



**AUDIT REPORT
ON
REVENUE RECEIPT ACCOUNTS OF
GOVERNMENT OF THE PUNJAB
AUDIT YEAR 2020-21**

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS & ACRONYMS

ADLR	Assistant Director Land Records
AGR	Assistant General Revenue (Colony Branch)
ARC	Arazi Record Centre
BOR	Board of Revenue
CLRMIS	Computerized Land Record Management Information System
CVT	Capital Value Tax
DAC	Departmental Accounts Committee
DG	Director General
DPAC	District Price Assessment Committee
DRTA	District Regional Transport Authority
ET & NCD	Excise, Taxation & Narcotics Control Department
ETO	Excise & Taxation Office
GARV	Gross Annual Rental Value
MRA	Motor Registration Authority
MVT	Motor Vehicle Tax
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PEEDA Act	Punjab Employees, Efficiency, Discipline and Accountability Act
PDP	Proposed Draft Para
PIDA	Punjab Irrigation and Drainage Authority
PIDC	Punjab Infrastructural Development Cess

PLRA	Punjab Land Record Authority
PNTN	Punjab National Tax Number
PRAL	Pakistan Revenue Automation Ltd.
PST	Punjab Sales Tax
PT-8	Property Tax Form-8
RPC	Regional Privatization Committee
RF	Registration Fee
SR	Sub Registrar

PREFACE

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan 1973, read with Section 12 of the Auditor General (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, empowers the Auditor General of Pakistan to conduct audit of revenue receipts of the Provinces.

This report is based on audit of receipts of Government of the Punjab for the Financial Year 2019-20 and receipts of some formations pertaining to previous years. The office of Director General Audit Punjab conducted audit during July to November 2020 on test check basis, with a view to report significant findings to the relevant stakeholders.

The main body of the Audit Report includes systemic issues and findings. Issues of procedural nature are listed in Annexure-I of the Audit Report as MFDAC. These shall be pursued with the Principal Accounting Officers at the DAC level and in all cases where the PAO does not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee.

Audit findings point toward the need for adherence to the regularity framework in addition to instituting and strengthening internal controls to minimize risk of recurrence of such violations and irregularities in future.

The Audit Report is submitted to the Governor of the Punjab in pursuance of the Article 171 of the Constitution of Islamic Republic of Pakistan 1973, for causing it to be laid before the Provincial Assembly.

Dated:
Islamabad

(Javaid Jehangir)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The office of the Director General, Audit Punjab carries out, on test check basis, audit of tax and non-tax revenue receipts of Government of the Punjab, collected by the Board of Revenue, Punjab Revenue Authority, Excise, Taxation and Narcotics Control, Transport and Food Departments.

This Audit Report presents audit results regarding receipts of above-mentioned departments of Government of the Punjab for the Financial Year 2019-20 and receipts of some formations from previous years. The office of the Director General, Audit Punjab conducted audit of revenue receipts relating to number of taxes such as Urban Immovable Property Tax, Motor Vehicle Tax, Farm House Tax, Luxury House Tax, Cotton Fee, Professional Tax, Provincial Excise, Punjab Sales Tax on Services, Stamp Duty, Registration Fee, *Abiana*, Mutation Fee, Capital Value Tax, Agricultural Income Tax, Condonation Fee, Sugarcane (Development) Cess and Route Permit Fee etc.

Moreover, audit findings were issued to the executive departments in the form of Audit and Inspection Reports. Significant issues were reported to respective Principal Accounting Officers (PAOs) in the form of Proposed Draft Paras (PDPs). The PDPs were also discussed with the Principal Accounting Officers of Excise, Taxation & Narcotics Control, Departments, Punjab Revenue Authority, Transport Authority and Board of Revenue in the Departmental Accounts Committee meetings to incorporate their views. However, Food Department did not hold Departmental Accounts Committee meeting till the finalization of report.

Suffice to say that Internal Audit units established in Excise, Taxation & Narcotics Control Department and Board of Revenue are not functioning effectively. Recurrence of similar types of irregularities every year is indicative of weak internal controls. It is imperative to revisit internal

control system of revenue receipts of Government of the Punjab to minimize the recurrence of irregularities.

Audit Objectives

The statutory audit is carried out on test check basis to:

- Scrutinize whether the assessment, collection and accounting of revenue is in accordance with the applicable laws and rules
- Point out under-assessments/leakages of revenue

a. Scope of Audit

This office is mandated to conduct audit of 1006 formations working under seven PAOs/Departments. Total receipts of these formations were Rs.186.349 billion for the financial year 2019-20.

Audit coverage relating to receipts for the current audit year comprises 62 formations of five PAOs/Departments having total receipt of Rs.149.062 billion for the financial year 2019-20. In terms of percentage, the audit coverage for receipts is 80% of auditable receipts and 6% in terms of auditable formations.

b. Recoveries at the instance of audit

As a result of audit, a recovery of Rs. 326.498 billion was pointed out in this report. Recovery made by the departments from January to December 2020 was Rs. 102 million which was verified by audit.

c. Audit Methodology

This office conducted the detailed audit exercise, combining an elaborate planning process with a set of robust execution techniques. Salient features of audit methodology are outlined below:

Firstly, the detailed planning files were prepared covering all the areas of activities of the auditee formations besides details of their budget, organizational and legal framework. Then a risk assessment exercise was carried out to identify main risk areas. This was followed by issuance of work programs in line with risk analysis.

Subsequently, the information was recorded, in detail, in the execution files prepared according to the standard working paper kit issued by Auditor General of Pakistan. On conclusion of field audit, formal exit meetings were held with management of the auditee formations which led to issuance of a formal audit & inspection report. After incorporating management's response, audit and inspection reports were issued to management so as to allow them to provide documentary evidence in support of their view point at the time of DAC meetings.

Finally, an internal and external quality review was performed to evaluate the adequacy of audit findings viz auditing standards, AGP office guidelines for quality assurance.

d. Comments on Internal Controls and the Internal Audit Department

Internal controls in government departments comprise systems, processes, cultures and tasks to support management in achieving government's policy objectives.

This report identified internal control failures in the following areas:

- Under assessment/under valuation in respect of property tax, stamp duty, registration fee, capital value tax and mutation fee
- Non-collection of professional tax
- Non-creation of demand of professional tax against business units

- Non-realization of luxury house tax
- Non-carrying forward of outstanding balances of taxes
- Non-realization of withholding tax from purchaser and seller
- Non-pursuance of recovery cases pending in courts
- Non-assessment/recovery of condonation fee on conversion of agriculture land into residential land
- Non-recovery of *tawan* from illegal occupants
- Non-assessment of penalty from encroachers of land
- Non realization of rent on land
- Recovery, assessment and broadening of tax mechanism of sales tax on services required the attention of management

e. The key audit findings of the report

- Non-production of auditable record in one para¹
- Non-realization of Punjab sales tax on services in three paras-Rs.148,253.72 million²
- Blockage of government revenue due to stay orders in two paras-Rs.109,675.31 million³
- Non-assessment of penalty from encroachers of land in two paras - Rs.12,977.37 million⁴
- Non/less realization of *tawan/abiana* in three paras-Rs.12,173.9 million⁵
- Non realization of rent on land in seven paras-Rs 7,463.04 million⁶
- Non-assessment of condonation fee in two paras-Rs.1,870.41 million⁷
- Non/less realization of property tax in seventeen paras-Rs.453.067 million⁸
- Non-realization of withholding tax from purchaser & seller in four paras-Rs.140.474 million⁹
- Non-realization of Sugarcane development cess and penalty in one para-Rs.81.984 million¹⁰

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1. Para 2.4.1
 2. Para 2.4.32,3.4.1,3.4.3
 3. Para 1.4.3,3.4.2
 4. Para 2.4.4,2.4.5
 5. Para 2.4.2,2.4.10,2.4.27
 6. Para 2.4.6,2.4.8,2.4.13,2.4.14,2.4.16,2.4.17,2.4.19
 7. Para 2.4.7,2.4.29
 8. Para 1.4.1,1.4.2,1.4.4,1.4.5,1.4.6,1.4.7,1.4.9,1.4.11,1.4.12,1.4.13,1.4.15,1.4.16,1.4.17,1.4.18,1.4.19,1.4.20,1.4.21
 9. Para 2.4.20,2.4.21,2.4.24,2.4.36
 10. Para 5.4.1

f. Recommendations

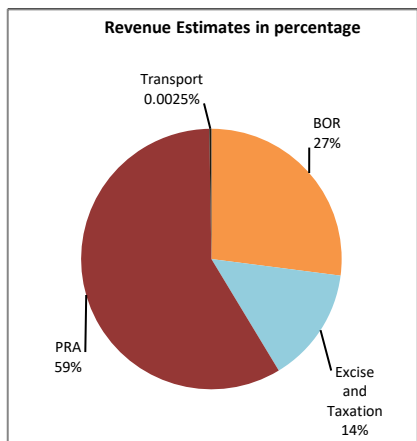
- The management needs to enforce Punjab Employees Efficiency, Discipline and Accountability Act (PEEDA Act) on non-production of record.
- Realistic targets need to be assessed on the basis of reliable data.
- The management must re-assess its revenue capacity and deploy appropriate resources as per targets.
- Persistent efforts should be made for strengthening the assessment, broadening and recovery of tax mechanism of sales tax on services.
- Principal Accounting Officers should develop a mechanism to monitor compliance of PAC directives in their respective domains.

SECTORAL ANALYSIS

Tax Revenue Receipts

HIGHLIGHTS

The tax revenue receipts estimates for the four tax collecting departments for the year 2019-20 are shown in the following graph:



The Govt. of Punjab is collecting its tax revenue primarily through four departments namely Board of Revenue, Excise, Taxation and Narcotics Control Department, Transport Department and Punjab Revenue Authority. Targets set for these departments are a critical factor in the overall fiscal space for development spending. As the nature of receipts vary considerably, it is deemed appropriate to discuss each department individually which is followed by commentary on the tax revenue targets and achievements in the financial year 2019-20:

1. Board of Revenue: -

BOR is the successor of the office of the Financial Commissioner. It was originally constituted under the provisions of West Pakistan Board of Revenue Act, 1957, which on dissolution of One Unit in 1970 became the Board of Revenue, Punjab. The Board is the custodian of the rights of the land holders and is the highest revenue court in the province with Appellate/Provisional jurisdiction against orders of subordinate Revenue Officers/ Courts including Commissioners and Collectors.

The Board is the controlling authority in all matters connected with the administration of land, collection of government dues including land taxes,

	<p>land revenue, preparation of land records and other matters relating thereto:</p> <ol style="list-style-type: none"> <i>Revenue Department,</i> <i>Colonies Department,</i> <i>Consolidation Department and</i> <i>Punjab land record Authority</i> <p>2. Excise, Taxation & Narcotics Control Department:</p> <p>The Excise, Taxation and Narcotics Control Department Punjab is a revenue-collecting agency for the provincial government. Tax revenue act as a serious constraint to economic growth, provision of services and, more generally, to building an effective state. This department provides services for collection of various taxes and duties.</p> <p>Excise, Taxation and Narcotics Control Department is primarily responsible for the collection of following provincial levies/taxes in the Province of Punjab:</p> <ul style="list-style-type: none"> • Cotton Fee • Motor Vehicles Tax • Entertainment Duty • Professional Tax • Property Tax • Luxury House Tax • Excise Duty (Duty on manufacturing, import, export of liquor, vend fee on retail sale of liquor and fees on grant and renewal of licenses/permits for liquor) • Farm House Tax.
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	<p>Excise, Taxation and Narcotics Control Department is also responsible for the collection of Federal levies/taxes i.e. Income Tax (at the time of collecting motor vehicle tax) and Capital Value Tax (at the time of registration of imported motor vehicles if not paid at the time of import).</p> <p>3. Punjab Revenue Authority: -</p> <p>According to the Pakistan Sales Tax Act, 1951, sales tax on services was Federal subject. The Federal government, however, asked provinces in year 2000 to introduce legislations and entrust FBR to collect and administer provincial sales tax on services. Further, 18th Constitutional Amendment read with 7th NFC Award empowered the provinces to collect and administer sales tax on services.</p> <p>Accordingly, the Punjab Government established a semi-autonomous organization “the Punjab Revenue Authority” with automated tax payment and collection system on 1.07.2012. It also enacted the Punjab Sales Tax on Services Act 2012 in supersession of the Punjab Sales Tax Ordinance 2000.</p> <p>4. Transport Department:-</p> <p>Transport Department was established in the year 1987, previously it existed as Transport Cell in the</p>
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	<p>Services, General Administration and Information Department under the supervision of the Additional Chief Secretary, Government of the Punjab.</p> <p><i>Core Operational Activities</i></p> <ul style="list-style-type: none"> • Route permit fee • License fee for bus/wagon stands • License fee for carrying the business of goods forwarding, • Fitness fee from different categories of public transport • License of bus body building workshop <p>As per financial statements of 2019-20, receipt collection (tax and non-tax) was Rs. 262 billion in year 2019-20 as against Rs.250 billion made during 2018-19 which is increased by 5%. This revision does not seem to auger well for the overall financial position as self-reliance is key to improved capacity as well as lesser reliance on donor funding and Federal share.</p> <p>Comparison between original receipts targets, revised receipts targets and actual receipts collected by the above mentioned departments for the financial year 2019-20 is shown in the table below:</p>
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Actual receipts collected by Excise, Taxation & Narcotics Control Department was even less than both original and revised estimates of receipts for the financial year 2019-20.

The Board of Revenue, Excise, Taxation & Narcotics Control Department, the Punjab Revenue Authority and Transport Department revised their budget estimates downward by 28%, 42%, 37% and 39% respectively.

(Rs. in million)

Department	Year	Budgeted Estimates	Revised Estimates	Actual receipts
BOR	2019-20	74,796	54,015	57,105
Excise	2019-20	39,602	22,937	21,909
PRA	2019-20	161,550	101,820	105,565
Transport	2019-20	710	431	469

Data Source: (Estimates of Receipts Govt. of Punjab Budget 2020-21 & Civil Accounts)

The above figure shows that actual receipts collected by Excise, Taxation and Narcotics Control Department was less than both original and revised estimates of receipts for the financial year 2019-20. This is a critical area for consideration as unrealistic targets tend to apply undue stress on the entire operational machinery. In contrast, low-growth tax revenue targets do not allow tax growth and limit the government's ability to plan for increased development spending.

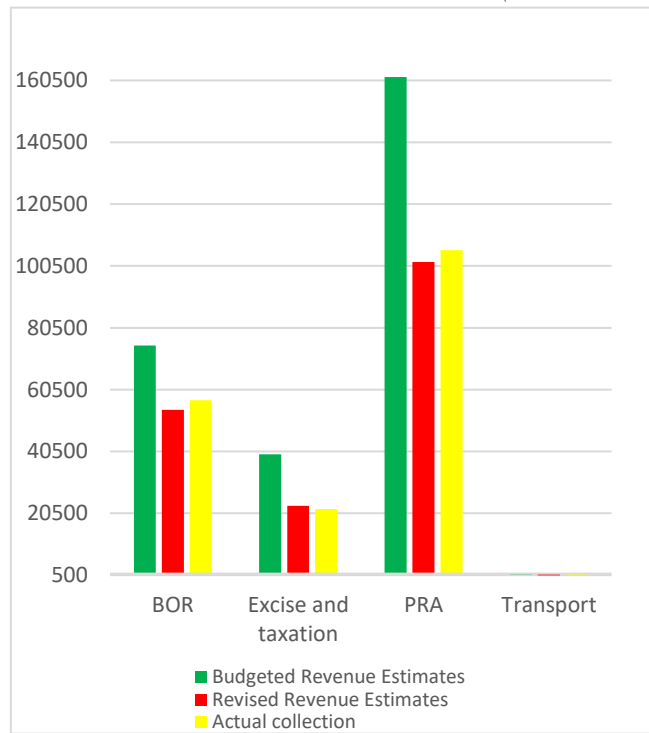
A glance at the budgeted estimates reveals that the Board of Revenue as well as Excise, Taxation and Narcotics Control Department, the Punjab Revenue Authority and Transport Department revised their budget estimates downward by 28%, 42%, 37% and 39% respectively. Variation in the budget estimate is significant in case of Excise, Taxation and Narcotics Control Department & Transport and

displays limitations and capacity issues in overall tax revenue planning.

Moreover, the Excise, Taxation and Narcotics Control Department was unable to achieve their revised tax revenue targets. The shortfall of Excise, Taxation and Narcotics Control Department was 4.5%. Interestingly, BOR was able to surpass its revised target by around 6% but still fell short of the original budgeted estimates.

The comparison is also depicted for further clarity in the Bar Chart below:

(Rs. in million)

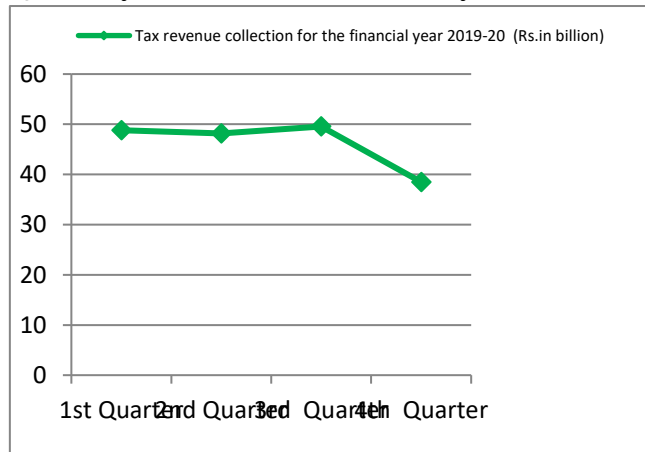


There seems to be a slight push in the 3rd quarter in collection of taxes and decline during the 1st, 2nd and 4th quarters.

Systemic weakness in the collection of various taxes needs to be addressed to improve the overall tax collection.

Furthermore, the quarterly tax revenue collection trend of government of Punjab during the financial year 2019-20 was as under:

Quarterly Tax Revenue Trend Analysis for 2019-20



There seems to be a slight push in the 3rd quarter in collection of taxes and decline during the 1st, 2nd and 4th quarters.

The audit output highlighted certain observations which are indicators of various procedural, systemic and regularity weaknesses. These arise from lack of implementation of standard operating procedures, weak internal control mechanisms which point towards capacity issues in the overall governance.

<p>The tax machinery of the province needs to revisit the entire operations process of tax collection and administration.</p> <p>Non-production of auditable record may be penalized as per PEEDA Act.</p> <p>Appropriate action is required to penalize negligence of tax</p>	<p>Significant areas of financial and administrative weaknesses are:</p> <ul style="list-style-type: none"> • Non-production of auditable record • Non-realization of Punjab sales tax on services • Blockage of government revenue due to stay orders • Non-assessment of condonation fee • Non/less realization of property tax • Non-realization of withholding tax from purchaser & seller • Non/less realization of <i>tawan/abiana</i> • Non-assessment of penalty from encroachers of land • Non-realization of Sugarcane Development Cess and penalty. • Non/less realization of mutation fee • Non Realization of rent of state land • Non-reconciliation of revenue figures from Treasuries/Account Offices. <p>Therefore, the tax machinery of the province needs to revisit the entire operations process of tax collection and administration. This may lead to enhanced performance through a more systematic and integrated planning and execution. For this purpose, the following may be considered:</p>
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<p>functionaries found responsible for revenue loss.</p> <p>Revenue collection agencies of Govt. of Punjab can contribute in development with greater effectiveness through a more refined, quantifiable and scientific system of revenue collection.</p>	<ul style="list-style-type: none"> • Effective remedial measures are required to stop the recurrence of irregularities of similar nature like recovery of old arrears of Property Tax, Token Tax and Abiana/<i>Tawan</i>. • A vigorous campaign needs to be launched to retrieve govt. land from illegal occupation. • Appropriate action is required to penalize on negligence of tax functionaries found responsible for revenue loss. • Reconciliation of receipts needs to be carried out regularly. • Internal audit systems are required to be strengthened. • Implementation and utilization of modern research and development tools. • Non-production of auditable record may be seriously penalized as per PEEDA Act • The duality of control with regard to <i>Abiana</i> assessment by the Irrigation Department and collection by the Board of Revenue needs to be reviewed. • Capacity building of human resources on the basis of age-cohorts and gap analysis. • Performance incentives for tax official's auger well and build moral of the workforce.
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Note:- The Source of data is Appropriation Accounts and Finance Accounts of the Government of the Punjab for the year 2019-20.

CHAPTER 1

EXCISE, TAXATION & NARCOTICS CONTROL DEPARTMENT

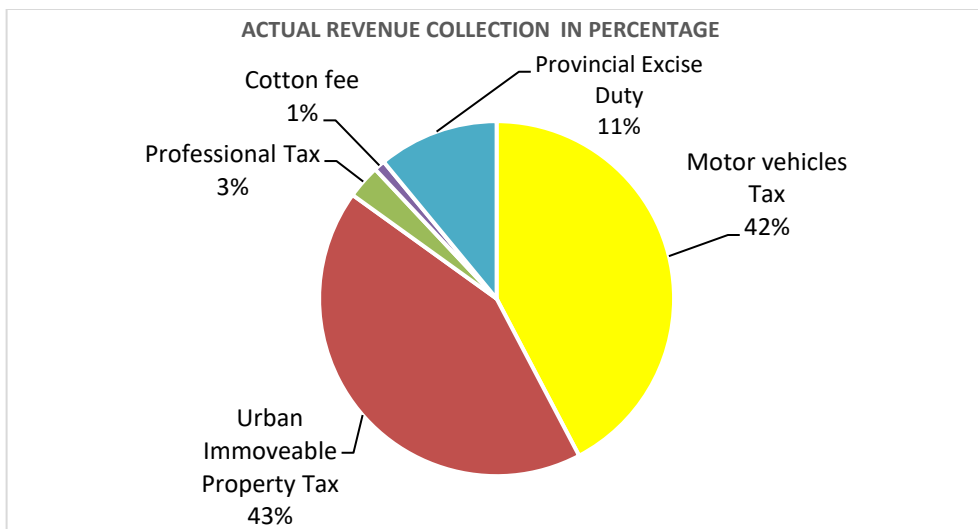
1.1 Introduction

A) The Excise, Taxation & Narcotics Control Department was established as an independent entity in 1974 after its separation from Board of Revenue. This Department provides services for collection of various taxes and duties and suggests ways and means for additional resource mobilization in the Province. Building up of taxpayer's confidence, creation of taxpaying culture and providing facilities to the general public in payment of taxes are the top most priorities. The Excise, Taxation & Narcotics Control Department consists of 87 auditable locations/formations and is primarily responsible for the collection of Property Tax, Motor Vehicles Tax, Professional Tax, Luxury House Tax, Entertainment Duty, Cotton Fee and Excise Duty in the Province of Punjab. The Department is also responsible for the collection of some Federal levies/taxes i.e. Income Tax (at the time of collecting motor vehicle tax) and Capital Value Tax (at the time of registration of imported motor vehicles if not paid at the time of import).

B) Comments on Budgeted Receipts (Variance Analysis):

During the Financial Year 2019-20, the Excise, Taxation & Narcotics Control Department collected an amount of Rs. 21.909 billion (in major heads) against the revised estimates of Rs. 22.937 billion.

The distribution of receipts collected by the Department under different heads is shown in percentage in the following chart:



From the above chart, it is clear that in Financial Year 2019-20, the major portion of 43% (Rs. 9.815 billion) and 42% (Rs.9.396 billion) of receipts collected by Excise, Taxation & Narcotics Control Department came from two sources viz. Urban Immoveable Property Tax & Motor Vehicles Tax respectively.

A comparison of budget estimates, revised estimates and actual receipts for the Year 2019-20 for major segments of receipts of Excise, Taxation & Narcotics Control Department is tabulated below. The variation between the revised estimates and actual receipts is depicted both in absolute and percentage terms:

(Rs. in million)

Variance Analysis for Excise, Taxation & Narcotics Control Department 2019-20							
S #	Category	Head of Account	Budgeted Estimates	Revised Estimates	Actual receipts as per Financial Statement	Variation excess/(less) Col.6-5	Percentage of Variation
1	2	3	4	5	6	7	8
1	Motor vehicles Tax	B02801 to B02803 & B02805	15850.03	9702.75	9395.81	-306.94	-3.16
2	Urban Immoveable Property Tax	B01301 B01303 B01304	14462.00	9777.87	9815.55	37.68	0.39
3	Professional Tax	B01601 B01603	1800.00	704.40	726.91	22.51	3.20
4	Cotton fee	B03055	350.00	234.22	227.99	-6.24	-2.66
5	Provincial Excise Duty	B02601 ,B02602 B02603, B02604 B02611, B02612 B02613,B02621,B02622,B02623	7140.00	2517.85	1742.36	-775.48	-30.80
Total			39602.03	22937.09	21908.62	-1028.47	-4.48

(Data Source: 1. Estimates of Receipts Govt. of Punjab Budget 2020-21 & Civil Accounts)

The above figures highlight that the actual receipts were even 4.48 percent below than the total revised estimates. The variation between the originally budgeted receipts (Rs.39.602 billion) and actual receipts collected (Rs. 21.909 billion) was of Rs.17.693 billion which was 44.68 percent of original budget estimates. The receipt targets during the year

were reduced from Rs. 39.602 billion to Rs. 22.937 billion, showing a decrease of 42.08 percent of original budget estimate. Thus, the receipt targets of the department were reduced during the financial year which shows deficiency in fiscal planning. This issue needs to be looked into by the provincial tax/duties collecting agencies.

The management needs to analyze the causes of the shortfalls depicted in the above graph and take appropriate steps to improve the revenue collection.

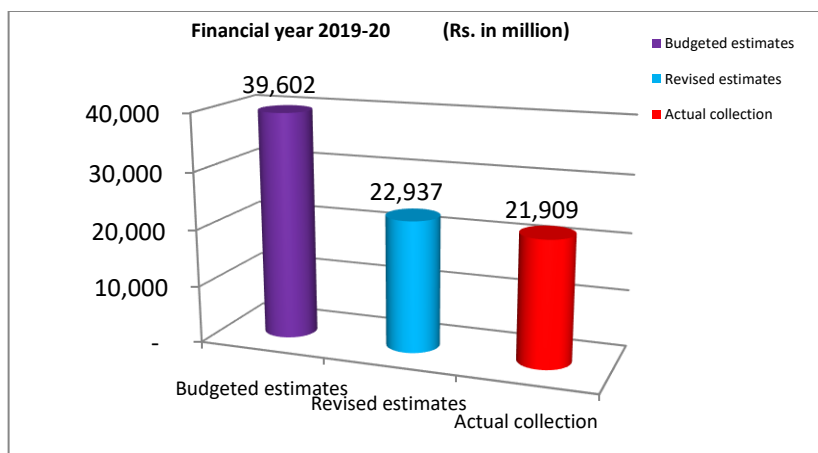
The Excise, Taxation and Narcotics Department has failed to achieve its revenue targets during the financial year 2019-20. Comparison of receipts targets and actual receipts for the financial year 2018-19 and 2019-20 is given below in the table:

(Rs. in million)

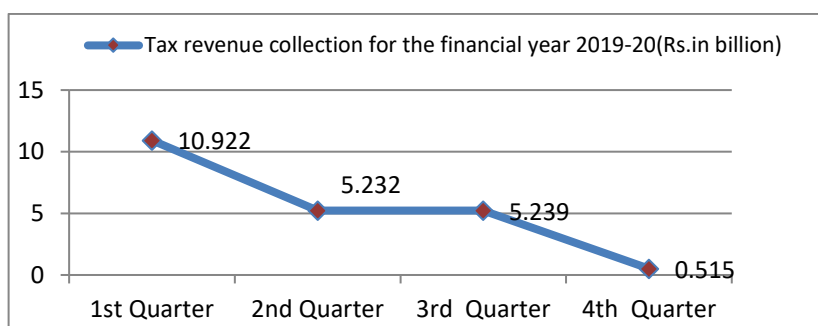
Year	Budgeted Estimates	Revised Estimates	Actual receipts as per Financial Statement
2018-19	37,655	30,510	28,493
2019-20	39,602	22,937	21,909

The above figures show that actual receipts in 2019-20 were less than the previous year i.e. 2018-19. However, the revised estimates in 2018-19 were only 18.97 percent less than original estimates whereas in 2019-20 revised estimates were 42.08 percent less than the original estimates.

The comparison of budgeted revenue estimates, revised revenue estimates and actual collection of department for the financial year 2019-20 are also given in the following graph:



The quarterly tax revenue collection during the financial year 2019-20 was as under:



The above line chart clearly depicted the downward trend in 2nd, 3rd and 4th quarters of the financial year regarding collection of various tax revenues by the Excise, Taxation and Narcotics Control Department. In the last quarter of the financial year, the position of the collection of revenue dipped greatly vis-à-vis the first three quarters of the financial year.

Audit profile of Excise, Taxation & Narcotics Control Department

(Rs. in million)

Sr. No	Description	Total No	Audited	Revenue/Receipt audited FY 2019-20
1	Formations	87	25	9,537.61
2	<ul style="list-style-type: none">• Assignment Accounts• SDAs	-	-	-
3	Authorities /Autonomous Bodies etc. under the PAO	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-

1.2 Classified Summary of Audit Observations

Audit observations (recoveries) amounting to Rs.545.01 million pertaining to Provincial Receipts were raised in this report during the current audit of Excise, Taxation & Narcotics Control Department.

Overview of Audit observations

(Rs. in million)

Sr. No	Classification	Amount
1	Irregularities (Non/less realization of Govt. revenue)	545.01
2	Value for money and service delivery issues	422.129

1.3 Brief Comments on the Status of Compliance with PAC Directives

The status of compliance with PAC Directives, for reports discussed so far, is given below:

Sr. No	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	1985-1986	27	11	16	41
2	1986-1987	17	10	7	59
3	1988-1989	12	7	5	58
4	1989-1990	10	6	4	60
5	1990-1991	13	4	9	31
6	1992-1993	13	1	12	8
7	1993-1994	14	3	11	21
8	1994-1995	11	3	8	27
9	1996-1997	20	13	7	65
10	1997-1998	11	0	11	0
11	1998-1999	25	4	21	16
12	1999-2000	20	1	19	5
13	2000-2001	18	0	18	0
14	2001-2002	24	12	12	50
15	2003-2004	15	1	14	7
16	2006-2007	11	8	3	73
17	2009-2010	20	14	6	70
18	2010-2011	18	10	8	56
19	2011-2012	16	12	4	75
20	2012-2013	23	16	7	70
21	2013-2014	16	10	6	62
Total		354	146	208	41

The compliance with the PAC directives in Excise, Taxation & Narcotics Control Department for the years 1986-87, 1988-89, 1989-90, 1996-97, 2006-07, 2011-12, 2012-13 & 2013-14 is satisfactory with aggregate 65%. However, the compliance for the years 1992-93, 1997-98, 2000-01 and 2003-04 is comparatively low with aggregate 3% only.

AUDIT PARAS

Irregularities

1.4.1 Non-realization of 15% provincial government share of property tax - Rs. 138.272 million

According to Para 3 (3) of the Presidential Order No. 13 of 1979 dated 22nd August 1979, 15 per cent share of net proceeds of house tax collected by a Cantonment Board within its limits is payable to the Provincial Government concerned.

During audit of the Excise, Taxation & Narcotics Control Department, it was noticed that two Excise & Taxation Offices had not realized the provincial government's share of house tax from Cantonment Boards.

(Amount in Rupees)

S #	ETO	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	Attock	24675	1	312,000	-	312,000
2	Zone-II Rawalpindi	24759	1	137,960,000	-	137,960,000
Total			2	138,272,000	-	138,272,000

Audit is of the view that inaction on the part of management resulted in non-recovery of provincial government's share of property tax amounting to Rs. 138,272,000.

The matter was reported to the respective formation as well as to the Principal Accounting Officer from August to October 2020, but no reply was offered.

DAC in its meetings held in January 2021, directed the department to recover the amount at the earliest.

Audit recommends that department needs to take effective steps for timely recovery of 15% share of provincial government besides strengthening of internal controls and recovery mechanism.

1.4.2 Non/less realization of arrears of property tax - Rs. 95.768 million

Section 16 (2) of the Punjab Urban Immovable Property Tax Act, 1958 states that any sum on account of the tax levied or penalty imposed under this Act remaining un-recovered without sufficient cause to the satisfaction of the Collector shall be recoverable as arrears of land revenue. Further, as per Section 12 of the Act *ibid* a late payment surcharge @ 1% of the gross payable tax shall stand imposed on the 1st day of every month of delay if the tax payable for any year is not paid by 30th September of the said year.

During audit of Excise, Taxation & Narcotics Control Department, it was noticed that 29 Excise & Taxation Offices did not recover the outstanding government revenue by declaring the same as arrears of land revenue causing accumulation of arrears of property tax amounting to Rs.145,413,938 (Annex-2) against 3563 cases till 30.06.2020.

Audit is of the view that ineffective recovery mechanism and weak management controls resulted in non/less recovery of arrears of property tax.

The matter was reported to the respective formations as well as to the Principal Accounting Officer from August to October 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs. 95,768,076 after verification of Rs. 49,645,862 and directed the department to recover the balance amount at the earliest.

Audit recommends that the department needs to take effective steps to recover the arrears of property tax along with late payment surcharge at the earliest.

1.4.3 Non-realization of property tax despite expiry of stay orders - Rs. 60.356 million

According to Clause 4 (A) of Article 199 of the Constitution of Islamic Republic of Pakistan read with advice of the Law Department circulated under Board of Revenue letter No.1929-89/2059-LR.IV, dated 23.08.1989, any stay order issued by a civil court against recovery of government dues ceases to have effect on the expiry of a period of six months following the day on which the said stay order was issued.

During audit of Excise, Taxation & Narcotics Control Department, pertaining to the period 2019-20, it was noticed that six Excise & Taxation Offices did not initiate recovery proceedings in 35 cases where stay orders had expired.

(Amount in Rupees)

Sr. No	ETO	PDP No	No of Cases	Amount Pointed Out	Amount Verified	Balance
1.	Kasur	24678	8	17,602,151	-	17,602,151
2.	Zone-XV, Lahore	24897	4	33,072,944	3,521,582	29,551,362
3.	Faisalabad (I & II)	24912	1	723,099	-	723,099
4.	Faisalabad (III & IV)	24930	14	2,255,091	68,304	2,186,787
5.	Zone-III, Lahore	24995	3	7,992,297	600,000	7,392,297
6.	Pakpattan	25042	5	2,900,695	-	2,900,695
Total			35	64,546,277	4,189,886	60,356,391

Audit is of the view that laxity on part of management resulted in non-recovery of property tax amounting to Rs. 64,546,277.

The matter was reported to the respective formations as well as to the Principal Accounting Officer from August to October 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs. 60,356,391 after verification of Rs. 4,189,886 and directed the department to recover the balance amount at the earliest.

Audit recommends that vigorous efforts be made to get the stay orders vacated besides effecting recovery of government dues.

1.4.4 Non-realization of luxury house tax - Rs. 57.045 million

According to Punjab Finance Act 2014, the Government of the Punjab has levied luxury house tax w.e.f. 01.07.2014 on residential houses having area of two *kanals* or above with covered area more than six thousand square feet, at prescribed rate in first schedule. The tax is for one time only and shall be payable in lump sum or in four equal installments.

During audit of Excise, Taxation & Narcotics Control Department, it was noticed that 17 Excise & Taxation Offices did not recover luxury house tax in 121 cases during 2019-20.

Audit is of the view that laxity in collecting luxury house tax by the management deprived public exchequer of revenue amounting to Rs. 73,180,750. (Annex-3)

The matter was reported to the respective formations as well as to the Principal Accounting Officer from August to October 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs. 57,045,250 after verification of Rs. 16,135,500 and directed the department to recover the balance amount at the earliest.

Audit recommends that the department needs to take effective steps for timely recovery of luxury house tax.

1.4.5 Non-recovery of property tax from state owned organizations - Rs. 47.178 million

Section 3(2) of the Punjab Urban Immovable Property Tax Act, 1958 states that subject to the provisions of sub section (3) & (4) there shall be levied, charged and paid a tax on the annual rental value of buildings and lands.

During audit of the Excise, Taxation & Narcotics Control Department for the period 2019-20, it was noticed that though the annual rental value was assessed and entered in the tax demand and receipt register by the 26 Excise & Taxation Offices, but demand notices were not issued to 147 properties of autonomous bodies.

Audit is of the view that oversight on the part of management resulted in non-recovery of property tax amounting to Rs. 50,986,586. (Annex-4)

The matter was reported to the respective formations as well as to the Principal Accounting Officer from August to October 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs.47,177,757 after verification of Rs.3,808,829 and directed the department to recover the balance amount at the earliest.

Audit recommends that the department needs to take effective steps to recover the property tax.

1.4.6 Non-realization of property tax due to inadmissible exemptions - Rs. 43.224 million

Under section 4 (f) of the Punjab Urban Immovable Property Tax Act, 1958 read with rule 24, the buildings and lands or portions thereof used exclusively for public worship or public charity are exempted from payment of property tax. Such institutions shall maintain regular accounts of income & expenditure. The institutions qualifying for such exemptions shall get a certificate in form PT-17 issued by the Director, Excise & Taxation.

During audit of Excise, Taxation & Narcotics Control Department, it was observed that 26 Excise & Taxation Offices allowed exemptions in 155 cases by converting the classification of regular properties into religious properties, trust and graveyards.

Audit is of the view that the irregular issuance of exemptions by management resulted in non-realization of government revenue amounting to Rs. 49,519,239 (Annex-5) up to 2019-20.

The matter was reported to the respective formations as well as to the Principal Accounting Officer from August to October 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs.43,223,643 after verification of Rs.6,295,596 and directed the department to recover the balance amount at the earliest.

Audit recommends that the matter be pursued and recovery effected besides fixing the responsibility upon the concerned official for allowing inadmissible exemptions.

1.4.7 Less-assessment of property tax due to undervaluation - Rs. 17.914 million

According to Section 5 of the Punjab Urban Immoveable Property Tax Act, 1958, the annual value of any land or building shall be ascertained by estimating the gross annual rental value at which such land or building that may be let for use or enjoyment with such building might reasonably be expected to be let from year to year, less an allowance of ten per cent for the cost of repairs and for all other expenses necessary to maintain such building in a state to command such gross annual rent. Further under section 5-A of the Act, the annual value may be determined on the basis of such valuation tables and for such localities as may be notified or under the authority of the Government.

During audit of the Excise, Taxation & Narcotics Control Department, it was noticed that 24 Excise & Taxation Offices did not fully realize the property tax due to less assessment of the gross annual rental value of 460 property units during the period 2019-20.

Audit is of the view that negligence on part of management resulted in less assessment of property tax due to under valuation of property units amounting to Rs. 19,869,301. (Annex-6)

The matter was reported to the respective formations as well as to the Principal Accounting Officer from August to October 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs. 17,913,729 after verification of Rs. 1,955,572 and directed the department to recover the balance amount at the earliest.

Audit recommends that the matter be pursued and recovery effected besides fixing the responsibility upon the concerned official for under assessment of property tax.

1.4.8 Non-realization of income tax on commercial vehicles - Rs. 15.802 million

According to Section 234-1A, 2 & 3 of the Income Tax Ordinance, 2001 and Finance Act, 2008, income tax is levied and collected from the owners of commercial vehicles (having capacity of 800-cc and above) at the rates specified in Division III of the First Schedule.

During audit of the Excise, Taxation & Narcotics Control Department, it was noticed that 11 Excise & Taxation Offices did not recover income tax from the owners of 1725 commercial vehicles.

Audit is of the view that inaction on part of the department resulted in non-recovery of income tax amounting to Rs. 20,586,651 (Annex-7) up to 2019-20.

The matter was reported to the respective formations as well as to the Principal Accounting Officer from August to October 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs.15,802,186 after verification of Rs.4,784,465 and directed the department to recover the balance amount at the earliest.

Audit recommends that the matter be pursued and recovery effected besides fixing the responsibility upon the concerned official for non-recovery of income tax from the defaulters.

1.4.9 Less-assessment of property tax on towers - Rs. 13.916 million

According to Government of the Punjab, Excise & Taxation Department Notification No. SO TAX(E&T)3-38/2014 dated 20.6.2014, Assessment of Special Properties Annexure-A, Sr. No. 14 Transmission/Communication tower's actual rent is required to be taken for the purpose of assessment of Gross Annual Rental Value (GARV) in case of rented properties. However, self-commercial rate of valuation tables shall be applied in case of company owned properties and whole land area shall be considered as covered area.

During audit of the Excise, Taxation & Narcotics Control Department, it was noticed that 24 Excise & Taxation Offices had less realized the property tax due to less assessment of property tax on towers and grant of wrong remissions in 404 cases during 2019-20.

Audit is of the view that the negligence on part of management resulted in less assessment of property tax amounting to Rs. 16,247,869. (Annex-8)

The matter was reported to the respective formations as well as to the Principal Accounting Officer from August to October 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs. 13,916,094 after verification of Rs. 2,331,775 and directed the department to recover the balance amount at the earliest.

Audit recommends that the department needs to fix responsibility and take immediate steps for proper assessment and recovery of government dues actual involved.

1.4.10 Non-realization of token tax (MVT) from motor vehicle owners - Rs. 12.099 million

Section 3 of the Motor Vehicles Taxation Act, 1958 states that a tax shall be levied on every commercial motor vehicle at the rate specified in the schedule to this Act. Under Section 34 and 35 of the Motor Vehicle Ordinance, 1965, a registering authority can also suspend/cancel the registration of a defaulting motor vehicle. Further, in case of default, penalty under Section 9 of the Act is also levied. Unpaid amount along with penalty is recoverable as arrears of land revenue under Section 11 of the Act *ibid*.

During audit of the Excise, Taxation & Narcotics Control Department for the financial years 2019-20, it was noticed that 12 Motor Registration Authorities did not recover token tax in 2528 cases.

Audit is of the view that lack of effective enforcement of relative provisions of the Act deprived the public exchequer of motor vehicle tax amounting to Rs. 15,875,019. (Annex-9)

The matter was reported to the respective formations as well as to the Principal Accounting Officer from August to October 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs.12,099,391 after verification of Rs.3,775,628 and directed the department to recover the balance amount at the earliest.

Audit recommends that the matter be pursued and recovery effected besides fixing the responsibility upon the concerned official for non-recovery of token tax.

1.4.11 Irregular exemption to five marla houses - Rs. 10.545 million

Section 4 (I) of Punjab Urban Immovable Property Tax Act 1958, states that with effect from 01.07.2004, property tax shall not be levied in case of one residential house, measuring an area up to five marlas, used for residential purpose irrespective of its annual rental value.

During audit of Excise, Taxation & Narcotics Control Department, for the period 2019-20, it was noticed that 39 Excise & Taxation Offices granted wrong exemptions and failed to collect the arrears of property tax from owners of 5 marla houses in 1,083 cases.

Audit is of the view that ineffective recovery mechanism and weak management controls resulted in irregular grant of exemption and non collection of tax amounting to Rs 13,399,856. (Annex-10)

The matter was reported to the respective formations as well as to the Principal Accounting Officer from August to October 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs. 10,545,238 after verification of Rs. 2,854,618 and directed the department to recover the balance amount at the earliest.

Audit recommends that matter be pursued and recovery effected besides fixing responsibility upon the concerned officials for irregular grant of exemptions.

1.4.12 Irregular/excess exemptions granted to widows for property tax - Rs. 9.097 million

Section 4(g) of the Urban Immoveable Property Tax Act, 1958 states that the buildings and lands, the annual rental value of which does not

exceed rupees 243,000 belonging to a widow, a disabled person or a minor orphan are exempted from payment of property tax.

During audit of the Excise, Taxation & Narcotics Control Department for the period 2019-20, it was noticed that 21 Excise & Taxation Offices allowed wrong and excess exemptions to widows in 987 cases.

Audit is of the view that the above action of the management resulted in irregular exemption of property tax amounting to Rs. 16,218,738. (Annex-11)

The matter was reported to the respective formations as well as to the Principal Accounting Officer from August to October 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs. 9,096,563 after verification of Rs.7,122,175 and directed the department to recover the balance amount at the earliest.

Audit recommends that matter be pursued and recovery effected besides fixing responsibility upon the concern official for allowing exemption beyond allowed limit.

1.4.13 Less realization of property tax due to change in status of customized educational institutions - Rs. 7.465 million

As per S. No. 16 of Annexure-A of the Assessment of Special Properties (Revised) Rules read with clarification made vide minutes of meeting held on 5.6.2012 circulated vide Letter No. SO TAX(E&T)1-11/2004 (Vol-I) dated 20.6.2012, the assessment of the value of property built and used as commercial properties (including offices and customized educational institutions buildings) shall be calculated on commercial rates of the localities self or rented as the case may be.

During audit of the Excise, Taxation & Narcotics Control Department, it was noticed that 13 Excise & Taxation Offices had assessed the Gross Annual Rental Value (GARV) of 78 educational institutions less than that of actual assessable by treating the customized educational institutions as non-customized.

Audit is of the view that the negligence on part of management resulted in less assessment of property tax due to treating the customized educational institution as non-customized amounting to Rs. 7,806,964 (Annex-12) during the year 2019-20.

The matter was reported to the respective formations as well as to the Principal Accounting Officer from August to October 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs.7,465,300 after verification of Rs. 341,664 and directed the department to recover the balance amount at the earliest.

Audit recommends that matter be pursued and recovery effected besides fixing responsibility upon the concern official for treating the customized educational institution as non-customized.

1.4.14 Loss of revenue due to non-realization of professional tax - Rs. 3.684 million

Punjab Finance Act, 1977, read with the Punjab Finance Act, 2002, states that w.e.f. 1st July 1977, professional tax shall be levied and collected from the persons engaged in any profession, trade or employment of different categories, at prescribed rates under second schedule to the Act.

During audit of the Excise, Taxation & Narcotics Control Department for the period 2019-20, it was noticed that 18 Excise &

Taxation Offices did not create demand and recover professional tax in 2,559 cases.

Audit is of the view that laxity on the part of management resulted in non-recovery of professional tax amounting to Rs. 12,585,700. (Annex-13)

The matter was reported to the respective formations as well as to the Principal Accounting Officer from August to October 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs.3,684,400 after verification of Rs. 8,901,300 and directed the department to recover the balance amount at the earliest.

Audit recommends that matter be pursued besides recovery of outstanding government dues.

1.4.15 Non-realization of property tax due to non-enforcement of orders passed under section 9-(C) - Rs. 2.758 million

According to section 9-C of the Punjab Urban Immovable Property Tax Act, 1958, any change in the assessment during the currency of survey is to take effect prospectively from 1st July or 1st January as the case may be.

During audit of Excise, Taxation & Narcotics Control Department, it was noticed that in violation of above provision of law, 14 Excise & Taxation Offices had not given effect of orders passed by the assessing authority in 200 cases.

Audit is of the view that the above action of management resulted in non-realization of government revenue amounting to Rs.3,861,538. (Annex-14)

The matter was reported to the respective formations as well as to the Principal Accounting Officer from September to October 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs. 2,758,102 after verification of Rs. 1,103,436 and directed the department to recover the balance amount at the earliest.

Audit recommends that matter be pursued and recovery effected besides fixing responsibility upon the concern official for not giving timely effects, in the system, of the orders passed by the authority.

1.4.16 Non/less realization of property tax on vacant plots - Rs. 2.752 million

According to section 2(aa) of the Punjab Urban Immoveable Property Tax Act, 1958 as inserted through Finance Act, 2016, building and land include vacant plots or a parcel or portion thereof having fixed boundaries intended for specific purpose including residential, commercial or industrial use. Property tax is, however, exempted under section 4(i) of the Act on one residential house or vacant plot measuring an area not exceeding five marla, used or to be used for residential purpose.

During audit of Excise, Taxation & Narcotics Control Department, it was noticed that 19 Excise & Taxation Offices did not recover the property tax on vacant plots in 290 cases till 30.06.2020.

Audit is of the view that ineffective recovery mechanism and weak management controls resulted in non/less recovery of arrears of property tax on vacant plots amounting to Rs. 4,056,515. (Annex-15)

The matter was reported to the respective formations as well as to the Principal Accounting Officer from August to October 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs. 2,752,240 after verification of Rs. 1,304,275 and directed the department to recover the balance amount at the earliest.

Audit recommends that the department needs to take effective steps to recover the property tax on vacant plots along with late payment surcharge.

1.4.17 Non-realization of Property tax due to non-activation of tax calculation command in the system - Rs. 1.917 million

According to rules 5(a) of the Punjab Urban Immoveable Property Tax Rules, 1958, an assessing authority is required to maintain for each rating area a property tax register (Form PT-I) containing assessment of property tax of each units of property situated in that area. The particulars of taxable property are transferred from PT-I register to tax demand & receipts register (PT-8) maintained under Rule 15(1) for making assessment of property tax and recovery thereof by issuing demand notices.

During audit of the Excise, Taxation & Narcotics Control Department, it was noticed that the payment of property tax of 50 property units was abandoned (discontinued), due to non-activation of “*tax calculation command*” in the system by six Excise & Taxation Offices during the period 2019-20:

(Amount in Rupees)

S #	ETO	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	Sialkot	24583	8	500,999	57,299	443,700
2	Zone-XVII Lahore	24724	1	742,095	-	742,095
3	Zone-I Gujranwala	24950	16	167,730	25,216	142,514

4	Zone-III Gujranwla	24963	6	325,930	32,400	293,530
5	Zone-II Gujranwala	24982	3	54,000	18,000	36,000
6	Zone-IV Gujranwla	24988	16	259,200	-	259,200
Total			50	2,049,954	132,915	1,917,039

Audit is of the view that negligence on part of management resulted in less assessment of property tax due to non activation of tax calculation demand in the system amounting to Rs. 2,049,954.

The matter was reported to the respective formations as well as to the Principal Accounting Officer from August to October 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs.1,917,039 after verification of Rs. 132,915 and directed the department to recover the balance amount at the earliest.

Audit recommends to take action for recovery of government dues besides fixing the responsibility.

1.4.18 Less-realization of property tax due to wrong assessment of hotels - Rs. 1.760 million

According to Government of the Punjab, Excise & Taxation Department Notification No. SO TAX(E&T) 3-38/2014 dated 20.6.2014, the assessable value of property units falling in a rating area will be ascertain in the light of instructions and consideration of rates of each categories specified in the Valuation Table enclosed with the letter. In the light of these instructions, in the case of (Hotel) consisting of rooms/boarding/lodging units used as residential accommodation 40% of the gross annual (365 days) rent shall be taken as a Gross Annual Rental Value (GARV). The gross rent shall be worked out on average/normal charges received per room per day.

During audit of the Excise, Taxation & Narcotics Control Department, it was noticed that four Excise & Taxation Offices did not correctly assess/realize the property tax due to less assessment of nine hotels to ascertain the Gross Annual Rental Value (GARV) according to the laid down procedure under the law.

(Amount in Rupees)

Sr. No.	ETO	PDP No	No of Cases	Amount Pointed Out	Amount Verified	Balance
1.	Faisalabad (I & II)	24920	1	124,992	-	124,992
2.	Zone-III, Lahore	25004	3	401,514	337,250	64,264
3.	Pakpattan	25043	4	1,807,590	968,527	839,063
4.	Zone XVI, Lahore	25083	1	731,463	-	731,463
Total			9	3,065,559	1,305,777	1,759,782

Audit is of the view that negligence on part of management resulted in less assessment of property tax amounting to Rs.3,065,559 during the period 2019-20 due to under valuation of property units.

The matter was reported to the respective formations as well as to the Principal Accounting Officer from September to October 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs. 1,759,782 after verification of Rs. 1,305,777 and directed the department to recover the balance amount at the earliest.

Audit recommends to take action for recovery of government dues besides fixing the responsibility for wrong assessment.

1.4.19 Less-realization of property tax due to changing the status of property (commercial properties treated as residential properties) - Rs. 1.728 million

According to section 5 of the Punjab Urban Immoveable Property Tax Act, 1958, the annual value of any land or building shall be ascertained by estimating the gross annual rental value at which such land or building that may be let for use or enjoyment with such building might reasonably be expected to be let from year to year, less an allowance of ten per cent for the cost of repairs and for all other expenses necessary to maintain such building in a state to command such gross annual rent. The rates in valuation table for calculation of annual rental value are different depending upon the usage of property i.e. commercial or residential and self or rented.

During audit of the Excise, Taxation & Narcotics Control Department, it was noticed that ten Excise & Taxation Offices had not followed the above provisions of law in feeding of data of commercial properties in the system as the status of properties was changed from commercial to residential. Resultantly, the Gross Annual Rental Value (GARV) of these properties was reduced.

Audit is of the view that negligence on the part of management resulted in less realization of property tax due to under valuation of property units amounting to Rs. 2,253,042 (Annex-16) in 208 cases during the period 2019-20.

The matter was reported to the respective formations as well as to the Principal Accounting Officer from August to October 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs.1,728,412 after verification of Rs. 524,630 and directed the department to recover the balance amount at the earliest.

Audit recommends inquiry of the matter to fix responsibility along with prompt recovery of government revenue.

1.4.20 Non-realization of Farm House Tax - Rs 0.895 million

According to Section-6 (3) of the Punjab Finance Act, 2011, the government levied w.e.f 01.07.2011, a farm house tax at prescribed rate on a farm house constructed after 1980 on a total minimum area of four *kanals* with a minimum covered area of five thousand square feet, used as a single dwelling unit with or without an annex.

During audit of Excise and Taxation Department, it was noticed that Excise & Taxation Office Attock did not recover the farm house tax in four cases during 2019-20.

Audit is of the view that the inaction of management resulted into non realization of government revenue amounting to Rs 894,920.

The matter was reported to the respective formation as well as to the Principal Accounting Officer in August 2020, but no reply was offered.

DAC in its meeting held in January 2021, directed the department to recover the amount at the earliest.

Audit recommends that necessary efforts be made for recovery of government dues without further delay.

[PDP No. 24671]

1.4.21 Less-realization of property tax due to changing of valuation category - Rs. 0.833 million

According to Government of the Punjab, Excise & Taxation Department Notification No. SO TAX(E&T)3-38/2014 dated 20.6.2014, the assessable value of property units falling in a rating area will be

ascertained in the light of instructions and consideration of rates of each categories specified in the Valuation Table.

During audit of the Excise, Taxation & Narcotics Control Department, it was noticed that five Excise & Taxation Offices had less realized the property tax due to changing of valuation category status of 84 property units during the period 2019-20:

(Amount in Rupees)

Sr. No	ETO	PDP No	No of Cases	Amount Pointed Out	Amount Verified	Balance
1.	Kasur	24682	28	343,532	-	343,532
2.	Faisalabad (I & II)	24918	13	145,370	-	145,370
3.	Faisalabad (III & IV)	24937	17	301,544	216,999	84,545
4.	Zone-III, Lahore	25009	23	217,666	51,001	166,665
5.	Zone-XIII, Lahore	25023	3	872,357	779,693	92,664
Total			84	1,880,469	1,047,693	832,776

Audit is of the view that the negligence on part of management resulted in less assessment of property tax amounting to Rs.1,880,469.

The matter was reported to the respective formations as well as to the Principal Accounting Officer from September to October 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs. 832,776 after verification of Rs. 1,047,693 and directed the department to recover the balance amount at the earliest.

Audit recommends to make necessary correction in the record and to take immediate steps for proper assessment and recovery of government dues actual involved.

Value for Money

1.4.22 Non issuance of Registration number plates and smart card - Rs.269.219 million

Under section 23, 25(4) and 30 (1) of Motor Vehicles ordinance, 1965, motor vehicles not to be driven without registration. Further a person shall not drive a motor vehicle and the owner shall not cause a vehicle to be driven unless the vehicle is registered and the license number plates are displayed on the motor vehicle in the prescribed manner and if the license number plates have not been issued, the registration mark is displayed on the motor vehicle in the prescribed manner.

During audit of the Excise, Taxation & Narcotics Control Department for the financial years 2018-20, it was observed that in Motor Registration Authority, Multan, Motor cycles/Rakshaw and vehicles are being registered in a huge quantity but a large number of smart cards and number plates are not delivered to them. As per list provided by MRA Multan there are 84931 smart cards and 186838 number plates are lying pending which are not handed over to customers. However an amount of Rs. 269,219,030 (45,013,430+ 224,205,600) had been collected under head Number plates and smart cards by the Excise and Taxation department.

The matter was reported to the respective formations as well as to the Principal Accounting Officer in August 2020, but no reply was offered.

DAC in its meetings held in December 2020, directed the department to resolve the issue of non delivery of number plates/ smart cards on top priorities.

Audit recommends that effective steps are required to be taken to clear the pendency of number plates and smart cards.

[PDP No. 24564]

1.4.23 Irregular collection of token tax through post offices - Rs 142.91 million

As per Notification No. SO(E&M) 1-33/2000(P-V) dated 28th August 2018 Lahore, the Post Offices have not been authorized to collect/receive Motor Vehicle Tax as the provision of rule 22 of the Punjab Motor Vehicle Taxation Rules, 1959 has been substituted vide Notification No. SO(E&M) 1-33/2000(P-V) dated 28.08.2018.

Contrary to above during audit of the accounts of the Director General Excise & Taxation Lahore for the year 2019-20 it was observed that token tax amounting to Rs.142.91 million was collected through post offices as detail below which was strictly banned in Punjab MRA offices.

2019-20	101.85 million
2019-20 upto 03-2020	41.060 million
	142.91 million

The matter was reported to the respective formation as well as to the Principal Accounting Officer in October 2020, but no reply was offered.

DAC in its meeting held in January 2021, directed the department to probe the matter for collection of token tax during suspended period.

Audit recommends to justify the position under intimation to audit beside strengthening the internal and financial system.

[PDP No. 25054]

1.4.24 Non-assessment of property tax in extended area - Rs. 10 million

According to Rule 5 & 15(1) of the Punjab Urban Immovable Property Tax Rules, 1958, an assessing authority shall prepare a property register in Form PT-1 for the rating area and enter therein the necessary particulars, separately for each unit of property and take necessary steps for

the recovery of the tax which has fallen due. It will also maintain, for each rating area, a tax demand and receipt register in Form PT-8 and entered all particulars of taxable property units which are required to be transferred from PT-I register for the purpose of making assessment of tax and enforcing recovery by issuing demand notices.

Contrary to above, during examination of record for the year 2018-20 it was observed that the Excise and Taxation Officer, Zone-IV, Gujranwala had not assessed expected 10850 units for the purpose of assessment of property tax demand, since establishment of Tehsil Nowshera Virkan.

Audit is of the view that the inaction of management resulted into non assessment of property tax in extended area amounting to Rs 10,000,000.

The matter was reported to the respective formation as well as to the Principal Accounting Officer in October 2020, but no reply was offered.

DAC in its meeting held in December 2020, directed the department to made recovery at the earliest.

Audit recommends that necessary efforts be made for assessment of property tax and recovery of government dues without further delay.

[PDP No. 24984]

CHAPTER 2

BOARD OF REVENUE

2.1 *Introduction*

A) The Board of Revenue is the successor of the office of the Financial Commissioner. It was originally constituted under the provisions of West Pakistan Board of Revenue Act, 1957, which on dissolution of One Unit in 1970 became the Board of Revenue, Punjab.

The Board is the controlling authority in all matters connected with the administration of land, collection of government dues including land taxes, land revenue, preparation of land records and other related matters. The Senior Member Board of Revenue is incharge of the Board.

The Board is the custodian of the rights of the land holders and is the highest revenue court in the province with Appellate/Provisional jurisdiction against orders of subordinate Revenue Officers/Courts including Commissioners and Collectors.

It consists of the following departments/functional units:

a) *Revenue Department*

Functions of the Revenue department are listed below:

- i Supervises revenue work in the province.
- ii Member (Revenue) is the highest court of appeal and revision in revenue cases in the province.
- iii Responsible for recovery of government dues including Agricultural Income Tax, Land Revenue, Water Rate, Usher, Mutation Fees, Stamp Duty, Registration Fee etc.
- iv Frames Laws/Rules/Policies relating to the revenue matters.

b) *Colonies Department*

Functions of the Colonies department are listed below:

- i Administration and management of State Land.
- ii Disposal of State Land through sale, lease and exchange.
- iii Transfer of State Land to provincial government departments free of cost for public purposes.

c) *Consolidation Department*

Functions of the Consolidation department are listed below:

- i To consolidate scattered holdings of landowners in compact blocks to make land-use more productive and meaningful.
- ii To prepare an up-dated record of right holders for use by the Revenue Department/right holders.
- iii To eject illegal/un-authorized occupants of state land.

Other functional units are:-

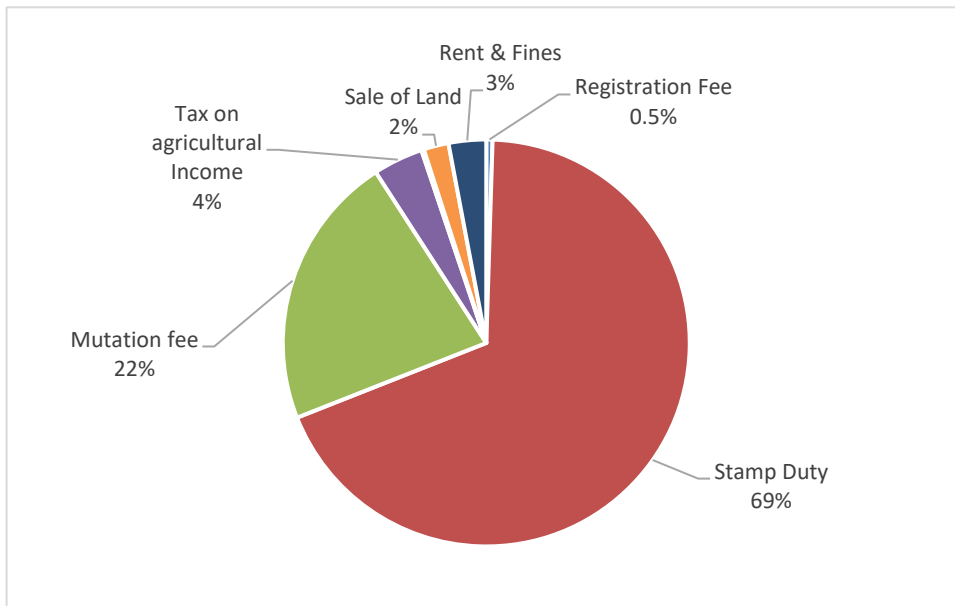
- Administration Wing.
- Research & Gazetteer Cell.
- Directorate of Land Records.
- Settlement & Rehabilitation Wing.
- Punjab Land Commission (Statutory Agency).

d) *Punjab Land Record Authority*

Function of the Punjab Land Record Authority (PLRA) is to supervise revenue work in the province through Assistant Directors Land Records at Computerized Arazi Record Centers in all Tehsiles of the province of Punjab.

B) Comments on Budgeted Receipts (Variance Analysis)

During the Financial Year 2019-20, the Board of Revenue, government of Punjab, collected an amount of Rs.57.10 billion against the revised estimates of Rs.54.01 billion. The distribution of receipts collected by the Department under different heads is shown in percentage terms in the chart given below:



From the chart it is clear that in Financial Year 2019-20, the major portion of Rs.52.12 billion (91%) of receipts collected by the Board of Revenue came from two heads viz. Stamp duty and Mutation fee.

A comparison of budget estimates, revised estimates and actual receipts for the Year 2019-20 is tabulated below. The variation between the

revised estimates and actual receipts are illustrated both in absolute and percentage terms:

(Rs. in million)

Variance Analysis for Board of Revenue 2019-20							
S #	Category	Head of Account	Budgeted Estimates	Revised Estimates	Actual receipts as per Financial Statement	Variation (+)excess/ (-) less Col.-6-5	Percentage of Variation
1	2	3	4	5	6	7	8
1	Registration Fee	B01311	68.00	178.38	309.07	130.69	73.27
2	Stamp duty	B02701	50,836.00	36,928.00	39,534.36	2,606.36	7.06
3	Mutation fee	B01417 B01418	17,960.40	13,184.50	12,605.95	-578.55	-4.39
4	Tax on agricultural Income	B01173	2,074.00	2,074.00	2,052.17	-21.83	-1.05
5	Capital Value Tax	B01701 To 1709 & 1770	0.00	118.45	128.73	10.28	8.67
6	Sale of Land	C3701 to C3705	3,568.40	260.05	909.02	648.97	249.6
7	Rent & Fines	B1406 to B1409	289.50	1,271.95	1,565.28	293.33	23.06
Total			74,796.30	54,015.33	57,104.58	3,089.25	5.72

(Data Source: 1. Estimates of Receipts Govt. of Punjab Budget 2020-21 & Civil Accounts)

The above figures highlight that the overall actual receipts of Board of Revenue were 5.72 percent more than the revised estimates of the receipts. The department has not achieved the targets of revenue collection in two heads i.e. Mutation fee and Tax on Agricultural Income.

The receipt targets during the year were reduced from Rs. 74.80 billion to Rs. 54.01 billion, showing a decrease of 27.78 percent of original budget estimate. Thus, the receipt targets of the department were reduced during the financial year which shows deficiency in fiscal planning. This issue needs to be looked into by the provincial tax/duties collecting agencies.

The management needs to analyze the causes of the shortfalls depicted in the above graph and take appropriate steps to improve the revenue collection.

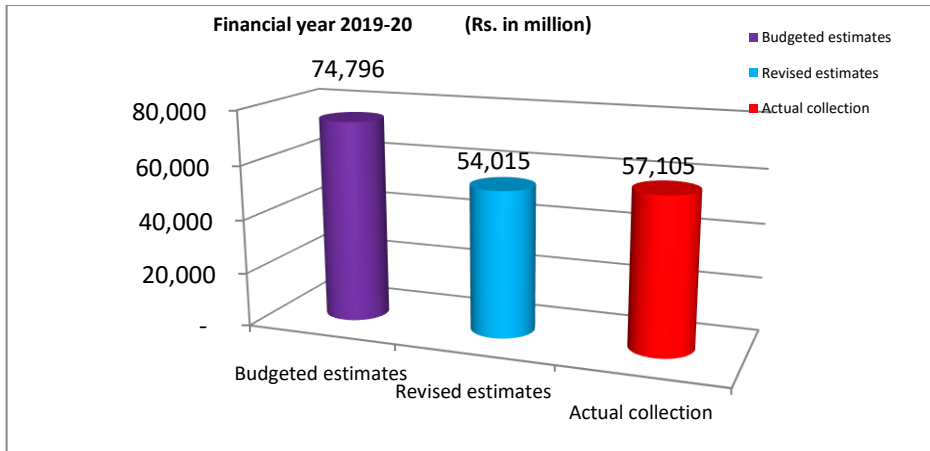
The Board of Revenue has merely achieved its revenue targets during the financial year 2019-20. Comparison of receipts targets and actual receipts for the financial year 2018-19 and 2019-20 is given below in the table:

(Rs. in million)

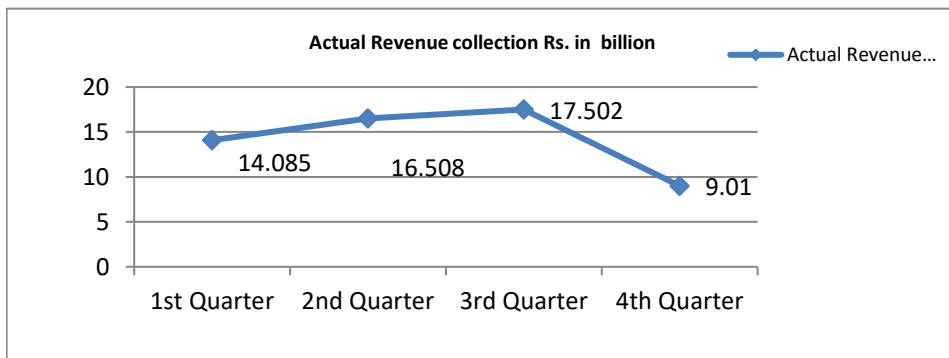
Year	Budgeted Estimates	Revised Estimates	Actual receipts as per Financial Statement
2018-19	64,577	62,191	63,945
2019-20	74,796	54,015	57,105

The above figures show that actual receipts in 2019-20 were less than the previous year i.e. 2018-19. However, the revised estimates in 2018-19 were only 3.70 percent less than original estimates whereas in 2019-20 revised estimates were 27.78 percent less than the original estimates.

The comparison of budgeted revenue estimates, revise revenue estimates and actual collection of department for the financial year 2019-20 also shown in the following graph :



The quarterly tax revenue collection during the financial year 2019-20 was as under:



The above line chart shows an incremental upward trend of revenue collected by the department in 2nd and 3rd quarter and downward trend in 4th quarter.

Audit profile of Board of Revenue Punjab

(Rs. in million)

Sr. No	Description	Total No	Audited	Expenditure audited FY 2019-20	Revenue/Receipts financial year 2019-20
1	Formations	784	27		35,357.45
2	Assignment Accounts SDAs	-	-	-	-
3	Authorities/Autonomous Bodies etc under the PAO	1	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

2.2 Classified Summary of Audit Observations

Audit observations (recoveries) amounting to Rs.49,161 million pertaining to Provincial Receipts were raised in this report during the current audit of Board of Revenue Department. Summary of the audit observations classified by nature is as under:

Overview of Audit observations

(Rs. in million)

Sr. No	Classification	Amount
1	Non production of record (03 cases)	0
2	Irregularities (Non/less realization of Govt. revenue)	49,161.123
3	Value for money and service delivery issues	3,546.01

2.3 *Brief Comments on the Status of Compliance with PAC Directives*

The status of compliance with PAC Directives, for reports discussed so far, is given below:

Sr. No	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	1992-1993	20	6	14	30
2	1994-1995	20	10	10	50
3	1996-1997	28	5	23	18
4	1997-1998	8	0	8	0
5	1998-1999	14	0	14	0
6	1999-2000	12	0	12	0
7	2000-2001	12	2	10	17
8	2001-2002	15	0	15	0
9	2003-2004	17	0	17	0
10	2006-2007	17	2	15	12
11	2009-2010	18	7	11	39
12	2010-2011	13	9	4	69
13	2012-2013	22	3	19	14
14	2015-2016	18	0	18	0
Total		234	44	190	19

The compliance with the PAC directives in Board of Revenue Department for the years 1994-95 & 2010-11, is satisfactory with aggregate 60%. However, the compliance for the years 1997-98, 1998-99, 1999-00, 2001-02 & 2015-16 is 0%.

AUDIT PARAS

Non-Production of Record

2.4.1 Non-production of auditable record

According to Section 12 of the Auditor General, (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, read with Section 14 of the said Ordinance, the Auditor General shall audit all receipts which are payable into the Consolidated Fund or Public Account of the Federal government and of each Province and of the accounts of each District. Accordingly, the officer in-charge of any office or department are duty bound to provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition. In case of creating hindrance in the auditorial functions of the Auditor General, disciplinary action shall be initiated.

In violation of above provisions, sixteen Revenue Offices did not produce the record of mutation fee and stamp duty etc. for audit scrutiny:

Sr. No	Name of Formation	PDP No
1	Sub Registrar Saddar Faisalabad	24476
2	Sub Registrar U-II Faisalabad	24515
3	Sub-Registrar City Faisalabad	24516
4	Sub Registrar City Multan	24477
5	Sub Registrar Saddar Multan	24526
6	Sub Registrar Saddar Faisalabad	24475
7	Sub Registrar U-II Faisalabad	24514
8	Sub-Registrar City Faisalabad	24517
9	Sub-Registrar Urban II, Faisalabad	24342
10	General Assistant Revenue (GAR-Colony Branch) Bhakkar	24613
11	General Assistant Revenue (GAR-Colony Branch) Sargodha	24696
12	General Assistant Revenue (GAR-Colony Branch) Sargodha	24697

13	General Assistant Revenue (GAR-Colony Branch) Faisalabad	25114
14	General Assistant Revenue (GAR-Colony Branch) Faisalabad	25115
15	General Assistant Revenue (GAR-Colony Branch) Muzaffar Garh	25101
16	General Assistant Revenue (GAR-Colony Branch) Muzaffar Garh	25102

Audit is of the view that non-production of record by the aforementioned offices created hindrance in audit functions and did not allow audit to perform its statutory duty.

The matter was reported to the respective formations as well as to the Principal Accounting Officer in July and August 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, directed the department to produce record to audit.

Audit recommends that the management needs to enforce Punjab Employees Efficiency, Discipline and Accountability Act on non-production of record.

Irregularities

2.4.2 Loss due to non assessment of tawan or income derived from resume land - Rs. 11,028.557 million

Income from resumed land is required to be credited to the Punjab Land Commission Account as directed vide Secretary West Pakistan Land Commission vide its letter No. OS-2009/60/1807-LC dated March 22nd 1960 which provides the procedure for Maintenance of the Accounts of the Income of the Land Commission.

The The Land Reforms Act, 1977 section 16 provides with the Conditions for grant of land. –

(1) Grant of land under section 15 shall be made on the following conditions: -

(a) a grantee or his heirs shall not alienate by sale, gift, mortgage or otherwise the land or any portion thereof during a period of twenty years from the date of the grant:

During scrutiny of the record related to Punjab Land Commission, it was observed that large area of land was under encroachments by illegal occupants but the commission or authorities under land commission had not probed even the reported cases of illegal occupation or encroachment of resumed land.

Whereas, no action was taken by the land commissioner on inquiries being held on various matters even not for illegle allotments and sale of land within prohibited period under the law as most of land which was allotted to landless cultivator came within the boundaries of urban areas and such allottees sold the land to the developers of housing societies on market price although the land was allotted to them purely for agricultural purposes.

It was also observed from the record of the lands owned by the Land Commission as maintained by the Punjab Land Record Authority (PLRA) that the land of the Commission was under illegal occupation of different persons and departments as well but action in this regard was also not taken by the responsible authority.

This resulted in loss of Rs 11,028,557,503 due to non-assessment and realization of *tawan* or income derived from resume land due to ineffective recovery mechanism and weak internal control.

The matter was reported to the Authority in July, 2020 but no reply was received.

DAC in its meetings held in December 2020, showed displeasure to department for non-compliance regarding the verification of progress towards audit observations and SOPs for SDAC.

Audit recommends that *tawan* be assessed and recover on the resumed land besides possession of such land be vacated. Responsibility for inaction is also required to be fixed.

[PDP No. 24443]

2.4.3 Non realization of the value of the state land falling within the private housing schemes - Rs. 10,551.4 million

Under section 28 of the Colonization of Govt. Land Act, 1912, all sums due on the account of fine and penalty from un-authorized cultivators of Govt. land are recoverable as arrears of land revenue. Whereas, Notification No. 1835-2019/625-CS(II), dated 13.09.2019 prescribes the procedure to deal with such state land.

In violation of above provisions, it was observed that the various person are in possession of abandoned paths, passages, watercourses, ponds or *Nazul* or state land but no rent is being charged to them nor value of these properties were realized. Only few cases were identified in this respect and proper survey state land occupied by the persons or societies was also not carried out.

(Amount in Rupees)

Sr. No	Name of Colony Branch	PDP No	No. of cases	Amount Pointed Out	Amount Verified	Balance
1	AGR Faisalabad	25116	14	9,449,600,000	-	9,449,600,000
2	AGR Sargodha	24699	15	1,101,800,000	-	1,101,800,000
Total			29	10,551,400,000	-	10,551,400,000

This resulted in non-realization of Rs. 10,551,400,000 on account of the value of abandoned paths, passages, watercourses, ponds or nazul land

falling within the private housing schemes which indicates weak financial/internal controls of the management and ignorance of law

The matter was reported to the respective formations as well as to the Principal Accounting Officer in July and August 2020.

DAC in its meetings held in January 2021, directed the department to recover the amounts or mutate the alternative land in favour of Govt. as per policy.

Audit recommends that amounts involved be recovered at the earliest besides strengthening the internal controls to avoid such laps in future.

2.4.4 Non assessment of penalty and tawan from encroachers - Rs. 7,600.039 million

According to section 33 of the Colonization of Government Lands (Punjab) Act, 1912, if any person, without permission of a Revenue Officer of a grade to be specified by the Board of Revenue:

- (a) clears or breaks up for cultivation, or cultivates any land which is owned by, or is in the possession of government and is not included in any tenancy or allotted residential enclosure or which has been entered for the common purposes of a town or village community or section of the same or for a road, canal or water-course; or
- (b) erects any building on any such land; or
- (c) fells or otherwise destroys standing trees on such land; or
- (d) otherwise encroaches on any such land; or
- (e) makes an excavation or constructs a water channel on any such land;

he shall, on complaint made by order of or under authority from the Collector, be punished on conviction by any Magistrate with a fine not

exceeding two hundred thousand rupees or with rigorous imprisonment not exceeding six months or with both.

In violation of above provisions, it was observed that various reports regarding state land under encroachment or retrieved from encroachers are available but no penalty or *tawan* was levied for such offence. Whereas, no record for corps, superstructures or any other moveable or immoveable property confiscated from encroached state land was made available to audit or no record for expenditure in this regard was shown to audit. In absence of the above the anti-encroachment drives seem to be limited in papers only.

(Amount in Rupees)

Sr #	Name of Colony Branch	PDP No	No. of cases	Amount Pointed Out	Amount Verified	Balance
1	Muzzaffargarh	25103	153	3,986,427,208	-	3,986,427,208
2	AGR Bhakkar	24614	7	1,856,885,000	-	1,856,885,000
3	AGR Faisalabad	25120	3	1,483,438,992	-	1,483,438,992
4	AGR Sargodha	24703	351	273,288,050	-	273,288,050
5	Muzzaffargarh	25112	4	0	-	0
Total			518	7,600,039,250	-	7,600,039,250

This has resulted into non-assessment of penalty and *tawan* from encroachers amounting to Rs. 7,600,039,250 (estimated) which indicates weak administrative and internal controls.

The matter was reported to the respective formations as well as to the Principal Accounting Officer in July and August 2020.

DAC in its meetings held in January 2021, directed the department to impose penalties and retrieve the state land at the earliest.

Audit recommends that the matter be pursued and recovery effected besides fixing the responsibility upon concerned officials for non-assessment of *tawan* and penalty from encroacher of state land.

2.4.5 Non assessment of penalties on use of state land other than the purpose of allotment - Rs. 5,377.332 million

According to section 10 (1) & (2) of the the Colonization of Government Lands (Punjab), the Board of Revenue subject to the general approval of the government may grant land in a colony to any person on such conditions as it thinks fit. Further the Provincial government may issue a statement or statements of the conditions on which it is willing to grant land in a colony to tenants.

Whereas section 43-A of the Land Acquisition Act, 1894, imposed restrictions on the company for selling the acquired land and only the Government has the authority to sanction or grant permission in this respect.

Contrary to above provision of law, during examination of record of the Assistant General Revenue (Colony Branch), Faisalabad for the period upto 2019-20, it was observed that the state land was allotted to various person for industrial use but the said land was not used for the purpose of allotment. Whereas, in 10 cases allottees had constructed housing colonies, commercial establishment and sublet the premises for which no prior approval was obtained from the government but neither any action was taken nor Govt. dues applicable under the law were assessed by the concerned authorities. Further, no action was taken by the responsible authorities to retrieve such land nor other measures as per law was adopted against the allottees.

This resulted in non-assessment of penalties with an estimate of Rs. 5,377,332,596 on use of state land other than the purpose of allotment which indicates weak financial/internal controls, ineffective survey mechanism and deliberate inaction or connivance on the part of the department as the cases remained unattended since long.

The matter was reported to the respective formations as well as to the Principal Accounting Officer in August 2020.

DAC in its meetings held in January 2021, directed the department to assess and recover penalties besides probe the inaction in this regard.

Audit recommends that the matter be pursued and recovery effected besides fixing the responsibility upon concerned officials for non-assessment of penalties.

[PDP No. 25117]

2.4.6 Unauthorized construction of shops and commercial establishment on state land and non-recovery of rent - Rs. 4,880.380 million

Section 19 of the Colonization of Government Lands (Punjab) Act 1912, states that “except as provided in section 17, none of the rights or interests vested in a tenant by or under the Government Tenants (Punjab) Act, 1893, or this Act, shall, without the consent in writing of the Commissioner, or of such officer as he may by written order empower in this behalf. Any such transfer or charge made without such consent in writing shall be void, and if the transferee has obtained possession, he shall be ejected under the orders of the Collector provided that the right of sub-letting conferred by this section shall not release any tenant from a condition requiring him to reside in the state in which his tenancy is situated”. Further more, under section 28 of the colonization of Govt. Land

Act, 1912, all sums due on the amount of fine and penalty from unauthorized cultivators of Govt. land are recoverable as arrears of land revenue.

Contrary to above provision of law, during examination of records of the following four Assistant General Revenue (Colony Branch), for the period upto 2019-20, it was observed that state land was allotted or encroached by departments of provincial or local government or private persons and shops or commercial establishments were constructed on state land without the approval of competent authority besides no rent is being paid to government as per law.

(Amount in Rupees)

Sr. No	Name of Colony Branch	PDP No	No. of cases	Amount Pointed Out	Amount Verified	Balance
1	AGR Faisalabad	25118	392	2,443,028,000	-	2,443,028,000
2	AGR Muzzaffargarh	25107	9	140,348,000	-	140,348,000
3	AGR Bhakkar	24615	13	1,209,357,000	-	1,209,357,000
4	AGR Sargodha	24700	27	1,087,647,560	-	1,087,647,560
Total			441	4,880,380,560	-	4,880,380,560

This resulted in unauthorized construction of shops and commercial establishment on state land and non-recovery of rent Rs.4,880,380,560 which indicates weak financial/internal controls of the department and ignorance of law.

The matter was reported to the respective formations as well as to the Principal Accounting Officer in July and August 2020.

DAC in its meetings held in January 2021, directed the department to recover the amount and to ensure the use of state land as per terms and condition of the allotment.

Audit recommends that matter be pursued and recovery effected besides initiating proceedings against the violators of terms and condition for allotment of state land.

2.4.7 Non-realization of condonation fee on conversion of land into residential or commercial - Rs. 1,862.049 million

Schedule II of the Colonization of Government Lands Punjab Act 1912 read with section 30 provides instructions regarding statement of conditions to be incorporated in sale/conveyance deed and condonation fee is a charge against the land for agriculture purpose subsequently converted into residential /commercial and industrial purposes. Rate for condonation fee are as under:

If the proprietor applies after 40 years of execution of sale deed	5 % of net gain i.e difference between the price paid and that obtaining at the time of actual conversion
After 30 and upto 40 year	10% of net gain i.e difference between the price paid and that obtaining at the time of actual conversion
After 20 and upto 30 year	15 % of net gain i.e difference between the price paid and that obtaining at the time of actual conversion
After 10 and upto 20 years	20 % of net gain i.e difference between the price paid and that obtaining at the time of actual conversion
Within 10 year	25 % of net gain i.e difference between the price paid and that obtaining at the time of actual conversion

If land is utilized for hospitals, schools roads etc.(public utilities) upto maximum 30 % of total area will be exempted from condonation subject to approval of Commissioner.

Contrary to above provision of law, it was observed that condonation fee was neither realized by the responsible authorities nor any record for such assessment was shown to audit. Furthermore, survey was also not carried out for the purpose of assessment of condonation fee resulting in loss to government exchequer with an estimated amount included in table appended below:

(Amount in Rupees)

Sr. No	Name of Colony Branch	PDP No	No. of cases	Amount Pointed Out	Amount Verified	Balance
1	AGR Fasalabad	25119	149	1,547,521,000	-	1,547,521,000
2	AGR Sargodha	24704	44	171,499,560	-	171,499,560
3	AGR Muzzaffargarh	25109	4	100,624,633	-	100,624,633
4	AGR Bhakkar	24623	4	42,403,736	-	42,403,736
Total			201	1,862,048,929	-	1,862,048,929

This resulted in non-realization of condonation fee of Rs.1,862,048,929 which indicating weak financial/ internal controls and on the part of management.

The matter was reported to the respective formations as well as to the Principal Accounting Officer in July and August 2020.

DAC in its meetings held in January 2021, directed the department to recover the Govt. revenue and assessment record be produced to audit at the earliest.

Audit recommends that the matter be pursued and recovery effected besides fixing the responsibility upon the official for non-production of assessment or survey record.

2.4.8 Non-recovery of lease rent of state land allotted under Temporary Cultivation Schemes - Rs. 1,587.284 million

According to para 15 of the notification/memorandum issued by the BOR, Punjab Lahore, vide No.224-2010/119-CL I dated 13.01.2010 subsequent Notification No. 916-2013/931-CL I dated 26.11.2013, the rent of the second and subsequent years shall be paid with 15% annual increase. Whereas, different schemes were introduced by the Board of Revenue for allotment of land under temporary cultivation schemes.

In violation of above provisions, it was observed that the state land had been allotted to various tenants against the payment of rent. The policy for collection of rent was suspended by the BOR and later on allowed the concerned authorities to resume the collection but the same was still awaiting payment in various cases. Whereas, only statements were available in files indicating total amount outstanding against the tenants of state land and despite several verbal and written request in this regard no record of payments was shown to audit:

(Amount in Rupees)

Sr. No	Name of Colony Branch	PDP No	No. of cases	Amount Pointed Out	Amount Verified	Balance
1	AGR Sargodha	24701	7	800,061,431	-	800,061,431
2	AGR Bhakkar	24618	11	414,829,694	-	414,829,694
3	AGR Faisalabad	25123	7	372,392,868	-	372,392,868
Total			25	1,587,283,993	-	1,587,283,993

This resulted in non-recovery of lease rent of state land allotted for Temporary Cultivation Schemes and non-production of record which indicates weak financial/internal controls and wilful non-action and non-production of record on the part of management

The matter was reported to the respective formations as well as to the Principal Accounting Officer in July and August 2020.

DAC in its meetings held in December 2020 and directed the department to recover the Govt. revenue and produce the relevant record to audit at the earliest.

Audit recommends that the matter be pursued and recovery effected besides fixing the responsibility upon the official for non-production of assessment or survey record

2.4.9 Non-assessment of agriculture income tax - Rs. 1,454.92 million

According to section 2(f) of The Punjab Agricultural Income Tax Act 1997 “owner” includes a member of a joint Hindu family whether owning land individually or jointly with any other person and includes mortgagee in possession or tenant of government land. Whereas the rates for the payment of AIT as prescribed by the Act *ibid* is as under:

(1) Slab of total cultivated land, computed rate of tax per acre as irrigated land by treating one acre of irrigated land as equal to two acre of un-irrigated land excluding mature orchards.	Rate of tax per acre
(i) Not exceeding 12½ acres	Nil.
(ii) Exceeding 12½ acres but not exceeding 25 acres	Rs. 300
(iii) Exceeding 25 acres but not exceeding 50 acres	Rs. 400
(iv) Exceeding 50 acres	Rs. 500
(2) Mature orchards	

(i)	Irrigated	Rs. 600
(ii)	Unirrigated	Rs. 300

In violation of above provision of law, it was observed during audit of following colony branches that agriculture income tax was not demanded from the allottees or tenants of state land nor any demand was created by the authorities for agriculture income tax on land bases:

(Amount in Rupees)

Sr. No	Name of Colony Branch	PDP No	No. of cases	Amount Pointed Out	Amount Verified	Balance
1	AGR Faisalabad	25122	12802	821,383,820	-	821,383,820
2	AGR Muzzaffargarh	25105	1434	332,757,000	-	332,757,000
3	AGR Bhakkar	24619	1573	300,780,000	-	300,780,000
Total			15809	1,454,920,820	-	1,454,920,820

This resulted into non-assessment/recovery of agriculture income of Rs.1,454,920,820 indicating weak financial/internal controls on the part of management.

The matter was reported to the respective formations as well as to the Principal Accounting Officer in July and August 2020.

DAC in its meetings held in January 2021, directed the department to assess and recover the Govt. revenue.

Audit recommends that the matter be pursued and recovery effected besides fixing the responsibility upon the official for non-assessment of Agriculture Income Tax.

2.4.10 Non-recovery of tawan from illegal occupants - Rs. 1,129.94 million

Section 28 of the colonization of Govt. Land Act, 1912 states that “all sums due on the amount of fine and penalty from un-authorized cultivators of Govt. land are recoverable as arrears of land revenue”.

In violation of above provision of law, it was observed during audit of following colony branches that the assessment of *tawan* from illegal occupants was made by the concerned authorities for a selected period of time in selected cases only. Whereas, lists/record and reports are available in various matters regarding illegal occupation of state land for which no action had been taken or reported to audit by the respective authorities for imposition of *tawan* and retrieval of state land:

(Amount in Rupees)

S #	Name of Colony Branch	PDP No	No. of cases	Amount Pointed Out	Amount Verified	Balance
1	AGR Bhakkar	24616	4	652,024,000	-	652,024,000
2	AGR Muzzaffargarh	25113	1959	464,790,000	-	464,790,000
3	AGR Sargodha	24706	1	13,126,079	-	13,126,079
Total			1963	1,129,940,079	-	1,129,940,079

This has resulted into non-recovery/assessment of *tawan* from illegal occupants which indicates weak financial/internal controls and willful non action on the part of management

The matter was reported to the respective formations as well as to the Principal Accounting Officer in July and August 2020.

DAC in its meetings held in January 2021, directed the department to recover the Govt. revenue at the earliest

Audit recommends that the matter be pursued and recovery effected besides retrieval of state land.

2.4.11 Unjustified assessment and less realization of penalty due to sale of land allotted for industrial purposes - Rs. 1,110.863 million

Section 43-A of the Land Acquisition Act, 1894, imposed restrictions on the company for selling the acquired land and only the government has the authority to sanction or grant permission in this respect. Further, section 24 of the Colonization of Government Lands (Punjab) Act, 1912 assign “Power of imposing penalties for breaches of conditions as When the Collector is satisfied that tenant in possession of land has committed a breach of the conditions of his tenancy, he may, after giving the tenant an opportunity to appear and state his objections”

Contrary to above provision of law, during examination of record of the Assistant General Revenue (Colony Branch), Faisalabad, it was revealed that the Govt. of Punjab had accorded sanction for sale of state land measuring 106-Acres, by private treaty in favour of M/s Kohinoor Textile Mills Faisalabad for industrial purposes in 1983 and deed was executed in 1986. After nine years only, mill management applied for sale of surplus land in 1995 which was allowed by BOR without any authority and against the above provision of law.

The management of mill was allowed the sale of land against penalty of Rs.5000 per marla for 40 acres in 1995 and 44 acres were allowed in 2004 against royalty of Rs. 58,500/- per marla only without any working of market price of land. Further, the price of remaining land accoupied by

the management was also not assessed/recovered and penalty as indicated above was also not realized completely.

This resulted in unjustified assessment and less realization of penalties due to sale of land allotted for industrial purposes of Rs. 1,110,863,200 which indicates weak assessment mechanism and financial/internal controls of the department.

The matter was reported to the respective formations as well as to the Principal Accounting Officer in August 2020.

DAC in its meetings held in January 2021, directed the department to probe the matter and recover the Govt. revenue at earliest.

Audit recommends that the matter be pursued and recovery effected besides fixing the responsibility upon the official for non-production of relevant record.

[PDP No. 25121]

2.4.12 Illegal allotment of land and loss to government exchequer (estimated) - Rs. 996.898 million

As per rule 2.33 of PFR Vol-I, every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by the government through fraud or negligence on his part or on the part of any other government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

During audit of the record of the three General Assistant (Colonies), it was revealed that certain state land was allotted to the persons with malafide intents, malpractices and against the law.

(Amount in rupees)

Sr. No	Name of Colony Branch	PDP No	No. of cases	Amount Pointed Out	Amount Verified	Balance
1	Muzzaffargarh	25104	15	635,361,224	-	635,361,224
2	Bhakkar	24620	64	191,500,000	-	191,500,000
3	Bhakkar	24621	3	170,037,500	-	170,037,500
Total			82	996,898,724	-	996,898,724

Audit of the view that that negligence on part of management resulted into illegal allotment of land and causing loss to government

The matter was reported to the respective formations as well as to the Principal Accounting Officer in July and August 2020, but no reply was offered.

DAC in its meetings held in January 2021, directed the department to probe the matter and fix responsibility.

Audit recommends that the matter be pursued and recovery effected besides fixing responsibilities upon the concerned official for illegal allotment of state land.

2.4.13 Non-recovery of lease rent under different Schemes - Rs. 418.192 million

According to section 28 of the Colonization of Government Lands (Punjab) Act, 1912 all sums due to government in respect of a tenancy granted in pursuance of the Government Tenants (Punjab) Act, 1893, or under the provisions of this Act or of the rules and conditions issued thereunder, and all sums due on account of fines, confiscations, costs and penalties, shall be recoverable as if they were arrears of land revenue.

In violation of above provisions, it was observed during audit of the following colony branches for the year upto 2019-20 that the government of

the Punjab prescribed the different schemes for allotment of state land under different statement of conditions to tenants but the department neither recovered the arrears of lease rent from defaulters/occupants of state land nor cancel their allotments.

(Amount in Rupees)

Sr. No	Name of Colony Branch	PDP No	No. of cases	Amount Pointed Out	Amount Verified	Balance
1	AGR Muzafargarh	25110	9	363,258,000	-	363,258,000
2	AGR Sargodha	24705	5	43,083,694	-	43,083,694
3	AGR Bhakkar	24624	106	11,850,659	-	11,850,659
Total			120	418,192,353	-	418,192,353

This resulted in non-recovery of lease rent under different schemes to that extent which indicating weak financial/internal controls and wilful non-action as per law on the part of management

The matter was reported to the respective formations as well as to the Principal Accounting Officer in July and August 2020.

DAC in its meetings held in January 2021, directed the department to ensure the compliance at the earliest.

Audit recommends that the matter be pursued and recovery effected besides fixing the responsibility upon the official for non-production of record of remaining allottees.

2.4.14 Non recovery of rent on unauthorized sub-lease of state land- Rs. 307.498 million

Section 19 (Transfers of rights to be void).– of the Colonization of Government Lands (Punjab) Act 1912, states that “Except as provided in section 17, none of the rights or interests vested in a tenant by or under the

Government Tenants (Punjab) Act, 1893, or this Act, shall, without the consent in writing of the Commissioner, or of such officer as he may by written order empower in this behalf, be transferred or charged by any sale exchange, gift, will, mortgage or other private contract, other than a sub-lease for not more than one year in the case of a tenant who has not acquired a right of occupancy. Any such transfer or charge made without such consent in writing shall be void and if the transferee has obtained possession, he shall be ejected under the orders of the Collector.

In violation of above provisions of law, during scrutiny of record of Assistant General Revenue (Coloney Branch) Sargodha, it was observed that , Gymkhana Club (former Officers Club) further lease out the state land for construction of restaurants and shops without any consent/approval of competent authority and no rent was paid to government. Further, various orders for ejection of tenant were also available but not implemented by the department.

This resulted in non recovery of rent on unauthorized sub-lease of state land Rs. 307,498,092 which indicates weak financial/internal controls and wilful non-action as per law on the part of management.

The matter was reported to the respective formations as well as to the Principal Accounting Officer in July 2020.

DAC in its meetings held in January 2021, directed the department to probe the matter regarding violation of terms and conditions of allotment of land and exploitation of user charges and subscriptions in garb of membership fee and commercial activities of Officer/Gymkhana club.

Audit recommends that the matter be pursued and recovery effected besides fixing the responsibility upon the official for unauthorized sub-lease.

[PDP No. 24702]

2.4.15 Less recovery of income derived from the state land - Rs. 191.913 million.

The Agriculture Department, government of the Punjab with the consent of Punjab Land Commission transfer land measuring 75 Acre and 1 kanal to Director General Agri (Water Management) vide order No. SO(R&E) 10-13/2007-Land: dated 5-12 2009 with the condition to deposit income of said land in Punjab Land Commission Account.

Whereas, income from resumed land is required to be credited to the Punjab Land Commission Account as directed vide Secretary West Pakistan Land Commission in its letter No. OS-2009/60/1807-LC dated March 22nd, 1960 the Procedure for Maintenance of the Accounts of the income of the Land Commission

During scrutiny of the record related to Punjab Land Commission it is observed the 446 acre of land was transferred to Agriculture Department in 1990 out of which 49 Kanals was again leased to Mitchel's Fruit Farm Ltd in 1991. The lease was expired in 2004 and Revenue officer was appointed as "*Superdar*." However, comparison of amounts deposited by Agriculture Department and *superdars*, it revealed that the Agriculture department and *superdar* did not deposit the income derived from said land nor account in this regard is available in Punjab Land Commission.

Whereas, comparison is also made for income deposited occasionally or as per will of the illicit cultivators of land belongs to Land Commission in various cases also reveals that the income derived was not transferred in the accounts of the commission nor commission enquires or takes action in this regared.

This resulted in less recovery of income derived from the state land amounting to Rs. 191,913,661 due to ineffective mechanism and weak internal control

The matter was reported to the respective formation as well as PAO in July, 2020 but no reply was received.

DAC in its meetings held in December 2020, showed displeasure to department for non-compliance regarding verification of progress towards observation of audit and SOPs for DAC.

Audit recommends that the government dues be recovered besides fixing the responsibility for inaction in this regard.

[PDP No. 24445]

2.4.16 Non recovery of rent under Graduate scheme - Rs. 113.568 million

According to Notification No. 1234-2010/780-CLI dt. 6.3.2010, the Governor of the Punjab is pleased to issue the “statement of conditions” on which the government is willing to grant lease of certain available state agriculture land situated outside the prohibited zones in the colony districts to Agriculture , Veterinary and Forestry Graduates.

In violation of above provisions, audit was unable to ascertain that the following prerequisite and conditions of “Graduate Scheme” were fulfilled as no record in this respect was provided. Whereas, no record for lease rent was available or the same is still outstanding from the tenant of the state land.

(Amount in Rupees)

Sr. No	Name of Colony Branch	PDP No	No. of cases	Amount Pointed Out	Amount Verified	Balance
1	AGR Muzaffar Garh	25108	201	101,756,000	-	101,756,000
2	AGR Bhakkar	24625	80	10,000,000	-	10,000,000
3	AGR Faisalabad	25125	29	1,812,500	-	1,812,500
Total			310	113,568,500	-	113,568,500

This resulted in irregularities in allotment of land and maintenance of record under “Graduate Scheme” and non-recovery of rent thereto of Rs. 113,568,500 which indicates weak financial/internal controls and wilful non-action as per law on the part of management. This also cause in non-utilization of land properly for the purpose for which it was allotted in accordance with statement of conditions/criteria.

The matter was reported to the respective formations as well as to the Principal Accounting Officer in July and August 2020.

DAC in its meetings held in January 2021 and directed the department to probe the delay in leasing of state land and recover the Govt. revenue at the earliest.

Audit recommends that the matter be pursued and recovery effected besides fixing the responsibility upon the official for irregular allotment of land under graduate scheme.

2.4.17 Non recovery of rent from Live Stock scheme - Rs. 91.066 million

Under section 28 of the Colonization of Govt. Land Act, 1912 all sums due on the amount of fine and penalty from un-authorized cultivators of Govt. land are recoverable as arrears of land revenue.

During audit of Assistant General Revenue (Coloney Branch) Bhakkar, it was observed that rent is lying out standing against the cultivators of livestock scheme at Rakh Ghulamn. Whereas, the concerned authorities did not produce the relevant record regarding term & condition for allotment of land and on what grounds such land was awarded on “patta” to the cultivators of state land.

This resulted in non-recovery of rent Rs. 91,066,296 from the cultivators of Live Stock Scheme and non-production of record which indicating weak financial/internal controls

The matter was reported to the respective formations as well as to the Principal Accounting Officer in July 2020.

DAC in its meetings held in January 2021, showed displeasure to department for non-compliance regarding verification and SOPs for DAC as the formation did not bother to even submit the working papers.

Audit recommends to justify the allotment of land for Livestock schemes on “*patta*” beside recovery of government dues.

[PDP No. 24622]

2.4.18 Non recovery of penalty on registration of immoveable properties valuing more than five million-Rs. 65.534 million

According to Circular 6 of 2018 issued vide FBR No.4(69)IT-Budget/2018-(PT-I) dated 24th October, 2018 published in Finance Supplementary (Amendment) Act, 2018, “if any authority (including housing authorities, housing/co-operative societies etc.) responsible for registering, recording or attesting the transfer of immoveable property accepts or processes the registration or attestation of immoveable property valuing above Rs.5 million in the case of a non-filer, such authority shall be liable to pay a penalty of 3% of the value of such immoveable property”.

During examination of revenue record for the financial year 2019-20, it was observed that five Registering Authorities/Revenue Offices had registered 116 sale deeds/mutations of immoveable property valuing more than Rs.5 million pertaining to non-filers but did not charge the penalty leviable under the law.

(Amount in Rupees)

S #	Revenue Offices	PDP No.	No. of Cases	Amount Pointed Out	Amount Verified	Balance
1	S.R. Data Gunj Bukh Town	24367	53	31,838,585	0	31,838,585
2	S.R. City Bahawalpur	24438	6	2,287,055	1,348,355	938,700
3	ARC Lalian	24410	14	6,102,266	0	6,102,266
4	ARCShakar Garh	24419	3	1,002,750	684,000	318,750
5	ARC Mailsi	24433	40	26,336,033	0	26,336,033
Total			116	67,566,689	2,032,355	65,534,334

The matter was reported to the respective formations as well as to the Principal Accounting Officer in July and August 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs. 65,534,334 after verification of Rs. 2,032,355 and directed the department to recover the balance amount at the earliest.

Audit recommends that the effective steps are required to be taken to recover the amount involved at the earliest.

2.4.19 Non-recovery of lease rent of state land under Temporary Cultivation Schemes - Rs. 65.05 million

According to para 15 of the Notification/Memorandum issued by the BOR, vide No. 224-2010/119-CL-I dated 13.01.10 subsequent Notification No. 916-2013/931-CL I dated 26.11.2013, the rent of the second and subsequent years shall be paid with 15% annual increase. Whereas, different schemes were introduced by the Board of Revenue for allotment of land under temporary cultivation schemes.

Contrary to above provision of law, during examination of record of the Assistant General Revenue (Colony Branch), Muzaffargarh for the

period upto 2019-20, it was observed that state agriculture land had been allotted to various allottees as per terms and conditions of above-mentioned notifications. The rent of state land allotted had not been paid in full and some instalments were still lying pending for payment. Only statements were provided indicating the amount paid by the tenants of state land for which the record was called for but no record was provided to audit despite several verbal and written request in this regard. Further, the state has to bear loss of Rs. 122,747,120 per year due to non-auction of state land (in 924 available lots and 156 de-notified lots measuring 13066 acres of land) to tenants under Temporary Cultivation Lease (TCL) schemes.

This resulted in non-recovery of lease rent of state land under Temporary Cultivation Schemes-Rs.65,050,000 and unjustified yearly loss for Rs. 122,747,120 estimated due to non-auction of state land which indicates weak financial/internal controls and wilful non-action and non-production of record on the part of management.

The matter was reported to the respective formations as well as to the Principal Accounting Officer in August 2020.

DAC in its meetings held in January 2021, directed the department to recover the Govt. revenue at the earliest.

Audit recommends that matter be probed besides recovery of government revenue.

[PDP No. 25106]

2.4.20 Non- realization of withholding tax on purchase/transfer of immoveable property - Rs.64.031 million

According to section 236-K of the Income Tax Ordinance 2001, as amended through Finance Act, 2019, advance tax is chargeable @ 1% from

Filer and 2% from non-Filer from the purchaser of the property at the time of registering or attesting transfer of immovable property.

During audit it was noticed that 38 revenue offices had charged/levied less withholding tax from purchaser in 669 cases, for 2019-20.

Audit is of the view that negligence on the part of management resulted in non/less assessment and realization of government revenue amounting to Rs. 64,031,382. (Annex-17)

The matter was reported to the respective formations as well as to the Principal Accounting Officer from July to October 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs. 64,031,382 after verification of Rs. 18,648,252 and directed the department to recover the balance amount at the earliest.

Audit recommends that matter be pursued and recovery effected besides fixing the responsibility upon the official for non-recovery of withholding tax on transfer of land.

2.4.21 Non realization of withholding tax due to splitting of deeds- Rs. 42.925 million

According to section 236-K of the Income Tax Ordinance 2001, amended by Federal Finance Act, 2016, every person responsible for registering or attesting transfer of immovable property valuing above Rs. 4 million, shall at the time of registering or attesting the transfer, collect from the purchaser, withholding tax at the rate of 2% from filer and 4% from non-filer of the gross value of immovable property.

Contrary to above during audit of Revenue Department, it was noticed that 15 Revenue Offices in 201 cases did not charge withholding

tax by splitting the sale of properties into more than one deed/mutation just to avoid the charging of tax for the period up to 2019-20.

Audit is of the view that laxity on the part of management resulted in non-realization of government revenue amounting to Rs. 47,287,166. (Annex-18)

The matter was reported to the respective formations as well as to the Principal Accounting Officer from July to October 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs. 42,924,543 after verification of Rs. 4,362,623 and directed the department to recover the balance amount at the earliest.

Audit recommends that matter be pursued and recovery effected besides fixing the responsibility upon the official for non-recovery of withholding tax on transfer of land.

2.4.22 Loss of stamp duty, registration fee and capital value tax due to under valuation of urban land - Rs. 39.311 million

According to Section 27-A of the Stamp Act, 1899, if an instrument chargeable with land only or land with any building or structure thereon, the value of land is required to be calculated according to the valuation table notified by the District Collector in respect of the land situated in the area of locality.

During audit of 25 Registering Authorities, it was noticed that the value of 607 properties was accepted at lesser rate than notified by the District Collectors for the period 2019-20.

Audit is of the view that oversight on the part of management resulted in non/less recovery of government revenue amounting to Rs. 43,812,071. (Annex-19)

The matter was reported to the respective formations as well as to

the Principal Accounting Officer from July to October 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs. 39,310,782 after verification of Rs. 4,501,289 and directed the department to recover the balance amount at the earliest.

Audit recommends that matter be pursued and recovery effected besides fixing the responsibility upon the official for non-recovery of taxes due to under valuation of urban land.

2.4.23 Non-realization of penalty on purchase of asset/property through non-banking channel - Rs. 39.002 million

As per Finance Act, 2019 any person who purchases immovable property having fair market value greater than rupees five million through cash or bearer cheque shall pay a penalty of five percent of the value of property determined by the board under sub-section (4) of section 68 or by the provincial authority for the purposes of stamp duty, whichever is higher.

During audit of Revenue Department, it was noticed that four Revenue Offices did not charge penalty on 98 deeds having value more than five million through non-banking channels during financial year 2018-20.

(Amount in Rupees)

Sr. No	Sub-Registrar	PDP No	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	Samanabad	24372	44	19,003,720	-	19,003,720
2	City Multan	24483	10	4,047,816	-	4,047,816
3	Saddar Multan	24534	2	554,500	-	554,500
4	City Rawalpindi	24536	42	15,395,735	-	15,395,735
Total			98	39,001,771	-	39,001,771

Audit is of the view that negligence on the part of management resulted in non- realization of penalty of Rs. 39,001,771 due to violation of above rule.

The matter was reported to the respective formations as well as to the Principal Accounting Officer from July to August 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, directed the department to recover the amount at the earliest.

Audit recommends to fix the responsibility for negligence and to recover the government dues at the earliest besides strengthening internal controls.

2.4.24 Loss due to non/less recovery of withholding tax from seller on transfer of immovable properties - Rs. 33.004 million

According to section 236-C of the Income Tax Ordinance, 2001, every person responsible for registering or attesting transfer of any immovable property shall at the time of registering or attesting the transfer collect from the seller advance tax at the rate of 1% from filer and 2% from non-filer, except in the case of Federation, Provincial or Local government on capital gain on the sale of immovable property purchase during previous five years.

During audit, it was noticed that 18 Revenue Offices did not charge withholding tax in 1046 deeds/mutations for the period up to 2019-20.

Audit is of the view that weak supervisory and management controls resulted in non/less realization of government revenue amounting to Rs. 36,090,231. (Annex-20)

The matter was reported to the respective formations as well as to the Principal Accounting Officer from July to October 2020, but no reply was

offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs. 33,003,860 after verification of Rs. 3,086,371 and directed the department to recover the balance amount at the earliest.

Audit recommends to fix the responsibility for negligence and recover the government dues at the earliest besides strengthening the internal controls.

2.4.25 Less-realization of stamp duty on area developed - Rs. 27.230 million

Section 2 (26) of the Stamp Act, 1899 as inserted through the Punjab Finance Act 2017, defines the urban area as:

- a) A rating area under the Punjab Urban immovable property Tax Act,1958
- b) The area already declared as an urban area under the Punjab Finance Act,2010
- c) Any other area which the Board of Revenue may, by notification, declare as an urban area;
- d) An area developed by a development authority, housing authority, statutory body, cooperative housing society or real estate company or developer.” And

Whereas in case of immovable property in an urban area five percent of the value of property is leviable under article 23 of the 1st Schedule of Stamp Act.

Contrary to above during audit of Revenue Department, it was noticed that, three Registering Authorities had registered twentyseven deeds of urban land situated in housing authorities like DHA (Defence Housing Authority), City housing Scheme (Bahria Town Group) by charging Stamp Duty @ 3% treating it as agriculture land instead of urban land. Audit is of

the view that stamp duty @ 5% is chargeable on area fall under that development authorities/societies etc as these area fall under the definition of urban area. Moreover, after document registration in above mentioned societies there is internal file transfer system to avoid taxes of transfer as well as FBR taxes like 236-C and 236-K in millions of rupees.

(Amount in Rupees)

Sr. No	Sub-Registrar	PDP No	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	Saddar Faisalabad	24473	3	135,317	-	135,317
2	Urban-II Faisalabad	24507	14	863,582	-	863,582
3	Saddar Multan	24527	10	26,230,773	-	26,230,773
			27	27,229,672	-	27,229,672

The laxity on the part of management resulted in less-realization of government revenue amounting to Rs.27,229,672 during 2019-20.

The matter was reported to the respective formations as well as to the Principal Accounting Officer in August 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, directed the department to recover the amount at the earliest.

Audit recommends to fix the responsibility for negligence and to recover the government dues at the earliest besides strengthening internal controls

2.4.26 Less-realization of mutation fee on gift of rural land - Rs. 24.047 million

According to S. No. 4 of the Board of Revenue Punjab Notification No.1587-2010/1597-LR (1) dated 30-06-2010, entry based on Tamleek (gift in favour of other than legal heir) and gift in favour of legal heirs above 25

acres of agricultural land in rural area, mutation fee shall be payable @ 3 % of the value of land according to valuation table notified by the District Collector in respect of the land.

During audit of three Revenue Offices, it was observed that mutation fee on gift of rural land in favour of other than legal heirs and gift in favour of legal heirs above 25 acres of agricultural land in rural area was charged in 15 cases at less rate than the prescribed rate of mutation fee during 2019-20.

(Amount in Rupees)

S #	Name of Formation	PDP No.	No. of Cases	Amount Pointed Out	Amount Verified	Balance
1	ADLR Lalian	24404	6	10,691,847	-	10,691,847
2	Sub Registrar U-II Faisalabad	24513	1	38,280	-	38,280
3	ADLR Mailsi	24428	8	13,316,501	-	13,316,501
Total			15	24,046,628	-	24,046,628

Audit is of the view that negligence on the part of management resulted in less realization of mutation fee of Rs.24,046,628 due to application of incorrect rate of mutation fee.

The matter was reported to the respective formations as well as to the Principal Accounting Officer from July to August 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, directed the department to recover the amount at the earliest.

Audit recommends that matter be pursued and recovery effected besides fixing the responsibility upon the official for non-recovery of mutation fee on gift of rural land.

2.4.27 Non retrieval of land from encroachment/illegal occupants after cancelation of leases and non-recovery of rent or tawan-Rs. 15.400 million

Section 32 of the Colonization of Government Lands (Punjab) Act, 1912 states that When the Collector is satisfied that any person has taken or is in possession of land in a colony to which he has no right or title, the Collector may, in addition to any other powers he may possess, forthwith re-enter upon the land and resume possession of it and take possession of all crops, trees and buildings thereon on behalf of government without payment of any compensation whatsoever.

Contrary to above provision of law, during examination of record of the Assistant General Revenue (Colony Branch), Faisalabad for the period upto 2019-20, it was observed that the land measuring 4462-K 03-M 5/3-S in 124 cases were encroached by the illegal occupants even after cancelation of leases by the Board of Revenue. Whereas, the amount of rent/*tawan* and any other benefits enjoyed by the encroachers of land were neither assessed nor realized.

This resulted in non-retrieval of land from encroachment/illegal occupants after cancelation of leases and non-recovery of rent or *tawan* estimated Rs.15,400,012 which indicates weak financial/internal controls and willful ignorance of law of the department.

The matter was reported to the respective formations as well as to the Principal Accounting Officer in August 2020.

DAC in its meetings held in January 2021 and directed the department to ensure the compliance at earliest.

Audit recommends that matter be pursued and recovery effected besides fixing the responsibility upon the official for non-vacation of the state land.

[PDP No. 25124]

2.4.28 Loss due to non-payment of mutation fee on oral sale of rural land - Rs. 12.954 million

According to serial number 10 of the government of the Punjab Notification No.1587-2010/1597-LR-I, dated 30.6.2010 issued under section 46 of The Punjab Land Revenue Act 1967, the entries not covered under Serial No.1 to 9 of the Schedule to the said notification are liable to mutation fee @ Rs.3% of the value of land according to the valuation table notified by the District Collector in respect of the land situated in the locality.

During audit of Revenue Department, it was noticed that the three Revenue Offices, did not charge and recover the mutation fee while attesting transfer of immovable property during 2019-20.

(Amount in Rupees)

Sr. No	Revenue Offices	PDP No	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	Sub Registrar, Faisalabad (City)	24519	36	8,648,800	-	8,648,800
2	Chiniot	24543	10	3,083,700	-	3,083,700
3	Mandi Bahau Din	24553	12	1221944	-	1221944
Total			58	12,954,444	-	12,954,444

Audit is of the view that oversight on the part of management resulted in non-realization of mutation fee amounting to Rs. 12,954,444.

The matter was reported to the respective formations as well as to the Principal Accounting Officer from August 2020, but no reply was

offered.

DAC in its meetings held in December 2020 and January 2021, directed the department to recover the amount at the earliest.

Audit recommends to fix the responsibility for negligence and recover the government dues at the earliest besides strengthening internal controls.

2.4.29 Less assessment of condonation fee on conversion of agriculture land into commercial land - Rs. 8.365 million

Schedule II of the Colonization of Government Lands Punjab Act 1912 read with section 30 provides instructions regarding statement of conditions to be incorporated in sale/conveyance deed and condonation fee is a charge against the land for agriculture purpose subsequently converted into residential /commercial and industrial purposes. Rate for condonation fee are as under:

If the proprietor applies after 40 years of execution of sale deed	5 % of net gain i.e difference between the price paid and that obtaining at the time of actual conversion
After 30 and upto 40 year	10% of net gain i.e difference between the price paid and that obtaining at the time of actual conversion
After 20 and upto 30 year	15 % of net gain i.e difference between the price paid and that obtaining at the time of actual conversion
After 10 and upto 20 years	20 % of net gain i.e difference between the price paid and that obtaining at the time of actual conversion
Within 10 year	25 % of net gain i.e difference between the price paid and that obtaining at the time of actual conversion
If land is utilized for hospitals, schools roads etc.(public utilities) upto maximum 30 % of total area will be exempted from condonation subject to approval of Commissioner.	

During examination of record of the Assistant General Revenue (Colony Branch), Muzzaffargarh for the period upto 2019-20, it was

observed that condonation fee was not assessed as per law for Rs. 8,365,000.

Whereas, it was also observed with the surprise that the area (khasra numbers) of the property subject to condonation fee was declared as commercial in valuation table of Kot Addu (Urban) in 2018-19 with rate of Rs.1,051,000 per marla but astonishingly the only khasra numbers of said property were declared as agriculture with a rate of 4,200,000 per acre in 2019-20 in valuation table as notified by Deputy Commissioner for which the condonation fee was assessed shows the malafide intent on part of management. Whereas, record for allotment of land in 1978 to original allottee was also not shown to audit.

This resulted in non-realization of condonation fee Rs. 8,365,000 payable on the conversion of state land into residential or commercial land to that extent and non-production of assessment or survey record which indicating weak financial/ internal controls and wilful ignorance of law on the part of management.

The matter was reported to the respective formations as well as to the Principal Accounting Officer in August 2020.

DAC in its meetings held in January 2021, directed the department to recover the Govt. revenue besides probe into the matter for less assessment of condonation fee.

Audit recommends that matter be pursued and recovery effected besides fixing the responsibility upon the official for less assessment of condonation fee.

[PDP No. 25111]

2.4.30 Unjustified lease of resumed land and non recovery of lease rent for the land being used for mobile tower - Rs. 7.969 million

The The Land Reforms Act, 1977 section 16 provides with the Conditions for grant of land. –

(1) Grant of land under section 15 shall be made on the following conditions: -

(a) a grantee or his heirs shall not alienate by sale, gift, mortgage or otherwise the land or any portion thereof during a period of twenty years from the date of the grant:

(b) a grantee or his heirs shall not sublet the land.

(2) The Provincial Land Commission concerned may cancel a grant for violation of any of the terms and conditions of the grant after giving an opportunity of being heard to the grantee or his heirs, as the case may be.

Vide No. 1-2014/61-LC dated February 3rd 2014, lease rent was required to be recovered from the allottee of resumed land and subsequently from the telecommunication companies having installed the mobile towers on resumed land.

During scrutiny of the record related to Punjab Land Commission, it was revealed that the allottee further sublet the resumed land to telecommunication companies without observing the rules and regulation and the commission has not recovered the amount of lease rent from the concerned. Whereas, no action against the allottees have been taken by the commission against the violation.

This resulted in unjustified lease of resumed land and non recovery of lease rent for the land being used for Mobile Towers Rs. 7,969,734 indicating weak internal controls and ineffective mechanism for control over resume land.

The matter was reported to the Authority in July, 2020 but no reply was received.

DAC in its meetings held in December 2020, showed displeasure to department for non-compliance SOPs for conducting the DAC.

Audit recommends that matter be pursued and recovery effected besides fixing the responsibility upon the official for non-action against unjustified lease.

[PDP No.24448]

2.4.31 Non recovery of the price of land sold to TMA Attock - Rs. 5.280 million

As per section 20 of the The West Pakistan Land Reforms Regulation (Martial Law Regulation No. 64 of 1959) creates fund for the redemption of bonds, etc.- that “ the proceeds realized under paragraph 19 shall form a separate fund to be held and administered by the Commission and shall be utilized for the redemption of bonds referred to in Part IV, payment of interest on such bonds, development of resumed land, liquidation of bad debts, payment of administrative charges and for such other purposes as the Commission may direct”

During scrutiny of the record related to Punjab Land Commission for the year upto 2019-20 it is revealed that a piece of land was sold to TMA Attock for shifting of cattle mandi and slaughter house for sum of Rs. 5,280,000 but same was not deposited by the TMA Attock. Whereas, land in question was demarcated and handed over to TMA in presence of TMA nominee.

This resulted in non-recovery of the price of land sold to TMA Attock of Rs.5,280,000 which indicating weak internal controls and ineffective mechanism.

The matter was reported to the Authority in July, 2020 but no reply was received.

DAC in its meetings held in December 2020, showed displeasure to department for non-compliance regarding verification and SOPs for SDAC.

Audit recommends that matter be pursued and recovery effected besides fixing the responsibility upon the official for non-recovery of the price of land sold to TMA Attock.

[PDP No. 24449]

2.4.32 Non-realization of Punjab sales tax on services - Rs. 3.917 million

According to S. No. 22 of the Second Schedule (Taxable Services) of the Punjab Sales Tax on Services Act, 2012 the sales tax @ 16% is leviable on services like information technology enabled or based services including software development, customization etc. falling under heading 9815.6000. The Punjab Land Record Authority (PLRA) has issued a Notification No.PLRA/PPP/10-2018 dated 23.07.2018, according to which the Authority has imposed PLRA's Processing Fee (inclusive of BoP charges, NADRA Bio sys Verification Charges) being rendered at field Services Centers @ Rs.350 on extract from computerized record and @ Rs.500 on computerized attestation of mutation.

Contrary to the above provision of law, during examination of the record of the following two Revenue Officers for the year 2019-20, it was observed that PLRA processing/service fee is being charged on each mutation from visitors but Punjab sales tax leviable under the law was neither charged nor paid on the collected amount of services rendered at ARC Center.

(Amount in Rupees)

S #	Assistant Director Land Record	PDP No.	No. of Cases	Amount Pointed Out	Amount Verified	Balance
1	Saddar Bahawalpur	24465	0	1,929,728	-	1,929,728
2	Mandi Bahau Din	24551	0	1,987,216	-	1,987,216
Total				3,916,944	-	3,916,944

This resulted into non-realization of Punjab sales tax leviable on the service charges amounting to Rs.3,916,944 during 2019-20.

The matter was reported to the respective formations as well as to the Principal Accounting Officer in July to August 2020 but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, directed the department to recover the amount at the earliest.

Audit recommends that immediate steps are required to be taken to recover the amount involved.

2.4.33 Less-realization of mutation fee due to under valuation of rural land - Rs.1.799 million

According to the Board of Revenue, Notification No.1587-2010/1597-LR-I, dated 30.6.2010, the scale of mutation fee on transfer of immovable property through oral mutation cases has been prescribed.

During audit of Revenue Department, it was noticed that, five Revenue Officers while attesting oral transfer of immovable property charged the mutation fee lesser than actually due in 91 cases by taking the value of land lower than that notified by the district collector.

(Amount in Rupees)

Sr. No	Arazi Record Center	PDP No	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	Chiniot	24546	18	931,447	-	931,447
2	Lalian	24408	11	318,880	15,000	303,880

3	Kamonke	24639	54	707,492	284,797	422,695
4	Shakar Garh	24424	4	1,063,125	1,021,125	42,000
5	Mailsi	24435	4	243,915	145,065	98,850
Total			91	3,264,859	1,465,987	1,798,872

Audit is of the view that oversight on the part of management resulted in less-realization of mutation fee amounting to Rs. 3,264,859.

The matter was reported to the respective formations as well as to the Principal Accounting Officer from July to September 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs. 1,798,872 after verification of Rs. 1,465,987. The Committee directed the department to recover the balance amount at the earliest.

Audit recommends that the matter be pursued and recovery effected besides fixing the responsibility upon the concerned official for less-realization of mutation fee due to under valuation of rural land.

2.4.34 Non-realization of Local commission fees on registration of immoveable property - Rs.1.540 million

As per Board of Revenue, Punjab (Stamp Wing) Notification dated 24-12-2019 No.3457-2019/2018-ST(I) an amendment in table of registration fees of Registration Act,1908 has been made. For the constitution of commission and for attending at private residence on whose behalf the journey is performed shall pay Rs.5000/- to Govt. to cover the cost of traveling allowance of registration officer in addition to the already prescribed fees for registration.

During audit of Revenue Department, it was noticed that, six Registering Authorities did not collect local Commission fee from the

persons who registered 304 deeds through appointment of local commission/Ahlay Commission during financial year 2018-20.

(Amount in Rupees)

Sr. No	Sub-Registrar	PDP No	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	Data Gunj Buksh Town	24365	6	35,000	5000	30000
2	City Bahawalpur	24441	33	165,000	-	165,000
3	City Multan	24482	25	125,000	-	125,000
4	City Faisalabad	24523	179	895000	-	895000
5	Saddar Multan	24533	21	105,000	-	105,000
6	City Rawalpindi	24540	44	220,000	-	220,000
	Total		304	1,545,000	5,000	1,540,000

Audit is of the view that negligence on the part of management resulted in non- realization of commission fee of Rs.1,545,000 due to violation of above rule.

The matter was reported to the respective formations as well as to the Principal Accounting Officer from July to August 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs. 1,540,000 after verification of Rs.5,000 and directed the department to recover the balance amount at the earliest.

Audit recommends to fix the responsibility for negligence and to recover the government dues at the earliest besides strengthening internal controls.

2.4.35 Non-realization of CVT on sale of urban land by splitting the immoveable property - Rs. 1.324 million

According to Section 6(3) of the The Punjab Finance Act, 2010 Capital Value tax of an immovable property shall be payable by every

person, who acquires by purchase, gift, exchange, power of attorney(irrevocable), w.e.f 01.07.2010 @ 2% of recorded value or Rs100 per square feet of landed area where value is not recorded. CVT is chargeable on commercial property of any size. However, in case of residential property, CVT is charged only if the property measuring area of at least 250 square yards or 10 Marlas (whichever is less).

Contrary to above, during audit of Revenue Department, it was noticed that, the Registering Authority Urban-II, Faisalabad, in 18 deeds of urban land did not charge Capital Value Tax at all where the property was splitted into more than one deed just to avoid the leviabale amount of tax for the period up to 2019-20.

Audit is of the view that laxity on the part of management resulted in non-realization of government revenue amounting to Rs.1,323,714

The matter was reported to the respective formations as well as to the Principal Accounting Officer from February 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, directed the department to recover the amount at the earliest.

Audit recommends to fix the responsibility for negligence and to recover the government dues at the earliest besides strengthening internal controls.

[PDP-24346]

2.4.36 Non assessment of withholding tax under section 236-W on transfer of immoveable property - Rs.0.514 million

According to section 236-W of the Income Tax Ordinance, 2001 as amended upto date, tax @3% from purchaser of immovable property on amount of difference between District Collector and FBR valuation should be realized on registration or attesting transfer of immovable property.

During audit it was noticed that the Registering Authority Urban-II, Faisalabad, did not charge/levy withholding tax under section 236-W in 65 cases for the period upto 2019-20.

Audit is of the view that weak supervisory and management controls resulted in non/less realization of government revenue amounting to Rs.514,064 during the year 2019-20.

The matter was reported to the respective formations as well as to the Principal Accounting Officer in August, 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, directed the department to recover the amount at the earliest.

Audit recommends that the department should inquire the matter to fix the responsibility and effect recovery.

[PDP-24509]

2.4.37 Loss due to less-payment of mutation fee on decree case due to application of incorrect rate - Rs.0.23 million

According to S. No. 8 of the Government of the Punjab Notification No.1587-2010/1597-LR-I, dated 30.6.2010, Decree, Rule of a Court or an order of a Court based on mutual consent of parties in cases involving transfer of an immovable property including sale, exchange, gift or mortgage, declaring or conferring a right in or title to an immovable property is subject to mutation fee @ 2% of the value of land according to the valuation table notified by the District Collector in respect of the land situated in the locality under the Stamp Act, 1899.

During audit of three Revenue Officers, it was observed that mutation fee in 10 decree cases of oral mutation was either not charged at all or recovered less than that of actual chargeable at the time of transfer of immovable property.

(Amount in Rupees)

S #	Name of Formation	PDP No.	No. of Cases	Amount Pointed Out	Amount Verified	Balance
1	ADLR Chiniot	24548	4	107,301	-	107,301
2	ADLR Kasur	24376	1	105,000	-	105,000
3	ADLR Shakar Garh	24425	5	196,221	175,218	21,003
Total			10	408,522	175,218	233,304

Audit is of the view that negligence on the part of management resulted into less recovery of mutation fee amounting to Rs.408,522 due to application of incorrect rate of mutation fee.

The matter was reported to the respective formations as well as to the Principal Accounting Officer from July to August 2020, but no reply was offered.

DAC in its meetings held in December 2020 and January 2021, reduced the para to Rs.233,304 after verification of Rs.175,218 and directed the department to recover the balance amount at the earliest.

Audit recommends to fix the responsibility for negligence and to recover the government dues at the earliest besides strengthening internal controls.

Value for money

2.4.38 Non-auction of state land - Rs. 3,541.848 million

According to clause 8 of The Punjab Privatization Board Process / Procedure (Terms & Conditions) for Auction of Government Properties Regulations, 2013, Auction Committees shall sale out state properties as prescribe below:

- i) Auction of Government properties having assessed value of more than Rs.50 million will be conducted by the Provincial Privatization Committee (PPC).
- ii) Auction of government properties having assessed value of more than Rs.20 million and up to Rs.50 million will be conducted by the Regional Privatization Committees,
- iii) whereas auction of government properties having assessed value up to Rs.20 million will be conducted by the District Privatization Committees.

In violation of above provisions, it was observed properties worth Rs in millions were available for auction but the auction as per policy was not made nor any action was taken by the responsible authority towards auction of the properties.

(Amount in Rupees)

Sr. No	Name of Colony Branch	PDP No	No. of cases	Amount Pointed Out	Amount Verified	Balance
1	AGR Sargodha	24698	26	2,890,500,000	-	2,890,500,000
2	AGR Bhakkar	24617	4	651,348,765	-	651,348,765
Total			30	3,541,848,765	-	3,541,848,765

This resulted in non-auction of state land to amounting to Rs. 3,541,848,765 which indicates weak financial/internal controls of the management.

The matter was reported to the respective formations as well as to the Principal Accounting Officer in July to August 2020.

DAC in its meetings held in January 2021, directed the department to finalize the auction proceedings as per policy

Audit recommends that the reasons for non-auction of state land be inquired and the properties be auctioned at the earliest.

2.4.39 Loss due to non-maintenance of personal ledger accounts of income from resumed land - Rs. 4.16 million

Secretary West Pakistan Land Commission vides its letter No. OS-2009/60/1807-LC dated March 22nd 1960 provides with the procedure for maintenance of the accounts of the income of the Land Commission from the resume lands.

During scrutiny of the record related to Punjab Land Commission for the year 2019-20 it was revealed that record for maintenance of income account at district or tehsil level is not available or the same was not being maintained by the formation. Failure to above, the amounts for income pertains to land commission was deposited in various undesignated accounts for which no record is available and amount still not deposited in the Punjab Land Commission Account.

This resulted in loss due to non-maintenance of Personal Ledger Accounts of income of Punjab Land Commission Rs. 4,161,691 which indicating weak internal controls and ineffective recovery mechanism.

The matter was reported to the Authority in July, 2020 but no reply was received.

DAC in its meetings held in December 2020, directed the department to recover the amount at the earliest.

Audit recommends that either to justify the position or action be taken to recover the government revenue from the persons at fault.

[PDP No.24451]

2.4.40 Non formulation of policy or SOPs for addressing the khewat issues or missing mutations entertained in the system as interim mutations in suspicious manner

The notification of declaring the mouza or village is issued under section 41-A of The Punjab Land Revenue Act, 1967 reproduced as under: 41-A. Preparation of computerized records.– (1) The Board of Revenue shall cause to be prepared, in computerized form, the latest edition of the periodical record of an estate and if no such record exists, the latest edition of the record-of-rights of the estate.

(2) The Board of Revenue shall, by notification, specify a date for the commencement of the operation of computerized edition of record-of-rights of an estate or a group of estates.

(3) The Board of Revenue shall, by notification, prohibit preparation of periodical record of an estate under section 41 from a specified date.

Contrary to above during examination of the record of PLRA, Lahore for the year 2017-20 it was observed that a large number of mutation issues were still required to be resolved as given below:

Pending	Khewat issues	Mutations Issues	Missing Mutations Pending
September 2017	40672	299514	44009
September 2020	25537	262911	35141
Improvement %	37.21 %	12.22 %	20.150 %

Whereas, a large number of mutations were or still pending for entrance in the computerized land record with term as interim mutations in connivance of responsible authorities under BOR and PLRA (Tehsildars and SCIs respectively) without certification of fact whether the same

mutation was passed prior to notifying the revenue estate (moza) as live under CLRMIS as the PLRA assigned the duties to SCIs for subsequent entry into CLMIS without prescribing the detail SOPs required to be implemented by SCIs.

Moreover, the entries of missing mutations as interim mutations without certifying the actual date of attestation of mutation by revenue officer and date of payment of mutation fee are causing the loss to government revenue in shape of non or less payment of fees. Further, the tendency of declaring the mutation as missing has not decreased as much as is evident from the table given above due to non-fixation of responsibility against revenue staff for not providing the last mutation attested by him. This tendency also a risk to buyers of land as same fact is also admitted by the PLRA vide No PLRA/DO/2018/183-A dated January 31st 2019

Audit is of the view that negligence on the part of management resulted in non-formulation of SOPs for addressing the Khewat Issues or Missing Mutations entertained in the system as interim mutations in suspicious manner which may result in loss of revenue.

The matter was reported to the respective formations as well as to the Principal Accounting Officer from November 2020, but no reply was offered.

DAC in its meetings held in December 2020, directed the department to formulate proper policy and SOPs for interim mutations.

Audit recommends that a detailed policy in respect of mutation issues be formulated with specific responsibilities, measurable objectives, prescribing the documentation required for entering the missing mutations in CLRMIS besides fixing the responsibility upon the official for missing mutation in consultation with Board of Revenue.

[PDPNo.25166]

CHAPTER 3

THE PUNJAB REVENUE AUTHORITY

3.1 *Introduction*

A) According to the Pakistan Sales Tax Act, 1951, sales tax on services was the Federal Subject. The Federal government, however, asked Provinces in year 2000 to introduce legislations to manage Provincial Sales Tax on Services. Further, 18th Constitutional Amendment read with 7th NFC Award empowered the provinces to collect and administer sales tax on services.

Accordingly, the Punjab government established the Punjab Revenue Authority (PRA), as an autonomous organization under the administrative control of Finance Department, with automated tax payment and collection system on 1.07.2012. It also enacted the Punjab Sales Tax on Services Act, 2012 in supersession of the Punjab Sales Tax Ordinance, 2000.

B) Comments on Budgeted Receipts (Variance Analysis)

During the Financial Year 2019-20, the Punjab Revenue Authority collected an amount of Rs.106 billion against the revised targets of Rs. 102 billion.

A comparison of original budgeted revenue estimates, revised estimates and actual receipts for the year 2019-20 is tabulated below. The variation between the revenue target and actual receipts is depicted both in absolute and percentage terms:

(Rs. in billion)

Variance Analysis for Punjab Revenue Authority 2019-20							
S #	Category	Head of Account	Budgeted Estimates	Revised Estimates	Actual receipts as per Financial Statement	Variation excess/ (less) Col.6-5	Percentage of Variation
1	2	3	4	5	6	7	8
1	Punjab Sales Tax on Services	B0-2385	161	102	106	4	(3.92%)

(Data Source: 1. Estimates of Receipts Govt. of Punjab Budget 2020-21 2. Civil Accounts)

The above figures highlight that the actual receipts were 3.92% greater than the revised revenue estimates for the financial 2019-20. The original revenue estimates were decreased by 36.65%. The management needs to analyze the causes of revenue shortfalls and take corrective action accordingly.

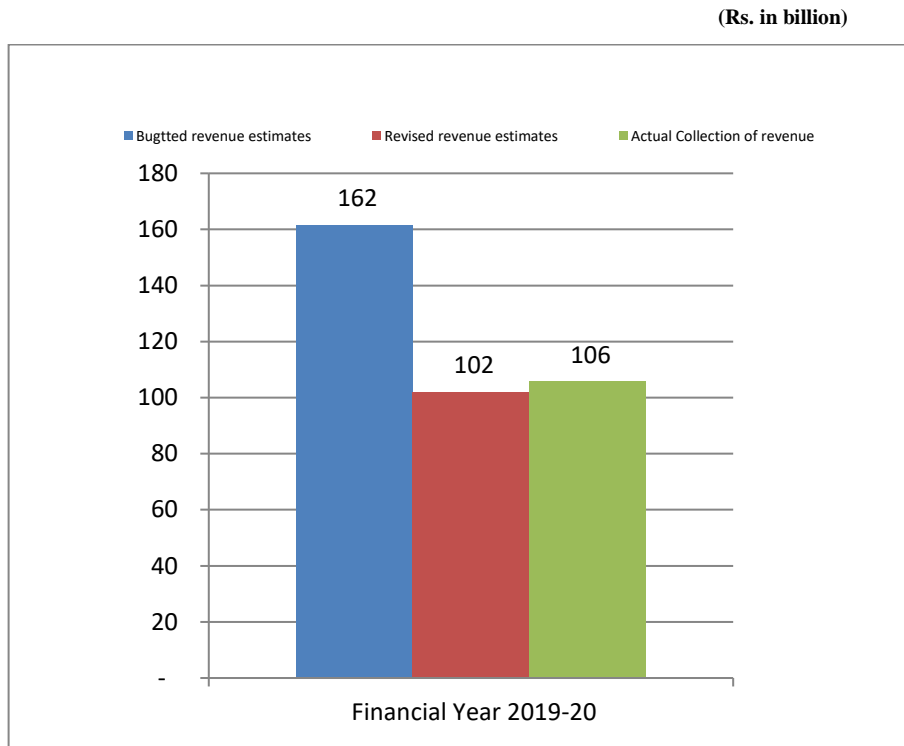
The Punjab Revenue Authority has just able to achieve its revenue targets during the financial year 2019-20. Comparison of receipts targets and actual receipts for the financial year 2018-19 and 2019-20 is given below in the table:

(Rs. in billion)

Year	Budgeted Estimates	Revised Estimates	Actual receipts as per Financial Statement
2018-19	152	101	90
2019-20	161	102	106

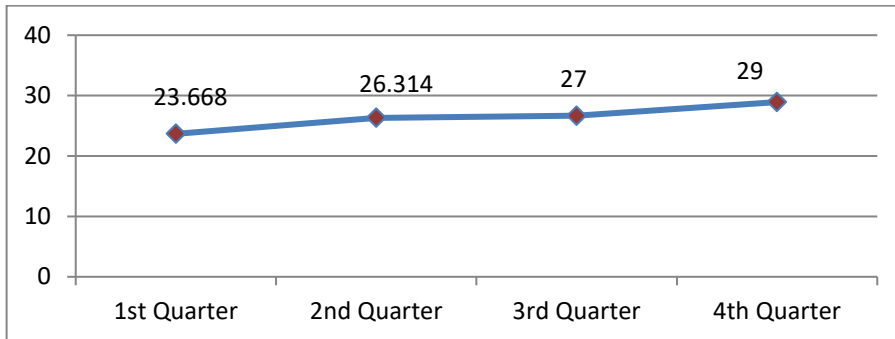
The above figures show that actual receipts in 2019-20 were more than the last financial year i.e. 2018-19. The Punjab revenue authority has excess in achieving its revised revenue targets.

The comparison of budgeted revenue estimates, revise revenue estimates and actual collection of department for the financial year 2019-20 also in the following graph;



As seen, the above graph shown that the actual receipts were below than the original estimates and greater than revised estimates.

The quarterly tax revenue collection during the financial year 2019-20 was as under:



The above line chart showing the upward trend of revenue collected by the department quarterly. However, the pace of increase is not very significant.

Audit profile of Punjab Revenue Authority

(Rs. in million)

Sr. No	Description	Total No	Audited	Expenditure audited FY 2019-20	Revenue/Receipts audited FY 2019-20
1	Formations	1	1		99,141
2	Assignment Accounts SDAs	-	-	-	-
3	Authorities /Autonomous Bodies etc Under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

3.2 *Classified Summary of Audit Observations*

Audit observations (recoveries) amounting to Rs. 275,675 million were raised in this report during the current audit of Punjab Revenue Authority.

Overview of Audit observations

<i>(Rs. in million)</i>		
Sr. No	Classification	Amount
1	Irregularities (Non/less realization of Govt. revenue)	275,675.272

3.3 *Brief Comments on the Status of Compliance with PAC Directives*

No PAC meeting was held till the finalization of the report.

AUDIT PARAS

Irregularities

3.4.1 Non-recovery of Punjab sales tax assessed against the defaulter of tax - Rs. 134,992.320 million.

According to section 24(1) of the Punjab Sales Tax on Services Act 2012 “where on the basis of any information acquired during an audit, inquiry, inspection or otherwise, an officer of the Authority is of the opinion that a registered person has not paid the tax due on taxable services provided by him or has made less payment, the officer shall make an assessment of the tax actually payable by that person and shall impose a penalty and charge default surcharge in accordance with sections 48 and 49 of the Act.

During audit of Punjab Revenue Authority, it was noticed that an amount of Rs. 134,992,320,864 of Punjab sales tax on services and penalties are lying payable in the light of assessment orders passed by the adjudicating authorities of the Punjab Revenue Authority under section 24 of the Act against various taxpayers but failed to recover it.

Audit is of the view that non-pursuance by the management resulted in non-recovery of Punjab sales tax on services amounting to Rs. 134,992,320,864.

The matter was reported to the Authority in September, 2020 but no reply was received.

DAC in its meetings held in December 2020, directed the department to ensure the compliance at earliest.

Audit recommends to initiate proper recovery proceedings under the law against tax defaulters.

[PDP No.24808]

3.4.2 Non-pursuance of cases of recovery of tax - Rs. 109,614.957 million

The Lahore High Court on 19th July 2019 dismissed hundreds of petitions challenging establishment of Punjab Revenue Authority (PRA) and its power to recover sales tax and provide legal coverage to the constitution of Punjab Revenue Authority.

During audit of Punjab Revenue Authority for the year 2019-20, it was noticed that 237 of writ petitions were disposed of by the worthy Lahore High Court, Lahore involving recovery of sales tax of Rs. 109,614,957,024 but the authority did not pursue or finalize the said cases to mature the recovery of tax.

Audit is of the view that non-pursuance by the management resulted in non-recovery of Punjab sales tax on services amounting to Rs. 109,614,957,024.

The matter was reported to the Authority in September, 2020 but no reply was received.

DAC in its meetings held in December 2020, directed the department to ensure the compliance at earliest.

Audit recommends to initiate proper recovery proceedings under the law against defaulters.

[PDP No.24809]

3.4.3 Non-recovery of the tax not withheld by withholding agent assessed against defaulter of tax - Rs. 13,257.484 million

According to section 52 (1) & (2) of the Punjab Sales Tax on Services Act, 2012, where by reason of inadvertence, error, misconstruction or for any other reason, any tax or charge has not been levied or has been short levied, the person liable to pay such amount of the tax or charge shall

be served with a notice, within five years of the relevant tax period requiring him to show cause for payment of the amount specified in the notice. Further where by reason of some collusion, abetment, deliberate attempt, misstatement, fraud, forgery, false or fake documents, any tax or charge has not been paid or is, less paid, the person liable to pay such tax shall be served with a notice within five years of relevant tax period, requiring him to show cause for non-payment of such tax.

During audit of the record of Punjab Revenue Authority, Lahore for the year 2019-20, it was noticed that 61 withholding agents did not withhold the Punjab sales tax from the payments made to suppliers on account of services rendered. The adjudicating authorities of the Punjab Revenue Authority has passed the assessment orders under section 52 of the Act, for recovery of tax along with penalty on these services but the same was not yet recovered.

Audit is of the view that inaction on part of management resulted into non-realization of government revenue amounting to Rs. 13,257,484,786.

The matter was reported to the Authority in September 2020, but no reply was received.

DAC in its meetings held in December 2020, directed the department to ensure the compliance at earliest.

Audit recommends that strenuous efforts be made for recovery of government revenue without further delay.

[PDP No.24810]

3.4.4 Loss of government revenue due to inaction against the developers and contractors of the developers - Rs. 5,000.00 million

According to Sr. No 14 of the 2nd Schedule of the Punjab Sales Tax on Services Act 2012 Punjab Sales Tax is chargeable on the “Construction services and services provided by contractors of building (including water supply, gas supply and sanitary works), roads and bridges, electrical and mechanical works (including air conditioning), horticultural works, multi-discipline works (including turn-key projects) and similar other works”

Whereas S. No 15 of the 2nd Schedule of the Act levy the Punjab Sales Tax on the “Services provided by property developers, builders and promoters (including their allied services)”.

During audit of the record of Punjab Revenue Authority for the year 2019-20, it was noticed that 667 number of services providers under the categories mentioned above are providing the services but no action in this regard has been taken by the Authority. Whereas, developers are also consuming the construction services and the tax be recovered if the developers had not paid the tax on development services.

Audit is of the view that inaction on part of management resulted into non-realization of government revenue amounting to Rs. 10,485,294,684 estimated.

The matter was reported to the Authority in September 2020, but no reply was received.

DAC in its meetings held in December 2020 reduced the para to Rs. 5,000,000,000 after verification of Rs.5,485,294,684 and directed the department to take up the cases recover the tax due at the earliest.

Audit recommends that matter be pursued besides recovery proceeding be initiated against the defaulters.

[PDP No.24811]

3.4.5 Unlawful withholding of sales tax on services - Rs. 3,508.307 million

Rule 3 of the Punjab Sales Tax on Services (Withholding) Rules 2015 states that:- the “Applicability of withholding rules as “ (1) The rules shall not apply on services relating to telecommunication, banking, courier and insurance and the services, except advertisement services, provided by the companies being the active taxpayers. (2). Sub-rule (1) shall not be involved where insurance services are provided from outside the Province to a withholding agent in respect of a risk located in or relating to the Province.

Whereas, sub-rule 2 of rule 12 of rules ibid states that “If a registered person allows withholding of tax by a person who is not a withholding agent, the registered person shall be liable to pay the tax along with the default surcharge payable on the tax.”.

During audit of the record of the Punjab Revenue Authority, Lahore for the year 2019-20, it was noticed that a large number of services providers unlawfully allowed the withholding of sales tax charged to the services recipients as the services of private limited companies being active tax payers are outside the scope of withholding rules 2015 ibid.

Whereas, there is no inbuilt mechanism available in the IT system to curtail such unlawful declaration of sales tax on services as withheld by the service providers, nor the system is capable for reporting that the sales tax withheld by the recipients of services is properly deposited into treasury.

Audit is of the view that inaction on part of management resulted into unlawful withholding of sales tax on services amounting to Rs. 3,508,307,788.

The matter was reported to the Authority in September 2020, but no reply was received.

DAC in its meetings held in December 2020, directed the department to complete the exercise of reconciliation at earliest.

Audit recommends to ensure the amounts declared as withheld by service providers are deposited into the treasury besides system be updated to disallow such unlawful declaration of sales tax withheld at the stage of filing of returns.

[PDP No.24813]

3.4.6 Non-realization of input claimed against services paid in FBR - Rs. 3,231.337 million

Memorandum of Understanding (MOU) signed between Punjab Revenue Authority and Federal Board of Revenue states that input tax claimed by the taxpayers for consumption of goods and services from both of organization shall be accounted for and in case of any balance arises, the same shall be paid by the respective organization accordingly.

During audit of the Punjab Revenue Authority, Lahore it was observed that the Federal Board of Revenue did not pay the input tax on goods claimed by the taxpayers in monthly sales tax on services returns.

Audit is of the view that inaction on part of management resulted into non-transfer of amount of Rs. 3,231,337,000 from FBR on account of claim of input adjustment.

The matter was reported to the Authority in September 2020, but no reply was received.

DAC in its meetings held in December 2020, directed the department to provide reconciliation of amount received from FBR at the earliest.

Audit recommends that the matter needs the attention and should be taken up at higher levels so that amount be transferred timely in provincial

treasury and an automated procedure is required to be chalked out to streamline the instant adjustment of the claims towards FBR.

[PDP No.24814]

3.4.7 Less-payment of tax by the technical and other consultants- Rs. 2,064.779 million

As per Sr. No 23 of the 2nd schedule to the Punjab Sales Tax on Services Act 2012 states that the services provided by technical, scientific & engineering consultants including technical inspection and certification services, quality control (standards' certification), technical analysis and testing, erection, commissioning and installation services are chargeable to tax @sixteen per cent with a right of input tax adjustment as prescribed under section 16, 16-B of the Act *ibid*.

During audit of the record of Punjab Revenue Authority for the year 2019-20, it was observed that 136 services providers are paying less tax as prescribed above but action in this regard has not been taken against these persons. Whereas, the IT system is not capable for screening out the inadmissible input adjustments as per law resultantly tax payers are claiming such input adjustment which are not admissible under the law.

Audit is of the view that inaction on part of management resulted into less realization of revenue of Rs. 2,064,779,905 which indicates weak financial and internal controls of the authority.

The matter was reported to the Authority in September 2020, but no reply was received.

DAC in its meetings held in December 2020, directed the department to take up the cases for recovery at earliest.

Audit recommends initiating the proper proceedings under the law against taxpayer for recovery.

[PDP No 24815]

3.4.8 Non charging of interest on tax unlawfully retained by FBR- Rs. 1,260.657 million

18th Constitutional Amendment and the Punjab Sales Tax on Services Act, 2012 in supersession of the Punjab Sales Tax Ordinance, 2000 has empowered the Punjab government (Punjab Revenue Authority), to levy and collect (consumption) taxes on services.

During audit of the record of Punjab Revenue Authority for the year 2019-20, Lahore it was observed that amount of the Punjab sales tax on services to the extent of Rs. 4,202,190,454 was credited to FBR by the banks by considering the same as Federal sales tax. Whereas, the reconciliation of amount credited in B02385 was not conducted in whole of punjab.

Audit is of the view that inaction on part of management resulted into late transfer of tax and loss of revenue for Rs.1,260,657,136 estimated on account of interest on late transfer of taxes by the banks.

The matter was reported to the Authority in September 2020, but no reply was received.

DAC in its meeting held in December 2020, directed the PRA to take up the matter with Finance Department regarding the interest amount.

Audit recommends that matter needs the attention of the management to make proper mechanism of reconciliation and charging of interest for late deposit of Punjab sales tax.

[PDP No.24817]

3.4.9 Loss of government revenue due to inaction against the commission agents (estimated) - Rs. 993.388 million

As per Sr.No 3 of 2nd Schedule of Punjab Sales Tax on services, services provided by persons authorized to transact business on behalf of

others including (a) customs agents; (b)ship chandlers; and(c) stevedores are taxable.

During audit of the record of Punjab Revenue Authority for the year 2019-20, Lahore it was observed that a 934 of services providers under the categories mentioned above are providing the services but no action in this regard has been taken against the persons despite having information on record in the office at Faisalabad.

Audit is of the view that inaction on part of management resulted into loss of revenue of Rs. 1,430,479,294 estimated.

The matter was reported to the Authority in September 2020, but no reply was received.

DAC in its meetings held in December 2020 reduced the para to Rs. 993,388,399 after verification of Rs.437,090,895 and directed the department to recover the balance amount at the earliest.

Audit recommends that matter be pursued for resolving the long outstanding issues besides recovery proceeding be initiated against the defaulters.

[PDP No.24816]

3.4.10 Loss of government revenue due to charging the less rate of Punjab sales tax by the marriage hall - Rs. 724.949 million.

The government of the Punjab vide Notification No. SO (Tax)1-2/97(tel/res) dated 24th February 2015 allowed a reduced rate scheme to marriage hall, caterers and other service providers of the category to charge the PST @ 5% upon fulfillment of terms and condition as prescribed.

Contrary to the above during audit of the record of the Punjab Revenue Authority for the year 2019-20, Lahore it was observed that a large number of services providers are charging the PST @ 5 % without fulfilling the condition as prescribed in the notification and action in this regard has not been taken against the persons or taxpayer for such non-compliance.

Audit is of the view that inaction on part of management resulted into estimated loss of revenue c Rs. 724,949,088.

The matter was reported to the Authority in September 2020, but no reply was received.

DAC in its meetings held in December 2020, directed the department to ensure the compliance of the notification of reduce rate scheme and get it verified from audit on sample bases.

Audit recommends that the proper proceedings against the non-compliant taxpayers be initiated.

[PDP No.24818]

3.4.11 Loss of government revenue due to inaction against the custom agents (estimated) - Rs. 389.694 million

As per Sr.No 3 of 2nd Schedule of Punjab Sales Tax on Services Act,2012 Services provided by persons authorized to transact business on behalf of others including (a) customs agents; (b)ship chandlers; and(c) stevedores are taxable.

During audit of the record of the Punjab Revenue Authority for the year 2019-20, it was observed that 51 services providers under the category mentioned above are providing the services but no action in this regard has been taken despite having information on record.

Audit is of the view that inaction on part of management resulted into non-assessment/realization of sale tax amounting to Rs. 389,694,000 (estimated).

The matter was reported to the Authority in September 2020, but no reply was received.

DAC in its meetings held in December 2020, directed the department to take up the cases and amounts be recovered at the earliest.

Audit recommends that the matter be pursued the cases properly besides recovery proceeding be initiated against the defaulters.

[PDP No.24820]

3.4.12 Doubtful withholding of sales tax on services by the agents having no PNTN or proper identity - Rs. 246.771 million

Rule 12 of the Punjab Sales Tax on Services (Withholding) Rules 2015 states that (1) A registered person shall:

(a) Issue a proper sales tax invoice in respect of every taxable service provided to a withholding agent;

(2) If a registered person allows withholding of tax by a person who is not a withholding agent, the registered person shall be liable to pay the tax along with the default surcharge payable on the tax.

Whereas, section 2(43) of the Punjab Sales Tax on Services Act 2012 states that “tax fraud” means knowingly, dishonestly or fraudulently and without any lawful excuse—

(d) Acting in contravention of the duties or obligations imposed under the Act or rules or instructions issued thereunder— with the intention of understating or suppressing the tax liability or underpaying or not paying the tax liability.

During audit of the record of the Punjab Revenue Authority for the year 2019-20, it was observed that 721 services providers declared in their monthly sales tax returns but the NTN and names were not mentioned in the returns.

Audit is of the view that inaction on part of management resulted doubtful withholding of sales tax on services by the agents having no PNTN or proper identity of Rs. 246,771,000.

The matter was reported to the Authority in September 2020, but no reply was received.

DAC in its meetings held in December 2020, directed the department to discourage the practice and ensure the compliance at earliest.

Audit recommends to ensure the amounts declared as withheld by service providers are properly deposited into the treasury besides proves for deposit be obtain from withholding agent or service providers.

[PDP No.24821]

3.4.13 Non-realization of penalty on non-filing of return for sales tax on services - Rs. 116.640 million

According to section 2(17) of the Punjab Sales Tax on Services Act 2012 “*due date*” in relation to the furnishing of a return means the 15th day of the month following the end of the tax period, or such other date as the Authority may, by notification in the official Gazette, specify; whereas under section 48(2) of the Act, a penalty of five thousand rupees is liable to be paid on non-filing of monthly return on due date.

During audit of the record of the Punjab Revenue Authority for the year 2019-20, it was observed that 972 registered persons did not file the tax returns as prescribed nor paid the tax but no action in this regard has been taken to invoke the relevant provision of law.

Audit is of the view that inaction on part of management resulted into non-realization of government revenue amounting to Rs. 116,640,000.

The matter was reported to the Authority in September, 2020 but no reply was received.

DAC in its meetings held in December 2020, directed the department to ensure the compliance at earliest.

Audit recommends to initiate proper proceedings against the non-filers.

[PDP No 24822]

3.4.14 Loss of government revenue due to inaction against the marriage halls, lawns including pandal and shamiana services, catering services (estimated) - Rs. 110.438 million

As per Sr.No 1 of 2nd Schedule of Punjab Sales Tax on Services Act, 2012 Punjab sales tax @ 16% is leviable on services provided by hotels, motels, guest houses, marriage halls and lawns (by whatever name called) including pandal and shamiana services, catering services (including all ancillary/allied services such as floral or other decoration, furnishing of space whether or not involving rental of equipment and accessories) and clubs including race clubs and their membership services including services, facilities or advantages, for a subscription or any other amount, to their members.

During audit of the record of the Punjab Revenue Authority for the year 2019-20, it was observed that a large number of services providers under the categories mentioned above are providing the services but no action in this regard has been taken by the management against these persons to bring them into tax net despite the fact that information is of a number of service providers of above category was available on the record of authority.

Audit is of the view that inaction on part of management resulted into non-realization of government revenue amounting to Rs. 110,438,054 estimated.

The matter was reported to the Authority in September 2020, but no reply was received.

DAC in its meetings held in December 2020, directed the department to ensure the compliance at earliest.

Audit recommends that the matter be looked into for resolving the long outstanding issue and said cases be followed properly besides initiating the recovery proceeding against the defaulters after due process of law.

[PDP No 24823]

3.4.15 Non assessment of default surcharge - Rs. 89.443 million

According to section 49 of the Punjab Sales Tax on Services Act 2012 “if a registered person does not pay the tax due or any part thereof, whether willfully or otherwise, on time or in the manner as specified under the act, rules or notification or procedures issued thereunder, he shall in addition to the tax due and any penalty under section 48 of the Act, pay the default surcharge at the prescribed rate.

During examination of record of Punjab Revenue Authority, Lahore for the year 2019-20, it was observed that in 1699 cases, the registered persons of the Punjab Revenue Authority had filed their monthly tax returns after the due date prescribed under section 2(17) of the Act but default surcharge leviable under the law was neither imposed by the authority nor paid by the return filers.

Audit is of the view that inaction on part of management resulted into non-recovery of govt. revenue amounting to Rs. 89,443,951.

The matter was reported to the Authority in September 2020, but no reply was received.

DAC in its meetings held in December 2020, appreciated the Audit efforts and directed the department to ensure assessment of surcharge at the earliest.

Audit recommended that proper proceedings be initiated against defaulters as prescribed in Act and automated system in this regard be activated in IT system for assessment and collection of default surcharge.

[PDP No.24824]

3.4.16 Less-realization of the Punjab Infrastructure Development Cess - Rs. 39.754 million

Section 3 of the The Punjab Infrastructure Development Cess Act 2015 states that there shall be levied and collected a cess on the goods manufactured, produced or consumed in the Punjab, goods imported into or goods exported out of the Punjab at a fixed rate of 0.90% of total value of goods as assessed for customs purposes”

Whereas section 7 of the Act states that where any person has not paid any amount of cess due under this Act, he shall, in addition to the cess due or any other penalties payable under the Act, pay default surcharge at the rate of two percent of the payable amount of the cess per month.

During examination of record of Punjab Revenue Authority, Lahore for the year 2019-20, it was observed that 905 importers did not deposit the Punjab Infrastructure Development Cess as prescribed and Authority failed to take any corrective measures to even identify the less payment in respect of Punjab Infrastructure Development Cess and recovery proceeding had also not been initiated for deposit thereof.

Audit is of the view that inaction on the part of management has resulted in less-recovery of Govt. revenue amounting to Rs. 39,754,022.

The matter was reported to the Authority in September, 2020 but no reply was received.

DAC in its meetings held in December 2020, directed the department to take up the cases for recovery.

Audit recommends that matter be pursued and recovery effected besides probing the matter for fixing responsibility for the failure of IT system for such incorrect calculation of PIDC.

[PDP No.24825]

3.4.17 Non-declaration of exact value of goods imported for levy of the Punjab Infrastructure Development Cess - Rs. 34.354 million.

Section 2 (k) of the The Punjab Infrastructure Development Cess Act 2015 defines “the value of goods being imported or exported, as determined by an officer of customs for purposes of the Customs Act, 1969, provided that in case of goods manufactured, produced or consumed in Pakistan, the value shall be determined by reference to the value determined under the Sales Tax Act for purposes of levy and payment of sales tax”.

During examination of record of Punjab Revenue Authority, Lahore for the year 2019-20, it was observed that system failed to disclose the value of goods imported for levy of Punjab Infrastructure Development Cess as prescribed in 698 cases and cess was deposited by the importer by declaring the import value as zero.

Audit is of the view that inaction on the part of management has resulted in non-declaration of exact value of imported goods which resulted into non-recovery of cess amounting to Rs. 34,353,945 approximately.

The matter was reported to the Authority in September, 2020 but no reply was received.

DAC in its meetings held in December 2020, directed the department to submit detailed report to audit for verification at the earliest.

Audit recommends to probe the matter and fix responsibility for the failure of IT system for such declaration of value for PIDC.

[PDP No.24826]

Value for money

3.4.18 Non realization of government revenue estimated in millions due to non-bringing 19,403 companies into tax net being service providers and withholding agents.

Section 11 of The Punjab Sales Tax on Services Act 2012 specifies:-

(1) Where a service is taxable by virtue of subsection (1) of section 3, the liability to pay the tax shall be on the registered person providing the service.

(2) Where a service is taxable by virtue of sub-section (2) of section 3, the liability to pay the tax shall be on the person receiving⁴ the service.

(3) The Authority may, by notification in the official Gazette, specify the service or services in respect of which the liability to pay tax shall be on any person, other than the person providing the taxable service, or the person receiving the taxable service”.

During audit of the accounts of the Punjab Revenue Authority, Lahore for the year 2019-20, it was noticed that 19,403 companies registered with SECP are not paying taxes to PRA in the capacity of service providers or withholding agent and no action in this regard has been report by PRA to audit to bring such companies in to the tax net.

Audit is of the view that inaction on part of management resulted into non-realization of government revenue estimated in millions.

The matter was reported to the Authority in September 2020, but no reply was received.

DAC in its meetings held in December 2020, directed the department to take action for broadening the tax net and recovery.

Audit recommends that matter be pursued for resolving the long outstanding cases besides recovery proceeding be initiated against the defaulters.

[PDP No 24812]

CHAPTER 4

TRANSPORT DEPARTMENT

4.1 Introduction

A) Transport Department was established in the year 1987, previously it existed as Transport Cell in the Services, General Administration and Information Department under the supervision of the Additional Chief Secretary Government of the Punjab.

The Punjab Provincial Transport Authority is a statutory body constituted under Section 46 of the Motor Vehicles Ordinance, 1965 and is an important satellite organization of the Transport Department to regulate the Public Transport in the Province.

The Punjab Provincial Transport Authority exercises and discharges various functions under the Motor Vehicles Ordinance, 1965 throughout the province, whereas, the District Regional Transport Authorities established at each district of the Province, w.e.f 14.08.2001, to exercise power and functions conferred by the Motor Vehicles Ordinance, 1965 and its Rules 1969, within their respective territorial jurisdictions.

Core Operational Activities

- Route permit fee,
- License fee for bus/wagon stands,
- License fee for carrying the business of goods forwarding,
- Fitness fee from different categories of public transport and
- License of bus body building workshop

The main source of income of the department is from issuance and renewal of route permits & motor vehicles fitness certificates. The revenue from these two sources is collected under the heads of account “B-02812” and “B-02811” respectively.

Route permit fee is levied under Motor Vehicle Ordinance, 1965 and rules made there under. Route permits to the owners of commercial vehicles are issued under the said law for a specific period. On expiry, these are renewed on payment of prescribed fee. The fee is charged in shape of route permit’s adhesive stamps made available by the postal authorities. The applicants paste the revenue stamps on the application forms which are properly defaced. In case of renewal of route permit, the owner shall make application one month before the expiry of the permit with a fee of Rs. 450 in shape of route permit adhesive stamps pasted on the application forms. On the applications submitted after the stipulated period late fee @ Rs.200 per month or part thereof is charged.

B) Comments on Budgeted Receipts (Variance Analysis)

During the Financial Year 2019-20, the Transport Department of the government of Punjab collected an amount of Rs.469.05 million against the revised estimates of Rs.431 million.

A comparison of budget estimates, revised estimates and actual receipts for the year 2019-20 is tabulated below. The variation between the revised estimates and actual receipts is depicted both in absolute and percentage terms:

(Rs. in million)

Variance Analysis for Transport Department							
S #	Category	Head of Account	Budgeted Estimates	Revised Estimates	Actual receipts as per Financial Statement	Variation/ (less) Col.6-5	Percentage of Variation
1	2	3	4	5	6	7	8
1	Fitness Fee	B02811	10	110.5	115.77	5.27	4.77
2	Route Permit Fee	B02812	700	320.5	353.28	32.78	10.23
Total			710	431	469.05	38.05	8.83

(Data Source: 1. Estimates of Receipts Govt. of Punjab Budget 2020-21 2. Civil Accounts)

The above figures highlight that the actual receipts against Fitness Fee & Route Permit Fee of the Transport Department was 8.8% greater than the revised estimates of the receipts. The variation between the original budgeted receipts (Rs.710 million) and actual receipts (Rs.469.05 million) collected was Rs.240.95 million. The budgeted receipt targets during the year were revised from 710 million to 431 million. The actual receipts collected were 8.8% greater than the revised estimates.

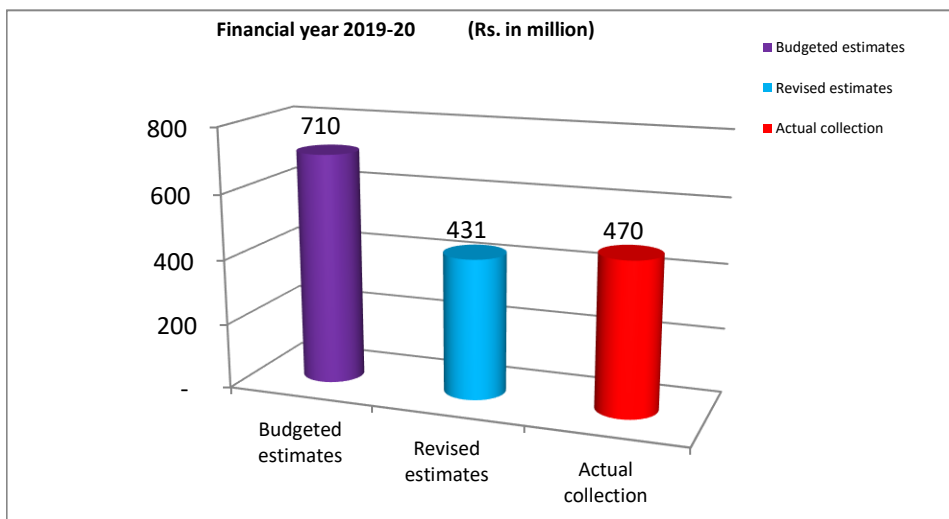
The Transport department has just able to achieve its revise revenue targets during the financial year 2019-20. Comparison of receipts targets and actual receipts for the financial year 2018-19 and 2019-20 is given below in the table:

(Rs. in million)

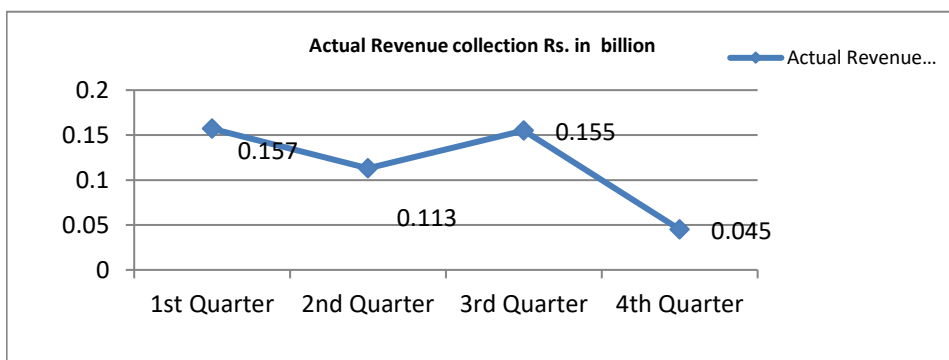
Year	Budgeted Estimates	Revised Estimates	Actual receipts as per Financial Statement
2018-19	830	702	724.08
2019-20	710	431	469.05

The above figures show that actual receipts in 2019-20 were less than the previous year i.e. 2018-19. However, the revised estimates in 2018-19 were only 15.42 percent less than original estimates whereas in 2019-20 revised estimates were 39.29 percent less than the original estimates.

The comparison of budgeted revenue estimates, revise revenue estimates and actual collection of department for the financial year 2019-20 also shown in the following graph.



The quarterly tax revenue collection during the financial year 2019-20 was as under:



The above line chart shows downward trend in 2nd quarter and upward trend in 3rd quarter of revenue collected by the department However revenue collection shows downward trend again in 4th quarter.

Audit profile of Transport Department

(Rs. in million)

Sr. No	Description	Total No	Audited	Revenue/Receipt audited FY 2019-20
1	Formations	75	8	481.07
2	<ul style="list-style-type: none"> • Assignment Accounts • SDAs 	-	-	-
3	Authorities /Autonomous Bodies etc Under the PAO	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-

4.2 *Classified Summary of Audit Observations*

Audit observations (recoveries) amounting to Rs.2.063 million pertaining to Provincial Receipts were raised in this report during the current audit of Transport Department.

Overview of Audit observations

(Rs. in million)

Sr. No	Classification	Amount
1	Irregularities (Non/less realization of Govt. revenue)	2.063

4.3 Brief comments on the status of compliance with PAC Directives

The status of compliance with PAC Directives, for reports discussed so far, is given below:

Sr No	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	1985-1986	1	1	0	100
2	1986-1987	1	0	1	0
3	1990-1991	2	1	1	50
4	1992-1993	1	0	1	0
5	1993-1994	1	0	1	0
6	1996-1997	1	0	1	0
7	1997-1998	1	0	1	0
8	1998-1999	1	1	0	100
9	1999-2000	2	2	0	100
10	2000-2001	1	0	1	0
11	2001-2002	1	1	0	100
12	2006-2007	2	1	1	50
13	2009-2010	3	1	2	33
14	2011-2012	2	2	0	100
15	2013-2014	2	2	0	100
Total		22	12	10	55

The compliance with PAC Directives in Transport Department is 100 percent for Audit years 1998-99, 1999-2000, 2001-02, 2011-12& 2013-14. For other years, department needs to be more proactive.

AUDIT PARAS

Irregularities

4.4.1 Non-issuance /renewal of fitness certificates of Public Service Vehicles plying on intercity routes - Rs. 2.063 million

According to the Secretary Provincial Transport Authority letter No.PTA-TAI-2019/150 dated 27th December, 2019, Lahore, all the Transporters are requested to get fitness certificates of their public services vehicles, which are plying on intercity routes only from VICs stations while MVEs offices of their respective districts, who shall only issue/renew of fitness certificates of the vehicles playing on intera-city routes.

During audit of District Regional Transport Authority, Multan, for the period 2018-20, it was observed that 3275 vehicles fitness certificate have been expired, but the owners of the vehicles have neither got renewal their fitness certificates from VICs station nor from MVE office as the VICs services are not operational yet in district Multan. So there is a loss government revenue due to non-issuance /renewal of fitness certificates of public services vehicles plying are intercity routes.

Audit is of the view that this negligence on the part of the management resulted in non-realization of potential revenue amounting to Rs.2,063,250.

The matter was reported to the respective formations as well as to the Principal Accounting Officer in August, 2020. But no reply was received.

DAC in its meetings held in January 2021, directed the department to operationalized the Vehicle Inspection Certification System at the earliest.

Audit recommends to take immediate steps for recovery of government dues without further delay. Moreover, certain pragmatic interventions are needed by the department regarding procedure / mechanism of fitness certificates of Public Vehicles.

[PDP NO. 24566]

CHAPTER 5

FOOD DEPARTMENT

5.1 Introduction

A) As per Rules of business, 1974, Food Department, government of the Punjab has been assigned the responsibilities of voluntary procurement of wheat, control over flour mills etc. Food Department is also responsible for regulating sugar industry through the Cane Commissioner Punjab. Prices of cane are fixed by the Provincial government, on recommendations of the Federal government, after getting it approved from the Sugarcane Control Board.

The Cane Commissioner, Punjab also provides services for the collection of sugar cane cess from the sugar mills to formulate and initiate development scheme as well their execution.

Sugarcane Development Cess

Sugarcane Development Cess Fund is collected @ Rs.75 per metric ton of the cane supplied to the mills which is contributed by the concerned sugar mills and the growers equally. Cess so collected is spent on the development of sugarcane, construction of roads/culverts and plant protection measures within the area of collection. Five percent of the cess is spent on research activities pertaining to development of sugarcane. A Cess Committee has been constituted to carry out development activities out of the Sugarcane Development Cess.

B) Comments on Budgeted Receipts (Variance Analysis)

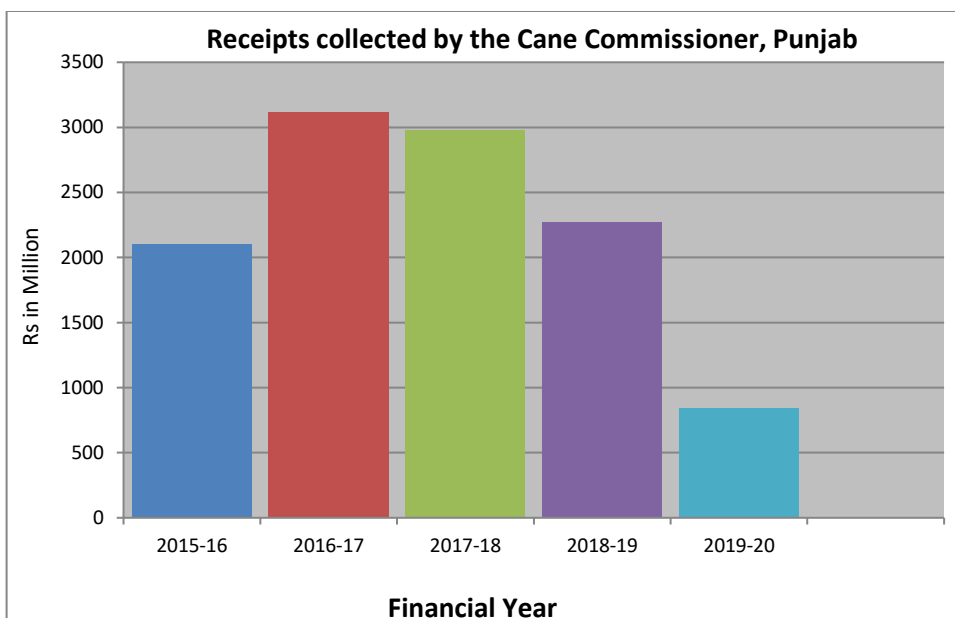
A comparison of receipts collected for last five years are tabulated below:

(Rs. in million)

Year	2015-16	2016-17	2017-18	2018-19	2019-20
Receipts (G-11212)	2104	3115	2,975	2268	846
Percentage changes	(.08%)	48%	(4.5%)	(24)	(63)

(Data Source: 1. Estimates of Receipts Govt. of Punjab Budget 2020-21 2. Civil Accounts)

The above figures highlight that the receipts collection for the years 2017-18, 2018-19 & 2019-20 show decrease of 4.5%, 24% and 63% respectively. However, in 2016-17 the receipts collection increased significantly by 48%. The cess collection is dependent upon the sugar cane supply to mills which in turn is related with sugar cane production in the relevant year. The comparison of above stated figures is also shown in following column graph.



The above column graph clearly shows that there is a lot of variation in the amount of receipts collected by cane commissioner punjab over last five years.

Audit profile of Food Department

(Rs. in million)

Sr. No	Description	Total No	Audited	Revenue/Receipt audited FY 2018-20
1	Formations	1	1	4545.146
2	<ul style="list-style-type: none"> • Assignment Accounts • SDAs 	-	-	-
3	Authorities /Autonomous Bodies etc Under the PAO	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-

5.2 *Classified Summary of Audit Observations*

Audit observations (recoveries) amounting to Rs. 82 million pertaining to Provincial Receipts were raised in this report during the current audit of Cane commissioner Punjab Food Department.

Overview of Audit observations

(Rs. in million)

Sr. No	Classification	Amount
1	Irregularities (Non/less realization of Govt. revenue)	81.984
2	Value for money and service delivery issues	1,032.905

5.3 *Brief comments on the status of compliance with PAC Directives*

The status of compliance with PAC Directives, for reports discussed so far, is given below:

Sr. No	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	1990-1991	3	2	1	67
2	1992-1993	1	1	0	100
3	1994-1995	4	4	0	100
4	1996-1997	2	2	0	100
5	1998-1999	3	3	0	100
6	1999-2000	6	2	4	33
7	2001-2002	7	4	3	57
8	2009-2010	2	1	1	50
9	2010-2011	2	1	1	50
10	2013-2014	2	1	1	50
Total		32	21	11	66

The compliance with PAC Directives in Transport Department is 100 percent for Audit years 1992-93, 1994-1995, 1996-97 & 1998-99. For other years, department needs to be more proactive.

AUDIT PARAS

Irregularities

5.4.1 Non-realization of sugarcane (Development) cess and penalty - Rs. 81.984 million

According to Rule 2 & 3 of the Punjab Sugarcane (Dev) Cess Rules 1964, the cess is paid equally by the growers and mill owners @ Rs. 75 per metric ton and is required to be deposited into the government treasury within five days of the close of each fortnight i.e. 5th and 20th of each month. Under Rule 5 of the Rules *ibid*, failure to pay the cess attracts penalty equivalent to the amount of cess. The unpaid amount of cess and penalty are recoverable as arrears of land revenue.

Audit of the record of three sugar mills under Cane Commissioner Punjab revealed that sugarcane (dev) cess along with penalty was not paid during 2018-20.

(Amount in Rupees)

Sr. No	Formation	PDP No	No of Cases	Amount Pointed Out	Amount Verified	Balance
1.	Cane Commissioner Punjab Lahore	40733	3	40,984,555	0	40,984,555
2.	Do	40734	3	40,984,555	0	40,984,555
3.	Do	40737	1	15,156	0	15,156
Total				81,984,266	0	81,984,266

Audit is of the view that this negligence on the part of Food Department indicates weak supervisory control which resulted in non-recovery of government revenue amounting to Rs 81,984,266.

Audit reported the matter to the respective formation as well as Principal Accounting Officer in August, 2020, but no reply was received.

DAC meeting was not convened till finalization of the report despite issuance of letter and reminders.

Audit recommends immediate steps to recover the government dues besides establishing and maintaining an efficient system to ensure expeditious recovery in all cases.

Value for Money

5.4.2 Non submission of SCR-I/Deposit Challan by Sugar Mills resulted into less deposit of road cess amount

As per Rule 3(4) each payment into Treasury shall be for the full amount of the Cess as due to the Government in respect of the preceding fortnight on the entire quantity of cane purchased by the Sugar Mill or obtained by it from its own sugar farm or farms of the occupier of the factory during that period irrespective of the payment of the price of cane by the mills management or the recovery of the sellers share of the Cess. Rule 3(5) explained that “ A” copy of the receipted challan alongwith return in form SCR-I shall be forwarded by the mill management to the Cane Commissioner or any other officer authorized in this behalf by the Government, within seven day from the date of deposit of the Cess in the Government Treasury.

During audit of accounts of office of Cane Commissioner, Punjab for the period 2019-20, it was observed that SCR-I and deposit challan of six sugar mills were not produced to audit

Audit is of the view that this negligence on the part of Food Department indicates weak supervisory control which resulted in non-submission of SCR-I/deposit challan.

Audit reported the matter to the respective formation as well as Principal Accounting Officer in August, 2020, but no reply was received.

DAC meeting was not convened till finalization of the report despite issuance of letter and reminders.

Audit stresses that matter be, inquired, responsibility for non-production of above-mentioned record be fixed and produced to audit.

[PDP No.40735]

5.4.3 Non verification of deposit challan from treasury - Rs. 1,032.905 million

According to Rule 2.4 of PFR Vol-I, the DDO should verify the receipts from the Accounts Office and Treasury Office respectively. Moreover, para 4.7(1) *ibid* provides that it is primarily the responsibility of the departmental authorities to see that all revenue, or other debts due to Government, which have to be brought to account, are correctly and promptly assessed, realized and credited to Government account. Further, Para 2.4 *ibid* provides that in the case of payments into the Treasury the Disbursing Officer should compare the Treasury Officer's receipt on the challans with the entry in the cash book before initialing it and when such payments are appreciable, he should obtain from the Treasury a monthly list of payments which should be compared with the posting in the cash book.

During audit of accounts of office of Cane Commissioner, Punjab for the period 2018-20, it was observed that 29 sugar mills has deposited Rs.1,032,904,805 on account of sugar cane cess but the same was not verified from Treasury office.

Audit is of the view that lapse occurred due to poor existence of internal, administrative and financial controls.

Audit reported the matter to the respective formation as well as Principal Accounting Officer in August, 2020, but no reply was received.

DAC meeting was not convened till finalization of the report despite issuance of letter and reminders.

Audit recommended to verify/reconcile the receipt figures with DAOs/Treasuries.

[PDP No.40736]

MFDAC

(ANNEXURE-1)

EXCISE, TAXATION & NARCOTICS CONTROL DEPARTMENT

(Amount in Rupees)

S. #	Name of Formation	AIR No/PDP No.	Part No.	Subject	Amount
1	MRA Multan	24563	Part-I	Less-realization of registration fee on motor vehicles	5,246
2	MRA Multan	24565	Part-I	Non- Resolving of Governance Issues	-
3	ETO Zone-I Rawalpindi	24758	Part-I	Non-realization of property tax due to non-transfer ARV from survey register to demand register (PT-8)	31,779
4	ETO- Professional Tax Multan	24894	Part-I	Less- realization of Renewal License/permit fee L-42 amount of	35,600
5	ETO Zone-III, Lahore	25016	Part-I	Non-realization of property tax running as demolished/under process units Rs. 67,412	21,396
6	ETO Zone-XIII, Lahore	25033	Part-I	Less-realization of property tax due to wrong feeding of receipts Rs. 214,679	214,679
7	ETO Zone-XIII, Lahore	25036	Part-I	Non-realization of property tax running as demolished/under process units Rs. 129,892	66,698
8	ETO Zone-I Rawalpindi	F-6656	Part-II	Non-reconciliation of revenue figures with Treasury/ District Accounts Office	-
9	ETO Zone –II Rawalpindi	F-6656	Part-II	Non-reconciliation of revenue figures with Treasury/ District Accounts Office	-
10	ETO Zone III Rawalpindi	F-6656	Part-II	Non-reconciliation of revenue figures with Treasury/ District Accounts Office	-
11	ETO Zone IV Rawalpindi	F-6656	Part-II	Non-reconciliation of revenue figures with Treasury/ District Accounts Office	-
12	ETO Sialkot	F-6644	Part-II	Non-Reconciliation of Revenue Figures with The Treasury Office	-

13	ETO Sialkot	F-6644	Part-II	Improper facilitation to customers	-
14	ETO Sialkot	F-6644	Part-II	Non Completion of service books and leave accounts	-
15	ETO Zone 4 Lahore	F-6654	Part-II	Non-Reconciliation of Revenue Figures with The Treasury Office	-
16	ETO Zone 14 Lahore	F-6655	Part-II	Non-Reconciliation of Revenue Figures with The Treasury Office	-
17	ETO Zone-17 Lahore	F-6653	Part-II	Improper survey of open plots /land	-
18	ETO Zone-17 Lahore	F-6653	Part-II	Non- reconciliation of revenue figures with Treasury	-
19	ETO Zone-I Gujranwala	F-6660	Part-II	Improper survey of open plots /land	-
20	ETO Zone-I Gujranwala	F-6660	Part-II	Non- reconciliation of revenue figures with Treasury	-
21	ETO Zone-I,II,III,IV Gujranwala	F-6660	Part-II	Suppression of tax demand causing low revenue collection–	-
22	ETO Zone-III Gujranwala	F-6660	Part-II	Improper survey of open plots /land	-
23	ETO Zone-III Gujranwala	F-6660	Part-II	Non- reconciliation of revenue figures with Treasury	-
24	ETO Zone-II Gujranwala	F-6660	Part-II	Non-realization of Property Tax due to allowing excess exemption of Property unit having 5 Marla residential houses –Rs.11,073	11,073
25	ETO Zone-II Gujranwala	F-6660	Part-II	Improper survey of open plots /land	-
26	ETO Zone-II Gujranwala	F-6660	Part-II	Non- reconciliation of revenue figures with Treasury	-
27	ETO Zone-IV Gujranwala	F-6660	Part-II	Non-realization of property tax from charitable institutions – Rs.20808	20,808
28	ETO Zone-IV Gujranwala	F-6660	Part-II	Improper survey of open plots /land	-
29	ETO Zone-IV Gujranwala	F-6660	Part-II	Non- reconciliation of revenue figures with Treasury	-
30	ETO Zone-IV Gujranwala	F-6660	Part-II	loss to Government due to non-Assessment of property tax related to properties situated on National High ways/Motor Ways	-

31	MRA Gujranwala	F-6659	Part-II	Non/availability production of record of scan data of, alteration and transferred vehicles during 2018-20	-
32	MRA Gujranwala	F-6659	Part-II	Non- reconciliation of figures of revenue heads under revolving fund and Withholding tax.	-
33	MRA Gujranwala	F-6659	Part-II	Non- reconciliation of revenue figures with Treasury	-
34	ETO Attock	F-6650	Part-II	Less realization of renewal fee on permits on Form PR-I and Form PR-II	14,800
35	ETO Attock	F-6650	Part-II	Loss of Govt revenue due to non carrying forward of previous balances of arrears of Professional Tax for the year 2016-19	-
36	ETO Attock	F-6650	Part-II	Non achievement of Revenue Targets Rs. 51.083 million	-
37	ETO Attock	F-6650	Part-II	Non- assessment of property tax on vacant plots	-
38	ETO Attock	F-6650	Part-II	Non-Delivery of number plates and smart cards	-
39	ETO Attock	F-6650	Part-II	Public Service Issues	-
40	ETO Attock	F-6650	Part-II	Non- reconciliation of figures of revenue heads under Motor registration Branch	-
41	ETO Attock	F-6650	Part-II	Irregular use of POL due to incomplete maintenance of log books	1,152,339
42	ETO Attock	F-6650	Part-II	Irregular expenditure on purchase of POL without entering into any Contract / Agreement	1,152,339
43	ETO Attock	F-6650	Part-II	Defective Maintenance of Service Books	-
44	ETO Attock	F-6650	Part-II	Physical verification of Store and Stock	-
45	ETO Attock	F-6650	Part-II	Cash Book not maintained properly	-
46	ETO Attock	F-6650	Part-II	Non maintenance of fixed asset register	-
47	ETO Attock	F-6650	Part-II	Non Verification of Qualification Certificates from Concerned Institution / Boards Of The officials/ Officers	-

48	ETO Attock	F-6650	Part-II	Non- reconciliation of expenditure with treasury	
49	ETO Chinot	F-6649	Part-II	Non-realization of Professional Tax on motor vehicles	8,800
50	ETO Chinot	F-6649	Part-II	Non- assessment of property tax on vacant plots	-
51	ETO Chinot	F-6649	Part-II	Non-Delivery of number plates and smart cards	-
52	ETO Chinot	F-6649	Part-II	Non Deduction of Conveyance Allowance	8,568
53	ETO Chinot	F-6649	Part-II	Defective Maintenance of Service Books	-
54	ETO Chinot	F-6649	Part-II	Physical verification of Store and Stock	-
55	ETO Chinot	F-6649	Part-II	Cash Book not maintained properly	-
56	ETO Chinot	F-6649	Part-II	Non maintenance of fixed asset register	-
57	ETO Chinot	F-6649	Part-II	Non-Reconciliation of Revenue and Expenditure Figures with Treasury	
58	ETO-I Multan	F-6663	Part-II	Non- assessment of property tax on vacant plots	-
59	ETO-I Multan	F-6663	Part-II	Non-Reconciliation of Revenue Figures with Treasury for the year 2019-20	-
60	ETO-II Multan	F-6663	Part-II	Non- assessment of property tax on vacant plots	-
61	ETO-II Multan	F-6663	Part-II	Non-Reconciliation of Revenue Figures with Treasury for the year 2019-20	-
62	ETO-III Multan	F-6663	Part-II	Non- assessment of property tax on vacant plots	-
63	ETO-III Multan	F-6663	Part-II	Non-Reconciliation of Revenue Figures with Treasury for the year 2019-20	-
64	ETO-IV Multan	F-6663	Part-II	Non- assessment of property tax on vacant plots	-
65	ETO-IV Multan	F-6663	Part-II	Non-Reconciliation of Revenue Figures with Treasury for the year 2019-20	-
66	ETO-Professional Tax Multan	F-6663	Part-II	Non-Reconciliation of Revenue Figures with Treasury for the year 2019-20	-
67	ETO-Zone-15	F-6664	Part-II	Non- assessment of property tax on vacant plots	-

68	ETO-Zone-15	F-6664	Part-II	Irregular Exemption of Property Tax	-
69	ETO-Zone-15	F-6664	Part-II	Non-Reconciliation of Revenue Figures with Treasury for the year 2019-20	-
70	MRA Multan	F-6641	Part-II	Non-Reconciliation of Revenue Figure With The Treasury Office	-
71	ETO Kasur	F-6651	Part-II	Non-realization of professional tax on motor vehicle	5,000
72	ETO Kasur	F-6651	Part-II	Non-realization of Property Tax because of considering commercial properties as residential properties in the system	1,092
73	ETO Kasur	F-6651	Part-II	Non-Reconciliation of Revenue Figure With The Treasury Office	-
74	ETO Faisalabad (I & II)	F-6662	Part-II	Non-Reconciliation of Revenue Figure With The Treasury Office	-
75	ETO Faisalabad (III & IV)	F-6662	Part-II	Non-Reconciliation of Revenue Figure With The Treasury Office	-
76	ETO Faisalabad (Proff. Tax)	F-6662	Part-II	Non-Reconciliation of Revenue Figure With The Treasury Office	-
77	ETO Zone-III, Lahore	F-6665	Part-II	Non-Reconciliation of Revenue Figure With The Treasury Office	-
78	ETO Zone-XIII, Lahore	F-6666	Part-II	Non-Reconciliation of Revenue Figure With The Treasury Office	-
79	ETO Pakpattan	F-6667	Part-II	Non-Reconciliation of Revenue Figures with The Treasury Office	-
80	ETO Pakpattan	F-6667	Part-II	Loss to Government exchequer due Non-Assessment of property Tax on Agri-Land in Rating Area estimated in millions	-
81	ETO Zone XVI Lahore	F-6669	Part-II	Non-Reconciliation of Revenue Figures with The Treasury Office	-
82	ETO Zone XVI Lahore	F-6669	Part-II	Discrepancies in Computer Record.	-
83	ETO Jhelum	F-6670	Part-II	Discrepancies in Computer Record and difference of amount collected and reported	-
84	ETO Jhelum	F-6670	Part-II	Non-Reconciliation of Revenue Figures with The Treasury Office.	-

85	MRA Rawalpindi	F-6631	Part-II	Non Collection of Taxes from owner of vehicles providing ride hailing services under Uber and Creem	-
86	MRA Rawalpindi	F-6631	Part-II	Non delivery of Number plates and smart cards	-
87	DG Excise & Taxation Lahore	F-6668	Part-II	Non-verification of bank guarantees-	246,495,000
88	DG Excise & Taxation Lahore	F-6668	Part-II	Doubtful deposit of general sales tax	680,912
89	DG Excise & Taxation Lahore	F-6668	Part-II	Misclassification of expenditure	87,455
90	DG Excise & Taxation Lahore	F-6668	Part-II	Irregular /doubtful expenditure on cos item	63,862
91	DG Excise & Taxation Lahore	F-6668	Part-II	Less deduction of punjab services tax -	44,593
92	DG Excise & Taxation Lahore	F-6668	Part-II	Un authorized payment to tcs offices with 3 satisfied attempts	-
93	DG Excise & Taxation Lahore	F-6668	Part-II	Irregular placement of receipt in national bank instead of bank of Punjab	-
94	DG Excise & Taxation Lahore	F-6668	Part-II	Internal financial audit not conducted	-
95	DG Excise & Taxation Lahore	F-6668	Part-II	Fixed assets register not maintained	-
96	DG Excise & Taxation Lahore	F-6668	Part-II	Non verification of educational certificates	-
97	DG Excise & Taxation Lahore	F-6668	Part-II	Physical verification of store / stock not conducted	-
98	DG Excise & Taxation Lahore	F-6668	Part-II	Non-maintenance of audit register and scale audit	-

99	Secretary Excise & Taxation, Lahore	F-6657	Part-II	Periodic physical verification reports	-
100	Secretary Excise & Taxation, Lahore	F-6657	Part-II	Non/Improper Maintenance of Fixed Assets Register	-
101	Secretary Excise & Taxation, Lahore	F-6657	Part-II	Non-completion of service books and leave accounts.	-
102	Secretary Excise & Taxation, Lahore	F-6657	Part-II	Non disposal of condemned / Unserviceable items	-
103	ETO Okara	F-6647	Part-II	Non-Realization of professional on Motor Vehicles	26,200
104	ETO Okara	F-6647	Part-II	Less/Less Realization of Cotton Fee	22,200
105	ETO Okara	F-6647	Part-II	loss to Government due to non-Assessment of property tax related to properties situated on National High ways/Motor Ways	-
106	ETO Okara	F-6647	Part-II	Non-Assessment of property tax for open plots/Land	-
107	ETO Okara	F-6647	Part-II	Non- reconciliation of revenue figures with Treasury	-
108	ETO Okara	F-6647	Part-II	Non- reconciliation of figures of revenue heads under Motor registration Branch.	-
109	ETO Okara	F-6647	Part-II	Irregular expenditure on rent of building without registered deeds	423,000
110	ETO Okara	F-6647	Part-II	Defective maintenance of log books of vehicles	-
111	ETO Okara	F-6647	Part-II	Improper Maintenance and non-production of Service Books and personal files	-
112	ETO Okara	F-6647	Part-II	Non-Verification of Qualification /Diploma Certificates from respective BISE / University	-
113	ETO Okara	F-6647	Part-II	Poor maintenance of printing stock register	-
114	ETO Okara	F-6647	Part-II	Non reconciliation expenditure figures from AG Punjab Rs. 160,575,417	-

115	ETO Okara	F-6647	Part-II	Irregular expenditure on hot & cool charges	51,847
116	ETO Okara	F-6647	Part-II	Irregular expenditure on printing and publications	196,035
117	ETO Okara	F-6647	Part-II	Irregular expenditure on pending liabilities	507,089
118	ETO Okara	F-6647	Part-II	Irregular/Doubtful repair of vehicle and purchase of tyres	98,501
119	ETO Okara	F-6647	Part-II	Irregular expenditure on repair of machinery and equipment	50,435

BOARD OF REVENUE (Arazi Record Centre)

(Amount in Rupees)

S. #	Name of Formation	File/ PDP No.	Part No.	Subject	Amount involved
1.	ARC Gojra	F-6618	Part-II	Non reconciliation revenue figure with the Treasury/ District Accounts Office	-
2.	ARC Kasur	F-6616	Part-II	Non reconciliation revenue figure with the Treasury/ District Accounts Office	-
3.	ARC Lalian	F-6619	Part-II	Non Realization of local Commission fees during registration of Immoveable Property	5,000
4.	ARC Lalian	F-6619	Part-II	Internal audit not conducted	-
5.	ARC Lalian	F-6619	Part-II	Discrepancies in maintenance of record	-
6.	ARC Lalian	F-6619	Part-II	Non-Reconciliation of Revenue Figure with the District Accounts/Treasury office	-
7.	ARC Mandi Bahau Din	F-6639	Part-II	Discrepancies in Provision of record	-
8.	ARC Mandi Bahau Din	F-6639	Part-II	Loss to government revenue due to non updation of status.	-
9.	ARC Mandi Bahau Din	F-6639	Part-II	Non preparation and non-maintenance of computerized record/Discrepancies in Provision of record	-

10.	ARC Mandi Bahau Din	F-6639	Part-II	In-efficiency and bad governance of PLRA to notify Alive data to service Centre In-charge, Mandi Bahu Din	-
11.	ARC Mandi Bahau Din	F-6639	Part-II	Non-Finalization of 145 oral mutations	-
12.	ARC Mandi Bahau Din	F-6639	Part-II	Poor governance of management due to insecurity of job in ARC, Mandi Bahu Din	-
13.	ARC Mandi Bahau Din	F-6639	Part-II	Non-Reconciliation of Revenue Figure with the District Accounts/Treasury Office	-
14.	ARC Saddar Bahawalpur	F-6627	Part-II	Loss to government revenue due to non-updating of status.	-
15.	ARC Saddar Bahawalpur	F-6627	Part-II	Non-Reconciliation of Revenue Figure with the District Accounts/Treasury Office	-
16.	ARC Saddar Bahawalpur	F-6627	Part-II	Discrepancies in Provision of record	-
17.	ARC Saddar Bahawalpur	F-6627	Part-II	In-effective governance and difficulties for customers on daily basis.	-
18.	ARC Saddar Bahawalpur	F-6627	Part-II	Poor governance of management due to insecurity of job in ARC, Sadar Bahawalpur	-
19.	ARC Kamonke	F-6648	Part-II	Non-Reconciliation of Revenue Figures of mutation fee with the District Accounts office from July 2016 to June 2020	-
20.	ARC Kamonke	F-6648	Part-II	Internal audit not conducted	-
21.	ARC Shahr Garh	F-6622	Part-II	Blockage Of Govt Revenue Due To Non Finalization Of Mutation Cases	584,586
22.	ARC Shahr Garh	F-6622	Part-II	Non Realization of local Commission fees during registration of Immoveable Property	10,000
23.	ARC Shahr Garh	F-6622	Part-II	Non-Reconciliation of Revenue Figures of mutation	-

				fee with the District Accounts office from July 2014 to June 2020 Rs.344 million	
24.	ARC Shahr Garh	F-6622	Part-II	Internal audit not conducted	-
25.	ARC-Lohdhran	24083	Part-I	Non realization of TMA fee, mutation fee and advance tax on oral sale through decree	3,822,071
26.	ARC-Lohdhran	24084	Part-I	Non/less realization of mutation fee, TMA fee , on gift deed more than 25 acre	3,399,017
27.	ARC-Lohdhran	24087	Part-I	less realization of mutation fee and TMA fee due to under value	837,626
28.	ARC Okara	23816	Part-I	less/non realization of TMA fee	2,667,570
29.	ARC Sialkot	23673	Part-I	less realization of TMA fee due to under valuation	500,060
30.	ARC Mailsi	F-6624	Part-II	Internal audit not conducted	-
31.	ARC Mailsi	F-6624	Part-II	Non-Reconciliation of Revenue Figures of mutation fee with the District Accounts office	-

BOARD OF REVENUE (Sub Registrar)

(Amount in Rupees)

S. #	Name of formation	File/ PDP No.	Part No.	Subject	Amount involved
1.	Sub Registrar City Multan	F-6630	Part-II	Non reconciliation of revenue statement from Accountant General Punjab office/Treasury Office	-
2.	Sub Registrar City Rawalpindi	F-6637	Part-II	Non-Reconciliation of Revenue Figure with the District Accounts office	-
3.	Sub Reg. City Rawalpindi	F-6637	Part-II	Internal audit not conducted	-
4.	Sub Reg. City Rawalpindi	F-6637	Part-II	Public Service Issues	-

5.	Sub Registrar Data Gunj Bux Town, Lahore	F-6614	Part-II	Internal audit not conducted	-
6.	Sub Registrar Data Gunj Bux Town, Lahore	F-6614	Part-II	Non-reconciliation of revenue statement from Accountant General Punjab office/Treasury Office.	-
7.	Sub Registrar Saddar Multan	F-6636	Part-II	Non reconciliation of revenue statement from Accountant General Punjab office/Treasury Office	-
8.	Sub Registrar Samanabad	F-6615	Part-II	Internal audit not conducted	-
9.	Sub Registrar Samanabad	F-6615	Part-II	Non reconciliation of revenue statement from Accountant General Punjab office/Treasury Office	-
10.	Sub Registrar U- II Faisalabad	F-6634	Part-II	Non-reconciliation of revenue statement from Accountant General Punjab office/Treasury Office.	-
11.	Sub Registrar U- II Faisalabad	F-6634	Part-II	Non conducting of internal audit for the period 2018-19	-
12.	Sub Registrar urban Gujranwala	F-6629	Part-II	Non realization of local Commission fees during registration of immoveable property - Rs.25,000	25,000
13.	Sub Registrar urban Gujranwala	F-6629	Part-II	Non-Reconciliation of Revenue Figure with the District Accounts office	-
14.	Sub Registrar urban Gujranwala	F-6629	Part-II	Internal audit not conducted	-
15.	Sub Registrar urban Gujranwala	F-6629	Part-II	Public Service Issues	-
16.	Sub-Registrar City Bahawalpur	F-6625	Part-II	Non-Reconciliation of Revenue Figure with the District Accounts/Treasury Office	-
17.	Sub-Registrar City Faisalabad	F-6635	Part-II	Non-Reconciliation of Revenue Figure with the District Accounts/Treasury Office	-

18.	Sub-Registrar Urban II Faisalabad	F-6634	Part-II	Non-Reconciliation of Revenue Figure with the District Accounts office from July 2014 to June 2015 regarding Stamp Duty, Registration Fee, Capital Value tax-Rs.351.382 million	-
19.	Sub-Registrar Urban II Faisalabad	F-6634	Part-II	Non provision of internal audit report	-
20.	Sub Registrar (City) Rawalpindi	23849	Part-I	less realization of TMA fee due to under valuation	1,375,527
21.	Sub Registrar Shakargarh	23740	Part-I	less realization of TMA fee due to under valuation	372,813
22.	Sub Registrar Pattoki	23766	Part-I	Non/less realization of TMA fee	2,270,892

BOARD OF REVENUE (Expenditure)

(Amount in Rupees)

S. #	Name of formation	File/ PDP No.	Part No.	Subject	Amount involved
1.	Senior Member of Board of Revenue	F-6617	Part-II	Schedule of Payments not obtained from AG Punjab	-
2.	Senior Member of Board of Revenue	F-6617	Part-II	Non reconciliation of expenditure figures from AG Punjab Rs. 706,007,248	-
3.	Senior Member of Board of Revenue	F-6617	Part-II	Non Maintenance of Fixed Assets Register and auction register	-
4.	Senior Member of Board of Revenue	F-6617	Part-II	Physical verification stores and stocks was not carried out.	-
5.	Senior Member of Board of Revenue	F-6617	Part-II	Non maintenance of condemned items register	-
6.	Senior Member of Board of Revenue	F-6617	Part-II	Non Verification of Qualification /Diploma Certificates	-
7.	Senior Member of Board of Revenue	F-6617	Part-II	Non-Maintenance of telephone register	-

8.	Senior Member of Board of Revenue	F-6617	Part-II	Non-Maintenance of budget control registers	-
9.	Senior Member of Board of Revenue	F-6617	Part-II	Non-reconciliation/Availability of CPRs of Punjab Sale Tax and Income tax of Rs. 354,736	354,736
10.	Senior Member of Board of Revenue	F-6617	Part-II	Irregular claiming of Repair of Vehicles amounting to Rs. 51,464	51,464
11.	Senior Member of Board of Revenue	F-6617	Part-II	Poor performance on non-finalization of inquiry reports	-
12.	Senior Member of Board of Revenue	F-6617	Part-II	Non-disposal of unserviceable / off road vehicles- Rs. 200,000 (estimated)	-
13.	Senior Member of Board of Revenue	F-6617	Part-II	Non deduction of conveyance allowance while using govt vehicles Rs. 120,000	-
14.	Senior Member of Board of Revenue	F-6617	Part-II	Poor maintenance of printing stock register	-
15.	Senior Member of Board of Revenue	F-6617	Part-II	Pension cases were found pending	-
16.	Senior Member of Board of Revenue	24398A	Part-I	Defective acceptance of internal audit report	
17.	Senior Member of Board of Revenue	24398	Part-I	Irregular expenditure due to on repair and maintence, POL and generator head and split of expenditure in Repair of Govt. Generators head Rs. 415,968 and non-recovery of PST Rs. 66,555	482,523
18.	Senior Member of Board of Revenue	24399	Part-I	Defective maintenance of log book of vehicles	-
19.	Senior Member of Board of Revenue	24399-A	Part-I	Improper Maintenance and non-production of Service Books and personal files	-
20.	Punjab Land Record Athority, Lahore	F-6673	Part-II	Physical verification of store and stock	-
21.	Punjab Land Record Athority, Lahore	F-6673	Part-II	Purchases without observing the Purchase Manual	-

22.	Punjab Land Record Authority, Lahore	F-6673	Part-II	Non Maintenance of Asset and Liability register.	-
23.	Punjab Land Record Authority, Lahore	F-6673	Part-II	Non Verification of Educational and other antecedents	-
24.	Punjab Land Record Authority, Lahore	F-6673	Part-II	Unauthorized delegation of Financial Powers	-
25.	Punjab Land Record Authority, Lahore	F-6673	Part-II	Internal audit not conducted	-
26.	Punjab Land Commission, Lahore	F-6626	Part-II	Irregular Investments due to Deviation from Investment Policy and Approval from Commission	-
27.	Punjab Land Commission, Lahore	F-6626	Part-II	Non-conducting of internal audit of the receipts and expenditure	-
28.	Punjab Land Commission, Lahore	F-6626	Part-II	Non-deposit of land resumed by the Punjab land commission	-

Board of Revenue (Colonies)

S #	Name of Formation	AIR No	Part No.	Subject	Amount
1	GA Colonies Bhakkar	F-6646	Part-II	Non-Reconciliation of Revenue Figure With The District Accounts/Treasury Office	-
2	GA Colonies Bhakkar	F-6646	Part-II	Theft of trees from the state land and jangle	-
3	GA Colonies Faisalabad	F-6672	Part-II	Misclassification deposit of condonation fee of head of account C03702	-
4	GA Colonies Faisalabad	F-6672	Part-II	Non Realization or creation of demand for Rent of Ahatajaat and Recovery thereof	-
5	GA Colonies Faisalabad	F-6672	Part-II	Non-Reconciliation of Revenue Figure With The District Accounts/Treasury Office	-

6	GA Colonies Muzafargarh	F-6671	Part-II	Non survey of the Value Of Abandoned Paths, Passages, Watercourses, Ponds Or Nazul Land Falling Within The Private Housing Schemes or persons	-
7	GA Colonies, Muzafargarh	F-6671	Part-II	Non-Reconciliation of Revenue Figure With The District Accounts/Treasury Office	-
8	GA Colonies, Sargodha	F-6652	Part-II	Non-Reconciliation of Revenue Figure With The District Accounts/Treasury Office	-
9	GA Colonies, Sargodha	F-6652	Part-II	Non Realization or creation of demand for Rent of Ahatajaat	-
10	GA Colonies, Sargodha	F-6652	Part-II	Non assessment of Agriculture income tax	-
11	GA Colonies, Sargodha	F-6652	Part-II	Non production of record regarding allotment of land under "Graduate Scheme"	-

Punjab Revenue Authority

(Amount in Rupees)

S #	Name of Formation	AIR No/PDP No.	Part No.	Subject	Amount
1	Punjab Revenue Authority, Lahore	F-6661	Part-II	Non-Maintenance of Asset & Liabilities Register for project of PRA supported by the International Donor Organization and Non Production of Record Thereof.	-
2	Punjab Revenue Authority, Lahore	F-6661	Part-II	Non-Maintenance of Asset & Liabilities Register for prizes distributed for RIMs and Non Production of Record Thereof	-

3	Punjab Revenue Authority, Lahore	F-6661	Part-II	Non verification of educational certificates from respective Bise / University	-
4	Punjab Revenue Authority, Lahore	F-6661	Part-II	Non-conducting of internal audit of the expenditure incurred.	-
5	Punjab Revenue Authority, Lahore	F-6661	Part-II	Loss to government due to non-auction of unserviceable store	-
6	Punjab Revenue Authority, Lahore	F-6661	Part-II	No Mechanism for Checking the Assessment of Tax	-
7	Punjab Revenue Authority, Lahore	F-6661	Part-II	Loss of government revenue in millions due to nonpayment of taxes by the collecting agents, Doctors and Hospital	-
8	Punjab Revenue Authority, Lahore	F-6661	Part-II	Difference of Revenue Figures Given by PRAL and Treasury for sales tax on services Rs. 10,035.18 million	-
9	Punjab Revenue Authority, Lahore	F-6661	Part-II	Defective maintenance of Service Books	-
10	Punjab Revenue Authority, Lahore	F-6661	Part-II	Annual physical verification of store and stock not carried out	-
11	Punjab Revenue Authority, Lahore	F-6661	Part-II	Non reconciliation of expenditure statement from DAO	-

Transport Department

(Amount in Rupees)

S #	Name of Formation	AIR No/PDP No.	Part No.	Subject	Amount
1	Secretary DRTA Faisalabad	24499	Part-I	Non-realization of government revenue due to non surrender /renewal of expired route permits-Rs.241,500	241,500
2	Secretary DRTA, Multan	24569	Part-I	Non realization of withholding tax onpayment for goods and services	0
3	Secretary DRTA, Multan	24573	Part-I	Non collection of license fees for carrying out the business of goods forwarding agencies	566,000
4	Secretary DRTA Rawalpindi	F-6632	Part-II	Non reconciliation of revenue figures with treasury	-
5	Secretary Transport Lahore	F-6643	Part-II	Non-maintenance of Fixed Assets Register and auction register	-
6	Secretary Transport Lahore	F-6643	Part-II	Physical verification of store and stock and internal audit was not conducted	-
7	Secretary Transport Lahore	F-6643	Part-II	Non-Maintenance of Telephone Register	-
8	Secretary Transport Lahore	F-6643	Part-II	Improper Maintenance of Service Books and personal files	-

9	Secretary PTA Lahore	F-6613	Part-II	Irregular expenditure due to violation of PPRA rules	-
10	Secretary PTA Lahore	F-6613	Part-II	Doubtful Expenditure as Actual Payee Receipts (APR) not Obtained	-
11	Secretary PTA Lahore	F-6613	Part-II	Loss of revenue due to non deduction of General Sales Tax	-
12	Secretary PTA Lahore	F-6613	Part-II	Non disposal of newspapers / raddi	-
13	Secretary PTA Lahore	F-6613	Part-II	Non conducting of internal audit for the period 2018-19, & 2019-20.	-
14	Secretary PTA Lahore	F-6613	Part-II	Physical verification of store and stocks not conducted under the period of audit.	-
15	Secretary PTA Lahore	F-6613	Part-II	Defective Maintenance of Cash Book	-
16	Secretary PTA Lahore	F-6613	Part-II	Improper Maintenance of Service Books /Personal Files	-
17	Secretary PTA Lahore	F-6613	Part-II	Non-reconciliation of monthly receipt regarding challans of vehicles for the period 2019-20.	-
18	Secretary DRTA Gujranwala	F-6620	Part-II	Non-Realization of license Renewal Fee of Body Building Workshops Rs. 3000	3,000

19	Secretary DRTA Lahore	F-6621	Part-II	Irregular use of POL due to incomplete maintenance of log books	617,902
20	Secretary DRTA Lahore	F-6621	Part-II	Non-Reconciliation of Revenue Figure with the Treasury office Lahore from July 2018 to June 2020	-
21	Secretary DRTA Lahore	F-6621	Part-II	Physical Verification not conducted	-
22	Secretary DRTA Lahore	F-6621	Part-II	Non obtaining of Schedule of Payments.	-
23	Secretary DRTA Lahore	F-6621	Part-II	Defective Maintenance of Cash Book	-
24	Secretary DRTA Lahore	F-6621	Part-II	Non Verification of Qualification Certificates from Concerned Institution / Boards Of The officials/ Officers	-
25	Secretary DRTA Lahore	F-6621	Part-II	Comments on internal controls of the entity	-
26	Secretary DRTA Sialkot	F-6623	Part-II	Non maintenance of Log Books for accountal of POL –	119,427
27	Secretary DRTA Sialkot	F-6623	Part-II	Non obtaining of Schedule of Payments.	-
28	Secretary DRTA Sialkot	F-6623	Part-II	Physical Verification not conducted	-

29	Secretary DRTA Sialkot	F-6623	Part-II	Defective Maintenance of Cash Book	-
30	Secretary DRTA Sialkot	F-6623	Part-II	Non-Reconciliation of Expenditure and Revenue receipts Figure with the Treasury office Sialkot	-
31	Secretary DRTA Multan	F-6642	Part-II	Non collection of License fees of bus body building workshop and its renewal	-
32	Secretary DRTA Multan	F-6642	Part-II	Defective Maintenance of Cash Book	-
33	Secretary DRTA Multan	F-6642	Part-II	Non-Reconciliation of Revenue Figure With The Treasury Office	-

[Annex-2]

**1.4.2 Non/less realization of arrears of property tax -
Rs. 95.768 million**

(Amount in Rupees)

S.No.	ETO	PDP No.	No of Cases	Amount Pointed Out	Amount Verified	Balance
1.	Sialkot	24582	166	5,670,258	1,335,669	4,334,589
2.	Okara	24626	148	4,068,360	565,712	3,502,648
3.	Chinot	24645	230	6,392,242	469,260	5,922,982
4.	Attock	24662	151	5,084,392	1,555,481	3,528,911
5.	Kasur	24679	203	2,126,936	534,915	1,592,021
6.	Zone-IV Lahore	24707	143	7,451,134	3,810,724	3,640,410
7.	Zone-XVII Lahore	24722	52	4,162,240	673,184	3,489,056
8.	ETO Zone- XIV, Lahore	24733	61	5,198,053	538,623	4,659,430
9.	Zone-I Rawalpindi	24747	177	7,763,991	5,112,840	2,651,151
10.	Zone-II Rawalpindi	24760	176	11,258,667	2,932,225	8,326,442
11.	Zone -III Rawalpindi	24771	73	5,087,296	3,074,583	2,012,713
12.	Zone -IV Rawalpindi	24783	51	1,663,526	960,273	703,253
13.	Zone-I Multan	24851	222	8,711,395	2,125,837	6,585,558
14.	Zone-II Multan	24864	128	4,886,769	1,010,811	3,875,958
15.	Zone-III Multan	24873	208	7,843,063	452,232	7,390,831

16.	Zone-IV Multan	24884	62	2,975,011	314,350	2,660,661
17.	Zone-XV, Lahore	24895	116	17,454,721	10,536,265	6,918,456
18.	Faisalabad (I&II)	24908	70	3,221,337	2,747,585	473,752
19.	Faisalabad (III & IV)	24927	128	5,846,597	2,302,434	3,544,163
20.	Zone-I Gujranwala	24945	103	1,379,804	587,637	792,167
21.	Zone-III Gujranwala	24960	85	1,276,570	833,180	443,390
22.	Zone-II Gujranwala	24973	121	1,530,313	803,564	726,749
23.	Zone-IV Gujranwala	24985	147	2,274,658	326,261	1,948,397
24.	Zone-III, Lahore	24996	148	7,819,295	2,954,747	4,864,548
25.	Zone-XIII, Lahore	25019	77	5,147,406	1,533,234	3,614,172
26.	Pakpattan	25045	36	1,710,433	217,565	1,492,868
27.	Pakpattan	25046	103	1,337,039	363,899	973,140
28.	Zone XVI Lahore	25079	122	4,305,031	240,456	4,064,575
29.	Jhelum	25091	56	1,767,401	732,316	1,035,085
Total			3563	145,413,938	49,645,862	95,768,076

[Annex-3]

1.4.4 Non -realization of luxury house tax - Rs. 57.045 million

(Amount in Rupees)

Sr. No	ETO	PDP No.	No. of Cases	Amount Pointed Out	Amount Verified	Balance
1.	Attock	24661	19	8,263,000	3,063,000	5,200,000
2.	Zone-XVII, Lahore	24721	12	10,450,000	-	10,450,000
3.	Zone –I Rawalpindi	24753	3	900,000	600,000	300,000
4.	Zone –III Rawalpindi	24770	18	6,150,300	-	6,150,300
5.	Zone-I Multan	24853	6	2,450,000	800,000	1,650,000
6.	Zone-III Multan	24875	6	2,400,000	587,500	1,812,500
7.	Zone-XV, Lahore	24896	19	14,770,000	7,170,000	7,600,000
8.	Faisalabad (III & IV)	24929	6	2,407,450	775,000	1,632,450
9.	Zone-I Gujranwala	24946	1	600,000	-	600,000
10.	Zone-III Gujranwala	24962	1	800,000	-	800,000
11.	Zone-II Gujranwala	24974	2	1,300,000	600,000	700,000
12.	Zone-IV Gujranwala	24986	1	1,400,000	-	1,400,000
13.	Zone-III, Lahore	25000	1	600,000	-	600,000
14.	Zone-XIII, Lahore	25018	6	6,425,000	-	6,425,000
15.	Pakpattan	25040	8	5,115,000	1,140,000	3,975,000
16.	Zone XVI Lahore	25078	4	6,000,000	-	6,000,000
17.	Jhelum	25090	8	3,150,000	1,400,000	1,750,000
Total			121	73,180,750	16,135,500	57,045,250

[Annex-4]

1.4.5 Non-recovery of property tax from state owned organizations- Rs. 47.178 million

(Amount in Rupees)

Sr. No	ETO	PDP No	No of Cases	Amount Pointed Out	Amount Verified	Balance
1.	Sialkot	24593	21	768,052	-	768,052
2.	Okara	24627	10	2,056,344	-	2,056,344
3.	Chinot	24649	4	3,169,233	-	3,169,233
4.	Attock	24674	2	142,856	-	142,856
5.	Kasur	24681	8	609,813	367,560	242,253
6.	Zone –IV, Lahore	24708	10	9,187,247	-	9,187,247
7.	Zone-XIV, Lahore	24734	11	1,002,276	-	1,002,276
8.	Zone –II Rawalpindi	24762	2	2,646,641	-	2,646,641
9.	Zone-III Rawalpindi	24772	2	3,495,277	-	3,495,277
10.	Zone-IV Rawalpindi	24784	3	733,132	-	733,132
11.	Zone-I Multan	24862	1	78,698	-	78,698
12.	Zone-II Multan	24870	1	84,678	-	84,678
13.	Zone-III Multan	24883	2	34,461	-	34,461
14.	Zone-IV Multan	24888	1	189,294	-	189,294
15.	Zone-XV, Lahore	24905	1	287,922	-	287,922
16.	Faisalabad (I & II)	24910	2	2,280,452	-	2,280,452
17.	Faisalabad (III & IV)	24928	21	3,659,447	2,977,493	681,954
18.	Zone-I Gujranwala	24953	2	66,391	-	66,391
19.	Zone-III Gujranwala	24959	7	2,731,002	-	2,731,002
20.	Zone-II Gujranwala	24972	9	9,687,895	-	9,687,895

21.	Zone-IV Gujranwala	24987	6	637,451	-	637,451
22.	Zone-III, Lahore	24998	6	2,220,151	-	2,220,151
23.	Zone-XIII, Lahore	25026	2	557,160	-	557,160
24.	Pakpattan	25047	4	845,385	463,776	381,609
25.	Zone XVI Lahore	25080	4	2,059,507	-	2,059,507
26.	Jhelum	25092	5	1,755,821	-	1,755,821
Total			147	50,986,586	3,808,829	47,177,757

[Annex-5]

1.4.6 Non-realization of property tax due to inadmissible exemptions - Rs. 43.224 million

(Amount in Rupees)

Sr. No	ETO	PDP No	No of Cases	Amount Pointed Out	Amount Verified	Balance
1.	Sialkot	24586	3	290,031	-	290,031
2.	Okara	24633	7	189,903	-	189,903
3.	Kasur	24687	5	187,439	78,511	108,928
4.	Zone-IV, Lahore	24717	1	161,912	-	161,912
5.	Zone-XVII, Lahore	24727	4	267,745	-	267,745
6.	Zone-XIV, Lahore	24742	3	117,620	-	117,620
7.	Zone -I Rawalpindi	24749	4	1,269,382	-	1,269,382
8.	Zone-II Multan	24872	4	30,714	4,782	25,932
9.	Zone-III Multan	24882	3	266,750	-	266,750
10.	Zone-XV, Lahore	24906	3	1,880,566	-	1,880,566
11.	Faisalabad (I & II)	24909	3	3,794,963	-	3,794,963
12.	Faisalabad (III & IV)	24926	5	24,507,899	4,842,479	19,665,420

13.	Zone-I Gujranwala	24948	1	180,991	-	180,991
14.	Zone-III Gujranwala	24961	2	1,009,126	-	1,009,126
15.	Zone-III, Lahore	24997	8	5,856,656	700,534	5,156,122
16.	Zone-XIII, Lahore	25027	2	501,553	-	501,553
17.	Pakpattan	25051	1	150,000	-	150,000
18.	Zone XVI Lahore	25081	4	1,130,270	-	1,130,270
19.	Jhelum	25093	6	847,317	196,445	650,872
20.	Kasur	24690	4	123,608	0	123,608
21.	Zone-IV, Lahore	24710	5	491,575	0	491,575
22.	Zone-XIV, Lahore	24743	3	2,068,387	0	2,068,387
23.	Zone-III, Lahore	25012	5	133,536	59,306	74,230
24.	Zone-XIII, Lahore	25021	4	1,236,352	332,733	903,619
25.	Pakpattan	25044	61	1,800,467	80,806	1,719,661
26.	Zone XVI Lahore	25082	4	1,024,477	0	1,024,477
Total			155	49,519,239	6,295,596	43,223,643

[Annex-6]

1.4.7 Less assessment of property tax due to undervaluation - Rs. 17.914 million

(Amount in Rupees)

Sr. No	ETO	PDP No	No of Cases	Amount Pointed Out	Amount Verified	Balance
1.	Sialkot	24596	4	471,068	93,506	377,562
2.	Okara	24635	65	122,870	63,040	59,830
3.	Zone 4 Lahore	24711	7	861,746	-	861,746
4.	Zone-XVII, Lahore	24723	2	1,131,533	-	1,131,533

5.	Zone -XIV, Lahore	24745	1	82,944	-	82,944
6.	Zone-I Gujranwala	24954	20	182,194	3,165	179,029
7.	Zone-III Gujranwala	24968	5	59,680	-	59,680
8.	Zone-IV Gujranwala	24992	4	74,702	-	74,702
9.	Zone-XIII, Lahore	25029	2	327,662	208,330	119,332
10.	Pakpattan	25041	6	4,015,969	-	4,015,969
11.	Zone XVI Lahore	25084	16	1,919,076	-	1,919,076
12.	Jhelum	25089	16	4,394,193	-	4,394,193
13.	Chinot	24652	35	379,470	-	379,470
14.	Attock	24666	72	1,208,406	719,340	489,066
15.	Kasur	24693	4	65,517	-	65,517
16.	Zone-IV, Lahore	24719	7	152,106	-	152,106
17.	Zone-XIV, Lahore	24735	11	609,162	52,210	556,952
18.	Zone-I Multan	24857	55	1,479,798	354,923	1,124,875
19.	Zone-III Multan	24877	57	1,026,726	-	1,026,726
20.	Zone-XV, Lahore	24900	26	477,399	54,628	422,771
21.	Faisalabad (I & II)	24916	7	168,912	123,148	45,764
22.	Faisalabad (III & IV)	24936	19	342,392	261,464	80,928
23.	Zone-III, Lahore	25011	5	165,149	21,818	143,331
24.	Zone-XIII, Lahore	25034	14	150,627	-	150,627
Total			460	19,869,301	1,955,572	17,913,729

[Annex-7]

**1.4.8 Non-realization of income tax on commercial vehicles -
Rs. 15.802 million**

(Amount in Rupees)

Sr #	ETO	PDP No	No of Cases	Amount Pointed Out	Amount Verified	Balance
1.	MRA Rawalpindi	24492	102	2,979,825	1,317,140	1,662,685
2.	MRA Faisalabad	24556	895	8,265,875	1,401,575	6,864,300
3.	MRA Multan	24559	241	5,330,400	478,500	4,851,900
4.	ETO Sialkot	24601	22	257,545	-	257,545
5.	ETO Okara	24629	109	591,051	497,590	93,461
6.	ETO Chinot	24655	16	132,750	25,950	106,800
7.	ETO Attock	24669	113	732,745	145,200	587,545
8.	ETO Kasur	24692	15	83,960	74,335	9,625
9.	MRA Gujranwala	24806	72	1,135,850	127,750	1,008,100
10.	ETO Pakpattan	25050	53	230,050	47,250	182,800
11.	ETO Jhelum	25094	87	846,600	669,175	177,425
Total			1725	20,586,651	4,784,465	15,802,186

[Annex- 8]

1.4.9 Less - assessment of property tax on Towers - Rs. 13.916 million

(Amount in Rupees)

S #	ETO	PDP No	No of Cases	Amount Pointed Out	Amount Verified	Balance
1.	Sialkot	24585	6	279,966	38,880	241,086
2.	Chinot	24647	26	1,775,520	39,000	1,736,520
3.	Attock	24672	3	194,400	64,800	129,600
4.	Kasur	24683	13	272,871	29,331	243,540
5.	Zone -IV Lahore	24720	3	108,000	10,800	97,200
6.	Zone –XIV, Lahore	24738	4	210,312	-	210,312
7.	Zone -I Rawalpindi	24752	14	1,025,068	309,298	715,770
8.	Zone –II Rawalpindi	24764	16	622,544	34,344	588,200
9.	Zone-I Multan	24852	52	2,619,540	561,240	2,058,300
10.	Zone-II Multan	24865	40	1,479,060	263,000	1,216,060
11.	Zone-III Multan	24874	87	3,533,220	53,400	3,479,820
12.	Zone-IV Multan	24885	23	1,108,080	-	1,108,080
13.	Zone-XV, Lahore	24898	3	243,000	-	243,000
14.	Faisalabad (I & II)	24913	9	290,805	165,291	125,514
15.	Faisalabad (III & IV)	24932	34	585,225	377,865	207,360
16.	Zone-III, Lahore	25010	5	205,200	-	205,200
17.	Zone-XIII, Lahore	25030	4	296,640	199,440	97,200
18.	Zone XVI Lahore	25086	6	501,941	-	501,941
19.	Zone-XVII, Lahore	24731	9	95,274	27,518	67,756
20.	Zone-XIV, Lahore	24746	3	212,690	-	212,690

21.	Zone-I, Gujranwala	24949	15	152,129	52,203	99,926
22.	Zone-III, Gujranwala	24967	11	114,951	20,040	94,911
23.	Zone-II, Gujranwala	24978	14	199,145	85,325	113,820
24.	Zone-IV, Gujranwala	24990	4	122,288	-	122,288
Total			404	16,247,869	2,331,775	13,916,094

[Annex-9]

1.4.10 Non-realization of token tax (MVT) from motor vehicle owners - Rs. 12.099 million

(Amount in Rupees)

S #	ETO	PDP No	No of Cases	Amount Pointed Out	Amount Verified	Balance
1.	MRA Rawalpindi	24493	143	1,611,375	1,184,295	427,080
2.	MRA Faisalabad	24557	1512	7,124,350	1,092,600	6,031,750
3.	MRA Multan	24560	281	3,589,635	616,135	2,973,500
4.	MRA Multan (Life Time Tax)	24561	18	633,600	-	633,600
5.	ETO Sialkot	24600	44	282,365	-	282,365
6.	ETO Okara	24628	109	616,749	388,885	227,864
7.	ETO Chinot	24654	43	433,240	-	433,240
8.	ETO Attock	24668	113	297,325	76,525	220,800
9.	ETO Kasur	24684	37	257,300	245,200	12,100
10.	MRA Gujranwala	24805	79	365,675	51,900	313,775
11.	ETO Pakpattan	25049	75	476,035	120,088	355,947
12.	ETO Jhelum	25098	74	187,370	-	187,370
Total			2528	15,875,019	3,775,628	12,099,391

[Annex-10]

1.4.11 Irregular exemption to five marla houses - Rs. 10.545 million

(Amount in Rupees)

Sr. No	ETO	PDP No	No of Cases	Amount Pointed Out	Amount Verified	Balance
1.	Sialkot	24589	30	159,408	44,358	115,050
2.	Chinot	24648	50	208,254	-	208,254
3.	Attock	24663	127	1,379,760	511,025	868,735
4.	Kasur	24695	5	29,974	10,620	19,354
5.	Zone-IV, Lahore	24713	14	262,848	23,923	238,925
6.	Zone-XVII, Lahore	24732	11	49,078	-	49,078
7.	Zone-XIV, Lahore	24739	13	180,270	-	180,270
8.	Zone-I Rawalpindi	24751	43	1,102,501	403,710	698,791
9.	Zone –II Rawalpindi	24761	58	3,127,314	104,394	3,022,920
10.	Zone –III Rawalpindi	24777	11	277,716	161,400	116,316
11.	Zone-I Multan	24854	46	225,888	54,048	171,840
12.	Zone-II Multan	24866	25	145,412	24,084	121,328
13.	Zone-III Multan	24876	48	269,724	-	269,724
14.	Zone-XV, Lahore	24902	17	211,755	36,996	174,759
15.	Faisalabad (I & II)	24917	9	156,295	-	156,295
16.	Faisalabad (III & IV)	24940	6	84,498	-	84,498
17.	Zone-I Gujranwala	24955	14	51,173	7,703	43,470
18.	Zone-III Gujranwala	24971	17	28,072	9,092	18,980
19.	Zone-III, Lahore	25005	8	394,038	24,537	369,501

20.	Zone-XIII, Lahore	25028	12	410,960	93,655	317,305
21.	Pakpattan	25052	6	38,848	-	38,848
22.	Sialkot	24587	21	54,928	25,958	28,970
23.	Chinot	24656	44	71,000	4,676	66,324
24.	Attock	24665	138	663,876	-	663,876
25.	Zone-IV, Lahore	24715	33	104,157	20,126	84,031
26.	Zone-XIV, Lahore	24741	11	67,560	-	67,560
27.	Zone -I Rawalpindi	24754	42	739,681	442,042	297,639
28.	Zone –II Rawalpindi	24766	33	515,945	125,300	390,645
29.	Zone –III Rawalpindi	24774	27	687,401	240,809	446,592
30.	Zone-I Multan	24860	40	81,848	4,752	77,096
31.	Zone-II Multan	24871	19	90,627	37,343	53,284
32.	Zone-III Multan	24881	26	88,312	-	88,312
33.	Zone-IV Multan	24889	13	64,751	-	64,751
34.	Zone-XV, Lahore	24903	21	124,752	9,508	115,244
35.	Zone -I Rawalpindi	24755	13	314,626	266,464	48,162
36.	Zone -II Rawalpindi	24767	5	333,216	161,595	171,621
37.	Zone -III Rawalpindi	24782	3	34,292	6,500	27,792
38.	Zone-IV Rawalpindi	24789	5	55,140	-	55,140
39.	Zone-XV, Lahore	24901	19	513,958	-	513,958
Total			1083	13,399,856	2,854,618	10,545,238

[Annex-11]

1.4.12 Irregular/excess exemptions granted to widows for property tax - Rs. 9.097 million

(Amount in Rupees)

S #	ETO	PDP No	No of Cases	Amount Pointed Out	Amount Verified	Balance
1.	Okara	24630	33	505,804	249,755	256,049
2.	Chinot	24651	66	506,517	314,137	192,380
3.	Zone-IV, Lahore	24712	44	317,193	313,161	4,032
4.	Zone-XVII, Lahore	24726	20	299,562	-	299,562
5.	Zone -I Rawalpindi	24750	29	1,163,442	1,122,103	41,339
6.	Zone -II Rawalpindi	24763	25	751,192	504,901	246,291
7.	Zone-III Rawalpindi	24775	13	595,684	547,632	48,052
8.	Zone-I Multan	24855	73	628,136	-	628,136
9.	Zone-II Multan	24868	49	380,214	38,428	341,786
10.	Zone-III Multan	24879	50	527,636	52,761	474,875
11.	Zone-IV Multan	24886	24	132,840	-	132,840
12.	Zone-XV, Lahore	24904	42	758,925	82,512	676,413
13.	Zone-I Gujranwala	24947	23	279,450	-	279,450
14.	Zone-III Gujranwala	24965	19	176,168	67,401	108,767
15.	Zone-II Gujranwala	24977	15	208,440	157,275	51,165
16.	Zone-IV Gujranwala	24989	19	133,357	5,118	128,239
17.	Zone-III, Lahore	25003	16	421,495	195,888	225,607
18.	Zone-XIII, Lahore	25032	16	239,961	124,570	115,391
19.	Zone XVI Lahore	25085	24	592,167	12,000	580,167

20.	Sialkot	24591	19	271,283	103,505	167,778
21.	Chinot	24650	45	669,374	1,748	667,626
22.	Kasur	24686	18	233,547	99,822	133,725
23.	Zone-IV Lahore	24714	22	221,454	113,425	108,029
24.	Zone-XVII, Lahore	24728	10	179,372	-	179,372
25.	Zone-XIV Lahore	24736	14	312,378	45,839	266,539
26.	Zone –I Rawalpindi	24748	20	1,867,916	1,557,837	310,079
27.	Zone –II Rawalpindi	24765	10	547,818	59,406	488,412
28.	Zone –III Rawalpindi	24776	4	557,275	51,139	506,136
29.	Zone-I Multan	24856	41	292,051	97,307	194,744
30.	Zone-II Multan	24869	16	247,443	101,563	145,880
31.	Zone-III Multan	24880	43	263,156	15,293	247,863
32.	Zone-IV Multan	24887	10	183,537	-	183,537
33.	Faisalabad (I & II)	24911	30	851,927	474,132	377,795
34.	Faisalabad (III & IV)	24935	35	350,932	343,026	7,906
35.	Zone-I Gujranwala	24957	5	43,633	-	43,633
36.	Zone-III Gujranwala	24969	3	28,699	-	28,699
37.	Zone-II Gujranwala	24979	11	136,858	95,268	41,590
38.	Zone-IV Gujranwala	24993	7	58,808	-	58,808
39.	Zone-III, Lahore	25013	14	133,469	47,995	85,474
40.	Zone-XIII, Lahore	25035	10	149,625	127,228	22,397
Total			987	16,218,738	7,122,175	9,096,563

[Annex-12]

1.4.13 Less realization of property tax due to change in status of customized educational institutions - Rs. 7.465 million

(Amount in Rupees)

Sr. No	ETO	PDP No	No of Cases	Amount Pointed Out	Amount Verified	Balance
1.	Sialkot	24595	10	1,578,822	51,340	1,527,482
2.	Kasur	24688	3	154,207	-	154,207
3.	Zone-IV, Lahore	24709	3	1,156,418	-	1,156,418
4.	Zone-XVII, Lahore	24730	4	138,678	-	138,678
5.	Zone-XIV Lahore	24744	7	777,445	-	777,445
6.	Faisalabad (III & IV)	24931	6	1,023,498	228,364	795,134
7.	Zone-I Gujranwala	24952	2	38,162	-	38,162
8.	Zone-III Gujranwala	24966	3	156,800	-	156,800
9.	Zone-II Gujranwala	24976	6	255,919	47,809	208,110
10.	Zone-IV Gujranwala	24991	7	75,602	14,151	61,451
11.	Zone-III, Lahore	25001	9	480,721	-	480,721
12.	Zone-XIII, Lahore	25020	16	1,629,705	-	1,629,705
13.	Zone XVI Lahore	25088	2	340,987	-	340,987
Total			78	7,806,964	341,664	7,465,300

[Annex-13]

**1.4.14 Loss of revenue due to non-realization of professional tax -
Rs. 3.684 million**

(Amount in Rupees)

Sr. No	ETO/MRA	PDP No	No of Cases	Amount Pointed Out	Amount Verified	Balance
1.	MRA Rawalpindi	24494	102	48,600	26,200	22,400
2.	MRA Faisalabad	24558	895	368,300	52,500	315,800
3.	MRA Multan	24562	241	109,800	14,000	95,800
4.	ETO Sialkot	24584	98	621,000	320,000	301,000
5.	ETO Sialkot	24602	22	4,400	-	4,400
6.	ETO Chinot	24646	100	1,230,000	550,000	680,000
7.	ETO Attock	24667	238	1,057,500	795,500	262,000
8.	ETO Attock	24670	113	29,200	6,000	23,200
9.	ETO Kasur	24680	60	1,351,500	1,247,000	104,500
10.	ETO Zone –III Rawalpindi	24773	67	2,735,000	2,498,000	237,000
11.	MRA, Gujranwala	24807	72	19,200	4,000	15,200
12.	ETO- Professionnal Tax Multan	24890	63	2,980,000	2,540,000	440,000
13.	ETO Pakpattan	25048	251	843,000	172,500	670,500
14.	ETO Pakpattan	25053	64	28,400	5,200	23,200
15.	ETO Jhelum	25097	38	223,000	134,000	89,000
16.	ETO Jhelum	25100	87	29,800	8,400	21,400
17.	Professional Tax Multan	24891	16	875,000	520,000	355,000
18.	Jhelum	25099	32	32,000	8,000	24,000
Total			2,559	12,585,700	8,901,300	3,684,400

[Annex-14]

1.4.15 Non-realization of property tax due to non-enforcement of orders passed under section 9-(C) - Rs. 2.758 million

(Amount in Rupees)

Sr. No	ETO	PDP No	No of Cases	Amount Pointed Out	Amount Verified	Balance
1.	Okara	24631	16	348,289	216,513	131,776
2.	Kasur	24691	21	122,831	15,509	107,322
3.	Zone-XVII, Lahore	24729	6	155,416	40,000	115,416
4.	Zone –I Rawalpindi	24757	1	44,541	-	44,541
5.	Zone –II Rawalpindi	24768	4	229,440	-	229,440
6.	Zone –III Rawalpindi	24780	1	54,260	-	54,260
7.	Faisalabad (I & II)	24914	23	283,200	246,598	36,602
8.	Faisalabad (III & IV)	24933	26	501,865	333,254	168,611
9.	Zone-I Gujranwala	24951	27	133,128	14,926	118,202
10.	Zone-III Gujranwala	24964	14	193,402	124,949	68,453
11.	Zone-II Gujranwala	24980	12	101,383	57,870	43,513
12.	Zone-III, Lahore	24999	22	861,372	-	861,372
13.	Zone-III, Lahore	25002	10	467,667	-	467,667
14.	Zone XVI Lahore	25087	17	364,744	53,817	310,927
Total			200	3,861,538	1,103,436	2,758,102

[Annex-15]

**1.4.16 Non/less realization of property tax on vacant plots -
Rs. 2.752 million**

(Amount in Rupees)

Sr. No	ETO	PDP No	No of Cases	Amount Pointed Out	Amount Verified	Balance
1.	Sialkot	24588	28	66,711	29,113	37,598
2.	Kasur	24694	12	57,032	1,818	55,214
3.	Zone-IV Lahore	24718	14	157,536	49,620	107,916
4.	Zone-XVII Lahore	24725	13	651,694	147,410	504,284
5.	Zone-XIV Lahore	24740	12	203,568	16,950	186,618
6.	Zone –I Rawalpindi	24756	30	191,540	-	191,540
7.	Zone –II Rawalpindi	24769	14	142,552	-	142,552
8.	Zone –III Rawalpindi	24779	2	68,544	60,480	8,064
9.	Zone –IV Rawalpindi	24786	19	236,863	207,227	29,636
10.	Zone-I Multan	24861	8	67,936	17,425	50,511
11.	Zone-XV, Lahore	24899	49	822,798	599,052	223,746
12.	Faisalabad (I & II)	24925	11	44,375	21,064	23,311
13.	Faisalabad (III & IV)	24941	17	61,236	21,232	40,004
14.	Zone-I Gujranwala	24956	7	39,754	3,370	36,384
15.	Zone-III Gujranwala	24970	21	28,704	17,144	11,560
16.	Zone-IV Gujranwala	24994	2	34,768	-	34,768
17.	Zone-III, Lahore	25007	12	273,455	6,542	266,913
18.	Zone-XIII, Lahore	25024	16	664,449	98,448	566,001
19.	Jhelum	25096	3	243,000	7,380	235,620
Total			290	4,056,515	1,304,275	2,752,240

[Annex-16]

1.4.19 Less-realization of Property Tax due to changing the status of property (commercial properties treated as residential properties) - Rs. 1.728 million

(Amount in Rupees)

S #	ETO	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1.	Sialkot	24590	15	76,889	44,394	32,495
2.	Chinot	24653	25	150,192	-	150,192
3.	Attock	24664	72	636,846	222,698	414,148
4.	Zone-IV Lahore	24716	14	168,360	22,408	145,952
5.	Zone-I Multan	24858	19	267,636	99,738	167,898
6.	Zone-III Multan	24878	35	598,434	18,797	579,637
7.	Faisalabad (I&II)	24922	8	76,313	-	76,313
8.	Faisalabad (III & IV)	24938	7	165,108	99,504	65,604
9.	Zone-III, Lahore	25015	11	72,618	7,980	64,638
10.	Zone-XIII, Lahore	25037	2	40,646	9,111	31,535
Total			208	2,253,042	524,630	1,728,412

[Annex- 17]

2.4.20 Non- realization of withholding tax on purchase/ transfer of immoveable property - Rs. 64.031 million

(Amount in Rupees)

S #	Sub Registrar	PDP No	No of Cases	Amount Pointed Out	Amount Verified	Balance
1.	U-II Faisalabad	24343	35	6,200,203	0	6,200,203
2.	Data Gunj Buksh Town	24362	7	801,983	361375	440608
3.	Samanabad Town	24368	34	957,318	883226	74092
4.	Bahawalpur City	24439	12	2,205,268	462,273	1,742,995
5.	Saddar Faisalabad	24466	2	1,505,685	0	1,505,685
6.	Saddar Faisalabad	24467	21	1,326,363	0	1,326,363
7.	Saddar Faisalabad	24472	13	218,790	0	218,790
8.	City Multan	24479	73	3,899,787	208,022	3,691,765
9.	urban Gujranwala	24486	7	1,326,102	1,146,364	179,738
10.	urban Gujranwala	24487	19	1,024,526	976,016	48,510
11.	urban Gujranwala	24488	5	261,160	0	261,160
12.	urban Gujranwala	24489	2	72,632	0	72,632
13.	U-II Faisalabad	24503	4	2,259,381	0	2,259,381
14.	U-II Faisalabad	24505	8	1,426,683	0	1,426,683
15.	U-II Faisalabad	24506	68	1,331,056	0	1,331,056
16.	City Faisalabad	24522	13	3,091,146	0	3,091,146
17.	Saddar Multan	24530	38	4,237,335	606,628	3,630,707
18.	City Rawalpindi	24538	33	2,774,546	0	2,774,546
19.	City Rawalpindi	24539	43	1,662,441	206,538	1,455,903
20.	Kasur	24374	2	710,775	498375	212400
21.	Kasur	24377	1	105,000	0	105,000

22	Gojra	24400	7	2,500,731	1680731	820000
23	Gojra	24402	7	155,320	23,500	131,820
24	Lalian	24407	23	2,271,633	86000	2185633
25	Shakr Garh	24420	23	3,579,425	1,811,987	1,767,438
26	Mailsi	24429	53	6,743,550	0	6,743,550
27	Mailsi	24430	32	5,117,245	1,309,277	3,807,968
28	Chiniot	24542	40	15,484,160	7375620	8108540
29	Chiniot	24544	18	1,428,553	0	1,428,553
30	Gojra	24549	4	64,600	0	64,600
31	Mandi Bahau Din	24550	6	2,015,320	497,540	1,517,780
32	Mandi Bahau Din	24554	0	3,701,657	0	3,701,657
33	Kamonke	24640	16	2,219,260	514,780	1,704,480
Total			669	82,679,634	18,648,252	64,031,382

[Annex-18]

**2.4.21 Non realization of withholding tax due to splitting of deeds-
Rs. 42.925 million**

(Amount in Rupees)

Sr. No	Arazi Record Center	PDP No	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	Kasur	24375	1	169,000	0	169,000
2	Lalian	24405	1	775,908	0	775,908
3	Shakr Garh	24421	10	1,767,500	1,129,500	638,000
4	Mailsi	24432	8	1,383,740	166,740	1,217,000
5	Saddar Bahawalpur	24461	3	719,600	0	719,600
6	Chiniot	24545	4	971,900	0	971,900
7	Mandi Bahauddin	24552	9	1,358,000	64,000	1,294,000
8	Kamonke	24641	33	11,414,620	518,000	10,896,620

9	Urban-II Faisalabad	24345	14	1,364,874	-	1,364,874
10	Chunian	24351	7	1,748,000	-	1,748,000
11	City Bahawalpur	24436	51	11,192,332	859,983	10,332,349
12	Saddar Faisalabad	24471	03	528,000	-	528,000
13	Urban-II Faisalabad	24511	1	173,728	-	173,728
14	City Faisalabad	24518	41	8,947,864	-	8,947,864
15	Saddar Multan	24529	15	4,772,100	1,624,400	3,147,700
Total			201	47,287,166	4,362,623	42,924,543

[Annex-19]

2.4.22 Loss of stamp duty, registration fee and capital value tax due to under valuation of urban land - Rs. 39.311 million

(Amount in Rupees)

Sr. No	Sub Registrar	PDP No	No of Case	Amount Pointed Out	Amount Verified	Balance
1	U-II Faisalabad	24344	76	3,267,826	-	3,267,826
2	U-II Faisalabad	24348	54	1,188,292	-	1,188,292
3	Chunian	24352	17	154,291	-	154,291
4	Data Gunj Buksh Town	24361	4	950,545	87910	862635
5	Data Gunj Buksh Town	24364	1	812,635	-	812,635
6	Data Gunj Buksh Town	24366	7	47,427	-	47,427
7	Samanabad Town	24370	17	912,832	575133	337,699
8	ARC Mailsi	24434	21	391,100	361,400	29,700
9	City Bahawalpur	24437	12	3,071,254	132,588	2,938,666
10	City Bahawalpur	24440	1	895,975	-	895,975
11	Saddar Faisalabad	24468	12	1,145,961	-	1,145,961
12	Saddar Faisalabad	24470	26	613,319	-	613,319
13	Saddar Faisalabad	24474	1	75,700	-	75,700
14	City Multan	24478	48	4,457,029	-	4,457,029

15	City Multan	24481	2	540,000	-	540,000
16	Urban Gujranwala	24485	7	3,286,095	2,836,750	449,345
17	Urban Gujranwala	24491	1	33,700	-	33,700
18	U-II Faisalabad	24504	3	2,052,000	-	2,052,000
19	U-II Faisalabad	24510	4	195,361	-	195,361
20	U-II Faisalabad	24512	2	65,900	-	65,900
21	City Faisalabad	24520	209	7,630,263	-	7630263
22	City Faisalabad	24521	49	4,350,864	-	4,350,864
23	Saddar Multan	24528	25	7,071,806	507,508	6,564,298
24	Saddar Multan	24532	1	544,331	-	544,331
25	City Rawalpindi	24541	7	57,565	-	57,565
Total			607	43,812,071	4,501,289	39,310,782

[Annex-20]

2.4.24 Loss due to non/less recovery of withholding tax from seller on transfer of immovable properties- Rs. 33.004 million

(Amount in Rupees)

Sr. No	Sub Registrar	PDP No	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	U-II Faisalabad	24347	202	1,205,255	0	1,205,255
2	Chunian	24353	1	167,120	0	167,120
3	Data Gunj Buksh Town	24363	8	867,660	154,447	713213
4	Samanabad Town	24369	24	1,820,373	901,861	918512
5	City Bahawalpur	24442	1	150,000	0	150,000
6	Saddar Faisalabad	24469	39	941,624	101,810	839,814
7	City Multan	24480	37	1,668,149	158,923	1,509,226
8	urban Gujranwala	24490	6	98,470	0	98,470
9	U-II Faisalabad	24508	46	575,480	0	575,480
10	City Faisalabad	24524	14	456381	133,915	322466
11	Saddar Multan	24531	37	987,633	386,725	600,908

12	City Rawalpindi	24537	133	11,596,666	457,281	11,139,385
13	Lalian	24406	34	928,364	-	928,364
14	Shakargarh	24422	118	2,633,470	10,000	2,623,470
15	Mailsi	24431	87	3,697,460	-	3,697,460
16	Saddar Bahawalpur	24460	4	809,569	457,069	352,500
17	Chiniot	24547	3	313,000	76500	236500
18	Kamonke	24642	252	7,173,557	247,840	6,925,717
Total			1046	36,090,231	3,086,371	33,003,860