.	599-CD/K	MCC, PMBQ , Imports, Karachi	14.717
11.	627-CD/K	MCC, PMBQ, Imports, Karachi	3.944
12.	640-CD/K	MCC, PMBQ, Imports, Karachi	35.455
13.	707-CD/K	MCC, Appraisalment, East, Karachi	23.011
14.	768-CD/K	MCC, PMBQ, Imports, Karachi	329.446
15.	796-CD/K	MCC, PMBQ, Imports, Karachi	5.681
16.	836-CD/K	MCC, PMBQ Imports, Karachi	1,914.509
17.	852-CD/K	MCC, PMBQ Imports, Karachi	972.956
18.	910-CD/K	MCC, Quetta	0.531
Total			3,350.024

Annexure-11

Para 2.4.11

**Short-realization of government revenue due to non-levy of
regulatory duty on imported goods -Rs. 2,747.720 million****(Rs in million)**

S.No.	DP No.	Name of Office	Amount
1.	3814-Cus	MCC, Preventive, Lahore	131.264
2.	3858-Cus	MCC Faisalabad	2,450
3.	3861-Cus	MCC Faisalabad	0.915
4.	3888-Cus	MCC Faisalabad	74.518
5.	51-CD/K	MCC, Exports, Karachi	77.188
6.	53-CD/K	MCC, Exports, Karachi	13.837
Total			2,747.720

Annexure-12

Para 2.4.12

**Non-conducting post-exportation audit of DTRE users
- Rs. 4,171.554 million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	3661-Cus	MCC Islamabad	0
2.	3866-Cus	MCC Faisalabad	0
3.	3883-Cus	MCC Faisalabad	450.99
4.	3886-Cus	MCC Faisalabad	1,290.23
5.	3929-Cus	MCC Multan	1,716.410
6.	3983-Cus	MCC Appraisement Lahore	0
7.	4156-Cus	MCC Sialkot	17.236
8.	4160-Cus	MCC Sialkot	20.636
9.	4183-Cus	MCC Sialkot	0
10.	49-CD/K	MCC Export CH Karachi	375.554
11.	50-CD/K	MCC Export CH Karachi	170.488
12.	245-CD/K	MCC Export PMBQ Karachi	17.355
13.	246-CD/K	MCC Export PMBQ Karachi	103.937
14.	249-CD/K	MCC Export PMBQ Karachi	8.718
Total			4,171.554

Annexure-13

Para 2.4.13

**Short-realization of regulatory duty on imported goods
– Rs. 1,327,163 million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	3811-Cus	MCC Preventive, Lahore	0.187
2.	3917-Cus	MCC Multan	0.021
3.	3871-Cus	MCC Faisalabad	0.852
4.	3873-Cus	MCC Faisalabad	0.049
5.	3913-Cus	MCC Multan	7.298
6.	3919-Cus	MCC Multan	1.065
7.	3962-Cus	MCC Gilgit Baltistan	6.347
8.	3990-Cus	MCC Appraisement Lahore	4.154
9.	4015-Cus	MCC Appraisement Lahore	8.409
10.	4020-Cus	MCC Appraisement Lahore	0.095
11.	4034-Cus	MCC Appraisement Lahore	9.946
12.	4038-Cus	MCC Appraisement Lahore	62.569
13.	4193-Cus	MCC Sialkot	15.547
14.	75-CD/K	MCC Quetta	0.203
15.	156-CD/K	MCC Quetta	0.056
16.	209-CD/K	MCC Exports (PMBQ), Karachi	4.554
17.	210-CD/K	MCC Exports (PMBQ), Karachi	0.309
18.	212-CD/K	MCC Exports (PMBQ), Karachi	0.099
19.	387-CD/K	MCC Gawadar	9.669
20.	389-CD/K	MCC Gawadar	1.177
21.	399-CD/K	MCC Gawadar	2.376
22.	400-CD/K	MCC Gawadar	0.538
23.	573-CD/K	MCC, Appraisement West, Karachi	1.062
24.	576-CD/K	MCC, Appraisement West, Karachi	0.685
25.	578-CD/K	MCC, Appraisement West, Karachi	0.530
26.	602-CD/K	MCC, PMBQ , Imports, Karachi	0.441

27.	620-CD/K	MCC, PMBQ, Imports, Karachi	60.794
28.	647-CD/K	MCC, PMBQ, Imports, Karachi	6.846
29.	770-CD/K	MCC, PMBQ, Imports, Karachi	140.889
30.	793-CD/K	MCC, PMBQ, Imports, Karachi	23.730
31.	844-CD/K	MCC PMBQ Imports, Karachi	13.871
32.	853-CD/K	MCC PMBQ Imports, Karachi	412.796
33.	951-CD/K	MCC Exports (C.H.), Karachi	4.700
34.	952-CD/K	MCC Exports (C.H.), Karachi	18.565
35.	953-CD/K	MCC Exports (C.H.), Karachi	22.233
36.	954-CD/K	MCC Exports (C.H.), Karachi	11.364
37.	3460-Cus	MCC Appraisalment Lahore	47.411
38.	3498-Cus	MCC Appraisalment Lahore	5.377
39.	3484-Cus	MCC Peshawar	0.684
40.	3489-Cus	MCC Peshawar	229.740
41.	3501-Cus	MCC Appraisalment Lahore	3.723
42.	3511-Cus	MCC Appraisalment Lahore	183.419
43.	3515-Cus	MCC Appraisalment Lahore	0.300
44.	3638-Cus	MCC Islamabad	2.484
Total			1327.163

Annexure-14

Para 2.4.14

**Short realization of revenue due to inadmissible exemption under Sixth
Schedule of Sales Tax Act - Rs. 1,142.173 million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1	3477-Cus	MCC Appraisement Lahore	3.754
2	3490-Cus	MCC Peshawar	8.508
3	3616-Cus	MCC Islamabad	2.892
4	3629-Cus	MCC Islamabad	70.481
5	3678-Cus	MCC Peshawar	0.819
6	3700-Cus	MCC Peshawar	16.351
7	3701-Cus	MCC Peshawar	0.398
8	3758-Cus	MCC Peshawar	2.950
9	3760-Cus	MCC Peshawar	0.079
10	3765-Cus	MCC Preventive, Lahore	12.774
11	3782-Cus	MCC Preventive, Lahore	0.135
12	3786-Cus	MCC Preventive, Lahore	0.853
13	3797-Cus	MCC Preventive, Lahore	37.885
14	3807-Cus	MCC Preventive, Lahore	0.286
15	3808-Cus	MCC Preventive, Lahore	0.244
16	3817-Cus	MCC Preventive, Lahore	11.938
17	3944-Cus	MCC Multan	0.094
18	155-CD/K	MCC Quetta	0.055
19	159-CD/K	MCC Quetta	1.423

20	278-CD/K	MCC, Appraisalment West, Karachi	0.120
21	298-CD/K	MCC, Appraisalment West, Karachi	0.302
22	162-CD/K	MCC Quetta	0.321
23	593-CD/K	MCC, PMBQ , Imports, Karachi	79.172
24	617-CD/K	MCC, PMBQ, Imports, Karachi	370.018
25	641-CD/K	MCC, PMBQ, Imports, Karachi	33.146
26	659-CD/K	MCC, Appraisalment, East, Karachi	24.644
27	663-CD/K	MCC, Appraisalment, East, Karachi	5.534
28	777-CD/K	MCC, PMBQ, Imports, Karachi	1.763
29	839-CD/K	MCC PMBQ Imports, Karachi	228.191
30	855-CD/K	MCC PMBQ Imports, Karachi	225.257
31	907-CD/K	MCC, Quetta	1.786
Total			1,142.173

Annexure-15

Para 2.4.15

**Blockage of revenue due to non-clearance of unclaimed Import
General Manifests – Rs. 763.98 million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	3621-Cus	MCC Islamabad	-
2.	3763-Cus	MCC Preventive, Lahore	52.671
3.	3810-Cus	MCC Preventive, Lahore	0.207
4.	3986-Cus	MCC Appraisalment, Lahore	47.218
5.	4194-Cus	MCC Sialkot	23.055
6.	3505-Cus	MCC Appraisalment, Lahore	640.829
7.	135-CD/K	MCC Quetta	-
8.	180-CD/K	MCC Quetta	-
Total			763.98

Annexure-16

Para 2.4.16

**Loss of revenue due to under-valuation of imported goods
- Rs. 620.051 million**

(Rs in million)

S.No	DP No.	Name of Office	Amount
1.	3468-Cus	MCC Appraisement, Lahore	0.885
2.	3513-Cus	MCC Appraisement, Lahore	0.673
3.	3607-Cus	MCC Islamabad	126.119
4.	3612-Cus	MCC Islamabad	8.156
5.	3631-Cus	MCC Islamabad	45.278
6.	3639-Cus	MCC Islamabad	2.470
7.	3643-Cus	MCC Islamabad	2.873
8.	3648-Cus	MCC Islamabad	0.348
9.	3649-Cus	MCC Islamabad	0.386
10.	3673-Cus	MCC Peshawar	0.345
11.	3675-Cus	MCC Peshawar	0.991
12.	3676-Cus	MCC Peshawar	12.021
13.	3682-Cus	MCC Peshawar	0.175
14.	3684-Cus	MCC Peshawar	0.123
15.	3685-Cus	MCC Peshawar	0.248
16.	3686-Cus	MCC Peshawar	0.210
17.	3692-Cus	MCC Peshawar	0.232
18.	3693-Cus	MCC Peshawar	0.767
19.	3699-Cus	MCC Peshawar	15.502
20.	3704-Cus	MCC Peshawar	0.114
21.	3730-Cus	MCC Peshawar	0.151
22.	3731-Cus	MCC Peshawar	0.109
23.	3735-Cus	MCC Peshawar	0.199
24.	3736-Cus	MCC Peshawar	0.156
25.	3738-Cus	MCC Peshawar	0.150
26.	3766-Cus	MCC Preventive, Lahore	9.945
27.	3938-Cus	MCC Multan	0.423
28.	3969-Cus	MCC Gilgit Baltistan	1.859

29.	3991-Cus	MCC Appraisement, Lahore	2.167
30.	3992-Cus	MCC Appraisement, Lahore	0.849
31.	3993-Cus	MCC Appraisement, Lahore	0.126
32.	3995-Cus	MCC Appraisement, Lahore	0.087
33.	4019-Cus	MCC Appraisement, Lahore	0.357
34.	4023-Cus	MCC Appraisement, Lahore	4.598
35.	4026-Cus	MCC Appraisement, Lahore	0.425
36.	4031-Cus	MCC Appraisement, Lahore	0.135
37.	4041-Cus	MCC Appraisement, Lahore	0.526
38.	4043-Cus	MCC Appraisement, Lahore	0.049
39.	4075-Cus	MCC Peshawar	0.236
40.	4079-Cus	MCC Peshawar	0.082
41.	4081-Cus	MCC Peshawar	0.186
42.	8-CD/K	MCC Appraisement, East, Karachi	8.607
43.	9-CD/K	MCC Appraisement, East, Karachi	1.913
44.	10-CD/K	MCC Appraisement, East, Karachi	7.162
45.	11-CD/K	MCC Appraisement, East, Karachi	0.811
46.	74-CD/K	MCC Quetta	0.257
47.	88-CD/K	MCC Quetta	1.501
48.	89-CD/K	MCC Quetta	0.682
49.	105-CD/K	MCC Quetta	3.798
50.	126-CD/K	MCC Quetta	7.574
51.	128-CD/K	MCC Quetta	1.612
52.	133-CD/K	MCC Quetta	2.029
53.	134-CD/K	MCC Quetta	14.566
54.	136-CD/K	MCC Quetta	42.403
55.	157-CD/K	MCC Quetta	0.387
56.	163-CD/K	MCC Quetta	0.247
57.	214-CD/K	MCC Exports (PMBQ), Karachi	2.733

58.	260-CD/K	MCC Gawadar	0.159
59.	266-CD/K	MCC Gawadar	0.028
60.	274-CD/K	MCC, Appraisalment West, Karachi	0.997
61.	275-CD/K	MCC, Appraisalment West, Karachi	0.405
62.	276-CD/K	MCC, Appraisalment West, Karachi	0.239
63.	277-CD/K	MCC, Appraisalment West, Karachi	0.199
64.	280-CD/K	MCC, Appraisalment West, Karachi	0.073
65.	287-CD/K	MCC, Appraisalment West, Karachi	1.546
66.	291-CD/K	MCC, Appraisalment West, Karachi	6.460
67.	292-CD/K	MCC, Appraisalment West, Karachi	0.631
68.	293-CD/K	MCC, Appraisalment West, Karachi	0.558
69.	294-CD/K	MCC, Appraisalment West, Karachi	0.506
70.	295-CD/K	MCC, Appraisalment West, Karachi	0.488
71.	296-CD/K	MCC, Appraisalment West, Karachi	0.471
72.	297-CD/K	MCC, Appraisalment West, Karachi	0.344
73.	299-CD/K	MCC, Appraisalment West, Karachi	0.288
74.	300-CD/K	MCC, Appraisalment West, Karachi	0.265
75.	301-CD/K	MCC, Appraisalment West, Karachi	0.262
76.	302-CD/K	MCC, Appraisalment West, Karachi	0.198
77.	303-CD/K	MCC, Appraisalment West, Karachi	0.176
78.	304-CD/K	MCC, Appraisalment West, Karachi	0.171
79.	305-CD/K	MCC, Appraisalment West, Karachi	0.160
80.	306-CD/K	MCC, Appraisalment West, Karachi	0.142
81.	309-CD/K	MCC, Appraisalment West, Karachi	0.126
82.	310-CD/K	MCC, Appraisalment West, Karachi	0.120
83.	311-CD/K	MCC, Appraisalment West, Karachi	0.070

84.	313-CD/K	MCC, Appraisalment West, Karachi	0.048
85.	314-CD/K	MCC, Appraisalment West, Karachi	0.012
86.	330-CD/K	MCC, Appraisalment West, Karachi	6.731
87.	331-CD/K	MCC, Appraisalment West, Karachi	4.986
88.	332-CD/K	MCC, Appraisalment West, Karachi	4.705
89.	333-CD/K	MCC, Appraisalment West, Karachi	4.412
90.	334-CD/K	MCC, Appraisalment West, Karachi	2.528
91.	335-CD/K	MCC, Appraisalment West, Karachi	1.640
92.	336-CD/K	MCC, Appraisalment West, Karachi	1.612
93.	340-CD/K	MCC, Appraisalment West, Karachi	0.530
94.	341-CD/K	MCC, Appraisalment West, Karachi	0.294
95.	342-CD/K	MCC, Appraisalment West, Karachi	0.279
96.	344-CD/K	MCC, Appraisalment West, Karachi	0.156
97.	352-CD/K	MCC, Appraisalment West, Karachi	0.282
98.	353-CD/K	MCC, Appraisalment West, Karachi	0.231
99.	356-CD/K	MCC, Appraisalment West, Karachi	0.054
100.	364-CD/K	MCC, Appraisalment West, Karachi	0.649
101.	7-CD/K	MCC Appraisalment, East, Karachi	5.712
102.	365-CD/K	MCC, Appraisalment West, Karachi	0.345
103.	367-CD/K	MCC, Appraisalment West, Karachi	0.180
104.	369-CD/K	MCC, Appraisalment West, Karachi	0.096
105.	370-CD/K	MCC, Appraisalment West, Karachi	0.065
106.	374-CD/K	MCC, Appraisalment West, Karachi	0.390
107.	375-CD/K	MCC, Appraisalment West, Karachi	0.281
108.	376-CD/K	MCC, Appraisalment West, Karachi	0.267
109.	377-CD/K	MCC, Appraisalment West, Karachi	0.209

110.	378-CD/K	MCC, Appraisalment West, Karachi	0.152
111.	379-CD/K	MCC, Appraisalment West, Karachi	0.075
112.	380-CD/K	MCC, Appraisalment West, Karachi	15.566
113.	381-CD/K	MCC, Appraisalment West, Karachi	11.286
114.	382-CD/K	MCC, Appraisalment West, Karachi	1.196
115.	408-CD/K	MCC Import (PMBQ), Karachi	0.035
116.	409-CD/K	MCC Import (PMBQ), Karachi	0.062
117.	414-CD/K	MCC Import (PMBQ), Karachi	0.024
118.	432-CD/K	MCC, Appraisalment West, Karachi	0.008
119.	439-CD/K	MCC, Appraisalment West, Karachi	5.437
120.	456-CD/K	MCC, Appraisalment West, Karachi	0.360
121.	472-CD/K	MCC, Appraisalment West, Karachi	1.779
122.	473-CD/K	MCC, Appraisalment West, Karachi	0.257
123.	474-CD/K	MCC, Appraisalment West, Karachi	0.205
124.	480-CD/K	MCC Quetta	13.170
125.	481-CD/K	MCC Quetta	7.832
126.	482-CD/K	MCC Quetta	0.203
127.	483-CD/K	MCC Quetta	0.118
128.	488-CD/K	MCC Quetta	88.78
129.	489-CD/K	MCC Appraisalment, East, Karachi	5.961
130.	519-CD/K	MCC Import (PMBQ), Karachi	0.639
131.	521-CD/K	MCC Import (PMBQ), Karachi	0.271
132.	522-CD/K	MCC Import (PMBQ), Karachi	0.219
133.	524-CD/K	MCC Import (PMBQ), Karachi	0.064
134.	567-CD/K	MCC, Appraisalment West, Karachi	2.092
135.	568-CD/K	MCC, Appraisalment West, Karachi	2.082

136.	569-CD/K	MCC, Appraisalment West, Karachi	1.957
137.	570-CD/K	MCC, Appraisalment West, Karachi	1.548
138.	571-CD/K	MCC, Appraisalment West, Karachi	1.299
139.	574-CD/K	MCC, Appraisalment West, Karachi	0.996
140.	575-CD/K	MCC, Appraisalment West, Karachi	0.891
141.	577-CD/K	MCC, Appraisalment West, Karachi	0.579
142.	580-CD/K	MCC, Appraisalment West, Karachi	0.442
143.	581-CD/K	MCC, Appraisalment West, Karachi	0.360
144.	582-CD/K	MCC, Appraisalment West, Karachi	0.242
145.	583-CD/K	MCC, Appraisalment West, Karachi	0.229
146.	584-CD/K	MCC, Appraisalment West, Karachi	0.226
147.	585-CD/K	MCC, Appraisalment West, Karachi	0.175
148.	586-CD/K	MCC, Appraisalment West, Karachi	0.110
149.	587-CD/K	MCC, Appraisalment West, Karachi	0.109
150.	589-CD/K	MCC, Appraisalment West, Karachi	0.037
151.	664-CD/K	MCC Appraisalment, East, Karachi	0.496
152.	665-CD/K	MCC Appraisalment, East, Karachi	0.252
153.	671-CD/K	MCC Appraisalment, East, Karachi	0.423
154.	672-CD/K	MCC Appraisalment, East, Karachi	0.096
155.	675-CD/K	MCC Appraisalment, East, Karachi	10.153
156.	677-CD/K	MCC Appraisalment, East, Karachi	0.702
157.	679-CD/K	MCC Appraisalment, East, Karachi	19.722
158.	690-CD/K	MCC Appraisalment, East, Karachi	0.084
159.	700-CD/K	MCC Appraisalment, East, Karachi	0.090
160.	706-CD/K	MCC Appraisalment, East, Karachi	0.692
161.	812-CD/K	MCC Appraisalment, East, Karachi	4.678

162.	973-CD/K	MCC, Preventive, Karachi	0.275
163.	988-CD/K	MCC, Preventive, Karachi	17.105
164.	989-CD/K	MCC, Preventive, Karachi	9.182
165.	318-CD/K	MCC Gawadar	0.162
166.	319-CD/K	MCC Gawadar	0.077
Total			620.051

Annexure-17

Para 2.4.18

Non-realization of duty and taxes plus warehousing surcharge on overstayed goods - Rs. 576.440 million

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	3997-Cus	MCC Appraisement, Lahore	0.268
2.	4000-Cus	MCC, Appraisement, Lahore	-
3.	4016-Cus	MCC Appraisement, Lahore	1.012
4.	3916-Cus	MCC Multan	0.628
5.	3964-Cus	MCC Gilgit Baltistan	1.555
6.	3516-Cus	MCC Appraisement, Lahore	0.160
7.	556-CD/K	MCC, Appraisement West, Karachi	156.067
8.	557-CD/K	MCC, Appraisement West, Karachi	109.915
9.	559-CD/K	MCC, Appraisement West, Karachi	42.838
10.	560-CD/K	MCC, Appraisement West, Karachi	24.793
11.	561-CD/K	MCC, Appraisement West, Karachi	20.182
12.	562-CD/K	MCC, Appraisement West, Karachi	17.819
13.	563-CD/K	MCC, Appraisement West, Karachi	16.831
14.	565-CD/K	MCC, Appraisement West, Karachi	6.040
15.	566-CD/K	MCC, Appraisement West, Karachi	5.623
16.	899-CD/K	MCC PMBQ Imports, Karachi	13.045
17.	944-CD/K	MCC, Preventive, Karachi	0.134
18.	945-CD/K	MCC, Preventive, Karachi	0.103

19.	397-CD/K	MCC Gawadar	0.166
20.	595-CD/K	MCC, PMBQ, Imports, Karachi	38.997
21.	623-CD/K	MCC, PMBQ, Imports, Karachi	15.741
22.	639-CD/K	MCC, PMBQ, Imports, Karachi	49.066
23.	773-CD/K	MCC, PMBQ, Imports, Karachi	16.279
24.	795-CD/K	MCC, PMBQ, Imports, Karachi	9.617
25.	843-CD/K	MCC, PMBQ, Imports, Karachi	20.185
26.	859-CD/K	MCC, PMBQ, Imports, Karachi	7.906
27.	192-CD/K	MCC Gawadar	1.363
28.	203-CD/K	MCC Gawadar	0.107
Total			576.440

Annexure-18

Para 2.4.20

**Blockage of revenue due to non-disposal of wastage and
factory rejects- Rs. 467.369 million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	58-CD/K	MCC Exports CH, Karachi	0.431
2.	194-CD/K	MCC Gawadar	1.026
3.	227-CD/K	MCC Exports (PMBQ), Karachi	8.945
4.	228-CD/K	MCC Exports (PMBQ), Karachi	0.406
5.	229-CD/K	MCC Exports (PMBQ), Karachi	29.107
6.	235-CD/K	MCC Exports (PMBQ), Karachi	-
7.	237-CD/K	MCC Exports (PMBQ), Karachi	-
8.	239-CD/K	MCC Exports (PMBQ), Karachi	-
9.	257-CD/K	MCC Exports (PMBQ), Karachi	0.695
10.	66-CD/K	MCC, Exports, Karachi	-
11.	181-CD/K	MCC, Gwadar	209.648
12.	248-CD/K	MCC, Exports, PMBQ, Karachi	127.014
13.	3658	MCC Islamabad	0.107
14.	3865	MCC Faisalabad	0.528
15.	3887	MCC Faisalabad	0.351
16.	3940	MCC Multan	73.459
17.	4003	MCC Appraisalment, Lahore	11.286
18.	4008	MCC Appraisalment, Lahore	0.606
19.	4009	MCC Appraisalment, Lahore	0.319
20.	4180	MCC Sialkot	3.441
Total			467.369

Annexure-19

Para 2.4.21

Non-recovery of adjudged government dues – Rs. 1,206.005 million

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	3931-Cus	MCC Multan	2.034
2.	3939-Cus	MCC Multan	0.264
3.	4164-Cus	MCC Sialkot	119.417
4.	4165-Cus	MCC Sialkot	1.653
5.	153-CD/K	MCC Quetta	1.090
6.	220-CD/K	MCC Exports (PMBQ), Karachi	0.104
7.	221-CD/K	MCC Exports (PMBQ), Karachi	0.797
8.	222-CD/K	MCC Exports (PMBQ), Karachi	1.605
9.	495-CD/K	MCC Appraisalment, East, Karachi	6.618
10.	733-CD/K	MCC Quetta	36.712
11.	735-CD/K	MCC Quetta	39.619
12.	3830-Cus	MCC Preventive Lahore	225.668
13.	3831-Cus	MCC Preventive Lahore	0.315
14.	34-CD/K	MCC Preventive, Karachi	10.977
15.	37-CD/K	MCC Preventive, Karachi	0.750
16.	44-CD/K	MCC Preventive, Karachi	7.100
17.	205-CD/K	MCC Exports (PMBQ), Karachi	2.053
18.	208-CD/K	MCC Exports (PMBQ), Karachi	1.657
19.	269-CD/K	MCC, Appraisalment West, Karachi	3.535

20.	283-CD/K	MCC, Appraisalment West, Karachi	10.712
21.	286-CD/K	MCC, Appraisalment West, Karachi	3.869
22.	288-CD/K	MCC, Appraisalment West, Karachi	1.125
23.	373-CD/K	MCC, Appraisalment West, Karachi	0.500
24.	383-CD/K	MCC, Appraisalment West, Karachi	0.640
25.	492-CD/K	MCC Appraisalment, East, Karachi	117.203
26.	808-CD/K	MCC Appraisalment, East, Karachi	3.452
27.	877-CD/K	MCC Appraisalment, East, Karachi	72.213
28.	905-CD/K	MCC PMBQ Imports, Karachi	477.872
29.	924-CD/K	Directorate of I&I, Karachi	4.794
30.	925-CD/K	Directorate of I&I, Karachi	3.509
31.	926-CD/K	Directorate of I&I, Karachi	8.689
32.	927-CD/K	Directorate of I&I, Karachi	0.951
33.	928-CD/K	Directorate of I&I, Karachi	25.063
34.	930-CD/K	Directorate of I&I, Karachi	13.000
35.	940-CD/K	DG Transit Trade, Karachi	0.445
Total			1206.005

Annexure-20

Para 2.4.22

Non-realization of value addition tax - Rs 382.775 million

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	99-CD/K	MCC Quetta	0.652
2.	158-CD/K	MCC Quetta	0.179
3.	165-CD/K	MCC Quetta	0.051
4.	176-CD/K	MCC Quetta	0.440
5.	263-CD/K	MCC Gawadar	0.043
6.	289-CD/K	MCC, Appraisement West, Karachi	0.825
7.	290-CD/K	MCC, Appraisement West, Karachi	0.743
8.	337-CD/K	MCC, Appraisement West, Karachi	1.537
9.	338-CD/K	MCC, Appraisement West, Karachi	0.871
10.	350-CD/K	MCC, Appraisement West, Karachi	0.359
11.	384-CD/K	MCC, Appraisement West, Karachi	0.074
12.	615-CD/K	MCC Quetta	55.788
13.	622-CD/K	MCC, PMBQ, Imports, Karachi	29.669
14.	628-CD/K	MCC, PMBQ, Imports, Karachi	0.409
15.	646-CD/K	MCC, PMBQ, Imports, Karachi	13.830
16.	648-CD/K	MCC, PMBQ, Imports, Karachi	2.516
17.	774-CD/K	MCC, PMBQ, Imports, Karachi	12.703
18.	779-CD/K	MCC, PMBQ, Imports, Karachi	0.230
19.	792-CD/K	MCC, PMBQ, Imports, Karachi	146.181
20.	799-CD/K	MCC, PMBQ, Imports, Karachi	0.255
21.	845-CD/K	MCC PMBQ Imports, Karachi	0.118
22.	861-CD/K	MCC PMBQ Imports, Karachi	1.164
23.	862-CD/K	MCC PMBQ Imports, Karachi	0.986
24.	3472-Cus	MCC Appraisement Lahore	0.620

25.	3478-Cus	MCC Appraisalment Lahore	0.234
26.	3510-Cus	MCC Appraisalment Lahore	0.083
27.	3613-Cus	MCC Islamabad	14.851
28.	3619-Cus	MCC Islamabad	0.361
29.	3630-Cus	MCC Islamabad	69.006
30.	3680-Cus	MCC Peshawar	3.523
31.	3745-Cus	MCC Peshawar	0.131
32.	3748-Cus	MCC Peshawar	11.069
33.	3767-Cus	MCC Preventive, Lahore	7.238
34.	3777-Cus	MCC Preventive, Lahore	3.676
35.	3780-Cus	MCC Preventive, Lahore	0.093
36.	3791-Cus	MCC Preventive, Lahore	0.026
37.	3879-Cus	MCC Faisalabad	0.036
38.	3920-Cus	MCC Multan	1.363
39.	3933-Cus	MCC Multan	0.104
40.	3963-Cus	MCC Gilgit Baltistan	0.113
41.	3998-Cus	MCC Appraisalment Lahore	0.080
42.	4018-Cus	MCC Appraisalment Lahore	0.545
Total			382.775

Annexure-21

Para 2.4.23

**Short-realization of Sales Tax due to grant of inadmissible exemption under
SRO 1125(I)/2011 – Rs. 343.133 million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	3462-Cus	MCC Appraisalment Lahore	11.094
2.	3476-Cus	MCC Appraisalment Lahore	3.888
3.	3609-Cus	MCC Islamabad	19.570
4.	3637-Cus	MCC Islamabad	2.742
5.	3652-Cus	MCC Islamabad	0
6.	3690-Cus	MCC Peshawar	0.387
7.	3755-Cus	MCC Peshawar	0.086
8.	3781-Cus	MCC Preventive, Lahore	0.238
9.	3804-Cus	MCC Preventive, Lahore	0.793
10.	3805-Cus	MCC Preventive, Lahore	0.720
11.	3812-Cus	MCC Preventive, Lahore	0.119
12.	3878-Cus	MCC Faisalabad	0.048
13.	3880-Cus	MCC Faisalabad	0.014
14.	100-CD/K	MCC Quetta	8.785
15.	108-CD/K	MCC Quetta	5.815
16.	496-CD/K	MCC Appraisalment, East, Karachi	1.266
17.	498-CD/K	MCC Appraisalment, East, Karachi	1.928
18.	514-CD/K	MCC Import (PMBQ), Karachi	8.196
19.	515-CD/K	MCC Import (PMBQ), Karachi	3.485
20.	516-CD/K	MCC Import (PMBQ), Karachi	1.190
21.	517-CD/K	MCC Import (PMBQ), Karachi	1.063
22.	518-CD/K	MCC Import (PMBQ), Karachi	0.953
23.	520-CD/K	MCC Import (PMBQ), Karachi	0.586
24.	523-CD/K	MCC Import (PMBQ), Karachi	0.181
25.	525-CD/K	MCC Import (PMBQ), Karachi	0.041
26.	688-CD/K	MCC Appraisalment, East, Karachi	0.257
27.	691-CD/K	MCC Appraisalment, East, Karachi	269.688
Total			343.133

Annexure-22

Para 2.4.24

**Non-realization of duty & taxes on disposal of machinery/spares
Rs 332.566 million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	226-CD/K	MCC Exports (PMBQ), Karachi	209.061
2.	238-CD/K	MCC Exports (PMBQ), Karachi	90.836
3.	255-CD/K	MCC Exports (PMBQ), Karachi	29.247
4.	501-CD/K	MCC Exports CH, Karachi	3.422
Total			332.566

Annexure-23

Para 2.4.26

**Non-realization of additional customs duty on imported goods
– Rs. 196.458 million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	597-CD/K	MCC, PMBQ , Imports, Karachi	33.622
2.	598-CD/K	MCC, PMBQ , Imports, Karachi	18.604
3.	625-CD/K	MCC, PMBQ, Imports, Karachi	12.324
4.	642-CD/K	MCC, PMBQ, Imports, Karachi	31.900
5.	703-CD/K	MCC Appraisalment, East, Karachi	4.278
6.	708-CD/K	MCC Appraisalment, East, Karachi	2.700
7.	775-CD/K	MCC, PMBQ, Imports, Karachi	9.822
8.	794-CD/K	MCC, PMBQ, Imports, Karachi	14.848
9.	807-CD/K	MCC Appraisalment, East, Karachi	0.539
10.	842-CD/K	MCC PMBQ Imports, Karachi	23.214
11.	858-CD/K	MCC PMBQ Imports, Karachi	9.104
12.	993-CD/K	MCC, Preventive, Karachi	6.691
13.	3464-Cus	MCC Appraisalment, Lahore	-
14.	3473-Cus	MCC Appraisalment, Lahore	20.128
15.	3512-Cus	MCC Appraisalment, Lahore	1.744
16.	3597-Cus	DD, SWH I&I Islamabad	0.072
17.	3681-Cus	MCC Peshawar	0.903
18.	3737-Cus	MCC Peshawar	0.035
19.	3915-Cus	MCC Multan	4.458
20.	3947-Cus	MCC Multan	0.069
21.	3994-Cus	MCC Appraisalment, Lahore	0.037
22.	3999-Cus	MCC Appraisalment, Lahore	0.111
23.	4037-Cus	MCC Appraisalment, Lahore	0.738
24.	4068-Cus	MCC Peshawar	0.308
25.	4069-Cus	MCC Peshawar	0.209
Total			196.458

Annexure-24

Para 2.4.27

Excess payment of rebate - Rs. 184.027 million

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	3697-Cus	MCC Peshawar	110.343
2.	3825-Cus	MCC Preventive, Lahore	0.081
3.	3826-Cus	MCC Preventive, Lahore	0.038
4.	3835-Cus	MCC Preventive, Lahore	0.868
5.	4006-Cus	MCC Appraisalment, Lahore	1.614
6.	4202-Cus	MCC Sialkot	1.286
7.	736-CD/K	MCC, Quetta	62.375
8.	738-CD/K	MCC, Quetta	2.707
9.	742-CD/K	MCC, Quetta	0.615
10.	743-CD/K	MCC, Quetta	0.525
11.	744-CD/K	MCC, Quetta	0.510
12.	745-CD/K	MCC, Quetta	0.424
13.	746-CD/K	MCC, Quetta	0.410
14.	747-CD/K	MCC, Quetta	0.388
15.	748-CD/K	MCC, Quetta	0.386
16.	749-CD/K	MCC, Quetta	0.346
17.	750-CD/K	MCC, Quetta	0.290
18.	751-CD/K	MCC, Quetta	0.270
19.	752-CD/K	MCC, Quetta	0.226
20.	753-CD/K	MCC, Quetta	0.100
21.	754-CD/K	MCC, Quetta	0.094
22.	755-CD/K	MCC, Quetta	0.069
23.	756-CD/K	MCC, Quetta	0.047
24.	759-CD/K	MCC, Quetta	0.015
Total			184.027

Annexure-25

Para 2.4.28

Inadmissible benefit of Free Trade Agreements – Rs 157.851 million

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	3471-Cus	MCC Appraisalment Lahore	0.731
2.	3474-Cus	MCC Appraisalment Lahore	0.543
3.	3504-Cus	MCC Appraisalment Lahore	0.323
4.	3605-Cus	MCC Islamabad	100.846
5.	3644-Cus	MCC Islamabad	0.867
6.	3647-Cus	MCC Islamabad	0.403
7.	3650-Cus	MCC Islamabad	0.266
8.	3655-Cus	MCC Islamabad	-
9.	3672-Cus	MCC Peshawar	0.167
10.	3771-Cus	MCC Preventive, Lahore	1.323
11.	3787-Cus	MCC Preventive, Lahore	0.040
12.	216-CD/K	MCC Exports (PMBQ), Karachi	19.443
13.	284-CD/K	MCC, Appraisalment West, Karachi	8.355
14.	285-CD/K	MCC, Appraisalment West, Karachi	4.757
15.	312-CD/K	MCC, Appraisalment West, Karachi	0.067
16.	418-CD/K	MCC Preventive, Karachi	0.095
17.	421-CD/K	MCC Preventive, Karachi	0.072
18.	673-CD/K	MCC, East, Karachi	4.129
19.	674-CD/K	MCC, East, Karachi	1.008

20.	268-CD/K	MCC, Appraisement West, Karachi	3.987
21.	270-CD/K	MCC, Appraisement West, Karachi	1.582
22.	271-CD/K	MCC, Appraisement West, Karachi	1.514
23.	272-CD/K	MCC, Appraisement West, Karachi	1.403
24.	433-CD/K	MCC, Appraisement West, Karachi	5.930
Total			157.851

Annexure-26

Para 2.4.32

**Non-realization of revenue due to inadmissible
benefit of SRO 492 - Rs 110.401 million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	3668-Cus	MCC Islamabad	2.837
2.	3806-Cus	MCC Preventive, Lahore	0.393
3.	3815-Cus	MCC Preventive, Lahore	93.586
4.	3890-Cus	MCC Faisalabad	5.261
5.	4186-Cus	MCC Sialkot	0.113
6.	4188-Cus	MCC Sialkot	0.749
7.	4189-Cus	MCC Sialkot	4.688
8.	4191-Cus	MCC Sialkot	0.565
9.	4192-Cus	MCC Sialkot	0.286
10.	36-CD/K	MCC Preventive, Karachi	0.550
11.	499-CD/K	MCC Appraisalment (East), Karachi	1.373
Total			110.401

Annexure-27

Para 2.4.33

Non/short-realization of Federal Excise Duty – Rs. 112.301 million

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	117-CD/K	MCC Quetta	103.718
2.	164-CD/K	MCC Quetta	0.075
3.	401-CD/K	MCC Gawadar	0.506
4.	3475-Cus	MCC Appraisement Lahore	0.273
5.	3634-Cus	MCC Islamabad	4.889
6.	3642-Cus	MCC Islamabad	1.000
7.	3671-Cus	MCC Peshawar	0.510
8.	3751-Cus	MCC Peshawar	0.313
9.	3773-Cus	MCC Preventive, Lahore	0.474
10.	3783-Cus	MCC Preventive, Lahore	0.080
11.	3785-Cus	MCC Preventive, Lahore	0.074
12.	3985-Cus	MCC Appraisement Lahore	0.260
13.	4080-Cus	MCC Peshawar	0.129
Total			112.301

Annexure-28

Para 2.4.34

**Non/Short-realization of revenue due to application of
incorrect rate of Customs Duty - Rs. 45.472 million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	113-CD/K	MCC Quetta	0.247
2.	122-CD/K	MCC Quetta	0.731
3.	160-CD/K	MCC Quetta	0.157
4.	161-CD/K	MCC Quetta	0.044
5.	195-CD/K	MCC Gawadar	0.512
6.	197-CD/K	MCC Gawadar	0.328
7.	199-CD/K	MCC Gawadar	0.163
8.	201-CD/K	MCC Gawadar	0.136
9.	327-CD/K	MCC Gawadar	0.140
10.	4-CD/K	MCC Appraisalment, East, Karachi	1.021
11.	30-CD/K	MCC Preventive, Karachi	0.335
12.	39-CD/K	MCC Preventive, Karachi	0.112
13.	73-CD/K	Directorate of I&I, Quetta	0.039
14.	138-CD/K	MCC Quetta	6.770
15.	167-CD/K	MCC Quetta	0.076
16.	187-CD/K	MCC Gawadar	3.758
17.	198-CD/K	MCC Gawadar	0.246
18.	346-CD/K	MCC, Appraisalment West, Karachi	3.426
19.	388-CD/K	MCC Gawadar	5.797
20.	407-CD/K	MCC Import (PMBQ), Karachi	0.016
21.	415-CD/K	MCC Import (PMBQ), Karachi	0.010
22.	416-CD/K	MCC Import (PMBQ), Karachi	0.192
23.	417-CD/K	MCC Import (PMBQ), Karachi	0.058
24.	429-CD/K	MCC, Appraisalment West, Karachi	0.127
25.	430-CD/K	MCC, Appraisalment West, Karachi	0.029
26.	431-CD/K	MCC, Appraisalment West, Karachi	0.462
27.	445-CD/K	MCC, Appraisalment West, Karachi	0.060
28.	448-CD/K	MCC, Appraisalment West, Karachi	1.474

29.	449-CD/K	MCC, Appraisement West, Karachi	0.009
30.	776-CD/K	MCC Import (PMBQ), Karachi	4.733
31.	394-CD/K	MCC Gawadar	7.581
32.	3479-Cus	MCC Appraisement Lahore	0.258
33.	3481-Cus	MCC Appraisement Lahore	2.935
34.	3623-Cus	MCC Islamabad	-
35.	3739-Cus	MCC Peshawar	1.772
36.	3867-Cus	MCC Faisalabad	1.410
37.	3912-Cus	MCC Multan	0.105
38.	4029-Cus	MCC Appraisement Lahore	0.041
39.	3732-Cus	MCC Peshawar	0.104
40.	4152-Cus	DD I & I, Gujranwala	0.058
Total			45.472

Annexure-29

Para 2.4.36

**Non-realization of revenue on un-utilized input goods
-Rs. 93.243 million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	55-CD/K	MCC Exports CH, Karachi	2.783
2.	56-CD/K	MCC Exports CH, Karachi	1.845
3.	57-CD/K	MCC Exports CH, Karachi	1.387
4.	193-CD/K	MCC Gawadar	1.179
5.	233-CD/K	MCC Exports (PMBQ), Karachi	19.453
6.	343-CD/K	MCC, Appraisalment West, Karachi	0.235
7.	503-CD/K	MCC Exports CH, Karachi	1.509
8.	3859-Cus	MCC Faisalabad	2.418
9.	3885-Cus	MCC Faisalabad	18.350
10.	3932-Cus	MCC Multan	6.147
11.	3941-Cus	MCC Multan	2.008
12.	3981-Cus	MCC Appraisalment, Lahore	0.074
13.	4002-Cus	MCC Appraisalment, Lahore	20.724
14.	4155-Cus	MCC Sialkot	1.011
15.	54-CD/K	MCC Exports CH, Karachi	13.825
16.	62-CD/K	MCC Exports CH, Karachi	0.111
17.	506-CD/K	MCC Exports CH, Karachi	0.1839
Total			93.243

Annexure-30

Para 2.4.37

**Non/short-realization of revenue on goods not covered in the licenses issued
under SRO 450(I)/2001 – Rs. 78.851 million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	3659-Cus	MCC Islamabad	0
2.	3860-Cus	MCC Faisalabad	3.553
3.	3863-Cus	MCC Faisalabad	1.243
4.	3864-Cus	MCC Faisalabad	0.089
5.	4004-Cus	MCC Appraisement,Lahore	39.833
6.	4005-Cus	MCC Appraisement,Lahore	7.423
7.	4007-Cus	MCC Appraisement,Lahore	1.468
8.	4178-Cus	MCC Sialkot	2.124
9.	4181-Cus	MCC Sialkot	21.059
10.	502-CD/K	MCC Exports Karachi	1.230
11.	504-CD/K	MCC Exports Karachi	0.829
Total			78.851

Annexure-31

Para 2.4.39

Non/short-realization of anti-dumping duty – Rs. 10.908 million**(Rs in million)**

S.No.	DP No.	Name of Office	Amount
1.	12-CD/K	MCC Appraisalment, East, Karachi	2.471
2.	13-CD/K	MCC Appraisalment, East, Karachi	0.406
3.	436-CD/K	MCC, Appraisalment West, Karachi	0.312
4.	437-CD/K	MCC, Appraisalment West, Karachi	0.112
5.	4035-Cus	MCC Appraisalment, Lahore	7.607
Total			10.908

Annexure-32

Para 2.4.40

**Short-realization of revenue due to inadmissible exemption under Eighth
Schedule of Sales Tax Act, 1990 – Rs. 50.786 million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	3486-Cus	MCC Peshawar	38.913
2.	3487-Cus	MCC Peshawar	3.151
3.	3488-Cus	MCC Peshawar	3.801
4.	3646-Cus	MCC Islamabad	0.633
5.	3779-Cus	MCC Preventive, Lahore	0.117
6.	3813-Cus	MCC Preventive, Lahore	0.097
7.	3921-Cus	MCC Multan	0.221
8.	3922-Cus	MCC Multan	0.392
9.	3936-Cus	MCC Multan	0.561
10.	3948-Cus	MCC Multan	0.068
11.	3970-Cus	MCC Gilgit Baltistan	2.832
Total			50.786

Annexure-33

Para 2.4.42

**Short-realization of revenue due to non-inclusion of insurance
in the assessed value – Rs. 39.082 million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	186-CD/K	MCC Gawadar	5.895
2.	189-CD/K	MCC Gawadar	2.482
3.	196-CD/K	MCC Gawadar	0.485
4.	200-CD/K	MCC Gawadar	0.155
5.	326-CD/K	MCC Gawadar	0.006
6.	396-CD/K	MCC Gawadar	0.427
7.	3625-Cus	MCC Islamabad	-
8.	3633-Cus	MCC Islamabad	-
9.	3695-Cus	MCC Peshawar	1.008
10.	3746-Cus	MCC Peshawar	0.496
11.	3754-Cus	MCC Peshawar	17.479
12.	3769-Cus	MCC Preventive, Lahore	5.696
13.	3924-Cus	MCC Multan	2.126
14.	3925-Cus	MCC Multan	1.657
15.	3927-Cus	MCC Multan	1.143
16.	3942-Cus	MCC Multan	0.017
17.	3949-Cus	MCC Multan	0.016
Total			39.082

Annexure-34

Para 2.4.47

Blockage of revenue due to non-finalization of investigation and adjudication proceedings – Rs. 254.35 million

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	3657-Cus	MCC Islamabad	20.41
2.	497-CD/K	MCC Appraisalment (East), Karachi	31.26
3.	550-CD/K	MCC Appraisalment (West), Karachi	0
4.	717-CD/K	Collectorate of Adjudication, Quetta	64.397
5.	720-CD/K	Collectorate of Adjudication, Quetta	12.454
6.	721-CD/K	Collectorate of Adjudication, Quetta	9.056
7.	722-CD/K	Collectorate of Adjudication, Quetta	7.240
8.	723-CD/K	Collectorate of Adjudication, Quetta	5.621
9.	725-CD/K	Collectorate of Adjudication, Quetta	4.942
10.	726-CD/K	Collectorate of Adjudication, Quetta	4.549
11.	727-CD/K	Collectorate of Adjudication, Quetta	4.524
12.	718-CD/K	Collectorate of Adjudication, Quetta	2.535
13.	719-CD/K	Collectorate of Adjudication, Quetta	14.362
14.	724-CD/K	Collectorate of Adjudication, Quetta	5.132
15.	728-CD/K	Collectorate of Adjudication, Quetta	4.082
16.	729-CD/K	Collectorate of Adjudication, Quetta	3.971
17.	730-CD/K	Collectorate of Adjudication, Quetta	2.573
18.	731-CD/K	Collectorate of Adjudication, Quetta	55.429
19.	732-CD/K	Collectorate of Adjudication, Quetta	1.813
Total			254.35

Annexure-35

Para 2.4.49

Loss of revenue due to under invoicing and mis-declaration

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	490-CD/K	MCC Appraisalment, East, Karachi	-
2.	3463-Cus	MCC Appraisalment, Lahore	6.390
3.	3507-Cus	MCC Appraisalment, Lahore	-
4.	3968-Cus	MCC Gilgit Baltistan	10.170
5.	3989-Cus	MCC Appraisalment, Lahore	-
6.	4017-Cus	MCC Appraisalment, Lahore	0.350
7.	4025-Cus	MCC Appraisalment, Lahore	-
8.	4039-Cus	MCC Appraisalment, Lahore	-
Total			16.910

Annexure-36

Para 2.4.51

**Non-deduction of Export Development Surcharge and
WHT on exports- Rs. 2.551 million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	247-CD/K	MCC Exports (PMBQ), Karachi	0.451
2.	250-CD/K	MCC Exports (PMBQ), Karachi	0.462
3.	251-CD/K	MCC Exports (PMBQ), Karachi	0.426
4.	254-CD/K	MCC Exports (PMBQ), Karachi	0.607
5.	256-CD/K	MCC Exports (PMBQ), Karachi	0.262
6.	760-CD/K	MCC, Quetta	0.013
7.	4199-Cus	MCC Sialkot	0.330
Total			2.551

Annexure-37

Para 2.4.52

Non-forfeiture of earnest money – Rs 4.465 million

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	71-CD/K	Directorate of I&I, Quetta	0.108
2.	539-CD/K	MCC, Appraisalment West, Karachi	1.000
3.	543-CD/K	MCC, Appraisalment West, Karachi	0.401
4.	546-CD/K	MCC, Appraisalment West, Karachi	0.040
5.	822-CD/K	MCC, Appraisalment, East, Karachi	1.555
6.	873-CD/K	MCC, Appraisalment, East, Karachi	0.729
7.	881-CD/K	MCC, Preventive, Karachi	0.232
8.	957-CD/K	MCC, Appraisalment West, Karachi	0.400
Total			4.465

Annexure-38

Para 2.4.56

**Irregular release of perishable and non-perishable goods
after period of 21 to 432 days of import**

S.No.	DP No	Name of Office	No of Cases
1.	606-CD/K	MCC, PMBQ , Imports, Karachi	398
2.	607-CD/K	MCC, PMBQ , Imports, Karachi	795
3.	632-CD/K	MCC, PMBQ, Imports, Karachi	517
4.	652-CD/K	MCC, PMBQ, Imports, Karachi	1296
5.	781-CD/K	MCC, PMBQ, Imports, Karachi	957
6.	802-CD/K	MCC, PMBQ, Imports, Karachi	920
7.	849-CD/K	MCC PMBQ Imports, Karachi	1079
8.	867-CD/K	MCC PMBQ Imports, Karachi	679
Total			6,641

Annexure-39

Para 2.4.57

**Irregular expenditure on POL and repair of vehicles
- Rs 149.83 million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	3572-Exp	MCC Islamabad	14.723
2.	3574-Exp	DG, I&I Islamabad	9.612
3.	3581-Exp	DG, IPR Islamabad	0.360
4.	3584-Exp	Collector Appeals Islamabad	0.520
5.	3590-Exp	DG, Internal Audit Islamabad	0.423
6.	3593-Exp	DG, Internal Audit Islamabad	1.502
7.	3709-Exp	Director (I&I) Peshawar	1.176
8.	3726-Exp	MCC Peshawar	1.534
9.	4089-Exp	Collectorate of Adjudication, Lahore	0.244
10.	4094-Exp	Directorate of (I&I), Lahore	7.270
11.	4099-Exp	Directorate of Internal Audit, Lahore	2.590
12.	4104-Exp	Directorate of Training, Lahore	1.000
13.	4119-Exp	MCC Preventive, Lahore	4.249
14.	4144-Exp	Directorate of PCA, Lahore	2.194
15.	6-Exp/K	MCC Quetta	27.93
16.	10-Exp/K	MCC Quetta	0.31
17.	11-Exp/K	MCC Quetta	0.31
18.	21-Exp/K	Director I &I, Quetta	4.26
19.	28-Exp/K	Director I &I, Quetta	0.10
20.	29-Exp/K	Director I &I, Quetta	0.04
21.	48-Exp/K	MCC Gwadar	8.15
22.	50-Exp/K	MCC Gwadar	2.13
23.	68-Exp/K	Collector Adjudication, Quetta	0.56
24.	75-Exp/K	Collector Adjudication, Quetta	0.15
25.	78-Exp/K	Collector Adjudication, Quetta	0.07
26.	79-Exp/K	Collector Adjudication, Quetta	0.06

27.	80-Exp/K	Collector Adjudication, Quetta	0.05
28.	81-Exp/K	Collector Adjudication, Quetta	0.03
29.	85-Exp/K	Collector Adjudication, Quetta	0.01
30.	88-Exp/K	Collector Adjudication, Quetta	0.00
31.	93-Exp/K	Directorate of Transit Trade, Quetta	0.62
32.	98-Exp/K	Directorate of Transit Trade, Quetta	0.13
33.	107-Exp/K	Directorate of Transit Trade, Quetta	0.00
34.	109-Exp/K	Directorate of Transit Trade, Quetta	0.00
35.	116-Exp/K	MCC, Exports, Custom House, Karachi	2.89
36.	122-Exp/K	MCC, Exports, Custom House, Karachi	0.00
37.	130-Exp/K	MCC, Appraisement West, Karachi	0.00
38.	141-Exp/K	DG Customs Valuation, Karachi	2.37
39.	144-Exp/K	DG Customs valuation, Karachi	2.37
40.	167-Exp/K	Collector Adjudication-I, Karachi	1.12
41.	169-Exp/K	Collector Adjudication-II, Karachi	0.86
42.	171-Exp/K	Collector Adjudication-II, Karachi	0.86
43.	176-Exp/K	Directorate Training & Research, Karachi	0.00
44.	177-Exp/K	Chief Collector Appraisement, Karachi	0.39
45.	183-Exp/K	Chief Collector Enforcement, Karachi	0.50
46.	186-Exp/K	Chief Collector Enforcement, Karachi	0.13
47.	190-Exp/K	Chief Collector Enforcement, Karachi	0.78
48.	192-Exp/K	Chief Collector Enforcement, Karachi	0.78
49.	199-Exp/K	Director Reforms & Automation, Karachi	0.00
50.	200-Exp/K	Director Reforms & Automation, Karachi	1.80
51.	211-Exp/K	MCC Appraisement (East), Karachi	5.24
52.	221-Exp/K	MCC Appraisement (East), Karachi	0.07
53.	222-Exp/K	MCC Appraisement (East), Karachi	0.19
54.	224-Exp/K	MCC Appraisement (East), Karachi	0.08
55.	320-Exp/K	MCC Preventive, Karachi	0.69
56.	239-Exp/K	Director Internal Audit, Karachi	0.16
57.	242-Exp/K	Director Internal Audit, Karachi	1.64
58.	250-Exp/K	Director General IPR, Karachi	0.80
59.	264-Exp/K	MCC Export, PMBQ, Karachi	2.05

60.	268-Exp/K	MCC Export (PMBQ), Karachi	0.12
61.	269-Exp/K	MCC Export (PMBQ), Karachi	0.08
62.	271-Exp/K	MCC Export (PMBQ), Karachi	0.05
63.	274-Exp/K	MCC Export (PMBQ), Karachi	0.00
64.	279-Exp/K	Director, I&I, Karachi	2.34
65.	284-Exp/K	Director, I&I, Karachi	0.00
66.	288-Exp/K	Director, I&I, Karachi	0.24
67.	293-Exp/K	Director, I&I, Karachi	0.00
68.	296-Exp/K	Director, I&I, Karachi	0.25
69.	297-Exp/K	Director, I&I, Karachi	0.00
70.	303-Exp/K	Director General Transit Trade, Karachi	1.80
71.	305-Exp/K	Director General Transit Trade, Karachi	0.50
72.	308-Exp/K	Director General Transit Trade, Karachi	0.00
73.	314-Exp/K	MCC Preventive, Karachi	18.01
74.	326-Exp/K	MCC Preventive, Karachi	0.00
75.	336-Exp/K	Director Post Clearance Audit, Karachi	1.20
76.	341-Exp/K	Director Post Clearance Audit, Karachi	1.60
77.	345-Exp/K	MCC PMBQ Imports, Karachi	0.06
78.	352-Exp/K	MCC PMBQ Imports, Karachi	3.24
79.	353-Exp/K	MCC PMBQ Imports, Karachi	2.27
Total			149.83

Annexure-40

Para 2.4.60

Misclassification of Expenditure - Rs. 37.97 million

(Rs. in million)

S.No.	DP No.	Name of Office	Amount
1.	33-Exp/K	Director I & I, Quetta	0.20
2.	37-Exp/K	Director I & I, Quetta	0.12
3.	40-Exp/K	Director I & I, Quetta	0.03
4.	74-Exp/K	Collector of Adjudication, Quetta	0.16
5.	82-Exp/K	Collector Adjudication, Quetta	0.03
6.	84-Exp/K	Collector Adjudication, Quetta	0.01
7.	94-Exp/K	Dir. of Transit Trade, Quetta	0.35
8.	95-Exp/K	Dir. of Transit Trade, Quetta	0.33
9.	101-Exp/K	Dir. of Transit Trade, Quetta	0.04
10.	102-Exp/K	Dir. of Transit Trade, Quetta	0.03
11.	103-Exp/K	Dir. of Transit Trade, Quetta	0.03
12.	117-Exp/K	MCC Exports, Custom House, Karachi	2.50
13.	129-Exp/K	MCC Appraisalment (West), Karachi	4.35
14.	142-Exp/K	Chief Collector Enforcement, Karachi	0.23
15.	143-Exp/K	DG Customs Valuation, Karachi	1.13
16.	145-Exp/K	DG Customs Valuation, Karachi	2.05
17.	150-Exp/K	Directorate Training & Research, Karachi	1.36
18.	152-Exp/K	Directorate Training & Research, Karachi	0.04
19.	159-Exp/K	Collector Adjudication-I, Karachi	0.11
20.	163-Exp/K	Collector Adjudication-I, Karachi	0.05
21.	166-Exp/K	Collector Adjudication-I, Karachi	0.25
22.	168-Exp/K	Collector Adjudication-II, Karachi	0.49
23.	174-Exp/K	Collector Adjudication-II, Karachi	0.02
24.	187-Exp/K	Chief Collector Enforcement, Karachi	0.49
25.	188-Exp/K	Chief Collector Enforcement, Karachi	0.23
26.	210-Exp/K	MCC Appraisalment (East), Karachi	0.07
27.	228-Exp/K	MCC Appraisalment (East), Karachi	2.65

28.	243-Exp/K	Director Internal Audit, Karachi	2.39
29.	253-Exp/K	Director General IPR, Karachi	0.50
30.	261-Exp/K	Director Risk Management, Karachi	0.01
31.	265-Exp/K	MCC Export (PMBQ), Karachi	0.60
32.	280-Exp/K	Director, I&I, Karachi	2.15
33.	289-Exp/K	Director, I&I, Karachi	0.07
34.	299-Exp/K	Director, I&I, Karachi	0.05
35.	304-Exp/K	Director General Transit Trade, Karachi	1.17
36.	319-Exp/K	MCC Preventive, Karachi	13.35
37.	329-Exp/K	Collector Customs Appeal, Karachi	0.03
38.	331-Exp/K	Collector Customs Appeal, Karachi	0.02
39.	332-Exp/K	Collector Customs Appeal, Karachi	0.01
40.	337-Exp/K	Director Post Clearance Audit, Karachi	0.27
Total			37.97

Annexure-41

Para 2.4.61

**Inadmissible payment of performance allowance due to
non-declaration of assets- Rs 14.17 million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	3561-Exp	MCC Islamabad	2.49
2.	3569-Exp	MCC Islamabad	1.26
3.	3571-Exp	MCC Islamabad	0.00
4.	3573-Exp	DG, I&I, Islamabad	2.64
5.	4044-Exp	MCC Appraisalment, Lahore	3.68
6.	4108-Exp	Directorate of I & I, Lahore	1.27
7.	4121-Exp	MCC Preventive, Lahore	2.62
8.	4134-Exp	Directorate of PCA, Lahore	0.21
Total			14.17

Annexure-42

Para 2.4.64

**Irregular payment through cash instead of cross cheques
- Rs. 4.34 million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	26-Exp/K	Director, I&I, Quetta	1.61
2.	97-Exp/K	Directorate of Transit Trade, Quetta	0.29
3.	99-Exp/K	Directorate of Transit Trade, Quetta	0.11
4.	105-Exp/K	Directorate of Transit Trade, Quetta	0.02
5.	292-Exp/K	Director, I&I, Karachi	0.16
6.	126-Exp/K	MCC Appraisalment (West), Karachi	2.12
7.	344-Exp/K	Director Post Clearance Audit, Karachi	0.03
Total			4.34

Annexure-43

Para 2.4.66

Irregular expenditure due to splitting of purchases to avoid sanction from higher authority – Rs 6.19 million

(Rs. in million)

S.No.	DP No.	Name of Office	Amount
1.	71-Exp/K	Collector Adjudication, Quetta	0.36
2.	89-Exp/K	Directorate of Transit Trade, Quetta	1.97
3.	91-Exp/K	Directorate of Transit Trade, Quetta	0.86
4.	148-Exp/K	Directorate Training & Research, Karachi	1.10
5.	189-Exp/K	Chief Collector Enforcement, Karachi	0.35
6.	270-Exp/K	MCC Exports (PMBQ), Karachi	0.30
7.	257-Exp/K	Director Risk Management, Karachi	0.20
8.	282-Exp/K	Director I&I, Karachi	0.35
9.	298-Exp/K	Director I&I, Karachi	0.70
Total			6.19

Annexure-44

Para 2.4.67

Un-justified expenditure on account of stores/stock due to non-maintenance of dead Stock Register - Rs 4.20 million

(Rs. in million)

S.No.	DP No.	Name of Office	Amount
1.	86-Exp/K	Collector of Adjudication, Quetta	-
2.	124-Exp/K	MCC, Exports, Custom House, Karachi	-
3.	136-Exp/K	MCC, Appraisalment West, Karachi	-
4.	170-Exp/K	Collector Adjudication-II, Karachi	0.54
5.	175-Exp/K	Collector Adjudication-II, Karachi	0.20
6.	178-Exp/K	Chief Collector Appraisalment, Karachi	0.20
7.	191-Exp/K	Chief Collector Enforcement, Karachi	0.90
8.	258-Exp/K	Director Risk Management, Karachi	0.04
9.	263-Exp/K	Director Risk Management, Karachi	0.90
10.	273-Exp/K	MCC Export, PMBQ, Karachi	0.87
11.	275-Exp/K	MCC Export, PMBQ, Karachi	-
12.	283-Exp/K	Director, I&I, Karachi	0.35
13.	285-Exp/K	Director, I&I, Karachi	-
14.	307-Exp/K	Director General Transit Trade, Karachi	0.20
15.	309-Exp/K	Transit Trade, Karachi	-
16.	335-Exp/K	Collector Customs Appeal, Karachi	-
Total			4.20

Annexure-45

Para 2.4.68

Inadmissible expenditure on pay and allowances-Rs 3.85 million

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	3559-Exp	MCC Islamabad	0.441
2.	3567-Exp	MCC Islamabad	0.159
3.	3721-Exp	MCC Peshawar	0.605
4.	3950-Exp	MCC Multan	0.136
5.	4049-Exp	MCC Appraisalment, Lahore	0.882
6.	4106-Exp	Directorate of Training, Lahore	0.930
7.	4129-Exp	MCC Preventive, Lahore	0.092
8.	4130-Exp	MCC Preventive, Lahore	0.084
9.	4133-Exp	Directorate of PCA, Lahore	0.298
10.	4168-Exp	MCC Sialkot	0.011
11.	77-Exp/K	Collector Adjudication, Quetta	0.11
12.	134-Exp/K	MCC Appraisalment (West), Karachi	0.06
13.	135-Exp/K	MCC, Appraisalment West, Karachi	0.04
14.	138-Exp/K	MCC Appraisalment (West), Karachi	0.00
Total			3.85

Annexure-46

Para 2.4.69

**Inadmissible payment of house rent allowance/house requisition
and non-deduction of nominal rent – Rs 2.47 million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	3560-Exp	MCC Islamabad	0.08
2.	3952-Exp	Expenditure MCC Multan	1.20
3.	4169-Exp	MCC Sialkot	0.11
4.	54-Exp/K	MCC Gwadar	0.15
5.	73-Exp/K	Collector Adjudication, Quetta	0.23
6.	92-Exp/K	Director Transit Trade Quetta	0.70
Total			2.47

Annexure-47

Para 2.4.70

**Irregular expenditure due to non-carrying out of printing
from government press - Rs. 1.81 million**

(Rs. in million)

S.No	DP No.	Name of Office	Amount
1.	24-Exp/K	Director I &I,Quetta	0.04
2.	127-Exp/K	MCC, Appraisement (West), Karachi	1.04
3.	153-Exp/K	Directorate Training & Research, Karachi	0.03
4.	161-Exp/K	Collector Adjudication-I, Karachi	0.10
5.	217-Exp/K	MCC Appraisement (East), Karachi	0.13
6.	245-Exp/K	Director Internal Audit, Karachi	0.05
7.	310-Exp/K	Director General Transit Trade, Karachi	0.32
8.	317-Exp/K	MCC Preventive, Karachi	0.10
Total			1.81

Annexure-48

Para 2.4.71

**Non/short deduction of Benevolent fund & Group Insurance
- Rs 2.07 million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	3956-Exp	MCC Multan	0.06
2.	4045-Exp	MCC Appraisalment, Lahore	0.20
3.	4046-Exp	MCC Appraisalment, Lahore	0.21
4.	4125-Exp	MCC Preventive, Lahore	0.39
5.	4126-Exp	MCC Preventive, Lahore	0.24
6.	4166-Exp	MCC Sialkot	0.25
7.	4167-Exp	MCC Sialkot	0.29
8.	51-Exp/K	MCC Gwadar	0.22
9.	52-Exp/K	MCC Gwadar	0.21
Total			2.07

Annexure-49

Para 2.4.72

**Excess payment of law charges due to non-consolidation
of identical cases Rs. 2.19 million**

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	3556-Exp	MCC Islamabad	0.13
2.	3557-Exp	MCC Islamabad	0.05
3.	3718-Exp	MCC Peshawar	0.11
4.	3954-Exp	MCC Multan	0.12
5.	4054-Exp	MCC Appraisalment, Lahore	0.17
6.	4132-Exp	MCC Preventive, Lahore	0.05
7.	118-Exp/K	MCC, Exports, Custom House, Karachi	0.45
8.	128-Exp/K	MCC, Appraisalment (West), Karachi	1.01
9.	322-Exp/K	MCC Preventive, Karachi	0.10
Total			2.19

Annexure-50

Para 2.4.73

Non/short-deduction of withholding tax – Rs 1.97 million

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	3719-Exp	MCC Peshawar	0.12
2.	3960-Exp	MCC Multan	0.31
3.	3961-Exp	MCC Multan	0.07
4.	3972-Exp	MCC Gilgit Baltistan	0.16
5.	3974-Exp	MCC Gilgit Baltistan	0.31
6.	4058-Exp	Chief Collector Customs (Central), Lahore	0.03
7.	4102-Exp	Directorate of Internal Audit, Lahore	0.03
8.	4103-Exp	Directorate of Internal Audit, Lahore	0.01
9.	4112-Exp	Directorate of Intelligence & Investigation, Lahore	0.02
10.	4128-Exp	MCC Preventive, Lahore	0.12
11.	4131-Exp	MCC Preventive, Lahore	0.04
12.	4137-Exp	Directorate of PCA (Expenditure), Lahore	0.03
13.	4171-Exp	MCC Sialkot	0.03
14.	4175-Exp	MCC Sialkot	0.03
15.	07-Exp/K	MCC Quetta	0.13
16.	32-Exp/K	Director I&I, Quetta	0.02
17.	42-Exp/K	Director, I&I, Gawadar	0.01
18.	43-Exp/K	Director, I&I, Gawadar	0.01
19.	44-Exp/K	Director, I&I, Gawadar	0.00
20.	55-Exp/K	MCC, Gawadar	0.17
21.	56-Exp/K	MCC, Gawadar	0.14
22.	198-Exp/K	Director Reforms & Automations, Karachi	0.11
23.	220-Exp/K	MCC Appraisalment (East), Karachi	0.07
Total			1.97

Annexure-51

Para 2.4.75

Non-realization of Sindh sales tax on services Rs.2.03 million

(Rs. in million)

S.No.	DP No.	Name of Office	Amount
1.	01-Exp/K	MCC Quetta	0.02
2.	05-Exp/K	MCC Quetta	0.02
3.	38-Exp/K	Director, I&I, Gawadar	0.04
4.	39-Exp/K	Director, I&I, Gawadar	0.03
5.	53-Exp/K	MCC, Gawadar	0.19
6.	147-Exp/K	DG, Customs valuation, Karachi	0.29
7.	181-Exp/K	Chief Collector Appraisalment, Karachi	0.01
8.	182-Exp/K	Chief Collector Appraisalment, Karachi	0.03
9.	218-Exp/K	MCC Appraisalment (East), Karachi	0.01
10.	223-Exp/K	MCC Appraisalment (East), Karachi	0.19
11.	229-Exp/K	MCC Appraisalment (East), Karachi	0.00
12.	232-Exp/K	MCC Appraisalment (East), Karachi	0.01
13.	262-Exp/K	Director Risk Management, Karachi	0.01
14.	277-Exp/K	MCC Export, PMBQ, Karachi	0.07
15.	278-Exp/K	MCC Export, PMBQ, Karachi	0.10
16.	286-Exp/K	Director, I&I, Karachi	0.14
17.	290-Exp/K	Director, I&I, Karachi	0.08
18.	306-Exp/K	Transit Trade, Karachi	0.10
19.	311-Exp/K	Transit Trade, Karachi	0.05

20.	312-Exp/K	Transit Trade, Karachi	0.39
21.	315-Exp/K	MCC Preventive, Karachi	0.13
22.	327-Exp/K	Collector Customs Appeal, Karachi	0.00
23.	339-Exp/K	Director Post Clearance Audit, Karachi	0.08
24.	340-Exp/K	Director Post Clearance Audit, Karachi	0.04
Total			2.03

Annexure- 52

Para 2.4.78

Irregular expenditure without calling tenders – Rs.1.31 million

(Rs. in million)

S.No.	DP No.	Name of Office	Amount
1.	70-Exp/K	Collector Adjudication, Quetta	0.47
2.	205-Exp/K	MCC Appraisement (East), Karachi	0.21
3.	206-Exp/K	MCC Appraisement (East), Karachi	0.19
4.	207-Exp/K	MCC Appraisement (East), Karachi	0.16
5.	208-Exp/K	MCC Appraisement (East), Karachi	0.13
6.	226-Exp/K	MCC Appraisement (East), Karachi	0.15
Total			1.31

Annexure-53

Para 3.3.1

Non-recovery of Capital Value Tax – Rs. 306.61 million

(Rs in million)

S.No.	DP No.	Name of Office	Amount
1.	4211	The Sub-Registrar Rural, ICT, Islamabad	36.348
2.	4214	The Sub-Registrar Rural, ICT, Islamabad	7.746
3.	4212	The Sub-Registrar Rural, ICT, Islamabad	5.158
4.	4213	The Sub-Registrar Rural, ICT, Islamabad	2.303
5.	4203	The Sub-Registrar Urban, ICT, Islamabad	7.500
6.	4204	The Sub-Registrar Urban, ICT, Islamabad	5.112
7.	4205	The Sub-Registrar Urban, ICT, Islamabad	1.826
8.	4218	The Tehsildar, ICT, Islamabad	105.646
9.	4219	The Tehsildar, ICT, Islamabad	92.360
10.	4220	The Tehsildar, ICT, Islamabad	40.424
11.	4223	The Tehsildar, ICT, Islamabad	1.823
12.	4216	The Sub-Registrar Rural, ICT, Islamabad	0.243
13.	4207	The Sub-Registrar Urban, ICT, Islamabad	0.120
Total			306.60