# AUDIT REPORT
# ON
# THE ACCOUNTS OF
# FEDERAL BOARD OF REVENUE
## (CUSTOMS)
# AND
# ISLAMABAD CAPITAL TERRITORY
## (RECEIPTS)
# AUDIT YEAR 2017-18

# AUDITOR-GENERAL OF PAKISTAN

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## ABBREVIATIONS & ACRONYMS

| | | |
|---|---|---|
| AFU | : | Air Freight Unit |
| AG | : | Accountant General |
| AGP | : | Auditor General of Pakistan |
| AGPR | : | Accountant General Pakistan Revenues |
| AIR | : | Audit and Inspection Report |
| AY | : | Audit Year |
| BCA | : | Bank Credit Advice |
| BG | : | Bank Guarantee |
| CAATs | : | Computer Assisted Auditing Techniques |
| CBR | : | Central Board of Revenue |
| CD | : | Customs Duty |
| CGO | : | Customs General Order |
| CIF | : | Cost, Insurance and Freight |
| Cus | : | Customs |
| DA | : | Daily Allowance |
| DAC | : | Departmental Accounts Committee |
| DAO | : | District Accounts Officer |
| DC | : | Deputy Collector |
| DDO | : | Drawing & Disbursing Officer |
| DFSL | : | Duty-Free-Shop Limited |
| DG | : | Director General |
| DOT | : | Directorate of Training |
| DP | : | Draft Para |
| DR & S | : | Directorate of Research & Statistics |
| DTRE | : | Duty and Tax Remission for Exports |
| EDS | : | Export Development Surcharge |
| EOL | : | Extra Ordinary Leave |
| EOU | : | Export Oriented Unit |
| Exp | : | Expenditure |
| FBR | : | Federal Board of Revenue |
| FED | : | Federal Excise Duty |
| FGS | : | Federal Government Servant |
| FTA | : | Free Trade Agreement |
| FY | : | Financial Year |
| GD | : | Goods Declaration |
| GPO | : | General Post Office |
| GFR | : | General Financial Rules |

| | | |
|---|---|---|
| HEC | : | Higher Education Commission |
| HS Code | : | Harmonized System of Coding |
| ICT | : | Islamabad Capital Territory |
| IGM | : | Import General Manifest |
| I&I | : | Intelligence and Investigation |
| INTOSAI | : | International Organization of Supreme Audit Institutions |
| IOCO | : | Input Output Co-efficient Organization |
| KIBOR | : | Karachi Inter-Bank Offered Rate |
| LCD | : | Liquid Crystal Display |
| LED | : | LightEmitting Diode |
| LFP | : | Leave on Full Pay |
| LHP | : | Leave on Half Pay |
| MCC | : | Model Customs Collectorate |
| MT | : | Metric Ton |
| NBP | : | National Bank of Pakistan |
| NOC | : | No Objection Certificate |
| NTN | : | National Tax Number |
| OIO | : | Order-in-Original |
| PAO | : | Principal Accounting Officer |
| PAC | : | Public Accounts Committee |
| PCP | : | Printing Corporation of Pakistan |
| PTA | : | Preferential Trade Agreement |
| PCA | : | Post Clearance Audit |
| PCT | : | Pakistan Customs Tariff |
| PDC | : | Post Dated Cheque |
| PMBQ | : | Port Muhammad Bin Qasim |
| POL | : | Petroleum, Oil and Lubricants |
| PPRA | : | Public Procurement Rules Authority |
| PRAL | : | Pakistan Revenue Automation Limited |
| PWD | : | Pakistan Works Department |
| RTO | : | Regional Tax Office |
| SBP | : | State Bank of Pakistan |
| SOP | : | Standing Operating Procedure |
| SRO | : | Statutory Regulatory Order |
| TA | : | Travelling Allowance |
| WHT | : | Withholding Tax |
| WeBOC | : | Web Based One Customs |

# Preface

Articles 169 and 170 of the Constitution of Islamic Republic of Pakistan 1973, read with Sections8 and 12 of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, require the Auditor-General of Pakistan to conduct audit of expenditure and receipts of Government of Pakistan.

The report is based on compliance with authority audit of revenue receipts and expenditure of Federal Board of Revenue (Customs) and receipts of Islamabad Capital Territory for the financial year 2016-17. The report also includes observations relating to previous years as well. The Directorate General of Audit, Customs & Petroleum, conducted audit during the period from July to November, 2017 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the audit findings carrying value of Rs.1 million or more. Relatively less significant issues are listed in the Annexure-I of the Audit Report. The Audit observations listed in the Annexure-I shall be pursued with the Principal Accounting Officer at the DAC level, and in cases where the PAO does not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

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

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

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

Dated: 22 February, 2018

(Javaid Jehangir)
**Auditor-General of Pakistan**

# EXECUTIVE SUMMARY

The Directorate General of Audit, Customs & Petroleum is responsible for audit of revenue receipts and expenditure of Federal Board of Revenue (Customs) and receipts of Islamabad Capital Territory. Audit of 257 out of 412 formations was conducted by utilizing 21,486 man-days, incurring expenditure of Rs.111 million.

a. **Scope of Audit**

Target of customs duty for the financial year 2016-17 was Rs.491.05 billion against which actual collection was Rs.496.78 billion. Customs duty was collected through FBR's field offices consisting of seventeen MCCs and other sister offices. Expenditure of FBR on Customs Wing during the year was Rs.7.51 billion.

Target of other taxes in Islamabad Capital Territory (ICT) for the financial year 2016-17 was Rs. 5.00 billion against which actual collection was Rs. 3.98 billion, reflecting short receipt of Rs.1.02 billion . These receipts were collected through ICT's eight field offices.

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

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

Recovery of Rs. 19,738 million was pointed out by Audit in this report. FBR and ICT effected recovery of Rs.1,409 million during February, 2017 to January, 2018 at the instance of Audit which includes recovery pertaining to the previous years as well.

c. **Audit Methodology**

Audit activity started with detailed planning, development of audit programmes, establishing resource requirements and timing. The planned activities were executed as per audit programmes and results thereof were evaluated at appropriate levels before issuance to auditee organizations. High-value and high-risk items were selected on the basis of professional judgement for substantive testing. Audit was conducted by applying CAATs.

d. **Audit Impact**

In last year Audit Report certain issues were highlighted in response to which a sizeable amount has been realized and following changes have been made in rules and regulations:

- An amount of Rs. 1,409 million relating to Audit Reports of previous years as well as of the current year has been recovered at the instance of Audit.
- Audit pointed out non- recovery of value addition tax in cases of release of seized goods to the owners, vide Para 2.4.16(12) of AR 2014-15 and in similar cases. Despite contesting the audit para by the MCCs, the FBR has issued a clarification vide letter dated 26.02.2016 that value addition tax remain chargeable on such goods.
- Audit pointed out that goods exported from Pakistan and subsequently re-imported and cleared under section 22 of the Customs Act, 1969, were liable to advance income tax. The MCCs contested the issue, however, FBR clarified vide C. No 3(1)/S(L&C)2016-PT/130184 dated 13.10.2016 that re-imported goods are liable to advance income tax under section 148(I) of the Income Tax Ordinance 2001.
- Cases where invoices and packing lists were not found placed in containers and an average penalty of Rs.5,000 in each case was being imposed despite repeated violations by the same importers, since long. The issue was discussed in the PAC meeting held on 25-28.04.2017 and the chairman PAC directed the PAO to increase the amount of penalty to Rs. 10,000 first time and then gradually increase it in case of repeated violations.

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

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

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

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

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

**FBR**

i) non-production of record[1]
ii) inadmissible exemptions and concessions – Rs.4,106.76 million[2]
iii) blockage of revenue –Rs.5,322.34 million[3]
iv) non-recovery of adjudged revenue – Rs. 4,018.23million[4]
v) non/short realization of duty and taxes–Rs.2,615.39million[5]
vi) loss of revenue due to under-valuation and misclassification of imported goods–Rs.1,974.55 million[6]
vii) un-authorized / irregular expenditure on POL and repair of vehicles Rs.93.86 million[7]
viii) clearance of banned goods imported in violation of Import Policy Order[8]

**ICT**

ix) non recovery of Capital Value Tax– Rs.367.83 million[9]

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[1]Para 2.4.3, 2.4.4
[2]Para 2.4.9, 2.4.12, 2.4.13, 2.4.14, 2.4.16, 2.4.17, 2.4.24, 2,4.25, 2.4.27, 2.4.29, 2.4.32, 2.4.33, 2.4.37
[3]Para 2.4.5, 2.4.8, 2.4.20, 2.4.36, 2.4.44
[4]Para 2.4.11
[5]Para 2.4.10, 2.4.15, 2.4.18, 2.4.19, 2.4.21, 2.4.22, 2.4.23, 2.4.26 , 2.4.30, 2.4.34, 2.4.35
[6]Para 2.4.6, 2.4.7
[7]Para 2.4.47
[8]Para 2.4.1
[9]Para 3.3.1

Audit paras for the audit year 2017-18 involving procedural violations including internal control weaknesses and irregularities not considered worth reporting to the PAC have been included in Annexure-I.

g. **Recommendations**

**FBR should**:

i) take stern action against persons at fault and ensure production of auditable record;
ii) take measures to ensure thatexemptions and concessions are granted according to law;
iii) direct field formations to take action for early disposal of the confiscated goods, finalize cases under adjudication and clearance of unclaimed IGMs;
iv) expedite recovery of government revenue;
v) make loss good which was due to under-valuation and misclassification;
vi) issue instructions for preventing unauthorized expenditure on POL and repair; and
vii) take action against persons responsible for clearance of banned goods in violation of Import Policy Order.

**Commissioner ICT should**:

i. expedite recovery of government revenue.

# SUMMARY TABLES

# SUMMARY TABLES & CHARTS

**Table 1: Audit Work Statistics**

*(Rs. in million)*

| Sr. No | Description | No. | Budget | |
|---|---|---|---|---|
| | | | Receipts* | Expenditure** |
| 1 | Total Entities (Ministries/PAOs) in Audit Jurisdiction | 2 | 500,757 | 7,505 |
| 2 | Total Formations in Audit Jurisdiction | 412 | 500,757 | 7,505 |
| 3 | Total Entities(Ministries/PAOs) Audited | 2 | 484,503 | 6,755 |
| 4 | Total Formations Audited | 257 | 484,503 | 6,755 |
| 5 | Audit & Inspection Reports (with amount pointed out) | 257 | 63,385 | 654 |
| 6 | Performance Audit Reports | 03 | - | - |

* *Customs receipts Rs.496,772 million, ICT receipts Rs. 3,985 million. Amount of receipt audited (at Sr. No 4) includes receipts of MCC Quetta for FY 2015-16.*

*** Expenditure relates to Customs Wing only*

**Table 2: Audit Observations Regarding Financial Management**

*(Rs. in million)*

| Sr. No | Description | Amount Placed under Audit Observations* |
|---|---|---|
| 1 | Unsound Asset Management | - |
| 2 | Weak Financial Management | 64,039 |
| 3 | Weak Internal Controls Relating to Financial Management | - |
| 4 | Others | - |
| **Total** | | **64,039** |

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

**Table 3: Outcome Statistics**

*(Rs. in million)*

| Sr. No | Description | Receipts | Expenditure | AY 2017-18 | AY 2016-17 |
|---|---|---|---|---|---|
| 1 | Outlays Audited | 484,503 | 6,755 | 491,258 | 424,441 |
| 2 | Monetary Value of Audit Observations* | 49,410 | 654 | 50,064 | 78,203 |
| 3 | Recoveries Pointed out by Audit | 19,309 | 429 | 19,738 | 39,410 |
| 4 | Recoveries Accepted/Established at the instance of Audit | 19,143 | 408 | 19,551 | 39,100 |
| 5 | Recoveries Realized at the instance of Audit | 1,401 | 8 | 1,409** | 996 |

**represents amount included in Audit Report*

***The amount was verified from 01.02.2017 to 31.01.2018*

**Table 4: Table of Irregularities Pointed Out**

*(Rs. in million)*

| Sr. No | Description | Amount Placed under Audit Observation* |
|---|---|---|
| 1 | Violation of rules and regulations and violation of principles of propriety and probity in public operations. | 30,326 |
| 2 | Reported cases of fraud, embezzlement, thefts and misuse of public resources. | - |
| 3 | Accounting Errors (accounting policy departure from IPSAS, misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements. | - |
| 4 | Weaknesses of internal control systems. | - |
| 5 | Recoveries and overpayments, representing cases of established overpayment or misappropriations of public monies. | 19,738 |
| 6 | Non-production of record. | Nine offices |
| 7 | Others, including cases of accidents, negligence etc. | - |

**represents amount included in Audit Report*

**Table 5: Cost-Benefit**

*(Rs. in million)*

| Sr. No. | Description | AY 2017-18 | AY 2016-17 | AY 2015-16 |
|---|---|---|---|---|
| 1 | Outlays Audited (Items 1 of Table 3) | 491,258 | 424,441 | 290,194 |
| 2 | Expenditure on Audit | 111 | 102 | 83 |
| 3 | Recoveries realized at the instance of Audit | 1,409 | 996 | 838 |
| **Cost-Benefit Ratio** | | **1 : 12.6** | **1:9.8** | **1 : 10** |

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

## Audit Paras

Significant paras, pointed out during audit of revenue and expenditure of Federal Board of Revenue (Customs) for the financial year 2016-17, are as under:

## 1.1 Federal Board of Revenue (Customs)

### 1.1.1 Variation between the figures of SBP and FBR- Rs. 29,155.04 million

***Risk Categorisation*: High**

***Criteria***

According to Para 3.4.2.12 of the Accounting Policies and Procedure Manual, each entity is required to reconcile its books of accounts with the bank record at the close of each month. Chapter 6 of Accounting Policies and Procedures Manual provides a procedure of preparation of monthly reconciliation statements of expenditure and receipts and bank accounts of each Government by the State Bank, Head Office and DAOs/AG/AGPRs on daily and monthly basis. A monthly reconciliation of bank accounts is necessary part of financial management and is an effective measure for detecting fraud/irregularities.

***Observation***

The gross collection of customs duty as per State Bank of Pakistan, Head Office Karachi was Rs. 531,684.80 million, whereas, Directorate of Research & Statistics (DR&S) of FBR had recorded gross collection as Rs. 502,529.77 million at macro level for the FY 2016-17. The variation between two sets of revenue figures came to Rs. 29,155.04 million and reasons for this variation neither known to SBP nor FBR.

***Implication***

This reflected that system of collection and remittance of customs receipts in the banks and reporting mechanism of FBR was faulty. This also led to inappropriate and delayed distribution of divisible pool taxes among the Provinces.

***Management Reply***

Director Research &Statistics replied that it was the responsibility of AGPR to check the banks and DAO's figures from its SAP system. The AGPR replied that correctness, authenticity and reconciliation with local banks was responsibility of the departmental treasuries of FBR and APPM does not require head-wise reconciliation of receipts and payments at macro level with SBP and no reply was furnished by the SBP.

***DAC's Recommendations***

DAC meeting was not convened till finalization of the report.

***Audit Comments***

The reasons of this huge variation can only be sorted if FBR, SBP, NBP and AGPR discharge their duties assigned to them in the Rules.

[Para 1 of MR]

**1.1.2. Non/short-remittance of customs duty& allied taxes and non-imposition of penalty - Rs. 1,469.78 million**

***Risk Categorisation*: High**

***Criteria***

According to Rule 582 of the Federal Treasury Rules, Vol-I, read with FBR's (Revenue Division) letter No.1/1/8A/CH/FBR/2013 dated 27.08.2013 effective from 01.09.2013, National Bank of Pakistan shall collect and remit the customs duty and related taxes daily into the Customs treasuries through electronic advice in the State Bank of Pakistan. Further, according to Paras 6.4.2.6 and 6.4.2.10 of the Accounting Policies and Procedures Manual, the NBP and SBP shall place internal checks and controls to ensure that all categories of B&C branches of NBP, NBP HQ and local offices SBP have submitted their daily reports. Further, as per agency agreement between the SBP and NBP, a penalty @ 15% per annum shall be imposed on late remittance of revenue by the NBP.

***Observation***

(i) "A" category branches of NBP under the jurisdiction of MCCs Faisalabad, Multan, Islamabad and Lahore did not remit the collected amount of Rs. 5.18 million on account of customs duty and allied taxes to respective local offices of SBP.

(ii) Similarly, B&C branches of NBP at Haripur and Sambrial (Sialkot) did not remit an amount of Rs. 1,171.39 million to NBP Head office Karachi during FY 2016-17.

(iii) SBP did not impose and realize a penalty of Rs. 293.20 million from the NBP on late remittance of customs duty and allied taxes of Rs. 1,954.96million, where the delay ranging from 3 to 22 days.

***Implication***

Non/late remittance of collected revenue and non-imposition of penalty thereon reflects poor control of SBP on NBP.

***Management response***

Management reply is awaited.

***DAC's Recommendation***

DAC meeting was not convened till finalization of the Report.

***Audit Comments***

SBP should direct the NBP to abide by the provisions of agreement in letter and spirit and remit the collected revenue timely to SBP and imposed penalty where NBP failed to do so to plug this irregularity.

[Paras 3,4,5&11 MR]

### 1.1.3. Excess deduction of commission coupled with late deposit of customs receipts by the GPO -Rs. 1.98 million

***Risk Categorisation*: High**

***Criteria***

CGO 6/1985 dated 29.07.1985 provides the procedure for collection and remittance of customs duties on imports made through General Post Offices across the country. Further, the GPO is entitled to a commission @12% on remitted amount to concerned Customs authorities.

***Observation***

GPO authorities remitted the collected amount of customs duty and allied taxes on imported parcels with a delay ranging from 60 to 109 days. Further, the Collector Customs MCC, Karachi (Preventive) was competent to pay commission @ 12% on remitted amount but the GPO authorities had deducted the commission unilaterally @ 14.52% which resulted in illegal deduction of commission of Rs. 1.98 million during the FY 2016-17.

***Implication***

This reflected that system of collection and remittance of customs receipts by GPO was rusty leading to delayed distribution of divisible pool taxes among the Provinces.

***Management response***

Management reply is awaited.

***DAC's Recommendation***

DAC meeting was not convened till finalization of the Report.

***Audit Comments***

FBR should take up the matter with GPO authorities for timely remittance of customs receipts and immediate recovery of excess deducted commission.

[Para 14 of MR]

### 1.1.4. Overstatement of revenue due to non-disposal of cases of duty drawback Rs. 7,335.81 million

***Risk Categorisation*: Medium**

***Criteria***

According to Para51 (vii)of the CGO12/2002 dated 15.06.2002, all duty drawback claims found in order are paid serially to ensure that no claim is left out without proper justification. A register for recording the date of receipt and disposal of claim shall be maintained by the Section. The Collector shall personally check the register fortnightly.

***Observation***

Six field offices of FBR did not process 184,328 cases of duty drawback involving Rs. 7,335.81 million. These cases were lying pending either for approval or cheques were not issued after approval. This was committed with the implicit purpose of achieving the over ambitious revenue targets set for FY 2016-17.

***Implication***

This will discourage the exporters and impair the true and fair view of Financial Statements of the Federal Government.

***Management response***

Management reply is awaited.

***DAC's Recommendation***

DAC meeting was not convened till finalization of the Report.

***Audit Comments***

Immediate processing of pending cases is required and where approval has been accorded, the cheques should be issued without further delay.

[Para 15 of MR]

### 1.1.5 Misclassification of Federal Excise Duty and Sales Tax as Customs Duty Rs. 26.21 million

***Risk Categorisation*: High**

***Criteria***

According to the Para 5.2.2 of the Accounting Policies & Procedure Manual, all receipts should be identified in accordance with the Chart of Accounts.

***Observation***

The branches of National Bank of Pakistan under the jurisdiction of MCCs Multan, Faisalabad and Peshawar had misclassified Federal Excise Duty and Sales Tax of Rs. 26.21 million under the head of account of Customs Duty. Resultantly, the receipts remained misclassified at departmental treasuries and respective District Accounts Offices/AGPR, sub-offices during the FY 2016-17.

*Implication*

The collection figures of customs duty in the Financial Statements of Federal Government did not present the true and fair view of financial transactions.

*Management response*

Management reply is awaited.

*DAC's Recommendation*

DAC meeting was not convened till finalization of the Report.

*Audit Comments*

Corrective action is required to be taken for rectification of error in the Financial Statements.

[Para 16 of MR]

### 1.1.6. Advance collection of customs duty – Rs. 1,076.73 million

***Risk Categorisation*: High**

*Criteria*

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

*Observation*

MCCs Multan, Peshawar, Lahore (Preventive) and Lahore (Appraisement) had manoeuvred to collect an amount of Rs. 1,076.73 million as advance customs duty in the last week of June, 2017 which was adjusted during the FY 2017-18. The advance duty was collected on challans instead of goods declaration to meet the over ambitious revenue targets assigned to respective Collectorates.

***Implication***

The figures of collection of customs duty in the Financial Statements represented untrue picture of financial transactions of the Federal Government.

***Management response***

Management reply is awaited.

***DAC's Recommendation***

DAC meeting was not convened till finalization of the Report.

***Audit Comments***

Practice of advance collection should be abandoned and only achievable targets should be assigned to field formations.

[Para 27 of MR]

# CHAPTER-2 FEDERAL BOARD OF REVENUE

## 2.1 *Introduction*

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

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

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

## 2.2 *Comments on Budget and Accounts*

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

### 2.2.1 Revenue Collection vs Targets

FBR was assigned a revenue target for customs duty of Rs 413.00 billion during FY 2016-17. Subsequently, the revenue target was revised upward to Rs 491.05 billion. FBR, however, collected customs duty of Rs 496.78 billion during the financial year as follows:

*(Rs. in billion)*

| Tax Head | Original Target | Revised Target | Collection 2016-17 | Difference from Revised Target | |
|---|---|---|---|---|---|
| | | | | Absolute(4-3) | Percent |
| 1 | 2 | 3 | 4 | 5 | 6 |
| Customs Duty | 413.00 | 491.05 | 496.78 | 5.73 | 1.17 |

*Source: Annual Budget Statement 2017-18 & Financial Statements of the Federal Government 2016-17*

### 2.2.2 Variance analysis of Revenue Collection in FY 2016-17 and FY 2015-16

A comparison of net collection in FY 2016-17 and FY 2015-16 is tabulated below:

*(Rs. in billion)*

| Tax Heads | Collection | | Difference | |
|---|---|---|---|---|
| | FY: 2016-17 | FY: 2015-16 | Absolute | Percent |
| Customs Duty | 496.78 | 404.57 | 92.21 | 22.79 |

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

FBR's collection of customs duty of Rs. 496.78 billion for the FY 2016-17 showed an increase of Rs. 92.21 billion as compared to the preceding year.

### 2.2.3 Budget vs Actual Expenditure

A comparison of budget with actual expenditure for the FY 2016-17 is as follows:

*(Rs. in million)*

| Grant No. | Original Grant | Supple-mentary Grant | Final Grant | Actual Expenditure | Excess/ (Saving) | %age |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6**(5-4)** | 7**(6/4)** |
| 042-Land Customs | 6,923.71 | 601.79 | 7,525.50 | 7,505 | (20.5) | 0.27 |

*Source: Federal Budget 2017-18, Appropriation & Re-appropriation Accounts 2016-17*

There was a saving of Rs. 20.50 million in the Financial Year 2016-17 which was not surrendered. The saving indicated that budget had not been prepared with due diligence and estimates were not correct. While, it's non-surrendering is attributed to lack of budgetary control. Non-surrendering of unutilized funds rendered the government unable to reallocate the same to areas of priorities requiring additional funds.

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

| S.No. | Audit Report Year | PAC's Directives | Compliance received | Compliance not/partially received | Percentage of compliance |
|---|---|---|---|---|---|
| 1. | 1985-86 | 32 | 29 | 03 | 91 |
| 2. | 1986-87 | 32 | 15 | 17 | 47 |
| 3. | 1987-88 | 26 | 0 | 26 | 0 |
| 4. | 1988-89 | 132 | 78 | 54 | 59 |
| 5. | 1989-90 | 10 | 07 | 03 | 70 |
| 6. | 1990-91 | 63 | 22 | 41 | 35 |
| 7. | 1991-92 | 53 | 46 | 07 | 87 |
| 8. | 1992-93 | 66 | 48 | 18 | 73 |

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

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

## 2.4 Audit Paras

### A. Systemic Issues

### 2.4.1 Clearance of banned goods imported in violation of Import Policy Order

Import of certain items such as stainless steel sheets, cane sugar, used auto parts and air rifles etc. was either banned or allowed on fulfilment of requisite conditions provided in the Import Policy Order, 2016.

In 100 cases, five field formations of FBR cleared consignments of imported goods on payment of duties and taxes, whereas as per examination reports, country of origin, PCT headings, the same were required to be confiscated being banned or restricted in terms of Import Policy Order, 2016. The irregularity resulted in illegal clearance of banned goods valuing Rs. 23.43 million during the FY 2016-17. This happened due to negligence and weak internal controls.

The irregularity was pointed out during August to November 2017.The Department reported that the subject goods were cleared on payment of duty and taxes alongwith redemption fine. Audit was of the view that the goods in question were required to be confiscated instead of clearance on duty and taxes and redemption fine to discourage such violations.

The DAC in its meetings held during 15$^{th}$to 19$^{th}$January, 2018 and 29$^{th}$ January to 2$^{nd}$ February, 2018 directed the MCCs to ensure strict adherence to the provisions of Import Policy Order and to refer the cases to the Ministry of Commerce for condonation. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing of responsibility against the persons at fault.

[Annexure-1]

### 2.4.2 Clearance of exported goods in violation of Export Policy Order

According to Section 7(2) of the Export Policy Order, 2016 all items and commodities produced in Pakistan, exported via land route or by air against irrevocable letter of credit confirmed orders of realization of export proceeds through banking channel or advance payment in convertible foreign exchange currency shall be allowed zero rating of sales tax on taxable goods except exports from Export Processing Zone, manufacturing bonds and export oriented units. The proof that goods exported from Pakistan have reached Afghanistan shall be verified on the basis of copy of import clearance documents by Afghanistan Customs Authorities across the border.

In 157 cases, MCCs Faisalabad and Sialkot did not confirm the exports from Afghanistan customs authorities by obtaining acknowledgement receipts. The exported goods were manufactured in manufacturing bonds by using the duty free input material. The irregularity resulted in irregular exports of goods involving duty & taxes amounting to Rs. 173.69 million during the FY 2016-17.

The irregularity was pointed out during August to November 2017.The MCCs reported that cases for Rs.7.95 million were under recovery and for remaining amount relevant documents from Afghan Customs Authorities were called from the licensees. Audit was of the view that confirmation of exports from Afghanistan Customs Authorities should had been made expeditiously.

The DAC in its meetings held during 15$^{th}$ to 19$^{th}$ January, 2018 and 29$^{th}$ January to 2$^{nd}$ February, 2018 directed the MCCs to expedite recovery and provide requisite documents to Audit for verification. The DAC further directed the MCCs to ensure strict adherence to the provisions of Export Policy Order. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC’s directives, besides fixing of responsibility against the persons at fault.

[DP Nos. 4816, 5258 & 5357-Cus]

### 2.4.3 Non-provision of user ID and Password to access WeBOC system

According to Section 14(2) and (3) of the Auditor-General's (Functions, Powers and Terms and Condition of Service) Ordinance, 2001, the officer-in-charge of any office or Department is required to afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition. Any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts is subject to disciplinary action under relevant Efficiency and Discipline Rules. Further, FBR agreed in the meeting held on 02.10.2013 to provide the soft data of WeBOC system to Audit as was given to Post Clearance Audit organization of Customs.

Audit required access to WeBOC system on view only basis in 2013 from its inception. But FBR denied access to the system to Audit, while, at the same time access was being provided to the Post Clearance Audit and Internal Audit through creating their user IDs and passwords. Presently, field offices of FBR are providing soft data to Audit in excel format only by retrieving the same from the WeBOC system. Such data did not suffice the purpose because this did not contain necessary information regarding assessment/examination of imported goods, payment of assessed duties & taxes and scanned copies of supporting documents i.e. invoices, packing lists, exemption certificates, FTAs, etc.

The matter was pointed out in November, 2017. FBR denied access to the WeBOC system by stating that no module for external audit was developed in the system. The para was not discussed in the DAC meeting held during 29th January to 2nd February, 2018 being relating to FBR (HQ) and PRAL. Further progress was not intimated till finalization of the Report.

Audit requires immediate access to WeBOC system on view only basis, through creating user ID and Password.

[DP No.4776-Cus]

*B Irregularity & Non-Compliance*

### 2.4.4 Non-production of record

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

Nine field offices of FBR did not produce auditable record related to receipts & expenditure despite insistence by Audit. Resultantly, Audit could not verify the accuracy of revenue collection or amount of expenditure incurred. The statutory obligation was violated to hinder the auditorial function. Audit apprehended that the record was not produced intentionally to conceal irregularities and violations of Law committed by them. Some illustrative cases of non-production of record are as under:-

| S No | DP No | MCC | Following records are not provided |
|---|---|---|---|
| 1 | 5159 , 5171 & 5202-Cus | MCC Appraisement Lahore | Complete record such as bond register, in-bond GDs and ex-bond GDs relating to four Public Bonds, five Private Bond, 50 Manufacturing Bond |
| 2 | 4460-Cus | MCC Preventive, Lahore | Files of Refund & Rebate |
| | 4461-Cus | MCC Preventive, Lahore | Complete record of DFSL relating to imports and sales of bonded goods. |
| 3 | 1010-CD/K | MCC Appraisement (West) Karachi | Complete record of Bonded Warehouses such as bond registers, into bond GDs and ex-bond GDs |
| 4 | 4762-Cus | MCC Islamabad | Refund & Rebate AFU(Complete) |
| 5 | 4961-Cus | MCC Peshawar | Bank Guarantee, PDC and Indemnity bond record/files |
| 6 | 4965-Cus | MCC Peshawar | Complete record such as bond register, in-bond GDs and ex-bond GDs relating to Private Bond |
| 7 | 5256-Cus | MCC Faisalabad | Complete record i.e. details of input goods, output/ finished goods and exported goods of 39 licensees of Manufacturing Bonds |
| 8 | 125-CD/K | MCC Quetta | 252 selected GDS were not provided |

| | | | |
|---|---|---|---|
| 9 | 238& 239-CD/K | MCC Quetta | Complete record of seized goods |
| 10 | 933-CD/K | MCC Quetta | Files of Refund & Rebate |

The irregularity was pointed out during August to November, 2017. The department reported that in some cases record was ready for provision and in remaining cases no reply was furnished by the department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to provide auditable record to Audit immediately. Further progress was not intimated till finalization of the Report.

Audit recommends that requisite auditable record be produced immediately, besides fixing responsibility.

[Annexure-2]

### 2.4.5 Blockage of revenue due to non-encashment of financial instruments Rs. 2,691.37 million

According to Section 81 of the Customs Act, 1969 the imported goods were to be assessed provisionally. Further, imported goods were to be cleared without payment of duty and taxes on submission of bank guarantees or post-dated cheques under various provisions of the Act and concessionary SROs. On non-fulfilment of prescribed conditions, these instruments were required to be en-cashed to recover government dues.

In 2,329 cases, fourteen field formations of FBR did not en-cash financial instruments where the importers/exporters failed in fulfilling the requisite conditions. In certain cases, the maturity period of financial instruments had also been expired. The issue was established after scrutiny of Files and Registers of B.G. Section and soft data of financial instruments maintained by the PRAL. This resulted in blockage of revenue of Rs. 2,691.37 million and corresponding loss to the Public Exchequer during the FY 2016-17.

The irregularity was pointed out during August to November, 2017. The Department reported recovery of Rs. 3.0 million, Rs. 256.24 million were under recovery, Rs. 763.66 million regularized, Rs. 241.80 million stuck up in the court of law/under adjudication and Rs. 1,426.66 million was awaiting action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018directed the MCCs to expedite recovery, actively pursue the court cases and expeditiously complete the required actions i.e. en-cash/enforce financial instruments. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-3]

### 2.4.6 Loss of revenue due to under-valuation of imported goods Rs. 1,399.64 million

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

In 6,113 cases, fourteen field offices of FBR did not assess the imported goods according to legal provisions or assessed them at values lower than the values fixed by the Directorate General of Valuation, Karachi. The irregularity was unearthed after scrutiny of GDs, Valuation Rulings and comparison of soft data of imports. The irregularity/lapse resulted in short-realization of revenue of Rs. 1,399.64 million and corresponding loss to the Pubic Exchequer during the FY 2016-17.

The irregularity was pointed out during August to November, 2017. The Department reported recovery of Rs. 4.65 million, Rs. 240.94 million were under recovery, Rs. 6.49 million was not due, Rs. 63.45 million were under adjudication

/ stuck up in the courts of law and Rs. 126.19 million was not responded whereas Rs. 957.92 million was awaiting action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to expedite recovery, actively pursue the court cases and expeditiously complete required actions i.e. submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

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

[Annexure-4]

### 2.4.7 Loss of revenue due to misclassification of imported goods - Rs. 574.91 million

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

In 1,734 cases, thirteen field offices of FBR cleared imported goods by classifying them under incorrect PCT headings attracting lower rates of customs duty instead of correct PCT headings with higher rates. The irregularity/lapse resulted in short-realization of revenue of Rs. 574.91 million during the FY 2016-17and corresponding loss to the Public Exchequer. Some illustrative cases of misclassified imported goods are as under:-

(Rs in million)

| SR NO | DP No | Formation | Imported Goods | Correct PCT heading | incorrect PCT heading | Amount |
|---|---|---|---|---|---|---|
| 1 | 5094 | MCC Appraisement Lahore | Isocynate MDI | 3909.3000 CD @ 20% | 3824.9091 CD @3% | 187.75 |
| 2 | 977-CD/K | MCC Appraisement (west ), Karachi | Power Equipment Storage unit | 8507.2090 CD @ 20% | 8507.2010 CD @10% | 7.82 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 3 | 669 & 670-CD/K | MCC Preventive Karachi | Hydrocarbon | 2710-1250 CD @ 10% | 2710-1919 CD @ 3% | 32.93 |
| 4 | 4332 | MCC Appraisement Lahore | Metter Parts | 9028-3000 CD @ 20% | Electronic components CD @ 5% | 30.12 |
| 5 | 76-CD/K | MCC Quetta | Mix Carbon solvent | 2710-1290 CD @ 20% | 2710-1250 CD @ 10% | 27.92 |

The irregularity was pointed out during August to November, 2017. The Department reported recovery of Rs.1.93 million, Rs. 307.61 million were under recovery, Rs. 6.20 million as not due, Rs. 0.58 million were in the court of law / under adjudication, cases of Rs. 7.65 million were sent to Board for clarification and Classification Committee, Rs. 11.66 million was not responded and Rs. 239.30 million was awaiting action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to expedite recovery, pursue the cases with the Board/Classification Committee, actively pursue the court cases and expeditiously complete required actions i.e. submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-5]

### 2.4.8 Blockage of government revenue due to non-disposal of confiscated goods / vehicles–Rs. 2,452.73million

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

In 1,927 cases, eighteen field offices of FBR did not dispose of confiscated goods (such as LED TVs, mobile phones, wireless terminals, chassis frames etc.)

including perishable goods and vehicles with reasonable expedition. Due to the very nature of perishable items and atmospheric conditions in which these goods/vehicles were kept in the warehouses, the chances of deterioration in the value, quality and in its fitness for human consumption were very high. This resulted in blockage of revenue of Rs. 2,452.73million and corresponding loss to the Public Exchequer during the FY 2016-17.

The irregularity was pointed out during August to November, 2017. The Department reported recovery of Rs. 36.06 million, Rs. 1,474.26 million were under recovery, Rs. 97.84million was not due/regularized, cases for Rs. 283.26 million were under adjudication and Rs. 295.22 million were not responded whereas Rs. 266.09million were awaiting action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to expedite disposal, finalize adjudication process and expeditiously complete required actions i.e. submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

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

[Annexure-6]

### 2.4.9 Short-realization of revenue due to inadmissible exemption under Sixth Schedule to Sales Tax Act, 1990–Rs. 1,000.99 million

The imported goods specified in Sixth Schedule to the Sales Tax Act, 1990 are exempt from Sales Tax leviable under Section 3 of the Act subject to conditions and restrictions specified therein.

In 775 cases, nine field formations of FBR granted inadmissible exemption of sales tax to the imported goods (such as frozen chicken, LED lights/lamps, mosquito nets, live animals, used tablets, fresh dates etc.) under Sixth Schedule of the Act ibid despite the fact that the goods in question did not qualify for this exemption due to their physical description, classification etc. This resulted in loss of revenue of Rs. 1,000.99million during the FY 2016-17.

The irregularity was pointed out during August to November, 2017. The Department reported recovery of Rs. 0.35 million, cases for Rs. 919.58 million were under recovery, Rs.0.08 million as not due/regularized and Rs. 3.12 million were stuck up in courts whereas Rs. 42.93 million was not responded and Rs.34.92 million was awaiting action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to expedite recovery, actively pursue the court cases and expeditiously complete required actions i.e. submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

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

[Annexure-7]

### 2.4.10 Non-realization of duty and taxes plus warehousing surcharge on overstayed goods –Rs. 1,055.15 million

According to Section 98 of the Customs Act, 1969, non-perishable imported goods may remain in warehouse for a period of six months. The period can be extended by the competent authority for further three months. Further, according to section 111 of the Customs Act 1969, goods which have not been removed from warehouse within time allowed for such removal under section 98, demand for payment of duty & taxes alongwith surcharge shall be issued to the owners of the warehoused goods.

In 262 cases, seven field formations of FBR did not initiate action for recovery of duty and taxes plus warehousing surcharge from licensees of bonded warehouses who failed to clear the warehoused goods within the stipulated period.

Non-recovery of revenue of Rs. 1,055.15 million was due to weak internal controls during the FY 2016-17.

The irregularity was pointed out during August to November, 2017. The Department reported recovery of Rs. 0.10 million, Rs. 93.37 million were under recovery and cases for Rs. 135.40 million were under adjudication / stuck up in the courts of law, Rs. 1.21million was not responded whereas Rs. 825.08 million was awaiting action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to expedite recovery, actively pursue the court cases and expeditiously complete required actions i.e. submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-8]

### 2.4.11 Non-recovery of adjudged government dues – Rs.4,018.23 million

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

In 849 cases, record of recovery branches like recovery registers/statements revealed that thirteen field offices of FBR did not take prompt action for recovery of adjudged government dues despite lapse of considerable time. The irregularity/lapse resulted in non-recovery of revenue of Rs. 4,018.23million and corresponding loss to the Public Exchequer during the FY 2016-17.

The matter was pointed out during August to November, 2017. The Department reported recovery of Rs. 11.06 million, Rs. 2,224.15 million were under recovery, Rs. 1,449.43 million in the court of law, Rs. 3.53 million vacated by adjudicating authority and cases for Rs. 71.67 million were not responded whereas Rs. 258.38 million were awaiting action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to expedite recovery, actively pursue the court cases and expeditiously complete required actions i.e. submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-9]

### 2.4.12 Short-realization of government revenue on imported electricity Rs. 409.26 million

According to Section 30(a) of the Customs Act, 1969, "the rate of duty applicable to any imported goods shall be the rate of duty in force on the date on which a goods declaration is manifested". Further, exemption of advance income tax under section 148 of the Income Tax Ordinance, 2001,was available to goods falling under Chapter 27 of the Customs Tariff, which was withdrawn through Finance Act, 2015, w.e.f. 01.07.2015.

In 23 cases, MCC Quetta cleared the imported "Electricity of PCT heading 2716.0000", during the FY 2015-16, by granting exemption of customs duty and advance income tax under SRO 567(I)/2006 and clause 56(1), Part-IV, to the Second Schedule to the Income Tax Ordinance, 2001 respectively. Despite that SRO 567(I)/2006 was rescinded on 26.06.2014 and exemption of advance income tax was also withdrawn w.e.f 01.07.2015. This resulted into short-realization of government revenue of Rs. 409.26 million.

The irregularity was pointed out to the department in May, 2017. The MCC replied that electricity was imported when the advance income tax and custom duty was exempted. Audit was of the view that the exemption of custom duty was not available as exempting SRO was rescinded in 2014 prior to import of electricity. Moreover, exemption of advance income tax was also withdrawn w.e.f 01.07.2015 which is also prior to filing the GDs.

The DAC in its meeting held during 15th to 19th January, 2018 directed the MCC to obtain the certificate from WAPDA regarding the details of import during the exempted period. Audit was of the view that GDs were filed during the period when such exemption of customs duty and advance income tax was withdrawn. Further progress was not intimated till finalization of the Report.

Audit recommends early recovery of government dues, besides fixing responsibility against the persons at fault.

[DP Nos.56&67-CD/K]

### 2.4.13 Non-realization of duty & taxes from Export Oriented Units Rs. 655.37 million

SROs326 &327(I)/2008 provide detailed procedure for licensing, duty free import of input goods and plant & machinery, manufacture and export of finished goods by Export Oriented Units. According to Rule 10 read with Rule 9 of SRO ibid, the input goods may be imported by the licensee on the basis of valid Analysis certificate without payment of customs duty, sales tax, federal excise duty and income tax after declaring on the goods declaration that such input goods are being imported for export oriented unit for manufacture of export goods. Further Rule 12 requires that the input goods shall be utilized within 2 years from the date of import and Rule 14 deals with post exportation audit of EOU.

In 99 cases, four field formations of FBR allowed exemption of customs duty to EOUs on imported goods, plant and machinery for government dues of

Rs. 655.37 million during the FY 2016-17. The following requirements as set out in the aforesaid SRO were not fulfilled by the field offices of FBR:-

i) such input goods were imported/exempted which either not covered under the SRO or in the approved analysis certificate;
ii) input goods (raw material) for manufacture/export of finished goods were not imported during the whole financial year. Only plant and machinery was imported by availing the exemption under the SRO ibid;
iii) input goods were not consumed within stipulated period i.e. two years;
iv) inadequate determination of input output ratios in analysis certificate by the IOCO causing excess consumption of duty free input goods;
v) input goods were consumed by the licensees, in excess than determined in the analysis certificates;
vi) sock limits exceeded from the monetary value of the license, covering the amount of exemption of duties and taxes;
vii) multiple premises were used by the licensees for operating one license;
viii) finished goods were not exported within stipulated period;
ix) Post Exportation Audits were not conducted by the department; and
x) online software for monitoring of exempted input goods was not developed.

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

The irregularities were pointed out during August to November, 2017. The Department reported Rs. 51.36 million were under recovery, Rs. 4.86 million as not due, Rs. 15.46million was under adjudication and an amount of Rs. 583.69 million was awaiting action by the Department.

The DAC in its meetings held during 15$^{th}$ to 19$^{th}$ January, 2018 and 29$^{th}$ January to 2$^{nd}$ February, 2018 directed the MCCs to expedite recovery, finalize adjudication process and expeditiously complete reconciliation of the import versus export in the light of analysis certificate and finalize post exportation audit and submit report to Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-10]

### 2.4.14 Non-realization of duty and taxes from DTRE users –Rs. 688.29 million

Sub-Chapter-7 of the Customs Rules, 2001 provides detailed procedure for DTRE approval, duty free import of input goods, manufacture and export of finished goods by DTRE users.

In 53 cases, three field formations of FBR allowed exemption of customs duty to DTRE users on imported goods for government dues of Rs. 688.29 million during the FY 2016-17. The following requirements as set out in the aforesaid Rules were not fulfilled by the field offices of FBR:-

i) such input goods were imported/exempted which not covered under the DTRE approvals;
ii) input goods were not consumed within stipulated period i.e. one year;
iii) finished goods (manufactured from exempted input goods) purchased from another DTRE user were sold locally without recovery of leviable customs duty and income tax;
iv) disposal of wastage without payment of duty and taxes;
v) excess wastage was claimed by the DTRE users as approved by the Directorate of IOCO in the analysis certificate;
vi) no foreign exchange was realized in advance in case of exports to Afghanistan; and
vii) post exportation audit was not conducted by the department.

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

The irregularities were pointed out during August to November, 2017. The Department reported recovery of Rs. 0.43 million, Rs. 84.83 million were under recovery and Rs. 99.11 million as vacated / regularized whereas Rs. 503.92 million was awaiting action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to expedite recovery& finalize DTRE audit and submit report to Audit and expeditiously complete required actions i.e. submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-11]

### 2.4.15 Non-realization of value addition tax – Rs. 556.73 million

According to Rule 58B of Sales Tax Special Procedure Rules 2007, the sales tax on account of minimum value addition shall be levied and collected on goods at import stage at the rate of three per cent of the value of goods except goods imported by the manufacturers for in-house consumption.

In 3,517 cases, eleven field offices of FBR did not recover value addition tax at the time of clearance of imported goods which were not meant for in-house consumption or release of confiscated goods on duty and taxes. This resulted in non-realization of revenue of Rs. 556.73millionduring the FY 2016-17.

The irregularity was pointed out during August to November, 2017. The Department reported recovery of Rs. 4.85 million, Rs. 44.02 million were under recovery and Rs. 5.29 million was under adjudication whereas cases for Rs. 348.89 million were contested, Rs.39.93 million were not responded and Rs. 113.71 million was awaiting action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to expedite recovery and expeditiously complete required actions i.e. submit comprehensive replies with supporting documents and re-examine the cases and get the stated position verified from Audit. The contested cases could not be resolved by the DAC due to different opinions of Audit and Department i.e. Audit was of the view that the subject goods were meant for further sales instead of in-house consumption whereas Department stated that the goods were for in-house consumption. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides providing the proof of in-house consumption of the imported goods in contested cases.

[Annexure-12]

### 2.4.16 Non-recovery of duty and taxes from licensees of manufacturing bonds Rs. 458.46 million

Sub-Chapter-XV of the Customs Rules, 2001 provides detailed procedure for licensing, import of input goods, manufacture and export of finished goods within stipulated period by the licensees. Further, according to Rule 352 read with Rule 7 of the Rules ibid, the leftover quantities of raw materials imported or those which could not be exported can be got cleared by filling ex-bond GDs on payment of duties and taxes.

In 117 cases, three field formations of FBR allowed exemption of duty and taxes to licensees of manufacturing bonds on input goods for Rs. 458.46 million during the FY 2016-17. However, following requirements as set out in the aforesaid Rules were not fulfilled by the field offices of FBR:-

i) such input goods were exempted which either were not covered under the SRO or were not approved in analysis certificate;
ii) input goods were not consumed within stipulated period i.e. two years;
iii) stock limit exceeded from monetary value of the license covering the amount of exemption of duties and taxes;

iv) finished goods were not exported within stipulated period i.e. two years;
v) disposal of wastage was made without payment of leviable duty & taxes; and
vi) mandatory post exportation audits were not conducted by the department.

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

The irregularities were pointed out during August to November, 2017. The Department reported that an amount of Rs. 75.42 million was under recovery, Rs 1.51 million was under adjudication and Rs. 6.27 million was not responded whereas cases for Rs. 375.26 million were awaiting action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to expedite recovery, finalize adjudication process and expeditiously complete required actions i.e. submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-13]

### 2.4.17 Loss of revenue due to grant of inadmissible exemptions/concessions Rs. 441.75 million

FBR issues various SROs for granting exemptions/concessions of customs duty to importers on fulfilment of certain conditions such as S.R.O. 565(I)/2006 and, provide exemption/concession of custom duty on specified import of raw materials, sub-components, components, sub-assemblies and assemblies for manufacture of goods given in the table to SRO. Further, SRO 656(I)2006 and SROs 655(I)/2006 provide exemption/concession to auto sector on import of raw materials, sub-components, components, sub-assemblies and assemblies for assembly/manufacture of vehicles falling under Chapter 87 of the First Schedule to the Customs Act, 1969. Likewise SROs 666 & 682(I)/2006 provide exemption for accompanied and unaccompanied baggage.

In 172 cases, six field offices of FBR granted exemption of government dues under SROs ibid to imported goods which were not entitled for exemptions. Either these goods were not covered under these SROs or conditions given in the SROs ibid were not fulfilled. This resulted into inadmissible exemption of customs duty and allied taxes of Rs. 441.75 million during the FY 2016-17.

The irregularity was pointed out during August to November, 2017. The Department reported recovery of Rs. 4.57million, Rs. 13.83million was under recovery, Rs. 16.28 million as not due and Rs. 5.74 million was not responded whereas an amount ofRs.401.38 million was waiting action by the Department.

The DAC in its meetings held during 15$^{th}$ to 19$^{th}$ January, 2018 and 29$^{th}$ January to 2$^{nd}$ February, 2018 directed the MCCs to expedite recovery, submit comprehensive replies with supporting documents and expeditiously complete required action i.e. get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-14]

### 2.4.18 Non realization of Punjab infrastructure development cess – Rs. 267.77 million

According to section 3 & 4 of the Punjab Infrastructure Development Cess Act, 2015, there shall be levied and collected a Cess on the goods imported in to or goods exported out of the Punjab at a fix rate of 0.9% of total value of goods as assessed for customs purposes. Every person importing goods into the Punjab through any Port, Dry port, Air-port or Customs station including bonded ware house and every person exporting goods out of the Punjab shall be liable to pay the Cess.

In 2,723 cases, MCCs Lahore and Islamabad did not recover the Punjab Infrastructure Development Cess at the time of clearance of imported goods. This resulted in non-realization of government revenue of Rs. 267.77 million during 2015-16 & 2016-17.

The irregularity was pointed out during August to November, 2016 & 2017. The Department reported that an amount of Rs. 0.19 million was under recovery, Rs0.26 million was not due and Rs. 121.41 million was not responded whereas Rs. 145.92 million was awaiting action by the Department.

The DAC in its meeting held during 29th January to 2nd February, 2018 directed the MCCs to expedite recovery and submit comprehensive replies with supporting documents. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-15]

**2.4.19 Non imposition of late payment surcharge-Rs 177.17 million**

According to Section 83(2) of the Customs Act 1969, where the owner fails to pay import duty and other charges within ten days from the date on which the same was assessed under Sections 80, 80A or 81, he shall be liable to pay surcharge at the rate of KIBOR plus three per cent, on import duty and other charges payable on such goods.

In 166 cases, five field formation of FBR cleared imported goods on payment of duty and taxes which were paid beyond ten days after finalization of assessment without realization of late payment surcharge during the Financial Year 2016-17. This resulted in short-realization of revenue amounting to Rs. 177.17 million.

The irregularity was pointed out during August to November, 2017. The Department reported that an amount of Rs. 1.69 million was under recovery, Rs. 0.18 million was not due whereas cases for Rs 175.30 million were awaiting action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to expedite recovery, submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-16]

### 2.4.20 Blockage of government revenue due to non-finalization of provisional assessment-Rs. 155.68 million

Section 81 of the Customs Act, 1969 allows provisional assessment of imported goods in case of any dispute of value, classification, exemption etc. The provisional assessment was required to be finalized within a period of 6months.

In 1,489 cases, six field offices of FBR cleared the imported goods by assessing provisionally under section 81 of the Act ibid but such cases were not finalized within the stipulated period. This resulted in blockage of government revenue amounting to Rs. 155.68 million during 2016-17.

The irregularity was pointed out during August to November, 2017.The Department reported that cases for Rs. 53.12 million were under recovery and Rs. 102.56 million were awaiting action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to expedite recovery, submit comprehensive replies with supporting documents and get the stated position

verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-17]

**2.4.21 Short-realization of revenue due to non-inclusion of insurance in the assessed value – Rs. 149.39 million**

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

In 3,853 cases, four field formations of FBR cleared the imported goods in which government dues were assessed on the customs values in which 1% or actual paid insurance and 1% landing charges were not included, resultantly the imported goods were not properly valued / assessed. This resulted in short-realization of revenue of Rs. 149.39 million during the FY 2016-17.

The irregularity was pointed out during August to November, 2017. The Department reported recovery of Rs. 0.07 million, Rs. 112.28 million were under recovery, Rs.0.06 million as not due and Rs. 0.59 million was not responded whereas cases for Rs. 36.38 million were awaiting action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to expedite recovery, submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-18]

### 2.4.22 Short-accountal/ assessment of warehoused goods – Rs. 64.77 million

According to section 18 of the Customs Act, 1969 customs duties shall be levied at such rates as are prescribed in the First schedule to the Customs Act, 1969 or under any other Law for the time being in force, on goods imported into Pakistan. Further, according to Rule 358 of the Customs Rules, 2001, if any licensee fails to give proper account of warehoused goods, input goods or finished goods to the satisfaction of an officer of customs not below the rank of an Assistant Collector, the licensee shall pay on demand an amount equal to the customs duty, central excise duty, sales tax and income tax leviable thereon as if they were imported and used for home consumption and shall also be liable to penalties imposed for such violation under the Act.

In 700 cases, five field formations of FBR realized duty and taxes either on lesser quantity of imported goods or miscalculated the amount of duty and taxes. Further, licensees of private/public bonds failed to account for total quantity of bonded goods at the time of ex-bonding and payment of duty and taxes. These lapses caused loss of revenue of Rs. 64.77 million.

The irregularity was pointed out during August to November, 2017. The Department reported that cases for Rs. 14.96 million were under recovery, Rs. 6.19 million were not responded whereas Rs. 43.61 million were awaiting action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to expedite recovery, submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-19]

### 2.4.23 Non/short-realization of withholding tax – Rs. 130.78 million

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

In 1,757 cases, examination of goods declaration/shipping bills revealed that fourteen field offices of FBR either did not collect withholding tax on imported/exported goods or collected it at lower rates than leviable i.e. from 3% to 6%. This resulted in non/short-realization of revenue of Rs. 130.78 million during the FY 2016-17.

The irregularity was pointed out during August to November, 2017. The Department reported recovery of Rs. 2.77 million, Rs. 10.81million were under recovery, Rs. 12.64 million as not due/regularized, Rs. 1.09 million was under adjudication, Rs.3.54 million referred to Board for clarification and Rs. 4.89 million was not responded whereas an amount ofRs.95.04 million was awaiting action by the Department.

The DAC in its meetings held during 15$^{th}$ to 19$^{th}$ January, 2018 and 29$^{th}$ January to 2$^{nd}$ February, 2018 directed the MCCs to expedite recovery, finalize adjudication process, actively pursue the case with Board, submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-20]

### 2.4.24 Short-realization of Sales Tax due to grant of inadmissible exemption under SRO 1125(I)/2011 – Rs. 138.41 million

FBR vide SRO 1125(I)/2011 dated 31.12.2011 allowed exemption or lower rates of sales tax to certain imported goods useable as industrial inputs such as cotton, yarn, polyester suiting fabrics, hide & skins relating to five sectors i.e. textile, leather, carpet, sports and surgical subject to certain conditions and restrictions.

In 567 cases, ten field formations of FBR cleared imported goods by granting inadmissible benefit under SRO ibid on such imported goods which were not covered under the SRO ibid. In some other cases, sales tax was realized at lesser rates instead of leviable higher rates as prescribed in table to the SRO ibid. This resulted in loss of revenue of Rs.138.41million during the FY 2016-17.

The irregularity was pointed out during August to November, 2017. The Department reported that cases of Rs. 20.20 million were under recovery, Rs. 0.52 million was under adjudication, Rs. 0.67 million referred to Board for clarification whereas cases for Rs. 116.99 million were awaiting action by the Department.

The DAC in its meetings held during 15$^{th}$ to 19$^{th}$ January, 2018 and 29$^{th}$ January to 2$^{nd}$ February, 2018 directed the MCCs to expedite recovery, finalize adjudication process, actively pursue the case with Board and expeditiously complete required actions i.e.re-examine the cases, submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC’s directives, besides fixing responsibility against the persons at fault.

[Annexure-21]

### 2.4.25 Short-realization of revenue due to grant of inadmissible exemption of customs duty under fifth schedule-Rs. 104.25 million

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

In 313 cases, five field formations of FBR granted inadmissible benefit of customs duty to the imported goods under Fifth Schedule to the Act ibid despite the fact that the goods in question such as LED lights & lamps, finished medicine, milk Ultra Heat Treatment plant, kitchen equipment etc. did not qualify for this benefit due to their physical description, classification etc. as shown in the examination reports, invoices and packing lists. This resulted in loss of revenue of Rs. 104.25 million during the FY 2016-17.

The irregularity was pointed out during August to November, 2017. The Department reported that cases for Rs. 27.70 million were under recovery, Rs.13.55 million was not due and Rs. 63.01 million was awaiting action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to expedite recovery and expeditiously complete required actions i.e. re-examine the cases, submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-22]

### 2.4.26 Non-realization of additional customs duty on imported goods Rs. 112.30 million

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

In 1,022 cases, eight field formations of FBR either failed to recover additional customs duty on imported auto parts or recovered it at lesser rates than prescribed in SRO 693(I)/2006. Further, imported goods were also cleared without charging additional customs duty @ 1% leviable under SRO 1178(I)/2015. This resulted in non-realization of revenue of Rs. 112.30 million during the FY 2016-17.

The irregularity was pointed out during August to November, 2017. The Department reported recovery of Rs. 0.54 million, Rs. 3.38 million were under recovery, Rs. 0.39 million as not due, Rs. 13.83 million was referred to the Board for clarification, Rs. 2.53 million was not responded whereas cases for Rs. 91.54 million were awaiting action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to expedite recovery, actively pursue the case with Board and expeditiously complete required actions i.e. submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-23]

### 2.4.27 Short-realization of government revenue due to inadmissible exemption of advance income tax on imported goods –Rs. 72.71 million

According to Section 30(a) of the Customs Act, 1969, "the rate of duty applicable to any imported goods shall be the rate of duty in force on the date on which a goods declaration is manifested". Further, exemption of advance income tax under section 148 of the Income Tax Ordinance 2001, was available to goods falling under Chapter 27 of the Customs Tariff, which was withdrawn through Finance Act, 2015, w.e.f 01.07.2015.

In 950 cases, MCC Quetta cleared the imported “Engine Oil, Base Oil, Bitumen &Paraffin Wax of Chapter 27” by granting exemption of advance income tax vide clause 56(1), Part-IV to the Second Schedule of the Income Tax Ordinance, 2001 which was withdrawn w.e.f 01.07.2015. This resulted into short-realization of government revenue of Rs. 72.71 million during the FY 2015-16.

The irregularity was pointed out to the department in May, 2017. The MCC reported that an amount of Rs. 46.37 million was under recovery and cases of Rs. 26.35 million were awaiting action.

The DAC in its meeting held during 15th to 19th January, 2018 directed the MCC to expedite recovery and submit comprehensive replies with supporting documents. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC’s directives, besides fixing responsibility against the persons at fault.

[DP Nos.62, 127, 129 & 183-CD/K]

### 2.4.28 Excess payment of rebate –Rs.66.29 million

According to SROs 209(I)/2009 to 212(I)/2009 all dated 05.03.2009, Duty Drawback was to be paid on duty paid raw materials used in manufacturing of exported goods at rates specified therein. Further, input goods were allowed to be imported free of duty by the licensees of Manufacturing Bonds, DTRE’s users and Export Oriented Units under the Customs Rules, 2001 and SRO 327(I)/2008 respectively. Furthermore, in a Public Notice No. 01/2014-EXP/HQR issued by the MCC (Exports) Karachi vide C. No. SI/MISC/09/2009-EXP(HQ) dated 01.10.2014, it was decided to curb the practice of claiming Duty Drawback on input goods imported under any concessionary SRO.

In 628 cases, five field formations of FBR paid rebate either at higher rates than admissible or on the goods not liable for rebate in terms of aforesaid SROs.

This resulted in excess payment of duty drawback of Rs. 66.29 million and corresponding loss to the Public Exchequer during the FY 2016-17.

The irregularity was pointed out during August to November, 2017. The Department reported recovery of Rs. 0.03 million, cases of Rs. 4.42 million under recovery and Rs. 0.03 million as not due whereas Rs. 3.28million were contested and Rs. 58.52millionwas awaiting action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to expedite recovery, submit comprehensive replies with supporting documents and get the stated position verified from Audit. The contested cases of Rs.3.28 million were not discussed in the DAC meeting. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC’s directives, besides fixing responsibility against the persons at fault.

[Annexure-24]

### 2.4.29 Short-realization of revenue due to inadmissible exemption under Eighth Schedule to Sales Tax Act, 1990 – Rs. 62.90 million

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

In 115 cases, import record i.e. GDs revealed that four field formations of FBR either realized sales tax at lesser rates than prescribed in the schedule ibid or granted inadmissible exemption of sales tax on such imported goods which were not covered under the schedule. This resulted in short-realization of revenue of Rs. 62.90million during the FY 2016-17.

The irregularity was pointed out during August to November, 2017. The Department reported that cases for Rs. 4.82 million were under recovery and Rs. 5.70 million were not due/regularized, Rs. 24.82 million were not responded whereas an amount of Rs. 27.56 million was awaiting actions by the Department.

The DAC in its meetings held during 15$^{th}$ to 19$^{th}$ January, 2018 and 29$^{th}$ January to 2$^{nd}$ February, 2018 directed the MCCs to expedite recovery, submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-25]

### 2.4.30 Short-realization of regulatory duty on imported goods – Rs. 43.55 million

FBR levied regulatory duty at prescribed rates on certain imported luxury and non-essential items vide SRO 568(I)/2014 dated 26.06.2014.

In 263 cases, nine field formations of FBR did not recover regulatory duty on imported goods (such as polyester suiting fabrics, gloves, LED lights, etc.) despite the goods attract regulatory duty under SRO ibid. This resulted in short-realization of revenue of Rs. 43.55 million during the FY 2016-17.

The irregularity was pointed out during August to November, 2017. The Department reported that cases for Rs. 12.16 million were under recovery whereas an amount of Rs. 31.39 million was awaiting action by the Department.

The DAC in its meetings held during 15$^{th}$ to 19$^{th}$ January, 2018 and 29$^{th}$ January to 2$^{nd}$ February, 2018 directed the MCCs to expedite recovery, submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-26]

### 2.4.31 Non reporting of losses to Audit – Rs. 29.54 million

According to para 20 of GFR, any loss of public money should be immediately reported by the officer concerned to the Accountant General, even when such loss; has been made good by the party responsible for it. Such reports must be submitted as soon as a suspicion arises that there has been a loss; they must not be delayed while detailed enquiries are made.

MCC Faisalabad did not report to Audit cases of evasion of duty and taxes of Rs. 29.54 million during 2016-17. This violation of law encourages non-pursuance of such cases at department level intentionally or otherwise.

The irregularity was pointed out during August to November, 2017. The Department reported that the requisite documents had been provided to Audit and such information will be submitted as per law in future.

The DAC in its meeting held during 29th January to 2nd February, 2018 directed the MCC to comply with provisions of GFR 20 and provide details of all such cases immediately. Further progress was not intimated till finalization of the Report.

Audit recommends early implementation of DAC's directives.

[DP No.5253-Cus]

### 2.4.32 Inadmissible benefit of Free Trade Agreements – Rs. 25.69million

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

In 186 cases, seven field offices cleared goods imported from China by granting concession of Rs. 25.69 million in customs duty and allied taxes by committing the following irregularities;

(i) importers did not possess original certificates of origin;

(ii) benefit was extended on excess than written quantity in certificate of origin;

(iii) lower rate of Customs Duty was charged than the agreed rates;

(iv) origins of imported goods were other than China; and

(v) goods were misclassified to avail the benefit of SRO.

The irregularity was pointed out during August to November, 2017. The Department reported recovery of Rs. 0.21 million and Rs. 24.56 million was under recovery whereas cases for Rs. 0.92 million were awaiting action by the Department.

The DAC in its meetings held during 15$^{th}$ to 19$^{th}$ January, 2018 and 29$^{th}$ January to 2$^{nd}$ February, 2018 directed the MCCs to expedite recovery and submit comprehensive replies with supporting documents. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-27]

### 2.4.33 Non-realization of revenue due to inadmissible benefit of SRO 492 Rs. 37.30 million

Under SRO 492(I)/2009 dated 13.06.2009 whole of custom duty and sales tax was exempt on temporary import of goods for subsequent exportation subject to prescribed conditions. The importer shall submit a bank guarantee or pay order or indemnity bond along with post-dated cheque equivalent to the amount of custom duty and Sales Tax otherwise leviable thereon.

In 79 cases, three field offices of FBR either failed to realize duty &taxes on unconsumed quantity of imported raw materials after expiry of stipulated period or extended benefit to the goods which were not covered in the SRO ibid. Rather, the customs authorities released the indemnity bonds and post-dated cheques without taking into consideration these aspects. This resulted in non-realization of revenue of Rs. 37.30 million and corresponding loss to the Public Exchequer during the FY 2016-17.

The irregularity was pointed out during August to November, 2017. The Department reported that cases for Rs. 2.10 million were referredto Board for clarification, Rs.2.54 million were contested, Rs. 1.73 million werenot responded whereas Rs. 30.92 million were awaiting action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to actively pursue the case with the Board, submit comprehensive replies with supporting documents and get the stated position verified from Audit. The contested cases of Rs. 2.54 million were not discussed in the DAC meeting. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC’s directives.

[Annexure-28]

**2.4.34 Non/short-realization of Federal Excise Duty – Rs. 38.60 million**

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

In 125 cases, five field offices of FBR either misclassified imported goods such as aerated beverages i.e. Mountain Dew& Miranda etc. and energy drinks i.e. Red Bull, edible oil under incorrect PCT headings to avoid the levy and collection of FED or charged it at lower rates than prescribed in the First Schedule to the Act ibid. This resulted in short-realization of revenue of Rs. 38.60million during the FY 2016-17.

The irregularity was pointed out during August to November, 2017. The Department reported Rs. 35.25 million were under recovery and Rs. 3.35 million was awaiting action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to expedite recovery and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-29]

### 2.4.35 Non/short-realization of revenue due to application of incorrect rate of duty and taxes – Rs. 19.18 million

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

In 213 cases, eight field offices of FBR cleared imported goods either by charging lesser rates of customs duty than applicable or calculation of duty and taxes was wrong. This resulted in short-realization of revenue of Rs. 19.18 million during the FY 2016-17.

The irregularity was pointed out during August to November, 2017. The Department reported that cases for Rs. 5.42 million were under recovery, Rs. 0.06 million were not due, Rs. 1.03 million were referred to Board for clarification and Rs. 6.58 million were not responded whereas an amount of Rs. 6.09 million was awaiting action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to expedite recovery, actively pursue the case with the Board, submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-30]

**2.4.36 Blockage of revenue due to non-disposal of wastage-Rs. 13.69 million**

According to Rule 307A (e) read with 352(10) of the Customs Rules, 2001, a licensee is allowed to dispose-of through local sale, B-grade products, factory rejects or wastage on payment of leviable duty and taxes.

In 23 cases, eight field offices of FBR did not initiate action for disposal of wastage produced during the manufacturing of output goods by DTRE users, Export Oriented Units and Manufacturing Bonds, to recover the government dues involved. This resulted in blockage of revenue of Rs. 13.69million during the FY 2016-17.

The irregularity was pointed out during August to November, 2017. The Department reported recovery of Rs. 0.47 million, Rs. 1.66 million was under recovery, Rs. 0.05 million as not due, Rs. 3.57 million was under adjudication whereas cases for Rs. 7.94 million was awaiting action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to expedite recovery, finalize adjudication process and expeditiously complete required actions i.e. submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-31]

**2.4.37 Loss due to allowing inadmissible exemptions under SRO 678 (I)/2004- Rs. 11.38 million**

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

In 21 cases, MCC Islamabad allowed exemption of customs duty to E&P companies, their contractors and service providers on imported plant, machinery and equipment for government dues of Rs. 11.38 million during the FY 2016-17. None of the E&P companies, their Contractors and Service Providers had met following requirements as set out in the aforesaid SRO;

(i) none of the E&P companies and their contractors have made any effort to develop software despite lapse of twelve years which was required to be done within a period of one year from the date of issuance of SRO;
(ii) obtaining of corporate guarantee either of lesser amount in which amount of sales tax was not included or for the period less than five years which is stipulated in the SRO ibid; and
(iii) no record was available with the Collector of Customs where the service providers had failed in submission of consumption certificates within one hundred and eighty days.

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

The irregularity was pointed out during August to November, 2017. The Department reported that an amount of Rs. 5.98 million was recovered and Rs. 5.41 million was under recovery.

The DAC in its meetings held during 29th January to 2nd February, 2018 directed the MCC Islamabad to expedite recovery of balance amount. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[DP No-4766-Cus]

### 2.4.38 Illegal retention of GD processing fee – Rs. 12.10 million

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

The National Bank of Pakistan, Dryport and AFU branches under the jurisdiction of MCC Islamabad collected and retained an amount of Rs. 12.10million. The amount was collected as goods declaration processing fee since 1st January 2013 to 30th June 2017 which was neither reported to the Treasury Office, MCC Islamabad nor remitted to the State Bank of Pakistan, Islamabad. This collection and retention was unlawful as the Law requires immediate deposit of all moneys collected in connection with official transactions into Government Exchequer without delay. Further, no head of account was obtained from the Controller General of Accounts by the FBR to classify this fee. This resulted in illegal retention of G.D processing fee of Rs. 12.10 million.

The matter was pointed out during August to November, 2017. The Department reported that the identical case was referred to Board for clarification.

The DAC in its meeting held during 29th January to 2nd February, 2018 directed the MCC Islamabad to actively pursue the case with the Board for clarification. Further progress was not intimated till finalization of the Report.

Audit recommends early implementation of DAC's directives.

[DP Nos. 4720 &4726-Cus]

### 2.4.39 Irregular auction of confiscated goods–Rs. 30.93 million

Sub-Chapter V of Customs Rules, 2001 provides detailed procedure for auction of confiscated goods.

In 184 cases, ten field formations of FBR disposed off the confiscated goods and vehicles through public auction and the following requirements as set out in the aforesaid Rules were not fulfilled by the field offices of FBR:

(i) NTN(s) of the successful bidders were not being obtained and mentioned on the bid sheets;
(ii) abnormal delays in acceptance of highest bids by the competent authorities beyond stipulated period;
(iii) earnest money was not forfeited despite the fact that balance amount of sales proceeds was not deposited within stipulated period by the successful bidder;
(iv) reserved prices were determined improperly and incorrectly in which values given in respective valuation rulings were not applied;
(v) perishable goods such as castor oil, rice, were not auctioned in time, resultantly these goods become unfit for human consumption;
(vi) auction of confiscated goods was cancelled and bid amounts were refunded incorrectly due to shortage in quantity instead of corresponding reduction in the bid amount; and
(vii) commission of auctioneer and rent of NLC warehouse was deducted from auction sales proceeds incorrectly.

From above, it is evident that the customs authorities failed to implement the relevant conditions by extending undue favour at the expense of government exchequer. This resulted in irregular auction of confiscated goods and vehicles amounting to Rs. 30.93 million.

The irregularities were pointed out during December, 2017. The Department reported that an amount of Rs. 0.02 million was recovered, Rs. 0.27 million was under recovery and Rs. 1.13 million was referred to Board for clarification whereas cases for Rs. 29.50 million were awaiting action by the Department.

The DAC in its meetings held during 15$^{th}$ to 19$^{th}$ January, 2018 and 29$^{th}$ January to 2$^{nd}$ February, 2018 directed the MCCs to expedite recovery, actively pursue the case with Board and expeditiously complete required actions i.e. submit comprehensive replies with supporting documents and get the stated position

verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-32]

### 2.4.40 Loss of revenue due to under invoicing and mis-declaration

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

In 1,024 cases, five field formations of FBR did not take cognizance of repeated violations of the above referred provisions of the law and cleared imported goods by charging minimal penalty of Rs. 5,000 per case instead ofuptoRs. 50,000 per case where invoices and packing lists were not found placed inside the containers. As the liability of placing such documents was upon the owners of the imported goods and the carrier of the goods, therefore, it appeared as an intentional violation on the part of importers to conceal actual invoice value and physical description of imported goods for getting illegal financial benefits. This resulted in loss of revenue of Rs. 37.74 million.

The matter was pointed out during August to November, 2017. The MCC replied that the Board has already clarified the issue vide letter C No.(7)S(PAC-Custom)/2013 dated 30.01.2017 that in cases of violation of provision of Customs Act, 1969 the same will be done under the relevant provisions of law. A penalty of Rs. 5000 was duly imposed under Section 156(1) (1) (ii) of the Customs Act, 1969 on the importers for non-availability of invoice inside container.

In DAC's meeting held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 the MCCs reiterated the aforesaid position. Audit stated that the PAC in its meeting dated 25.05.2017 directed the PAO to increase the amount of penalty to Rs. 10,000 first time and then gradually increase it for repeated violations. The DAC directed FBR to expedite implementation of PAC's directives regarding amendments in the rules. Further progress was not reported till finalization of the Report.

Audit recommends immediate implementation of PAC's directives.

[Annexure-33]

### 2.4.41 Non imposition of penalty due to late filing of GDs-Rs. 61.77 million

According to Section 156(47A) of the Customs Act, 1969, if the goods declaration is not filed within the prescribed period of fifteen days, the owner of such goods shall be liable to a penalty which may extend to fifteen thousand rupees.

In 4,002 cases, four field formations of FBR did not impose penalty on such importers who filed GDs beyond the stipulated period. This resulted in loss of government revenue amounting to Rs. 61.77 million during the FY2016-17.

The irregularity was pointed out during August to November, 2017. The Department reported that an amount of Rs. 1.99 million was under recovery, Rs. 0.06 million was not due whereas cases for Rs. 59.72 million were awaiting action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to expedite recovery and expeditiously complete required actions i.e. submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-34]

**2.4.42 Loss of revenue due to non-imposition of fine and penalty Rs. 89.49 million**

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

In 227 cases, eight field offices of FBR did not impose redemption fine and penalty despite that as per import documents like invoice, packing list, examination reports, the importers/exporters committed offences such as mis-declaration of weight, quantity, value, description and origins of imported goods. This resulted in non-realization of revenue of Rs. 89.49 million and corresponding loss to the Public Exchequer during the FY 2016-17.

The irregularity was pointed out during August to November, 2017. The Department reported that cases for Rs. 78.34 million were under recovery, Rs. 1.77 million were contested and Rs. 9.38 million were awaiting action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to expedite recovery, submit comprehensive replies with supporting documents and the contested cases were not discussed. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-35]

**2.4.43 Short realization petroleum levy due to application of incorrect rate Rs. 11.39 million**

According to Notification issued under section 3 of the Petroleum Product Ordinance 1961, Petroleum Levy is to be collected in same time and manner as prescribed for Custom dues at import stage and for Federal Excise Duty in local supplies as the case may be. Further, according to Section 30, 30 A and 104 of The

Customs Act, 1969 read with clarification of Ministry of Law, Justice and Parliamentary Affairs U.O. No./2011-Law-I, dated 16.06.2015,rate of duty and taxes shall be applicable as prevailing on the date of actual removal of petroleum products. As per judgment of Hon'able High Court Sindh reported in PTCL 1990 CL 217 and reported in 2002 CLC 616 (Lahore), it was categorically confirmed that in respect of petroleum products, the duty is to be charged at the rate prevailing on the day of actual removal of the goods from warehouse for consumption.

In 21 cases, MCC Faisalabad did not realize the petroleum levy at rate prevailing on the date of physical removal of high speed diesel. In nine cases, GDs were filed in advance and rate of petroleum levy was applied prevailing on GD filing date while HSD was removed during next month attracting higher rates. This resulted in short realization of petroleum levy to the tune of Rs. 11.39 million during the FY 2016-17.

The irregularity was pointed out during August to November, 2017. The Department reported that cases for Rs. 1.69 million were under recovery, Rs. 6.79 million was not due and Rs. 2.90 million was under adjudication.

The DAC in its meeting held during 29$^{th}$ January to 2$^{nd}$ February, 2018 directed the MCC to expedite recovery and finalize adjudication process. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[DP Nos. 5214, 5215 & 5226-Cus]

### 2.4.44 Blockage of revenue due to non-clearance of unclaimed Import General Manifests – Rs. 8.87 million

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

In 503 cases, five field offices of FBR did not initiate legal action for disposal of Import General Manifests (IGMs) after expiry of stipulated period of 20 days for realization of revenue involved therein. This resulted in blockage of revenue of Rs. 8.87million during the FY 2016-17.

The irregularity was pointed out during August to November, 2017. The Department reported that cases for Rs. 3.70 million were under recovery, Rs. 0.11million were not responded and Rs. 5.06 million were awaiting action by the Department.

The DAC in its meetings held during 15$^{th}$ to 19$^{th}$ January, 2018 and 29$^{th}$ January to 2$^{nd}$ February, 2018 directed the MCCs to expedite recovery and disposal of unclaimed IGMs and submit comprehensive reply with supporting documents. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-36]

**2.4.45 Non-deposit of Valuables and Foreign Currency in NBP/SBP and non-transfer of auction sale proceeds from temporary account to national exchequer – Rs.24.04 million**

According to para 5 of GFR, moneys received as dues of Government or for deposit in the custody of Government should be credited into the Public Account in accordance with the Treasury Rules. According to para 33 VI (iv) read with 34(II) of CGO No. 12 of 2002 dated 15.06.2002, confiscated currency and valuables (gold, jewellery etc.) should be deposited into the National Bank of Pakistan and State Bank of Pakistan respectively.

In 145 cases, MCC Preventive, Karachi did not deposit the seized foreign currency and valuables including gold and jewellery in NBP/SBP. Further, MCCs Faisalabad and Preventive Lahore kept auction sales proceeds in temporary account of Collector instead of depositing it in the National Exchequer immediately. In 27 cases, MCC Faisalabad kept auction sales proceeds in temporary account for last thirteen years. This resulted in non-deposit of valuables in NBP/SBP and undue retention of government revenue amounting to Rs. 24.04 million.

The irregularity was pointed out during August to November, 2017. The Department reported that cases for Rs. 0.79 million were under recovery, Rs. 20.14 million was subjudice in the court of law and under adjudication whereas Rs. 3.11 million was awaiting action by the Department.

The DAC in its meeting held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to expedite recovery actively pursue the court cases and finalize adjudication process and expeditiously complete required actions i.e. get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-37]

### 2.4.46 Non-realization of Export Development Surcharge and WHT on exports Rs. 3.96 million

Section 154 (3C) read with Section 164 of the Income Tax Ordinance, 2001 provides that the Collector of Customs, at the time of clearance of goods to be exported, was required to collect tax from the gross value of the goods at the rate of one percent of the value of the export goods. Further, Section 11 of the Finance Act, 1991 provided for levy of Special Customs Duty as Export Development Surcharge (EDS) on exportation of all goods at the rate of 0.25% of the export value.

In 57 cases, MCCs Quetta and Multan did not realize with-holding tax @ 1% and Export Development Surcharge @ 0.25% on goods exported from Pakistan. This resulted in non-realization of with-holding tax and Export Development Surcharge of Rs. 3.96 million during the FY 2016-17.

The irregularity was pointed out during August to November, 2017. The Department reported that cases of Rs. 3.87 million were under recovery and Rs. 0.09 million was awaiting action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to expedite recovery and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against the persons at fault.

[Annexure-38]

**2.4.47 Irregular expenditure on POL and repair of vehicles – Rs. 93.86 million**

According to Monetization Policy 2011, authorization from Vehicle Committee of the Cabinet Division was required for use of vehicles for operational purpose. Further, as per Rule 15 of Staff Car Rules 1980, proper record i.e. log books, movement registers and requisition slips are required to be maintained in respect of all government vehicles for effective control over expenditure on POL and repair & maintenance of official vehicles. Moreover, according to Section 182 of the Customs Act 1969, the Board may authorize the use of confiscated vehicles for operational purpose by the Board or, with approval of the Board by its subordinate offices. As per instructions issued by FBR from time to time use of luxury vehicles for operational purposes was not allowed.

Thirty three field offices of FBR incurred expenditure of Rs. 93.86 million during the FY 2016-17 on POL and repair & maintenance of official/operational vehicles by committing following irregularities:-

(i) authorization from Vehicle Committee of the Cabinet Division was not obtained for use of vehicles;
(ii) vehicles were used by such officers whose nature of job did not require any field operations;
(iii) vehicles were used which were not on pool of the respective offices;

(iv) luxury vehicles such as Toyota Land Cruiser, Pajero, Parado, Toyota Crown Car and Surf were being used for operational duties.
(v) when vehicles deteriorated due to usage, these were replaced with the other confiscated ones;
(vi) logbooks and movement registers were not maintained;
(vii) nature of operations was defined neither by the Board nor by any field offices; and
(viii) vehicles ripe for auction were used instead of putting these in auction.

Though FBR has powers to use confiscated vehicles for operational purposes, but any SOP to streamline the use of confiscated vehicles was not framed. In absence of SOP, misuse of vehicles by the customs staff cannot be prevented. Thus it resulted in irregular expenditure of Rs. 93.86 million on account of POL and repair & maintenance of vehicles.

The irregularity was pointed out to the Department during July to November 2017.The Department reported recovery of Rs. 0.03 million, Rs. 0.03 million was under recovery, Rs. 26.48 million was referred to Board for fresh authorization, whereas Rs. 67.31 million was awaiting action by the Department.

The DAC in its meetings held during 15$^{th}$ to 19$^{th}$ January, 2018 and 29$^{th}$ January to 2$^{nd}$ February, 2018 directed the formations to expedite recovery, actively pursue the cases with the Board, submit comprehensive replies supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends early implementation of DAC's directives, besides obtaining authorization from Vehicle Committee and frame SOPs for use of confiscated vehicles.

[Annexure-39]

### 2.4.48 Irregular expenditure on pay & allowances due to overstaffing Rs. 77.24 million

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

Seven field offices of FBR made payments of pay and allowances to the employees who were posted in excess of the sanctioned strength of the office in different cadres. This happened due to poor management of human resources by FBR and it resulted in irregular expenditure of Rs. 77.24 million on account of pay and allowances during the Financial Year 2016-17.

The irregularity was pointed out to the Department during July to November, 2017. The Department replied that FBR was empowered to post the officers in field formations. All such officers were posted considering the requirements of concerned office. The formations further reported that transfer and postings were made by FBR and cases for Rs. 67.24 million were referred to the Board for sanctioning of posts and remaining amount was awaiting any other actions.

The DAC in its meeting held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the formations to actively pursue the matter with the Board for sanctioning of posts and submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides regularization of the excess expenditure.

[Annexure-40]

### 2.4.49 Suspected embezzlement – Rs. 2.08 million

The standards of financial propriety under Para 10 of the GFR Vol-1 provide that the expenditure shall not be prima facie more than the occasion demands and that every government servant shall exercise the same vigilance in respect of expenditure incurred from public funds as a person of ordinary prudence would exercise in respect of expenditure from his own money. Further, GFR 112 provides that stores purchased from public funds should be counted, weighed or measured at the time of receipt of stores.

Six field offices of FBR disbursed an amount of Rs. 2.08 million on fake and forged vouchers for repair & maintenance and POL of various vehicles as the vouchers from different vendors contained similar handwriting and were signed by a single person. In case of POL vouchers necessary information was also missing to prove their genuineness and similar registration numbers were used on POL vouchers for vehicles being used by two Collectorates i.e. MCC Appraisement and MCC Preventive, Lahore. This resulted in suspected embezzlement of public funds of Rs. 2.08 million during the FY 2016-17.

The irregularity was conveyed to the Department in November, 2017.The Department contested to the extent of Rs. 1.88 million that Excise department issued twenty five secret registration numbers to be used for tampered vehicles by both the Appraisement and Preventive Collectorates simultaneously. For remaining amount, the department did not furnish any reply. Audit did not agree with contention of the Department that both the Collectorates can use the secret registration numbers separately.

The DAC in its meeting held during 15$^{th}$ to 19$^{th}$ January, 2018 and 29$^{th}$ January to 2$^{nd}$ February, 2018 directed the formations to re-distribute the secret registration numbers to both the Collectorates to avoid duplication in use of vehicles and in other cases, submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

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

[Annexure-41]

### 2.4.50 Inadmissible payments of performance allowance due to non-declaration of assets – Rs. 31.76 million

According to Para 7(viii) of Circular No.01/2015 dated 06.03.2015, every employee is required to submit his declaration of assets and he who fail to do so on the due date each year, shall be de-notified for performance allowance for a period of three months or submission of declaration of asset for the year, which is later. Further, FBR vide Notification No.2111-C-III/2015, dated 09.09.2015 had discontinued performance allowance for a period of three months in respect of the officers who failed to submit their declaration of assets.

MCC (Appraisement) Lahore and Directorate of Intelligence &Investigation, Peshawar and Rawalpindi failed to discontinue performance allowance from the salary of employees who did not submit their asset declaration to FBR. This resulted in inadmissible payment of Rs.31.76 million during the FY 2016-17.

The irregularity was pointed out to the Department during July to November, 2017.The Department reported that an amount of Rs. 9.49 million was under recovery and Rs.13.43 million was not due/regularized, Rs.6.93 million was awaiting action whereasRs.1.90 million was contested on the plea that the performance allowance was not paid to the employees.

The DAC in its meeting held during 29th January to 2nd February, 2018 directed the formations to expedite recovery where admitted, submit comprehensive replies alongwith supporting documents. Further progress was not intimated till finalization of the Report.

Audit recommends expeditious recovery of inadmissible payment of performance allowance and obtaining asset declarations from concerned employees, besides fixing responsibility.

[DP Nos.4907, 5384 & 5400-Exp]

### 2.4.51 Misclassification of expenditure –Rs16.97 million

According to Para 4(ii) of the System of Financial Control and Budgeting issued vide No.F.3 (2)Exp.III/2006 dated 13th September, 2006, the funds allocated to a Ministry/Division, Attached Departments and Subordinate Offices are required to spend for the purpose for which they are allocated and all expenditure shall be made under proper head of account.

Five field offices of FBR misclassified the expenditure of Rs. 16.97 million under irrelevant heads of account during the FY 2016-17. Few examples are as under:-

| Correct Head of Account | Misclassified under Head of Account |
|---|---|
| A 013001-Repair and Maintenance of Vehicle | A03807 – POL |
| A013301 –Repair of Office Building | A03901 – Stationery and<br>A09701- Purchase of Furniture |
| A09203 –IT equipment | A03901 – Stationery |
| A 061003- Cash Reward | A061-Scholarship<br>A06103- Cash Award meant for studies or training programmes |
| A09201-Purchase of Hardware | A03204-Electronic Communication |
| A03901- Stationery | A03970- Others |
| A03970- Others | A03204-Electronic Communication |

Due to misclassification, expenditure was incurred against such heads of account for which budget was not available. In case of misclassification of repair and maintenance under POL and stationery & purchase of furniture, withholding tax was also not deducted at applicable rates.

The irregularity was pointed out to the Department during May to November, 2017. The Department replied that an amount of Rs. 0.30 million was under recovery on account of withholding income tax and Rs. 16.67 million were under regularization by the competent authority.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the formations to expedite recovery of withholding income tax, regularization of expenditure by the competent authority and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

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

[Annexure-42]

**2.4.52 Irregular payment of electricity charges – Rs. 12.93 million**

According to Section 14A (1) of the Customs Act, 1969, any agency or person including port authorities managing or owning a customs port, a customs airport or a land customs station or a container freight station shall pay utility bills, rent and taxes.

MCC Exports PMBQ, Karachi incurred expenditure on account of payment of electricity charges for office buildings provided by the port authorities. This resulted in irregular expenditure on account of electricity for Rs. 12.93 million during the Financial Year 2016-17.

The irregularity was pointed out in September 2017.The Department replied that the port building was under control of customs department instead of port authorities. Audit was of the view that as per law the electricity charges were to be paid by the port authorities irrespective of control over building.

The DAC in its meeting held during 15th to 19th January, 2018 directed the MCC to submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against persons at fault.

[DP Nos. 104-Exp/K]

### 2.4.53 Inadmissible grant of cash reward for routine duties –Rs. 15.57 million

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

(a) making original contribution in any field relating to the customs and displaying extra ordinary devotion to duty;

(b) exceeding budgetary targets through extra ordinary planning and efforts; and

(c) displaying exceptional overall results in the detection of evasion of duty and allied taxes, anti-smuggling operations or recovery of arrears.

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

Eleven field offices of FBR granted cash reward of Rs.15.57 million during the Financial Year 2016-17 to the officers/officials who neither rendered meritorious services or showed extra ordinary performance nor awarded any certificate of gallantry, as no evidence was produced to Audit in this regard. Further, no committee for evaluation of their performance was constituted. Moreover, officers/officials were already receiving two performance allowances in addition to their normal pay & allowances.

The matter was pointed out to the Department during July to November, 2017. The Department reported that Rs. 2.45 million was under recovery and Rs. 13.12 million was contested on the plea that there was significant improvement in import related activities, recovery of outstanding government dues and pursuance of cases under litigation. Regarding constitution of committee, it was stated that reward was sanctioned by the competent authority. Audit was of the view that no such committee had been constituted for recommendation of cash reward.

The DAC in its meetings held during 15$^{th}$ to 19$^{th}$ January, 2018 and 29$^{th}$ January to 2$^{nd}$ February, 2018 directed the formation to expedite recovery where admitted, submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends early implementation of DAC's directives.

[Annexure-43]

### 2.4.54 Irregular payment through cash instead of crossed cheques – Rs. 80.44 million

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

Six field offices of FBR made cash payments for acquiring goods and services from certain firms/persons, whereas, these payments should had been made through crossed cheques after obtaining vendor numbers of the firms/persons. This resulted in irregular payment of Rs. 80.44 million during the Financial Year2016-17.

The irregularity was pointed out to the Department during July to November, 2017. The Department replied that the cash payments were made in cases of urgent nature. Audit was of the view that such payments were being made in routine cases and also made to employees.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the formation to expedite regularization of the expenditure from the competent authority, submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends early implementation of DAC's directives.

[Annexure-44]

### 2.4.55 Irregular expenditure due to splitting of purchases – Rs. 19.84 million

According to Rule 9 of PRRA Rules 2004, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The annual requirements thus determined would be advertised in advance on the Authority's website as well as on the website of the procuring agency in case the procuring agency has its own website. Further according to Rule 50 of Rules ibid, any unauthorized breach of these rules shall amount to mis-procurement.

Nineteen field offices of FBR split-up the purchase orders to avoid sanctions from higher authorities. This resulted in incurring of irregular expenditure of Rs. 19.84 million during Financial Year 2016-17.

The irregularity was pointed out to the Department during July to November, 2017. The Department replied that Rs. 0.51 million were under regularization, Rs. 0.37 million was not due and Rs. 18.96 million was awaiting any other action by the Department. Audit was of the view that Department should plan its purchases as per annual purchase plan.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the formations to expedite regularization of the expenditure from the competent authority, submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends early implementation of DAC's directives.

[Annexure-45]

**2.4.56 Unjustified expenditure on account of stores/stocks due to non-maintenance of stock register –Rs. 8.62 million**

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

Eleven field offices of FBR either did not maintain stock registers for stores/stock as required under the Rules ibid or maintained the same improperly. In absence of the stock registers, expenditure on stores and stocks was unauthenticated. In some cases, laptops and printers were issued to officers who were transferred to other offices but these items were not returned back and deposited to stores. This resulted in unjustified expenditure of Rs. 8.62 million during the Financial Year 2016-17.

The irregularity was pointed out to the Department in July to November, 2017. The department did not furnish reply.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the formation to expedite recovery of the government stores/stock, submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends early implementation of DAC's directives.

[Annexure-46]

### 2.4.57 Inadmissible/excess expenditure on pay and allowances – Rs. 8.44 million

Rule 7 (A) of Supplementary Rules states that conveyance allowance is not admissible during leave. Further, according to Performance Allowance Guidelines 2012, performance allowance shall not be admissible for a period of leave exceeding forty-eight days in a calendar year. As per Ministry of Health No F.5-38/2001-Chief(H) dated 16$^{th}$ March, 2006 cost of medical treatment taken from un authorized hospital/private clinic of the doctor is not admissible and cash memos of medicines must be on proper form with licence No. of the chemist and signed by the authorised medical attendant.

Twenty two field offices of FBR did not stop the allowances of officers/officials who remained on LFP/LHP or EOL. Other allowances such as vehicle maintenance allowance, fixed FBR incentive, deputation allowance and performance allowance etc. were paid in excess. Moreover, medical charges were reimbursed to employees who got medical treatment from un-authorized medical attendants. In addition, drug licence numbers were also not mentioned on the cash memos in other cases. This resulted in inadmissible / excess expenditure of Rs. 8.44 million during the Financial Year2016-17.

The irregularity was pointed out to the Department during July to November, 2017. The Department reported recovery of Rs. 0.13 million, Rs. 4.63 million was under recovery and Rs. 0.08million as not due whereas Rs. 3.60 million was awaiting any other action. Audit was of the view that due to slackness and sluggish attitude towards performance of official duty, excess expenditure was incurred which benefited the concerned officials/officers.

The DAC in its meetings held during 15$^{th}$ to 19$^{th}$ January, 2018 and 29$^{th}$ January to 2$^{nd}$ February, 2018 directed the formation to expedite recovery, submit comprehensive replies with supporting documents and get the stated position

verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[Annexure-47]

**2.4.58 Inadmissible payment of house rent allowance/house requisition and non-deduction of nominal rent – Rs. 5.83 million**

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

Fourteen field offices of FBR paid house rent allowance despite provision of facility of hiring to the employees. Further, the government accommodation was also provided to the employees without recovery of normal rent or short recovery due to non-inclusion of performance allowance and FBR fixed incentive allowance. This resulted in inadmissible expenditure on house rent allowance, house requisition and non-deduction of nominal rent of Rs. 5.83 million during the FY 2016-17.

The irregularity was pointed out to the Department during July to November, 2017. The Department reported recovery of Rs. 0.23 million, Rs. 2.07million was under recovery and Rs. 3.53 million was awaiting any other action by the Department.

The DAC in its meetings held during 15$^{th}$ to 19$^{th}$ January, 2018 and 29$^{th}$ January to 2$^{nd}$ February, 2018 directed the formations to expedite the recovery, submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[Annexure-48]

### 2.4.59 Irregular expenditure due to non-carrying out of printing from government press-Rs. 2.19 million

In terms of Serial No. 9(13) of System of Financial Control and Budgeting, 2006, printing of certain items was required to be carried out from Government Printing Press. However, printing from a press other than Printing Corporation of Pakistan, should be undertaken only if the Principal Accounting Officer is satisfied that it is in public interest to do so and record a certificate to this effect. Moreover NOC from Printing Corporation of Pakistan was also required to get the printing done from the private printer.

Seven field offices of FBR incurred expenditure on account of printing of file covers, books and envelops etc. through private printing presses instead of getting the same printed from Printing Corporation of Pakistan. This resulted in irregular expenditure of Rs. 2.19 million during the Financial Year 2016-17.

The irregularity was pointed out to the Department during July to November, 2017. The Department reported that matter was taken up with Printing Corporation of Pakistan to get the printed material. Audit was of the view that Department should actively pursue the matter and NOC from PCP and certificate from the head of the department is required.

The DAC in its meetings held during 15$^{th}$ to 19$^{th}$ January, 2018 and 29$^{th}$ January to 2$^{nd}$ February, 2018 directed the formations to submit comprehensive replies along with NOC from PCP or certificate from the head of the department and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[Annexure-49]

### 2.4.60 Non/short-deduction of Benevolent Fund & Group Insurance Rs. 2.38 million

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

Seven field offices of FBR failed to deduct benevolent fund and group insurance from the salaries of employees. This resulted in non/short-deduction of benevolent fund and group insurance of Rs. 2.38 million during the Financial Year 2016-17.

The irregularity was pointed out to the Department during July to November, 2017.The Department reported that an amount of Rs. 2.26 million was under recovery and Rs. 0.13 million was awaiting action by the Department.

The DAC in its meetings held during 15$^{th}$ to 19$^{th}$ January, 2018 and 29$^{th}$ January to 2$^{nd}$ February, 2018 directed the formations to expedite recovery and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[Annexure-50]

### 2.4.61 Excess payment of Law Charges due to non-consolidation of identical cases – Rs. 1.22 million

According to notification issued by FBR vide No. C.No.92110-ML/2009, dated 05.08.2011, law charges were payable according to the revised fee structure. Further according to Serial No. 4 of the above notification fee for appearing in a case before High Court is Rs. 30,000 for the 1$^{st}$case and for any additional identical nature of cases, it is Rs. 4,000 but aggregate fee to any advocate shall not exceed Rs. 100,000.

Five field offices of FBR incurred expenditure on account of Law Charges either without taking into consideration the fact that the payments had been made in full for cases which were identical in nature being carrying common point of Law or special fee was paid in general nature cases. The decisions of the honourable Judges who issued one decision by clubbing the identical writ petitions also confirmed the view point of Audit. This resulted into excess payment of Law charges of Rs.1.22 million during the Financial Year 2016-17.

The irregularity was pointed out to the Department during July to November, 2017.The Department reported recovery of Rs. 0.07 million, Rs. 0.17 million was under recovery, Rs. 0.08 million as not due and an amount of Rs. 0.90 million was awaiting any other action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the formations to expedite recovery, submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC’s directives.

[Annexure-51]

### 2.4.62 Non/short-deduction of withholding tax – Rs. 6.33 million

Sections 153 and 155 of Income Tax Ordinance, 2001 provides that every prescribed person making a payment in full or in part to any person on account of supply of goods, providing services and payment of rent of immovable property shall deduct withholding income tax from the gross amount at the prescribed rates. Further, according to Rule 3(i) of Sales Tax Special Procedure (Withholding) Rules, 2007, a withholding agent shall deduct sales tax at the applicable rate of the value of taxable supplies made to him from the payment due to the supplier.

Seventeen field offices of FBR made payments on account of acquisition of goods and services but withholding tax was either not deducted or was deducted at lesser rates. This resulted in non/short deduction of withholding tax of Rs.6.33 million during the Financial Year 2016-17.

The irregularity was pointed out to the Department during July to November, 2017. The Department reported recovery of Rs. 0.27 million, Rs. 1.09 million was under recovery and Rs. 0.66 million as not due/regularized whereas an amount of Rs.4.31 million was awaiting any other action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the formations to expedite recovery, submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[Annexure-52]

**2.4.63 Irregular payment of honorarium – Rs. 8.49 million**

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

Four field offices of FBR sanctioned honorarium of Rs. 8.49 million during the Financial Year 2016-17 to the officers/officials, but none of them had performed any specific work as per GFR 46(c) ibid. The nature of work performed in the subject cases was occasional in character and prior consent of competent authority was also not obtained. No specific justification was recorded while recommending the honorarium.

The irregularity was pointed out to the Department during July to November, 2017. The Department contested that honorarium was sanctioned by head of the Department as per powers delegated to him. Audit was of the view that delegated powers were required to be exercised by the head of the Department where criteria had been fulfilled and meritorious cash reward was also given to the same employees simultaneously.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the formations to submit comprehensive replies with supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[DP Nos.4347,4675-Exp,119& 161-Exp/K]

### 2.4.64 Non verification of degree/certificates of employees

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

Four field offices of FBR did not get the degrees/certificates of their employees verified from the concerned universities/HEC during the Financial Year 2016-17. This resulted in non-verification of degree/certificates of the employees.

The lapse was pointed out to the Department in July to November 2017.The Department replied that the matter was being pursued.

The DAC in its meetings held during 15th to 19th January, 2018 directed the formations to submit comprehensive reply alongwith supporting documents and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[DP Nos.16, 113, 375 & 395-Exp/K]

### 2.4.65 Inadmissible payment of rent of residential building –Rs. 16.97 million

Accommodation Allocation Rules, 2002 provides detailed procedure for hiring residential building for Federal Government Servants. According to Rule 3,8,9 and 15 of Rules ibid, all married in the Ministries or Divisions and their Attached Departments except those maintaining their own pool of accommodation or funds for hiring of houses, shall be eligible for accommodation from the Estate Office. A FGS may locate a private house of his entitlement or owns a house or flat or his spouse or dependent children own a house in the areas allowed by Ministry of Housing and Works is eligible for hiring at the same station.

Nine filed offices of FBR, paid rent of residential building to officers availing the facility of government accommodation on payment of rental ceiling and made payment of Rs. 16.97 million. Following irregularities were observed in the process:

i) the officer was ineligible for accommodation as FBR is maintaining their own pool of accommodation;
ii) no prior approval had been obtained from the department before accepting the offer of government accommodation on payment of rental ceiling;
iii) neither any consent was obtained from the owner of the house i.e. Estate Office nor any lease agreement had been signed with him;
iv) there was no rule available which allow the hiring of the house owned by Estate Office;
v) cheque had been issued in favour of the officer concerned instead of Estate Officer;
vi) income Tax was not been deducted from the Rent of Residential Building

vii) assessment report from PWD and departmental assessment board were not attached;
viii) power of attorney was not registered from registrar;
ix) owner ship documents were not attached; and
x) payment of hiring was made prior to date of application;

The irregularity was pointed out to the department in July to November, 2017. The department reported that Rs. 1.76 million was under recovery, Rs. 5.94 million was regularized and remaining amount of Rs. 9.26 million was awaiting any other action.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the formations to expedite recovery, complete the required action expeditiously and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[Annexure-53]

**2.4.66 Irregular payment of travelling allowance - Rs. 1.19 million**

According to para 8.189(i)(a) of DDO hand book read with Finance Division Regulation Wing's OM NoF.1(10)R-10/2006/795 dated 30.12.2006 in respect of each night spent at a place of halt outside the headquarters on official duty, daily allowance will be admissible in accordance with the prescribed rates.

Seven filed offices of FBR paid travelling allowance in excess due to incorrect claim of room rent & mileage allowance and TA advance was not adjusted within the financial year 2016-17. This resulted irregular payment of TA/DA Rs. 1.19million.

The irregularity was pointed out to the department in July to November, 2017. The department reported that Rs. 0.15 million was under recovery and Rs.1.04 million were awaiting any other action by the Department.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the formations to expedite recovery and expeditiously complete the required actions and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[Annexure-54]

### 2.4.67 Non recovery of permanent advances and interest on advances - Rs. 5.78 million

According to Rule 253 of GFR provide the procedure for advance and recovery for purchase of House. Further according to rule 5.69 (i), DDO Hand Book, the amount of advance is recoverable from monthly pay bills in such instalments as may be specified.

Four filed offices of FBR, did not recover the permanent advances/interest on advances granted to the certain officials during Financial Year 2016-7. According to the rules, recovery of advance is to be started from the first issue of pay after the drawl of advance. However, as per record produced to Audit the recovery had not yet been started despite lapse of a considerable period. This resulted into non recovery of advances of Rs. 5.78 million.

The irregularity was pointed out to the department in July to November 2017.The department reported recovery of Rs. 0.26 million, Rs. 5.47 million were under recovery and Rs. 0.05 million were awaiting any other action.

The DAC in its meeting held during 29th January to 2nd February, 2018 directed the formations to expedite recovery and complete the required action and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[DPNos. 4354, 4543, 4625 & 5336-Exp]

### 2.4.68 Irregular expenditure on purchases – Rs. 1.38 million

According to para of the 148 General Financial Rules (Vol-I) all materials received should be examined, counted, measured or weighed as the case may be, when delivery is taken and they should be taken in charge by a responsible Government officer who should see that the quantities are correct and their quality is good and record a certificate to that effect. The officer receiving the stores should also be required to give a certificate that he has actually received the materials and recorded them in the appropriate stock register.

MCC Sialkot incurred expenditure of Rs. 1.38 million under different heads such as purchase of Plant & Machinery, computer items, stationery and furniture etc. but stores received were not recorded in stock register. All the goods were purchased from one vendor. The supplier did not declare the invoices in the relevant sales tax returns for the supply of contingencies and an amount of Rs. 0.20 million under the head sales tax was not deposited in the government exchequer. This resulted in irregular expenditure due to non-maintenance of stock register and the authenticity of expenditure of Rs. 1.38 million could not be verified.

The irregularity was pointed out in August to November, 2017.The department contested that responsibility of the DDO was to purchase from sales tax registered person only and to check the payment of sales tax by the vendor was not his responsibility.

The DAC in its meeting held during 29th January to 2nd February, 2018 directed the formation to take up the matter with RTO, Sialkot for recovery from the concerned supplier. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[DP No. 4821-Exp]

### 2.4.69 Unjustified/Irregular expenditure under different heads – Rs. 2.11 million

Para 10 of GFR provides that the expenditure is not prima facie more than the occasion demands and that every government servant exercises the same vigilance in respect of expenditure incurred from public funds as a person of ordinary prudence in respect of expenditure of his own money.

Ten field offices of FBR, incurred expenditure of Rs. 2.11 million under different heads like purchase of Plant & Machinery, computer items, stationery, furniture& repair etc. on higher rates and in some other cases supporting documents such as purchase invoices etc. were not available in the record.

The irregularity was pointed out to the department in July to November, 2017. The department reported that an amount of Rs. 0.54 million was not responded and Rs. 1.57 million was awaiting any other action by the Department.

The DAC in its meetings held during 15$^{th}$ to 19$^{th}$ January, 2018 and 29$^{th}$ January to 2$^{nd}$ February, 2018 directed the formations to expedite recovery, complete the required actions expeditiously and get the stated position verified from Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[Annexure-55]

### 2.4.70 Irregular payment of rent of office building –Rs. 1.16 million

According to Rule 12 of GFR Vol-I, a controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

Two filed offices of FBR, paid rent of Rs. 1.16 million for official building and the following irregularities were observed in the process:

(i) assessment report from PWD and Board were not attached;

(ii) excess payment than actual rental ceiling; and

(iii) cheque issued to DDO instead of owner without agreement;

The irregularity was pointed out to the department in July to November, 2017. The Department reported that the expenditure was under regularization process from the competent authority.

The DAC in its meeting held during 15th to 19th January, 2018 directed the formations to expedite regularization of expenditure from the competent authority. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[DP Nos. 06, 74 & 82-Exp/K]

### 2.4.71 Non transfer of government revenue from private account of DOT to national exchequer on account of agent course fee – Rs 6.57 million

According to para 5.16 of DDO hand book, departmental controlling officers have to ensure that all sums due to government are regularly and promptly assessed, realized and duly credited to the public account.

The Director of Training, Customs Lahore collected private agent course fee and kept it in their private account in NBP during last several years. As the expenditure of Directorate is funded from the government budget, so imparting training to private persons is out of its purview. Moreover, the course fees of Rs. 6.57 million collected from private persons was also retained illegally and not-transferred to government treasury upto 30th June 2017.

The irregularity was pointed out to the department in July to November, 2017. The department contested that FBR directed for collection of agent course fee for keeping in private account. The collected amount was spent on the clearing agents during the training courses. Audit was of the view that the Directorate met the expenditure mainly from the budget allocated by the federal government.

The DAC in its meeting held during 29th January to 2nd February, 2018 directed the formation to submit the complete details of expenditure to Audit. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[DP No. 4932-Exp]

*Performance*

### 2.4.72 Unsatisfactory performance of departmental audit

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

The Director General, Internal Audit (Customs), Islamabad, recovered an amount of Rs. 4.50 million against the pointation of Rs. 6,213.16 million by incurring an expenditure of Rs. 49.32 million during 2016-17. An analysis of the amount recovered, pointation and expenditure incurred shows that the performance of Internal Audit was not satisfactory. The cost-benefit ratio of the Directorate of Internal Audit, Islamabad during the Financial Year 2016-17 is tabulated below;

(Rs. in million)

| Year | Amount pointed out | Amount recovered | Expenditure | Cost benefit ratio | Remarks |
|---|---|---|---|---|---|
| 2016-17 | 6,213.16 | 4.50 | 49.32 | 1: 0.09 | Cost benefit ratio based on amount recovered |

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

The issue was pointed out to the Department in October, 2017. The department replied that Internal Audit cannot take action to initiate recovery and reported only proposals for improvement of internal controls in the department.

The DAC in its meetings held during 29th January to 2nd February, 2018 observed that pointation and recovery position of Departmental Audit was declining year by year and directed the formation to devise Key Performance Indicators revolving around amount detected and recovered. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[DP Nos. 4653-Exp& 5209-PE]

## 2.4.73 Non-preparation of annual audit plan, sectoral guidelines and audit procedures

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

The Director, Internal Audit (Customs), Lahore did not prepare annual audit plan and sectoral guidelines/audit procedures for smooth conduct of internal audit. This shows audit planning was not done which led to low pointation and recovery. Further, the Directorate issued audit results with inordinate delay and slack audit follow up caused recovery on lower side. Moreover, the Directorate did not maintain recovery register for recording recoveries effected against amount pointed out.

The issue was pointed out to the Department in October, 2017. The department replied that Internal Audit did not take action to improve recovery. It reported on the improvement of internal controls in the department. Audit was of the view that annual audit plan, sectoral guidelines and audit procedures should be prepared which will improve the declining position of audit results of the Directorate.

In the DAC meetings held during 29th January to 2nd February, 2018, the para was not discussed due to shortage of time. Further progress was not intimated till finalization of the Report.

Audit recommends that FBR should prepare annual audit plan and sectoral guidelines/audit procedures for internal audit and post clearance audit.

[DP No.5210-PE]

## 2.4.74 Unsatisfactory performance of Post Clearance Audit due to low pointation & recovery and non-follow up of audit results

The Directorates of post Clearance Audit was created under Section 3DD of the Customs Act, 1969 read with SRO503(I)/2009 dated 13.06.2009 at Islamabad, Lahore and Karachi respectively. The functions and objectives of the Directorate of Post Clearance Audit were to conduct audit of imports and send reports to the concerned field formations for initiation of recovery, coordination with all concerned, liaison with PRAL or other vendors for preparation, testing and execution of software for effective implementation of PCA at all the Customs field formations and liaison with donors and all agencies assisting in setting up and operation of PCA.

The Director General, Post Clearance Audit, Islamabad pointed out an amount of Rs. 1,476.29 million by incurring expenditure of Rs. 50.28 million out of which only Rs. 0.30 million was recovered during FY 2016-17. The Directorate neither prepare annual audit plan & sectoral audit guidelines nor issued contravention reports to defaulters for pointed out amount of Rs. 847.34 million which shows not only poor planning but also non-follow up of audit results.

The issue was pointed out to the Department in October, 2017. The department did not submit reply.

The DAC in its meetings held during 29th January to 2nd February, 2018 observed that pointation and recovery position of Post Clearance Audit organization was declining year by year and directed the formation to devise Key Performance Indicators revolving around amount detected and recovered. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[DP Nos.4643, 5207& 5208- PE]

### 2.4.75 Non-implementation of charter of functions by the Directorate of Valuation, Lahore

FBR vide SRO 494(I)/2007 dated 09.06.2007 specified charter of functions of the Directorate of General of Customs Valuation. Further, the FBR vide SRO 495(I)/2007 dated 09.06.2007 specified provisions of the Customs Act, 1969 and delegated the powers of section 25A and 32 of the Act ibid vide serial No.02 of the table to the SRO.

The Directorate Valuation, Lahore did not perform the assigned functions properly such as monitoring of import clearances and find out the specifications/ descriptions being used by the importers to escape the application of valuation rulings and conducting of market survey/inquiry of under invoiced import commodities/ goods for appropriate remedial measures. This non-functioning by the Directorate may cause under-invoicing and under valuation leading to evasion of duties and taxes.

The issue was pointed out to the Department in October, 2017. The Directorate replied that efforts were made to assign functions but no evidential documents in support were provided to Audit.

In the DAC meetings held during 29th January to 2nd February, 2018 the formation informed that they carried out assigned functions as such will be more careful in future regarding performing functions. Audit was of the view that the Directorate was not carrying out the assigned function properly. Further progress was not intimated till finalization of the Report.

Audit recommends that assigned functions should be performed vigorously so that desired results can be fetched.

[DP Nos. 5204, 5205& 5206-PE]

***Internal Control Weaknesses***

Internal control assures achievement of organizational objectives in operational efficacy, reliable financial reporting and compliance with laws, regulations, policies and procedures.

**2.4.76 Non-compliance of rules and regulations showing weaknesses of internal control**

Field formations of FBR did not comply with the various rules, regulations and procedures issued by the government/FBR and the following internal control lapses were observed during the financial year 2016-17:

(i) Sub-Chapter XI of Customs Rules, 2001deals with recovery of arrears which requires maintenance of master recovery register. MCCs, Multan and Quetta did not comply with the rule ibid and the Master Recovery Register was not prepared as per requirements of the aforesaid rule. MCC Faisalabad and Directorate of I&I, Faisalabad did not initiate recovery proceedings despite lapse of nine years after adjudication;

(ii) According to Section 18 read with 80 (2) of the Customs Act 1969, imported goods are classified under the First Schedule to the Actibid after proper examination by customs staff. Four field offices of FBR did not prepare examination reports properly not showing exact/ complete description of goods (item-wise) for assessment of duties and taxes. This practice is conducive to misclassification of imported goods under PCT headings attracting lower rates of customs duty and to avoid additional/regulatory customs duty;

(iii) Sub-chapter XV of Customs Rule, 2001 regulates warehousing of bonded goods which requires submission of monthly returns by the licensees under Rule 352(2) of the Rules ibid, showing input goods received, manufactured and exported. These returns shall be examined, stamped and signed by the supervising Customs official every month. MCCs (Appraisement), Lahore and Peshawar did not take any action against the licensees who submitted incomplete monthly returns which did not show the necessary information in respect of duty free imported inputs like opening and closing balances of imported raw materials, quantity removed for manufacturing, wastage & factory rejects and the amounts of duty and taxes leviable on the stock of raw materials as well as finished goods;

(iv) MCC Preventive, Karachi did not monitor the bonded goods (HSD) adequately and did not account for the same on weight/ quantity basis, especially at the time of in bonding and ex bonding;

(v) According to Rule 361 of Customs Rules, 2001 read with para 32(IX) of CGO 12 of 2002, the stock in the state-warehouse will be physically checked twice a year and also whenever specifically ordered by the Collector of Customs having jurisdiction. Four field offices of FBR did notconduct the periodical stock taking of state warehouses during the financial year 2016-17;

(vi) Section 12(1) of the Foreign Exchange Regulation Act, 1947 requires that foreign exchange shall be realized equal to full export value of exported goods and within prescribed period. MCC Quetta did not carried out verification of Form "E" from the banks to assess their genuineness for exported goods;

(vii) Sub-Chapter XIV of the Customs Rules, 2001 deals with transhipment of goods from first port of entry to up-country destination ports and Rules 328, 336 and 339 requires that all goods for which transhipment permits had been issued were required to be delivered to Customs port or station of destination within seven days of the date. Acknowledgement receipts in respect of transhipped goods from up-country destination ports are required to be obtained within twenty days. MCC Appraisement Karachi did not confirm the receipt of transshipped goods by obtaining acknowledgements from up-country destination ports causing loss of Rs 39.61 million.

(viii) Sub-Chapter XXV of the Customs Rules, 2001 deals with Afghanistan-Pakistan Transit Trade and Rule 629 (10) requires confirmation of receipt of transit goods from Afghanistan government by returning a copy of the GD with acknowledgment of receipt of the consignment. The Directorate of Transit Trade Quetta being a field office of FBR did not confirm/obtain cross border acknowledgement certificate from

Afghanistan government in respect of exports from Chaman. Further, to secure exports to Afghanistan, the Directorate did not obtain financial instruments i.e. bank guarantees from exporters and transporters using transit trade facility through Chaman;

(ix) Chapter-VI of CGO 12 of 2002 provides detailed procedure for safe transportation of goods despatched for warehousing at upcountry ports and clause vii requires confirmation/ acknowledgment of despatched goods from destination port authorities. MCC PMBQ, Karachi did not obtain/confirm the warehousing certificates/acknowledgments of goods delivered involving duty & taxes of Rs 156.45 million under safe transportation scheme from destination ports;

(x) Section 155 of the Customs Act, 1969 deals with computerized records of Customs especially clearance of imported goods. PRAL a private company owned by FBR which was entrusted with the responsibility of feeding soft data of clearance of imported/exported goods. PRAL staff posted in MCC, Quetta fedwrong soft data of duty and taxes which may result in wrong reporting of revenue figures and provision of misleading data/record to Audit on the basis of which several audit observations were raised.

(xi) In MCCs Islamabad, Multan and the Directorate of Transit Trade, Islamabad, internal audit of expenditure incurred during the FY 2016-17 was not conducted.

(xii) MCCs Multan and Gilgit did not initiate assets accounting and assets registers were not maintained during the FY 2016-17.

(xiii) In MCCs Islamabad and Faisalabad, surprise check of cash book was not conducted and schedule of payments was not recorded. Attendance/ leave and dead stock register were not maintained.

(xiv) Physical verification of stores/stock was not carried out by MCC Faisalabad and Islamabad.

The lapses were pointed out during August to November, 2017. The Department stated that necessary actions under the law were initiated.

The DAC in its meetings held during 15th to 19th January, 2018 and 29th January to 2nd February, 2018 directed the MCCs to complete the required action expeditiously and ensure strict compliance of above-mentioned rules and regulations. Further progress was not intimated till finalization of the Report.

Audit recommends strict adherence to rules and regulations and corrective action, besides, fixing of responsibility against the persons at fault.

[Annexure-56]

# CHAPTER-3 ISLAMABAD CAPITAL TERRITORY (ICT)

## 3.1 *Introduction*

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

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

## 3.2 *Comments on Budget and Accounts*

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

### 3.2.1 Revenue Collection vs Targets

ICT was assigned a revenue target of Rs. 5.00 billion during the Financial Year 2016-17 which was revised downward to Rs. 4.17 billion. The ICT could, however, collect receipts of Rs. 3.98 billion which were 4.56% less than the target as tabulated below:

*(Rs. in billion)*

| **Tax Head** | **Original Target** | **Revised Target** | **Actual Collection** | **Difference from Target** | |
|---|---|---|---|---|---|
| | | | | **Absolute (4-3)** | **Percent** |
| **1** | **2** | **3** | **4** | **5** | **6** |
| Other Taxes | 5.00 | 4.17 | 3.98 | 0.19 | 4.56 |

*Source: Federal Budget 2017-18 and Financial Statements of the Federal Government 2016-17*

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

### 3.2.2 Variance analysis of revenue collection in FY 2016-17 and FY 2015-16

A comparison between net collection of revenue for the Financial Year 2016-17 and the Financial Year 2015-16 is tabulated below:

*(Rs. in billion)*

| Tax Heads | Collection | | Difference | |
|---|---|---|---|---|
| | FY: 2016-17 | FY: 2015-16 | Absolute | Percent |
| Other Taxes | 3.98 | 2.86 | 1.12 | 39.96 |

ICT's collection for the Financial Year 2016-17 of Rs. 3.98 billion showed an increase of Rs. 1.12 billion (39.96%) as compared to the previous year.

## 3.3 AUDIT PARAS

***Irregularity & Non-Compliance***

### 3.3.1 Non-recovery of Capital Value Tax – Rs. 367.83 million

According to Section 7 (1) of the Finance Act, 1989 read with Circular No. 03 of 2012 (Capital Value Tax) issued by the Federal Board of Revenue vide C.No.4 (60) ITP/2012-106335-R dated 01.08.2012, the Capital Value Tax was required to be charged at rates prescribed therein.

Tehsildar, Joint Sub-registrar and Sub-registrar (Rural), Islamabad Capital Territory, Islamabad either did not recover the Capital Value Tax or recovered it at lesser rates than applicable. The irregularity resulted in non/short-realization of Capital Value Tax of Rs. 367.83 million during the Financial Year 2016-17.

The irregularity was pointed out during July to October, 2017. The Department intimated that an amount of Rs.0.50 million was recovered, Rs.0.84 million was not due and remaining amount was subjudice before Islamabad High Court, Islamabad.

The DAC in its meeting held on 24th January, 2018 directed the Department to vigorously pursue the subjudice cases. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against person(s) at fault.

[DP Nos. 4374, 4381,4383& 4384-ICT]

### 3.3.2 Non-recovery of Advance Income Tax- Rs. 63.42 million

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

Tehsildar, Joint Sub-registrar and Sub-registrar (Rural), Islamabad Capital Territory, Islamabad did not collect Advance Income Tax at the time of registering or attesting the transfer of immoveable property at prescribed rates. This resulted in non-realization of revenue of Rs. 63.42 million during the Financial Year 2016-17.

The irregularity was pointed out during July to October, 2017.The Department intimated that an amount of Rs.0.59 million was recovered, Rs. 7.24 million was not due and remaining amount was under recovery.

The DAC in its meeting held on 24$^{th}$ January, 2018 directed the Department to expedite recovery. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against person(s) at fault.

[DP Nos. 4373,4377&4386-ICT]

### 3.3.3 Non/short-recovery of Mutation Fee –Rs. 30.95 million

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

Tehsildar, Islamabad Capital Territory, Islamabad either did not recover the mutation fee or recovered it at lesser than the applicable rates. This resulted in loss to the exchequer of Rs. 30.95 million during the Financial Year 2016-17.

The irregularity was pointed out during July to October, 2017. The Department reported recovery of Rs. 1.42 million and Rs. 1.72 million as not due while balance amount was under recovery.

The DAC in its meeting held on 24th January, 2018 directed the Department to expedite recovery. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against person(s) at fault.

[DP No. 4371-ICT]

### 3.3.4 Non-recovery of Capital Gain Tax on transfer of immoveable property- Rs. 5.25 million

According to FBR's notification issued vide C. No. 4(90)ITP/2007, dated 02.07.2012, every person responsible for registering or attesting transfer of any immoveable property was required, at the time of registering or attesting the transfer, to collect from the seller or transferor capital gain tax at the rate of 1% in case of registered person and 2% in case of non-registered person except in the case of Federal Government, Provisional Governments or Local Governments. The only condition where tax was not to be withheld was where the seller produced evidence that the sale of property was being made after a period of more than two years from the date of purchase.

Tehsildar, Joint Sub-registrar and Sub-registrar (Rural), Islamabad Capital Territory, Islamabad did not recover Capital Gain Tax where the re-sale of property took place within two years of the previous purchase. This resulted in non-realization of Capital Gain Tax of Rs. 5.25 million during the Financial Year 2016-17.

The irregularity was pointed out during July to October, 2017.The Department intimated that an amount of Rs. 0.12 million was recovered, Rs. 1.14 million was not due and remaining amount was under recovery.

The DAC in its meeting held on 24th January, 2018 directed the Department to expedite recovery. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against person(s) at fault.

[DP Nos. 4372, 4378&4385-ICT]

### 3.3.5 Non-realization of Pert fee-Rs. 1.42 million

According to Section 46 of Land Revenue Act, 1967 read with Notification No. 5(29)-B&A/2010 dated 14.12.2015, the Board of Revenue, Islamabad directed that the mutation fee/pert fee in respect of each mutation shall be charged as per rates specified in notification ibid.

Tehsildar, Islamabad Capital Territory, Islamabad did not collected mutation fee/pert fee in respect of each mutation on transfer of immoveable property at the prescribed rates. This resulted into non realization of government revenue of Rs. 1.42 million during the Financial Year 2016-17.

The irregularity was pointed out during July to October, 2017. The department reported that entire amount was under recovery.

The DAC in its meeting held on 24th January, 2018 directed the Department to expedite recovery. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[DP No. 4376-ICT]

### 3.3.6 Non-realization of Token Tax – Rs. 1.92 million

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

Tax Ordinance, 2001 is to be collected according to the horse power of the vehicle at prescribed rates.

Excise & Taxation Officer, Islamabad Capital Territory, Islamabad did not recover motor vehicle tax (token tax) alongwith advance tax from the owners of certain motor vehicles. This resulted in non-realization of revenue of Rs. 1.92 million during the Financial Year 2016-17.

The irregularity was pointed out in September, 2017.The Department reported that an amount of Rs.0.14 million was recovered, Rs. 1.03 million was not due and remaining amount was under recovery.

The DAC in its meeting held on 24th January, 2018 directed the Department to expedite recovery. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC’s directives, besides fixing responsibility against person(s) at fault.

[DP No. 4397-ICT]

### 3.3.7 Loss of revenue due to non-revision of bed tax rates - Rs.167.47 million

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

Excise & Taxation Officer, ICT, Islamabad assessed and recovered hotel tax @ Rs. 0.50 or Re. 1 per lodging unit vide West Pakistan Finance Act, 1965. But the authority did not revise the rates of bed tax as amended vide Punjab Finance Act, 1978 & 1979, i.e. Rs. 20 per lodging unit per day. This resulted in recurring loss of Rs.167.47 million (approximately).

The irregularity was pointed out in October, 2017. The Department intimated that hotel tax was being charged in Islamabad under the West Pakistan Finance Act 1965, the Punjab Hotel Tax Rules 1966 and vide Notification No.4/1/81-AFT issued by Chief Commissioner, Islamabad. Audit was of the view that rate of hotel tax prevailing in Punjab in 1980 was also applicable in Islamabad.

The DAC in its meeting held on 24th January, 2018directed the Department to make necessary amendments in relevant laws to bring it at par with bed tax rates as applicable in Punjab. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[DP No. 4403-ICT]

### 3.3.8 Non/short-realization of advance tax on registration/transfer of vehicles -Rs. 3.13 million

According to Section 231 B (1) of Income Tax Ordinance, 2001 every motor vehicle registering authority of Excise and Taxation Department shall collect advance tax at the time of registration of a motor vehicle, at the rates specified in Division VII of Part IV of the First Schedule. Further, sub-section (1) shall not apply if a person produces evidence that tax under sub-section 3 in case of locally manufactured vehicle or tax under Section 148 in the case of imported vehicle was collected from the same person in respect of the same vehicle.

Excise & Taxation, Islamabad Capital Territory, Islamabad did not collect advance tax at the time of registration / transfer of vehicles. This resulted into non-realization of advance tax of Rs. 3.13 million during the Financial Year 2016-17.

The irregularity was pointed out in October, 2017. The Department reported recovery of Rs.1.26 million, Rs. 1.11million as not due and remaining amount was under recovery.

The DAC in its meeting held on 24th January, 2018 directed the Department to expedite recovery. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[DP No. 4398-ICT]

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

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

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

The irregularity was pointed out during August to October, 2017. The Department reported that the stamp duty was paid by the societies at the time of purchase of plot and later on land was awarded by the societies under their own laws. However, Audit point of view was being considered to make such changes in the relevant laws.

The DAC in its meeting held on 24th January, 2018 directed the Department to get the stated position verified from the Audit. Further progress was not intimated till finalization of the Report.

Audit recommends immediate corrective action to secure the revenue.

[DP No. 4388-ICT]

### 3.3.10 Non-fixation of value of the land situated in rural areas of ICT

According to Section 27-A of the Stamp Act, 1899, where any instrument chargeable with ad valorem duty under Articles 23 and 31 of Schedule-I relates to land only or land with any building or structure thereon, the value shall be calculated according to the valuation table notified by the District Collector. This provision is applicable for urban land. However no such provision exists in ICT for valuation of the land situated in the urban, rural areas of Islamabad. Further, according to sub-section (1) of section 68 of Income Tax Ordinance 2001 the fair market value of any property or rent, asset, service, benefit or perquisite at a particular time shall be the price which the property, asset, service, benefit or perquisite would ordinarily fetch on sale or supply in the open market at that time respectively.

The District Collector, Islamabad did not frame / circulate the valuation table meant for some rural properties of ICT whereas, the Government of the Punjab framed for draft valuation in respect of land located in a city, town and in rural areas. Similarly, Federal Board of Revenue notified the value of land in certain areas of ICT only but the value of land including villages in entire ICT was not fixed. Therefore, sale deeds of almost in all villages located in the ICT, Islamabad were being registered on very low rates due to non-existence of valuation table.

The matter was pointed out during July to October 2017.The department intimated that case for the relevant amendment was under process. Audit was of the view that the amendment of law for mandatory valuation of rural/ urban land should be made for fixation of value of rural land.

The DAC in its meeting held on 24th January, 2018 directed the Department to actively pursue the case for necessary amendment in the Act, where necessary, case may be referred to FBR for clarification. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives, besides fixing responsibility against person(s) at fault.

[DP Nos. 4370, 4079 & 4087-ICT]

### 3.3.11 Non-revision of motor vehicle tax rates (token tax)

According to the Notification No.1185-80/1137-LRV dated 25.06.1980 read with section (6)1 of the Punjab Revenue Act, 1967, the Islamabad Capital Territory shall deemed to be a district under the administrative control of Commissioner, Rawalpindi. Due to the administrative control the taxation laws prevailing in the Province of Punjab were adopted. Further according to section 3 of the Motor Vehicle Taxation Act 1958 tax on motor vehicles (token tax) is recoverable at the prescribed rate on quarterly / annual basis.

Excise & Taxation Officer, ICT Islamabad did not revise token tax rates in ICT since 1980. These rates were applicable according to seating capacity of vehicles irrespective of engine capacity. While in Punjab, token tax was collected according to the engine capacity instead of seating capacity as compared below:-

| Vehicle Engine capacity (in Cubic Centimetre-cc) | Token Tax in ICT (Rs.) | Token Tax in Punjab (Rs.) |
|---|---|---|
| Upto 1000 cc | 384 | 1,800 |
| 1000 cc to 1199 cc | 384 | 1,800 |
| 1200 cc to 1299 cc | 384 | 1,800 |
| 1300 cc | 384 | 6,000 |
| 1301 cc to 1499 cc | 384 | 6,000 |
| 1500 cc | 384 | 6,000 |
| 1501 cc to 1599 cc | 384 | 9,000 |
| 1600 cc to 1999 cc | 384 | 9,000 |
| 2000 cc | 384 | 9,000 |
| 2001 cc to 2500 cc | 384 | 12,000 |
| 2500 cc | 384 | 15,000 |

The matter was pointed out in October 2017.The department intimated that the relevant amendment in the law was under process.

The DAC in its meeting held on 24th January, 2018directed the Department to make necessary amendment in relevant laws to make it at par rate applicable in Punjab. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[DP No. 4405-ICT]

### 3.3.12 Non-realization of entertainment duty

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

The Chief Commissioner, ICT, Islamabad discontinued collection of entertainment duty w.e.f. 11.11.2008 vide memorandum No. 8(5)-B&A/2005, dated 11.11.2008. However, the said memorandum was withdrawn on 11.03.2016. This resulted in non-realization of government revenue of Rs. 182.88 million (approximately) during the Financial Year 2016-17.

The irregularity was pointed out in October, 2017. The Department reported that the case was subjudice before Islamabad High Court, Islamabad.

The DAC in its meeting held on 24$^{th}$ January, 2018 directed the Department to actively pursue the subjudice case. Further progress was not intimated till finalization of the Report.

Audit recommends implementation of DAC's directives.

[DP No. 4402-ICT]

**<u>Annexure-I</u>**

# MFDAC

## Statement of observations/paras included in MFDAC

(Rs in million)

| S. No. | Name of Office | DP No. / File No./ Para No | Amount | Nature of observation |
|---|---|---|---|---|
| 1. | DC, Imports, AFU Lahore | F-324 | 0.00 | Short realization of revenue due to incorrect application of custom duty |
| 2. | -do- | F-343/2/I | 12.83 | Non realization of Punjab infrastructure development Cess |
| 3. | -do- | F-343/3/I | 10.92 | Non realization of Punjab infrastructure development Cess |
| 4. | -do- | F-343/25/I | 0.24 | Non realization of Punjab infrastructure development Cess |
| 5. | -do- | 4482 | 1.53 | Late payment surcharge |
| 6. | -do- | 4477 | - | Non realization of govt. revenue due to irregular grant of port-clearance of exported goods |
| 7. | DG PCA Performance Islamabad | 4644 | - | Non achievement of objectives due to lack of staff required for Audit |
| 8. | DG Internal Audit Islamabad | 4657 | 0.36 | Illegal transfer of fund drawn from federal consolidated fund |
| 9. | Collector Customs DDO MCC Islamabad | 4676 | 3.41 | Illegal transfer of fund drawn from federal consolidated fund |
| 10. | MCC, Preventive Lahore | 4264 | 55.11 | Short realization of revenue due to misclassification |

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| 11. | MCC, Preventive Lahore | 4843 | 0.70 | Non recovery of conveyance allowance from officers using official vehicles |
| 12. | MCC, Appraisement Lahore | 4912 | 0.82 | Non recovery of conveyance allowance from officers using official vehicles. |
| 13. | -do- | 5186 | 25.83 | Short accountal/assessment of imported/bonded goods |
| 14. | Directorate of Training | 4934 | 0.24 | Non recovery of conveyance allowance from officers using official vehicles |
| 15. | Directorate of Internal Audit Lahore | 4944 | 0.29 | Non recovery of conveyance allowance from officers using official vehicles |
| 16. | DC Customs Auction Branch AFU Lahore | F-328/6 | - | Improper maintenance of record |
| 17. | DC Customs Traffic Baggage AFU Lahore | F-329/11 | 0.00 | Short realization of revenue due to under valuation |
| 18. | -do- | F-329/12 | 0.00 | Short realization of revenue due to under valuation |
| 19. | -do- | F-329/13 | 0.00 | Short realization of revenue due to incorrect value of imported microwave oven |
| 20. | DC Manufacturing Bonds Sialkot | F-98/6 | 0.02 | Short realisation of revenue on unconsumed /balance material |
| 21. | DDO MCC Sialkot | F-90/13 | - | Unjustified expenditure on a/c of stores/stocks |
| 22. | DDO (I&I), Lahore | F/325-1 | - | Improper maintenance of record of law charges |
| 23. | -do- | F/325-2 | - | Non disposal of replaced auto parts |
| 24. | -do- | F/325-3 | - | Non-conduction of internal audit |
| 25. | -do- | F/325-4 | - | Non- Conduction of Physical verification of Stores/Stock |

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| 26. | DDO (I&I), Lahore | F/325-5 | - | Discrepancies noticed in the maintenance of cash book |
| 27. | DDO (I&I), Peshawar | F/107-6/ | 0.13 | Un-authorized expenditure due to over/double payment on accounts of pay and allowances |
| 28. | -do- | F/107-1 | - | Non-conduct of Internal Audit |
| 29. | DDO (I&I), Peshawar | F/107-2 | - | Improper maintenance of record of law charges |
| 30. | MCC Peshawar | 4341-Exp | 0.30 | Non-disposal of old newspapers and replaced auto parts |
| 31. | -do- | 4982 | 0.63 | Short realization of revenue due to under valuation |
| 32. | Transit Trade MCC Peshawar | 4366-Exp | - | Non-disposal of old newspapers and replaced auto parts |
| 33. | MCC Multan | 4553-Exp | - | Non-disposal of old newspapers and replaced auto parts/un-serviceable stores |
| 34. | DG PCA Islamabad | 4648-Exp | 0.04 | Non-disposal of old newspapers and replaced auto parts/un-serviceable stores |
| 35. | DG Internal Audit Islamabad | 4661-Exp | 0.04 | Non-disposal of old newspapers and replaced auto parts |
| 36. | MCC Sialkot | 4830-Exp | 0.01 | Non-disposal of old newspapers and replaced auto parts |
| 37. | DDO (I&I), Faisalabad | F/109-10 | - | Improper maintenance of record of law charges |
| 38. | -do- | F/109-1 | - | Non-conduct of Internal Audit |
| 39. | -do- | F/109-2 | - | Non-conduct of physical verification of Stores/Stock |
| 40. | -do- | F/109-3 | - | Non-disposal of replaced auto parts |
| 41. | DDO (I&I), Rawalpindi | F/181-5 | 0.04 | Unauthorized payment on account of medical charges |
| 42. | DDO (I&I), Islamabad | F/185-7 | 0.21 | Excess expenditure on plant & machinery |
| 43. | DDO (I&I), Islamabad | F/185-1 | 0.01 | Over payment of house rent allowance – |

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| 44. | DDO, MCC, Faisalabad | F-101/12 | 1.51 | Excess payment of performance allowances for the leave period |
| 45. | -do- | F-101/13 | 0.35 | Excess payment of conveyance allowances for the leave period |
| 46. | -do- | F-101/ Para-01 | 0.25 | Irregular expenditure on courier and pilot services |
| 47. | DDO, MCC, Faisalabad | F-101/ Para-02 | - | Non-conduct of internal audit |
| 48. | -do- | F-101/ Para-03 | - | Non-conduct of physical verification of stores/stock |
| 49. | -do- | F-105/Para 01 | - | Non-conduct of internal audit |
| 50. | DC (Imports) Peshawar | 4972 | 0.40 | Short realization of revenue due to under valuation |
| 51. | -do- | F-113/I/45 | 19.0 | Short realization of revenue due to under valuation |
| 52. | -do- | F-113/ 02 | 0.07 | Short realization of revenue due to under valuation |
| 53. | -do- | F-113/ 03 | 0.09 | Short realization of revenue due to under valuation |
| 54. | DDO, MCC Peshawar | F-101/ 01 | - | Non-Maintenance of dead stock/Fixed Assets Register |
| 55. | -do- | F-101/ 02 | - | Non-conducting of physical verification of store/stock and internal check |
| 56. | DC Customs (import), AFU, Peshawar | F-104/ I/6/ | 0.01 | Short realization of revenue due to misclassification of imported goods |
| 57. | -do- | F-104/ I/ 15 | 0.01 | Short realization of revenue due to under valuation |
| 58. | DC Customs (Auction), Peshawar | F-99/ I/06 | 0.01 | Non-realization of regulatory duty |
| 59. | DC (Imports) Turkham, Peshawar | F-112/I/24 | 6.17 | Short realization of Govt. revenue due to inadmissible exemption of sales tax |
| 60. | -do- | 5028 | 13.32 | Non-realization of advance |

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| | | | | income tax on imported goods |
| 61. | DC (Imports) Turkham, Peshawar | F-112/I/25 | 15.48 | Short realization of Govt. revenue due to inadmissible exemption of sales tax |
| 62. | Tehsildar, Islamabad | 4369 | 0.06 | Non-realization of Abiana |
| 63. | Director Excise and Taxation, Islamabad | 4395 | 0.25 | Non-realization of special number fee on registration of motor vehicles |
| 64. | -do- | 4410 | 0.06 | Non-realization of smart card fee, transfer fee and late registration fee |
| 65. | -do- | 4399 | 0.07 | Non-renewal of certificates of real estate agents/motor vehicles dealers |
| 66. | -do- | 4401 | 0.15 | Non-realization of licence fee from sun diplomatic bonded ware house |
| 67. | -do- | 4406 | 0.04 | Non-realization of professional tax |
| 68. | -do- | 4407 | 13.77 | Non-realization of advance tax on of registration of vehicles |
| 69. | Joint Sub Registrar (Rural), Islamabad | 4412 | 0.03 | Short realization of stamp duty on mortgage deed |
| 70. | -do- | 4411 | 0.03 | Short-realization of registration fee due to incorrect calculation |
| 71. | D.C (Refund Stamp Duty), Islamabad | 4416 | 0.49 | Irregular refund of registration/mutation fee |
| 72. | Islamabad Transport Authority, Islamabad | 4418 | 0.22 | Non-realization of government revenue due to non-renewal of expired route permits |
| 73. | -do- | 4419 | 0.22 | Non-realization of bus stands renewal fee |
| 74. | Joint Sub Registrar (Urban) Islamabad | 4380 | 0.10 | Short-realization of stamp duty due to under valuation |
| 75. | -do- | 4382 | 0.53 | Loss of revenue due to issuance |

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| | | | | and application of notification without concurrence of Finance Division |
| 76. | Police Department Islamabad Traffic Police | 4391 | - | Improper physical control in data centre and server room |
| 77. | -do- | 4392 | - | Recurring loss of revenue due to non-revision of fee for issuance and renewal of driving licenses |
| 78. | Police Department Islamabad Traffic Police | 4393 | - | Improper Logical control of database system |
| 79. | -do- | 4394 | - | Irregular/unlawful collection of govt. revenue |
| 80. | Director (Excise and Taxation), Islamabad | 4396 | 0.18 | Non-realization of bed tax along with penalty |
| 81. | -do- | 4400 | 0.10 | Non-payment of education cess |
| 82. | -do- | 4404 | 0.27 | Short realization of registration fee |
| 83. | -do- | 4405 | - | Non-revision of motor vehicle tax rates (token tax) |
| 84. | -do- | 4408 | 12.30 | Recurring loss of govt. revenue due to non-revision of rates of professional tax |
| 85. | -do- | 4409 | - | Non-revision of rates of Education Cess and license fee |
| 86. | Director (Excise and Taxation), Islamabad | F-58/1 | 0.00 | Non-realization of hire purchase agreement fee |
| 87. | -do- | F-58/2 | 0.01 | Non-realization of tobacco fee |
| 88. | D.C (Refund of Stamp Duty), Isd | 4413 | - | Improper Logical controls of the system maintained for collection of Arms licence fee |

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| 89. | D.C (Refund of Stamp Duty), Islamabad | 4414 | - | Improper physical control in data centre and server room for the system maintained for collection of Arms licence fee |
| 90. | -do- | 4415 | - | Irregular/unlawful collection of government revenue |
| 91. | -do- | 4417 | - | Non-realization of renewal fee from arms licence holders |
| 92. | DDO Directorate of (I&I), Quetta | 8-Exp/K | 0.20 | Irregular expenditure on account of courier and pilot services |
| 93. | -do- | 13-Exp/K | 0.03 | Non-disposal of replaced tyres/ auto-parts and newspapers |
| 94. | -do- | 18-Exp/K | - | Non-carrying out of Internal check |
| 95. | DDO Directorate of (I&I), Quetta | 19-Exp/K | - | Non-completion of service books of non-gazetted staff |
| 96. | MCC, Quetta | 68-CD/K | 4.52 | Loss of government revenue due to non-filing of appeal against release orders |
| 97. | DDO MCC Quetta | 35-Exp/K | 0.29<br>- | Irregular expenditure on account of courier and pilot services |
| 98. | -do- | 36-Exp/K | - | Non-realization/deduction of Income Tax |
| 99. | DDO (Adj) Quetta | 49-Exp/K | - | Over/undue payment to courier company |
| 100. | -do- | 53-Exp/K | - | Non-carrying out of Internal Check |
| 101. | DDO (Adj) Quetta | 63-Exp/K | - | Irregular expenditure on account of courier and pilot services |
| 102. | DDO Transit Trade Quetta | 85-Exp/K | 0.05 | Irregular expenditure on account of courier and pilot services |
| 103. | -do- | 145-Exp/K | - | Non-maintenance of cash book |

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| 104. | DDO Transit Trade Quetta | 88-Exp/K | 0.04 | Non-realization of Tender fee |
| 105. | -do- | 91-Exp/K | 0.00 | Over/undue payment to courier company |
| 106. | DDO (Exports) PMBQ Karachi | 96-Exp/K | - | Non-carrying out physical verification of Stores |
| 107. | -do- | 97-Exp/K | - | Non-maintenance of cash book |
| 108. | -do- | 100-Exp/K | 0.05 | Irregular expenditure on courier services |
| 109. | DDO, MCC, Appraisement (West), Karachi | 111-Exp/K | - | Non-carrying out of Internal Check |
| 110. | -do- | 112-Exp/K | - | Non-completion of service books of non-gazetted staff. |
| 111. | -do- | 122-Exp/K | 0.10 | Irregular expenditure on account of courier and pilot services |
| 112. | DDO MCC Quetta | 166-Exp/K | - | Non-maintenance of cash book |
| 113. | DDO D.G Training and Research (Customs) Karachi | 175-Exp/K | 1.90 | Irregular expenditure on payment of cash reward for meritorious services |
| 114. | -do- | 177-Exp/K | 0.06 | Irregular expenditure on courier service |
| 115. | DDO Directorate of Internal Audit Karachi | 182-Exp/K | 1.24 | Irregular expenditure on payment of cash reward for meritorious services |
| 116. | DDO Directorate of Internal Audit Karachi | 186-Exp/K | 0.03 | Irregular expenditure on courier service |
| 117. | -do- | 188-Exp/K | - | Non-conducting of verification of service |

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| 118. | DDO Directorate of PCA Karachi | 197-Exp/K | 0.82 | Irregular expenditure on cash reward for meritorious services |
| 119. | -do- | 199-Exp/K | 0.01 | Irregular payment on account of Courier & Pilot service |
| 120. | -do- | 203-Exp/K | - | Non-Completion of cash book |
| 121. | DDO MCC Exports Karachi | 207-Exp/K | 1.55 | Irregular expenditure on payment of cash reward for meritorious services |
| 122. | -do- | 210-Exp/K | 0.08 | Irregular expenditure on courier service |
| 123. | DDO Collectorate of Adj-I Karachi | 222-Exp/K | 0.24 | Irregular expenditure on courier service |
| 124. | -do- | 223-Exp/K | 0.65 | Irregular expenditure on payment of cash reward for meritorious services |
| 125. | -do- | 229-Exp/K | - | Non-maintenance of cash book |
| 126. | DDO Collectorate of Adj. -II Karachi | 232-Exp/K | 0.20 | Irregular expenditure on courier service |
| 127. | -do- | 233-Exp/K | 0.60 | Irregular expenditure on payment of cash reward for meritorious services |
| 128. | -do- | 237-Exp/K | - | Non-maintenance of cash book |
| 129. | DDO Director (I&I),(ASO) Karachi | 246-Exp/K | 0.04 | Irregular expenditure on account of courier and pilot services |
| 130. | -do- | 251-Exp/K | 0.48 | Irregular expenditure on payment of cash reward for meritorious services |
| 131. | DDO Director (I&I),(ASO) Karachi | 252-Exp/K | - | Non-carrying out internal check |
| 132. | DDO Director (I&I) Karachi | 264-Exp/K | 0.03 | Irregular expenditure on account of courier and pilot services |

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| 133. | DDO Director (I&I) Karachi | 265-Exp/K | - | Non-maintenance of cash book |
| 134. | -do- | 268-Exp/K | 2.07 | Irregular expenditure on payment of cash reward for meritorious services |
| 135. | -do- | 273-Exp/K | - | Non-carrying out internal check |
| 136. | DDO Directorate of Reforms & Automations (Customs) Karachi | 279-Exp/K | 0.14 | Irregular expenditure on account of courier and pilot services |
| 137. | -do- | 280-Exp/K | 1.80 | Irregular expenditure on payment of cash reward for meritorious services |
| 138. | -do- | 286-Exp/K | - | Non-carrying out internal check |
| 139. | DDO MCC Hyderabad | 289-Exp/K | 0.02 | Irregular expenditure due to doubtful bill/cash memo |
| 140. | -do- | 290-Exp/K | 0.34 - | Non-availability of acknowledgement of disbursement |
| 141. | -do- | 291-Exp/K | 0.04 | Doubtful expenditure due to payment on simple receipts |
| 142. | -do- | 297-Exp/K | - | Irregular expenditure due to inadmissible payment of decoration charges |
| 143. | -do- | 299-Exp/K | 0.39 | Irregular expenditure on telephone call charges due to use of PTCL |
| 144. | -do- | 301-Exp/K | 0.67 | Irregular expenditure on account of courier services |
| 145. | DDO MCC Hyderabad | 302-Exp/K | - | Improper maintenance of Cash Book |
| 146. | -do- | 304-Exp/K | 12.70 | Irregular expenditure on payment of cash reward for meritorious services |
| 147. | -do- | 306-Exp/K | - | Non recovery of interest on advance of motor cycle advance |

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| 148. | DDO MCC Hyderabad | 319-Exp/K | 0.01 | Irregular expenditure due to inadmissible use of internet service |
| 149. | -do- | 326-Exp/K | - | Non-carrying out internal check |
| 150. | DDO DG Customs Valuation Karachi | 340-Exp/K | 0.80 | Non-preparation of annual procurement plan for procurements |
| 151. | -do- | 343-Exp/K | - | Non-carrying out internal check |
| 152. | DDO MCC Appraisement (East) Karachi | 363-Exp/K | 0.63 | Irregular expenditure on account of courier services |
| 153. | -do- | 368-Exp/K | - | Irregular payment of mobile phone charges |
| 154. | -do- | 379-Exp/K | - | Non-completion of service books of non-gazetted staff. |
| 155. | DDO MCC Imports (PMBQ) Karachi | 396-Exp/K | - | Improper maintenance of Cash Book |
| 156. | -do- | 397-Exp/K | - | Non-completion of service books of non-gazette employees |
| 157. | Directorate Transit Trade Quetta | 440-PE/K | - | Non-encashment of securities due to non-receipt of cross border certificates |
| 158. | Directorate of Internal Audit Karachi | 443-PE/K | - | Non-maintenance of proper recovery register |
| 159. | -do- | 444-PE/K | - | Non-completion of audit / issuance of audit reports |
| 160. | Directorate of Internal Audit Karachi | 445-PE/K | - | Impartiality of Directorate of Internal Audit at stake |
| 161. | -do- | 446-PE/K | - | Non-follow up for development of Internal Audit Module |
| 162. | -do- | 447-PE/K | - | Non-development of audit procedures and sectoral guidelines |

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| 163. | Directorate of Internal Audit Karachi | 448-PE/K | - | Non-matching of resources while making annual audit plan |
| 164. | Director (SWH) (I&I), Quetta | 221-CD/K | 0.75 | Non realization of token money of 15 tempered vehicles |
| 165. | -do- | 228-CD/K | 0.07 | Loss of government revenue due to inadmissible grant of percentage of 10% leakage of confiscated diesel & petrol |
| 166. | DC Customs (Imports) Gawadar | 439-CD/K | 44.84 | Short realization of revenue due to under-valuation |
| 167. | -do- | 440-CD/K | 30.79 | Short realization of revenue due to under-valuation of imported Bitumen |
| 168. | -do- | 441-CD/K | 27.19 | Short realization of revenue due to under-valuation |
| 169. | -do- | 442-CD/K | 4.14 | Short realization of revenue due to under-valuation of imported sack Kraft paper |
| 170. | -do- | 443-CD/K | 0.28 | Short realization of revenue due to under-valuation |
| 171. | DC Customs (SWH Sukkar) MCC Hyderabad | 663-CD/K | - | Non-conducting of stock taking of warehouse |
| 172. | AC Customs (SWH) MCC Preventive Karachi | 681-CD/K | - | Non-conducting of stock taking of warehouse |
| 173. | DC Customs (Diplomatic Bonds) Karachi | 756-CD/K | - | Non-initiating action against un-accounted goods of warehouse |
| 174. | DC Customs (Diplomatic Bonds) Karachi | 757-CD/K | - | Import of liquor without determining the source of payment |
| 175. | -do- | 758-CD/K | - | Non-observance of condition (s) imposed by the Collector of Customs |

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| 176. | DC Customs (Diplomatic Bonds) Karachi | 759-CD/K | - | Non-conducting mandatory audit and stock taking of Diplomatic Bonded Warehouse |
| 177. | -do- | 760-CD/K | - | Non-reporting of shortage of stock in warehouse to Audit |
| 178. | DC Customs (Oil Section) Kemari | 765-CD/K | - | Inadequate monitoring control of bonded warehouses |
| 179. | DCAuction MCC (Imports) PMBQ Karachi | 815-CD/K | 1.35 | Loss of government revenue due to non-auction of goods in time but destroyed |
| 180. | DC Customs Auction Gawadar | 934-CD/K | 0.67 | Short Payment of Petroleum Levy on Auction of POL |
| 181. | Directorate Transit Trade Quetta | 438-PE/K | - | Non-encashment of securities in NATO/ISAF cases on non-receipt of cross border certificate |
| 182. | -do- | 439-PE/K | - | Non-encashment of securities in forward commercial cargo cases |
| 183. | Directorate of Reforms & Automation Karachi | 450-PE/K | - | Non-completion of modules/ projects assigned to R &A |
| 184. | Directorate of PCA Karachi | 451-PE/K | - | Non-development of audit procedures and sectoral guidelines |
| 185. | -do- | 452-PE/K | - | Non-development annual audit plan |
| 186. | -do- | 453-PE/K | - | Impartiality of Directorate of PCA at stake |
| 187. | -do- | 454-PE/K | - | Non-maintenance of proper recovery register |
| 188. | DC (Imports) Mughalpura, Lahore | 4310 | 0.67 | Non/short realization of customs duty |
| 189. | -do- | 4318 | 3.92 | Short realization of customs duty |
| 190. | -do- | 4502 | - | Illegal clearance of imported goods |

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| 191. | DC Customs (R&R) Dryport-MCC, Faisalabad | 5313 | 0.00 | Non recovery of duty and taxes on the unconsumed material |
| 192. | Supdt. Customs (Imports) Dalbadin | 70-CD/K | 0.01 | Short-realization of government revenue due to non-levy of regulatory duty |
| 193. | -do- | 147-CD/K | 0.01 | Short-realization of govt. revenue due to application of incorrect rates of FED |
| 194. | DC (Imports) NLC Quetta | 94-CD/K | - | Doubtful auction of confiscated tyres |
| 195. | -do- | 98-CD/K | - | Inadmissible auction of confiscated tyres without powers |
| 196. | DC Cus App. (West) Karachi | 552-CD/K | 0.00 | Short realization of customs duty along with allied taxes |
| 197. | DC Customs (Imports) AFU Karachi | 558-CD/K | - | Irregular exemption of duty and taxes on import of Luxury vehicle. |
| 198. | D.C, MCC PMBQ Karachi | 565-CD/K | - | Short realization of govt. revenue due to irregular exemption of sales tax |
| 199. | AC (R&R) MCC Multan | 4610 | 0.30 | Credit verification of realized withholding Income tax on exportation |
| 200. | -do- | F-63/9/I | - | Excess payment of rebate/duty drawback claims |
| 201. | -do- | 4611 | 0.07 | Credit verification of realized (EDS) |
| 202. | DC Import Dry Port Islamabad | 4732 | 1.55 | Non-realization of custom duty on auto scrap |
| 203. | -do- | 4746 | 0.06 | Short realization of revenue due to inadmissible benefit of SRO 1125(I)/2011 |
| 204. | -do- | 4747 | 0.02 | Short-realization of sales tax due to inadmissible benefit of 8$^{th}$ Schedule of Sales Tax Act on import of parts |

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| 205. | DC (Public Bonds) Mughalpura Lahore | 5154 | 0.10 | Short-realization of government revenue due to non-levy of value addition tax |
| 206. | DC (Mfg Bonds) MCC, Faisalabad | 5283 | 3.22 | Non-realization of duty and taxes on goods which could not be used in export |
| 207. | D.C , DTRE-Dryport-MCC, Faisalabad | 5363 | 0.46 | Approval of wastage by IOCO which is on higher side than even declared by DTRE user |
| 208. | -do- | 5364 | 3.70 | Non-realization of customs duty on un-exported goods |
| 209. | -do- | 5368 | 3.90 | Non-realization of duty& taxes on excess wastage |
| 210. | Supdt. Customs Station Mashkhel | 213-CD/K | - | Poor performance of anti-smuggling squad |
| 211. | DDO, MCC Multan | F-54/22/I | - | Non-existence of internal control |
| 212. | -do- | F-54/3/I | 0.50 | Excess payment of Law charges |
| 213. | -do- | F-54/17/I | 0.01 | Irregular payment on account of medical charges |
| 214. | -do- | F-54/ 1/II | - | Non-conduct of internal audit |
| 215. | -do- | F-54/2/II | - | Non-conduct of physical verification of stores/stock |
| 216. | -do- | F-54/3/II | - | Non maintenance of Ledgers of staff cars |
| 217. | AC (Imports) Airport, MCC Multan | F-59/9/I | 0.01 | Short-realization of government revenue due to non inclusion of insurance in the customs value |
| 218. | -do- | F-59/10/I | 0.01 | Short-realization of government revenue due to wrong calculation of insurance |
| 219. | -do- | F-59/12/I | 0.00 | Short-realization of additional customs duty |

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| 220. | AC (Imports) Airport, MCC Multan | F-59/11/I | 0.00 | Short realization of revenue due to application of incorrect rate of Income Tax |
| 221. | -do- | 4589 | 0.03 | Short-realization of government revenue due to under valuation |
| 222. | AC (Baggage) Airports, MCC Multan | F-60/5/I | 0.02 | Irregular allowance of depreciation in duties & taxes |
| 223. | -do- | F-60/4/I | 0.03 | Irregular allowance of depreciation in duties & taxes |
| 224. | -do- | F-60/7/I | 0.00 | Short-realization of government revenue due to application of incorrect rate of duty and taxes |
| 225. | -do- | F-60/8/I | - | Non-obtaining of quarantine certificates |
| 226. | -do- | F-60/9/I | - | Non compliance of Baggage Rules, 2006 |
| 227. | AC (Bonds), MCC Multan | F-62/3/I | - | Under valuation of imported / bonded HSD |
| 228. | -do- | F-62/1/II | - | Blockage of government revenue due to non ex-bonding |
| 229. | -do- | F-62/2/II | - | Blockage of Government Revenue due to non ex-bonding of bonded HSD |
| 230. | -do- | F-62/12/I | - | Improper maintenance of Bond Register |
| 231. | AC (Bonds), MCC Multan | F-62/13/I | - | Improper maintenance of Bond Register and short-accountal of bonded HSD |
| 232. | -do- | F-62/6/I | 0.63 | Short-realization of warehousing surcharge |
| 233. | -do- | F-62/5/I | 0.74 | Short-realization of AIT due to non-inclusion of FED @ Re.1 per kg in the assessed value |
| 234. | DDO, MCC Gilgit | F-10/1/II | - | Non-conduct of Internal Audit |

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| 235. | DDO, MCC Gilgit | F-10/2/II | - | Non-conduct of physical verification of stores/stock and surprise checking of cash book |
| 236. | -do- | F-10/12/I | - | Weakness in Internal Control |
| 237. | AC (Imports) Dry port, MCC Multan | F-64/17/I | 0.01 | Short-realization of government revenue due to application of incorrect rate of Income Tax |
| 238. | -do- | F-64/13/I | 1.69 | Non imposition of redemption fine on mis-declaration of PCT |
| 239. | -do- | F-64/14/I | 0.73 | Non-imposition of Redemption fine @ 20% on mis-declaration of weight |
| **Total** | | | **363.94** | |

**Annexure-1**
Para 2.4.1

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

(Rs in million)

| S.No. | DP No | Name of Office | Amount |
|---|---|---|---|
| 1. | 4738 | MCC Islamabad | - |
| 2. | 100-CD/K | MCC Quetta | - |
| 3. | 451-CD/K | MCC (Exports) PMBQ Karachi | 2.65 |
| 4. | 560-CD/K | MCC PMBQ Karachi | 1.99 |
| 5. | 566-CD/K | MCC Quetta | 18.78 |
| 6. | 764-CD/K | MCC Preventive Karachi | 2.15 |
| **Total** | | | **23.43** |

**Annexure-2**
Para 2.4.4

## Non-production of record

| S. No. | DP No. | Name of Office |
|---|---|---|
| 1. | 4294 | MCC Preventive Lahore |
| 2. | 4460 | MCC Preventive, Lahore |
| 3. | 4461 | MCC Preventive, Lahore |
| 4. | 4762 | MCC Islamabad |
| 5. | 4815 | MCC Sialkot |
| 6. | 4961 | MCC Peshawar |
| 7. | 4965 | MCC Peshawar |
| 8. | 5159 | MCC Appraisement Lahore |
| 9. | 5171 | MCC Appraisement Lahore |
| 10. | 5202 | MCC Appraisement Lahore |
| 11. | 5256 | MCC Faisalabad |
| 12. | 5270 | MCC Faisalabad |
| 13. | 5525 | MCC Preventive Lahore |
| 14. | 96-CD/K | MCC Quetta |
| 15. | 125-CD/K | MCC Quetta |
| 16. | 238-CD/K | MCC Quetta |
| 17. | 239-CD/K | MCC Quetta |
| 18. | 933-CD/K | MCC Quetta |
| 19. | 1010-CD/K | MCC Appraisement (West) Karachi |
| 20. | 1048-CD/K | MCC Export Customs House Karachi |
| 21. | 449-PE/K | Directorate of Input Output Co-efficient Organization Karachi |

**Annexure-3**
Para 2.4.5

**Blockage of government revenue due to non-encashment of financial instruments – Rs. 2,691.37 million**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4516 | MCC Preventive, Lahore | 191.85 |
| 2. | 4518 | MCC Preventive, Lahore | 27.45 |
| 3. | 4519 | MCC Preventive, Lahore | 22.01 |
| 4. | 4520 | MCC Preventive, Lahore | 5.87 |
| 5. | 4521 | MCC Preventive, Lahore | 4.35 |
| 6. | 4522 | MCC Preventive, Lahore | 2.01 |
| 7. | 4604 | MCC Multan | 16.45 |
| 8. | 4605 | MCC Multan | 6.83 |
| 9. | 4606 | MCC Multan | 6.74 |
| 10. | 4607 | MCC Multan | 4.27 |
| 11. | 4734 | MCC Islamabad | 10.05 |
| 12. | 4767 | MCC Islamabad | 2.00 |
| 13. | 4777 | MCC Sialkot | 46.00 |
| 14. | 4799 | MCC Sialkot | 160.34 |
| 15. | 4817 | MCC Sialkot | 55.11 |
| 16. | 4960 | MCC Peshawar | 65.55 |
| 17. | 5179 | MCC Appraisement Lahore | 109.14 |
| 18. | 5184 | MCC Appraisement Lahore | 523.03 |
| 19. | 5305 | MCC Faisalabad | 96.45 |
| 20. | 5306 | MCC Faisalabad | 138.41 |
| 21. | 5307 | MCC Faisalabad | 0.60 |
| 22. | 190-CD/K | MCC Quetta | 0.28 |
| 23. | 222-CD/K | Directorate of (I&I), Quetta | 0.08 |
| 24. | 232-CD/K | Directorate of (I&I), Quetta | 0.03 |
| 25. | 299-CD/K | MCC (Exports) PMBQ Karachi | 21.47 |
| 26. | 300-CD/K | MCC (Exports) PMBQ Karachi | 123.82 |

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| 27. | 301-CD/K | MCC (Exports) PMBQ Karachi | 185.12 |
| 28. | 400-CD/K | MCC Appraisement (West) Karachi | 52.09 |
| 29. | 401-CD/K | MCC Appraisement (West) Karachi | 71.56 |
| 30. | 691-CD/K | MCC Preventive Karachi | 1.34 |
| 31. | 696-CD/K | MCC Preventive Karachi | 2.01 |
| 32. | 707-CD/K | MCC Appraisement (East) Karachi | 9.38 |
| 33. | 728-CD/K | MCC Appraisement (East) Karachi | 61.56 |
| 34. | 732-CD/K | MCC Appraisement (East) Karachi | 364.85 |
| 35. | 793-CD/K | MCC Appraisement (East) Karachi | 13.27 |
| 36. | 799-CD/K | MCC Appraisement (East) Karachi | 15.29 |
| 37. | 800-CD/K | MCC Appraisement (East) Karachi | 21.71 |
| 38. | 801-CD/K | MCC Appraisement (East) Karachi | 69.76 |
| 39. | 802-CD/K | MCC Appraisement (East) Karachi | 7.17 |
| 40. | 803-CD/K | MCC Appraisement (East) Karachi | 4.88 |
| 41. | 804-CD/K | MCC Appraisement (East) Karachi | 0.25 |
| 42. | 820-CD/K | MCC (Imports) PMBQ Karachi | 92.84 |
| 43. | 821-CD/K | MCC (Imports) PMBQ Karachi | 78.10 |
| **Total** | | | **2,691.37** |

**Annexure-4**
Para 2.4.6

**Loss of revenue due to under-valuation of imported goods - Rs. 1,399.64 million**

(Rs in million)

| S.No | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4307 | MCC Appraisement Lahore | 1.32 |
| 2. | 4330 | MCC Appraisement Lahore | 0.19 |
| 3. | 4483 | MCC Preventive, Lahore | 1.08 |
| 4. | 4496 | MCC Preventive, Lahore | 0.14 |
| 5. | 4528 | MCC Preventive, Lahore | 0.07 |
| 6. | 4554 | MCC Multan | 38.16 |
| 7. | 4555 | MCC Multan | 421.93 |
| 8. | 4589 | MCC Multan | 0.03 |
| 9. | 4592 | MCC Multan | 0.07 |
| 10. | 4628 | MCC Gilgit | 3.40 |
| 11. | 4711 | MCC Islamabad | 43.92 |
| 12. | 4717 | MCC Islamabad | 0.04 |
| 13. | 4728 | MCC Islamabad | 3.11 |
| 14. | 4733 | MCC Islamabad | 5.15 |
| 15. | 4741 | MCC Islamabad | 0.28 |
| 16. | 4745 | MCC Islamabad | 0.06 |
| 17. | 4970 | MCC Peshawar | 3.36 |
| 18. | 4971 | MCC Peshawar | 0.15 |
| 19. | 4973 | MCC Peshawar | 0.24 |
| 20. | 4974 | MCC Peshawar | 0.26 |
| 21. | 4977 | MCC Peshawar | 0.32 |
| 22. | 4983 | MCC Peshawar | 3.11 |
| 23. | 4987 | MCC Peshawar | 0.86 |
| 24. | 4991 | MCC Peshawar | 5.81 |
| 25. | 4993 | MCC Peshawar | 3.19 |
| 26. | 4995 | MCC Peshawar | 205.68 |
| 27. | 4996 | MCC Peshawar | 0.06 |
| 28. | 4999 | MCC Peshawar | 0.11 |
| 29. | 5002 | MCC Peshawar | 0.14 |
| 30. | 5003 | MCC Peshawar | 0.10 |
| 31. | 5004 | MCC Peshawar | 0.57 |

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| 32. | 5005 | MCC Peshawar | 0.55 |
| 33. | 5006 | MCC Peshawar | 0.29 |
| 34. | 5007 | MCC Peshawar | 0.27 |
| 35. | 5008 | MCC Peshawar | 2.80 |
| 36. | 5009 | MCC Peshawar | 2.93 |
| 37. | 5010 | MCC Peshawar | 0.50 |
| 38. | 5013 | MCC Peshawar | 0.07 |
| 39. | 5014 | MCC Peshawar | 0.43 |
| 40. | 5015 | MCC Peshawar | 2.94 |
| 41. | 5016 | MCC Peshawar | 0.46 |
| 42. | 5019 | MCC Peshawar | 0.35 |
| 43. | 5020 | MCC Peshawar | 0.28 |
| 44. | 5021 | MCC Peshawar | 0.08 |
| 45. | 5024 | MCC Peshawar | 12.61 |
| 46. | 5027 | MCC Peshawar | 2.14 |
| 47. | 5029 | MCC Peshawar | 1.45 |
| 48. | 5037 | MCC Peshawar | 0.46 |
| 49. | 5044 | MCC Peshawar | 8.84 |
| 50. | 5051 | MCC Peshawar | 2.20 |
| 51. | 5059 | MCC Peshawar | 0.22 |
| 52. | 5060 | MCC Peshawar | 2.11 |
| 53. | 5061 | MCC Peshawar | 0.66 |
| 54. | 5073 | MCC Peshawar | 0.42 |
| 55. | 5080 | MCC Appraisement Lahore | 0.19 |
| 56. | 5089 | MCC Appraisement Lahore | 1.86 |
| 57. | 5091 | MCC Appraisement Lahore | 3.97 |
| 58. | 5092 | MCC Appraisement Lahore | 2.71 |
| 59. | 5102 | MCC Appraisement Lahore | 0.24 |
| 60. | 5108 | MCC Appraisement Lahore | 1.57 |
| 61. | 5110 | MCC Appraisement Lahore | 2.71 |
| 62. | 5112 | MCC Appraisement Lahore | 1.44 |
| 63. | 5125 | MCC Appraisement Lahore | 0.10 |
| 64. | 5149 | MCC Appraisement Lahore | 0.44 |
| 65. | 5150 | MCC Appraisement Lahore | 0.29 |
| 66. | 5151 | MCC Appraisement Lahore | 0.16 |
| 67. | 5152 | MCC Appraisement Lahore | 0.15 |
| 68. | 5155 | MCC Appraisement Lahore | 0.14 |
| 69. | 5163 | MCC Appraisement Lahore | 0.27 |

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| 70. | 5218 | MCC Faisalabad | 8.54 |
| 71. | 5220 | MCC Faisalabad | 2.41 |
| 72. | 5223 | MCC Faisalabad | 6.61 |
| 73. | 5238 | MCC Faisalabad | 0.07 |
| 74. | 25-CD/K | MCC Quetta | 1.57 |
| 75. | 29-CD/K | MCC Quetta | 0.69 |
| 76. | 34-CD/K | MCC Quetta | 2.46 |
| 77. | 40-CD/K | MCC Quetta | 5.95 |
| 78. | 45-CD/K | MCC Quetta | 0.09 |
| 79. | 46-CD/K | MCC Quetta | 0.92 |
| 80. | 47-CD/K | MCC Quetta | 5.34 |
| 81. | 58-CD/K | MCC Quetta | 0.45 |
| 82. | 64-CD/K | MCC Quetta | 0.19 |
| 83. | 74-CD/K | MCC Quetta | 6.41 |
| 84. | 77-CD/K | MCC Quetta | 0.89 |
| 85. | 80-CD/K | MCC Quetta | 3.61 |
| 86. | 88-CD/K | MCC Quetta | 1.20 |
| 87. | 90-CD/K | MCC Quetta | 0.03 |
| 88. | 99-CD/K | MCC Quetta | 0.24 |
| 89. | 101-CD/K | MCC Quetta | 4.87 |
| 90. | 102-CD/K | MCC Quetta | 1.04 |
| 91. | 104-CD/K | MCC Quetta | 0.09 |
| 92. | 107-CD/K | MCC Quetta | 0.27 |
| 93. | 108-CD/K | MCC Quetta | 0.51 |
| 94. | 111-CD/K | MCC Quetta | 0.34 |
| 95. | 118-CD/K | MCC Quetta | - |
| 96. | 120-CD/K | MCC Quetta | 0.07 |
| 97. | 124-CD/K | MCC Quetta | 0.19 |
| 98. | 132-CD/K | MCC Quetta | 77.11 |
| 99. | 137-CD/K | MCC Quetta | 0.20 |
| 100. | 138-CD/K | MCC Quetta | 0.49 |
| 101. | 146-CD/K | MCC Quetta | 0.49 |
| 102. | 150-CD/K | MCC Quetta | 1.25 |
| 103. | 156-CD/K | MCC Quetta | 0.13 |
| 104. | 158-CD/K | MCC Quetta | 0.22 |
| 105. | 176-CD/K | MCC Quetta | 3.07 |
| 106. | 191-CD/K | MCC Quetta | 3.22 |
| 107. | 200-CD/K | MCC Quetta | - |

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| 108. | 201-CD/K | MCC Quetta | - |
| 109. | 202-CD/K | MCC Quetta | - |
| 110. | 203-CD/K | MCC Quetta | - |
| 111. | 258-CD/K | MCC Appraisement (East) Karachi | 0.22 |
| 112. | 262-CD/K | MCC Appraisement (East) Karachi | 0.15 |
| 113. | 266-CD/K | MCC Appraisement (East) Karachi | 0.51 |
| 114. | 269-CD/K | MCC Appraisement (East) Karachi | 0.18 |
| 115. | 271-CD/K | MCC Appraisement (East) Karachi | 0.23 |
| 116. | 285-CD/K | MCC Appraisement (East) Karachi | 0.31 |
| 117. | 339-CD/K | MCC Appraisement (West) Karachi | 0.30 |
| 118. | 340-CD/K | MCC Appraisement (West) Karachi | 0.31 |
| 119. | 344-CD/K | MCC Appraisement (West) Karachi | 0.51 |
| 120. | 365-CD/K | MCC Appraisement (West) Karachi | 8.37 |
| 121. | 368-CD/K | MCC Appraisement (West) Karachi | 0.13 |
| 122. | 369-CD/K | MCC Appraisement (West) Karachi | 0.49 |
| 123. | 370-CD/K | MCC Appraisement (West) Karachi | 0.54 |
| 124. | 374-CD/K | MCC Appraisement (West) Karachi | 0.22 |
| 125. | 375-CD/K | MCC Appraisement (West) Karachi | 0.47 |
| 126. | 381-CD/K | MCC Appraisement (West) Karachi | 0.10 |
| 127. | 382-CD/K | MCC Appraisement (West) Karachi | 0.09 |
| 128. | 383-CD/K | MCC Appraisement (West) Karachi | 1.96 |
| 129. | 384-CD/K | MCC Appraisement (West) Karachi | 0.75 |
| 130. | 385-CD/K | MCC Appraisement (West) Karachi | 0.83 |
| 131. | 386-CD/K | MCC Appraisement (West) Karachi | 0.25 |
| 132. | 408-CD/K | MCC Appraisement (East) Karachi | 0.19 |
| 133. | 421-CD/K | MCC Appraisement (East) Karachi | 0.69 |
| 134. | 422-CD/K | MCC Appraisement (East) Karachi | 1.05 |
| 135. | 433-CD/K | MCC Appraisement (East) Karachi | 0.09 |
| 136. | 434-CD/K | MCC Appraisement (East) Karachi | 0.70 |
| 137. | 437-CD/K | MCC Appraisement (East) Karachi | 0.08 |
| 138. | 455-CD/K | MCC Appraisement (West) Karachi | 26.11 |
| 139. | 456-CD/K | MCC Appraisement (West) Karachi | 18.24 |
| 140. | 457-CD/K | MCC Appraisement (West) Karachi | 16.34 |
| 141. | 458-CD/K | MCC Appraisement (West) Karachi | 14.22 |
| 142. | 459-CD/K | MCC Appraisement (West) Karachi | 13.86 |
| 143. | 460-CD/K | MCC Appraisement (West) Karachi | 9.18 |
| 144. | 462-CD/K | MCC Appraisement (West) Karachi | 8.30 |
| 145. | 463-CD/K | MCC Appraisement (West) Karachi | 8.03 |

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| 146. | 464-CD/K | MCC Appraisement (West) Karachi | 6.59 |
| 147. | 466-CD/K | MCC Appraisement (West) Karachi | 6.25 |
| 148. | 467-CD/K | MCC Appraisement (West) Karachi | 5.96 |
| 149. | 468-CD/K | MCC Appraisement (West) Karachi | 5.60 |
| 150. | 469-CD/K | MCC Appraisement (West) Karachi | 5.11 |
| 151. | 471-CD/K | MCC Appraisement (West) Karachi | 4.32 |
| 152. | 472-CD/K | MCC Appraisement (West) Karachi | 4.29 |
| 153. | 473-CD/K | MCC Appraisement (West) Karachi | 4.03 |
| 154. | 474-CD/K | MCC Appraisement (West) Karachi | 3.49 |
| 155. | 475-CD/K | MCC Appraisement (West) Karachi | 3.30 |
| 156. | 476-CD/K | MCC Appraisement (West) Karachi | 3.18 |
| 157. | 478-CD/K | MCC Appraisement (West) Karachi | 2.91 |
| 158. | 479-CD/K | MCC Appraisement (West) Karachi | 2.70 |
| 159. | 480-CD/K | MCC Appraisement (West) Karachi | 2.48 |
| 160. | 481-CD/K | MCC Appraisement (West) Karachi | 2.41 |
| 161. | 482-CD/K | MCC Appraisement (West) Karachi | 2.36 |
| 162. | 483-CD/K | MCC Appraisement (West) Karachi | 1.82 |
| 163. | 484-CD/K | MCC Appraisement (West) Karachi | 1.77 |
| 164. | 486-CD/K | MCC Appraisement (West) Karachi | 1.67 |
| 165. | 488-CD/K | MCC Appraisement (West) Karachi | 1.52 |
| 166. | 490-CD/K | MCC Appraisement (West) Karachi | 1.42 |
| 167. | 492-CD/K | MCC Appraisement (West) Karachi | 1.41 |
| 168. | 493-CD/K | MCC Appraisement (West) Karachi | 1.37 |
| 169. | 497-CD/K | MCC Appraisement (West) Karachi | 1.11 |
| 170. | 498-CD/K | MCC Appraisement (West) Karachi | 1.11 |
| 171. | 502-CD/K | MCC Appraisement (West) Karachi | 1.01 |
| 172. | 503-CD/K | MCC Appraisement (West) Karachi | 0.99 |
| 173. | 506-CD/K | MCC Appraisement (West) Karachi | 0.78 |
| 174. | 507-CD/K | MCC Appraisement (West) Karachi | 0.72 |
| 175. | 508-CD/K | MCC Appraisement (West) Karachi | 0.67 |
| 176. | 510-CD/K | MCC Appraisement (West) Karachi | 0.66 |
| 177. | 511-CD/K | MCC Appraisement (West) Karachi | 0.65 |
| 178. | 512-CD/K | MCC Appraisement (West) Karachi | 0.64 |
| 179. | 513-CD/K | MCC Appraisement (West) Karachi | 0.62 |
| 180. | 514-CD/K | MCC Appraisement (West) Karachi | 0.61 |
| 181. | 515-CD/K | MCC Appraisement (West) Karachi | - |
| 182. | 517-CD/K | MCC Appraisement (West) Karachi | 0.46 |
| 183. | 519-CD/K | MCC Appraisement (West) Karachi | 0.37 |

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| 184. | 521-CD/K | MCC Appraisement (West) Karachi | 0.35 |
| 185. | 524-CD/K | MCC Appraisement (West) Karachi | 0.27 |
| 186. | 526-CD/K | MCC Appraisement (West) Karachi | 0.24 |
| 187. | 528-CD/K | MCC Appraisement (West) Karachi | 0.21 |
| 188. | 530-CD/K | MCC Appraisement (West) Karachi | 0.19 |
| 189. | 532-CD/K | MCC Appraisement (West) Karachi | 0.18 |
| 190. | 533-CD/K | MCC Appraisement (West) Karachi | 0.15 |
| 191. | 534-CD/K | MCC Appraisement (West) Karachi | 0.12 |
| 192. | 535-CD/K | MCC Appraisement (West) Karachi | 0.10 |
| 193. | 537-CD/K | MCC Appraisement (West) Karachi | 0.09 |
| 194. | 539-CD/K | MCC Appraisement (West) Karachi | 0.06 |
| 195. | 540-CD/K | MCC Appraisement (West) Karachi | 0.05 |
| 196. | 541-CD/K | MCC Appraisement (West) Karachi | 0.04 |
| 197. | 543-CD/K | MCC Appraisement (West) Karachi | 0.02 |
| 198. | 546-CD/K | MCC Appraisement (West) Karachi | 0.01 |
| 199. | 548-CD/K | MCC Appraisement (West) Karachi | 0.01 |
| 200. | 553-CD/K | MCC Preventive Karachi | 3.61 |
| 201. | 555-CD/K | MCC Preventive Karachi | 0.55 |
| 202. | 562-CD/K | MCC PMBQ Karachi | 0.77 |
| 203. | 563-CD/K | MCC PMBQ Karachi | 0.33 |
| 204. | 564-CD/K | MCC PMBQ Karachi | 0.02 |
| 205. | 567-CD/K | MCC Quetta | 2.04 |
| 206. | 568-CD/K | MCC Quetta | 1.03 |
| 207. | 569-CD/K | MCC Quetta | 0.19 |
| 208. | 570-CD/K | MCC Quetta | 0.16 |
| 209. | 571-CD/K | MCC Quetta | 0.02 |
| 210. | 572-CD/K | MCC Quetta | 0.02 |
| 211. | 573-CD/K | MCC Quetta | 0.01 |
| 212. | 574-CD/K | MCC (Imports) PMBQ Karachi | 1.22 |
| 213. | 575-CD/K | MCC (Imports) PMBQ Karachi | 1.02 |
| 214. | 578-CD/K | MCC (Imports) PMBQ Karachi | 0.74 |
| 215. | 584-CD/K | MCC (Imports) PMBQ Karachi | 0.83 |
| 216. | 585-CD/K | MCC (Imports) PMBQ Karachi | 0.39 |
| 217. | 586-CD/K | MCC (Imports) PMBQ Karachi | 0.26 |
| 218. | 590-CD/K | MCC (Imports) PMBQ Karachi | 0.09 |
| 219. | 591-CD/K | MCC (Imports) PMBQ Karachi | 0.07 |
| 220. | 592-CD/K | MCC (Imports) PMBQ Karachi | 0.05 |
| 221. | 598-CD/K | MCC Quetta | 0.75 |

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| 222. | 599-CD/K | MCC Quetta | 0.02 |
| 223. | 600-CD/K | MCC Quetta | 0.02 |
| 224. | 601-CD/K | MCC Quetta | 0.16 |
| 225. | 602-CD/K | MCC Quetta | 0.50 |
| 226. | 603-CD/K | MCC Quetta | 0.43 |
| 227. | 621-CD/K | MCC Quetta | 2.04 |
| 228. | 622-CD/K | MCC Quetta | 1.03 |
| 229. | 623-CD/K | MCC Quetta | 0.19 |
| 230. | 624-CD/K | MCC Quetta | 0.16 |
| 231. | 625-CD/K | MCC Quetta | 0.02 |
| 232. | 626-CD/K | MCC Quetta | 0.02 |
| 233. | 627-CD/K | MCC Quetta | 0.01 |
| 234. | 677-CD/K | MCC Preventive Karachi | 1.95 |
| 235. | 697-CD/K | MCC Preventive Karachi | 0.30 |
| 236. | 784-CD/K | MCC Appraisement (East) Karachi | 0.06 |
| 237. | 830-CD/K | MCC (Imports) PMBQ Karachi | 3.53 |
| 238. | 832-CD/K | MCC (Imports) PMBQ Karachi | 0.77 |
| 239. | 838-CD/K | MCC (Imports) PMBQ Karachi | 0.40 |
| 240. | 840-CD/K | MCC (Imports) PMBQ Karachi | 0.39 |
| 241. | 845-CD/K | MCC (Imports) PMBQ Karachi | 0.26 |
| 242. | 846-CD/K | MCC (Imports) PMBQ Karachi | 0.28 |
| 243. | 848-CD/K | MCC (Imports) PMBQ Karachi | 0.24 |
| 244. | 850-CD/K | MCC (Imports) PMBQ Karachi | 0.22 |
| 245. | 851-CD/K | MCC (Imports) PMBQ Karachi | 0.19 |
| 246. | 860-CD/K | MCC (Imports) PMBQ Karachi | 0.12 |
| 247. | 862-CD/K | MCC (Imports) PMBQ Karachi | 0.08 |
| 248. | 867-CD/K | MCC (Imports) PMBQ Karachi | 2.07 |
| 249. | 870-CD/K | MCC (Imports) PMBQ Karachi | 0.49 |
| 250. | 871-CD/K | MCC (Imports) PMBQ Karachi | 0.45 |
| 251. | 874-CD/K | MCC (Imports) PMBQ Karachi | 0.18 |
| 252. | 875-CD/K | MCC (Imports) PMBQ Karachi | 0.17 |
| 253. | 877-CD/K | MCC (Imports) PMBQ Karachi | 0.13 |
| 254. | 878-CD/K | MCC (Imports) PMBQ Karachi | 0.11 |
| 255. | 880-CD/K | MCC (Imports) PMBQ Karachi | 2.11 |
| 256. | 882-CD/K | MCC (Imports) PMBQ Karachi | 1.68 |
| 257. | 885-CD/K | MCC (Imports) PMBQ Karachi | 0.51 |
| 258. | 888-CD/K | MCC (Imports) PMBQ Karachi | 0.44 |
| 259. | 891-CD/K | MCC (Imports) PMBQ Karachi | 3.24 |

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| 260. | 893-CD/K | MCC (Imports) PMBQ Karachi | 1.72 |
| 261. | 902-CD/K | MCC (Imports) PMBQ Karachi | 0.75 |
| 262. | 903-CD/K | MCC (Imports) PMBQ Karachi | 0.39 |
| 263. | 905-CD/K | MCC (Imports) PMBQ Karachi | 0.25 |
| 264. | 908-CD/K | MCC (Imports) PMBQ Karachi | 0.17 |
| 265. | 909-CD/K | MCC (Imports) PMBQ Karachi | 0.12 |
| 266. | 927-CD/K | MCC Gwadar | 1.22 |
| 267. | 938-CD/K | MCC Appraisement (West) Karachi | 7.58 |
| 268. | 939-CD/K | MCC Appraisement (West) Karachi | 9.88 |
| 269. | 940-CD/K | MCC Appraisement (West) Karachi | 36.50 |
| 270. | 955-CD/K | MCC Appraisement (West) Karachi | 0.44 |
| 271. | 957-CD/K | MCC Appraisement (West) Karachi | 1.36 |
| 272. | 958-CD/K | MCC Appraisement (West) Karachi | 0.47 |
| 273. | 960-CD/K | MCC Appraisement (West) Karachi | 0.23 |
| 274. | 961-CD/K | MCC Appraisement (West) Karachi | 0.08 |
| 275. | 962-CD/K | MCC Appraisement (West) Karachi | 1.19 |
| 276. | 964-CD/K | MCC Appraisement (West) Karachi | 0.82 |
| 277. | 965-CD/K | MCC Appraisement (West) Karachi | 2.76 |
| 278. | 981-CD/K | MCC Appraisement (West) Karachi | 1.28 |
| 279. | 982-CD/K | MCC Appraisement (West) Karachi | 0.84 |
| 280. | 983-CD/K | MCC Appraisement (West) Karachi | 0.20 |
| 281. | 984-CD/K | MCC Appraisement (West) Karachi | 0.04 |
| 282. | 988-CD/K | MCC Gwadar | 7.88 |
| 283. | 1029-CD/K | MCC Quetta | 0.02 |
| 284. | 1030-CD/K | MCC Quetta | 0.61 |
| 285. | 1031-CD/K | MCC Quetta | 0.01 |
| 286. | 1032-CD/K | MCC Quetta | 0.21 |
| 287. | 1033-CD/K | MCC Quetta | 0.01 |
| 288. | 1034-CD/K | MCC Quetta | 0.10 |
| 289. | 1035-CD/K | MCC Quetta | 0.02 |
| 290. | 1036-CD/K | MCC Quetta | 23.57 |
| 291. | 1046-CD/K | MCC Appraisement (West) Karachi | 93.90 |
| **Total** | | | **1,399.64** |

**Annexure-5**
Para 2.4.7

**Loss of revenue due to misclassification of imported goods- Rs. 574.91million**

(Rs in million)

| S.No. | DP No | Name of Office | Amount |
|---|---|---|---|
| 1. | 4257 | MCC Appraisement Lahore | 2.03 |
| 2. | 4260 | MCC Appraisement Lahore | 0.39 |
| 3. | 4265 | MCC Preventive Lahore | 28.46 |
| 4. | 4268 | MCC Preventive Lahore | 11.93 |
| 5. | 4274 | MCC Preventive Lahore | 3.23 |
| 6. | 4287 | MCC Preventive Lahore | 0.21 |
| 7. | 4300 | MCC Preventive Lahore | 0.04 |
| 8. | 4304 | MCC Appraisement Lahore | 0.07 |
| 9. | 4313 | MCC Appraisement Lahore | 1.74 |
| 10. | 4322 | MCC Appraisement Lahore | 0.42 |
| 11. | 4329 | MCC Appraisement Lahore | 0.22 |
| 12. | 4332 | MCC Appraisement Lahore | 30.12 |
| 13. | 4335 | MCC Appraisement Lahore | 7.43 |
| 14. | 4466 | MCC Preventive, Lahore | 8.82 |
| 15. | 4494 | MCC Preventive, Lahore | 0.23 |
| 16. | 4563 | MCC Multan | 0.78 |
| 17. | 4564 | MCC Multan | 0.10 |
| 18. | 4584 | MCC Multan | 0.04 |
| 19. | 4700 | MCC Islamabad | 8.28 |
| 20. | 4705 | MCC Islamabad | 0.63 |
| 21. | 4707 | MCC Islamabad | 1.99 |
| 22. | 4709 | MCC Islamabad | 0.92 |
| 23. | 4718 | MCC Islamabad | 8.67 |
| 24. | 4723 | MCC Islamabad | 0.03 |
| 25. | 4724 | MCC Islamabad | 1.08 |
| 26. | 4729 | MCC Islamabad | 74.73 |
| 27. | 4742 | MCC Islamabad | 0.26 |
| 28. | 4788 | MCC Sialkot | 0.30 |

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| 29. | 4975 | MCC Peshawar | 0.27 |
| 30. | 4976 | MCC Peshawar | 0.86 |
| 31. | 4979 | MCC Peshawar | 0.33 |
| 32. | 4984 | MCC Peshawar | 0.29 |
| 33. | 4985 | MCC Peshawar | 0.05 |
| 34. | 4998 | MCC Peshawar | 1.31 |
| 35. | 5000 | MCC Peshawar | 0.06 |
| 36. | 5012 | MCC Peshawar | 6.76 |
| 37. | 5018 | MCC Peshawar | 0.05 |
| 38. | 5022 | MCC Peshawar | 0.11 |
| 39. | 5038 | MCC Peshawar | 0.27 |
| 40. | 5040 | MCC Peshawar | 1.13 |
| 41. | 5064 | MCC Peshawar | 0.05 |
| 42. | 5072 | MCC Peshawar | 0.20 |
| 43. | 5082 | MCC Appraisement Lahore | 0.13 |
| 44. | 5087 | MCC Appraisement Lahore | 0.07 |
| 45. | 5090 | MCC Appraisement Lahore | 0.54 |
| 46. | 5094 | MCC Appraisement Lahore | 187.75 |
| 47. | 5095 | MCC Appraisement Lahore | 5.62 |
| 48. | 5098 | MCC Appraisement Lahore | 0.19 |
| 49. | 5100 | MCC Appraisement Lahore | 0.93 |
| 50. | 5101 | MCC Appraisement Lahore | 0.65 |
| 51. | 5105 | MCC Appraisement Lahore | 0.08 |
| 52. | 5109 | MCC Appraisement Lahore | 0.53 |
| 53. | 5113 | MCC Appraisement Lahore | 0.07 |
| 54. | 5115 | MCC Appraisement Lahore | 0.03 |
| 55. | 5119 | MCC Appraisement Lahore | 1.07 |
| 56. | 5121 | MCC Appraisement Lahore | 0.21 |
| 57. | 5123 | MCC Appraisement Lahore | 0.38 |
| 58. | 5124 | MCC Appraisement Lahore | 0.19 |
| 59. | 5128 | MCC Appraisement Lahore | 0.22 |
| 60. | 5132 | MCC Appraisement Lahore | 0.09 |
| 61. | 5134 | MCC Appraisement Lahore | 0.77 |
| 62. | 5138 | MCC Appraisement Lahore | 0.28 |
| 63. | 5139 | MCC Appraisement Lahore | 0.32 |
| 64. | 5140 | MCC Appraisement Lahore | 0.15 |

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| 65. | 5143 | MCC Appraisement Lahore | 0.89 |
| 66. | 5153 | MCC Appraisement Lahore | 0.15 |
| 67. | 5164 | MCC Appraisement Lahore | 0.08 |
| 68. | 5165 | MCC Appraisement Lahore | 0.06 |
| 69. | 5167 | MCC Appraisement Lahore | 0.38 |
| 70. | 5170 | MCC Appraisement Lahore | 12.86 |
| 71. | 5536 | MCC Peshawar | 1.67 |
| 72. | 22-CD/K | MCC Quetta | 1.98 |
| 73. | 28-CD/K | MCC Quetta | 0.87 |
| 74. | 30-CD/K | MCC Quetta | 0.68 |
| 75. | 32-CD/K | MCC Quetta | 2.15 |
| 76. | 51-CD/K | MCC Quetta | 0.26 |
| 77. | 71-CD/K | MCC Quetta | 8.83 |
| 78. | 75-CD/K | MCC Quetta | 0.58 |
| 79. | 76-CD/K | MCC Quetta | 27.92 |
| 80. | 82-CD/K | MCC Quetta | 0.25 |
| 81. | 115-CD/K | MCC Quetta | 0.10 |
| 82. | 121-CD/K | MCC Quetta | 0.09 |
| 83. | 122-CD/K | MCC Quetta | 0.09 |
| 84. | 141-CD/K | MCC Quetta | 0.27 |
| 85. | 163-CD/K | MCC Quetta | 0.64 |
| 86. | 185-CD/K | MCC Quetta | 0.10 |
| 87. | 187-CD/K | MCC Quetta | 0.10 |
| 88. | 253-CD/K | MCC Appraisement (East) Karachi | 0.35 |
| 89. | 273-CD/K | MCC Appraisement (East) Karachi | 0.06 |
| 90. | 289-CD/K | MCC Appraisement (East) Karachi | 0.15 |
| 91. | 304-CD/K | MCC (Exports) PMBQ Karachi | 0.21 |
| 92. | 347-CD/K | MCC Appraisement (West) Karachi | 1.43 |
| 93. | 377-CD/K | MCC Appraisement (West) Karachi | 0.09 |
| 94. | 378-CD/K | MCC Appraisement (West) Karachi | 0.06 |
| 95. | 387-CD/K | MCC Appraisement (West) Karachi | 2.72 |
| 96. | 388-CD/K | MCC Appraisement (West) Karachi | 0.13 |
| 97. | 389-CD/K | MCC Appraisement (West) Karachi | 0.10 |
| 98. | 390-CD/K | MCC Appraisement (West) Karachi | 0.12 |
| 99. | 391-CD/K | MCC Appraisement (West) Karachi | 1.66 |
| 100. | 426-CD/K | MCC Appraisement (East) Karachi | 0.82 |

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| 101. | 438-CD/K | MCC Appraisement (East) Karachi | 0.10 |
| 102. | 559-CD/K | MCC PMBQ Karachi | 2.85 |
| 103. | 576-CD/K | MCC (Imports) PMBQ Karachi | 0.80 |
| 104. | 577-CD/K | MCC (Imports) PMBQ Karachi | 0.78 |
| 105. | 582-CD/K | MCC (Imports) PMBQ Karachi | 0.04 |
| 106. | 588-CD/K | MCC (Imports) PMBQ Karachi | 0.10 |
| 107. | 589-CD/K | MCC (Imports) PMBQ Karachi | 0.10 |
| 108. | 667-CD/K | MCC Preventive Karachi | 7.30 |
| 109. | 668-CD/K | MCC Preventive Karachi | 22.87 |
| 110. | 669-CD/K | MCC Preventive Karachi | 11.63 |
| 111. | 670-CD/K | MCC Preventive Karachi | 32.94 |
| 112. | 775-CD/K | MCC Appraisement (East) Karachi | 1.36 |
| 113. | 781-CD/K | MCC Appraisement (East) Karachi | 0.45 |
| 114. | 852-CD/K | MCC (Imports) PMBQ Karachi | 0.17 |
| 115. | 872-CD/K | MCC (Imports) PMBQ Karachi | 0.31 |
| 116. | 876-CD/K | MCC (Imports) PMBQ Karachi | 0.16 |
| 117. | 886-CD/K | MCC (Imports) PMBQ Karachi | 0.60 |
| 118. | 887-CD/K | MCC (Imports) PMBQ Karachi | 0.47 |
| 119. | 892-CD/K | MCC (Imports) PMBQ Karachi | 2.19 |
| 120. | 895-CD/K | MCC (Imports) PMBQ Karachi | 1.41 |
| 121. | 900-CD/K | MCC (Imports) PMBQ Karachi | 0.09 |
| 122. | 971-CD/K | MCC Appraisement (West) Karachi | 0.11 |
| 123. | 973-CD/K | MCC Appraisement (West) Karachi | 0.31 |
| 124. | 974-CD/K | MCC Appraisement (West) Karachi | 0.14 |
| 125. | 976-CD/K | MCC Appraisement (West) Karachi | 2.47 |
| 126. | 977-CD/K | MCC Appraisement (West) Karachi | 7.82 |
| 127. | 978-CD/K | MCC Appraisement (West) Karachi | 0.08 |
| 128. | 979-CD/K | MCC Appraisement (West) Karachi | 0.23 |
| 129. | 998-CD/K | MCC Appraisement (West) Karachi | 2.94 |
| | | **Total** | **574.91** |

**Annexure-6**
Para 2.4.8

**Blockage of government revenue due to non-disposal of confiscated goods/vehicle- Rs. 2,452.73million**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4261 | MCC Appraisement Lahore | 0.14 |
| 2. | 4507 | MCC Preventive, Lahore | 2.05 |
| 3. | 4511 | MCC Preventive, Lahore | 27.02 |
| 4. | 4524 | MCC Preventive, Lahore | 17.19 |
| 5. | 4527 | MCC Preventive, Lahore | 0.07 |
| 6. | 4534 | MCC Preventive, Lahore | 4.16 |
| 7. | 4593 | MCC Multan | 14.32 |
| 8. | 4594 | MCC Multan | 13.60 |
| 9. | 4636 | MCC Gilgit | - |
| 10. | 4749 | MCC Islamabad | 10.05 |
| 11. | 4761 | MCC Islamabad | - |
| 12. | 4801 | MCC Sialkot | 5.54 |
| 13. | 4966 | MCC Peshawar | 44.92 |
| 14. | 4967 | MCC Peshawar | 7.85 |
| 15. | 5026 | MCC Peshawar | 96.94 |
| 16. | 5065 | MCC Peshawar | 6.53 |
| 17. | 5066 | MCC Peshawar | 1.05 |
| 18. | 5067 | MCC Peshawar | - |
| 19. | 5291 | MCC Faisalabad | 14.17 |
| 20. | 5292 | MCC Faisalabad | 50.98 |
| 21. | 69-CD/K | MCC Quetta | 2.703 |
| 22. | 145-CD/K | MCC Quetta | 30.60 |
| 23. | 164-CD/K | MCC Quetta | 16.88 |
| 24. | 165-CD/K | MCC Quetta | 16.90 |
| 25. | 180-CD/K | MCC Quetta | 6.12 |
| 26. | 181-CD/K | MCC Quetta | 9.22 |

| | | | |
|---|---|---|---|
| 27. | 199-CD/K | MCC Quetta | 0.79 |
| 28. | 208-CD/K | MCC Quetta | 109.40 |
| 29. | 211-CD/K | MCC Quetta | 0.35 |
| 30. | 212-CD/K | MCC Quetta | 1.12 |
| 31. | 218-CD/K | MCC Quetta | 1.22 |
| 32. | 219-CD/K | MCC Quetta | 3.20 |
| 33. | 227-CD/K | MCC Quetta | 6.20 |
| 34. | 230-CD/K | Directorate of (I&I), Quetta | - |
| 35. | 235-CD/K | Directorate of (I&I), Quetta | 71.40 |
| 36. | 236-CD/K | Directorate of (I&I), Quetta | 43.00 |
| 37. | 237-CD/K | Directorate of (I&I), Quetta | 17.27 |
| 38. | 240-CD/K | MCC Quetta | - |
| 39. | 241-CD/K | MCC Quetta | 61.87 |
| 40. | 242-CD/K | MCC Quetta | 1.27 |
| 41. | 243-CD/K | MCC Quetta | 1.99 |
| 42. | 244-CD/K | MCC Quetta | 2.46 |
| 43. | 245-CD/K | MCC Quetta | 2.93 |
| 44. | 246-CD/K | MCC Quetta | 6.46 |
| 45. | 247-CD/K | MCC Quetta | 15.87 |
| 46. | 248-CD/K | MCC Quetta | 47.80 |
| 47. | 596-CD/K | MCC Appraisement (East) Karachi | 3.89 |
| 48. | 605-CD/K | MCC Quetta | 3.04 |
| 49. | 606-CD/K | MCC Quetta | 3.04 |
| 50. | 607-CD/K | MCC Quetta | 4.65 |
| 51. | 608-CD/K | MCC Quetta | 7.90 |
| 52. | 631-CD/K | MCC Quetta | 15.85 |
| 53. | 632-CD/K | MCC Quetta | 12.58 |
| 54. | 633-CD/K | MCC Quetta | 11.03 |
| 55. | 634-CD/K | MCC Quetta | 8.96 |
| 56. | 635-CD/K | MCC Quetta | 5.87 |
| 57. | 636-CD/K | MCC Quetta | 14.10 |
| 58. | 637-CD/K | MCC Quetta | 13.20 |
| 59. | 638-CD/K | MCC Quetta | 10.90 |

| | | | |
|---|---|---|---|
| 60. | 639-CD/K | MCC Quetta | 5.65 |
| 61. | 640-CD/K | MCC Quetta | 4.78 |
| 62. | 641-CD/K | MCC Hyderabad | 79.26 |
| 63. | 642-CD/K | MCC Hyderabad | 10.58 |
| 64. | 643-CD/K | MCC Hyderabad | 86.74 |
| 65. | 644-CD/K | MCC Hyderabad | 2.40 |
| 66. | 661-CD/K | MCC Hyderabad | 28.72 |
| 67. | 662-CD/K | MCC Hyderabad | 77.87 |
| 68. | 673-CD/K | MCC Preventive Karachi | 27.12 |
| 69. | 674-CD/K | MCC Preventive Karachi | 6.04 |
| 70. | 676-CD/K | MCC Preventive Karachi | 14.39 |
| 71. | 679-CD/K | MCC Preventive Karachi | 26.49 |
| 72. | 680-CD/K | MCC Preventive Karachi | 9.42 |
| 73. | 682-CD/K | MCC Preventive Karachi | 0.94 |
| 74. | 683-CD/K | MCC Preventive Karachi | 15.60 |
| 75. | 686-CD/K | MCC Preventive Karachi | 8.61 |
| 76. | 734-CD/K | MCC Appraisement (East) Karachi | 1.36 |
| 77. | 735-CD/K | MCC Appraisement (East) Karachi | 10.07 |
| 78. | 736-CD/K | MCC Appraisement (East) Karachi | 37.19 |
| 79. | 737-CD/K | MCC Appraisement (East) Karachi | 17.84 |
| 80. | 738-CD/K | MCC Appraisement (East) Karachi | 3.99 |
| 81. | 739-CD/K | MCC Appraisement (East) Karachi | 16.83 |
| 82. | 740-CD/K | MCC Appraisement (East) Karachi | 10.24 |
| 83. | 741-CD/K | MCC Appraisement (East) Karachi | 137.45 |
| 84. | 743-CD/K | MCC Appraisement (East) Karachi | 12.48 |
| 85. | 744-CD/K | MCC Appraisement (East) Karachi | 10.96 |

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|---|---|---|---|
| 86. | 766-CD/K | MCC Preventive Karachi | 5.00 |
| 87. | 767-CD/K | MCC Preventive Karachi | 44.87 |
| 88. | 806-CD/K | MCC (Imports) PMBQ Karachi | 42.12 |
| 89. | 807-CD/K | MCC (Imports) PMBQ Karachi | 78.12 |
| 90. | 808-CD/K | MCC (Imports) PMBQ Karachi | 126.00 |
| 91. | 809-CD/K | MCC (Imports) PMBQ Karachi | - |
| 92. | 810-CD/K | MCC (Imports) PMBQ Karachi | - |
| 93. | 920-CD/K | MCC Gwadar | 13.18 |
| 94. | 922-CD/K | MCC Gwadar | 10.80 |
| 95. | 923-CD/K | MCC Gwadar | 41.80 |
| 96. | 924-CD/K | MCC Gwadar | - |
| 97. | 935-CD/K | MCC Gwadar | 5.05 |
| 98. | 936-CD/K | MCC Gwadar | 8.09 |
| 99. | 937-CD/K | MCC Gwadar | 13.55 |
| 100. | 1014-CD/K | MCC Appraisement (West) Karachi | - |
| 101. | 1015-CD/K | MCC Appraisement (West) Karachi | - |
| 102. | 1016-CD/K | MCC Appraisement (West) Karachi | - |
| 103. | 1017-CD/K | MCC Appraisement (West) Karachi | - |
| 104. | 1018-CD/K | MCC Appraisement (West) Karachi | - |
| 105. | 1019-CD/K | MCC Appraisement (West) Karachi | 39.40 |
| 106. | 1020-CD/K | MCC Appraisement (West) Karachi | 21.30 |
| 107. | 1021-CD/K | MCC Appraisement (West) Karachi | 6.23 |
| 108. | 1022-CD/K | MCC Appraisement (West) Karachi | 9.54 |
| 109. | 1023-CD/K | MCC Appraisement (West) Karachi | - |
| 110. | 1025-CD/K | MCC Appraisement (West) Karachi | 10.22 |

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|---|---|---|---|
| 111. | 1026-CD/K | MCC Appraisement (West) Karachi | - |
| 112. | 1039-CD/K | DG Pakistan Coast Guards Karachi | 233.11 |
| 113. | 1040-CD/K | DG Pakistan Coast Guards Karachi | 32.10 |
| 114. | 1041-CD/K | DG Pakistan Coast Guards Karachi | 26.49 |
| 115. | 1042-CD/K | DG Pakistan Coast Guards Karachi | 6.38 |
| 116. | 1043-CD/K | DG Pakistan Coast Guards Karachi | 4.78 |
| 117. | 1044-CD/K | DG Pakistan Coast Guards Karachi | 2.67 |
| 118. | 432-PE/K | Director Transit Trade Karachi | 36.65 |
| 119. | 433-PE/K | Director Transit Trade Karachi | 20.87 |
| 120. | 434-PE/K | Director Transit Trade Karachi | 42.72 |
| **Total** | | | **2,452.73** |

**Annexure-7**
Para 2.4.9

**Short-realization of revenue due to inadmissible exemption under Sixth Schedule of Sales Tax Act - Rs 1,000.99 million**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1 | 4278 | MCC Preventive Lahore | 1.28 |
| 2 | 4288 | MCC Preventive Lahore | 0.21 |
| 3 | 4301 | MCC Preventive Lahore | 0.03 |
| 4 | 4312 | MCC Appraisement Lahore | 42.93 |
| 5 | 4463 | MCC Preventive, Lahore | 11.87 |
| 6 | 4464 | MCC Preventive, Lahore | 10.81 |
| 7 | 4467 | MCC Preventive, Lahore | 1.12 |
| 8 | 4468 | MCC Preventive, Lahore | 0.84 |
| 9 | 4480 | MCC Preventive, Lahore | 1.53 |
| 10 | 4484 | MCC Preventive, Lahore | 0.93 |
| 11 | 4485 | MCC Preventive, Lahore | 0.85 |
| 12 | 4487 | MCC Preventive, Lahore | 0.51 |
| 13 | 4492 | MCC Preventive, Lahore | 0.29 |
| 14 | 4506 | MCC Preventive, Lahore | 0.47 |
| 15 | 4735 | MCC Islamabad | 550.84 |
| 16 | 5039 | MCC Peshawar | 0.12 |
| 17 | 5045 | MCC Peshawar | 0.55 |
| 18 | 5103 | MCC Appraisement Lahore | 361.26 |
| 19 | 66-CD/K | MCC Quetta | 9.47 |

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|---|---|---|---|
| 20 | 305-CD/K | MCC (Exports) PMBQ Karachi | 0.26 |
| 21 | 509-CD/K | MCC Appraisement (West) Karachi | 0.66 |
| 22 | 778-CD/K | MCC Appraisement (East) Karachi | 0.44 |
| 23 | 834-CD/K | MCC (Imports) PMBQ Karachi | 0.56 |
| 24 | 836-CD/K | MCC (Imports) PMBQ Karachi | 0.45 |
| 25 | 839-CD/K | MCC (Imports) PMBQ Karachi | 0.44 |
| 26 | 843-CD/K | MCC (Imports) PMBQ Karachi | 0.36 |
| 27 | 858-CD/K | MCC (Imports) PMBQ Karachi | 0.13 |
| 28 | 859-CD/K | MCC (Imports) PMBQ Karachi | 0.13 |
| 29 | 894-CD/K | MCC (Imports) PMBQ Karachi | 1.63 |
| **Total** | | | **1,000.99** |

**<u>Annexure-8</u>**
Para 2.4.10

**Non-realization of duty and taxes plus warehousing surcharge on overstayed goods –Rs. 1,055.15 million**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4793 | MCC Sialkot | 2.77 |
| 2. | 4795 | MCC Sialkot | - |
| 3. | 4820 | MCC Sialkot | 1.11 |
| 4. | 5052 | MCC Peshawar | 2.49 |
| 5. | 5161 | MCC Appraisement Lahore | 1.21 |
| 6. | 5277 | MCC Faisalabad | 0.18 |
| 7. | 5282 | MCC Faisalabad | 0.19 |
| 8. | 5308 | MCC Faisalabad | 0.08 |
| 9. | 5360 | MCC Faisalabad | 2.02 |
| 10. | 660-CD/K | MCC Hyderabad | 151.81 |
| 11. | 999-CD/K | MCC Appraisement (West) Karachi | 87.51 |
| 12. | 1000-CD/K | MCC Appraisement (West) Karachi | 69.59 |
| 13. | 1001-CD/K | MCC Appraisement (West) Karachi | 323.08 |
| 14. | 1002-CD/K | MCC Appraisement (West) Karachi | 34.21 |
| 15. | 1003-CD/K | MCC Appraisement (West) Karachi | 25.35 |
| 16. | 1004-CD/K | MCC Appraisement (West) Karachi | - |
| 17. | 1005-CD/K | MCC Appraisement (West) Karachi | 53.05 |
| 18. | 1007-CD/K | MCC Appraisement (West) Karachi | - |
| 19. | 1008-CD/K | MCC Appraisement (West) Karachi | 135.40 |
| 20. | 1009-CD/K | MCC Appraisement (West) Karachi | 165.07 |
| **Total** | | | **1,055.15** |

**Annexure-9**
Para 2.4.11

## Non-recovery of adjudged government dues – Rs 4,018.23 million

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4601 | MCC Multan | 30.15 |
| 2. | 4602 | MCC Multan | 61.51 |
| 3. | 4748 | MCC Islamabad | 17.02 |
| 4. | 4751 | MCC Islamabad | 89.22 |
| 5. | 4792 | MCC Sialkot | 8.73 |
| 6. | 4962 | MCC Peshawar | 0.88 |
| 7. | 5023 | MCC Peshawar | 1,071.16 |
| 8. | 5298 | MCC Faisalabad | 108.64 |
| 9. | 5299 | MCC Faisalabad | 0.45 |
| 10. | 5300 | MCC Faisalabad | 0.50 |
| 11. | 5301 | MCC Faisalabad | 2.90 |
| 12. | 5359 | MCC Faisalabad | 2.30 |
| 13. | 5361 | MCC Faisalabad | 1.12 |
| 14. | 11-CD/K | MCC Quetta | 833.82 |
| 15. | 16-CD/K | MCC Quetta | 0.55 |
| 16. | 310-CD/K | MCC (Exports) PMBQ Karachi | 5.22 |
| 17. | 349-CD/K | MCC Appraisement (West) Karachi | 56.42 |
| 18. | 364-CD/K | MCC Appraisement (West) Karachi | 6.28 |
| 19. | 593-CD/K | MCC Appraisement (East) Karachi | 42.25 |
| 20. | 594-CD/K | MCC Appraisement (East) Karachi | 29.44 |
| 21. | 597-CD/K | MCC Quetta | - |
| 22. | 659-CD/K | MCC Hyderabad | 219.00 |
| 23. | 664-CD/K | MCC Preventive Karachi | 65.02 |

| | | | |
|---|---|---|---|
| 24. | 666-CD/K | MCC Preventive Karachi | 26.18 |
| 25. | 675-CD/K | MCC Preventive Karachi | 6.12 |
| 26. | 690-CD/K | MCC Preventive Karachi | 11.28 |
| 27. | 694-CD/K | MCC Preventive Karachi | 6.41 |
| 28. | 699-CD/K | MCC Preventive Karachi | 2.31 |
| 29. | 704-CD/K | MCC Appraisement (East) Karachi | 8.63 |
| 30. | 714-CD/K | MCC Appraisement (East) Karachi | 0.66 |
| 31. | 719-CD/K | MCC Appraisement (East) Karachi | 1.50 |
| 32. | 722-CD/K | MCC Appraisement (East) Karachi | 0.72 |
| 33. | 723-CD/K | MCC Appraisement (East) Karachi | 0.52 |
| 34. | 769-CD/K | MCC Appraisement (East) Karachi | 3.17 |
| 35. | 770-CD/K | MCC Appraisement (East) Karachi | 42.74 |
| 36. | 788-CD/K | MCC Appraisement (East) Karachi | 0.75 |
| 37. | 805-CD/K | MCC (Imports) PMBQ Karachi | 43.35 |
| 38. | 916-CD/K | MCC (Imports) PMBQ Karachi | 894.78 |
| 39. | 917-CD/K | MCC (Imports) PMBQ Karachi | 78.98 |
| 40. | 918-CD/K | MCC (Imports) PMBQ Karachi | 15.51 |
| 41. | 947-CD/K | MCC Appraisement (West) Karachi | 53.45 |
| 42. | 948-CD/K | MCC Appraisement (West) Karachi | 2.23 |
| 43. | 949-CD/K | MCC Appraisement (West) Karachi | 0.96 |
| 44. | 950-CD/K | MCC Appraisement (West) Karachi | 11.15 |
| 45. | 951-CD/K | MCC Appraisement (West) Karachi | 3.38 |
| 46. | 952-CD/K | MCC Appraisement (West) Karachi | 2.74 |
| 47. | 953-CD/K | MCC Appraisement (West) Karachi | 9.26 |
| 48. | 954-CD/K | MCC Appraisement (West) Karachi | 50.08 |
| 49. | 968-CD/K | MCC Appraisement (West) Karachi | 69.91 |
| 50. | 969-CD/K | MCC Appraisement (West) Karachi | 2.74 |
| 51. | 970-CD/K | MCC Appraisement (West) Karachi | 4.31 |
| 52. | 986-CD/K | MCC Appraisement (West) Karachi | 11.82 |
| **Total** | | | **4,018.23** |

**<u>Annexure-10</u>**
Para 2.4.13

**Non-realization of duty & taxes from Export Oriented Units**
**Rs. 655.37 million**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4286 | MCC Preventive Lahore | 0.26 |
| 2. | 4556 | MCC Multan | 2.81 |
| 3. | 4560 | MCC Multan | - |
| 4. | 5191 | MCC Appraisement Lahore | 17.41 |
| 5. | 5242 | MCC Faisalabad | 11.48 |
| 6. | 5243 | MCC Faisalabad | 0.78 |
| 7. | 5244 | MCC Faisalabad | 0.56 |
| 8. | 5245 | MCC Faisalabad | 20.32 |
| 9. | 5246 | MCC Faisalabad | 23.52 |
| 10. | 5247 | MCC Faisalabad | 9.65 |
| 11. | 5255 | MCC Faisalabad | 561.44 |
| 12. | 5257 | MCC Faisalabad | 5.36 |
| 13. | 5260 | MCC Faisalabad | - |
| 14. | 5261 | MCC Faisalabad | 1.55 |
| 15. | 5267 | MCC Faisalabad | - |
| 16. | 5272 | MCC Faisalabad | 0.22 |
| **Total** | | | **655.37** |

**<u>Annexure-11</u>**
Para 2.4.14

**Non-realization of duty and taxes from DTRE users**
**Rs. 688.29 million**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 5353 | MCC Faisalabad | 29.34 |
| 2. | 5354 | MCC Faisalabad | 66.92 |
| 3. | 5355 | MCC Faisalabad | 0.79 |
| 4. | 5358 | MCC Faisalabad | 0.42 |
| 5. | 5362 | MCC Faisalabad | 51.00 |
| 6. | 5365 | MCC Faisalabad | 2.25 |
| 7. | 5366 | MCC Faisalabad | 24.60 |
| 8. | 5370 | MCC Faisalabad | 9.27 |
| 9. | 41-CD/K | MCC Quetta | - |
| 10. | 48-CD/K | MCC Quetta | - |
| 11. | 49-CD/K | MCC Quetta | - |
| 12. | 52-CD/K | MCC Quetta | 0.13 |
| 13. | 53-CD/K | MCC Quetta | 2.99 |
| 14. | 54-CD/K | MCC Quetta | - |
| 15. | 316-CD/K | MCC (Exports) PMBQ Karachi | 0.088 |

| | | | |
|---|---|---|---|
| 16. | 317-CD/K | MCC (Exports) PMBQ Karachi | 0.11 |
| 17. | 318-CD/K | MCC (Exports) PMBQ Karachi | 0.17 |
| 18. | 322-CD/K | MCC (Exports) PMBQ Karachi | 0.40 |
| 19. | 327-CD/K | MCC (Exports) PMBQ Karachi | 0.56 |
| 20. | 334-CD/K | MCC (Exports) PMBQ Karachi | 94.13 |
| 21. | 335-CD/K | MCC (Exports) PMBQ Karachi | 119.67 |
| 22. | 336-CD/K | MCC (Exports) PMBQ Karachi | 285.44 |
| **Total** | | | **688.29** |

**Annexure-12**
Para 2.4.15

## Non-realization of value addition tax – Rs. 556.73 million

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4281 | MCC Preventive Lahore | 0.80 |
| 2. | 4285 | MCC Preventive Lahore | 0.27 |
| 3. | 4320 | MCC Appraisement Lahore | 348.17 |
| 4. | 4478 | MCC Preventive, Lahore | 4.50 |
| 5. | 4498 | MCC Preventive, Lahore | 0.05 |
| 6. | 4571 | MCC Multan | 0.30 |
| 7. | 4708 | MCC Islamabad | 11.19 |
| 8. | 4786 | MCC Sialkot | 0.67 |
| 9. | 4997 | MCC Peshawar | 1.42 |
| 10. | 5062 | MCC Peshawar | 0.74 |
| 11. | 5081 | MCC Appraisement Lahore | 0.29 |
| 12. | 5083 | MCC Appraisement Lahore | 0.56 |
| 13. | 5086 | MCC Appraisement Lahore | 0.17 |
| 14. | 5116 | MCC Appraisement Lahore | 15.83 |
| 15. | 5117 | MCC Appraisement Lahore | 1.23 |
| 16. | 5118 | MCC Appraisement Lahore | 40.24 |
| 17. | 5131 | MCC Appraisement Lahore | 0.07 |
| 18. | 5136 | MCC Appraisement Lahore | 31.97 |
| 19. | 37-CD/K | MCC Quetta | 6.21 |

| | | | |
|---|---|---|---|
| 20. | 39-CD/K | MCC Quetta | 5.94 |
| 21. | 63-CD/K | MCC Quetta | 2.84 |
| 22. | 93-CD/K | MCC Quetta | 4.52 |
| 23. | 110-CD/K | MCC Quetta | 0.38 |
| 24. | 133-CD/K | MCC Quetta | 36.07 |
| 25. | 139-CD/K | MCC Quetta | 0.36 |
| 26. | 179-CD/K | MCC Quetta | 3.85 |
| 27. | 196-CD/K | MCC Quetta | 0.03 |
| 28. | 302-CD/K | MCC (Exports) PMBQ Karachi | 0.11 |
| 29. | 392-CD/K | MCC Appraisement (West) Karachi | 0.28 |
| 30. | 393-CD/K | MCC Appraisement (West) Karachi | 0.19 |
| 31. | 711-CD/K | MCC Appraisement (East) Karachi | 0.13 |
| 32. | 826-CD/K | MCC (Imports) PMBQ Karachi | 11.58 |
| 33. | 842-CD/K | MCC (Imports) PMBQ Karachi | 0.36 |
| 34. | 853-CD/K | MCC (Imports) PMBQ Karachi | 0.17 |
| 35. | 854-CD/K | MCC (Imports) PMBQ Karachi | 0.17 |
| 36. | 863-CD/K | MCC (Imports) PMBQ Karachi | 0.08 |
| 37. | 883-CD/K | MCC (Imports) PMBQ Karachi | 1.41 |
| 38. | 896-CD/K | MCC (Imports) PMBQ Karachi | 1.25 |
| 39. | 897-CD/K | MCC (Imports) PMBQ Karachi | 1.12 |
| 40. | 901-CD/K | MCC (Imports) PMBQ Karachi | 8.66 |
| 41. | 941-CD/K | MCC Appraisement (West) Karachi | 1.30 |

| | | | |
|---|---|---|---|
| 42. | 959-CD/K | MCC Appraisement (West) Karachi | 0.02 |
| 43. | 966-CD/K | MCC Appraisement (West) Karachi | 0.02 |
| 44. | 980-CD/K | MCC Appraisement (West) Karachi | 0.11 |
| 45. | 987-CD/K | MCC Appraisement (West) Karachi | 7.78 |
| 46. | 994-CD/K | MCC Appraisement (West) Karachi | 1.59 |
| 47. | 997-CD/K | MCC Appraisement (West) Karachi | 0.79 |
| 48. | 1049-CD/K | MCC Appraisement (West) Karachi | 0.94 |
| | | **Total** | **556.73** |

**Annexure-13**
Para 2.4.16

**Non-recovery of duty and taxes from licensees of manufacturing bonds - Rs. 458.46 million**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4757 | MCC Islamabad | - |
| 2. | 5188 | MCC Appraisement Lahore | 6.27 |
| 3. | 5194 | MCC Appraisement Lahore | 1.08 |
| 4. | 5195 | MCC Appraisement Lahore | 90.26 |
| 5. | 5196 | MCC Appraisement Lahore | 217.63 |
| 6. | 5198 | MCC Appraisement Lahore | 25.94 |
| 7. | 5239 | MCC Faisalabad | 22.47 |
| 8. | 5240 | MCC Faisalabad | 15.16 |
| 9. | 5241 | MCC Faisalabad | 26.42 |
| 10. | 5248 | MCC Faisalabad | 1.51 |
| 11. | 5250 | MCC Faisalabad | 2.56 |
| 12. | 5252 | MCC Faisalabad | 3.51 |
| 13. | 5265 | MCC Faisalabad | 2.79 |
| 14. | 5268 | MCC Faisalabad | 2.89 |
| 15. | 5285 | MCC Faisalabad | 0.88 |
| 16. | 5286 | MCC Faisalabad | 0.44 |
| 17. | 5304 | MCC Faisalabad | 38.63 |
| **Total** | | | **458.46** |

**<u>Annexure-14</u>**
Para 2.4.17

**Loss of revenue due to grant of inadmissible exemption/ concession of SROs –Rs. 441.75 million**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4284 | MCC Preventive Lahore | 0.58 |
| 2. | 4575 | MCC Multan | 1.35 |
| 3. | 4576 | MCC Multan | 0.80 |
| 4. | 4590 | MCC Multan | 0.07 |
| 5. | 4818 | MCC Sialkot | 35.81 |
| 6. | 5144 | MCC Appraisement Lahore | 6.21 |
| 7. | 5157 | MCC Appraisement Lahore | 4.09 |
| 8. | 5168 | MCC Appraisement Lahore | 0.77 |
| 9. | 444-CD/K | MCC Hyderabad | 26.41 |
| 10. | 505-CD/K | MCC Appraisement (West) Karachi | 0.79 |
| 11. | 628-CD/K | MCC Quetta | 0.38 |
| 12. | 629-CD/K | MCC Quetta | 0.50 |
| 13. | 648-CD/K | MCC Hyderabad | 6.85 |
| 14. | 650-CD/K | MCC Hyderabad | 287.39 |
| 15. | 651-CD/K | MCC Hyderabad | 69.52 |
| 16. | 652-CD/K | MCC Hyderabad | 0.23 |
| **Total** | | | **441.75** |

**<u>Annexure-15</u>**
Para 2.4.18

**Non realization of Punjab infrastructure Development Cess-Rs. 267.77 million**

(Rs in million)

| S.No. | DP No | Name of Office | Amount |
|---|---|---|---|
| 1. | 4752 | MCC Islamabad | 0.19 |
| 2. | 5211 | MCC Appraisement Lahore | 121.66 |
| 3. | F-322 | DC, Imports NLC Dry Port Lahore | 15.72 |
| 4. | F-322 | DC, Imports NLC Dry Port Lahore | 130.20 |
| **Total** | | | **267.77** |

**Annexure-16**
Para 2.4.19

**Non imposition of late payment surcharge-Rs 177.74 million**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4267 | MCC Preventive Lahore | 20.69 |
| 2. | 5190 | MCC Appraisement Lahore | 52.74 |
| 3. | 5232 | MCC Faisalabad | 0.72 |
| 4. | 97-CD/K | MCC Quetta | 102.62 |
| 5. | 665-CD/K | MCC Preventive Karachi | 0.94 |
| 6. | 700-CD/K | MCC Preventive Karachi | 0.03 |
| **Total** | | | **177.74** |

**Annexure-17**
Para 2.4.20

**Blockage of government revenue due to non-finalization of Provisional assessment –Rs.155.68 million**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4579 | MCC Multan | - |
| 2. | 350-CD/K | MCC Appraisement (West) Karachi | - |
| 3. | 366-CD/K | MCC Appraisement (West) Karachi | 30.83 |
| 4. | 367-CD/K | MCC Appraisement (West) Karachi | - |
| 5. | 373-CD/K | MCC Appraisement (West) Karachi | - |
| 6. | 431-CD/K | MCC Appraisement (East) Karachi | - |
| 7. | 454-CD/K | MCC Appraisement (West) Karachi | - |
| 8. | 595-CD/K | MCC Appraisement (East) Karachi | 8.77 |
| 9. | 613-CD/K | MCC Quetta | 1.09 |
| 10. | 614-CD/K | MCC Quetta | 1.09 |
| 11. | 615-CD/K | MCC Quetta | 1.09 |
| 12. | 616-CD/K | MCC Quetta | 14.09 |
| 13. | 646-CD/K | MCC Hyderabad | - |
| 14. | 647-CD/K | MCC Hyderabad | - |
| 15. | 727-CD/K | MCC Appraisement (East) Karachi | 40.13 |
| 16. | 730-CD/K | MCC Appraisement (East) Karachi | 8.29 |

| | | | |
|---|---|---|---|
| 17. | 963-CD/K | MCC Appraisement (West) Karachi | 49.85 |
| 18. | 967-CD/K | MCC Appraisement (West) Karachi | 0.44 |
| 19. | 995-CD/K | MCC Appraisement (West) Karachi | - |
| **Total** | | | **155.68** |

**Annexure-18**
Para 2.4.21

**Short-realization of revenue due to non-inclusion of insurance in the assessed value – Rs. 149.39 million**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4275 | MCC Preventive Lahore | 3.10 |
| 2. | 4305 | MCC Appraisement Lahore | 0.59 |
| 3. | 4315 | MCC Appraisement Lahore | 1.86 |
| 4. | 4333 | MCC Appraisement Lahore | 25.47 |
| 5. | 4710 | MCC Islamabad | 1.71 |
| 6. | 4713 | MCC Islamabad | 24.75 |
| 7. | 4722 | MCC Islamabad | 69.32 |
| 8. | 4737 | MCC Islamabad | 11.32 |
| 9. | 4739 | MCC Islamabad | 8.96 |
| 10. | 5221 | MCC Faisalabad | 2.04 |
| 11. | 5231 | MCC Faisalabad | 0.22 |
| 12. | 197-CD/K | MCC Quetta | 0.05 |
| **Total** | | | **149.39** |

**Annexure-19**
Para 2.4.22

**Short-accountal/assessment of imported/ warehoused goods-Rs.64.77 million**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 5185 | MCC Appraisement Lahore | 0.87 |
| 2. | 5193 | MCC Appraisement Lahore | 2.63 |
| 3. | 5197 | MCC Appraisement Lahore | 3.13 |
| 4. | 5219 | MCC Faisalabad | 2.89 |
| 5. | 5249 | MCC Faisalabad | 0.13 |
| 6. | 5271 | MCC Faisalabad | 2.71 |
| 7. | 5275 | MCC Faisalabad | 0.15 |
| 8. | 5279 | MCC Faisalabad | 0.29 |
| 9. | 5280 | MCC Faisalabad | 0.52 |
| 10. | 5281 | MCC Faisalabad | 1.25 |
| 11. | 5289 | MCC Faisalabad | 0.13 |
| 12. | 5367 | MCC Faisalabad | 2.06 |
| 13. | 42-CD/K | MCC Quetta | 6.98 |
| 14. | 43-CD/K | MCC Quetta | 1.02 |
| 15. | 78-CD/K | MCC Quetta | 1.07 |
| 16. | 79-CD/K | MCC Quetta | 0.13 |
| 17. | 81-CD/K | MCC Quetta | 2.95 |
| 18. | 83-CD/K | MCC Quetta | 1.06 |
| 19. | 84-CD/K | MCC Quetta | 2.65 |

| | | | |
|---|---|---|---|
| 20. | 85-CD/K | MCC Quetta | 0.53 |
| 21. | 86-CD/K | MCC Quetta | 1.60 |
| 22. | 87-CD/K | MCC Quetta | 1.29 |
| 23. | 91-CD/K | MCC Quetta | 27.75 |
| 24. | 214-CD/K | MCC Quetta | 0.50 |
| 25. | 1024-CD/K | MCC Appraisement (West) Karachi | - |
| 26. | 1047-CD/K | MCC Appraisement (West) Karachi | 0.47 |
| **Total** | | | **64.77** |

**Annexure-20**
Para 2.4.23

**Non/short realization of withholding tax– Rs. 130.78 million**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4469 | MCC Preventive, Lahore | 0.71 |
| 2. | 4486 | MCC Preventive, Lahore | 0.74 |
| 3. | 4497 | MCC Preventive, Lahore | 0.12 |
| 4. | 4629 | MCC Gilgit | 0.51 |
| 5. | 4631 | MCC Gilgit | 8.58 |
| 6. | 4704 | MCC Islamabad | 5.92 |
| 7. | 4706 | MCC Islamabad | 0.59 |
| 8. | 4727 | MCC Islamabad | 1.10 |
| 9. | 4780 | MCC Sialkot | 3.54 |
| 10. | 4800 | MCC Sialkot | 25.59 |
| 11. | 5041 | MCC Peshawar | 5.61 |
| 12. | 5130 | MCC Appraisement Lahore | 0.40 |
| 13. | 5135 | MCC Appraisement Lahore | 31.85 |
| 14. | 5158 | MCC Appraisement Lahore | 2.53 |
| 15. | 5222 | MCC Faisalabad | 0.20 |
| 16. | 5233 | MCC Faisalabad | 0.22 |
| 17. | 23-CD/K | MCC Quetta | 1.82 |
| 18. | 38-CD/K | MCC Quetta | 5.13 |
| 19. | 44-CD/K | MCC Quetta | 0.24 |
| 20. | 57-CD/K | MCC Quetta | 3.76 |
| 21. | 60-CD/K | MCC Quetta | 2.22 |
| 22. | 113-CD/K | MCC Quetta | 0.33 |
| 23. | 143-CD/K | MCC Quetta | 0.05 |
| 24. | 155-CD/K | MCC Quetta | 0.12 |
| 25. | 166-CD/K | MCC Quetta | 20.98 |
| 26. | 177-CD/K | MCC Quetta | 3.28 |
| 27. | 210-CD/K | MCC Quetta | 0.03 |
| 28. | 234-CD/K | Directorate of (I&I), Quetta | 0.05 |
| 29. | 249-CD/K | MCC Quetta | 0.07 |

| | | | |
|---|---|---|---|
| 30. | 250-CD/K | MCC Quetta | 0.24 |
| 31. | 343-CD/K | MCC Appraisement (West) Karachi | 0.35 |
| 32. | 827-CD/K | MCC (Imports) PMBQ Karachi | 2.69 |
| 33. | 847-CD/K | MCC (Imports) PMBQ Karachi | 0.26 |
| 34. | 899-CD/K | MCC (Imports) PMBQ Karachi | 0.71 |
| 35. | 992-CD/K | MCC Appraisement (West) Karachi | 0.22 |
| **Total** | | | **130.78** |

**Annexure-21**
Para 2.4.24

**Short-realization of Sales Tax due to grant of inadmissible exemption under SRO 1125(I)/2011 – Rs.138.41 million**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4292 | MCC Preventive Lahore | 0.12 |
| 2. | 4296 | MCC Preventive Lahore | 0.10 |
| 3. | 4321 | MCC Appraisement Lahore | 8.87 |
| 4. | 4328 | MCC Appraisement Lahore | 0.15 |
| 5. | 4465 | MCC Preventive, Lahore | 9.43 |
| 6. | 4472 | MCC Preventive, Lahore | 0.33 |
| 7. | 4495 | MCC Preventive, Lahore | 0.19 |
| 8. | 4633 | MCC Gilgit | 29.42 |
| 9. | 4716 | MCC Islamabad | 0.05 |
| 10. | 4721 | MCC Islamabad | 0.04 |
| 11. | 4782 | MCC Sialkot | 2.82 |
| 12. | 4794 | MCC Sialkot | 0.67 |
| 13. | 4988 | MCC Peshawar | 0.09 |
| 14. | 4990 | MCC Peshawar | 0.27 |
| 15. | 4992 | MCC Peshawar | 2.81 |
| 16. | 5043 | MCC Peshawar | 58.59 |
| 17. | 5093 | MCC Appraisement Lahore | 0.12 |
| 18. | 5120 | MCC Appraisement Lahore | 1.86 |
| 19. | 5141 | MCC Appraisement Lahore | 4.60 |

| | | | |
|---|---|---|---|
| 20. | 5227 | MCC Faisalabad | 9.37 |
| 21. | 5254 | MCC Faisalabad | 2.37 |
| 22. | 274-CD/K | MCC Appraisement (East) Karachi | 1.40 |
| 23. | 352-CD/K | MCC Appraisement (West) Karachi | 0.25 |
| 24. | 356-CD/K | MCC Appraisement (West) Karachi | 0.46 |
| 25. | 587-CD/K | MCC (Imports) PMBQ Karachi | 0.21 |
| 26. | 869-CD/K | MCC (Imports) PMBQ Karachi | 0.56 |
| 27. | 873-CD/K | MCC (Imports) PMBQ Karachi | 0.26 |
| 28. | 881-CD/K | MCC (Imports) PMBQ Karachi | 1.98 |
| 29. | 946-CD/K | MCC Appraisement (West) Karachi | 0.99 |
| **Total** | | | **138.41** |

**<u>Annexure-22</u>**
Para 2.4.25

**Short realization of government revenue due to grant of inadmissible exemption of customs duty under fifth schedule of Customs Act**
**Rs. 104.25 million**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4276 | MCC Preventive Lahore | 2.40 |
| 2. | 4319 | MCC Appraisement Lahore | 1.56 |
| 3. | 4331 | MCC Appraisement Lahore | 39.82 |
| 4. | 4334 | MCC Appraisement Lahore | 9.31 |
| 5. | 4536 | MCC Preventive, Lahore | 1.30 |
| 6. | 4701 | MCC Islamabad | 13.76 |
| 7. | 5127 | MCC Appraisement Lahore | 1.19 |
| 8. | 702-CD/K | MCC Appraisement (East) Karachi | 5.51 |
| 9. | 703-CD/K | MCC Appraisement (East) Karachi | 24.36 |
| 10. | 1028-CD/K | DC Customs (KICT) Appraisement (West) Karachi | 4.94 |
| **Total** | | | **104.25** |

**Annexure-23**
Para 2.4.26

## Non-realization of additional customs duty on imported goods - Rs 112.30 million

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4258 | MCC Appraisement Lahore | 0.02 |
| 2. | 4279 | MCC Preventive Lahore | 1.12 |
| 3. | 4293 | MCC Preventive Lahore | 0.10 |
| 4. | 4311 | MCC Appraisement Lahore | 68.02 |
| 5. | 4568 | MCC Multan | 0.75 |
| 6. | 4569 | MCC Multan | 0.65 |
| 7. | 4627 | MCC Gilgit | 1.45 |
| 8. | 4778 | MCC Sialkot | 13.83 |
| 9. | 5126 | MCC Appraisement Lahore | 0.12 |
| 10. | 5129 | MCC Appraisement Lahore | 0.06 |
| 11. | 5147 | MCC Appraisement Lahore | 0.76 |
| 12. | 5148 | MCC Appraisement Lahore | 0.50 |
| 13. | 5156 | MCC Appraisement Lahore | 0.08 |
| 14. | 5175 | MCC Appraisement Lahore | 0.53 |
| 15. | 5189 | MCC Appraisement Lahore | 0.74 |
| 16. | 5276 | MCC Faisalabad | 0.56 |
| 17. | 198-CD/K | MCC Quetta | 0.20 |
| 18. | 824-CD/K | MCC (Imports) PMBQ Karachi | 22.79 |
| **Total** | | | **112.30** |

**<u>Annexure-24</u>**
Para 2.4.28

## Excess payment of rebate –Rs. 66.29 million

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4803 | MCC Sialkot | 9.48 |
| 2. | 4804 | MCC Sialkot | 5.58 |
| 3. | 4805 | MCC Sialkot | 3.29 |
| 4. | 4806 | MCC Sialkot | 1.20 |
| 5. | 4807 | MCC Sialkot | 0.31 |
| 6. | 4809 | MCC Sialkot | 0.08 |
| 7. | 4811 | MCC Sialkot | 0.07 |
| 8. | 4812 | MCC Sialkot | 0.06 |
| 9. | 4813 | MCC Sialkot | 0.05 |
| 10. | 5172 | MCC Appraisement Lahore | 0.19 |
| 11. | 5173 | MCC Appraisement Lahore | 0.08 |
| 12. | 5174 | MCC Appraisement Lahore | 2.64 |
| 13. | 5309 | MCC Faisalabad | 4.11 |
| 14. | 5311 | MCC Faisalabad | 0.02 |
| 15. | 5315 | MCC Faisalabad | 0.17 |
| 16. | 1-CD/K | MCC Quetta | 18.08 |
| 17. | 2-CD/K | MCC Quetta | 13.11 |
| 18. | 3-CD/K | MCC Quetta | 4.80 |
| 19. | 4-CD/K | MCC Quetta | 1.07 |

| | | | |
|---|---|---|---|
| 20. | 5-CD/K | MCC Quetta | 0.96 |
| 21. | 6-CD/K | MCC Quetta | 0.71 |
| 22. | 7-CD/K | MCC Quetta | 0.12 |
| 23. | 9-CD/K | MCC Quetta | 0.05 |
| 24. | 10-CD/K | MCC Quetta | 0.04 |
| **Total** | | | **66.29** |

**Annexure-25**
Para 2.4.29

**Short-realization of revenue due to inadmissible exemption under Eighth Schedule of Sales Tax Act, 1990 – Rs. 62.90 million**

**(Rs in million)**

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4280 | MCC Preventive Lahore | 1.14 |
| 2. | 4317 | MCC Appraisement Lahore | 4.17 |
| 3. | 4581 | MCC Multan | 29.30 |
| 4. | 4781 | MCC Sialkot | 3.45 |
| 5. | 5146 | MCC Appraisement Lahore | 9.01 |
| 6. | 5160 | MCC Appraisement Lahore | 15.81 |
| 7. | 5181 | MCC Appraisement Lahore | 0.02 |
| **Total** | | | **62.90** |

**Annexure-26**
Para 2.4.30

## Short-realization of regulatory duty on imported goods – Rs. 43.55 million

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4297 | MCC Preventive Lahore | 0.09 |
| 2. | 4323 | MCC Appraisement Lahore | 0.40 |
| 3. | 4325 | MCC Appraisement Lahore | 0.38 |
| 4. | 4501 | MCC Preventive, Lahore | 0.02 |
| 5. | 4736 | MCC Islamabad | 1.20 |
| 6. | 5069 | MCC Peshawar | 0.06 |
| 7. | 5070 | MCC Peshawar | 1.36 |
| 8. | 8-CD/K | MCC Quetta | 0.10 |
| 9. | 73-CD/K | MCC Quetta | 0.41 |
| 10. | 105-CD/K | MCC Quetta | 0.30 |
| 11. | 123-CD/K | MCC Quetta | 0.09 |
| 12. | 128-CD/K | MCC Quetta | 18.39 |
| 13. | 130-CD/K | MCC Quetta | 1.933 |
| 14. | 445-CD/K | MCC Hyderabad | 3.96 |
| 15. | 448-CD/K | MCC Exports (Custom House) Karachi | 2.61 |
| 16. | 449-CD/K | MCC Exports (Custom House) Karachi | 2.07 |
| 17. | 529-CD/K | MCC Appraisement (West) Karachi | 0.21 |
| 18. | 829-CD/K | MCC (Imports) PMBQ Karachi | 0.56 |
| 19. | 831-CD/K | MCC (Imports) PMBQ Karachi | 1.06 |
| 20. | 833-CD/K | MCC (Imports) PMBQ Karachi | 0.72 |
| 21. | 835-CD/K | MCC (Imports) PMBQ Karachi | 0.50 |
| 22. | 841-CD/K | MCC (Imports) PMBQ Karachi | 0.37 |
| 23. | 844-CD/K | MCC (Imports) PMBQ Karachi | 0.29 |
| 24. | 849-CD/K | MCC (Imports) PMBQ Karachi | 0.23 |
| 25. | 856-CD/K | MCC (Imports) PMBQ Karachi | 0.15 |
| 26. | 864-CD/K | MCC (Imports) PMBQ Karachi | 0.08 |

| | | | |
|---|---|---|---|
| 27. | 866-CD/K | MCC (Imports) PMBQ Karachi | 0.03 |
| 28. | 879-CD/K | MCC (Imports) PMBQ Karachi | 3.91 |
| 29. | 889-CD/K | MCC (Imports) PMBQ Karachi | 0.41 |
| 30. | 898-CD/K | MCC (Imports) PMBQ Karachi | 1.03 |
| 31. | 996-CD/K | MCC Appraisement (West) Karachi | 0.62 |
| **Total** | | | **43.55** |

**Annexure-27**
Para 2.4.32

## Inadmissible benefit of Free Trade Agreements – Rs.25.69million

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4326 | MCC Appraisement Lahore | 0.33 |
| 2. | 4703 | MCC Islamabad | 0.93 |
| 3. | 4714 | MCC Islamabad | 0.16 |
| 4. | 5077 | MCC Appraisement Lahore | 0.20 |
| 5. | 65-CD/K | MCC Quetta | 0.71 |
| 6. | 263-CD/K | MCC Appraisement (East) Karachi | 2.08 |
| 7. | 265-CD/K | MCC Appraisement (East) Karachi | 0.21 |
| 8. | 275-CD/K | MCC Appraisement (East) Karachi | 0.52 |
| 9. | 276-CD/K | MCC Appraisement (East) Karachi | 0.81 |
| 10. | 278-CD/K | MCC Appraisement (East) Karachi | 0.26 |
| 11. | 290-CD/K | MCC Appraisement (East) Karachi | 0.39 |
| 12. | 355-CD/K | MCC Appraisement (West) Karachi | 0.45 |
| 13. | 357-CD/K | MCC Appraisement (West) Karachi | 0.56 |
| 14. | 358-CD/K | MCC Appraisement (West) Karachi | 0.58 |
| 15. | 359-CD/K | MCC Appraisement (West) Karachi | 1.02 |
| 16. | 363-CD/K | MCC Appraisement (West) Karachi | 3.37 |
| 17. | 394-CD/K | MCC Appraisement (West) Karachi | 0.56 |
| 18. | 395-CD/K | MCC Appraisement (West) Karachi | 0.46 |
| 19. | 396-CD/K | MCC Appraisement (West) Karachi | 0.90 |

| | | | |
|---|---|---|---|
| 20. | 417-CD/K | MCC Appraisement (East) Karachi | 0.17 |
| 21. | 427-CD/K | MCC Appraisement (East) Karachi | 0.40 |
| 22. | 465-CD/K | MCC Appraisement (West) Karachi | 6.32 |
| 23. | 500-CD/K | MCC Appraisement (West) Karachi | 1.06 |
| 24. | 518-CD/K | MCC Appraisement (West) Karachi | 0.39 |
| 25. | 531-CD/K | MCC Appraisement (West) Karachi | 0.19 |
| 26. | 561-CD/K | MCC PMBQ Karachi | 1.92 |
| 27. | 857-CD/K | MCC (Imports) PMBQ Karachi | 0.14 |
| 28. | 993-CD/K | MCC Appraisement (West) Karachi | 0.60 |
| **Total** | | | **25.69** |

**Annexure-28**
Para 2.4.33

## Non-realization of revenue due to inadmissible benefit of SRO 492-Rs. 37.30 million

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4517 | MCC Preventive, Lahore | 30.18 |
| 2. | 4523 | MCC Preventive, Lahore | 0.74 |
| 3. | 4783 | MCC Sialkot | 2.10 |
| 4. | 5176 | MCC Appraisement Lahore | 1.44 |
| 5. | 5180 | MCC Appraisement Lahore | 1.10 |
| 6. | 5182 | MCC Appraisement Lahore | 1.40 |
| 7. | 5183 | MCC Appraisement Lahore | 0.34 |
| **Total** | | | **37.30** |

**Annexure-29**
Para 2.4.34

**Non/short-realization of Federal Excise Duty – Rs. 38.60 million**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4291 | MCC Preventive Lahore | 0.16 |
| 2. | 4702 | MCC Islamabad | 34.13 |
| 3. | 4725 | MCC Islamabad | 2.43 |
| 4. | 4731 | MCC Islamabad | 0.31 |
| 5. | 5088 | MCC Appraisement Lahore | 0.24 |
| 6. | 27-CD/K | MCC Quetta | 0.10 |
| 7. | 990-CD/K | MCC Gwadar | 0.41 |
| **Total** | | | **38.60** |

**Annexure-30**
Para 2.4.35

**Non/Short-realization of revenue due to application of incorrect rate of duty and taxes – Rs. 19.18 million**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4263 | MCC Appraisement Lahore | 0.11 |
| 2. | 4289 | MCC Preventive Lahore | 0.19 |
| 3. | 4308 | MCC Appraisement Lahore | 1.03 |
| 4. | 4481 | MCC Preventive, Lahore | 1.44 |
| 5. | 4980 | MCC Peshawar | 0.28 |
| 6. | 5213 | MCC Faisalabad | 4.09 |
| 7. | 36-CD/K | MCC Quetta | 3.95 |
| 8. | 109-CD/K | MCC Quetta | 0.43 |
| 9. | 114-CD/K | MCC Quetta | 0.12 |
| 10. | 119-CD/K | MCC Quetta | 0.07 |
| 11. | 140-CD/K | MCC Quetta | 0.28 |
| 12. | 142-CD/K | MCC Quetta | 0.27 |
| 13. | 160-CD/K | MCC Quetta | 0.40 |
| 14. | 170-CD/K | MCC Quetta | 0.03 |
| 15. | 172-CD/K | MCC Quetta | 2.08 |
| 16. | 215-CD/K | MCC Quetta | 0.02 |
| 17. | 216-CD/K | MCC Quetta | 0.03 |
| 18. | 217-CD/K | MCC Quetta | 0.03 |
| 19. | 220-CD/K | MCC Quetta | 0.02 |

| | | | |
|---|---|---|---|
| 20. | 233-CD/K | Directorate of (I&I), Quetta | 0.05 |
| 21. | 630-CD/K | MCC Quetta | 2.68 |
| 22. | 828-CD/K | MCC (Imports) PMBQ Karachi | 1.34 |
| 23. | 855-CD/K | MCC (Imports) PMBQ Karachi | 0.16 |
| 24. | 861-CD/K | MCC (Imports) PMBQ Karachi | 0.10 |
| **Total** | | | **19.18** |

**Annexure-31**
Para 2.4.36

**Blockage of revenue due to non-disposal of wastage – Rs.13.69 million**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4558 | MCC Multan | 0.21 |
| 2. | 4559 | MCC Multan | 0.14 |
| 3. | 5192 | MCC Appraisement Lahore | 0.15 |
| 4. | 5201 | MCC Appraisement Lahore | - |
| 5. | 5269 | MCC Faisalabad | 3.57 |
| 6. | 5273 | MCC Faisalabad | 0.64 |
| 7. | 5274 | MCC Faisalabad | 7.49 |
| 8. | 326-CD/K | MCC (Exports) PMBQ Karachi | 0.52 |
| 9. | 658-CD/K | MCC Hyderabad | 0.96 |
| **Total** | | | **13.69** |

**Annexure-32**
Para 2.4.39

**Irregular auction of confiscated goods –Rs. 30.93 million**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4595 | MCC Multan | 1.27 |
| 2. | 4596 | MCC Multan | 0.15 |
| 3. | 4598 | MCC Multan | 0.35 |
| 4. | 4599 | MCC Multan | 0.27 |
| 5. | 4600 | MCC Multan | - |
| 6. | 4770 | MCC Islamabad | - |
| 7. | 4773 | MCC Islamabad | 1.28 |
| 8. | 4775 | MCC Islamabad | - |
| 9. | 4802 | MCC Sialkot | 0.68 |
| 10. | 5055 | MCC Peshawar | - |
| 11. | 5056 | MCC Peshawar | - |
| 12. | 5294 | MCC Faisalabad | 0.03 |
| 13. | 224-CD/K | MCC Quetta | 0.71 |
| 14. | 226-CD/K | MCC Quetta | 2.38 |
| 15. | 229-CD/K | Directorate of (I&I), Quetta | - |
| 16. | 688-CD/K | MCC Preventive Karachi | 1.13 |
| 17. | 811-CD/K | MCC (Imports) PMBQ Karachi | 16.62 |
| 18. | 812-CD/K | MCC (Imports) PMBQ Karachi | 4.01 |
| 19. | 816-CD/K | MCC (Imports) PMBQ Karachi | 1.54 |
| 20. | 817-CD/K | MCC (Imports) PMBQ Karachi | - |
| 21. | 818-CD/K | MCC (Imports) PMBQ Karachi | 0.24 |
| 22. | 819-CD/K | MCC (Imports) PMBQ Karachi | - |
| 23. | 1011-CD/K | MCC Appraisement (West) Karachi | 0.27 |
| **Total** | | | **30.93** |

**Annexure-33**
Para 2.4.40

**Loss of revenue due to under invoicing and mis-declaration
Rs. 37.74 million**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4262 | MCC Appraisement Lahore | - |
| 2. | 4282 | MCC Preventive Lahore | 0.75 |
| 3. | 4306 | MCC Appraisement Lahore | 1.21 |
| 4. | 4490 | MCC Preventive, Lahore | 0.80 |
| 5. | 4503 | MCC Preventive, Lahore | - |
| 6. | 4572 | MCC Multan | 1.85 |
| 7. | 4634 | MCC Gilgit | 33.12 |
| **Total** | | | **37.74** |

**Annexure-34**
Para 2.4.41

**Non imposition of penalty due to late filing of GDs –Rs. 61.77 million**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4269 | MCC Preventive Lahore | 10.14 |
| 2. | 4336 | MCC Appraisement Lahore | 49.19 |
| 3. | 4557 | MCC Multan | 0.45 |
| 4. | 4573 | MCC Multan | 1.38 |
| 5. | 5230 | MCC Faisalabad | 0.61 |
| **Total** | | | **61.77** |

**Annexure-35**
Para 2.4.42

**Loss of revenue due to non-imposition of fine and penalty
Rs.89.49 million**

(Rs in million)

| S.No. | DP No | Name of Office | Amount |
|---|---|---|---|
| 1. | 4591 | MCC Multan | 0.09 |
| 2. | 4784 | MCC Sialkot | 1.77 |
| 3. | 5216 | MCC Faisalabad | 57.54 |
| 4. | 5217 | MCC Faisalabad | 1.50 |
| 5. | 26-CD/K | MCC Quetta | 1.25 |
| 6. | 33-CD/K | MCC Quetta | 2.28 |
| 7. | 72-CD/K | MCC Quetta | 0.74 |
| 8. | 95-CD/K | MCC Quetta | 0.96 |
| 9. | 144-CD/K | MCC Quetta | 0.56 |
| 10. | 186-CD/K | MCC Quetta | 0.16 |
| 11. | 188-CD/K | MCC Quetta | 0.16 |
| 12. | 189-CD/K | MCC Quetta | 0.17 |
| 13. | 763-CD/K | MCC Preventive Karachi | 6.32 |
| 14. | 771-CD/K | MCC Appraisement (East) Karachi | 4.53 |
| 15. | 779-CD/K | MCC Appraisement (East) Karachi | 4.16 |
| 16. | 792-CD/K | MCC Appraisement (East) Karachi | 0.50 |
| 17. | 985-CD/K | MCC Appraisement (West) Karachi | 6.70 |
| 18. | 1045-CD/K | DG Pakistan Coast Guards Karachi | 0.10 |
| **Total** | | | **89.49** |

**Annexure-36**

Para 2.4.44

**Blockage of revenue due to non-clearance of unclaimed Import General Manifests – Rs. 8.87 million**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4259 | MCC Appraisement Lahore | 5.06 |
| 2. | 4295 | MCC Preventive Lahore | - |
| 3. | 4580 | MCC Multan | - |
| 4. | 4730 | MCC Islamabad | 3.60 |
| 5. | 4796 | MCC Sialkot | 0.10 |
| 6. | 5122 | MCC Appraisement Lahore | - |
| 7. | 5133 | MCC Appraisement Lahore | 0.11 |
| **Total** | | | **8.87** |

**Annexure-37**
Para 2.4.45

**Non-deposit of Valuables and Foreign Currency in NBP/SBP**
**Rs. 24.04 million**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4513 | MCC Preventive, Lahore | - |
| 2. | 4514 | MCC Preventive, Lahore | - |
| 3. | 5234 | MCC Faisalabad | 0.73 |
| 4. | 5295 | MCC Faisalabad | 0.06 |
| 5. | 685-CD/K | MCC Preventive Karachi | 3.11 |
| 6. | 687-CD/K | MCC Preventive Karachi | 20.14 |
| **Total** | | | **24.04** |

**Annexure-38**
Para 2.4.46

**Non-deduction of Export Development Surcharge and WHT on exports - Rs.3.96 million**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4612 | MCC Multan | 0.07 |
| 2. | 4613 | MCC Multan | 0.02 |
| 3. | 609-CD/K | MCC Quetta | 0.26 |
| 4. | 610-CD/K | MCC Quetta | 0.69 |
| 5. | 611-CD/K | MCC Quetta | 0.92 |
| 6. | 612-CD/K | MCC Quetta | 2.00 |
| **Total** | | | **3.96** |

**Annexure-39**
Para 2.4.47

**Irregular expenditure on POL and repair of vehicles**
**Rs 93.86 million**

(Rs in million)

| S. No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1 | 4337-Exp | MCC Peshawar | 1.59 |
| 2 | 4344-Exp | MCC Peshawar | - |
| 3 | 4547-Exp | MCC Multan | 0.06 |
| 4 | 4638-Exp | DG IPR Islamabad | - |
| 5 | 4645-Exp | DG PCA Islamabad | 2.07 |
| 6 | 4654-Exp | DG Internal Audit Islamabad | 1.85 |
| 7 | 4664-Exp | Collector Adjudication Islamabad | 1.50 |
| 8 | 4674-Exp | Directorate of Training & Research Islamabad | 1.00 |
| 9 | 4689-Exp | Collector MCC Islamabad | - |
| 10 | 4840-Exp | MCC, Preventive, Lahore | 1.02 |
| 11 | 4869-Exp | MCC, Preventive, Lahore | 0.20 |
| 12 | 4872-Exp | Collector Adjudication, Lahore | 0.43 |
| 13 | 4878-Exp | Collector Appeals, Lahore | 0.87 |
| 14 | 4917-Exp | MCC, Appraisement, Lahore | 0.29 |
| 15 | 4930-Exp | Directorate of Training, Lahore | 1.15 |
| 16 | 4939-Exp | Directorate of Internal Audit, Lahore | 2.64 |
| 17 | 5325-Exp | Collector (Adjudication) MCC, Faisalabad | 0.33 |
| 18 | 5345-Exp | MCC, Faisalabad | - |

| | | | |
|---|---|---|---|
| 19 | 5349-Exp | MCC, Faisalabad | 1.36 |
| 20 | 5350-Exp | MCC, Faisalabad | 0.31 |
| 21 | 5371-Exp | DD, I&I, Lahore | 7.37 |
| 22 | 5385-Exp | I&I, Peshawar | 2.27 |
| 23 | 5387-Exp | I&I, Peshawar | 0.18 |
| 24 | 5394-Exp | I&I, Faisalabad | 1.65 |
| 25 | 5401-Exp | I&I, Rawalpindi | 3.20 |
| 26 | 5407-Exp | DG, I&I, Islamabad | 8.20 |
| 27 | 102-Exp/K | MCC (Exports) PMBQ Karachi | 1.90 |
| 28 | 106-Exp/K | MCC, Appraisement (West), Karachi | - |
| 29 | 108-Exp/K | MCC, Appraisement (West), Karachi | - |
| 30 | 109-Exp/K | MCC, Appraisement (West), Karachi | - |
| 31 | 114-Exp/K | MCC, Appraisement (West), Karachi | - |
| 32 | 116-Exp/K | MCC, Appraisement (West), Karachi | - |
| 33 | 124-Exp/K | MCC, Appraisement (West), Karachi | 0.13 |
| 34 | 127-Exp/K | MCC, Appraisement (West), Karachi | 0.43 |
| 35 | 136-Exp/K | MCC, Appraisement (West), Karachi | 2.76 |
| 36 | 138-Exp/K | MCC, Appraisement (West), Karachi | 5.40 |
| 37 | 144-Exp/K | Directorate of Transit Trade Quetta | 0.63 |
| 38 | 154-Exp/K | MCC Quetta | 6.83 |
| 39 | 159-Exp/K | MCC Quetta | 0.83 |
| 40 | 244-Exp/K | Director I&I (Customs Anti Smuggling) Karachi | 0.07 |
| 41 | 249-Exp/K | Director I&I (Customs Anti Smuggling) Karachi | 0.95 |
| 42 | 256-Exp/K | Director I&I (Customs Enforcement) Karachi | 0.11 |

| | | | |
|---|---|---|---|
| 43 | 257-Exp/K | Director I&I (Customs Enforcement) Karachi | - |
| 44 | 321-Exp/K | MCC Hyderabad | 0.01 |
| 45 | 324-Exp/K | MCC Hyderabad | 0.02 |
| 46 | 328-Exp/K | Directorate General of Customs Valuation Karachi | 2.40 |
| 47 | 329-Exp/K | Directorate General of Customs Valuation Karachi | - |
| 48 | 330-Exp/K | Directorate General of Customs Valuation Karachi | 0.04 |
| 49 | 349-Exp/K | MCC Preventive Karachi | 17.72 |
| 50 | 350-Exp/K | MCC Preventive Karachi | - |
| 51 | 358-Exp/K | MCC Appraisement (East) Karachi | - |
| 52 | 44-Exp/K | Directorate of (I&I), Quetta | 2.09 |
| 53 | 45-Exp/K | Directorate of (I&I), Quetta | 2.09 |
| 54 | 4-Exp/K | Directorate of (I&I), Quetta | 0.40 |
| 55 | 51-Exp/K | Collector (Adjudication) Quetta | 0.02 |
| 56 | 56-Exp/K | MCC Quetta | 7.17 |
| 57 | 61-Exp/K | Collector (Adjudication) Quetta | 0.80 |
| 58 | 64-Exp/K | Collector (Adjudication) Quetta | 0.19 |
| 59 | 66-Exp/K | Collector (Adjudication) Quetta | 0.11 |
| 60 | 76-Exp/K | Directorate of Transit Trade Quetta | 0.68 |
| 61 | 78-Exp/K | Directorate of Transit Trade Quetta | 0.30 |
| 62 | 7-Exp/K | Directorate of (I&I), Quetta | 0.24 |
| **Total** | | | **93.86** |

**Annexure-40**
Para 2.4.48

**Irregular expenditure on pay & allowances due to overstaffing**
**Rs 77.24 million**

(Rs in million)

| S. No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1 | 4656-Exp | DG Internal Audit Islamabad | 1.53 |
| 2 | 4670-Exp | Collector Adjudication Islamabad | - |
| 3 | 4683-Exp | Collector MCC Islamabad | 2.43 |
| 4 | 4837-Exp | MCC, Preventive, Lahore | 55.04 |
| 5 | 4841-Exp | MCC, Preventive, Lahore | 8.65 |
| 6 | 5372-Exp | DDD, I&I, Lahore | 9.26 |
| 7 | 167-Exp/K | MCC Quetta | - |
| 8 | 168-Exp/K | MCC Quetta | - |
| 9 | 5-Exp/K | Directorate of (I&I), Quetta | 0.33 |
| **Total** | | | **77.24** |

**Annexure-41**
Para 2.4.49

## Suspected embezzlement – Rs. 2.08 million

(Rs in million)

| S. No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1 | 4839-Exp | MCC, Preventive, Lahore | 0.70 |
| 2 | 4850-Exp | MCC, Preventive, Lahore | 0.22 |
| 3 | 4861-Exp | MCC, Preventive, Lahore | 0.07 |
| 4 | 4910-Exp | MCC, Appraisement, Lahore | 0.97 |
| 5 | 117-Exp/K | MCC, Appraisement (West), Karachi | 0.03 |
| 6 | 47-Exp/K | Collector (Adjudication) Quetta | 0.04 |
| 7 | 87-Exp/K | Directorate of Transit Trade Quetta | 0.05 |
| **Total** | | | **2.08** |

**Annexure-42**
Para 2.4.51

**Misclassification of expenditure –Rs. 16.98 million**

(Rs in million)

| S. No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1 | 4836-Exp | MCC, Preventive | 0.28 |
| 2 | 4865-Exp | MCC, Preventive | 0.03 |
| 3 | 4885-Exp | Collector Appeals | 0.02 |
| 4 | 4900-Exp | Directorate of PCA | 0.03 |
| 5 | 4903-Exp | Directorate of PCA | 0.01 |
| 6 | 4927-Exp | MCC, Appraisement | 0.03 |
| 7 | 5341-Exp | , MCC, Faisalabad | 0.15 |
| 8 | 12-Exp/K | Directorate of (I&I), Quetta | 0.03 |
| 9 | 143-Exp/K | Directorate of Transit Trade Quetta | 0.05 |
| 10 | 150-Exp/K | Directorate of Transit Trade Quetta | 0.05 |
| 11 | 250-Exp/K | Director I&I (Customs Anti Smuggling) Karachi | 0.090 |
| 12 | 331-Exp/K | DOO Directorate General of Customs Valuation Karachi | 0.09 |
| 13 | 354-Exp/K | MCC Preventive Karachi | 15.92 |
| 14 | 9-Exp/K | Directorate of (I&I), Quetta | 0.18 |
| **Total** | | | **16.98** |

**Annexure-43**
Para 2.4.53

### Inadmissible grant of cash reward for routine duties –Rs. 15.57 million

(Rs in million)

| S. No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1 | 4346-Exp | MCC Peshawar | 4.95 |
| 2 | 4646-Exp | DG PCA Islamabad | 1.57 |
| 3 | 4665-Exp | Collector Adjudication Islamabad | 0.29 |
| 4 | 4677-Exp | Collector MCC Islamabad | 2.29 |
| 5 | 4871-Exp | Collector Adjudication, Lahore | 0.63 |
| 6 | 4879-Exp | Collector Appeals, Lahore | 0.45 |
| 7 | 4886-Exp | Directorate of PCA, Lahore | 1.68 |
| 8 | 4909-Exp | MCC, Appraisement, Lahore | 1.26 |
| 9 | 4940-Exp | Directorate of Internal Audit, Lahore | 1.60 |
| 10 | 5375-Exp | DDD, I&I, Lahore | 0.10 |
| 11 | 5377-Exp | DDD, I&I, Lahore | 0.04 |
| 12 | 115-Exp/K | MCC, Appraisement (West), Karachi | - |
| 13 | 131-Exp/K | MCC, Appraisement (West), Karachi | 0.71 |
| **Total** | | | **15.57** |

**Annexure-44**
Para 2.4.54

**Irregular payment through cash instead of crossed cheques**
**Rs. 80.44 million**

(Rs in million)

| S. No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1 | 4364-Exp | Transit Trade MCC Peshawar | 1.05 |
| 2 | 137-Exp/K | MCC, Appraisement (West), Karachi | 5.01 |
| 3 | 24-Exp/K | MCC Quetta | 65.39 |
| 4 | 43-Exp/K | Directorate of (I&I), Quetta | 6.40 |
| 5 | 58-Exp/K | Collector (Adjudication) Quetta | 2.01 |
| 6 | 77-Exp/K | Directorate of Transit Trade Quetta | 0.58 |
| **Total** | | | **80.44** |

**<u>Annexure-45</u>**
Para 2.4.55

**Irregular expenditure due to splitting of purchases – Rs. 19.84 million**

(Rs in million)

| S. No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1 | 4658-Exp | DG Internal Audit Islamabad | 0.15 |
| 2 | 4880-Exp | Collector Appeals Lahore | 0.30 |
| 3 | 129-Exp/K | MCC, Appraisement (West), Karachi | 0.70 |
| 4 | 134-Exp/K | MCC, Appraisement (West), Karachi | 1.50 |
| 5 | 141-Exp/K | MCC, Appraisement (West), Karachi | 10.98 |
| 6 | 241-Exp/K | Director I&I (Customs Anti Smuggling) Karachi | 0.18 |
| 7 | 242-Exp/K | Director I&I (Customs Anti Smuggling) Karachi | 0.12 |
| 8 | 243-Exp/K | Director I&I (Customs Anti Smuggling) Karachi | 0.12 |
| 9 | 341-Exp/K | Directorate General of Customs Valuation Karachi | 0.15 |
| 10 | 342-Exp/K | Directorate General of Customs Valuation Karachi | 0.22 |
| 11 | 351-Exp/K | MCC Preventive Karachi | 0.60 |
| 12 | 359-Exp/K | MCC Appraisement (East) Karachi | 0.70 |
| 13 | 60-Exp/K | Collector (Adjudication) Quetta | 0.85 |
| 14 | 73-Exp/K | Directorate of Transit Trade Quetta | 3.07 |
| 15 | 81-Exp/K | Directorate of Transit Trade Quetta | 0.20 |
| **Total** | | | **19.84** |

**Annexure-46**
Para 2.4.56

**Unjustified expenditure on account of stores/stocks due to non-maintenance of stock register – Rs. 8.62 million**

(Rs in million)

| S. No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1 | 5406-Exp | I&I, Rawalpindi | - |
| 2 | 5414-Exp | I&I, Islamabad | - |
| 3 | 110-Exp/K | MCC, Appraisement (West), Karachi | - |
| 4 | 135-Exp/K | MCC, Appraisement (West), Karachi | 2.28 |
| 5 | 146-Exp/K | Directorate of Transit Trade Quetta | 0.35 |
| 6 | 147-Exp/K | Directorate of Transit Trade Quetta | 0.44 |
| 7 | 148-Exp/K | Directorate of Transit Trade Quetta | 0.35 |
| 8 | 149-Exp/K | Directorate of Transit Trade Quetta | 0.50 |
| 9 | 155-Exp/K | MCC Quetta | 1.65 |
| 10 | 158-Exp/K | MCC Quetta | 0.93 |
| 11 | 163-Exp/K | MCC Quetta | 0.30 |
| 12 | 253-Exp/K | Director I&I (Customs Anti Smuggling) Karachi | - |
| 13 | 254-Exp/K | Director I&I (Customs Anti Smuggling) Karachi | - |
| 14 | 255-Exp/K | Director I&I (Customs Anti Smuggling) Karachi | - |
| 15 | 31-Exp/K | MCC Quetta | 1.40 |
| 16 | 327-Exp/K | MCC Hyderabad | - |
| 17 | 344-Exp/K | Directorate General of Customs Valuation Karachi | - |
| 18 | 345-Exp/K | Directorate General of Customs Valuation Karachi | - |
| 19 | 346-Exp/K | Directorate General of Customs Valuation Karachi | - |
| 20 | 355-Exp/K | MCC Preventive Karachi | - |
| 21 | 52-Exp/K | Collector (Adjudication) Quetta | - |
| 22 | 54-Exp/K | Collector (Adjudication) Quetta | - |
| 23 | 62-Exp/K | Collector (Adjudication) Quetta | 0.42 |

| | | | |
|---|---|---|---|
| 24 | 92-Exp/K | Directorate of Transit Trade Quetta | - |
| 25 | 93-Exp/K | Directorate of Transit Trade Quetta | - |
| 26 | 94-Exp/K | Directorate of Transit Trade Quetta | - |
| 27 | 95-Exp/K | Customs MCC (Exports) PMBQ Karachi | - |
| **Total** | | | **8.62** |

**Annexure-47**
Para 2.4.57

**Inadmissible/excess expenditure on pay and allowances**
**Rs.8.44 million**

(Rs in million)

| S. No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1 | 4338-Exp | MCC Peshawar | 0.21 |
| 2 | 4355-Exp | MCC Peshawar | 0.19 |
| 3 | 4619-Exp | MCC Gilgit | 0.26 |
| 4 | 4647-Exp | DG PCA Islamabad | 0.46 |
| 5 | 4660-Exp | DG Internal Audit Islamabad | 0.11 |
| 6 | 4672-Exp | Directorate of Training & Research Islamabad | 0.10 |
| 7 | 4680-Exp | Collector MCC Islamabad | 0.05 |
| 8 | 4682-Exp | Collector MCC Islamabad | 0.13 |
| 9 | 4687-Exp | Collector MCC Islamabad | 0.03 |
| 10 | 4692-Exp | Collector MCC Islamabad | 0.03 |
| 11 | 4826-Exp | MCC Sialkot | 0.07 |
| 12 | 4829-Exp | MCC Sialkot | 0.03 |
| 13 | 4862-Exp | MCC, Preventive, Lahore | 0.07 |
| 14 | 4876-Exp | Collector Adjudication, Lahore | 1.46 |
| 15 | 4881-Exp | Collector Appeals, Lahore | 0.12 |
| 16 | 4887-Exp | Directorate of PCA, Lahore | 0.38 |
| 17 | 4892-Exp | Directorate of PCA, Lahore | 0.10 |
| 18 | 4894-Exp | Directorate of PCA, Lahore | 0.08 |
| 19 | 4918-Exp | MCC, Appraisement, Lahore | 0.31 |
| 20 | 4919-Exp | MCC, Appraisement, Lahore | 0.24 |
| 21 | 4920-Exp | MCC, Appraisement, Lahore | 0.21 |
| 22 | 4926-Exp | MCC, Appraisement, Lahore | 0.03 |
| 23 | 4928-Exp | MCC, Appraisement, Lahore | 0.03 |
| 24 | 4853-Exp | MCC, Preventive, Lahore | 0.15 |
| 25 | 4857-Exp | MCC, Preventive, Lahore | 0.09 |

| | | | |
|---|---|---|---|
| 26 | 4863-Exp | MCC, Preventive, Lahore | 0.06 |
| 27 | 5389-Exp | I&I, Peshawar | - |
| 28 | 5373-Exp | DD, I&I, Lahore | 0.36 |
| 29 | 5396-Exp | I&I, Faisalabad | 0.21 |
| 30 | 5398-Exp | I&I, Faisalabad | - |
| 31 | 5413-Exp | DG, I&I, Islamabad | - |
| 32 | 5409-Exp | DG, I&I, Islamabad | 0.24 |
| 33 | 133-Exp/K | MCC, Appraisement (West), Karachi | 1.03 |
| 34 | 317-Exp/K | MCC Hyderabad | 0.01 |
| 35 | 347-Exp/K | MCC Preventive Karachi | 0.12 |
| 36 | 356-Exp/K | MCC Preventive Karachi | 0.22 |
| 37 | 357-Exp/K | MCC Appraisement (East) Karachi | 1.25 |
| 38 | 41-Exp/K | MCC Quetta | - |
| 39 | 98-Exp/K | MCC (Exports) PMBQ Karachi | 0.01 |
| **Total** | | | **8.44** |

**Annexure-48**
Para 2.4.58

**Inadmissible payment of house rent allowance/house requisition and non-deduction of nominal rent – Rs. 5.83 million**

(Rs in million)

| S. No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1 | 4545-Exp | MCC Multan | 0.29 |
| 2 | 4659-Exp | DG Internal Audit Islamabad | 0.15 |
| 3 | 4685-Exp | Collector MCC Islamabad | 0.30 |
| 4 | 4822-Exp | MCC Sialkot | 0.22 |
| 5 | 4825-Exp | MCC Sialkot | 0.10 |
| 6 | 4838-Exp | MCC, Preventive, Lahore | 1.10 |
| 7 | 4855-Exp | MCC, Preventive, Lahore | 0.12 |
| 8 | 4884-Exp | Collector Appeals, Lahore | 0.04 |
| 9 | 4895-Exp | Directorate of PCA, Lahore | 0.08 |
| 10 | 4897-Exp | Directorate of PCA, Lahore | 0.05 |
| 11 | 4914-Exp | MCC, Appraisement, Lahore | 0.54 |
| 12 | 4929-Exp | MCC, Appraisement, Lahore | 0.02 |
| 13 | 4946-Exp | Directorate of Internal Audit, Lahore | 0.14 |
| 14 | 5397-Exp | I&I, Faisalabad | 0.16 |
| 15 | 103-Exp/K | MCC (Exports) PMBQ Karachi | 1.99 |
| 16 | 125-Exp/K | MCC, Appraisement (West), Karachi | 0.34 |
| 17 | 165-Exp/K | MCC Quetta | 0.10 |
| 18 | 318-Exp/K | MCC Hyderabad | 0.06 |
| 19 | 99-Exp/K | MCC (Exports) PMBQ Karachi | 0.02 |
| **Total** | | | **5.83** |

**Annexure-49**
Para 2.4.59

**Irregular expenditure due to non-carrying out of printing from government press – Rs. 2.19 million**

(Rs in million)

| S. No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1 | 5351-Exp | MCC, Faisalabad | 0.60 |
| 2 | 10-Exp/K | Directorate of (I&I), Quetta | 0.10 |
| 3 | 130-Exp/K | MCC, Appraisement (West), Karachi | 0.70 |
| 4 | 164-Exp/K | MCC Quetta | 0.30 |
| 5 | 245-Exp/K | Director I&I (Customs Anti Smuggling) Karachi | 0.05 |
| 6 | 322-Exp/K | MCC Hyderabad | 0.30 |
| 7 | 48-Exp/K | Collector (Adjudication) Quetta | 0.04 |
| 8 | 67-Exp/K | Collector (Adjudication) Quetta | 0.10 |
| | | **Total** | **2.19** |

**Annexure-50**
Para 2.4.60

**Non/Short-deduction of Benevolent Fund & Group Insurance – Rs. 2.38 million**

(Rs in million)

| S. No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1 | 4669-Exp | Collector Adjudication  Islamabad | 0.01 |
| 2 | 4823-Exp | MCC Sialkot | 0.20 |
| 3 | 4824-Exp | MCC Sialkot | 0.17 |
| 4 | 4833-Exp | MCC, Preventive, Lahore | 1.07 |
| 5 | 4834-Exp | MCC, Preventive, Lahore | 0.56 |
| 6 | 4875-Exp | Collector Adjudication, Lahore | 0.01 |
| 7 | 4896-Exp | Directorate of PCA, Lahore | 0.05 |
| 8 | 4921-Exp | MCC, Appraisement, Lahore | 0.20 |
| 9 | 316-Exp/K | MCC Hyderabad | 0.11 |
| **Total** | | | **2.38** |

**Annexure-51**
Para 2.4.61

**Excess payment of Law Charges due to non-consolidation of identical cases – Rs. 1.22 million**

(Rs in million)

| S. No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1 | 4538-Exp | MCC Multan | 0.23 |
| 2 | 4539-Exp | MCC Multan | 0.06 |
| 3 | 4622-Exp | MCC Gilgit | 0.03 |
| 4 | 5334-Exp | MCC, Faisalabad | 0.09 |
| 5 | 5337-Exp | MCC, Faisalabad | 0.01 |
| 6 | 160-Exp/K | MCC Quetta | 0.75 |
| 7 | 46-Exp/K | Collector (Adjudication) Quetta | 0.05 |
| **Total** | | | **1.22** |

**Annexure-52**
Para 2.4.62

## Non/short-deduction of withholding tax – Rs. 6.33 million

(Rs in million)

| S. No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1 | 4348-Exp | MCC Peshawar | 0.06 |
| 2 | 4350-Exp | MCC Peshawar | 0.123 |
| 3 | 4351-Exp | MCC Peshawar | 0.45 |
| 4 | 4540-Exp | MCC Multan | 0.08 |
| 5 | 4616-Exp | MCC Gilgit | 0.10 |
| 6 | 4617-Exp | MCC Gilgit | 0.02 |
| 7 | 4621-Exp | MCC Gilgit | 0.02 |
| 8 | 4828-Exp | MCC Sialkot | 0.04 |
| 9 | 4835-Exp | MCC, Preventive, Lahore | 0.40 |
| 10 | 4873-Exp | Collector Adjudication, Lahore | 0.05 |
| 11 | 4874-Exp | Collector Adjudication, Lahore | 0.01 |
| 12 | 4882-Exp | Collector Appeals, Lahore | 0.05 |
| 13 | 4883-Exp | Collector Appeals, Lahore | 0.04 |
| 14 | 4891-Exp | Directorate of PCA, Lahore | 0.16 |
| 15 | 4898-Exp | Directorate of PCA, Lahore | 0.07 |
| 16 | 4902-Exp | Directorate of PCA, Lahore | 0.02 |
| 17 | 4904-Exp | Directorate of PCA, Lahore | 0.01 |
| 18 | 4905-Exp | Directorate of PCA, Lahore | 0.01 |
| 19 | 4911-Exp | MCC, Appraisement, Lahore | 0.81 |
| 20 | 4916-Exp | MCC, Appraisement, Lahore | 0.29 |
| 21 | 4922-Exp | MCC, Appraisement, Lahore | 0.19 |
| 22 | 4936-Exp | Directorate of Training, Lahore | 0.06 |
| 23 | 4937-Exp | Directorate of Training, Lahore | 0.06 |
| 24 | 4945-Exp | Directorate of Internal Audit, Lahore | 0.22 |
| 25 | 4948-Exp | Directorate of Internal Audit, Lahore | 0.08 |
| 26 | 11-Exp/K | Directorate of (I&I), Quetta | 0.04 |

| | | | |
|---|---|---|---|
| 27 | 34-Exp/K | MCC Quetta | 0.19 |
| 28 | 353-Exp/K | MCC Preventive Karachi | 1.57 |
| 29 | 69-Exp/K | Collector (Adjudication) Quetta | 0.08 |
| 30 | 71-Exp/K | Collector (Adjudication) Quetta | 0.05 |
| 31 | 89-Exp/K | Directorate of Transit Trade Quetta | 0.02 |
| 32 | 4541-Exp | MCC Multan | 0.04 |
| 33 | 4618-Exp | MCC Gilgit | 0.07 |
| 34 | 118-Exp/K | MCC, Appraisement (West), Karachi | 0.04 |
| 35 | 132-Exp/K | MCC, Appraisement (West), Karachi | 0.74 |
| 36 | 50-Exp/K | Collector (Adjudication) Quetta | 0.02 |
| 37 | 90-Exp/K | Directorate of Transit Trade Quetta | 0.01 |
| | | **Total** | **6.33** |

**Annexure-53**
Para 2.4.65

**Inadmissible payment of Rent of Residential Building –Rs. 16.97 million**

(Rs in million)

| S. No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1 | 4639-Exp | DG IPR Islamabad | 0.38 |
| 2 | 4678-Exp | Collector MCC Islamabad | 0.30 |
| 3 | 4844-Exp | MCC, Preventive, Lahore | 0.38 |
| 4 | 4845-Exp | MCC, Preventive, Lahore | 0.30 |
| 5 | 4847-Exp | MCC, Preventive, Lahore | 0.23 |
| 6 | 4848-Exp | MCC, Preventive, Lahore | 0.23 |
| 7 | 4851-Exp | MCC, Preventive, Lahore | 0.20 |
| 8 | 4852-Exp | MCC, Preventive, Lahore | 0.20 |
| 9 | 4854-Exp | MCC, Preventive, Lahore | 0.12 |
| 10 | 4856-Exp | MCC, Preventive, Lahore | 0.11 |
| 11 | 4858-Exp | MCC, Preventive, Lahore | 0.08 |
| 12 | 4859-Exp | MCC, Preventive, Lahore | 0.07 |
| 13 | 4866-Exp | MCC, Preventive, Lahore | 0.03 |
| 14 | 4867-Exp | MCC, Preventive, Lahore | 0.01 |
| 15 | 4868-Exp | MCC, Preventive, Lahore | 0.45 |
| 16 | 4870-Exp | MCC, Preventive, Lahore | 0.08 |
| 17 | 4877-Exp | Collector Appeals, Lahore | 1.01 |
| 18 | 4888-Exp | Directorate of PCA, Lahore | 0.76 |
| 19 | 4890-Exp | Directorate of PCA, Lahore | 0.16 |
| 20 | 4893-Exp | Directorate of PCA, Lahore | 2.32 |
| 21 | 4908-Exp | MCC, Appraisement, Lahore | 5.71 |
| 22 | 4913-Exp | MCC, Appraisement, Lahore | 0.68 |
| 23 | 4915-Exp | MCC, Appraisement, Lahore | 0.50 |
| 24 | 4924-Exp | MCC, Appraisement, Lahore | 0.12 |
| 25 | 4925-Exp | MCC, Appraisement, Lahore | 0.07 |
| 26 | 4933-Exp | Directorate of Training, Lahore | 0.40 |

| | | | |
|---|---|---|---|
| 27 | 4935-Exp | Directorate of Training, Lahore | 0.24 |
| 28 | 4941-Exp | Directorate of Internal Audit, Lahore | 0.94 |
| 29 | 4943-Exp | Directorate of Internal Audit, Lahore | 0.55 |
| 30 | 4947-Exp | Directorate of Internal Audit, Lahore | 0.12 |
| 31 | 4950-Exp | Directorate of Internal Audit, Lahore | 0.06 |
| 32 | 5410-Exp | DG, I&I, Islamabad | 0.14 |
| **Total** | | | **16.97** |

**Annexure-54**
Para 2.4.66

## Irregular payment of travelling allowance –Rs. 1.19 million

(Rs in million)

| S. No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1 | 4349-Exp | MCC Peshawar | 0.11 |
| 2 | 4620-Exp | MCC Gilgit | 0.03 |
| 3 | 4666-Exp | Collector Adjudication  Islamabad | 0.09 |
| 4 | 4906-Exp | Directorate of PCA, Lahore | 0.01 |
| 5 | 5392-Exp | I&I, Peshawar | 0.03 |
| 6 | 101-Exp/K | MCC (Exports) PMBQ Karachi | 0.05 |
| 7 | 126-Exp/K | MCC, Appraisement (West), Karachi | 0.35 |
| 8 | 128-Exp/K | MCC, Appraisement (West), Karachi | 0.51 |
| **Total** | | | **1.19** |

**Annexure-55**
Para 2.4.69

**Unjustified/Irregular expenditure under different heads-Rs. 2.11 million**

(Rs in million)

| S. No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1 | 4624-Exp | MCC Gilgit | 0.10 |
| 2 | 4827-Exp | MCC Sialkot | 0.05 |
| 3 | 4846-Exp | MCC, Preventive, Lahore | 0.14 |
| 4 | 4849-Exp | MCC, Preventive, Lahore | 0.22 |
| 5 | 107-Exp/K | MCC, Appraisement (West), Karachi | 0.06 |
| 6 | 120-Exp/K | MCC, Appraisement (West), Karachi | 0.10 |
| 7 | 121-Exp/K | MCC, Appraisement (West), Karachi | 0.10 |
| 8 | 123-Exp/K | MCC, Appraisement (West), Karachi | 0.10 |
| 9 | 162-Exp/K | MCC Quetta | 0.34 |
| 10 | 247-Exp/K | Director I&I (Customs Anti-Smuggling) Karachi | 0.01 |
| 11 | 320-Exp/K | MCC Hyderabad | 0.11 |
| 12 | 325-Exp/K | MCC Hyderabad | 0.14 |
| 13 | 32-Exp/K | MCC Quetta | 0.21 |
| 14 | 348-Exp/K | MCC Preventive Karachi | 0.04 |
| 15 | 65-Exp/K | Collector (Adjudication) Quetta | 0.15 |
| 16 | 68-Exp/K | Collector (Adjudication) Quetta | 0.10 |
| 17 | 70-Exp/K | Collector (Adjudication) Quetta | 0.08 |
| 18 | 83-Exp/K | Directorate of Transit Trade Quetta | 0.10 |
| 19 | 86-Exp/K | Directorate of Transit Trade Quetta | 0.05 |
| **Total** | | | **2.11** |

**Annexure-56**
Para 2.4.76

**Non-compliance of rules and regulations showing weaknesses of internal control**

(Rs in million)

| S.No. | DP No. | Name of Office | Amount |
|---|---|---|---|
| 1. | 4603 | MCC Multan | - |
| 2. | 4760 | MCC Islamabad | - |
| 3. | 5068 | MCC Peshawar | - |
| 4. | 5199 | MCC Appraisement Lahore | - |
| 5. | 5200 | MCC Appraisement Lahore | - |
| 6. | 5266 | MCC Faisalabad | - |
| 7. | 15-CD/K | MCC Quetta | - |
| 8. | 117-CD/K | MCC Quetta | - |
| 9. | 148-CD/K | MCC Quetta | - |
| 10. | 149-CD/K | MCC Quetta | - |
| 11. | 169-CD/K | MCC Quetta | - |
| 12. | 192-CD/K | MCC Quetta | - |
| 13. | 231-CD/K | Directorate of (I&I), Quetta | - |
| 14. | 604-CD/K | MCC Quetta | - |
| 15. | 837-CD/K | MCC (Imports) PMBQ Karachi | - |
| 16. | 919-CD/K | MCC (Imports) PMBQ Karachi | - |
| 17. | 1037-CD/K | MCC Quetta | - |
| 18. | 1038-CD/K | MCC Quetta | - |
| 19. | 4551-Exp | MCC Multan | - |
| 20. | 4626-Exp | MCC Gilgit | - |