Auditor-General of Pakistan

AUDIT REPORT ON

PUNJAB INDUSTRIAL ESTATE DEVELOPMENT AND MANAGEMENT COMPANY (PIEDMC)

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20 October 2026 03:07:16 PM

Report No: DG CA&E (Punjab 25-001)

Financial Years 2023-25
Audit Years 2025-26

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PREFACE

Articles 169 & 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections 8 & 12 of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, require the Auditor-General of Pakistan to conduct audit of receipts and expenditure of the Federation and the Provinces or the accounts of any authority or body established by or under the control of the federal or a Provincial government.

This report is based on audit of ***Punjab Industrial Estate Development and Management Company (PIEDMC)*** for the financial years *2023-25*. The *Directorate General Commercial Audit and Evaluation* conducted audit during Audit Year *2024-25* on a test check basis with a view to make an independent assessment of the entity and provide reliable information to the stakeholder for making sound decision making. The report also aims at improving the internal controls of the entity, thereby allowing the management to take corrective action and improve operational efficiency.

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

The report was shared with the entity as well as the Principal Accounting Officer (PAO) on February 13, 2026, however, DAC meeting was not convened till finalization of this report.

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

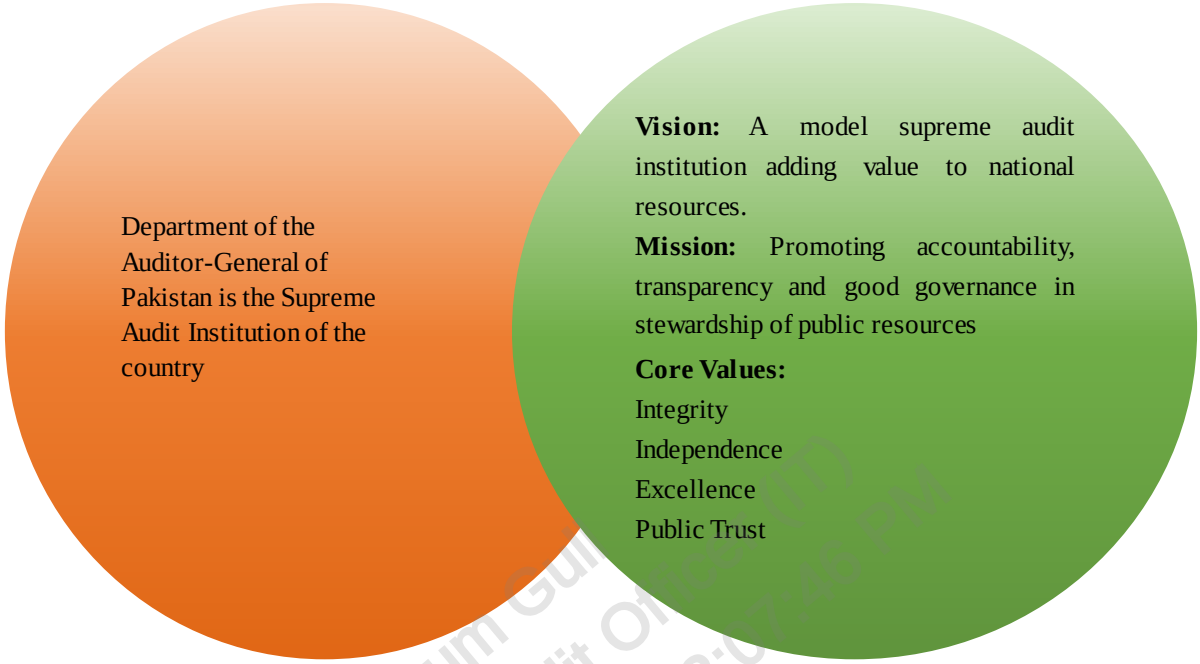
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Islamabad
Dated: *February, 2026*

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



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The Auditor-General's organization is the prime institution in the country for ensuring public accountability and fiscal transparency in governmental operations. The organization is expected to bring about improvements in financial discipline and the internal control environment in the executive departments to minimize the possibility of waste and fraud.

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

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AUDIT SNAPSHOT

Why did we conduct this audit?

The audit was conducted to assess whether PIEDMC is effectively discharging its mandate of developing industrial estates and establishing SEZs in Punjab, and whether public resources—particularly Government of Punjab loans and estate-generated revenues—are being managed with due economy, efficiency, and compliance. The audit examined governance arrangements, financial management, HR practices, procurement, and operational processes, including colonization of industrial estates and implementation of SEZ rules.

What did we find?

- **Only 15%** of the saleable industrial land has been developed and **colonized**. 1,924 acres, valued Rs **56.758 billion, remain vacant**
- Plots measuring 172.81 acres, valued at Rs 3,697.47 million, were **allotted to SEZ enterprises that failed to adhere to construction and operational timelines**
- Concessional loans of **Rs 15.794 billion were not fully utilized** for the intended development activities, raising concerns regarding planning and fund management
- **Recoveries exceeding Rs 2.0 billion** remain outstanding, including Rs 314.302 million in plot receivables, Rs 1,528.94 million in unpaid charges and penalties, and Rs 252.645 million in electricity distribution losses
- **Financial statements** for the years 2023-24 and 2024-25 have **not been audited by independent audit firm**
- Composition of the **BOM was found flawed because of conflict of interest**, as members were themselves industrial users
- Irregularities in the execution of **Amicable Settlement** resulted in a financial **loss of Rs 1.5 billion**
- Deficiencies in HR controls contributed to **irregular appointments and payments.**

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Key Assessments

▧ **FINANCIAL·SUSTAINABILITY** — Critical

FY2025 Net Result: Net loss of Rs. 583.62 million on core plot operations; reliance on investment income from concessional GoP loans.

Debt Burden: Debt-to-Equity reduced from ~3.6 to ~2.5, but high customer advances and loan dependence keep risk elevated.

Public Value / Colonization: Only ~15% of developed industrial land colonized; large inventory of plots and pending SEZ cases limit jobs and output.

⚠ **Risk Signal**: High concentration in slow-moving stock-in-trade and heavy reliance on customer advances expose PIEDMC to refund, demand, and project-completion risk.

What did we Recommend?

- **Formulate and implement a time-bound land utilization plan** and ensure reallocation or cancellation of idle plots
- **Cases of defaulting enterprises may be reviewed immediately** and penalties imposed or allotments cancelled in accordance with applicable rules
- Unutilized loan **funds may be deployed expeditiously** for intended development purposes
- Effective **recovery mechanism should be instituted** to recover outstanding amounts
- Financial statements for 2023-24 and 2024-25 may be **finalized without further delay** to ensure financial transparency and accountability
- The **composition of the Board may be reviewed** and restructured to ensure independence and avoidance of conflicts of interest
- **Amicable settlements** may be processed strictly in **accordance with contractual and legal provisions**, and responsibility may be fixed
- **HR and payroll controls may be strengthened** to prevent irregular financial outflows

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HIGHLIGHTS

ENTITY SUMMARY SHEET —PIEDMC (FY 2024-25 Provisional)

Disclaimer: The financial information presented herein has not been independently verified, as PIEDMC's financial statements have not been audited by an independent Chartered Accountant firm since FYs 2023-24. Accordingly, the figures cited are drawn from the draft financial statements provided by management and are subject to adjustment upon completion of statutory audit.

Description	**Details** *(Figures - Rs in million)*
Legal Framework of Entity	Punjab Industrial Estates Development and Management Company ("the Company") was incorporated in Pakistan on September 18, 2003 as a public company limited by guarantee, licensed as a non-profit organization under Section 42 of the Companies Ordinance, 1984. The Company is owned by the Government of the Punjab
Key Responsibilities / Mandate & Objectives	PIEDMC (Punjab Industrial Estate Development and Management Company) aims to promote industrialization in Punjab by developing modern, fully-equipped industrial estates, creating jobs, attracting investment (local & foreign), and fostering sustainable economic growth through world-class infrastructure, utilities, efficient management (one-window operation), and a focus on ESG principles, digitalization, and supporting youth/women empowerment.
Accounting Policy	IFRS-compliant; prepared under Companies Act 2017 and Public Sector Company (Governance) Rules.
Total Assets (Current / Non-Current)	**Total Assets:** 54,218.27 **Current Assets:** 51,778.57 **Non-Current Assets:** 2,439.69
Total Liabilities (Current / Non-Current)	**Total Liabilities:** 41,614.68 **Current Liabilities:** 34,351.70 **Non-Current Liabilities:** 7,262.98
Income	3,568.73 million
Expenditure	Cost of Sales: 819.42 Operating & Administrative Expenses: 1,876.96
Cash Balances	6,672.59
Total Investments	9,700.00
Funding Sources	Loan from the Government of Punjab
Total Budget for Procurement	2024-25 11,764.11
Total expenditure for Procurement	2024-25 487.845
Was procurement made through e-PADS (Yes or No)	Yes
Status of Financial Statements	Audited upto 2022-23 and Un-Audited FYs 2023-24 and 2024-25
Composite Risk Rating	**B — Moderate** due to: • Weak operational Controls • Reliance on Return on deposit • Weak recovery controls
Compliance Status of Audit Recommendations	**Not received**

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ABBREVIATIONS AND ACRONYMS

BIE	Bhalwal Industrial Estate
BoD	Board of Director
BOI	Board of Investment
BOM	Board of Management
DAC	Departmental Accounts Committee
DAE	Diploma in Associate Engineering
ESG	Environment, Social, and Governance
FY	Financial Year
HR	Human Resource
IFRS	International Financial Reporting Standards
KPI	Key Performance Indicators
MIE	Multan Industrial Estate
MIS	Management Information System
NEPRA	National Electric Power Regulatory Authority
NESPAK	National Engineer Services of Pakistan
NOCs	No Objection Certificates
NUF	Non-Utilization Fee
O&M	Operation and Maintenance
P&D	Planning and Development
PAO	Principal Accounting Officer
PIEDMC	Punjab Industrial Estate Development and Management Company
PPRA	Public Procurement Regulatory Authority
QABP	Quaid-e-Azam Business Park
QIE	Quaid e Azam Industrial Estate
RIE	Rahimyar Khan Industrial Estate
SEZ	Special Economic Zone
SEZA	Special Economic Zone Authority
SIE	Sundar Industrial Estate
TDRs	Term Deposit Receipts
VIE	Vehari Industrial Estate

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1. OVERVIEW OF THE ENTITY

Punjab Industrial Estate Development and Management Company (PIEDMC) was incorporated in Pakistan on September 18, 2003 as a public company limited by guarantee having share capital, licensed as a non-profit organization under section 42 of the Companies Ordinance, 1984 (now Companies Act, 2017). The Company is wholly owned by the Government of Punjab. The principal activity of the Company is to develop new industrial estate together with updating the existing industrial estate as may be assigned to the Company by the Government of Punjab. The Company is currently engaged in managing Quaid e Azam Industrial Estate (QIE) in Lahore and Multan Industrial Estate - Phase I (MIE I) in Multan while it is currently developing, Sundar Industrial Estate (SIE) in Lahore, Multan Industrial Estate - Phase II (MIE II) in Multan, Rahim Yar Khan Industrial Estate in Rahim Yar Khan, Bhalwal Industrial Estate in Bhalwal, Vehari Industrial Estate in Vehari and Quaid-e-Azam Apparel Park in Sheikhupura.

The company organized and established for orderly, planned and rapid industrialization of Punjab, headed by a Chairman from private sector, a Board of Directors and a General Body as per Articles of Association, all to be nominated by Government of the Punjab. To strengthen the internal controls, an audit department is working under the Board through Audit Committee. Pre-Audit and Post audit was conducted and followed by Board and its Audit committee. The company is established to develop infrastructure with the industrial estates and to appoint Board of Management (BOM) of each developed estate.

Operationally, PIEDMC was not working according to its objectives defined in the memorandum of association. Although the industrial estates have been established but its industrialization /colonization is very low due to non-sale of plots to genuine allottees and non-provision of basic facilities i.e. gas, electricity, water etc. The data indicated that on average only 15% industrialization /colonization have been achieved upto June 2025 which is very low. Most of the plots sold were lying vacant or some boundary wall had been constructed without any industry. This trend showed that management worked for sale of plots but not for industrialization.

PIEDMC generates revenue through sale of plots, amounting to PKR 583.621 million in 2025; however, the high cost of sales of Rs. 819.419 million resulted in loss of Rs. 235.798 million. Management meets its operational expenditures through return on deposits. These deposits are loans from the government on nominal rate of interest and earned high rate of interest through deposit it in commercial banks.

PIEDMC has to prepare its financial statements in accordance with the Companies Act, 2017 and International Financial Reporting Standards (IFRS) but they failed to audit the financial statements for the years 2023-24 and 2024-25. Oversight and accountability are exercised through the Board of Directors, internal audit mechanisms, and external audit by the Auditor-General of Pakistan.

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AUDIT FINDINGS

SUMMARY

Audit review revealed significant weaknesses in PIEDMC's governance, financial management, and operational performance exposing public resources to fiscal and reputational risks. The company's control environment and oversight mechanisms require strengthening to ensure effective delivery of its industrialization mandate.

Financial analysis shows deterioration in core operations. Plot sale income has declined, operating and maintenance costs have increased and the company is increasingly reliant on passive investment income rather than development activity. A substantial portion of assets remain tied up in slow-moving inventory, liquidity indicators have weakened and dependence on customer advances has increased creating cash-flow and sustainability risks.

Mandate implementation is below potential. Developed land remains under-colonized, SEZ applications are pending for extended periods and non-performing enterprises are not cancelled in accordance with SEZ Rules.

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Financial discipline is weak. Development and service costs are not fully recovered; receivables and penalties remain outstanding and concessional Government loans are partly placed in bank deposits instead of being fully utilized for development purposes.

Internal controls in HR, procurement and contract management are inadequate. Audit observed policy deviations in appointments and benefits, irregular contract settlements, weak technical supervision and inappropriate use of emergency procurement provisions. Inconsistent enforcement of electricity tariffs, non-recovery of distribution losses and weak estate regulation further undermine operational efficiency.

Overall, these issues reflect systemic governance and control weaknesses. Without focused reforms in oversight, financial management, regulatory enforcement and operational controls, PIEDMC will remain misaligned with its mandate.

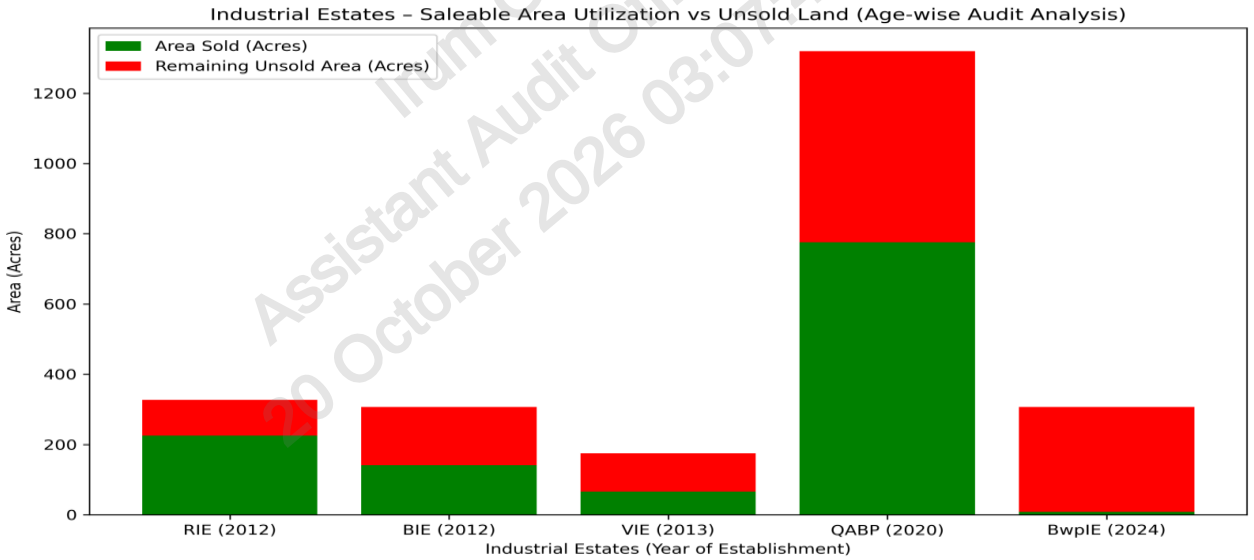
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2. STATED MANDATE, ROLES & RESPONSIBILITIES

The review of PIEDMC's mandate, roles and responsibilities highlights significant gaps between its stated objectives and actual performance. Although the Company was established to promote orderly and rapid industrialization, colonization of industrial estates remains low, with a large proportion of saleable land lying vacant. SEZ-related governance is weak: applications of SEZ enterprises have remained pending for years, plots held by non-performing enterprises have not been cancelled, and SEZ timelines and conditions have not been enforced.

2.1 Low Colonization Status of Industrial Estates

As per the terms and conditions of the Provisional Allotment Letters and the provisions of the SEZ Act, 2012, allottees are required to commence construction within six months of allotment and start commercial operations within two years. Despite the development of five industrial estates and the sale of plots therein, the overall level of colonization remained extremely low. Against a total saleable area of 3,477 acres, only 511 acres (15%) had been colonized, while 2,966 acres (85%) remained vacant. Substantial portion of developed industrial land remains unsold despite the passage of considerable time, indicating weak commercialization, inefficient utilization of public assets, and potential value-for-money concerns. Graphical presentation is as under:



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Figure 1 Saleable area vs unsold land

Estate-wise analysis revealed that colonization ranged from 0% to 26%, with Bahawalpur Industrial Zone showing no colonization despite incurring development expenditure. Out of the total 1,699-plots developed only 707-plots sold out of which only 168-Plots (24%) were in production. The percentage of sold plots in production remained particularly low in major projects, including Quaid-e-Azam Business Park, Sheikhupura (15%). Graphical presentation is as under:

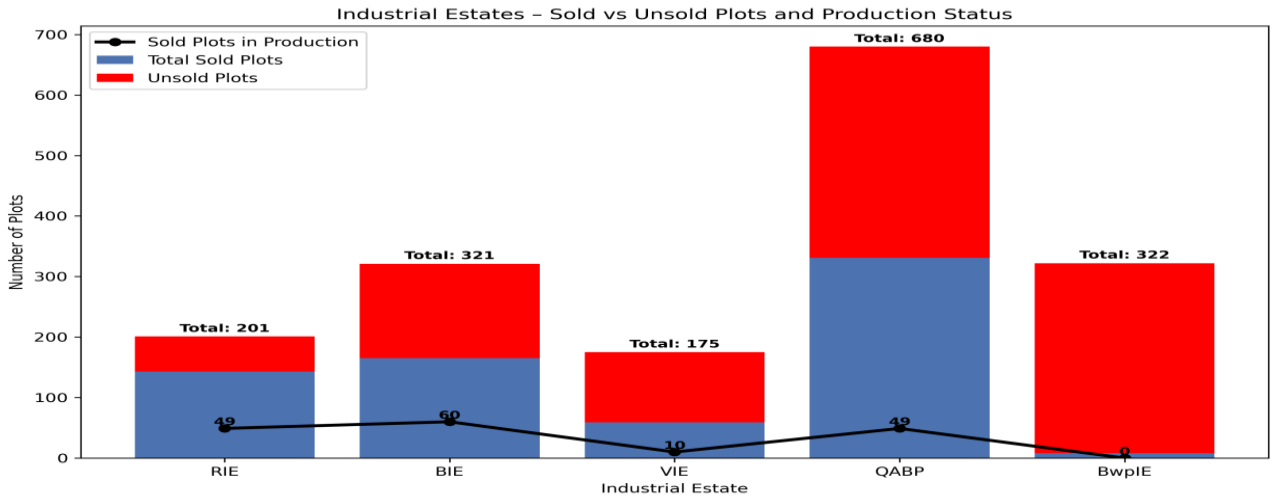


Figure 2 Sold vs Unsold and production plots

The persistently low level of colonization and production indicates that industrial land has largely been retained by non-genuine and non-performing allottees, resulting in stalled industrial activity, failure to achieve intended economic objectives, and prolonged underutilization of valuable public assets. Detail is in **Table-1**

Audit recommends that the management should provide a detailed justification for the low level of colonization and delayed commencement of industrial and commercial activities. Initiate corrective measures, including cancellation or resumption of plots from non-performing allottees, in accordance with applicable laws and regulations, to ensure optimal utilization of industrial land.

Reference: *AIR PIEDMC 2024-25 OM-1*

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2.2 Conflict of Interest in Composition of Boards of Management (BoMs)

Rule 5(b)(iii) of the Public Sector Companies (Corporate Governance) Rules, 2013 stipulates that any director or employee having a conflict of interest shall neither participate in deliberations nor influence decisions relating to the matter in which such conflict exists. PIEDMC constituted Boards of Management (BoMs) for Quaid-e-Azam Industrial Estate (QIE), Sundar Industrial Estate (SIE), and Multan Industrial Estate (MIE), vesting them with powers to determine fees, charges, and recoveries from users of the respective industrial estates. However, all members of these BoMs were themselves residents and/or industrial users of the same estates. This arrangement resulted in an inherent and direct conflict of interest, as the BoMs were empowered to make decisions that had a direct financial and commercial impact on their own businesses and interests. Consequently, members with vested interests participated in deliberations and decisions in violation of Rule 5(b)(iii) of the Corporate Governance Rules, 2013. The composition of the BoMs was therefore inconsistent with prescribed corporate governance principles and compromised the objectivity, transparency, and impartiality of decision-making.

Audit recommends that the management should refer the matter to the Industries Department for guidance and clarification regarding the appropriate constitution of Boards of Management. Reconstitute the BoMs in compliance with the Public Sector Companies (Corporate Governance) Rules, 2013, ensuring that members with actual or potential conflicts of interest are excluded from decision-making roles. Establish effective conflict-of-interest

safeguards to prevent recurrence of such governance lapses.

2.3 Non-Compliance with Annual Performance Evaluation of the Board of Directors

Rule 8(1) of the Public Sector Companies (Corporate Governance) Rules, 2013 requires the Government to carry out an annual performance evaluation of the Board of Directors of a public sector company. Audit observed that the Board of PIEDMC was notified on 01 April 2022; however, no formal mechanism was devised for the performance evaluation of the Chairman and Board members. Further, Key Performance Indicators (KPIs) and measurable criteria for assessing Board performance were neither defined nor approved. In the absence of approved evaluation parameters and an established process, a systematic and objective annual performance evaluation of the Board could not be carried out. This resulted in non-compliance with Rule 8(1) of the Corporate Governance Rules, 2013 and weakened the accountability and oversight framework of the Company.

Audit recommends that the management should coordinate with the Government/Administrative Department to develop, notify, and implement a formal Board performance evaluation mechanism in line with the Public Sector Companies (Corporate Governance) Rules, 2013. KPIs, measurable benchmarks, and documentation requirements for the Chairman and Board members should be defined and approved, and annual evaluations should be conducted regularly with recorded outcomes to strengthen governance, accountability, and oversight.

Reference: AIR PIEDMC 2022-23 OM-87

2.4 Non-Processing and non-cancellation of SEZ Allottees Applications Resulting in Blockage of Industrial Plots

As per BOI Gazette Notification dated 15 January 2021, SEZ developers are required to process allotments in a transparent manner and upload all applications on the BOI SEZ MIS Module for monitoring and approval. Further, Rule 52 of the Special Economic Zones (SEZ) Rules, 2013 requires cancellation of allotments where SEZ enterprises fail to commence or complete construction within the prescribed timelines.

PIEDMC issued provisional allotment letters to 27 allottees against 100 plots measuring 153.81 acres, after receiving 30% down payment. However, these applications of SEZ enterprises had remained pending since 2019. These applications were neither uploaded on the BOI SEZ MIS Module nor formally cancelled. Further Eighty one (81) industrial plots measuring 172.81 acres, valued at Rs 3,697.47 million, were sold during the period 2015–2022 and notified as SEZ enterprises. The failure to process, upload, or cancel pending applications resulted in long-term blockage of industrial plots, thereby delaying industrialization and defeating the objectives of SEZ development. These enterprises failed to commence or complete construction within the stipulated timeframes, in clear violation of the SEZ Rules, 2013 and the terms of allotment agreements. Despite these violations, management neither imposed penalties nor initiated cancellation proceedings against defaulting enterprises. This inaction resulted in prolonged blockage of industrial land, delayed industrialization, and ineffective enforcement of the SEZ regulatory framework.

Management replied that the lengthy application requirements, complex approval process, and delays in completion of documentation by applicants were the main reasons for slow processing and approval of SEZ applications.

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Low colonization was attributable to the prevailing economic conditions of the country and the strict compliance requirements under the SEZ regime.

Audit did not agree with the management reply as application requirements are required to be fulfilled within a prescribed or reasonable timeframe. In cases of non-compliance or delay by applicants, management should have taken appropriate action against defaulters, including cancellation of allotments, instead of allowing industrial plots to remain blocked for extended periods. Holding of plots without progress was contrary to the principles of transparency and efficient utilization of public assets. Economic conditions do not absolve management from enforcing statutory provisions and contractual obligations.

Audit recommends the management to conduct a departmental enquiry to determine responsibility for non-processing and non-cancellation of SEZ applications in a timely manner and to take corrective action accordingly.

Reference: *AIR PIEDMC 2023-24 OM- 28 &34*

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3. FINANCIAL PERFORMANCE ANALYSIS

This section presents an assessment of PIEDMC's financial and operational performance with a focus on revenue sustainability, asset utilization, liquidity position, capital structure, and effectiveness in industrial land development. The analysis indicates a structural weakening of PIEDMC's core operations, marked by declining and negative plot sale income, rising maintenance costs, and increasing reliance on passive investment income. Asset efficiency improved temporarily but has since weakened, while deleveraging has not translated into sustained operational gains. High concentration of assets in slow-moving inventory, deteriorating liquidity quality, and growing dependence on customer advances expose the entity to refund, cash-flow, and financial sustainability risks. Low colonization rates across industrial estates further reflect delayed commercialization and underutilization of public investment, necessitating targeted policy and operational reforms.

3.1 Revenue and Profitability Trend

PIEDMC's financial trends indicate a weakening of its core operational model. Income from plot sales declined from Rs 183.87 million in FY 2020–21 to a **negative Rs 235.79 million in FY 2024–25**, reflecting net refunds of previously sold plots and raising concerns over ineffective commercialization and mandate delivery. In contrast, income from bank deposits and investments rose by **295%**, indicating a growing reliance on passive financial income. The placement of concessional government loans into bank deposits reflects inefficient capital utilization and deviation from intended development objectives, necessitating urgent policy correction. Graphical presentation is as under:

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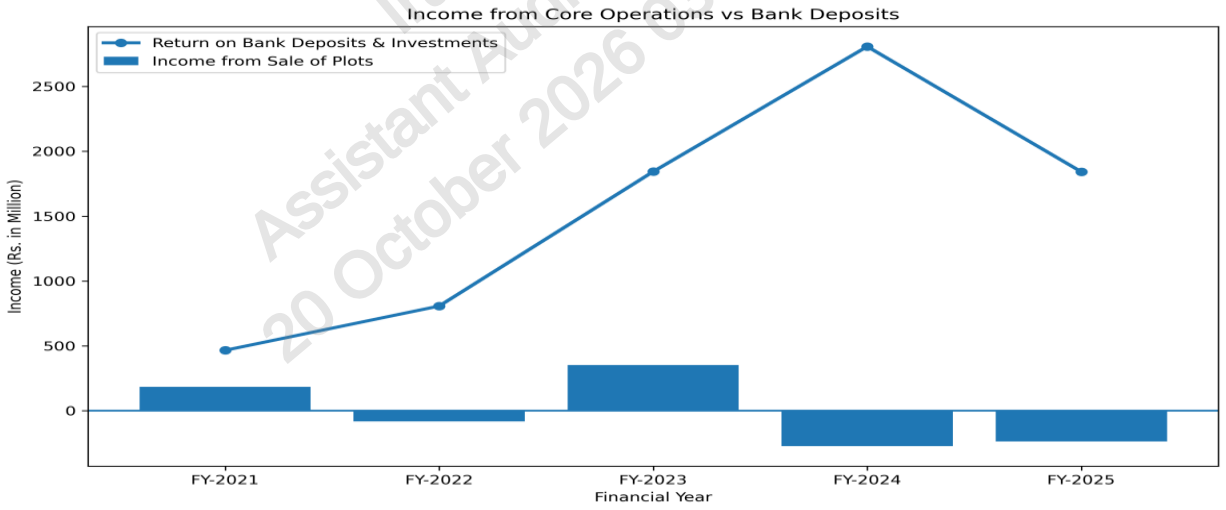


Figure: 3 Income from core operation Vs Bank Deposits

Meanwhile, maintenance costs increased, while recovery from industrialists remained insufficient, resulting in under-recovery of Maintenance and billing remained lower than maintenance expenses in most of the years. From FY-2023 onward, a widening gap is evident, indicating that maintenance costs are not being fully recovered through billing, which raises concerns regarding cost recovery, pricing adequacy, and sustainability of operations. Graphical presentation is as under:

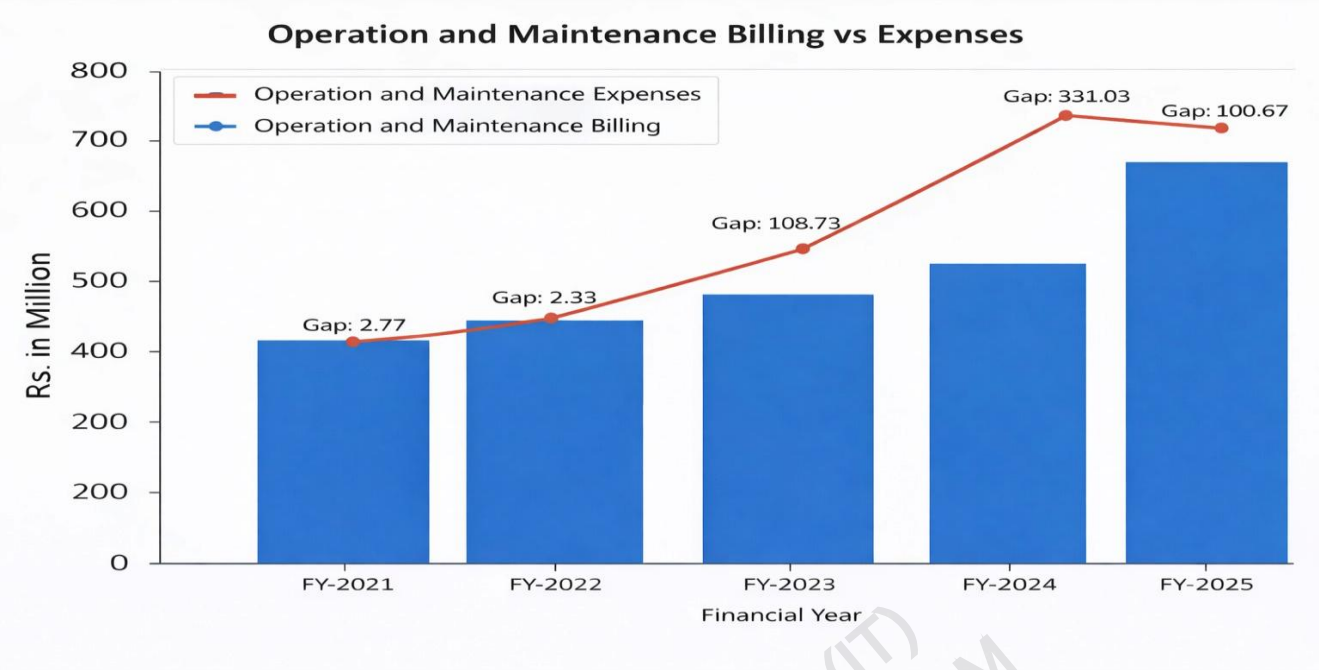


Figure: 4 Billing vs Infrastructure, maintenance expenses

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3.2 Capital Structure and Asset Efficiency

Stock-in-trade (plots/land under development) increased sharply from **Rs 12,603.10 million (FY 2021)** to **Rs 30,008.40 million (FY 2025)**, representing the dominant portion of total assets. This heavy concentration indicates **slow monetization of core assets**, exposure to market demand risk, and potential impairment risk if plots remain unsold or require refunds, as already evidenced by negative plot sale income in later years. PIEDMC's **Return on Assets (ROA)** improved from about **3% in FY 2021** to a peak of nearly **6% in FY 2023**, reflecting improved asset utilization during that period. However, ROA declined thereafter to approximately **3% in FY 2025**, suggesting weakening operational efficiency. a continuous increase in plots/land under development over the years, while the Return on Assets (ROA) does not exhibit a corresponding upward trend and declines after FY-2023. This indicates that increasing investment in land development has not translated into improved asset returns, pointing towards delayed commercialization and inefficient utilization of assets.

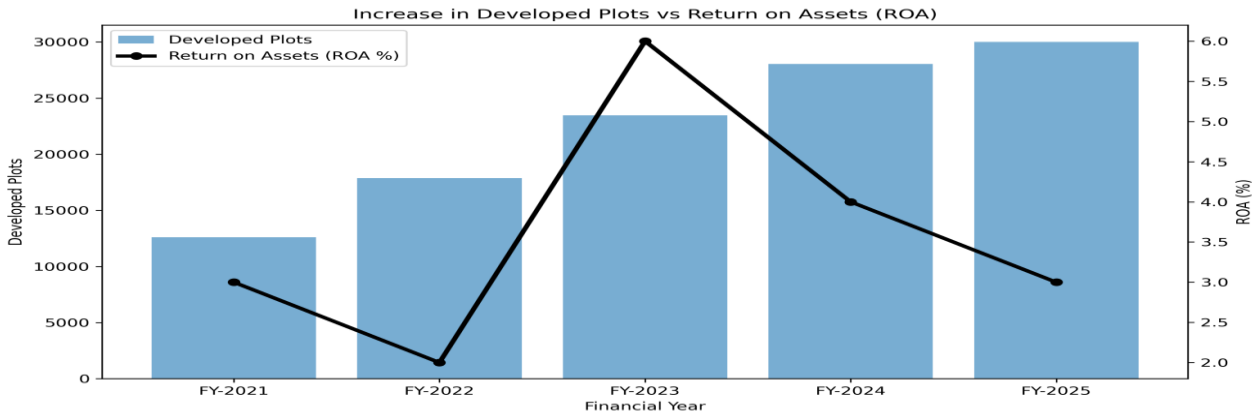


Figure: 5 Increase in development land (plots) vs Return on Assets

Further **debt-to-equity ratio** decreased from around **1.75 times in FY 2022** to nearly **1.3 times in FY 2023**, before stabilizing at about **0.93 times in FY 2025**. While lower leverage reduced financial risk, the simultaneous decline in ROA indicates that reduced borrowing has not translated into sustained efficiency gain.

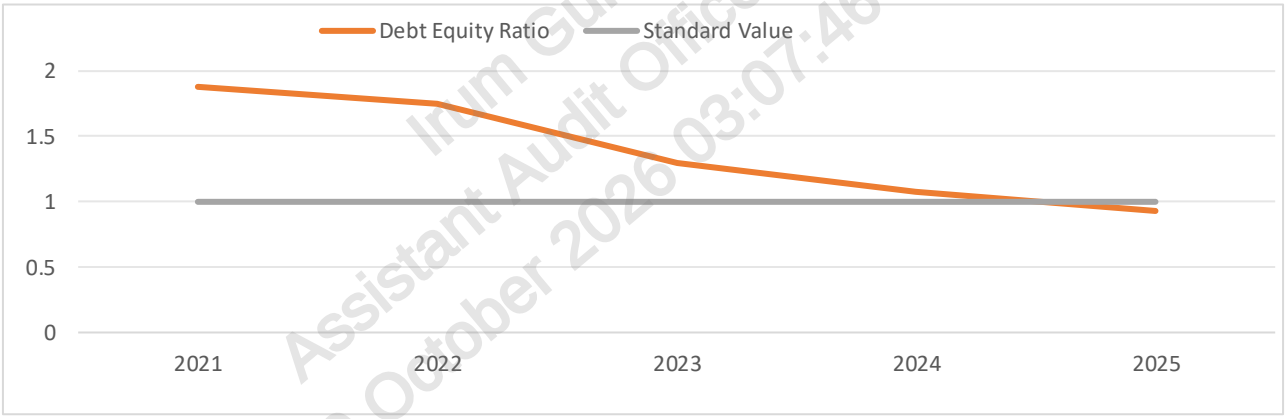


Figure: 6 Debt Equity Ratio

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3.3 Liquidity Stress Despite High Current Assets (High Risk)

The divergence between a relatively stable current ratio and a weak, declining quick ratio points to a structural liquidity issue rather than a temporary fluctuation. Although PIEDMC appears solvent on paper, its liquidity is largely tied up in non-liquid assets, limiting its ability to respond to immediate cash needs. This structure exposes the entity to cash-flow stress, refund risks, and delays in project execution, especially in periods of subdued plot sales or increased liabilities. Overall, the liquidity position of PIEDMC has weakened over time, with deteriorating immediate liquidity despite apparently adequate total current assets, underscoring the need for improved cash management, faster asset realization, and reduced reliance on non-liquid current asset.

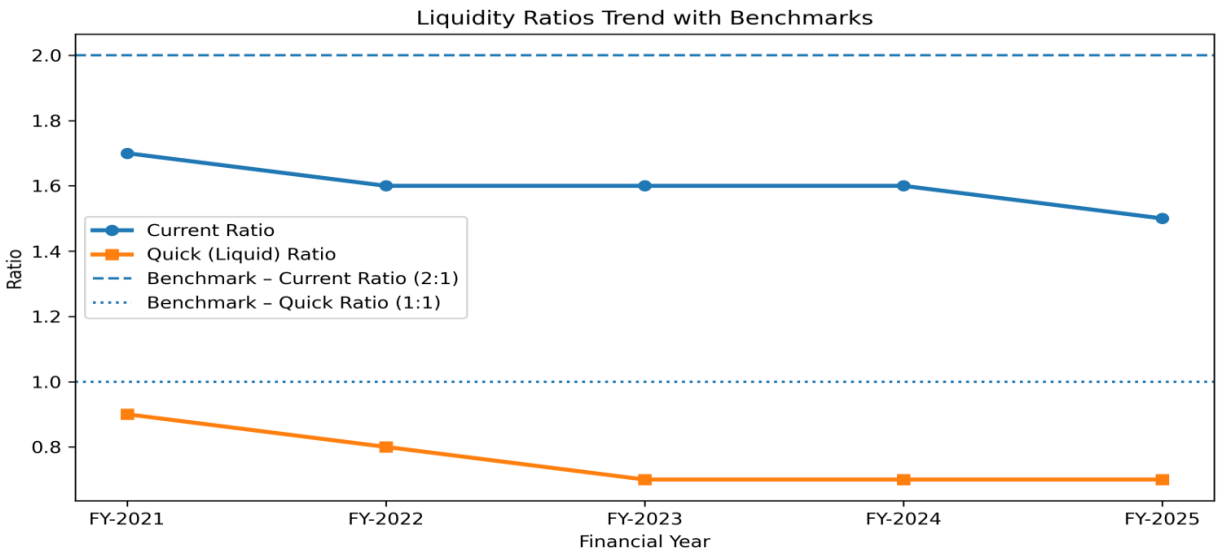


Figure 7 Liquidity Position of PIEDMC

3.4 Reliance on Customer Advances Without Corresponding Delivery (High Risk)

Current liabilities increased significantly from **Rs 14,410.56 million to Rs 34,351.70 million**, largely due to **advances from customers against plots** and the **current portion of long-term financing**. This creates refinancing and cash-flow pressure, particularly when plot sales are declining and refunds are being made. Advances from customers increased from **Rs 5,189.38 million to Rs 19,518.19 million**, indicating heavy reliance on upfront customer financing. Without timely delivery and development completion, this exposes PIEDMC to **refund risk, legal exposure, and liquidity shocks.**

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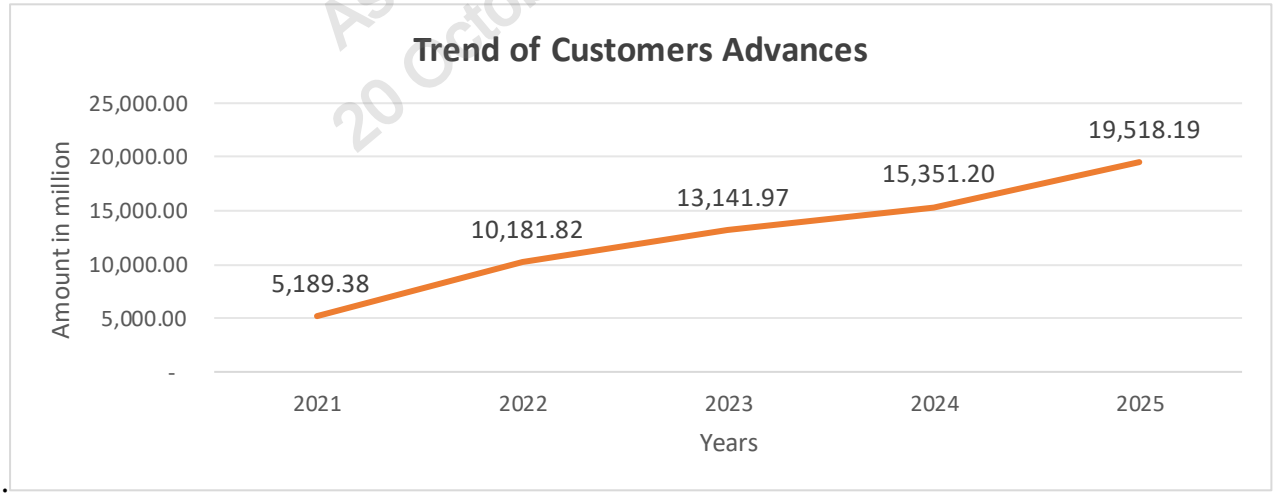


Figure 8 Customer Advances

4. FINANCIAL MANAGEMENT

This section examines the adequacy of PIEDMC's financial management practices, focusing on revenue realization, recoveries, expenditure control, loan management, investment of surplus funds, and compliance with statutory financial responsibilities. Audit reviewed the effectiveness of internal controls, adherence to financial regulations, and prudence in utilization of public resources. The assessment highlights whether management exercised due care in safeguarding public funds, ensuring timely recoveries, meeting loan obligations, and maintaining reliable financial reporting systems in line with its fiduciary responsibilities. Audit observed significant deficiencies in PIEDMC's financial management framework. These include large outstanding receivables from defaulters relating to plot sales, persistent non-recovery of applicable charges, fees, and penalties, and instances of land acquisition without proper market evaluation and non-deposit of mandatory government duties and fees. The non-finalization of annual accounts for FY 2023–24 and FY 2024–25 further reflects weak financial controls, inadequate oversight, and non-compliance with statutory obligations. Audit also noted non-repayment of government loans, diversion of concessional funds into bank placements, ineffective recovery mechanisms, and sub-optimal investment decisions.

4.1 Ineffective Recovery and Monitoring of Plot Sale Receivables

Clause 5(a) of the Public Sector Companies (Corporate Governance) Rules requires the Board to establish and implement a sound system of internal control to ensure probity, propriety, integrity, and protection of public assets. An amount of **Rs 314.302** million on account of plot installments was outstanding against various allottees. Management did not provide an aging analysis of receivables, impairing effective monitoring and recovery efforts. Furthermore, upon audit requisition, management failed to generate and provide statements of accounts and payment schedules from the Odoo Property Module, despite the system being implemented for this purpose. **Summary is in Table-2**

The absence of reliable system-generated reports and aging analysis indicates weak internal controls, non-compliance with Clause 5(a) of the Corporate Governance Rules, and increased risk of revenue leakage and loss of public funds.

Management replied that plot installments are generally secured through post-dated cheques obtained from allottees in advance. However, in some instances, payment cheques are dishonored due to unforeseeable reasons at the client's end, resulting in outstanding receivables in PIEDMC's accounts. Audit did not agree with the management reply, as dishonor of cheques reinforces the need for stronger internal controls rather than justifying weak recovery mechanisms. Management was required to establish a robust monitoring, follow-up, and enforcement framework, including system-based aging, penal actions, and escalation procedures to safeguard public funds. Audit recommends the management to enhance recovery efforts and formulate a comprehensive policy for recovery of outstanding dues.

Reference: *AIR PIEDMC 2023-24, OM-15*

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4.2 Failure to Recover Charges, Fees, and Penalties from Estate Users

Rules 29(vi) and 29(vii) of the Rules of Business of the Board of Management (BoM) require the management to recover and impose applicable fees, charges, and penalties from residents/users of industrial estates in accordance with instructions issued by the BoM or Board of Directors (BoD). An amount of **Rs 1,528.94** million was recoverable from various parties on account of fees, violations, utilities, operation and maintenance charges, and penalties. However, management failed to ensure timely recovery of these dues. The category-wise position of outstanding recoverable is in **Table-3** and graphical presentation is as under:

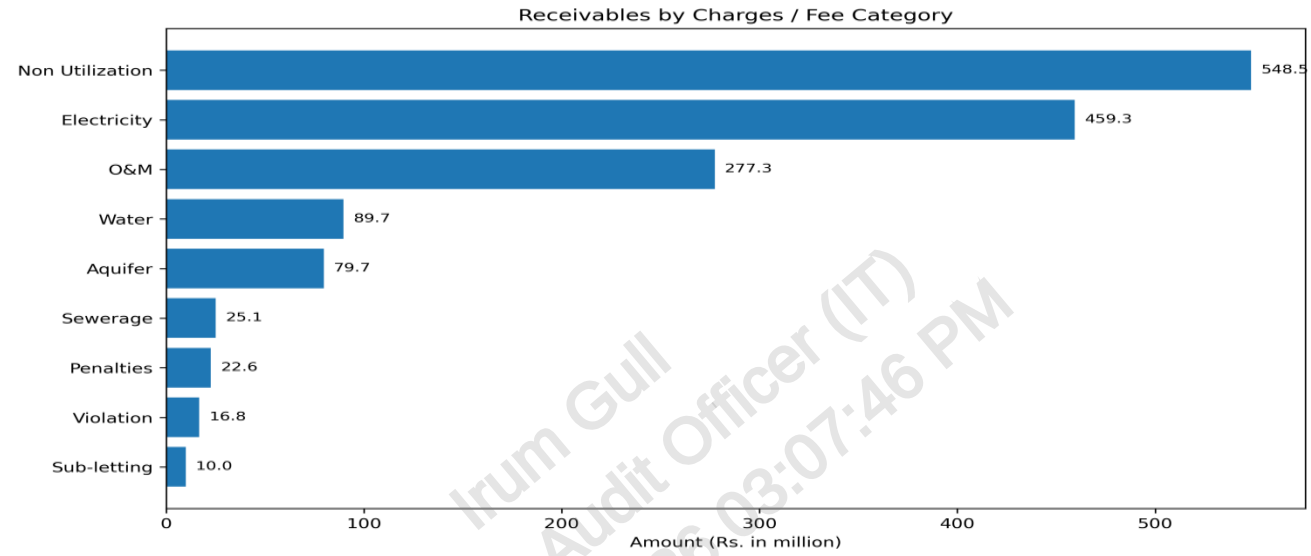


Figure 9 Receivables of Charges, Fees and Penalties

The failure to recover these dues resulted in increased financing costs, erosion of cash flows, and additional financial pressure on the Company, besides reflecting weak enforcement of BoM/BoD directives.

Audit recommends that the management should take immediate corrective measures to recover outstanding fees, charges, and penalties from defaulting residents/users. Enforce BoM/BoD-approved recovery mechanisms, including penalties, surcharge, and disconnection of services, where applicable.

Reference: *AIR PIEDMC 2023-24 OM-19, 20, 23, 25 & 2024-25 OM-23, 27, 28, 29, 30*

4.3 Inefficient Utilization and Investment of Surplus Funds

Under Clause 3(p) and 3(q) of the HR Manual of PIEDMC, the Chief Operating Officer (COO) is responsible for analyzing profitability, revenue, margins, and utilization of resources to prevent financial losses and ensure optimal use of Company funds. An amount of Rs 9,507.475 million was available in CPA Account No. 6580003156000013 as of 10 January 2025. Out of this, Rs 5,000 million was invested in Term Deposit Receipts (TDRs) at a rate of 10.90%, while the remaining Rs 4,507.475 million continued to remain in the CPA account, earning a comparatively lower return of 7.70% up to 30 June 2025.Further

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management failed to invest an additional Rs 3,000 million in TDRs during the period, resulting in loss of Rs **45.333 million**, calculated on the differential return of 3.2% for the period January to June 2025, as detailed in **Table-4**.

The failure to optimally invest surplus funds reflects weak financial planning and monitoring, leading to avoidable loss of public funds.

Audit recommends that the management should regularly assess surplus funds and ensure their timely and optimal investment in approved instruments to maximize returns. Establish a formal fund management and investment policy, with clear thresholds and timelines for placement of surplus cash. Fix responsibility for lapses resulting in financial losses, in accordance with applicable rules.

Reference: *AIR PIEDMC 2024-25, OM-17*

4.4 Non-Compliance with Market Evaluation and Statutory Tax Requirements in Property Acquisition

As per Notification No. PIEDMC / BOMs / 2023 / 0198 dated 25 January 2023 and Sections 236C and 236K of the Income Tax Ordinance, applicable transfer fees, advance taxes, and stamp duties are required to be recovered and deposited into the Government Treasury. Management purchased **a double story grey structure** Plot No. 83-A (4-Kanal) in Sundar Industrial Estate for an amount of Rs 175 million without conducting a market evaluation or valuation exercise to ascertain the reasonableness of the purchase price. Audit further observed that applicable government dues, including Transfer Fee: Rs 1.75 million, Advance Tax: Rs 14.00 million and Stamp Duty: Rs 1.75 million aggregating to **Rs 15.75 million**, were neither recovered nor deposited into the Government Treasury. The failure to evaluate the market value of the plot raises concerns regarding financial prudence and transparency, while non-recovery and non-deposit of statutory dues constitutes non-compliance with applicable laws and notifications, exposing the Company to regulatory and financial risks.

Audit recommends that the management should justify the purchase price of infrastructure through a proper market evaluation/valuation from ECSP/NESPAK. Ensure immediate recovery and deposit of all applicable government dues into the Government Treasury. Strengthen internal controls to ensure future transactions comply with statutory and regulatory requirements.

Reference: *AIR PIEDMC 2024-25 OM-4 & OM-8*

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4.5 Weak Financial Discipline and Non-Compliance in Utilization of Government Loans

As per the loan agreements executed between the Government of Punjab and the Punjab Industrial Estates Development & Management Company (PIEDMC), loans were extended with a repayment tenure of five years, inclusive of a two-year grace period, at a concessional mark-up rate of 0.25%. The agreements further stipulated that in case of default, penal mark-up would be applicable. Moreover, Finance Department release orders clearly and explicitly prohibited the placement or investment of loan funds in commercial banks, as the loans were intended strictly for utilization on approved development activities.

PIEDMC obtained concessional Government loans of Rs 15.794 billion in cash and land

worth Rs 1.429 billion (total liability Rs 16.594 billion) from 2013-14 to 2023-24, repayable over five years including a two-year grace period at 0.25% mark-up, with penal mark-up on default. By 30 June 2024, only Rs 1.677 billion had been repaid, leaving Rs 14.116 billion outstanding after expiry of normal and penalty periods. Contrary to Finance Department instructions prohibiting bank placement, Rs 7.450 billion was invested and Rs 2.660 billion kept in savings accounts. This reflects weak financial discipline, non-compliance with loan conditions, and unauthorized retention of public funds.

The continued retention and investment of loan funds after the lapse of repayment and penalty periods has resulted in undue financial advantage to PIEDMC at the cost of the Government exchequer, besides exposing the Government to the risk of loss of mark-up and penal charges. This situation also indicates weak financial discipline, non-compliance with contractual obligations, and ineffective internal controls within PIEDMC.

Audit recommends to immediately take up the matter with the Finance Department through the Administrative Department for finalization of repayment terms and to commence repayment of the outstanding loans without further delay. As the recovery of the outstanding amount was yet to be ensured, the para was kept pending.

Reference: *AIR PIEDMC 2023–24, OM-14*

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5. HUMAN RESOURCE MANAGEMENT

The Company exhibited significant weaknesses in human resource governance and regulatory compliance. These included appointments made in violation of the approved HR policy, irregular salary payments to retired federal government employees, unauthorized grant of cost of living allowance without Finance Department concurrence, and excess payments on account of leave encashment. Collectively, these issues reflect weak internal controls, inadequate adherence to approved HR frameworks, and insufficient management oversight in personnel administration and financial stewardship. Audit observed that PIEDMC's human resource management practices suffer from material governance and compliance weaknesses.

Non-adherence to the approved HR policy in appointments, disregard of Provincial financial instructions, irregular enhancement of employee benefits, and excess leave encashment collectively demonstrate weak internal control, inadequate oversight, and poor financial discipline in HR administration. These lapses not only result in financial irregularities and avoidable expenditure but also undermine transparency, merit, and equity in personnel management. Strengthening HR governance, enforcing existing policies, and ensuring strict compliance with Finance Department directives are essential to restore control and safeguard public resources.

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5.1 Non-Compliance with Experience Requirements in Staff Appointments

Under Chapter-4 of the approved HR Manual, the post of Junior Engineer requires **five years' relevant experience for graduates** and **seven years for Intermediate/DAE or equivalent**. Contrary to this, the advertisement dated 02 May 2024 prescribed only **0–12 months' experience** without any approved amendment to the HR Manual. Multiple individuals were subsequently appointed as Junior Engineer (Gas) in January 2025 at **Rs 65,000 per month** despite not meeting the prescribed experience criteria, and salaries of **Rs 2.340 million** had been paid up to September 2025. These appointments, made outside the approved experience requirements, constitute **irregular expenditure** and reflect weak HR governance and non-compliance with internal rules. Details in **Table-5**

Audit recommends that management justify the relaxation of criteria, review the legality of these appointments, **fix responsibility** for unauthorized deviation from HR policy, and ensure strict adherence to approved eligibility conditions in future recruitments.

Reference: *AIR PIEDMC 2024–25, OM-48 & 49*

5.2 Unauthorized Grant of Allowance and Excess Leave Encashment beyond approved HR Policy

According to Clause (v) of Finance Department letter No. E&A(FD)11-6/2014-22589 dated 01 August 2024, all proposals relating to enhancement of salaries, allowances and employee benefits—whether from own resources or otherwise—must be referred to the Finance Department for advice and prior concurrence. Further Clause 9.3.4 (1) & (4) of the approved HR Policy of PIEDMC, employees are entitled to **21 calendar days** of annual leave after

completion of one year of continuous service. Un-availed annual leave may be encashed at year-end at the current gross salary rate, strictly limited to the accumulated leave balance up to 21 days.

Audit observed that in the 166th meeting of the Board held on 03 September 2024, PIEDMC's management proposed, and the Board approved, a Cost of Living Allowance @ 25% of gross pay for FY 2024–25. This was done despite explicit advice from the Finance Department's representative that prior concurrence was mandatory. No such concurrence was obtained. Consequently, an expenditure of Rs 289.408 million was incurred on account of Cost of Living Allowance, as detailed in **Table-6.**

Further, management paid leave encashment equal to **one full gross monthly salary** to all employees, regardless of the actual number of un-availed leave days. This practice exceeded the admissible ceiling of 21 days and resulted in **excess payments of Rs 38.975 million** during FYs 2023–24 and 2024–25, as detailed in **Table-7**.

The decision constitutes unauthorized enhancement of employee benefits, reflects disregard of binding Government instructions and the departure from the approved formula reflects non-compliance with HR policy and weak internal controls which created avoidable financial burden and an incorrect precedent.

Audit recommends that management seek ex-post facto concurrence of the Finance Department, where admissible; regularize or recover the irregular expenditure as decided by the competent authority; fix responsibility for approving Cost of Living Allowance and leave encashment without provision; and ensure strict adherence to Finance Department instructions in all future budgetary decisions.

Reference: *AIR PIEDMC 2024–25, OM-20 & 21*

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6. PROCUREMENT

This section reviews PIEDMC's procurement planning, contract management, and execution of development works with reference to the applicable agreement clauses, Punjab Procurement Rules, corporate governance requirements, and P&D Department instructions. Audit observed that PIEDMC's procurement and contract management practices exhibit serious non-compliance with contractual provisions, corporate governance requirements, P&D instructions, and Punjab Procurement Rules. Irregular amicable settlements, tolerance of defective works, non-recovery of liquidated damages, non-appointment of supervision consultants for major schemes, and misuse of emergency procurement provisions collectively indicate weak internal controls and inadequate oversight. These deficiencies expose the Company to financial loss, quality risks, and reputational damage. Strengthening procurement governance, enforcing contracts rigorously, and adhering strictly to PPRA and P&D frameworks are essential to safeguard public resources and ensure value for money

6.1 Non-Compliance with Contractual Procedures in Amicable Settlement

According to Clause 64 of the agreement between PIEDMC and the contractor, disputes are to be handled strictly in line with the contract's dispute resolution procedures. Clause 67.1 further requires that any variation, determination of risk and cost, or financial settlement be processed only after evaluation and certification by the Engineer, to ensure that technical and financial implications are properly assessed and documented.

Audit observed that PIEDMC entered into an amicable settlement with a contractor for infrastructure development works while portions of the contracted scope were still incomplete. The settlement was finalized without any documented Engineer's evaluation under Clause 67.1, and the record did not contain a quantified assessment of remaining work, its estimated cost, risk allocation, or basis of the settlement amount. The Chairman of the Board, in the 166th Board meeting, highlighted that the Company had suffered a loss of Rs 1,500.00 million due to this settlement. In the absence of mandatory technical evaluation, audit could not verify whether the settlement amount reflected actual work done, incomplete work, or recoverable claims. This position reflects weak contract management and non-compliance with agreed safeguards, exposing PIEDMC to undue financial loss and potential disputes.

Audit recommends that management justify the basis of the amicable settlement in the absence of an Engineer's evaluation, obtain a post-facto technical assessment quantifying remaining work and cost implications (where permissible), fix responsibility for bypassing contractual provisions, and strengthen contract management controls to ensure strict adherence to contract clauses in all future settlements.

Reference: AIR PIEDMC 2024–25, OM-01

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6.2 Ineffective Contract Management in Execution of Sewerage Works

According to clause 3(p&q) of HR manual of PIEDMC, the Chief Operating Officer and management are required to conduct periodic operational and financial reviews to ensure that pricing decisions are cost-based, rational, and

sufficient to recover actual development expenditure.

Audit observed that management awarded to contract for construction of main pump in MIE to M/s MAT Technologies in 2014 but the contractor was defaulted and balance work was awarded to M/s Ahmed Rayan Engineering Co. (AREC) on December 24, 2019 for a value of Rs.27.558 million. The said contractor completed the work and disposal station operationalized in August 2021. Soon after operation in June 2022, the sewerage system at Multan Industrial Estate developed repeated ruptures and failures in the disposal line, indicating substandard workmanship, inadequate quality control, and weak supervision. Despite persistent malfunctioning of a critical facility, management did not promptly invoke contractual remedies such as rectification at the contractor's cost, enforcement of defect liability provisions, or imposition of penalties. As a result, PIEDMC had to incur additional expenditure of Rs 15.588 million, and the estate remained exposed to operational and environmental risks.

Management contended that delays and incomplete works were caused by late issuance of NOCs and subsequent contractor default, leading to rescission of the contract and award of balance work at the contractor's risk and cost. However, this reply does not address the core issue of post-completion failures and the lack of timely enforcement of quality and defect liability clauses when ruptures first appeared. It also points to weak pre-contract planning and coordination for securing NOCs.

Audit recommends that a departmental enquiry be conducted to determine the reasons for delay or failure in obtaining NOCs from concerned departments (Railway, Irrigation, C&W, etc.) and to fix responsibility for deficient planning, weak supervision, and delayed enforcement of contractual remedies.

Reference: AIR PIEDMC 2023–24, OM-9

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6.3 Non-completion of development works in industrial estates

According to clause 3(p&q) of HR manual of PIEDMC, the Chief Operating Officer and management are required to conduct periodic operational and financial reviews to ensure that pricing decisions are cost-based, rational, and sufficient to recover actual development expenditure.

Audit observed that development works in several industrial estates remained incomplete even after more than ten years in most cases. Only 39% to 60% of planned works had been executed against intended completion targets of 80% to 100%, as summarized below and detailed in **Table-8** and **Figure-10**. Against a total development cost of Rs 68,219.50 million, expenditure of Rs 29,649.92 million had been incurred, yet key infrastructure such as CETPs, grid stations, and allied facilities remained outstanding. No credible funding plan existed to complete the remaining works, indicating weak project planning and resource mobilization.

Management stated that major development at Sundar, Rahim Yar Khan, Bhalwal, and Vehari Industrial Estates had been completed and units were operational, and that remaining facilities would be developed subject to fund availability. The estate-wise position of development works in graphical presentation is as under

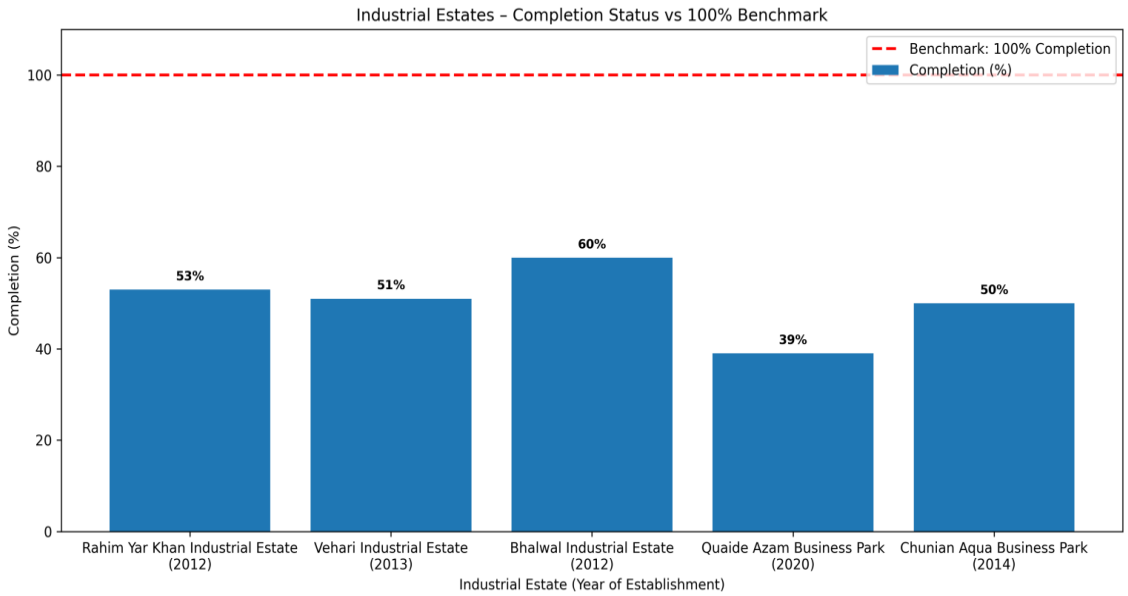


Figure 10 Completion status of Estates

Audit noted that these facilities formed part of the original development commitments and their non-provision reflects incomplete estate development.

Audit recommends that management develop and implement a concrete financing and implementation plan—including exploring external/development partners—to complete all pending works on priority to mitigate legal, operational, and reputational risks. As compliance was not finalized, the para was kept pending.

Reference: AIR PIEDMC 2023–24, OM-5

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6.4 Non-Engagement of Supervision Consultant for Major Civil Works

According to instructions of the Planning & Development (P&D) Department, including guidance in Table-C, large and complex civil works are required to be executed under the supervision of qualified, independent consultants to ensure quality assurance, compliance with approved designs, and proper use of development funds.

Audit observed that PIEDMC executed major road and infrastructure work in Bahawalpur Industrial Estate amounting to **Rs 862.526 million** without engaging a dedicated supervision consultant in violation of instructions. Supervision was carried out internally by PIEDMC staff, and substantial portions of road networks, utilities, and allied infrastructure were completed without independent technical oversight. In the absence of such oversight, there is no assurance that works were executed strictly as per approved designs and specifications, that materials and workmanship met required standards, or that measurements and payments were independently verified. This approach significantly increased the risk of undetected deficiencies, premature deterioration of assets, higher future maintenance costs, and possible loss of development funds.

Audit is of the view that non-engagement of supervision consultants for large schemes reflects non-compliance with P&D guidelines and weak project governance.

Audit recommends that management explain the reasons for non-engagement of supervision consultants, arrange independent technical audits of completed works where feasible, engage qualified supervision consultants for ongoing and future major projects in line with P&D instructions, and strengthen internal project governance and monitoring mechanisms.

Reference: AIR PIEDMC 2024–25, OM-32

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7. OPERATIONAL PROCESSES, TARGETS & KPIs

This section reviews PIEDMC's operational processes, service delivery arrangements, and key performance aspects relating to electricity supply, infrastructure services, and industrial facilitation. Audit examined alignment of operational decisions with the mandate of promoting industrialization, cost recovery mechanisms, and enforcement of policies and schemes approved by the Board and Boards of Management. Audit observed that PIEDMC's operational processes and service delivery mechanisms reveal significant weaknesses in cost recovery, tariff administration, infrastructure planning, and enforcement of estate regulations. Over-recovery of electricity tariffs in some cases, under-recovery of development costs and distribution losses, inefficient temporary electrification arrangements, and weak enforcement of building plan approval collectively indicate that operational decisions are not sufficiently aligned with financial sustainability and industrial facilitation objectives. Strengthening operational planning, adopting transparent and equitable cost-recovery mechanisms, and rigorously enforcing estate policies and schemes are essential to improve service delivery and ensure efficient utilization of public infrastructure.

7.1 Excess charging of Electricity Tariff to Industrial Consumers at Bhalwal Industrial Estate

According to NEPRA's tariff determinations, electricity supplied to industrial consumers must be billed strictly at the approved industrial tariff, which during the audit period averaged Rs 37 per kWh.

Audit scrutiny of billing records at Bhalwal Industrial Estate showed that PIEDMC charged seven industrial units an electricity rate of Rs 53 per kWh, instead of the NEPRA-approved industrial tariff applied at other estates. This implied an excess of Rs 16 per kWh, and on total sales of 11,614,859 units, resulted in over-recovery of Rs 185.838 million, as detailed in **Table-9**. No approval, notification, or legal authority was produced to justify charging above the NEPRA-approved tariff.

The unilateral enhancement of electricity rates constitutes non-compliance with NEPRA regulations, shifted additional cost burdens onto industrial consumers, and exposed PIEDMC to reputational, regulatory, and litigation risk. Such overcharging undermines investor confidence and is inconsistent with the objective of providing predictable and affordable utilities to promote industrialization.

Audit recommends that management justify the legal basis, if any, for charging above NEPRA tariff; determine consumer-wise over-recovery; refund or adjust the excess amount to affected industrial units under intimation to audit; ensure that future billing strictly follows NEPRA tariff determinations; and strengthen internal controls over tariff application and billing.

Reference: AIR PIEDMC 2024–25, OM-31

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7.2 Inefficient Temporary Electrification Arrangements at Quaid-e-Azam Business Park

According to the responsibilities of the Chief Operating Officer and management under the HR Policy and internal control framework of PIEDMC, management is required to analyze profitability, margins, and resource utilization, and to ensure that development decisions are economical, prudent, and aligned with long-term objectives.

Audit observed that PIEDMC incurred expenditure of **Rs 36.860 million** on temporary electrification arrangements to provide electricity to industrial consumers at Quaid-e-Azam Business Park, despite the fact that **underground cable for a permanent distribution network had already been procured and was available on site in December 2022**. The permanent underground system was neither laid nor commissioned in a timely manner. Instead, management opted for temporary infrastructure that will become redundant once the permanent system is installed. This decision reflects inefficient planning, weak coordination, and inadequate cost–benefit analysis, resulting in duplication of costs and suboptimal utilization of resources.

Audit is of the view that management should have prioritized timely laying of the permanent underground network using the already procured cable, thereby avoiding avoidable expenditure on temporary arrangements.

Audit recommends that management explain the reasons for non-utilization of the procured underground cable; assess the avoidable cost associated with temporary electrification; **fix responsibility** for deficient planning and decision-making; and strengthen operational planning so that temporary solutions are adopted only where unavoidable and properly justified.

Reference: AIR PIEDMC 2024–25, OM-05

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7.3 Less Charging of Development Cost in Plot Pricing Across Industrial Estates

According to clause 3(p&q) of HR manual of PIEDMC, the Chief Operating Officer and management are required to conduct periodic operational and financial reviews to ensure that pricing decisions are cost-based, rational, and sufficient to recover actual development expenditure.

Audit analysis of development expenditure versus revenue from plot sales showed that PIEDMC did **not fully recover infrastructure development costs** while fixing sale prices of plots. As summarized below:

- **Rahim Yar Khan Industrial Estate**: Development cost **Rs 280.883 million**; revenue **Rs 257.851 million**; short recovery **Rs 23.033 million**.
- **Bhalwal Industrial Estate**: Development cost **Rs 441.405 million**; revenue **Rs 303.645 million**; loss **Rs 137.760 million**.
- **Vehari Industrial Estate**: Development cost **Rs 97.131 million**; revenue **Rs 23.924 million**; short recovery **Rs 73.206 million**.

Overall, development expenditure of **Rs 819.419 million** yielded revenue of **Rs 585.420 million**, resulting in an aggregate short recovery of **Rs 233.999 million**. Details are in **Table-10** and Figure-11:

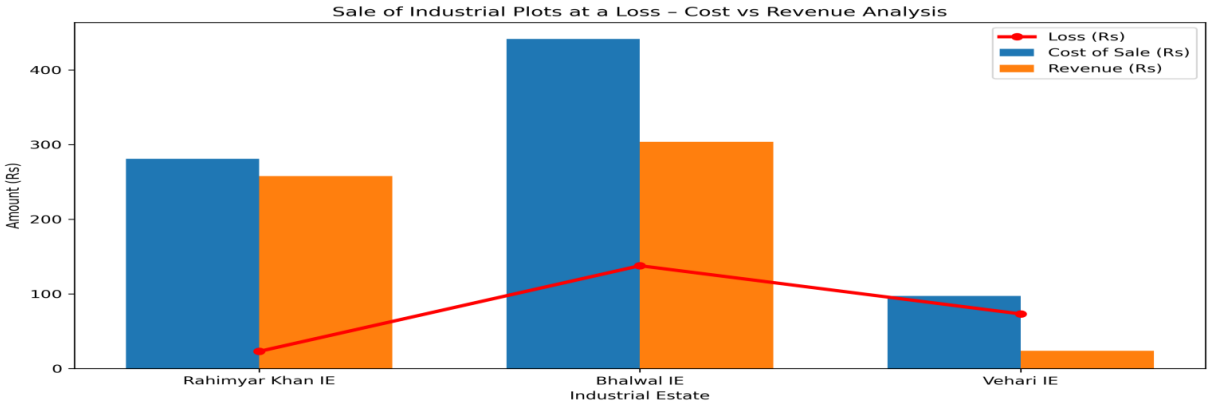


Figure 11 sale of plots Vs Cost

Audit noted no evidence of regular cost–revenue analysis or timely revision of plot prices in light of escalating development costs. This reflects weak financial planning, inadequate pricing strategy, and ineffective oversight.

Audit is of the view that, even as a non-profit oriented entity, PIEDMC must at least recover its development costs through transparent, cost-based pricing.

Audit recommends that management rationalize plot pricing policies to ensure full cost recovery; conduct periodic cost–revenue analyses before fixation/revision of prices; justify identified losses where subsidization was intended with competent authority approval; and fix responsibility for pricing decisions leading to short recovery.

Reference: AIR PIEDMC 2024–25, OM-25

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7.4 Non-Recovery of Electricity Distribution Losses from Industrial Consumers

According to the internal control and operational framework of PIEDMC, the Chief Operating Officer and management are required to regularly review operational and financial performance, monitor costs, prevent losses, and ensure that utility supply and billing practices—especially treatment of line losses—are aligned with policies followed by electricity distribution companies.

Audit scrutiny of electricity procurement and billing records of five industrial estates showed that PIEDMC purchased electricity for onward supply to industrial consumers but did **not recover internal distribution (line) losses** from them. The difference between units purchased and units billed/self-consumed remained unallocated and unrecovered, and was effectively absorbed by PIEDMC. As summarized below and detailed in **Table-11** and Figure-12:

- **Rahim Yar Khan IE (RIE):** 222,634 units; **Rs 8.014 million** (0.42%).
- Bhalwal **IE (BIE):** 246,406 units; **Rs 11.581 million** (2.05%).
- **Vehari IE (VIE):** 538,280 units; **Rs 19.378 million** (5.55%).
- **Quaid-e-Azam Business Park (QABP):** 1,113,487 units; **Rs 41.199 million** (9.78%).
- **Sundar** IE **(SIE):** 4,698,231 units; **Rs 172.472 million** (1.059%).

In aggregate, **6,819,047 units** valuing **Rs 252.645 million** were not recovered from consumers.

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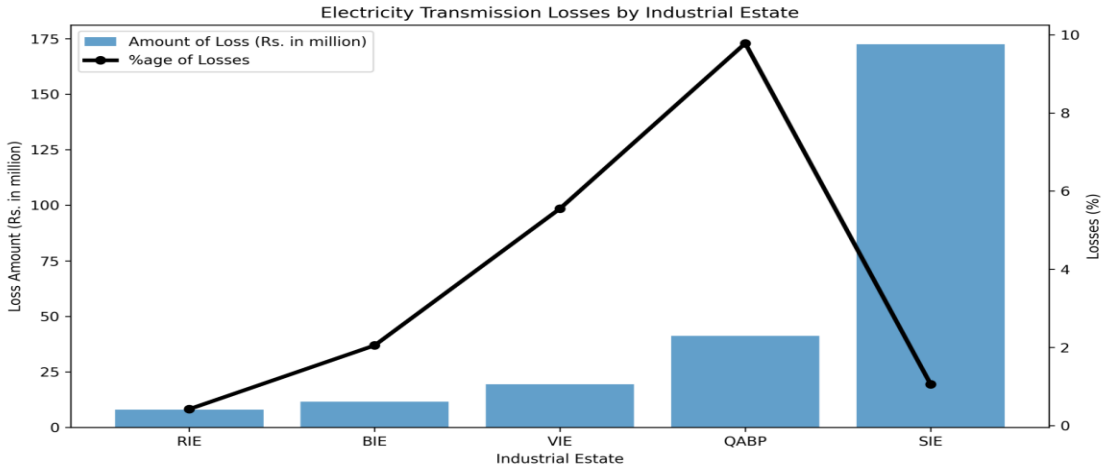


Figure 12 Electricity transmission losses

While some technical loss is inherent in distribution systems, distribution companies generally recover allowed losses through tariff structures or approved adjustment mechanisms. PIEDMC neither adopted a transparent mechanism for allocation/recovery of such losses nor obtained any regulatory or policy approval to absorb them internally.

Audit is of the view that non-recovery of distribution losses represents avoidable financial loss, weak monitoring, and an inequitable and non-transparent treatment of consumers.

Audit recommends that management formulate and implement a clear policy for treatment and recovery of electricity distribution losses; design consumer- or estate-wise loss recovery mechanisms aligned with regulatory practice; quantify avoidable loss; and **fix responsibility** for inadequate monitoring and recovery of such losses.

Reference: AIR PIEDMC 2024–25, OM-13

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7.5 Non-Approval of Building Plan and Non-Recovery of Map Approval Fee

The Board of Management, Multan Industrial Estate (BOM–MIE) introduced an amnesty scheme requiring industrial units to submit building plans for approval by a specified cut-off date on payment of the prescribed map approval fee. Units failing to avail this facility were to be charged a penalty of Rs 18 per square foot for unauthorized construction, in addition to the normal fee.

Audit observed that a significant number of industrial units constructed production facilities without submitting building maps for approval. Despite clear provisions of the scheme and continued production activity, management did not enforce the requirement of building plan approval, nor levy the stipulated penalty after expiry of the cut-off date. No systematic exercise was undertaken to identify all unapproved constructions, issue notices, or recover due fees and penalties. Based on available records and an estimated 50% covered area, audit assessed recoverable dues of Rs 19.056 million, mainly from large allottees such as Punjab Workers Welfare Board (estimated Rs 15.682 million) and Punjab Small Industries Corporation, with Rs 3.373 million from other active units, as detailed in **Table-12**. Actual recoverable amounts may be higher if all

unapproved constructions are comprehensively mapped.

Audit is of the view that non-enforcement of map approval provisions reflects weak regulatory control, inadequate monitoring, and loss of revenue to the estate.

Audit recommends that management conduct a comprehensive survey of all plots to identify unapproved constructions; ensure submission and approval of building maps for all production units; recover outstanding map approval fees and penalties from defaulting allottees under intimation to audit; fix responsibility for non-enforcement of the amnesty scheme; and strengthen controls to prevent unauthorized construction in future.

Reference: AIR PIEDMC 2024–25, OM-14

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8. CONCLUSION

The audit concludes that PIEDMC's governance, financial management, and operational model are not fully aligned with its statutory mandate of promoting orderly and rapid industrialization in Punjab. Industrial estates remain substantially under-colonized: a large proportion of saleable land and SEZ plots is held by non-performing allottees, SEZ timelines are not enforced, and applications remain pending for years. This reflects weak SEZ governance, inadequate enforcement of regulatory frameworks, and ineffective use of developed industrial land.

Financial analysis shows structural vulnerabilities. Core operational income from plot sales has weakened and turned negative, while maintenance costs and financial risks have increased. PIEDMC has relied increasingly on bank deposits and investments, and has not fully recovered development costs, service charges, or electricity distribution losses. Significant arrears of plot installments, fees, and penalties remain outstanding. Concessional Government loans have not been repaid as per agreed schedules and, contrary to Finance Department instructions, substantial amounts have been retained and invested rather than deployed to projects or repaid.

Human resource management and procurement practices further weaken the control environment. Appointments outside approved HR policy, unauthorized Cost of Living Allowance, excess leave encashment, irregular amicable settlements, non-recovery of liquidated damages, non-engagement of supervision consultants, and misuse of emergency procurement provisions all indicate systemic weaknesses in internal controls and oversight.

Operational processes and tariffs are also misaligned with principles of cost recovery and industrial facilitation. Over-recovery of electricity tariff in one estate, under-recovery of development costs across estates, non-recovery of distribution losses, inefficient temporary electrification, and weak enforcement of building plan regulations collectively undermine financial sustainability, investor confidence, and service quality.

Overall, PIEDMC is managing significant public assets and concessional public finance with control, governance, and operational systems that are not commensurate with the scale of risk. Without targeted reforms in governance, SEZ enforcement, financial management, HR, procurement, and operations, PIEDMC will remain under-aligned with its industrialization mandate and continue to generate sub-optimal public value.

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9. RECOMMENDATIONS

- Enforce SEZ Rules and allotment conditions through a time-bound colonization plan, including cancellation and repossession of non-performing SEZ plots and re-allotment through transparent processes.
- Implement an estate-wise and customer-wise recovery plan for plot installments, fees, charges, penalties and electricity-related dues, with clear timelines, enforcement tools (e.g., disconnection, suspension of services), and regular reporting to the Board and Administrative Department.
- Realign the use of concessional Government loans strictly with approved development objectives; finalize repayment terms with the Finance Department, commence repayment of overdue amounts, unwind unauthorized bank placements, and determine responsibility for non-compliance with loan conditions.
- Review all recruitments made in deviation from the HR Manual and take appropriate action (regularization, reversal, or other remedies) as per rules; fix responsibility for non-compliant appointments.
- Work out excess payments on account of unauthorized Cost of Living Allowance, irregular leave encashment, and benefits to re-employed pensioners; regularize where legally permissible or recover overpayments, and enforce strict compliance with Provincial financial instructions.
- Enforce contractual safeguards rigorously, including mandatory Engineer's evaluations for settlements
- Comply with P&D guidance by engaging independent supervision consultants for large and complex schemes, and by subjecting completed works to technical audit where external supervision was not provided.
- Take action against management and review performance of board who failed to provide audited financial statements
- Strengthen governance and oversight, including Board composition, conflict-of-interest safeguards, and regular Board performance evaluations
- Bring electricity billing fully in line with NEPRA tariffs, compute consumer-wise over-recoveries and adjust/refund where required; design and implement a transparent policy for treatment and recovery of distribution losses consistent with industry practice.
- Rationalize plot pricing to ensure full recovery of development costs, and periodically review tariffs and charges for O&M and allied services to maintain financial sustainability without arbitrary over-charging.
- Prioritize permanent electrification and core infrastructure over temporary solutions; avoid duplicative expenditure by requiring documented cost–benefit analysis for all temporary arrangements.
- Enforce building map approval and estate regulations through systematic surveys, issuance of notices, and recovery of map fees and penalties; prevent unauthorized construction by integrating approvals with utility and service connections.

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10. APPENDICES

Audit Objectives

The primary objective of this audit was to **assess PIEDMC's financial sustainability, governance framework, operational efficiency, and compliance with statutory and regulatory requirements** during FY2021–FY2025. Specifically, the audit aimed to:

- Evaluate the extent to which PIEDMC's financial management practices—including liquidity, debt, revenue, and expenditure—support a sustainable operational model.
- Assess compliance with relevant laws, rules, and government policies, including the Public Procurement Regulatory Authority (PPRA) Rules, financial regulations, internal governance frameworks, and directives issued by the Government.
- Examine the effectiveness of internal controls, accountability mechanisms, and oversight structures in preventing irregularities, misuse of public funds, and operational inefficiencies.
- Review operational processes relating to colonization, procurementt, recoveries whether PIEDMC achieves value for money and fulfills its role.

Audit Scope

The audit covered **PIEDMC headquarters, regional offices** and relevant supporting functions for the period **FY2023–FY2025**. The scope included:

- Examination of audited financial statements for the years 2020-21 to 2022-23 and un-audited for the years 2023-24 and 2024-25, balance sheets, cash flow statements, and supporting accounting records.
- Review of procurement activities, tender processes, bid evaluations, contract awards, consultant engagements, and compliance with PPRA Rules.
- Assessment of operational activity to establish estates.
- Evaluation of governance mechanisms, including Board oversight, policy approvals, and operational processes
- Analysis of recoveries from the industrialists/residents.

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Audit Methodology

The audit was conducted in accordance with **INTOSAI/ISSAI audit standards**, adopting a risk-based and evidence-driven approach. Key methodologies included:

- **Document Review:** Examination of financial statements, ledgers, bank reconciliations, procurement records, contracts, stock reports, policy documents, Board minutes, and internal correspondence.
- **Data Analysis:** Trend analysis of financial ratios, liquidity indicators, debt levels, inventory metrics, revenue and expenditure patterns, and cost structures using analytical procedures and Excel-based modeling.
- **Compliance Testing:** Verification of adherence to PPRA Rules, financial regulations, service rules, and statutory governance frameworks.
- **Operational Observations:** Examination of revenue i.e. fees, O&M charges, penalties, return on deposits and expenditures i.e. infrastructures, maintenance and pay & allowances of the company.

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Financial Working

Statements of Financial Position from FY 2021 to 2025					
Descriptions	**2025**	**2024**	**2023**	**2022**	**2021**
NON-CURRENT ASSETS					
Property, plant & equipment	1,853.15	1,483.78	1,237.47	1,242.61	994.33
Intangible assets	1.13	2.43	2.00	1.05	0.24
Long-term deposits & prepayments	585.42	228.37	226.08	244.89	218.87
Total Non-current Assets	**2,439.70**	**1,714.58**	**1,465.54**	**1,488.54**	**1,213.45**
CURRENT ASSETS					
Stores & spares	76.70	78.43	64.89	50.53	57.52
Stock-in-trade – plots / land under development	30,008.40	28,032.48	23,469.91	17,862.04	12,603.10
Trade debts	2,742.24	3,074.54	2,329.90	1,927.84	1,153.74
Advances, deposits & prepayments	1,741.32	1,378.06	1,256.72	1,208.44	172.31
Cash & bank balances	6,672.59	3,953.07	1,552.78	3,290.65	1,711.28
Other current assets (short term investment and accrued interest +Income tax refundable)	10,537.34	9,710.31	11,887.41	9,815.33	8,210.41
Total Current Assets	**51,778.58**	**46,226.90**	**40,561.61**	**34,154.82**	**23,908.35**
TOTAL ASSETS	**54,218.27**	**47,941.48**	**42,027.15**	**35,643.36**	**25,121.79**
EQUITY & LIABILITIES					
Share capital	50.00	50.00	50.00	50.00	50.00
Un-appropriated profit / (accumulated loss)	12,553.59	10,861.83	8,897.53	6,474.41	5,878.55
TOTAL EQUITY	**12,603.59**	**10,911.83**	**8,947.53**	**6,524.41**	**5,928.55**
NON-CURRENT LIABILITIES					
Long-term financing	1,745.37	3,488.54	3,338.54	3,103.80	2,045.93
Deferred liabilities / staff retirement benefits	4,522.33	4,409.57	4,197.00	4,087.62	1,921.60
Other non-current liabilities	995.28	697.31	670.02	641.45	815.14
Total Non-current Liabilities	**7,262.98**	**8,595.41**	**8,205.56**	**7,832.87**	**4,782.68**
CURRENT LIABILITIES					
Advances from customers against sale of plots	19,518.19	15,351.20	13,141.97	10,181.82	5,189.38
Current portion of long-term financing	9,998.27	8,105.11	8,105.11	8,043.55	7,393.55
Trade and other payables	4,420.24	4,602.04	3,285.72	2,881.26	1,683.64
Other current liabilities	415.00	375.90	341.26	179.46	144.00
Total Current Liabilities	34,351.70	28,434.24	24,874.06	21,286.09	14,410.56
TOTAL LIABILITIES	**41,614.68**	**37,029.65**	**33,079.62**	**29,118.95**	**19,193.25**
TOTAL EQUITY & LIABILITIES	**54,218.27**	**47,941.48**	**42,027.15**	**35,643.36**	**25,121.80**
Gearing Ratio	**74%**	**75%**	**77%**	**80%**	**75%**
Current Ratio	1.7	1.6	1.6	1.6	1.5
Quick Ratio	0.9	0.8	0.7	0.7	0.7

Source: Audited Financial Statements for the years 2020-21 to 2022-23 and Un-audited for the years 2023-24 & 2024-25

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Statements of Income and Expenditures					
Description	**2025**	**2024**	**2023**	**2022**	**2021**
Income					
Income from sale of plots	(235.79)	(273.26)	352.28	(81.02)	183.87
Fees	489.23	232.08	255.94	273.46	370.35
Operations, maintenance and allied service billing	788.08	565.59	500.21	474.58	429.11
Return on Bank Deposit & Investments	1841.97	2807.46	1843.23	807.04	466.01
Income from electricity and gas supply	498.83	276.44	287.71	76.56	68.42
Rental income	58.77	44.75	58.34	34.97	35.32
Amortization of deferred income/grant	11.82	13.13	17.09	19.43	21.86
Other income	115.83	59.59	26.10	47.71	159.83
Gain on disposal of assets	0	0	349.67	0	0
Total	**3,568.73**	**3,725.79**	**3690.57**	**1,652.75**	**1,734.78**
Expenditures					
Estate maintenance expenses/Development expenditure	0	0	51.93	59.04	26.59
Infrastructure maintenance expenses	888.75	896.62	606.94	472.23	431.88
Administrative expenses	973.92	846.37	530.93	426.18	512.73
Selling expenses	14.10	18.22	11.21	29.49	24.88
Finance cost	192.27	289.25	0.57	1.29	7.09
Total	**1876.96**	**1761.50**	**1201.58**	**988.23**	**1003.19**
Net surplus for the year	**1691.76**	**1964.29**	**2488.99**	**664.51**	**731.59**
Actuarial gain/(loss) on re-measurement of post-employment benefit	0	0	(65.87)	(68.65)	10.15
Total comprehensive income for the year	**1691.76**	**1964.29**	**2423.12**	**595.85**	**741.74**
Gross Profit Margin	**61.06%**	**59.54%**	**71.31%**	**69.17%**	**62.57%**
Operating Margin	**38.54%**	**41.34%**	**58.56%**	**41.07%**	**36.21%**
Net Profit Margin	**38.54%**	**41.34%**	**58.55%**	**40.99%**	**35.86%**

Source: Audited Financial Statements for the years 2020-21 to 2022-23 and Un-audited for the years 2023-24 & 2024-25

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Finding No.	Finding Title (as in Report)	OM No.	Original OM Title
2	**STATED MANDATE, ROLES & RESPONSIBILITIES**		
2.1	Low colonization status of industrial estates	2 (2024-25)	Low colonization of industrial plots due to poor performance of the management
2.2	Conflict of interest in composition of the Board of Management (BoMs)	76 (2022-23)	Defective Composition of the Board of Management
2.3	Non-compliance with annual performance evaluation of Board members	87 (2022-23)	Non conducting of performance evaluation of BoD members
2.4	Non-Processing and non-cancellation of SEZ Allottees Applications Resulting in Blockage of Industrial Plots	28 & 34 (2023-24)	Non processing of application of applicants of SEZs allottee resulting blockage of industrial plots Non cancellation of SEZ Enterprises plots violating the SEZ Rules
3	**FINANCIAL PERFORMANCE ANALYSIS**		
3.1	Revenue and Profitability Trend	Financial Statements for the years 2021-25	
3.2	Capital Structure and Asset Efficiency	Financial Statements for the years 2021-25	
3.3	Liquidity Stress Despite High Current Assets (High Risk	Financial Statements for the years 2021-25	
3.4	Reliance on Customer Advances Without Corresponding Delivery (High Risk)	Financial Statements for the years 2021-25	
4	**FINANCIAL MANAGEMENT**		
4.1	Ineffective recovery and monitoring of plots sale receivables	15(2023-24)	Huge Receivable against sale of plots
4.2	Failure to recover Charges, Fees and Penalties from estate users	19, 20, 23, 25 (2023-24) 23,27,28,29,30 (2024-25)	Non recovery of operation & maintenance charges of industries of Sunder Industrial Estate Un-recovered non-utilization fee (NUF) from allottees Non recovery of non-utilization fee (NUF) from industrial in Multan Industrial Estate Non recovery of sub-letting and other charges from lessee of MIE Loss due to non-imposition & Non-recovery of non-utilization fee from the allottees on account of non-utilization of plots Non recovery detection charges from the users of electricity Non recovery of fee and penalties for different issues/violations Non recovery electricity of charges from the disconnected consumers Non recovery of different dues from the users of estate
4.3	Inefficient utilization and investment of surplus funds	17 (2024-25)	Loss of interest due to investment of surplus fund
4.4	Non-compliance with market evaluation and statutory tax requirements in property acquisition	4,8(2024-25)	Loss due to purchase of plot at higher rate for PEIDMC HO Loss to government ex-chequer due to non-deposit of water charges into Government Treasury.
4.5	Weak financial Discipline and non-compliance in utilization of government loans	14(2023-24)	Non utilization of Loan
5	**HUMAN RESOURCE MANAGEMENT**		
5.1	Non-compliance with experience requirements in staff appointments	48 ,49 (2024-25)	Irregular appointment due to advertised the less experience against the HR policy
5.2	Unauthorized Grant of Allowance and Excess Leave Encashment beyond approved HR Policy	20 & 21 (24-25)	Irregular grant of cost of living allowance @ 25% of Gross pay

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			Loss due to non-imposition of O&M charges to the industrialists of different estates
6	**PROCUREMENT**		
6.1	Non-compliance with contractual procedures in amicable settlement	1(2024-25)	Loss due to irregular amicable settlement with contractor
6.2	Ineffective Contract Management in Execution of Sewerage Works	9(2023-24)	Defective work done by the contractor resulting into multiple rupture of sewerage line of disposal system
6.3	Non-completion of development works in industrial estates	5(2023-24)	Non-completion of development works in industrial estates resulting into cost escalations of development works
6.4	Non-engagement of supervision consultant for major civil works	32(2024-25)	Award of civil work contract without supervision of consultant
7	**OPERATIONAL PROCESSES & KPIs**		
7.1	Excess charging of electricity tariff from industrial consumers at Bhalwal industrial estate	31(2024-25)	Excess charging of electricity rate to the industrial consumers of Bhalwal Industrial Estate
7.2	Inefficient temporary electrification arrangements at Quaid-e-Azam Business Park	5(2024-25)	Extra expenditures incurred for temporary electrification at QABP
7.3	Less charging of development cost in plot pricing across industrial estates	25(2024-25)	Less charging of development cost against sale of plots
7.4	Non-recovery of electricity distribution losses from industrial consumers	13(2024-25)	Loss due to non-charging and recovery of electricity units lost during distribution of electricity to industrial consumers
7.5	Non-approval of Building plan and non-recovery of map approval fee	14(2024-25)	Loss due to non-submission of map for approval to the management by production units

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Tables

Table 1: Colonization Status (2.1) *(Rs. in million)*

Sr. No.	Industrial Estate	Date of Establishment	Total Area (Acres)	Colonized Acres	%age of Colonized Acre	Total Plots (Nos)	Plots Sold (Nos)	No. Of plots in production	%age of sold Plots in Production	Amount Incurred (Rs)
0	**1**	**2**	**3**	**4**	**5 (4/5*100)**	**6**	**7**	**8**	**9 (8/6*100)**	**10**
1	Rahimyar Khan Industrial Estate	March 2012	456	107.7	24%	201	143	49	34%	1,201
2	Bhalwal Industrial Estate	Sep 2012	427	110	26%	321	165	60	36%	2,629
3	Vehari Industrial Estate	Aug 2013	251	23.17	9%	175	59	10	17%	1,701
4	Quaid-e-Azam Business Park, Sheikhupura	Feb 2020	1860	269.9	15%	680	331	49	15%	17,697
5	Bahawalpur Industrial Zone	April 2024	483	0	0%	322	9	0	0%	4,973
	Total		3,477	510.77	**15%**	**1,699**	**707**	**168**	**24%**	**28,204**

Table 2: Summary of receivables (4.1) *(Rs. in million)*

Name of industrial estate	No. of Defaulters	Due amount Receivable (Rs)
Rahim Year Khan	2	38.245
Quaid-e Azam Business Park	23	276.057
Total		**314.302**

Table 3: Details of non recovery of Charges, Fees and Penalties (4.2) *(Rs. in million)*

Sr. No.	Description	Amount (Rs)
1	Electricity Charges	459.309
2	O&M Charges	277.316
3	Water Charges	89.688
4	Aquifer Charges	79.703
5	Sewerage Charges	25.071
6	Sub-letting Fee	9.967
7	Non Utilization Fee	548.517
8	Violation Fee	16.761
9	Penalties	22.608
	Total	**1528.94**

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Table 4: Calculation of interest loss due to non investment (4.3) *(Rs. in million)*

Amount (Rs)	Month	TDR (ROI)	CPA Account (ROI)	Dif of ROI	Loss of interest (Rs)
3,000.000	11 to 31 January 2025	10.9	7.7	3.2	5.333
3,000.000	Feb-25	10.9	7.7	3.2	8.000
3,000.000	Mar-25	10.9	7.7	3.2	8.000
3,000.000	Apr-25	10.9	7.7	3.2	8.000
3,000.000	May-25	10.9	7.7	3.2	8.000
3,000.000	Jun-25	10.9	7.7	3.2	8.000
Total					**45.333**

Table 5 Details of employees having less experience (5.1) *(Rs. in million)*

Name of Employee	Designation	Experience Held	Experience Required	Date of Appointment	Grade	Salary per month	No. of Months upto Sep 2025	Salary Paid (Rs.)
Mr. Muhammad Umair	Junior Engineer Gas	One year and five months	Five to Seven Years	January 02, 2025	5	65,000	9	0.585
Mr. Muhammad Saad Khan	Junior Engineer Gas	Four years and five months	Five to Seven Years	January 02, 2025	5	65,000	9	0.585
Mr. Muhammad Usman Iqbal	Junior Engineer Gas	Three years and five months	Five to Seven Years	January 17, 2025	5	65,000	8	0.520
Mr. Atique-Ur-Rehman	Electrician	-	Three years	October 22, 2024	3	55,000	11	0.650
Total								**2,340,000**

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Table 6: Estate wise payment of cost of living allowance (5.2) *(Rs. in million*

Sr. #	Industrial Estate	Amount (Rs)
01	PIEDMC HO	109.944
02	SIE	27.540
03	MIE	124.576
04	QIE	27.348
Total		**289.408**

Table 7: Excess payment of leave encashment (5.2) *(Rs. in million*

Sr#	Project Name	Leave Encashment actually paid (Rs)	Leave encashment entitlement as per HR manual (Rs)	Excess Payment (Rs)
1	PIEDMC HO 2023-24	35.978	25.185	10.794
2	PIEDMC HO 2024-25	48.028	33.619	14.408
3	SIE	32.869	23.008	9.861
4	MIE	5.153	3.607	1.546

5	QIE	7.888	5.522	2.366
Total		**129.916**	**90.941**	**38.975**

Table 8: Status of civil works completed of Estates (6.3) *(Rs. in million)*

Sr. No	Industrial Estate	Established in the year	Years passed	Total Cost (Rs)	Expenditure incurred (Rs)	Completion
1	Rahim Yar Khan Industrial Estate	2012	13	6,125.91	3,253.86	53%
2	Vehari Industrial Estate	2013	12	4,714.59	2,394.91	51%
3	Bhalwal Industrial Estate	2012	13	6,969.00	4,185.00	60%
4	Quaide Azam Business Park	2020	5	48,270.00	18,740.00	39%
5	Chunian Aqua Business Park	2014	11	2,140.00	1,076.15	50%
	Total			**68,219.50**	**29,649.92**	

Table 9: Details of excess rate to the Industrialists (7.1) *(Rs. in million)*

No. 0f Units/industries	Per unit rate Charged	Avg. unit rate charged at other estates	Difference of Rate (Rs)	No. of units sold	Excess amount Charged (Rs)
7	53	37	16	11,614,859	**185.838**

Table 10: Status of cost of sale Vs Revenue of Estates (7.3) *(Rs. in million)*

Name of Estate	Cost of sale (Rs)	Revenue (Rs)	Loss (Rs)
Rahimyar Khan Industrial Estate	280.883	257.851	23.033
Bhalwal Industrial Estate	441.405	303.645	137.760
Vehari Industrial Estate	97.131	23.924	73.206
Total	**819.419**	**585.420**	**233.999**

Table 11: Details of units lost during distribution of electricity (7.4) *(Rs. in million)*

Sr. #	Estate	Units Purchased	Cost	Units sold	Revenue	Units Self Consumed	Billed + Self Consumed (5+7)	Unit lost (3 - 8)	Rate	Amount of Loss	%age of losses
1	2	3	4	5	6	7	8	9	10	11	12
2	RIE	52,864,350	1,899.863	52,306,531	1,941.753	335,185	52.641	222,634	36.00	8.014	0.42
3	BIE	12,048,560	563.137	11,614,859	614.257	187,295	11.802	246,406	47.00	11.581	2.05
4	VIE	9,693,040	352.214	9,030,304	335.534	124,456	9.154	538,280	36.00	19.378	5.55
5	QABP	11,384,037	424.417	10,230,509	446.612	40,041	10.270	1,113,487	37.00	41.199	9.78
6	SIE	443,325,600		438,627,369			83,869,18	4,698,231	36.71	172.472	1.059
	Total	**529,315,590**		**521.809**				**6,819,047**		**252.645**	

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Table 12: Details of units who not submitted map for approval (7.5) (Rs. in million)

Sr. No.	Customer/Company Name	Plot no.	Area in acre	Site Status	Sqft in one acre	Total Area (Sqft)	Estimated Covered Area (50%) (Sqft)	Map Approval Fee Rate (Rs./sft)	Map Approval Fee to be recovered (Rs)
1	Punjab Small Industries Corporation	30 - 33	4	Production / Active	43560	174,240	87,120	18	1.568
2	M/s Punjab Small Industries Corporation	55	1	Production / Active	43560	43,560	21,780	18	0. 392
3	M/s. Hanan Packages	100	1	Production / Active	43560	43,560	21,780	18	0.392
4	M/s Punjab Workers Welfare Board	171 - 179	40	Production / Active	43560	1,742,400	871,200	18	15.682
5	Mr. Muhammad Javed Badar	234	0.51	Production / Active	43560	22,216	11,108	18	0.199
6	Mr. Muhammad Latif	239	0.51	Production / Active	43560	22,216	11,108	18	0.199
7	M/s Animal Quarantine Department	246	0.505	Production / Active	43560	21,998	10,999	18	0.198
8	Mr. Mahmood Ahmed	314	0.505	Production / Active	43560	21,998	10,999	18	0.198
9	Mr. Fauzi Mustafa Durrani	341	0.577	Production / Active	43560	25,134	12,567	18	0.226
	Total								**19.056**

Table 13 Definitions of Ratios included in the report

Ratio Name	Formula	Ratio Interpretation
Current Ratio	Current Assets ÷ Current Liabilities	Measures ability to pay short-term obligations (>1 generally healthy)
Liquid (Quick) Ratio	(Current Assets – Inventory) ÷ Current Liabilities	Liquidity without inventory; shows immediate ability to meet liabilities
Debt to Equity Ratio	Total Debt ÷ Total Equity	Shows leverage and risk; high ratio = more reliance on debt financing.
Return on Assets	Net Income ÷ Total Assets	Return on Assets (ROA) is a key profitability ratio that measures how efficiently a company uses its assets to generate earnings, expressed as a percentage. It indicates how many profit are generated for every assets owned. A higher, increasing ROA suggests superior management efficiency in utilizing resources.

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Assistant Audit Officer (IT)
20 October 2025 07:46 PM