AUDIT REPORT ON PRIVATE BANK ACCOUNTS MAINTAINED BY DIFFERENT ENTITIES OF PAKISTAN RAILWAYS AUDIT YEAR 2023-24

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20 October 2026 09:15:00 PM

AUDITOR-GENERAL OF PAKISTAN

SERVING THE NATION BY PROMOTING ACCOUNTABILITY, TRANSPARENCY AND GOOD GOVERNANCE IN THE MANAGEMENT AND USE OF PUBLIC RESOURCES

FOR THE CITIZENS OF PAKISTAN

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PREFACE

The Auditor-General of Pakistan conducts audit in terms of Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan 1973, read with sections 8 and 12 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001. The Audit of "Private Bank Accounts Maintained by Different Entities of Pakistan Railways" was carried out accordingly on the request of Secretary for the Ministry of Railways.

The Directorate General of Audit Railways, Lahore conducted this audit during the year 2023-24 for the period from 2018-19 to 2022-23 with a view to report significant findings to stakeholders. Audit examined the sources of receipts of private bank accounts and the nature of expenditure from these funds/bank accounts. In addition, Audit examined the legality of opening private bank accounts and depositing of Pakistan Railways' revenue therein. The audit report indicates specific actions that, if taken, will help the management to improve financial health of Pakistan Railways. The report has been finalized in the light of management replies as well as discussion in DAC meeting.

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

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Islamabad
Dated: 20 NOV 2025

(Maqbool Ahmad Gondal)
Auditor-General of Pakistan

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ABBREVIATION AND ACRONYMS

ABL	Allied Bank Limited
DS	Divisional Superintendent
DSO	Divisional Supports Officer
GFR	General Financial Rules
HBL	Habib Bank Limited
IGPRP	Inspector General of Pakistan Railways Police
IS	Inspector of Sports
MCB	Muslim Commercial Bank
MGPR	Mughalpura
NBP	National Bank of Pakistan
PSDP	Public Sector Development Program
PR	Pakistan Railways
PRSB	Pakistan Railways Sports Board
SBP	State Bank of Pakistan
SOP	Standard Operating Procedure
UBL	United Bank Limited

DEFINITIONS

GOVERNMENT BANK ACCOUNTS	Bank accounts opened and maintained with the approval of the Finance Division in consultation with the State Bank of Pakistan
PRIVATE BANK ACCOUNTS	Bank accounts opened and maintained without the approval of the Finance Division in consultation with the State Bank of Pakistan

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EXECUTIVE SUMMARY

The Directorate General of Audit Railways, Lahore, conducted audit of Private Bank Accounts Maintained by Different Entities of Pakistan Railways during the Audit Year 2023-24. The objectives of the audit were to examine the legality of opening private bank accounts, assess the nature and extent of funds utilized from these bank accounts, evaluate the compliance with PAC/DAC directives regarding maintenance of these bank accounts and analyze the impact of these private bank accounts on revenue stream of PR.

Pakistan Railways has six (06) bank accounts with State Bank of Pakistan and one (01) bank account with National Bank of Pakistan. All earnings and other receipts of Pakistan Railways, on capital and revenue account are required to be remitted into the railway treasury and relevant account with State Bank of Pakistan. However, different departments of Pakistan Railways i.e. Sports Institutions and Railway Officers Clubs have deposited earning amounting to Rs 519.46 million generated through commercial use of PR resources, i.e. earning from railway land, marriage halls, shrine, library subscription, school fees, canteen rent and parking charges, into 29 private bank accounts. The funds were utilized for unauthorized expenditures in violation of applicable financial regulations. As on 30.06.2023, these accounts had a closing balance of Rs. 58.11 million **(Annexure-1 to 3).**

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Key Audit Findings:

i. Utilization of Railway land without prescribed authorization– Rs 19,126.11 million.[1]

ii. Non-leasing of Railway land as per applicable rules – Rs 5,401.43 million.[2]

iii. Deposit of railway earnings into private accounts – Rs 519.46 million.[3]

[1]Para 4.4.1
[2]Para 4.4.2
[3]Para 4.1.1

iv. Investment made without prior approval of the Federal Government – Rs 45.09 million.[4]

v. Mis-appropriation of Government funds – Rs 13.47 million.[5]

vi. Expenditure incurred without pre-audit – Rs 129.61 million.[6]

vii. Expenditure made without formal approval of competent authority – Rs 80.45 million.[7]

viii. Transfer of Railway earnings to Mayo Garden Club – Rs 27.00 million.[8]

ix. Expenditure on refreshment of Railway officers – Rs 13.37 million.[9]

x. Grant of loan facilities to Railway officers and payments to staff on account of special favors – Rs 17.46 million.[10]

xi. Status of compliance with PAC/DAC directives and non-retrieval of petrol pump site.[11]

xii. Non-production of record.[12]

Recommendations

i. Management may retrieve all unlawful possession of railway land utilized for sports institution and officers clubs besides taking necessary corrective action for better utilization of land.

ii. The practice of keeping private banks accounts be inquired and discontinued henceforth and the balances be transferred to PR treasury.

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[4]Para 4.1.2
[5]Para 4.1.2
[6]Para 4.2.1
[7]Para 4.2.2 & 4.2.4
[8]Para 4.2.6
[9]Para 4.2.7
[10]Para 4.2.8 & 4.2.11
[11]Para 4.3.1 & 4.3.2
[12]Para 4.3.3

iii. Financial management and controls be strengthened to prevent recurrence.

iv. Cases of fraud and misappropriation be investigated appropriately for fixing responsibility and taking remedial measures especially strengthening the internal controls.

v. Inquiries either directed by DAC or otherwise be processed and finalized at the earliest.

vi. Disciplinary action be taken against the persons found at fault for non-production of record.

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1. INTRODUCTION

Government banking arrangements are an important factor for efficient management and control of Government's cash resources. Such banking arrangements are designed to minimize the cost of government borrowing and maximize the opportunity cost of cash resources. This requires that all cash received is available for carrying out expenditure of government and making payment in timely manners. For this purpose, Pakistan Railways has 07 authorized banks accounts, 06 with State Bank of Pakistan and 01 with National Bank of Pakistan.

Sr. No.	Bank Account No.	Bank Name	Description
1	Account-III	SBP	Scrap and others
2	Account-XI	SBP	Pay
3	Account-XVII	SBP	Pension
4	Account-XVIII	SBP	PSDP
5	Account-XX	SBP	Deposit Works
6	Account-XXI	SBP	GP Fund
7	NIDA Account No.70025	NBP	Collection Account

All earnings from core and non-core operations of Pakistan Railways, whether on capital and revenue account are required to be remitted by each department/Railway Division into the railway treasury and relevant account with SBP and NBP.

Payment from Pakistan Railways accounts are authorized by Financial Advisor and Chief Accounts Officer (FA&CAO) of Pakistan Railways in accordance with the rules prescribed in Treasury Rules of Federal Government. In addition to approved bank accounts, different departments of Pakistan Railways opened 29 unauthorized private bank accounts,[13] without approval of Finance Division and consultation of State Bank of Pakistan, diverting railway earnings from Account-III to the private bank accounts in violation of rule 498 of Treasury Rules of Federal Government, para 904 of Pakistan Railways Code for the Accounts Department (Part-I), Rule 286 of the General Financial Rules (GFR) and

[13] For which information was provided to Audit.

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Rule 23 of the Public Finance Management Act 2019, which prohibits transferring public funds into non-government bank accounts without prior approval of Federal Government. Audit revealed that the above actions of railway management reflected systemic weakness and governance failures within Pakistan Railways including violations of statutory rules, material financial irregularities, unauthorized use of public assets, and weak internal controls.

2. AUDIT OBJECTIVES

The prime objectives of the audit were to:

i. Examine the legality of opening private bank accounts,
ii. Assess the nature and extent of funds utilized from these bank accounts,
iii. Evaluate the compliance with PAC/DAC directives regarding maintenance of these bank accounts, and
iv. Analyze the impact of these private bank accounts on revenue stream of PR.

3. AUDIT SCOPE AND METHODOLOGY

3.1 Audit scope

Audit of private bank accounts maintained by different entities of Pakistan Railways was conducted during Audit Year 2023-24. Scrutiny of record and information related to deposit of railway earning in private bank accounts and expenditure for the last five financial years from 2018-19 to 2022-23 was undertaken on sample basis at Railway Headquarters, Lahore, IGPRP office, eight railway divisions and three subsidiaries of Pakistan Railways.

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3.2 Scope limitation

Audit could not check all data that Audit considered necessary for the purpose of Audit due to non-provision of record. Railway management refused to provide the auditable record despite repeated requests. The requisite record included, but were not limited to, the number of private bank accounts maintained by divisions/institutes, the authority under which these bank accounts were opened, bank statements, sources of earnings

related to these accounts, cash books etc. **(Annexure-13)**. Furthermore, due to non-provision of the record, audit was unable to determine the audit universe.

3.3 Audit methodology

Audit execution involved compliance testing, substantive analysis and substantive testing of data. Audit examined relevant files and documents and reviewed bank statements, cash books and financial statements. Discussion with the management was also made to obtain clarification and gather relevant information related to the matter.

4. AUDIT FINDINGS

4.1 Legality and sources of revenue of private bank accounts

Different departments, institutes and officers' clubs of PR maintained private bank accounts and made investment with different banks without the approval of Finance Division/Federal Government. Their major source of income was revenue generated from the commercial use of railway land. As a result, substantial public funds were held, outside approved bank accounts, in unauthorized private bank accounts.

4.1.1 D**eposit of Railway earnings into private accounts – Rs 519.46 million**

According to Para 1402 of Pakistan Railways General Code, all money received by or tendered to Government Officers on account of revenues should be deposited in full in the treasury or bank specified by the Ministry of Finance in consultation with the State Bank of Pakistan without any delay. Further, Rule 286 of GFR provides that except as expressly provided otherwise in any rule or order made by Government, no land belonging to Government may be sold or made over to a local authority, private party or institution for public, religious, educational or any other purpose, except with the previous sanction of Government.

During audit of private bank accounts maintained by different entities of Pakistan Railways in May 2024, it was observed that officer clubs and sports institutions under the administrative control of Pakistan Railways generated Rs 186.65 million through commercial use of railway land during

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the period from 2018-19 to 2022-23, without obtaining the approval of Federal Government. Further, earning generated from Pakistan Railways resources was unlawfully deposited into twenty-four (24) private bank accounts, which were opened and operated without the approval of the Finance Division, instead of deposited into railway treasury **(Annexure-1)**.

Audit further observed that regular income amounting to Rs 332.81 million from non-core business of PR, i.e. leasing/rental of railway shops, pensioners' ID card fee, suburban fee and rent from hawkers, for which specific bank account No. III had been maintained by Pakistan Railways with SBP was irregularly deposited in five (05) private bank accounts operated by Divisional Superintendent, Workshops Division, Mughalpura. This resulted in unauthorized operation of private bank accounts and unlawful deposit of railway earnings Rs 332.81 million into these accounts during the period from 2018-19 to 2022-23 **(Annexure-2)**.

The matter was taken up with the management in July 2024 and discussed in DAC meeting held on 19.09.2024. The chair constituted a committee comprising Divisional Superintendent Lahore, FA&CAO / Revenue and CPO to review the rules and regulations of the clubs i.e. PECOM, Islamabad Club, Gymkhana Lahore, D.H.A Club, Air-force Club, and study their models and will give financial model and make SOPs regarding investment and expenditure etc. The committee will come up with a comprehensive report having comparative analysis with regard to its structural, management and internal controls for utilization of the funds within one month (18.10.2024). The committee should submit its report to audit and railway administration latest by 30.10.2024.

Audit did not agree with the recommendations of the chair as the same did not address audit observation. The clubs referred to by chairman DAC were established with the approval of respective Provincial and Federal Government authorities. In contrast, PR established institutes/clubs without any approval from competent authority. Audit recommends that the CEO/Senior General Manager Pakistan Railways may refer the matter to Ministry of Law and Ministry of Finance for clarification regarding utilization of railway land for railway officers clubs and sports institutes

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without the approval of Federal Government, despite having a separate budget for sports activities, and the practice of depositing of income generated through commercial use of railway land in private bank accounts. Further, irregular practice of depositing income generated from auction of railway shops, pensioners' ID card fee, suburban fee and rent from hawkers into private bank accounts may be dispensed with immediately. Disciplinary action may also be initiated against the officers responsible for these irregularities.

Note: This observation has also been included in Audit Report on the Accounts of Pakistan Railways, Audit Year 2024-25 vide Audit Para # 2.6.7

4.1.2 Investment made without prior Federal Government approval and subsequent issues-Rs 45.09 million

According to clause 23(2) of Public Finance Management Act 2019, no authority shall transfer public moneys for investment or deposit from government account to other bank account without prior approval from the Federal Government.

During audit of private bank accounts maintained by different entities of Pakistan Railways in May 2024, it was observed that railway management invested an amount of Rs 45.09 million generated from lease/rental charges i.e. commercial use of the railway land under occupation of Pakistan Railway Sports Board and Moghalpura Institute Lahore.

i) An amount of Rs 3.5 million received from the lessee of railway land at Griffin Institute Mughalpura was invested for one year at 10.25% interest rate with Habib Bank Limited, Panorama Centre Branch, Lahore on 30.04.2012. The whereabouts of Rs 3.5 million after maturity on 26.04.2013 including accrued interest was not furnished to Audit*.

ii) On 07.03.2018, railway management invested an amount of Rs 4.50 million as term/call deposit with Habib Bank Limited, Panorama Centre Branch, Lahore in account No. 1741-79018307-80. However, relevant record showing the terms and conditions of investment was not provided to Audit.

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iii) Pakistan Railway Sports Board invested an amount of Rs 5.00 million (211,900 units @ Rs 23.60) in National Investment Trust (NIT) in 2003. By 2022, the investment grew up to Rs 37.09 million through dividend accruals and PRSB withdraw Rs 9.97 million. However, PRSB failed to provide records to verify (a) investment details, (b) unit holdings, (c) encashment transactions and (d) utilization of funds. The non-provision of record increases the likelihood of misappropriation.

This resulted in irregular investment of Rs 45.09 million as approval of Federal Government was not obtained. Further, the management of Moghalpura Institute Lahore and PRSB failed to justify the shortage of Rs 13.47 million (Rs 3.5 million + Rs 9.97 million).

The matter was taken up with the management in July 2024 and discussed in DAC meeting held on 19.09.2024. The chair constituted a committee comprising Divisional Superintendent Lahore, FA&CAO/ Revenue and CPO to review the rules and regulations of the clubs i.e. PECOM, Islamabad Club, Gymkhana Lahore, D.H.A Club, Air-force Club, and study their models and will give financial model and make SOPs regarding investment and expenditure etc. The committee will come up with a comprehensive report having comparative analysis with regard to its structural, management and internal controls for utilization of the funds within one month (18.10.2024). The committee should submit its report to audit and railway administration latest by 30.10.2024.

Audit did not agree with the recommendations of the chair as the same did not address audit observation. Audit recommends that amount of investment made may immediately be transferred to railway treasury. Action be taken against those held responsible under intimation to Audit.

* Note: This observation has also been included in Audit Report on the Accounts of Pakistan Railways, Audit Year 2021-22 vide Audit Para # 2.5.6

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4.2 Nature and extent of funds utilized from private bank accounts

Railway institutes and clubs incurred expenditures from railway earnings deposited in private bank accounts without any lawful authority and adherence to prescribed financial procedures. The lack of proper documentation related to the use of these funds further complicated the ability to verify the legality and authenticity of the spending. The expenditure was carried out outside the purview of the official accounting system, raising concerns over transparency, accountability and financial control.

4.2.1 Expenditure incurred without pre-audit – Rs 129.61 million

According to Para-317 of Pakistan Railways Code for the Accounts Department (Part-I), all claims against Pakistan Railways should be checked by the Accounts Officer before payment is made.

During audit of private bank accounts maintained by different entities of Pakistan Railways in May 2024, it was observed that Moghalpura/ Burt/Griffin institutes and Quetta/Rawalpindi railway officers clubs made payments of Rs 129.61 million from income generated through commercial use of railway land, to contractors, employees and players from 2018-19 to 2022-23 without pre-audit in violation of the above rule **(Annexure-4)**. This depicts weak financial internal controls. The likelihood of unauthorized payments could not be ruled out.

The matter was taken up with the management in July 2024 and discussed in DAC meeting held on 19.09.2024. The chair constituted a committee comprising Divisional Superintendent Lahore, FA&CAO/ Revenue and CPO to review the rules and regulations of the clubs i.e. PECOM, Islamabad Club, Gymkhana Lahore, D.H.A Club, Air-force Club, and study their models and will give financial model and make SOPs regarding investment and expenditure etc. The committee will come up with a comprehensive report having comparative analysis with regard to its structural, management and internal controls for utilization of the funds within one month (18.10.2024). The committee should submit its report to audit and railway administration latest by 30.10.2024.

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Audit did not agree with the recommendations of the chair as the same did not address audit observation. Audit recommends that matter may be inquired to fix responsibility for making payments without pre-audit of claims/bills. Action be taken against those found at fault besides initiating the process of pre-audit in respect of all payments made from railway earning.

4.2.2 Expenditure made without formal approval of competent authority – Rs 49.42 million

According to Para-13 and 17 of the Constitution of the Pakistan Railways Sports Board, the Divisional Sports Officer (DSO) will be nominated by Divisional Superintendent concerned with the approval of PRSB. The DSO will exercise the powers of honorary secretary/PRSB in his jurisdiction and have financial powers to sanction the amount up to Rs 75,000. Sanction of amount above Rs 75,000 and Rs 200,000 rest with the vice president and president of Pakistan Railways Sports Board respectively.

During audit of private bank accounts maintained by different entities of Pakistan Railways in May 2024, it was observed that nominations/ appointments of Divisional Sports Officers, Moghalpura were made by Divisional Superintendent, Workshops Division without the approval of Pakistan Railways Sports Board in violation of the above rule. The officer irregularly appointed as DSO sanctioned an amount of Rs 49.42 million on account of procurement of material, farewell parties, lunch of officers etc. by utilizing the power of DSO for the period from 2018-19 to 2022-23 **(Annexure-5).** Further, an amount of Rs 9.49 million was spent by the Moghalpura Institute Lahore on procurement of material, execution of civil works etc., without the approval and sanction of vice president and president of PRSB during the period from 2018-19 to 2022-23 **(Annexure-6)**. This depicted weak financial controls and negligence on the part of Divisional and PRSB authorities.

The matter was taken up with the management in July 2024 and discussed in DAC meeting held on 19.09.2024. The chair constituted a committee comprising Divisional Superintendent Lahore, FA&CAO/

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Revenue and CPO to review the rules and regulations of the clubs i.e. PECOM, Islamabad Club, Gymkhana Lahore, D.H.A Club, Air-force Club, and study their models and will give financial model and make SOPs regarding investment and expenditure etc. The committee will come up with a comprehensive report having comparative analysis with regard to its structural, management and internal controls for utilization of the funds within one month (18.10.2024). The committee should submit its report to audit and railway administration latest by 30.10.2024. Compliance of DAC directives was awaited.

Audit recommends that matter may be inquired to fix responsibility for irregular appointment of DSO and incurring of expenditure without having any authority. Action be taken against those found at fault besides regularization of expenditure under intimation to Audit.

4.2.3 Licensing of Burt Institute Hall for use as Marriage Lawn/Marquee – Rs 33.15 million

According to clause-4 of policy for licensing of railway land for marriage lawn/marquee 2020, the base rate for annual rent will be calculated on the basis of 5% on the average of market and DC price (Commercial) of the approved sites of big cities and 2% on the average of market and DC price for small cities.

During audit of private bank accounts maintained by different entities of Pakistan Railways in May 2024, it was observed that notice for auction of Burt Institute Hall Lahore for establishing marquee was advertised in the daily newspapers dated 29.11.2023 without fixing base rate. Auction was held on 14.12.2023 and base rate of Rs 1.50 million was fixed arbitrarily on 12.12.2023 without considering policy for licensing of railway land for marriage lawn/marquee. According to the policy for licensing of railway land for marriage lawn/marquee, the base rate should have been fixed as Rs 34.79 million (1.77 acre = DC value Rs 695,822,400 x5%). The Burt Institute Hall was licensed irregularity to Mr. Amer Bhatti for three years from December 2023 to December 2026 at Rs 1.64 million. This resulted in loss of Rs 33.15 million due to leasing of marriage hall at lower rates.

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The matter was taken up with the management in July 2024 and discussed in DAC meeting held on 19.09.2024. The chair constituted a committee comprising Divisional Superintendent Lahore, FA&CAO/ Revenue and CPO to review the rules and regulations of the clubs i.e. PECOM, Islamabad Club, Gymkhana Lahore, D.H.A Club, Air-force Club, and study their models and will give financial model and make SOPs regarding investment and expenditure etc. The committee will come up with a comprehensive report having comparative analysis with regard to its structural, management and internal controls for utilization of the funds within one month (18.10.2024). The committee should submit its report to audit and railway administration latest by 30.10.2024. Compliance of DAC directives was awaited.

Audit did not agree with the recommendations of the chair as the same did not address audit observation. Audit is of the view that matter be inquired to fix responsibility for leasing of marriage lawn at lower rates. Action be taken against those found at fault besides recovery of the amount involved.

4.2.4 Utilization of Railway funds by sports institutions – Rs 31.03 million

Para 320 of Pakistan Railways Code for the Accounts Department provides that all claims should be scrutinized with a view to see that it is covered by the grants at the disposal of the officers incurred it or by funds re-appropriated by competent authority for the purpose.

During audit of private bank accounts maintained by different entities of Pakistan Railways in May 2024, it was observed that Ministry of Railways allocated Rs 83 million for sports activities during last five years. Whereas, PRSB incurred an extra expenditure of Rs 31.03 million from within the earnings generated from the commercial use of railway land during corresponding period **(Annexure-7)**. Audit is of the view that PRSB should manage its expenditure from within the allocated budget for sports activities instead of irregularly using railway earnings. This resulted in unauthorized utilization of railway funds Rs 31.03 million in violation of the rule ibid.

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The matter was taken up with the management in July 2024 and discussed in DAC meeting held on 19.09.2024. The chair constituted a committee comprising Divisional Superintendent Lahore, FA&CAO/ Revenue and CPO to review the rules and regulations of the clubs i.e. PECOM, Islamabad Club, Gymkhana Lahore, D.H.A Club, Air-force Club, and study their models and will give financial model and make SOPs regarding investment and expenditure etc. The committee will come up with a comprehensive report having comparative analysis with regard to its structural, management and internal controls for utilization of the funds within one month (18.10.2024). The committee should submit its report to audit and railway administration latest by 30.10.2024. Compliance of DAC directives was awaited.

Audit recommends that responsibility for irregular/unauthorized expenditure may be fixed. Action be taken against those held responsible besides recovery of the amount involved.

4.2.5 Payments made in cash instead of through banking channel – Rs 20.91 million

According to Rule-63, Advanced Chapter 9 of Personnel Manual, all expenditure shall be made by cheque and such cheques shall be signed by president and secretary.

During audit of private bank accounts maintained by different entities of Pakistan Railways in May 2024, it was observed that management of Quetta officers club, Moghalpura, Burt and Griffin institutes incurred an amount Rs 20.91 million, from the income earned from railway resources, for the procurement of furniture, computer, stationery and C&P items etc. from 2018-19 to 2022-23. However, the payment to the suppliers was made in cash instead banking channel i.e. through cheques. Audit is of the view that payment in cash exposed the institutions and clubs to the risk of mis-utilization of funds, weak financial controls and compromises the integrity of financial management. This resulted in irregular cash payments of Rs 20.91 million in violation of rule ibid **(Annexure-8)**.

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The matter was taken up with the management in July 2024 and discussed in DAC meeting held on 19.09.2024. The chair constituted a committee comprising Divisional Superintendent Lahore, FA&CAO/ Revenue and CPO to review the rules and regulations of the clubs i.e. PECOM, Islamabad Club, Gymkhana Lahore, D.H.A Club, Air-force Club, and study their models and will give financial model and make SOPs regarding investment and expenditure etc. The committee will come up with a comprehensive report having comparative analysis with regard to its structural, management and internal controls for utilization of the funds within one month (18.10.2024). The committee should submit its report to audit and railway administration latest by 30.10.2024. Compliance of DAC directives was awaited.

Audit recommends that compliance of rules be ensured, internal controls be strengthened to avoid recurrence and action be taken against those held responsible for violating Government instructions.

4.2.6 Transfer of Railway earnings to Mayo Garden Club – Rs 27.00 million

Rule 12 of Rules of Business 1973 item (b) states that no Division shall, without previous consultation with the Finance Division, authorize the issue of any orders, other than orders in pursuance of any general or special delegation made by the Finance Division, which will affect directly or indirectly the finances of the Federation, incur expenditure for which no provision exists in the budget or for which no sanction exists. Further, as per rule-10 (ii & iii), no authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage. Public moneys should not be utilized for the benefit of a particular person or section of the community

During audit of private bank accounts maintained by different entities of Pakistan Railways in May 2024, it was observed that railway earnings amounting to Rs 27.00 million was unlawfully transferred to a specific club i.e. Mayo Garden Club for construction of swimming pool and state of the art gym for ladies in violation of rules ibid. Audit is of the view

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that all expenditure of the club was required to be borne by the members of the club instead of unauthorizedly using the railway earning.

(Rs in million)

Sr. #	Name of transferor	Cheque No.	Amount
1	Railway Officers Club, Quetta	i. 296803994 dated 26.12.2023 ii. 23190479 dated 24.06.2024	16.00
2	Railway Officers Club, Multan	2015	10.00
3	Moghalpura Institute, Workshops Division, Lahore	3402101 dated 07.11.2011	01.00
Total			**27.00**

The transfer of funds for private purposes without approval of the Finance Division at such a critical stage when PR is facing acute financial crunch.

The matter was taken up with the management in July 2024 and discussed in DAC meeting held on 19.09.2024. The chair constituted a committee comprising Divisional Superintendent Lahore, FA&CAO/ Revenue and CPO to review the rules and regulations of the clubs i.e. PECOM, Islamabad Club, Gymkhana Lahore, D.H.A Club, Air-force Club, and study their models and will give financial model and make SOPs regarding investment and expenditure etc. The committee will come up with a comprehensive report having comparative analysis with regard to its structural, management and internal controls for utilization of the funds within one month (18.10.2024). The committee should submit its report to audit and railway administration latest by 30.10.2024. Compliance of DAC directives was awaited.

Audit recommends that matter be inquired at an appropriate level to fix responsibility for unlawful transfer of railway earnings to a specific club. Action be taken against those held responsible besides recovery of the amount involved from the members of Mayo Garden Club and transfer the same in railway treasury under intimation to Audit.

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4.2.7 Expenditure on refreshment for Railway officers – Rs 13.37 million

According to Para 1402 of Pakistan Railways General Code, all money received by or tendered to Government Officers on account of revenues should be deposited in full in the treasury or bank specified by the Ministry of Finance in consultation with the State Bank of Pakistan without any delay. The money so received should not be appropriated to meet departmental expenditure nor should be kept apart from the Public Account. Further, according to item-viii of Finance Division (Expenditure Wing) office memorandum No. F. 7(1) Exp. IV/2016-340 dated 7th July 2022, there was complete ban on official lunches/dinners/hi-tea except for foreign delegations.

During audit of private bank accounts maintained by different entities of Pakistan Railways in May 2024, it was observed that railway institutes and officers' clubs incurred an expenditure of Rs 13.37 million, from the income generated through commercial use of railway land/resources, on refreshment of railway officers like dinner, buffets, welcome/farewell parties and office meetings from 2018-19 to 2022-23 in violation of rules ibid. This resulted in incurrence of unauthorized expenditure of Rs 13.76 million by misusing the financial powers by railway management **(Annexure-9)**. This depicts mis-utilization of funds, weak financial controls and compromises the integrity of financial management.

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The matter was taken up with the management in July 2024 and discussed in DAC meeting held on 19.09.2024. The chair constituted a committee comprising Divisional Superintendent Lahore, FA&CAO/ Revenue and CPO to review the rules and regulations of the clubs i.e. PECOM, Islamabad Club, Gymkhana Lahore, D.H.A Club, Air-force Club, and study their models and will give financial model and make SOPs regarding investment and expenditure etc. The committee will come up with a comprehensive report having comparative analysis with regard to its structural, management and internal controls for utilization of the funds within one month (18.10.2024). The committee should submit its report to

audit and railway administration latest by 30.10.2024. Compliance of DAC directives was awaited.

Audit recommends that responsibility be fixed for unauthorized expenditure. Action be taken against those found at fault besides recovery of the amount involved.

4.2.8 Grant of loan facilities to Railway officers – Rs 11.59 million

According to Para 1402 of Pakistan Railways General Code, all money received by or tendered to Government Officers on account of revenues should be deposited in full in the treasury or bank specified by the Ministry of Finance in consultation with the State Bank of Pakistan without any delay. The money so received should not be appropriated to meet departmental expenditure nor should be kept apart from the Public Account. Further, Para 429 provides that no expenditure shall be incurred by an authority without the allotment of necessary funds.

During audit of private bank accounts maintained by different entities of Pakistan Railways in May 2024, it was observed that railway institutes and officers' clubs granted loan amounting to Rs 11.59 million to regular railway officers and staff from the earnings generated through commercial use of railway institutes/clubs' land from 2018-19 to 2022-23. This resulted in illegal/unlawful grant of loan amounting to Rs 11.59 million to railway employees in violation of rules ibid **(Annexure-10)**. This depicts mis-utilization of funds, weak financial controls and compromises the integrity of financial management.

The matter was taken up with the management in July 2024 and discussed in DAC meeting held on 19.09.2024. The chair constituted a committee comprising Divisional Superintendent Lahore, FA&CAO/ Revenue and CPO to review the rules and regulations of the clubs i.e. PECOM, Islamabad Club, Gymkhana Lahore, D.H.A Club, Air-force Club, and study their models and will give financial model and make SOPs regarding investment and expenditure etc. The committee will come up with a comprehensive report having comparative analysis with regard to its structural, management and internal controls for utilization of the funds within one month (18.10.2024). The committee should submit its report to

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audit and railway administration latest by 30.10.2024. Compliance of DAC directives was awaited.

Audit recommends that responsibility be fixed for illegal/unlawful grant of loan to different officers. Action be taken against those held responsible besides recovery of the amount involved from those found at fault.

4.2.9 Expenditure in deviation from PPRA Rules – Rs 10.96 million

According to rule 12 (i) of PPRA rules 2004, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the Authority's website in the manner and format specified by regulation by the Authority from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency. Rule 42 (b) (i) of PPRA rules 2004 revised in 2021 further stipulates that where the value of procurement is more than one hundred thousand Pakistani Rupee but does not exceed five hundred thousand Pakistani Rupee, the procuring agency may engage in procurement through request for three quotations from GST registered firms, original equipment manufacturers or authorized dealers, without resorting to bidding.

During audit of private bank accounts maintained by different entities of Pakistan Railways in May 2024, it was observed that an expenditure of Rs 10.96 million was incurred on procurement of different items and execution of civil works, from the earning of Shrine Baba Masoom Shah, Rawalpindi and Moghalpura Institute, Lahore, without tendering process, during the period from 2018-19 to 2022-23. This resulted in irregular expenditure of Rs 10.96 million in deviation from PPRA Rules **(Annexure-11)**.

The matter was taken up with the management in July 2024 and discussed in DAC meeting held on 19.09.2024. The chair constituted a committee comprising Divisional Superintendent Lahore, FA&CAO/ Revenue and CPO to review the rules and regulations of the clubs i.e. PECOM, Islamabad Club, Gymkhana Lahore, D.H.A Club, Air-force Club, and study their models and will give financial model and make SOPs

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regarding investment and expenditure etc. The committee will come up with a comprehensive report having comparative analysis with regard to its structural, management and internal controls for utilization of the funds within one month (18.10.2024). The committee should submit its report to audit and railway administration latest by 30.10.2024. Compliance of DAC directives was awaited.

Audit recommends that matter may be taken up at an appropriate level to fix responsibility for violation of PPRA Rules. Action be taken against those held responsible besides regularization of expenditure.

4.2.10 Use of Railway earnings for purposes not formally authorized – Rs 6.44 million

Para-1405 of Pakistan Railways General Code provides that the appropriation of departmental receipts to departmental expenditure or any other purpose is strictly prohibited, except to a limited extent for the payment of expenditure of Pakistan Railways (e.g., payment of claims for compensation of goods lost or damaged, disbursement of pay and travelling allowances with a view to accelerate payment of such charges, payment of wages in certain specified cases under the Payment of Wages Act) and in any other case, with the prior approval, general or special, of the Federal Government. Further, as per Managing Director/Marketing letter No. DM/IC-2/Griffin Institute Project/09 dated 30.12.2009, the Secretary/Chairman Railways directed that GM/W&T will supervise/regulate spending of the funds generated from the leasing of Griffin Institute in consultation with DS/Workshops.

During audit of private bank accounts maintained by different entities of Pakistan Railways in May 2024, it was observed that railway management received an amount of Rs 6.47 million from M/s Usman International Private Limited on account of license fee, annual rental charges and upgradation of play ground against the leasing of railway land at Griffin Institute Mughalpura Lahore. Out of total Rs 6.47 million, railway management irregularly/un-authorizedly utilized the departmental earnings amounting to Rs 6.44 million on private works without the approval of

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Federal Government/GM, W&T in violation of the ibid rule as tabulated below:

Sr. No	Railway earning utilized/incurred for	Amount Rs
1	Fixed deposit at HBL Panorama Centre Branch Lahore	3,500,000
2	Establishment of swimming pool at Mayo Gardens Club, Lahore	1,000,000
3	Construction of cricket pavilion at railway stadium	1,000,000
4	Construction of WOSAS marriage lawn	939,700
Total		**6,439,700**

It is worth mentioning that as per Divisional Superintendent/ Workshops the amount at Sr. No. 4 in above table was utilized for construction of WOSAS marriage lawn. Whereas, according to Divisional Sports Officer/Workshops the amount in question was utilized for repair and maintenance of Hockey Ground. This creates doubt about the utilization of amount and required detailed investigation. This resulted in irregular/ unauthorized utilization of railway earnings amounting to Rs 6.44 million without the approval of Federal Government.

The matter was taken up with the management in July 2024 and discussed in DAC meeting held on 19.09.2024. The chair constituted a committee comprising Divisional Superintendent Lahore, FA&CAO/ Revenue and CPO to review the rules and regulations of the clubs i.e. PECOM, Islamabad Club, Gymkhana Lahore, D.H.A Club, Air-force Club, and study their models and will give financial model and make SOPs regarding investment and expenditure etc. The committee will come up with a comprehensive report having comparative analysis with regard to its structural, management and internal controls for utilization of the funds within one month (18.10.2024). The committee should submit its report to audit and railway administration latest by 30.10.2024. Compliance of DAC directives was awaited.

Audit recommends that responsibility be fixed for utilization of railway earnings for private works and to meet the departmental expenditures without the approval of Federal Government. Action be taken against those held responsible besides regularization of the transactions under intimation to Audit.

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4.2.11 Payments to staff on account of special favors – Rs 5.87 million

According to Para 1402 of Pakistan Railways General Code, all money received by or tendered to government officers on account of revenues should be deposited in full in the treasury or bank specified by the Ministry of Finance in consultation with the State Bank of Pakistan without any delay. The money so received should not be appropriated to meet departmental expenditure nor should be kept apart from the Public Account. Further, Para 429 provides that no expenditure shall be incurred by an authority without the allotment of necessary funds. In exceptional cases, where expenditure is authorized in anticipation of the allotment of funds, or in excess of the existing provision, the authorization should be followed as soon as possible by a formal allotment of funds to the extent required.

During audit of private bank accounts maintained by different entities of Pakistan Railways in May 2024, it was observed that an amount of Rs 5.87 million was irregularly paid to the railway staff under different heads of accounts, from the revenue generated through commercial use of land under occupation of railway institute/clubs, as tabulated below:

Sr. No	Description	Amount (Rs)
1	Eidi to DS/Workshops staff	137,000
2	Procurement of Petrol and crockery for DS/Workshops	89,990
3	Paid for travelling of DS/Workshops	15,000
4	Paid to Naib Qasid (Fayyaz) of DS/Workshops	190,000
5	Paid for uniform for DS/workshops staff	101,500
6	Financial help of Rawalpindi Division's staff	1,661,733
7	Reimbursement of medical bills of Rawalpindi Division's staff	3,675,789
Total		**5,871,012**

This resulted in irregular payments to the staff amounting to Rs 5.87 million by extending undue favor in violation of rules ibid/financial propriety.

The matter was taken up with the management in July 2024 and discussed in DAC meeting held on 19.09.2024. The chair constituted a committee comprising Divisional Superintendent Lahore, FA&CAO/ Revenue and CPO to review the rules and regulations of the clubs i.e. PECOM, Islamabad Club, Gymkhana Lahore, D.H.A Club, Air-force Club, and study their models and will give financial model and make SOPs

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regarding investment and expenditure etc. The committee will come up with a comprehensive report having comparative analysis with regard to its structural, management and internal controls for utilization of the funds within one month (18.10.2024). The committee should submit its report to audit and railway administration latest by 30.10.2024. Compliance of DAC directives was awaited.

Audit recommends that matter be inquired at appropriate level to fix responsibility for irregular payments. Action be taken against those found at fault besides recovery of the amount involved.

4.2.12 Appointment of additional staff by the PRSB for other entities – Rs 1.99 million

Para 1801 of Pakistan Railways General Code states that every public officer should exercise the same vigilance in respect of public expenditure and public funds generally as a person of ordinary prudence would exercise in respect of the expenditure and the custody of his own money.

During audit of private bank accounts maintained by different entities of Pakistan Railways in May 2024, it was observed that seven employees were engaged in the Pakistan Railways Sports Board in different dates in excess of requirements. These employees were never performed any activity in the PRSB and their allocation was made in other entities of Pakistan Railways. These employees were also engaged without following any legal formalities. Thus wasteful expenditure of Rs 1.99 million was incurred on unjustified and excessive appointment of staff by the Pakistan Railways Sports Board **(Annexure-12)**.

The matter was taken up with the management in July 2024 and discussed in DAC meeting held on 19.09.2024. The chair constituted a committee comprising Divisional Superintendent Lahore, FA&CAO/ Revenue and CPO to review the rules and regulations of the clubs i.e. PECOM, Islamabad Club, Gymkhana Lahore, D.H.A Club, Air-force Club, and study their models and will give financial model and make SOPs regarding investment and expenditure etc. The committee will come up with a comprehensive report having comparative analysis with regard to its

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structural, management and internal controls for utilization of the funds within one month (18.10.2024). The committee should submit its report to audit and railway administration latest by 30.10.2024. Compliance of DAC directives was awaited.

Audit recommends that matter be inquired to fix responsibility for unjustified engagement of excessive staff by PRSB for other entities of PR. Action be taken against those found at fault besides recovery of the amount involved.

4.3 Compliance with PAC/DAC directives on maintenance of private bank accounts

Railway management failed to comply with the directives of Public Accounts Committee (PAC) and Departmental Accounts Committee (DAC) regarding closure of private bank accounts, recovery of land and finalized the pending inquiries. This showed a persistent lack of corrective action and weak internal controls over financial practices.

4.3.1 Status of compliance with PAC/DAC directives

The issue regarding maintenance of private bank accounts by different departments of Pakistan Railways has remained a chronic and recurring concern. During the period from 2018-19 to 2023-24, total 18 draft paras consisting of 08 audit were taken up with railway management through Annual Audit Reports. Out of total 18 draft paras, 13 draft paras were discussed in DAC meetings. However, railway management failed to comply with the directives of DAC **(Annexure-13)**.

Compliance with DAC directives

No. of draft paras issued to railway management	N0 of draft paras discussed in DAC	Full compliance	Partial compliance	Nil compliance
18	13	03	01	09

In most of the cases, DAC constituted inquiry committees to probe the matter regarding deposit of railway earnings into private bank accounts. DAC also directed to review the record regarding allowing the clubs to use its premises for commercial purposes. DAC further directed to close all private bank accounts and deposit the earnings in railway accounts.

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In compliance of DAC directives, railway management completed three inquiry reports. However, Audit did not agree with the recommendations of inquiry committees and recommended denovo inquiries.

Out of total 18 draft paras, only five (05) draft paras were discussed in PAC meetings. However, railway management failed to comply with the directives issued by the PAC.

Compliance with PAC directives

No. of draft paras issued to Railway management	No. of draft paras discussed in PAC	Full compliance	Partial compliance	Nil compliance
18	05	01	01	03

Pakistan Railways Police has made partial compliance of PAC directives and handed over the possession of marriage hall to DS/Lahore, however, the possession of petrol pump has not yet been handed over. Furthermore, with regard to full compliance of the PAC directives, railway management has only completed the inquiry report and has not taken any further action or corrective measures in light of the findings of the inquiry committee.

The matter was taken up with the management in July 2024 and discussed in DAC meeting held on 19.09.2024. The chair constituted a committee comprising Divisional Superintendent Lahore, FA&CAO/ Revenue and CPO to review the rules and regulations of the clubs i.e. PECOM, Islamabad Club, Gymkhana Lahore, D.H.A Club, Air-force Club, and study their models and will give financial model and make SOPs regarding investment and expenditure etc. The committee will come up with a comprehensive report having comparative analysis with regard to its structural, management and internal controls for utilization of the funds within one month (18.10.2024). The committee should submit its report to audit and railway administration latest by 30.10.2024.

Audit did not agree with the directions of the chair as the same did not address audit observation. Audit recommends that railway management

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may comply with the orders of DAC and PAC in true letter and spirit without any delay.

4.3.2 Non-retrieval of petrol pump site -Rs 344.96 million

The issue regarding unlawful possession of railway land and establishment of petrol pump there by PRP (AP-2.5.58/2019-20) was discussed in DAC meeting held on 28.06.2019. DAC was informed that the petrol pump was established with the approval of Ministry of Railways. DAC did not agree with the stance of management and directed the Director Property & Land to take over possession of railway premises forthwith and recover all outstanding dues immediately. Later on, the Public Accounts Committee in its meeting dated 05.07.2021 directed the PAO to recover possession of the petrol pump and process it as a commercial area in the same manner as was done for the marriage hall. The issue was again discussed in DAC meeting dated 04.01.2023. Wherein DAC took serious view of non-compliance of the PAC directives dated 05.07.2021 and DAC directives dated 21.01.2022 on the part of DG/P&L and IG/PRP. The DAC directed that compliance of earlier directives should be ensured within two weeks and submit report to Audit latest by 20.01.2023.

During audit of private bank accounts maintained by different entities of Pakistan Railways in May 2024, it was observed that prime land near Railway Police Line, Lahore measuring 3.94 kanals valuing Rs 344.96 million was under unlawful possession of Pakistan Railways Police; where they had installed petrol pump without the approval of Federal Government. Furthermore, the revenue earned from said petrol pump was deposited into a private account instead of railway treasury. The DAC and PAC directed the railway management to retrieve the possession of petrol pump. However, railway management failed to comply with the directions of DAC and PAC despite lapse of five and three years respectively. The petrol pump was still under possession of PRP and railway management had not initiated any action to retrieve the possession of petrol pump.

The matter was taken up with the management in July 2024 and discussed in DAC meeting held on 19.09.2024. The chair constituted a committee comprising Divisional Superintendent /Lahore, FA&CAO/

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Revenue and CPO to review the rules and regulations of the clubs i.e. PECOM, Islamabad Club, Gymkhana Lahore, D.H.A Club, Air-force Club, and study their models and will give financial model and make SOPs regarding investment and expenditure. The committee will come up with a comprehensive report having comparative analysis with regard to its structural, administrative and financial system of operations for utilization of the funds within one month. The committee should submit its report to audit and railway administration latest by 30.10.2024.

Audit did not agree with the directions of the chair as the same did not address audit observation. Audit recommends that railway management may comply with the orders of PAC in true letter and spirit without any delay.

4.3.3 Non-production of record

As per Section 14 (2) of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, the officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition. Further, DAC in its meeting held on 28.03.2023 advised the Audit to plan for review of all the transactions of private bank accounts maintained by different entities of railway administration.

During audit of private bank accounts maintained by different entities of Pakistan Railways in May 2024, railway management refused to provide the auditable record for examination/scrutiny and following entities had not provided the auditable record to Audit for scrutiny **(Annexure-14)**:

Sr. #	Entities
1	Divisional Superintendent, Multan
2	Divisional Superintendent, Sukkur
3	Divisional Superintendent, Rawalpindi
4	Divisional Superintendent, Karachi
5	Secretary Pakistan Railways Mayo Gardens Officers Club, Lahore
6	Inspector General Pakistan Railways Police
7	Divisional Sports Officer, Lahore
8	Pakistan Railways Sports Board, Lahore
9	Carson Institute, Lahore
10	Director General, Pakistan Railway Academy Walton, Lahore.

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The matter was taken up with the management in July 2024 and discussed in DAC meeting held on 19.09.2024. The chair constituted a committee comprising Divisional Superintendent /Lahore, FA&CAO/ Revenue and CPO to review the rules and regulations of the clubs i.e. PECOM, Islamabad Club, Gymkhana Lahore, D.H.A Club, Air-force Club, and study their models and will give financial model and make SOPs regarding investment and expenditure. The committee will come up with a comprehensive report having comparative analysis with regard to its structural, administrative and financial system of operations for utilization of the funds within one month. The committee should submit its report to audit and railway administration latest by 30.10.2024.

Audit did not agree with the recommendations of the chair as the same did not address audit observation. Audit recommends that railway administration ensure timely provision of requisite record for audit scrutiny as and when required, enabling Audit to discharge its statutory duties. Disciplinary action be taken against the persons responsible.

Note: This observation has also been included in Audit Report on the Accounts of Pakistan Railways, Audit Year 2024-25 vide Audit Para # 2.6.8

4.4 Impact of private bank accounts on revenue stream of PR

The maintenance and operation of private bank accounts by different entities of Pakistan Railways has adversely affected the financial position of Pakistan Railways. A substantial portion of railway earnings was not deposited into official bank accounts of PR as required under the financial rules and procedures. Instead, these earnings/funds were retained in private bank accounts and utilized through unofficial channels, bypassing established financial controls and accountability mechanisms. Moreover, the unauthorized use of railway land by sports institutes and officers clubs without proper leasing arrangements resulted in considerable financial loss.

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4.4.1 Utilization of Railway land without prescribed authorization – Rs 19,126.11 million

According to Rule 45 of GFR, no department or authority may, without previous consent of the Ministry of Finance, issue any orders which involve any grant of land, or assignment of revenue, or concession, grant, lease, or license of mineral or forest rights or right to water power, or any easement or privilege in respect of such concessions; or in any way involve any relinquishment of revenue. Further, Rule 286 of GFR provides that except as expressly provided otherwise in any rule or order made by Government, no land belonging to Government may be sold or made over to a local authority, private party or institution for public, religious, educational or any other purpose, except with the previous sanction of Government.

During audit of private bank accounts maintained by different entities of Pakistan Railways in May 2024, it was observed that railway management had established various institutes and officer clubs by utilizing 452.89 kanals of land valuing Rs 19,126.11 million without approval of the Federal Government in violation of rules ibid **(Annexure-15)**. This depicts the misuse of powers/authority and breach of trust by railway management being the custodian of railway land.

The matter was taken up with the management in July 2024 and discussed in DAC meeting held on 19.09.2024. The chair constituted a committee comprising Divisional Superintendent /Lahore, FA&CAO/ Revenue and CPO to review the rules and regulations of the clubs i.e. PECOM, Islamabad Club, Gymkhana Lahore, D.H.A Club, Air-force Club, and study their models and will give financial model and make SOPs regarding investment and expenditure. The committee will come up with a comprehensive report having comparative analysis with regard to its structural, administrative and financial system of operations for utilization of the funds within one month. The committee should submit its report to audit and railway administration latest by 30.10.2024.

Audit did not agree with the directions of the chair as the same did not address audit observation. Audit recommends that the CEO/Senior

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General Manager Pakistan Railways may refer the matter to Ministry of Law and Ministry of Finance for clarification regarding depositing of income generated through commercial use of railway land in private bank accounts and utilization of railway land for railway officer clubs and sport institutes without the approval of Federal Government.

Note: This observation has also been included in Audit Report on the Accounts of Pakistan Railways, Audit Year 2024-25 vide Audit Para # 2.6.1

4.4.2 Non-leasing of Railway land as per applicable rules – Rs 5,401.43 million

According to rule 2 of Railway Land and Property Rules-2023, these rules shall be applicable while utilizing railway land and property for improvement of its financial health through revenue generation to sustain its operations and service delivery. Further, clause I (6) and clause II (5) of Appendix-B of annxure-1 of rule 6 regarding leasing of railway land for school, health care unit and public welfare projects the railway management may recover 50% of DC value (residential) as on time NOC fee and Rs 5 per square feet as annual rent in advance for five years. Moreover, the agreement shall be executed on five (05) years term basis.

During audit of private bank accounts maintained by different entities of Pakistan Railways in May 2024, it was observed that railway management itself utilized 452.89 kanals of railway land for officers clubs and sports institutions without the approval of the Federal Government. Management of clubs and institutes had not paid any compensation to Pakistan Railways for utilization of the above said land. Audit is of the view that had the railway management leased out the land by adopting short term leasing in accordance with the Railway Land and Property Rules, 2023, PR could have earned Rs 5,401.43 million on account of one-time NOC fee and annual rent over a period of five years. However, railway management failed to utilize the land for improvement of its financial health under rules ibid. This resulted in loss of Rs 5,401.43 million due to negligence on the part of railway management **(Annexure-16)**.

The matter was taken up with the management in July 2024 and discussed in DAC meeting held on 19.09.2024. The chair constituted a committee comprising Divisional Superintendent /Lahore, FA&CAO/

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Revenue and CPO to review the rules and regulations of the clubs i.e. PECOM, Islamabad Club, Gymkhana Lahore, D.H.A Club, Air-force Club, and study their models and will give financial model and make SOPs regarding investment and expenditure. The committee will come up with a comprehensive report having comparative analysis with regard to its structural, administrative and financial system of operations for utilization of the funds within one month. The committee should submit its report to audit and railway administration latest by 30.10.2024.

Audit did not agree with the recommendations of the chair as the same did not address audit observation. Audit recommends that unauthorized occupation of land by officer clubs and sports institutes may be retrieved. railway land be utilized as required under Railway Land and Property Rules 2023 for improvement of financial health of PR.

Note: This observation has also been included in Audit Report on the Accounts of Pakistan Railways, Audit Year 2024-25 vide Audit Para # 2.6.4

4.4.3 Dormant bank accounts resulting in idle funds – Rs 12.15 million

Para 1801 of Pakistan Railways General Code states that every public officer should exercise the same vigilance in respect of public expenditure and public funds generally as a person of ordinary prudence would exercise in respect of the expenditure and the custody of his own money. Means should be devised to ensure that every railway servant realizes fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and also for any loss arising from fraud or negligence on the part of any other railway servant to the extent it may be shown that he contributed to the loss by his own action or negligence.

During audit of private bank accounts maintained by different entities of Pakistan Railways in May 2024, it was observed that three private bank accounts maintained by railway management, having balance of Rs 12.15 million as on 30.06.2023, became dormant due to the slackness of railway management as tabulated below. This resulted in blockage of public money Rs 12.15 million in private bank accounts due to the severe

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negligence on the part of railway management as the public funds have been blocked in private bank accounts.

Sr. #	Bank name	Bank Account #	Purpose of opening	Dormant since	Amount Rs
1	UBL, Quetta	PK44UNIL0112050710014382	Canteen earning of DS office, Quetta	July 2018	2,347,644
2	NBP, Quetta	PK45NBPA173004002292288	Ration train, Quetta	Nov 2018	4,142,122
3	HBL, Panorama Centre Branch Lahore	1741-79018307-80	Fixed/Term Deposit	March 2022	5,662,986
Total					**12,152,752**

The matter was taken up with the management in July 2024 and discussed in DAC meeting held on 19.09.2024. The chair constituted a committee comprising Divisional Superintendent /Lahore, FA&CAO/ Revenue and CPO to review the rules and regulations of the clubs i.e. PECOM, Islamabad Club, Gymkhana Lahore, D.H.A Club, Air-force Club, and study their models and will give financial model and make SOPs regarding investment and expenditure. The committee will come up with a comprehensive report having comparative analysis with regard to its structural, administrative and financial system of operations for utilization of the funds within one month. The committee should submit its report to audit and railway administration latest by 30.10.2024.

Audit did not agree with the recommendations of the chair as the same did not address audit observation. Audit recommends that responsibility be fixed for irregular deposit of public money in private bank accounts that turned into blockage of capital. Action be taken against those found at fault beside transferring the amount involved to railway treasury henceforth.

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4.4.4 Non-preparation and authentication of statements of accounts

According to para 9 (x) and 14 of constitution of the Pakistan Railways Sports Board, the accounts shall represent the true position of

finances on 30th June of the preceding year and shall include all assets and liabilities of PRSB. Further, Para-54 of bye-laws of Pakistan Railways Sports Board stipulates that Quarterly Statements of accounts showing detail of expenditure and earnings from any source will be provided by the Divisional Sports Associations to P.R Sports Board.

During audit of private bank accounts maintained by different entities of Pakistan Railways in May 2024, it was observed that Moghalpura, Burt and Griffin Institutes had not prepared periodic statements of accounts showing details of expenditure, earnings, assets and liabilities of the institute for the period from 2018-19 to 2022-23 as the same had not been furnished to the Audit.

It is worth mentioning that PRSB had prepared income and expenditure statement but the record to support amount/figures reflected/ mentioned in income and expenditure statement was neither prepared nor provided to Audit. Balance Sheet of PRSB was also not prepared. Therefore, the authenticity and true and fair view of the income and expenditure for the said period could not be ascertained.

The matter was taken up with the management in July 2024 and discussed in DAC meeting held on 19.09.2024. The chair constituted a committee comprising Divisional Superintendent/Lahore, FA&CAO/ Revenue and CPO to review the rules and regulations of the clubs i.e. PECOM, Islamabad Club, Gymkhana Lahore, D.H.A Club, Air-force Club, and study their models and will give financial model and make SOPs regarding investment and expenditure. The committee will come up with a comprehensive report having comparative analysis with regard to its structural, administrative and financial system of operations for utilization of the funds within one month. The committee should submit its report to audit and railway administration latest by 30.10.2024.

Audit did not agree with the recommendations of the chair as the same did not address audit observation. Audit recommends that responsibility for non-preparation of financial statements may be fixed. Action be taken against those found at fault besides making compliance of PRSB bye-laws.

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5. Conclusion

Audit revealed that various entities of Pakistan Railways (PR) unlawfully occupied railway land without obtaining approval from the Federal Government. The railway management, being the custodian of this land, misused its authority and violated the trust of the Federal Government by allowing use of land for officers clubs and sports institutions without proper authorization. Revenue generated from leasing and rental of this land was irregularly deposited into private bank accounts, in contravention of Pakistan Railways Codes, the Public Financial Management Act, 2019, and without approval from the Finance Division. Expenditures from these funds were unauthorized, lacking any lawful sanction, and incurred in disregard of the entities own rules, regulations, and by-laws. The compliance with DAC and PAC directives remained unsatisfactory as these private bank accounts had not been closed on the directions of DAC and one petrol pump under occupation of Pakistan Railways Police had also not been retrieved as directed by PAC. Railway management has totally failed to discharge its obligations with respect to the custody of railway land and receipt and utilization of railway revenue.

In the prevailing financial crisis, Pakistan Railways must retrieve its valuable land from the unlawful possession of its entities. The practice of incurring expenditure from the earning of this land must be discontinued. The amounts irregularly parked in private bank accounts may be transferred to the railway treasury. Furthermore, the land may be utilized strictly in accordance with rules for revenue generation to improve the financial health of Pakistan Railways and ensure the sustainability of its operations and service delivery.

Assistant Audit Officer (IT)
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ACKNOWLEDGEMENT

We wish to express our appreciation to Divisional Superintendent, Workshops/Quetta/Rawalpindi/Peshawar, Managing Directors, Carriage Factory, Islamabad & Locomotive Factory, Risalpur and their staff for the assistance and cooperation extended to the auditors during this assignment.

ANNEXURES

Irum Gull
Assistant Audit Officer (IT)
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Irum Gull
Assistant Audit Officer (IT)
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Annexure-1

(Para 4.1.1)

Statement showing the detail of amount deposited into private bank accounts maintained by different departments of PR during the period from 01.07.2018 to 30.06.2023

Sr. #	Description		Amount (Rs)
Workshops Division			
1	Account No	3039920147	
	Account title	Griffin Institute Mughalpura	
	Account Type	PLS Saving	
	Bank	NBP, Mughalpura Branch	**4,598,386**
2	Account No	1741-79018307-80	
	Account title	DSO Workshops Division	
	Account Type	HBL Advantage Account (Term/call deposit)	
	Bank	HBL Panorama Branch Lahore	**8,000,000**
3	Account No	4039982633	
	Account title	Mughalpura Institute Lahore	
	Account Type	Current Account	
	Bank	NBP, Mughalpura Branch	**7,413,120**
4	Account No	4039982713	
	Account title	Mughalpura Institute Lahore	
	Account Type	Current Account	
	Bank	NBP, Mughalpura Branch	**40,985,614**
Lahore Division			
5	Account No	4036348119	
	Account title	Divisional sports association Lahore	
	Account Type	Current Account/ Burt Institute	
	Bank	NBP, PR, HQ, Branch	**2,878,729**
Quetta Division			
6	Account No	PK86NBPA0051004026587808	
	Account title	PR Institute SR	
	Account Type	Officers Club, Quetta	
	Bank	NBP, Quetta	**43,476,593**
7	**Account No**	PK44UNIL0112050710014382	
	Account title	PR Canteen Quetta	
	Account Type	Saving	
	Bank	UBL, Quetta	**2,751,084**
8	Account No	PK45NBPA173004002292288	
	Account title	Staff Ration Welfare Funds	
	Account Type	Current Account	
	Bank	NBP	**14,435,853**

Irum Gull
Assistant Audit Officer (HQ)
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Sr. #	Description		Amount (Rs)
Rawalpindi Division			
9	Account No.	10025515720014	
	Account title	Baba Masoom Shah Plat (Shrine)	
	Bank	Allied Bank Cabinet Secretariat Branch, Rawalpindi	**23,164,383**
10	Account No.	10025514510015	
	Account title	P.R. Institute Rawalpindi (Library)	
	Bank	Allied Bank Cabinet Secretariat Branch, Rawalpindi	**2,164,037**
11	Account No	12360078786101	
	Account title	Secretary Officer Club Rawalpindi	
	Bank	Habib Bank Limited Kashmir Road, Rawalpindi	**19,179,994**
12	Account No	10022030560024	
	Account title	Div. Sports Officer, Rawalpindi	
	Bank	Allied Bank Cabinet Secretariat Branch, Rawalpindi	**301,549**
13	Account No	10022030550025	
	Account title	Railway Industrial School	
	Bank	Allied Bank Cabinet Secretariat Branch, Rawalpindi	**6,767,454**
14	Account No	10022030610015	
	Account title	Loco Shed Canteen Rawalpindi	
	Bank	Allied Bank Cabinet Secretariat Branch, Rawalpindi	**553,085**
15	Account No	1007320100011	
	Account title	Railway Canteen CDL Workshop, Rawalpindi	
	Bank	Allied Bank Limited Workshop Road Branch, Rawalpindi	**399,750**
Carriage Factory Islamabad			
16	Account No	102002010021059	
	Account title	Main inside Canteen	
	Bank	MCB Dhok Mangtal branch Rwp.	**160,851**
17	Account No	4173929661	
	Account title	Main inside Canteen	
	Bank	NBP I-10 Markaz Islamabad	**57,766**
18	Account No	102002010008061	
	Account title	Admn building Canteen	
	Bank	MCB Dhok Mangtal branch Rwp	**37,014**
19	Account No	4173916380	
	Account title	Admn building Canteen	
	Bank	NBP I-10 Markaz Islamabad	**10,000**

Irum Gul Assistant Audit Officer 20 October 2025 08:18:30 PM

20	Account No	102001010006684	
	Account title	Railway Industrial School	
	Bank	MCB Dhok Mangtal Branch Rwp.	**1,064,323**
21	Account No	4174381876	
	Account title	Railway Industrial School	
	Bank	NBP I-10 Markaz Islamabad	**352,200**
22	Account No	102001010005775	
	Account title	Library	
	Bank	MCB Dhok Mangtal Branch Rwp.	**797,843**
23	Account No	4173821375	
	Account title	Library	
	Bank	NBP I-10 Markaz Islamabad	**201,391**
PR Academy Walton			
24	Account No	4070100400	
	Account title	DG Railway Academy Walton	
	Bank	NBP, Walton	**6,897,814**
Total			**186,648,833**

Irum Gull
Assistant Audit Officer (IT)
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Annexure-2
(Para 4.1.1)

Statement showing the detail of amount deposited into private bank accounts by P&L department and Divisional Personnel Officer during the period from 01.07.2018 to 30.06.2023

Sr #	Description	Account detail	Purpose of account	Amount (Rs)
1	Account No	4039983301	Rent from Hawkers	-
	Account title	Hawkers rent account		-
	Account Type	Current Account		27,481,588-
	Bank	NBP, Mughalpura		-
				-
2	Account No	4039983276	Lease/rental Lease/rental charges of shops	-
	Account title	Divisional Superintendent Workshops		-
	Account Type	Current Account		290,348,467-
	Bank	NBP, Mughalpura		-
3	Account No	4039983294	Suburban Fee	-
	Account title	Divisional Superintendent Workshops		10,606,116-
	Account Type	Sub-urban fee		-
	Bank	NBP, Mughalpura		-
4	Account No	4039963310	Pensioners ID Card Fee	-
	Account title	Pensioners ID Card Fee Account		192,380-
	Bank	NBP, Mughalpura Branch		-
				-
5	Account No	4039983329	School Bus Card Fee	-
	Account title	School Bus Card Fees Account		4,177,819-
	Account Type	Current Account		-
	Bank	NBP, Mughalpura Branch		-
Total				**332,806,370**

Assistant Audit Officer (IT)
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Annexure-3

Statement showing the closing balance with private bank accounts maintained by different departments of PR as on 30.06.2023

Sr. #	Description		Amount (Rs)
1	Account No	3039920147	
	Account title	Griffin Institute Mughalpura	
	Account Type	PLS Saving	
	Bank	NBP, Mughalpura Branch	3,650,853
2	Account No	1741-79018307-80	
	Account title	DSO Workshops Division	
	Account Type	HBL Advantage Account (Term/call deposit)	
	Bank	HBL Panorama Branch Lahore	5,662,986
3	Account No	4039982633	
	Account title	Mughalpura Institute Lahore	
	Account Type	Current Account	
	Bank	NBP, Mughalpura Branch	1,738,356
4	Account No	4039982713	
	Account title	Mughalpura Institute Lahore	
	Account Type	Current Account	
	Bank (cash book)	NBP, Mughalpura Branch	6,589,719
5	Account No	4036348119	
	Account title	Divisional sports association Lahore	
	Account Type	Current Account/ Burt Institute	
	Bank	NBP, PR, HQ, Branch	207,567
6	Account No	PK86NBPA0051004026587808	
	Account title	PR Institute SR	
	Account Type	Officers Club, Quetta	
	Bank	NBP, Quetta	14,642,360
7	**Account No**	PK44UNIL0112050710014382	
	Account title	PR Canteen Quetta	
	Account Type	Saving	
	Bank	UBL, Quetta	2,751,084
8	Account No	PK45NBPA173004002292288	
	Account title	Staff Ration Welfare Funds	
	Account Type	Current Account	
	Bank	NBP	4,142,122

Irum Gul
Assistant Audit Officer (HQ)
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9	Account No.	10025515720014	
	Account title	Baba Masoom Shah Plat (Shrine)	
	Bank	Allied Bank Cabinet Secretariat Branch, Rawalpindi	2,896,122
10	Account No.	10025514510015	
	Account title	P.R. Institute Rawalpindi (Library)	
	Bank	Allied Bank Cabinet Secretariat Branch, Rawalpindi	1,296,290
11	Account No	12360078786101	
	Account title	Secretary Officer Club Rawalpindi	
	Bank	Habib Bank Limited Kashmir Road, Rawalpindi	2,917,261
12	Account No	10022030560024	
	Account title	Div. Sports Officer, Rawalpindi	
	Bank	Allied Bank Cabinet Secretariat Branch, Rawalpindi	140,705
13	Account No	10022030550025	
	Account title	Railway Industrial School	
	Bank	Allied Bank Cabinet Secretariat Branch, Rawalpindi	837,877
14	Account No	10022030610015	
	Account title	Loco Shed Canteen Rawalpindi	
	Bank	Allied Bank Cabinet Secretariat Branch, Rawalpindi	406,015
15	Account No	1007320100011	
	Account title	Railway Canteen CDL Workshop, Rawalpindi	
	Bank	Allied Bank Limited Workshop Road Branch, Rawalpindi	23,059
16	Account No	102002010021059	
	Account title	Main inside Canteen	
	Bank	MCB Dhok Mangtal branch Rwp.	Nil
	Account No	4173929661	
	Account title	Main inside Canteen	
	Bank	NBP I-10 Markaz Islamabad	115,258
18	Account No	102002010008061	
	Account title	Admn building Canteen	
	Bank	MCB Dhok Mangtal branch Rwp	
19	Account No	4173916380	
	Account title	Admn building Canteen	
	Bank	NBP I-10 Markaz Islamabad	21,094

Irum Gull (AAO)
Assistant Audit Officer
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20	Account No	102001010006684	
	Account title	Railway Industrial School	
	Bank	MCB Dhok Mangtal Branch Rwp.	Nil
21	Account No	4174381876	
	Account title	Railway Industrial School	
	Bank	NBP I-10 Markaz Islamabad	332,034
22	Account No	102001010005775	
	Account title	Library	
	Bank	MCB Dhok Mangtal Branch Rwp.	304,217
23	Account No	4173821375	
	Account title	Library	
	Bank	NBP I-10 Markaz Islamabad	380,448
24	Account No	4070100400	
	Account title	DG Railway Academy Walton	
	Bank	NBP, Walton	975,132
25	Account No	4039983301	
	Account title	Hawkers rent account	
	Account Type	Current Account	
	Bank	NBP, Mughalpura Branch	1,224,625
26	Account No	4039983276	
	Account title	Divisional Superintendent Workshops	
	Account Type	Current Account (Shops)	
	Bank	NBP, Mughalpura Branch	6,551,335
27	Account No	4039983294	
	Account title	Divisional Superintendent Workshops	
	Account Type	Sub-urban fee	
	Bank	NBP, Mughalpura Branch	255,400
28	Account No	4039963310	
	Account title	Pensioners ID Card Fee Account	
	Bank	NBP, Mughalpura Branch	
29	Account No	4039983329	6,250
	Account title	School Bus Card Fees Account	
	Account Type	Current Account	
	Bank	NBP, Mughalpura Branch	41,930
Total			**58,110,099**

Irum Nasir
Assistant Accounts Officer (IT)
20 October 2023 18:00 PM

Annexure-4
(Para 4.2.1)

Statement showing the amount spent without pre-audit

Sr.	Department	A/C No	Bank	Amount (Rs)
1	Mughalpura Institute	4039982713	NBP Mughalpura	33,511,305
2	Mughalpura Institute	4039982633	NBP Mughalpura	8,987,850
3	Griffin Institute	3039920147	NBP Mughalpura	3,911,535
4	Burt Institute	4036348119	NBP PR HQ	5,832,498
5	Railway officer club, Quetta	PK86NBPA0051 004026587808	NBP Quetta	33,848,258
6	Baba Masoom Shah Plat (Shrine)	10025515720014	Allied Bank Cabinet Secretariat Branch, Rawalpindi	20,268,261
7	P.R. Institute Rawalpindi (Library)	10025514510015	Allied Bank Cabinet Secretariat Branch, Rawalpindi	867,748
8	Secretary PR Officer Club Rawalpindi	12360078786101	Habib Bank Limited Kashmir Road, Rawalpindi	15,744,657
9	Div. Sports Officers P.R. Rawalpindi	10022030560024	Allied Bank Cabinet Secretariat Branch, Rawalpindi	158,160
10	Railway Industrial School	10022030550025	Allied Bank Cabinet Secretariat Branch, Rawalpindi	5,940,226
11	Railway Loco shed Canteen Rawalpindi	10022030610015	Allied Bank Cabinet Secretariat Branch, Rawalpindi	117,650
12	Railway canteen CDL Workshop, Rawalpindi	1007320100011	Allied Bank Limited Workshop Road Branch, Rawalpindi	420,537
Total				**129,608,685**

Irum Gull
Assistant Audit Officer (01)
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Annexure-5
(Para 4.2.2)

Statement showing the expenditure incurred by DSO

Head of expenses	Workshops Division 4039982633	Workshops Division 4039982713	Grand Total
Cash award to players	276,000	55,000	331,000
Daily Allowance to players	624,600	112,500	737,100
Eid Parties		190,550	190,550
Farewell parties	40,000	499,630	539,630
Honoraria	496,000	852,991	1,348,991
Infrastructure development		2,612,907	2,612,907
Lunch for PR officers, delegations and sports person	78,580	786,672	865,252
Misc. Expenses	33,901	191,840	225,741
Purchase office & equipment	71,600	634,260	705,860
Refreshment	135,940	789,157	925,097
Repairs	384,500	1,777,303	2,161,803
Stipends of players	10,224,000	2,201,000	12,425,000
Utility bills	50,000	682,410	732,410
WHT on cash drawl		13,706	13,706
Petrol for DSW		14,170	14,170
Salary of Staff	90,000	1,392,100	1,482,100
Fees paid	90,500	46,000	136,500
Uniform for PR staff and players	558,400	691,990	1,250,390
Booking of different grounds	82,000		82,000
Other depart expense	109,892		109,892
Paid to senior WLI		4,630	4,630
Paid to Headmaster of PR High School for expenditure		10,000	10,000
Paid to contractor for Recruitment of muawan		11,650	11,650
Paid to Mr. Shaheer for travelling of DSW		15,000	15,000
Loan to Mr. Azhar Driver DSW		20,000	20,000
Deposit in Account No. 286-6		325,000	325,000
Paid to Mr. Ijaz Nawaz (IS/W)		431,800	431,800
Tuff tiles-baria enterprises		975,000	975,000
Paid to Mughalpura institute	1,487,074		1,487,074
Paid to DSW	16,600,000		16,600,000
Sports related expenses	219,800	39,200	259,000
Tuff tiles works	1,836,134	300,000	2,136,134
Diesel Expenses		254,085	254,085
Grand Total	**33,488,921**	**15,930,551**	**49,419,472**

Irum Gul
Assistant Audit Officer (IS)
20 October 2026 03:18:00 PM

Annexure-6
(Para 4.2.2)

Statement showing the detail of expenditure without the sanction of vice president/president

Date	Description	Amount (Rs)
Workshops Division 4039982713		
09.06.2022	Stipend to Judo players	100,000
09.06.2022	Stipend to Weightlifters	100,000
05.03.2019	Uniform and joggers for athletic players	151,200
18.03.2022	Loan to AEN/W for repair of patch of C&W road	200,000
14.04.2023	Paid to Pakistan Engineering Construction for boundary wall of Mughalpura cricket ground	244,730
02.05.2023	Paid to Pakistan Engineering Construction for boundary wall of Mughalpura cricket ground	244,730
16.05.2019	Paid to Mughalpura Institute for payment to Baria Enterprises against tuff tiles and civil work at gate No.4	795,591
11.02.2019	Paid to Mughalpura institute for upgradation of grounds	997,614
05.04.2019	Paid to Mughalpura institute for payment to Baria Enterprises against tuff tiles work at gate No. 4	1,040,543
Workshops Division 4039982633		
05.04.2019	Infrastructure-paid to contractor	1,040,543
11.02.2019	Infrastructure-Paid to Baria enterprises for Jogging track and water supply line	997,614
29.10.2018	Tuff tiles- baria enterprises	487,500
27.11.2018	Tuff tiles- baria enterprises	487,500
16.03.2020	Paid to Mr. Ijaz Nawaz (IS/W)	431,800
31.08.2022	Electric Work-LED Lights Football Ground	332,000
04.03.2019	Deposit in Account No. 286-6	325,000
09.07.2018	Tuff tiles	300,000
15.04.2022	R&M-Paid to M/s Ashiq traders for repair of pavilion	225,000
27.08.2018	Infrastructure-Construction of wash room	200,000
20.04.2022	R&M-Paid to M/s Ashiq traders for repair of pavilion	200,000
03.09.2018	Infrastructure-Construction of wash room	150,000
10.09.2022	Electric Work-LED Lights Football Ground	100,000
01.04.2020	Purchase of Covid Protectors-face masks	98,000
06.03.2019	Infrastructure-PVC paneling of conference room	94,750
19.01.2022	Farewell party of CEO/Sr. GM	76,855
27.03.2019	Lunch for Railways Ministry	75,250
Total Expenditure		**9,496,220**

Waqar Ali
Audit Officer (IT)
October 2026 05:18:00 PM

Annexure-7
(Para 4.2.4)

Unauthorized use of public funds by sports associations of Pakistan Railways

Sr.#	Description	Amount (Rs)
Workshops Division 4039982633		
1	Bank charges	6,872
2	Cash award to players	40,000
3	Daily Allowance Peshawar Division	40,500
4	Daily Allowance to players	72,000
5	Deposit in Account No. 286-6	325,000
6	Diesel for tractor grass cutting machine	254,085
7	Electric Bill	683,240
8	Electric Works	788,703
9	Fee of Referee/Technical	42,500
10	Flower exhibition in Loco Shop, MGPR	25,000
11	Honoraria (DSO and IS)	224000
12	Honoraria to Mr. Riaz Sultan	55,000
13	Honoraria to Mr. Shuja-u-din supervisor	383,991
14	Lunch for Players	25,000
15	Medical treatment of ground man	3,000
16	Misc. expenditure of DSW i.e. Petrol, crockery	89,990
17	Paid to contractor for recruitment of muawan	11,650
18	Paid to Headmaster of PR High School for expenditure	10,000
19	Paid to senior WLI	4,630
20	Pan flex for Jashan-e-Azadi	6,800
21	Pan flex for tournament	5,700
22	Purchase of T&P Items	324,610
23	Purchase of Covid Protectors-hand sanitizers	175,700
Workshops Division 4039982713		
24	Bank charges on cash drawal	22,384
25	Booking of Golf Ground, cycling Velodrome, Squash Court	82,000
26	Cash award to players	276,000
27	Cash withdrawal	1,951
28	Catering services for body building championship	39,600

Assistant Audit Officer (IT)
20 October 2026 04:18:00 PM

Sr.#	Description	Amount (Rs)
29	Daily allowance to Players	369,100
30	Daily allowance to Players of Peshawar, Quetta, Rawalpindi and Sukkur Divisions	255,500
31	Honoraria to DSO/IS/W	496,000
32	Misc. expenditure of sports at different corners	23,200
33	Referee/judges fee	90,500
34	Refreshment of players and coaches	100,890
35	Salary of staff of Mughalpura institute	90,000
36	Sports Items	177,800
37	Stipend to players	10,224,000
38	Uniform for players	420,000
39	Uniform for divisional officers (cricket)	36,900
Burt Institute 4036348119		
40	Accommodation charges	38,600
41	Advance for Kabaddi Team	50,000
42	Arrangement for khuli katchery	40,000
43	Bank fee	1,050
44	Cash prize to athletic coach	25,000
45	Daily allowance to players	521,800
46	Electricity bill	128,000
47	Match fee	3,500
48	Newspapers bill	14,005
49	PCA to DSO and SI	90,000
50	Inter-Division sports competitions	123,560
51	Repair of equipment	14,800
52	Repair of hall/ground	39,750
53	Revenue tickets	1,000
54	Shield for DS	5,000
55	Stamp paper	77,400
56	Stationery	4,985
57	Stipend to players	4,260,500
58	Transportation charges	9,510
59	Uniform	331,095
60	Refreshment to chief guest	3,080

Assistant Audit Officer (IT)
21 October 2026 03:18:00 PM

Sr.#	Description	Amount (Rs)
61	Refreshment to players	1,000
62	Refreshment-lunch for referee	1,863
Griffin Institute 3039920147		
63	Badminton Net	5,000
64	Boring for water pump	75,000
65	Cash prize to members	457,000
66	Ceiling	100,800
67	Cleaning items	16,982
68	Decoration for Christmas	52,840
69	Dismantling of roof	17,640
70	Electric bill	1,252,294
71	Electric items	68,670
72	Honoraria to staff	32,000
73	Honoraria (PCA)	162,000
74	Rent for table and chairs	10,560
75	Salaries to staff	1,097,900
76	Shuttle Cocks	2,100
77	Sanitary items	6,868
78	Stationery	23,659
79	Whitewash Expenditure	41,830
Officers Club Quetta PK86NBPA0051004026587808		
80	Inter-Division sports and Games	3,183,700
81	accommodation charges	8,040
Peshawar 4086482719		
82	PCA to DSO and SI	544,000
83	Cricket Championship at LHR (Stamp paper, Kit, Conveyance & Refreshment)	60,000
84	Daily allowance of players	36,000
85	Basket Ball Championship at LHR (Daily allowance, stamp paper, kit, Conveyance, Refreshment)	70,000
86	Athletic Championship at LHR (Daily allowance, stamp paper, kit, Conveyance, Refreshment)	38,500
87	Cricket Tour Mardan (Daily allowance, stamp paper, kit, conveyance, refreshment)	55,000
88	Volleyball Tournament for Closing Ceremony	50,000

Nasir Gull
Audit Officer (IT)
03:18:00 PM

Sr.#	Description	Amount (Rs)
89	Volleyball Tournament for Championship at Mardan (Daily allowance, kit, conveyance)	70,000
90	Foot Ball Championship at Sawabi (Daily allowance, kit, refreshment)	45,000
91	Cycling Championship at Lahore (Daily allowance, stamp paper, refreshment)	57,000
92	Squash Championship at Peshawar (Daily allowance, stamp paper, kit, conveyance, refreshment)	55,000
93	Judo Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	75,000
94	Taekwondo Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	75,000
95	Football Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	70,000
96	Kabaddi Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	44,000
97	Basketball Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	30,000
98	Gymnastic Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	29,500
99	Hand ball Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	40,000
100	Body building Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	25,000
101	Table tennis Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	20,000
102	Squash Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	16,000
103	Gymnastic & Badminton Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	37,000
104	Table tennis Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	10,000
105	Weightlifting Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	10,000
106	Wrestling Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	10,000
107	Boxing Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	20,000
108	Football Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	40,000

Assistant Director (IT)
Sports Board Lahore
Date: 2016.06.16 06:18:00 PM

Sr.#	Description	Amount (Rs)
109	Volleyball Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	20,000
110	Handball Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	20,000
111	Badminton Championship at Peshawar (Daily allowance, stamp paper, kit, conveyance, refreshment)	12,000
112	Football Championship at NSR (Daily allowance, stamp paper, kit, conveyance, refreshment)	30,000
113	Karate Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	16,000
114	Basketball Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	10,000
115	Taekwondo Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	10,000
116	Sports events at Lahore.	12,000
117	Badminton Championship at Peshawar (Daily allowance, stamp paper, kit, conveyance, refreshment)	15,000
118	Karate Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	20,000
119	Judo Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	20,000
120	Taekwondo Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	30,000
121	Handball Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	25,000
122	Football Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	15,000
123	Gymnastic, tug of war Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	55,000
124	Table tennis Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	10,000
125	Body building Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	25,000
126	Judo Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	19,000
127	Badminton Championship at LHR (Daily allowance, stamp paper, kit, conveyance, refreshment)	12,000
128	Cricket Tournament at Peshawar (Daily allowance, stamp paper, kit, conveyance, refreshment)	52,000

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Sr.#	Description	Amount (Rs)
129	Badminton Championship at Lahore (Daily allowance, stamp paper, kit, conveyance, refreshment)	30,000
130	Body building Championship at Lahore (Daily allowance, stamp paper, kit, conveyance, refreshment)	30,000
131	Boxing Championship at Lahore (Daily allowance, stamp paper, kit, conveyance, refreshment)	35,000
132	Volleyball Championship at Mardan (Daily allowance, stamp paper, kit, conveyance, refreshment)	30,000
133	Gold cup Football Championship at Sawabi (Daily allowance, stamp paper, kit, conveyance, refreshment)	35,000
134	Weightlifting Championship at Lahore (Daily allowance, stamp paper, kit, conveyance, refreshment)	10,000
135	Basketball Championship at Lahore	15,000
136	Handball Championship at Lahore	30,000
137	Body building Championship at Lahore	55,000
Total Expenditure		**31,034,177**

Irum Gull
Assistant Audit Officer (IT)
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Annexure-8
(Para 4.2.5)

Statement showing the payment in cash instead of through banking channels

Sr. No	Title of Account	Description	Amount (Rs)
1	Officers club Quetta	Different Stock Items	8,332,658
2	Workshops Division 4039982713	Computers and flags purchased	66,800
		Repair and maintenance	134,500
		Referee/judges fee	90,500
		Refreshment of players and coaches	100,890
		salary of staff of Mughalpura institute	90,000
		Sports Items	177,800
		Stipend to players	10,224,000
		Uniform for players	420,000
		Uniform for divisional officers (cricket)	36,900
		Uniform for DSW staff	101,500
3	Mughalpura Institute 4039982633	Purchase of T&P Items	324,610
		Purchase of Covid Protectors-hand	175,700
4	Griffin Institute 3039920147	Badminton Net	5,000
		Electric items	68,670
		Paint items	84,040
		Purchase of chairs	15,800
		Purchase of computer	12,250
		Purchase of locks	2,350
		Shuttle Cocks	2,100
		Sanitary items	6,868
		Stationery	23,659
		TP Link USB adaptor	1,300
5	Burt Institute 4036348119	Stamp paper	77,400
		Stationery	4,985
		Uniform	331,095
Total			**20,911,375**

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Annexure-9
(Para 4.2.7)

Statement showing the detail of expenditures incurred on refreshment of railway officers

Account No and summary of transactions	Amount (Rs)
Burt Institute 4036348119	**5,000**
Refreshment for railway officers	5,000
Griffin Institute 3039920147	**352,592**
Entertainment	31,206
Entertainment for Christmas	199,365
Entertainment to DS/W	40,000
Entertainment to Executive Committee	7,021
Entertainment to Secretary /G.I	75,000
Mughalpura Institute 4039982633	**1,332,640**
Eid Milan party	53,550
Farewell of AME/W Humayun Sultan Pasha	4,940
Farewell of AWM/G Humayun sultan Pasha	4,100
Farewell of DMO/W	36,716
Farewell of DMO/W & DEN/W	6,040
Farewell of DPO/W	3,500
Farewell of Ex-DPO/W	19,630
Farewell of WM/const. & DPO	15,808
Farewell party	21,900
Farewell party of AWM/Steel	3,340
Farewell party of CEO/Sr. GM	76,855
Farewell party of CMO	7,890
Farewell party of DPO/W	45,260
Farewell party of DSW	16,698
Farewell party of Dy: DSW	27,740
Farewell party of ex-DSW	25,000
Farewell Party of Wasif Mughal PD SR-100	50,000
Farewell party of WM steel	8,284
Farewell party of WM/C	31,929
Farewell Party-Souvenir for Wasif Mughal PD SR-100	3,800
Farewell-paid to AME/W for Shields	35,000
Farewell-shield for foreign delegation	2,000
Farewell-Shields for Minister for Railways	25,000
Farewell-Shields for WM/C	4,500

Nighat Nasim Gull
Assistant Audit Officer (IT)
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Account No and summary of transactions	Amount (Rs)
Farewell-souvenir for federal minister	5,700
Farewell-Souvenir for Secretary Railways	18,000
Refreshment and shield for CEO/Sr. GM	66,495
Refreshment for AGM	4,873
Refreshment for AGM/M	3,225
Refreshment for AGM/M (welcome party)	24,708
Refreshment for auction committee	4,175
Refreshment for CEO/Sr. GM	19,414
Refreshment for chief guest of tournament	3,370
Refreshment for Chinese Delegation	19,945
Refreshment for CME/C	3,070
Refreshment for delegation in DSW	3,840
Refreshment for delegation of Norinco Co.	4,745
Refreshment for Divisional Officers	227,771
Refreshment for DS conference	10,640
Refreshment for DSW	79,259
Refreshment for DSW guests	2,080
Refreshment for DSW guests	4,470
Refreshment for DSW office	20,690
Refreshment for foreign delegation	10,350
Refreshment for foreign delegation	9,163
Refreshment for Khuli Katchery	13,270
Refreshment for Milad-un-Nabi	9,000
Refreshment for Minister for Railways	32,205
Refreshment for National Standing Committee for Railways	12,190
Refreshment for NHA delegation	3,200
Refreshment for NUTECH Engineers	6,735
Refreshment for officials	3,000
Refreshment for Parliamentary Secretary Railways	10,900
Refreshment for players	5,500
Refreshment for players and officials	3,000
Refreshment for Players-Body building team	21,500
Refreshment for Players-gymnastic official	3,000
Refreshment for Players-Referee	8,000
Refreshment for police officers	2,730
Refreshment for professors of UET	16,715
Refreshment for PSO delegation	4,900

Nasir Gull
Assistant Audit Officer (IT)
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Account No and summary of transactions	Amount (Rs)
Refreshment for railway Officers	46,884
Refreshment for Russian Delegation	5,483
Refreshment for secretary railways	7,235
Refreshment for Chief Guest	41,730
Quetta PK44UNIL0112050710014382	**3,542,193**
Refreshment	3,542,193
QuettaPK45NBPA173004002292288	**-**
Rawalpindi railway canteen CDL Workshop 1007320100011	**51,242**
Refreshment	51,242
Rawalpindi Secretary PR officer club 12360078786101	**7,997,771**
Refreshment	7,997,771
Workshops Division 4039982713	**94,830**
Other Department-lunch for divisional officers	61,080
Other Department -lunch for sports meeting	17,500
Other Department -lunch, refreshment, tea	16,250
Grand Total	**13,376,268**

Irum Gull
Assistant Audit Officer (IT)
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Annexure-10
(Para 4.2.8)

Statement showing the irregular grant of loan to railway officers

Account No.		Description	Amount (Rs)
Workshops Division 4039982633 and 4039982713	1	Mr. Ijaz Nawaz (IS/W)	431,800
	2	AEN/W	200,000
Secretary PR Officer Club 12360078786101	3	SRP/RWP	50,000
	4	SDO/RWP	38,000
	5	DSTE-I/RWP	16,172
	6	DTO/RWP	100,000
	7	DAEE/P, RWP	542,817
	8	DAEE/P, RWP	300,000
Baba Masoom Shah Plat (Shrine) 10025515720014	9	Mr. M. Afzal Gondal	17,932
	10	Mr. M. Afzal Gondal	7,740
	11	Mr. M. Afzal Gondal, AEE/P	100,000
	12	Mr. M. Afzal Gondal, AEE/P	0.00
	13	DTO/RWP	0.00
	14	S. Marzia Zahra, APO	300,000
	15	Mr. Tehseen Ullah	150,000
	16	Mr. Gul Nawaz, Head Land	30,000
	17	Sheraz Hussain Shad, UDC/Land	10,000
	18	Raja Zaheer Arshed, SRP	20,000
	19	Mr. Khalid Wahid Malik, AEN/P&L	50,000
	20	Mr. Nasir Khan, IOW-I	50,000
	21	Muhammad Sadiq, UDC/Lit	7,733
	22	Mian Fazal Illahi, DCO	25,000
	23	Mian Fazal Illahi, DCO	70,000
	24	Ms. Ramla Shahid, DTO	20,000
	25	Mr. Tayyab Riaz, DEN-I	90,000
	26	Mrs. Sultana, Principal ISR	50,000
	27	Mr. Tayyab Riaz, DEN-I	65,000
	28	Mr. Khalid Farooqi, ATO-I	17,000
	29	Mr. Shehzad Javed, DME	13,000
	30	Mr. Tayyab Riaz, DEN-I	68,000
	31	Dr. Rehan Sharif	100,000
	32	Mr. Ahsan Rashid	120,000
	33	Mr. M. Sohail Javed, DEN-I	200,000
	34	Rana M. Usman, DAO/RWP	100,000

Assistant Director (IT)
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Account No.		Description	Amount (Rs)
Workshops Division	35	Mr. Azhar Driver DSW	20,000
Officers Club Quetta PK86NBPA0051004 026587808	36	Mr. Sabir Shah, DASTE, Quetta	384,904
	37	Mr. Touseef Zafar, DEN-II	94,000
	38	Mr. Imran Saeed, DEN-II	130,000
	39	Mr. Muhammad Imran Saeed, DEN-II	200,000
	40	Mr. Muhammad Imran Saeed, DEN-II	500,000
	41	Mr. Amjad Ali, DAEE/Power	91,000
	42	Mr. Amjad Ali, DAEE/Power	99,900
	43	Mr. Amjad Ali, DAEE/Power	13,500
	44	Mr. Mehtab Ahmed, XEN/Gwadar	359,310
	45	Mr. Amjad Ali, DAEE/Power	95,640
	46	Mr. Muhammad Ibrahim Baloch, DTO/DCO, Quetta	653,000
	47	Mr. Muhammad Ibrahim Baloch, DTO/DCO, Quetta	3,000,000
	48	Mr. Muhammad Shoaib Khan, ATO Working as DTO	58,000
	49	Mr. Mudassar Afridi, DEN-I	153,000
	50	Mr. Faiz Ullah DAEE/Power	269,850
	51	DEN-I Quetta	26,000
	52	Mr. Abrar-ul-Hassan Sheikh, DEN-II, Quetta	303,486
	53	Mr. Mudassar Afridi, DEN-I, Quetta	26,600
	54	Mr. Mudassar Afridi, DEN-I, Quetta	54,400
	55	Mr. Abrar-ul-Hassan Sheikh, DEN-II, Quetta	200,000
	56	Mr. Abid Qamar, DTO/Quetta	10,000
	57	Mr. Abid Qamar, DTO/Quetta.	50,000
	58	Different Divisional Officers	1,444,000
Total amount of loan granted			**11,596,784**

Assistant Auditor General
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Annexure-11
(Para 4.2.9)

Statement showing the amount incurred in violation of PPRA Rules

Bank account	Date	Description	Amount (Rs)
Moghalpura Institute 4039982713	14.04.2023	Paid 50% amount to Pakistan Engineering Construction for boundary wall of cricket ground of Mughalpura Institute	244,730
	02.05.2023	Paid remaining 50% amount to Pakistan Engineering Construction for boundary wall of cricket ground of Mughalpura Institute	244,730
	16.05.2019	Paid to Mughalpura Institute for payment to Baria Enterprises against tuff tiles work and civil work at gate No. 4	795,591
	05.04.2019	Paid to Mughalpura Institute for payment to Baria Enterprises against tuff tiles work at gate No. 4	1,040,543
	11.02.2019	Paid to Mughalpura institute for upgradation of grounds	997,614
	18.03.2022	loan to AEN/W for repair of C&W road	200,000
Private account of Shrine Baba Masoom Shah 10025515720014	08.05.2019	Repair/maintenance of Industrial School	1,500,000
	08.05.2019	Provision of watercooler in W/Line	300,000
	08.05.2019	Repair/maintenance of Industrial School	1,500,000
	13.05.2019	Provision of Bore/hand pump at KOW	500,000
	27.06.2019	Purchase of benches for passengers	300,000
	17.03.2020	Installation of sanitizer gate during COVID	150,000
	07.04.2020	Installation of sanitizer gate at Rly Station	200,000
	06.08.2020	Water Cooler at CDL	100,000
	14.04.2021	Purchasing of Shoes for Gangmen	553,000
	26.05.2021	Purchasing of Shoes for Gangmen	669,920
	01.12.2021	Purchasing of water pump for Rly colonies RWP	590,000
	16.04.2022	Purchasing boring material of CDL	300,000
	13.05.2022	Recouping water shortage in CDL Workshop	363,522
	06.09.2022	Purchasing of Security Cameras for DS Office	413,350
Total			**10,963,000**

Assistant Auditor General
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Annexure-12
(Para 4.2.12)

Unjustified appointment of excessive staff by the PRSB for other entities

S. No.	Name	Designation	D.O.J & Date of removal	Joining Salary	No. of months	Salary Drawn	Revised Salary	Salary revision date	No. of months	Salary Drawn	Total salary drawn
1	Iftikhar Hussain	AIS/PRSB (GM/M&S)	Oct-18 Aug-21	16,000	11	176,000	18,000	Sep-19	24	432,000	608,000
2	Asif Sohail	Media Coordinator (GM/M&S)	Dec-18 Sep-19	15,000	10	150,000	15,000	-	-	-	150,000
3	Manzoor Ali Arif	P.R.O (GM/M&S)	Sep-19 May-22	15,000	33	495,000	15,000	-	-	-	495,000
4	M. Akram Shahid	AIS/PRSB (GM/M&S)	Sep-21 May-23	18,000	13	234,000	20,700	Sep-22	8	165,600	399,600
5	Husnain Tariq	Computer Operator (GM/M&S)	Jun-22 Jul-22	20,000	2	40,000	20,000	-	-	-	40,000
6	Muhammad Raees Ikram	LDC (working under FA&CAO/M&S)	Feb-24 continued May 24	40,000	4	160,000	-	-	-	-	160,000
7	Muhammad Amman	Computer Operator (working under FA&CAO/M&S)	Feb-24 continued May 24	35,000	4	140,000	-	-	-	-	140,000
Total						**1,395,000**	**-**	**-**	**-**	**597,600**	**1,992,600**

Assistant Irfan Gull
Audit Officer (IT)
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Annexure-13
(Para 4.3.1)

Status of Audit Paras on private bank accounts

Sr. No.	Audit Para No. & Audit Report	DP No.	DAC Decision	PAC Directives	Compliance status
1	2.4.3 2018-19	8940	DAC in its meeting dated 01.12.2022 directed that a committee headed by Member Finance, DG/Technical and DG/Operations should review the by-laws of all the clubs within Railways, the approval of the competent forums/authorities for allowing the club to use its premises for commercial purposes etc. and come up with a comprehensive report having comprehensive analysis of other clubs in Pakistan with regard to its structure, management and internal controls for utilization of the funds within two weeks.	Nil	The report of inquiry committee received in July 2023 concluded that there was no legal authority and terms and conditions for allotment of land to Railways clubs available, however, clubs are being management as per their by-laws and their accounts cannot be termed as private accounts. Audit partly agreed with the finding of inquiry committee and recommends that amount involved may be recovered from persons at fault and deposited with railway treasury.
2	2.4.3 2018-19	8859	DAC in its meeting dated 01.12.2022 directed that a committee headed by Member Finance, DG/Technical and	Nil	The report of inquiry committee received in July 2023 concluded that there was no legal authority

Irfan Gul
Assistant Editor
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Sr. No.	Audit Para No. & Audit Report	DP No.	DAC Decision	PAC Directives	Compliance status
			DG/Operations should review the by-laws of all the clubs within Railways, the approval of the 3competent f4orums/authorities for allowing the club to use its premises for commercial purposes etc. and come up with a comprehensive report having comprehensive analysis of other clubs in Pakistan with regard to its structure, management and internal controls for utilization of the funds within two weeks.		and terms and conditions for allotment of land to Railways clubs available, however, clubs are being management as per their by-laws and their accounts cannot be termed as private accounts. Audit partly agreed with the finding of inquiry committee and recommends that amount involved may be recovered from persons at fault and deposited with railway treasury.
3	2.4.3 2018-19	8984	DAC in its meeting held on 15.07.2023 directed that the record should be verified through DAO Lahore within three days. The para is recommended for settlement subject to verification.	Nil	Management reported that Dy. Director Business and Development was maintaining cash imprest of Rs 500,000 for payment of weighment charges of coal load wagons. He kept the amount in his account for safety purposes. The reply is under verification.
4	2.4.3 2018-19	8960	DAC in its meeting dated 01.12.2022 directed the MD PRACS to submit a comprehensive response with regard to	Nil	Management replied on 14.07.2023 that the amount of Rs 3.60 million was deposited in

Irum Gul
Assistant Audit Officer (IT)
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Sr. No.	Audit Para No. & Audit Report	DP No.	DAC Decision	PAC Directives	Compliance status
			remittance of Rs 3.60 million in Railway account duly supported with documentary evidence within one week.		the account of PR Officers Club, Rawalpindi. The reply was not convincing as Railway revenue was kept in private account and not in Railway treasury.
5	2.5.3 2019-20	9635	DAC in its meeting dated 04.01.2023 directed that a committee headed by Member Finance, DG/Technical and DG/Operations should complete the inquiry within one week and submit its report to Audit after approval of respective authority.	PAC in its meeting held on 10.01.2023 directed the PAO to finalize the inquiry already in process and report to PAC/ Audit within 15 days.	Inquiry report received on 22.05.2023 concluded that advance payments were made by the PD Railcop to site supervisors for speedy and smooth work. This practice was not supported by any authority and rules, therefore it had been discontinued. The entire advance had been adjusted after submission of vouchers by the staff. Outcomes of the inquiry report referred to the PAC has not been received.

Irum Gul (Assistant Audit Officer)
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Sr. No.	Audit Para No. & Audit Report	DP No.	DAC Decision	PAC Directives	Compliance status
6	2.5.3 2019-20	8160	DAC in its meeting dated 04.01.2023 directed that a committee headed by Member Finance, DG/Technical and DG/Operations should complete the inquiry within one week and submit its report to Audit after approval of respective authority.	PAC in its meeting held on 10.01.2023 directed the PAO to finalize the inquiry already in process and report to PAC/ Audit within 15 days.	Neither the inquiry report was provided to audit, nor was the amount deposited into the Railway treasury as required.
7	2.5.3 2019-20	10039	DAC in its meeting dated 04.01.2023 directed that a committee headed by Member Finance, DG/Technical and DG/Operations should complete the inquiry within one week and submit its report to Audit after approval of respective authority.	PAC in its meeting held on 10.01.2023 directed the PAO to finalize the inquiry already in process and report to PAC/ Audit within 15 days.	Neither the inquiry report was provided to audit, nor was the amount deposited into the Railway treasury as required.
8	2.5.3 2019-20	9683	DAC in its meeting dated 04.01.2023 directed that a committee headed by Member Finance, DG/Technical and DG/Operations should complete the inquiry within one week and submit its report to Audit after approval of respective authority.	PAC in its meeting held on 10.01.2023 directed the PAO to finalize the inquiry already in process and report	Status of inquiry report has not been shared with audit.

Irfan Gul
Assistant Audit Officer (IT)
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Sr. No.	Audit Para No. & Audit Report	DP No.	DAC Decision	PAC Directives	Compliance status
				to PAC/ Audit within 15 days.	
9	2.5.58 2019-20		DAC in its meeting dated 04.01.2023 took serious view of non-compliance of the PAC directives dated 05.07.2021 and DAC directives dated 21.01.2022 on the part of DG/P&L and IG/PRP. The DAC directed that compliance of earlier directives should be ensured within two weeks and submit report to Audit latest by 20.01.2023.	PAC in its meeting dated 05.07.2021 directed the PAO to recover possession of the Petrol Pump and process it as a commercial area in the same manner as was done for the marriage hall.	Compliance of PAC directives is awaited.
10	2.5.14 2020-21	10477	DAC in its meeting held on 28.03.2023 directed the CEO PRFTC to submit a comprehensive reply within one week with the direction that the company should strictly observe the Finance Division's guidelines for maintaining working balance.	Nil	Compliance of DAC directives is awaited.
11	2.5.14 2020-21	10367	DAC in its meeting held on 28.03.2023 directed the CPO to submit a comprehensive reply along with compliance report with regard to	Nil	Compliance of DAC directives is awaited.

Assistant Audit Officer (IT)
Inland Gulf Audit Office
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Sr. No.	Audit Para No. & Audit Report	DP No.	DAC Decision	PAC Directives	Compliance status
			depositing of all receipts in Railway Account rather than depositing in private account. The DAC also directed that the private account should immediately be closed. The report to this effect should be submitted latest by 31.03.2023.		
12	2.5.55 2021-22	10837	DAC in its meeting dated 06.08.2024 directed the Audit to re-examine the reply of PO (DS Workshop) and report to DAC in its next meeting.	Nil	The executive reply is under examination with Audit.
13	2.5.55 2021-22	11026	Nil	Nil	Nil
14	2.5.55 2021-22	11067	Nil	Nil	Nil
15	2.5.55 2021-22	11627	DAC in its meeting dated 06.08.2024 directed the Audit to re-examine the reply of PO (DS Workshop) and report to DAC in its next meeting.	Nil	The executive reply is under examination with Audit.
16	2.5.1 2022-23	12035	Nil	Nil	Nil
17	2.5.89 2023-24	12480	DAC in its meeting held on 16.01.2024 directed the committee headed by Member Finance to expedite and	Nil	No compliance received.

Ikram Gul
Assistant Audit Officer (R)
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Sr. No.	Audit Para No. & Audit Report	DP No.	DAC Decision	PAC Directives	Compliance status
			finalize their recommendations for this very important issue pointed out by the Audit. There is dire need to streamline the public finance in the light of rules & polices of shops, markets and marquees etc.		
18	2.5.94 2023-24	12410	DAC in its meeting held on 12.01.2024 directed the committee headed by Member Finance to expedite and finalize their recommendations for this very important issue pointed out by the Audit. There is dire need to streamline the public finance in the light of rules & polices of similar clubs/Gymkhana etc.	Nil	No compliance received.

Islamabad Assistant Audit Officer (AAO) 20 October 2026 05:18:06 PM

Annexure-14
(Para 4.3.3)

Statement showing the detail of non-production of record

Sr. No	Description	Remarks
1	No. of private bank accounts maintained by Division/Institutes	No record of any kind was provided by DS/Multan, Karachi, Sukkur, Carson Institute, Lahore, IGPRP, Mayo Gardens Officers Club,
2	Authority under which bank accounts were opened	
3	Date of opening of bank accounts	
4	SoPs for operating these bank accounts	
5	Bank statements of all bank accounts maintained by Division/Institutes for the year 2018-19 to 2022-23	
6	Signatories of bank accounts	
7	Source of earning in respect of above mentioned bank accounts along with copies of receipts issued	
8	Authority under which amount was drawn from these bank accounts and utilized	
9	Cash book for the period from 2018-19 to 2022-23 along with vouchers and allied record	
11	Ledgers, accounts and audit notes	
12	Any other information/documents required by audit.	
Partial record was provided by		
1	DG, PRA, Walton	Only bank statements were provided
2	Divisional Support Officer, Lahore Division	Relevant record and bank statement in respect of Polo ground Faisalabad was not provided
3	Pakistan Railways Sports Board, Lahore	Only cash books and financial statements were provided
4	DS/Rawalpindi	Most of the record was not provided

Assistant Audit Officer (IT)
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Annexure-15
(Para 4.4.1)

Detail of land available with clubs/institutes

Description	Area in Acres	Area in Kanal	Area in Sq. feet	Commercial value (Rs)
SUKKUR				
Hockey ground Sukkur	3.55	28.40	154,638.00	123,710,400
Hostel for hockey players	2.02	16.16	87,991.20	70,392,960
Open land back side of hockey ground seen basketball area	3.73	29.84	162,478.80	173,310,720
Ground in front of DS office	3.06	24.48	133,293.60	266,587,200
Railway officer club basket ball	1.06	8.48	46,173.60	18,469,440
Railway officers club Sukkur	**Not provided**			
Workshops Division				
Moghalpura institute	20.00	160.00	871,200.00	5,843,200,000
Griffin institute/Shadi hall	0.27	2.15	11,717.64	78,518,000
WASAS/Kashmir marque	2.00	16.00	87,120.00	584,320,000
Lahore				
Burt institute	1.77	14.16	77,101.20	695,822,400
Burt ground	6.94	55.52	302,306.40	2,728,252,800
PSO Railway Police Pump	0.49	3.92	21,344.40	344,960,000
Walton wedding ground	0.64	5.12	27,878.40	342,528,000
Mayo Garden CLUB	1.14	9.12	49,658.40	487,099,200
Faisalabad polo ground	3.03	24.24	131,986.80	2,807,719,200
Peshawar				
Officer club	0.96	7.68	41,817.60	739,584,000
Rawalpindi				
Officer club	0.72	5.76	31,363.20	278,153,538
Quetta				
Hockey ground	1.34	10.68	58,152.60	240,751,739
Marriage lawn	1.12	8.94	48,700.08	201,618,311
Railway officer club	0.84	6.74	36,677.52	151,844,916
Karachi	**Not provided**			
Multan	1.94	15.50	84,397.50	2,949,270,288
Total land and Value	**56.61**	**452.89**	**2,465,996.94**	**19,126,113,112**

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Annexure-16
(Para 4.4.2)

Loss due to non-leasing of railway land as per Railway Land and Property rules

Description	area in Acres	Area in Kanal	Area in Sq. feet	Residential value (Rs)	50% of DC value as one time NOC fee (Rs)	Rs 5 per sq. feet annual rent for five year (Rs)
Sukkur						
Hockey ground Sukkur	3.55	28.40	154,638.00	123,710,400	61,855,200	3,865,950
Hostel for hockey players	2.02	16.16	87,991.20	70,392,960	35,196,480	2,199,780
Open land back side of hockey ground seen basketball area	3.73	29.84	162,478.80	173,310,720	86,655,360	4,061,970
Ground in front of DS office	3.06	24.48	133,293.60	266,587,200	133,293,600	3,332,340
Railway officer club basket ball	1.06	8.48	46,173.60	18,469,440	9,234,720	1,154,340
Railway officers club	Not provided					

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Description	area in Acres	Area in Kanal	Area in Sq. feet	Residential value (Rs)	50% of DC value as one time NOC fee (Rs)	Rs 5 per sq. feet annual rent for five year (Rs)
Workshops						
Moghalpura institute	20.00	160.00	871,200.00	3,369,600,000	1,684,800,000	21,780,000
Griffin institute/Shadi hall	0.27	2.15	11,717.64	45,279,000	22,639,500	292,941
WASAS/Kashmir marque	2.00	16.00	87,120.00	336,960,000	168,480,000	2,178,000
Lahore						
Burt institute	1.77	14.16	77,101.20	280,297,200	140,148,600	1,927,530
Burt ground	6.94	55.52	302,306.40	1,099,018,400	549,509,200	7,557,660
PSO Railway Police Pump	0.49	3.92	21,344.40	-	-	533,610
Walton wedding ground	0.64	5.12	27,878.40	260,096,000	130,048,000	696,960
Mayo Garden CLUB	1.14	9.12	49,658.40	226,883,712	113,441,856	1,241,460
Faisalabad polo ground	3.03	24.24	131,986.80	719,928,000	359,964,000	3,299,670
Peshawar						
Officer club	0.96	7.68	41,817.60	355,000,320	177,500,160	1,045,440

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Description	area in Acres	Area in Kanal	Area in Sq. feet	Residential value (Rs)	50% of DC value as one time NOC fee (Rs)	Rs 5 per sq. feet annual rent for five year (Rs)
Rawalpindi						
Officer club	0.72	5.76	31,363.20	112,330,952	56,165,476	784,080
Quetta						
Hockey ground	1.34	10.68	58,152.60	110,373,623	55,186,812	1,453,815
Marriage lawn	1.12	8.94	48,700.08	92,432,742	46,216,371	1,217,502
Railway officer club	0.84	6.74	36,677.52	69,613,925	34,806,963	916,938
Karachi	(Not provided)					
Multan						
	1.94	15.50	84,397.50	2,949,270,288	1,474,635,144	2,109,938
Total land and Value	**56.61**	**452.89**	**2,465,996.94**		**5,339,777,442**	**61,649,924**
Amount of loss	**Rs 5,339,777,442 + Rs 61,649,924 = 5,401,427,365**					

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