



**AUDIT REPORT
ON
THE ACCOUNTS OF
CENTRAL ZAKAT FUND,
ZAKAT COLLECTION CONTROLLING
AGENCIES/
ZAKAT COLLECTION OFFICES
AND
ISLAMABAD ZAKAT & USHR
COMMITTEE
AUDIT YEAR 2017-18**

AUDITOR – GENERAL OF PAKISTAN

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ABBREVIATIONS & ACRONYMS

AIR	Audit & Inspection Report
AG	Accountant General
AGPR	Accountant General Pakistan Revenues
CAZ	Chief Administrator Zakat
CZA	Central Zakat Administration
CZC	Central Zakat Council
CZF	Central Zakat Fund
CMA	Controller Military Accounts
CDC	Central Depository Company
CDRs	Central Depository Receipts
DAC	Departmental Accounts Committee
DAO	District Accounts Office
DSC	Defense Saving Certificates
DZA	Directorate of Zakat Audit
DZF	District Zakat Fund
FDRs	Fixed Deposit Receipts
GBZF	Gilgit Baltistan Zakat Fund
HWC	Health Welfare Committee
ICT	Islamabad Capital Territory
IPSAS	International Public Sector Accounting Standards
IZUC	Islamabad Zakat & Ushr Committee
LZC	Local Zakat Committee
MFDAC	Memorandum for Departmental Accounts Committee
MORA	Ministry of Religious Affairs and Interfaith Harmony
NAM	New Accounting Model
NLHI	National Level Health Institution
NSC	National Saving Center
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PZC	Provincial Zakat Council
PZF	Provincial Zakat Fund
TDRs	Terms Deposit Receipts
ZCCA	Zakat Collection Controlling Agency
ZCOs	Zakat Collection Offices
ZCR	Zakat Collection Report

PREFACE

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan 1973, read with Sections 8 and 12 of the Auditor General (Functions, Powers and Terms and Conditions of Service) Ordinance 2001 and Clause (7) of Section 11 of Zakat and Ushr Ordinance, 1980, require the Auditor General of Pakistan to conduct audit of the Central Zakat Fund, Provincial Zakat Funds, District Zakat Funds and Local Zakat Funds.

The Report is based on Compliance Audit of Central Zakat Fund, Zakat deducted by Zakat Collection Controlling Agencies (ZCCAs) / Zakat Collection Offices (ZCOs) and disbursements by Islamabad Zakat and Ushr Committee for the financial year 2016-17. The Directorate of Zakat Audit conducted audit during the year 2017-18 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of Rs 1 million or more. Relatively less significant issues are listed in the Annex-1 of the Audit Report. The Audit observations listed in the Annex-1 shall be pursued with the Principal Accounting Officer at the DAC level and in those cases where the Principal Accounting Officer (PAO) does not initiate appropriate action, the Audit observations will be brought to the notice of the Public Accounts Committee through next year's Audit Report.

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

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

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

Dated: 21 February, 2018

(Javaid Jehangir)
Auditor-General of Pakistan

EXECUTIVE SUMMARY

Zakat system was introduced in Pakistan through Zakat and Ushr Ordinance, 1980. Zakat deducted on compulsory basis and collected on voluntary basis by the financial and other institutions is kept in the Central Zakat Fund (CZF), which is managed by the Central Zakat Administration (CZA). Funds in the CZF are released to the Provincial Zakat Funds (PZFs) including FATA, Gilgit-Baltistan Zakat Fund (GBZF) and Islamabad Capital Territory. Provincial Zakat Councils (PZCs) release funds from PZFs to DZFs and Health Welfare Committees of Provincial Level Health Institutions, for assistance to the Mustahiqeen.

The Directorate of Zakat Audit (DZA) carries out the audit of Central Zakat Fund (CZF), Provincial Zakat Funds (PZFs), District Zakat Funds (DZFs) and Zakat deducted by Zakat Collection Controlling Agencies (ZCCAs) / Zakat Deduction Offices (ZCOs). Directorate of Zakat Audit (DZA) has a human resource of 23 officers and staff having 5727 mandays. The annual budget amounting to Rs 43.090 million was allocated to this office during 2017-18. The office is mandated to conduct regularity (compliance with authority) audit of formations under its jurisdiction to assess transparency in collection and distribution of Zakat.

a. Scope of Audit

During the financial year 2016-17 Ministry of Religious Affairs and Interfaith Harmony collected Zakat of Rs 8,141.68 million and released Rs 7,570.910 million to Provinces and ICT. This whole amount was audited at CZA level. However, Zakat deducted by 65 Zakat Collection Controlling Agencies / Zakat Collection Offices (out of 307 ZCCAs) was audited on test check basis during the audit year 2017-18.

The total budget received by Islamabad Zakat and Ushr Committee from Ministry of Religious Affairs and Interfaith Harmony during the financial year 2016-17 was Rs 186.230 million. This amount included funds for onward release to NLHIs in ICT, Local Zakat Committees (LZCs), educational institutions and deeni madaris. The entire budget was subjected to audit at District level. However, 70 LZCs out of 148 LZCs were selected for audit on test check basis at Local Committees level which in terms of percentage was 47.30 % of total Local Zakat Committees.

b. Recoveries at the Instance of Audit

Recovery of Rs 1,072.202 million, which was not in the notice of the executive, was pointed out by audit, but no recovery was effected until the time of compilation of this report.

c. Audit Methodology

The audit year 2017-18 followed intensive application of desk audit techniques in Directorate of Zakat Audit. This was facilitated by the use of SAP (limited to the amount of deduction of Zakat made by AG and AGPR offices) and preparation of permanent / planning files. Desk review helped auditors in understanding the systems, procedures, environment, and the auditee entity before starting field activity. This greatly facilitated in the identification of high risk areas for substantive testing in the field.

Field Audit activity consists of examining selected documents, interaction with employees during field work, interviewing beneficiaries to evaluate their satisfaction on Zakat system, filling internal control questionnaires to assess the internal control system, discussion with the management and reviewing applicable laws and regulations.

d. Audit Impact

On the pointation of Audit, the Ministry of Religious Affairs and Interfaith Harmony has now started the process of collecting pre-receipted copies on form CZ-08 from ZCCAs / ZCOs, which has resulted in increase in collection of Zakat by 40% in the last 02 years. Annex-2 (Audit Impact Summary) provides additional information on improvement of rules, systems and procedures that occurred because of audit.

e. Comments on Internal Controls and Internal Audit Department

The irregularities pointed out in the Report transpired that internal controls were very weak and ineffective. Internal Audit Department of Zakat was non-existent at CZA level. However, at PZAs levels, the Internal Audit Department existed but was not functioning effectively mainly due to inexperienced internal auditors, shortage of

staff and lack of job security being contract employees. Therefore, Internal Audit Department needs to be strengthened.

f. The Key Audit Findings of the Report;

- i. Non-reconciliation of Zakat funds was pointed out in two paras amounting to Rs 271.760 million.¹
- ii. Non-production of record was pointed out in one para amounting to Rs 1,345.407 million.²
- iii. Non-collection of Ushr was pointed out in one para.³
- iv. Recovery pointed out in ten paras amounted to Rs 1,072.202 million.⁴
- v. There were eight cases of irregular expenditure / payments and violation of rules amounting to Rs 2,145.50 million.⁵

Audit paras for the audit year 2017-2018 involving procedural violations including internal control weaknesses and irregularities not considered significant for reporting to the PAC, are included in MFDAC (Annex-1).

g. Recommendations

- i. Zakat deducted by ZCCAs / ZCOs should be deposited without any delay in CZF-08.
- ii. Reconciliation of Zakat collection should be carried out regularly as per laid down procedure.
- iii. Relevant record should be produced for audit and strict action taken against persons held responsible for non-production under section 14(2) and (3) of the Auditor-General's Ordinance No. XXIII of 2001 read with section 21(3A) of Zakat & Ushr Ordinance, 1980.
- iv. Islamabad Zakat and Ushr Committee may pursue the matter regarding assessment and collection of Ushr with Revenue Department for immediate action.

¹ Para 1.4.2 & 3.4.2

² Para 2.3.1

³ Para 3.4.3

⁴ Para 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.7, 2.3.8, 2.3.9, 3.4.9 & 4.3.1

⁵ Para 1.4.1, 3.4.1, 3.4.4, 3.4.5, 3.4.6, 3.4.7, 3.4.8 & 3.4.10

- v. Assessment, collection and deduction of Zakat should be made by ZCCAs / ZCOs strictly in accordance with provisions of Zakat and Ushr Ordinance, 1980 and the Zakat Collection and Refund Rules 1981.
- vi. Refund of unspent balances of Zakat Fund needs to be made timely by the management.
- vii. Bank authorities need to be instructed to issue cheque books to all Local Zakat Committees (LZCs) with every leaf marked with crossed/Payees account only so that payments to ‘mustahiqeen’ can only be made through crossed cheques.
- viii. Proper resolutions should be passed by LZCs before payment to beneficiaries.

SUMMARY OF TABLES AND CHARTS

Table I: Audit Work Statistics

Sr.No.	Description	No. of Entities	Budget (Rs. in Million)
1	Total Entities (PAO's) in Audit Jurisdiction	2	8,141.68
2	Total Formations in Audit Jurisdiction	313	8,141.68
3	Total Entities (PAO's) Audited	2	8,141.68
4	Total Formations Audited	*67	*8,141.68
5	Audit And Inspection Reports	67	8,141.68
6	Special Audit Reports	-	
7	Performance Audit Reports	-	
8	Other Reports	-	-

*The CZA was one of the 67 formations audited, which alone made collection and onward disbursements (including refunds) of Rs 8,141.68 million during the financial year 2016-17. In addition Islamabad Zakat & Ushr Committee (having total funds received of Rs 186.230 million), 63 ZCCAs / ZCOs and 03 NLHIs were also audited on test check basis during the financial year 2016-17.

Table II: Audit Observations Regarding Financial Management

Sr.No.	Description	Amount placed under Audit observation (Rs. in Million)
1	Unsound asset management	-
2	Weak financial management	-
3	Weak Internal controls relating to financial management	4,834.869
4	Other	-
	Total	4,834.869

Table III: Outcome Statistics

S. No.	Description	Total Last Year (Rs in million)	Total Current Year (Rs in Million)
1	Outlays Audited	7,475.94	8,141.68
2	Monetary Value of Audit Observations	773.165	4,834.869
3	Recoveries Pointed Out at the instance of Audit	275.856	1,072.202
4	Recoveries Accepted / Established at the instance of Audit	NA	63.991
5	Recoveries Realized at the instance of Audit	27.277	27.028

Table IV: Irregularities Pointed Out

S. No.	Description	Amount Placed under Audit Observation (Rs in Million)
1.	Violation of Rules and regulations and violation of principal of propriety and probity in public operations	3,489.462
2.	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	-
3.	Accounting Errors (accounting policy departure from IPSAS, misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	-
4.	Weaknesses of internal control systems.	-
5.	Recoveries and overpayments, representing cases of established overpayment or misappropriations of public money.	-
6.	Non-production of record	1,345.407
7.	Others, including cases of accidents, negligence etc.	-
	Total:	4,834.869

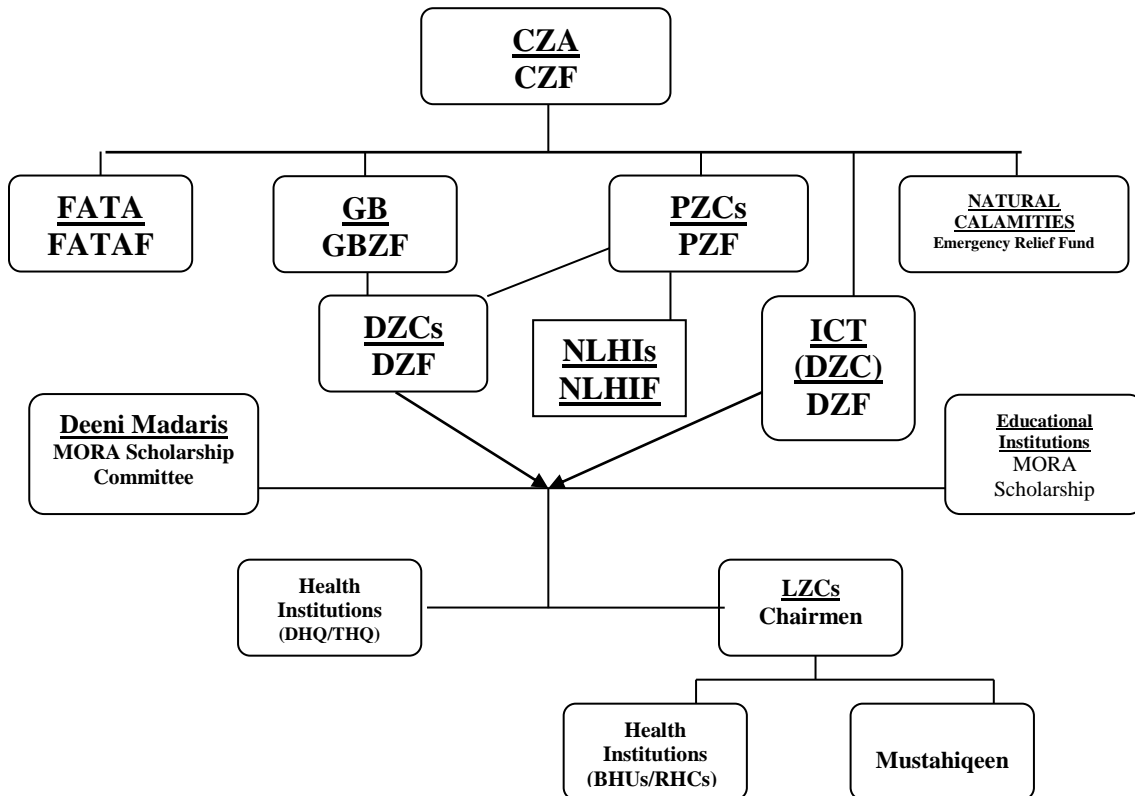
Table V: Cost-Benefit

Sr. No.	Description	Amount (Rs in Million)
1	Outlays audited (Items 1 of Table 3)	8,141.68
2	Expenditure on Audit	43.090
3	Recoveries realized at the instance of Audit	27.028
	Cost-Benefit ratio	1 : 0.63

CHAPTER – 1 CENTRAL ZAKAT FUND

1.1 Introduction

Zakat deducted on compulsory basis and collected on voluntary basis by the financial and other institutions is kept in the Central Zakat Fund (CZF), which is managed by the Central Zakat Administration (CZA). CZA releases Zakat Fund collected during the year to Provincial Zakat Councils as per provincial share on population basis, as approved by Council of Common Interest (CCI) after making direct lump sum releases to GBZF, ICT, NLHIs, Natural Calamities / Emergency Relief and others (administrative / non-administrative, special Eid grants) out of total budget. In addition to regular Zakat disbursement programmes, funds are also allocated on account of Educational Stipends (Technical). The funds flow management chart of CZF is as follows:



1.2 Comments on Budget & Accounts

Statement of Accounts of the Central Zakat Fund for the years 2015-17 was as under:

Particulars	<i>(Rs in million)</i>	
	FY 2015-16	FY 2016-17
Opening Balance	5,398.53	7,570.912
Collections	7,475.94	8,141.68
Funds Available	12,874.47	15,712.592
Disbursements	5,303.56	7,570.910
Refunds made	-	131.91
Closing Balance	7,570.91	8,009.77

Source: State Bank of Pakistan

The receipt figures of current year show an increase of 9% as compared to last year. The CZA disbursed an amount of Rs 7,570.910 million to PZFs including FATA, Gilgit-Baltistan Zakat Fund and Islamabad Capital Territory during the year 2016-16, which shows increase of 43% as compared to last year.

1.3 Brief Comments on the Status of Compliance with PAC Directives

Reports for the Audit Years 2002-03, 2005-06, 2011-12, 2012-13, 2014-15 and 2015-16 have not been discussed so far in PAC. Audit recommends that audit reports should be placed before the PAC regularly. The status of compliance with PAC directives is given below:

Audit Year	Status of PAC/Remarks	No. of Audit Paras (Sub-Paras) Discussed	Paras (Sub-Paras) Not Complied
1995-98	PAC held	19 (104), 9	(36), 3
		28 (104)	(39)
1998-99 SAR	PAC held	79	14
1998-99	PAC held	21	21
1999-00	PAC held	21	21
2000-01	PAC held	47	5
2002-03	PAC not held	-	-
2003-04	PAC held	7 (23)	(12)
2004-05	PAC held	8	8
2005-06	PAC not held	-	-
2006-07	PAC held	8	5

2007-08	PAC held	8 8 (16)	8 (5)
2008-09	PAC held	10	7
2009-10	PAC held	3	3
2010-11	PAC held	18 (64) 9	(44) 6
2011-12	PAC not held	-	-
2012-13	PAC not held	-	-
2013-14	PAC held	13 7	10 7
2014-15	PAC not held	-	-
2015-16	PAC not held	-	-
2016-17	PAC held	1(7)	1(7)

1.4 AUDIT PARAS

Irregularity and non compliance

1.4.1 Late deposit of Zakat by ZCCAs – Rs 1.948 billion

According to Rule 33(4) of Zakat (Deduction and Refund) Rules, 1981, “ZCCAs will remit immediately after the close of the periods given in consolidated Zakat Collection Reports (Form CZ-08A and CZ-08B), the aggregate of the amount collected by their ZCOs, less refunds, to the Central Account No.8-Central Zakat Fund with the State Bank of Pakistan, provided that the ZCCAs dealing with assets at Serial No.1 (Saving Bank and similar accounts) will make, in addition to the above periodical remittances, an additional remittance immediately after the deduction date”.

Audit observed that 12 ZCCAs collected Zakat of Rs 1,948,442,675 but did not deposit it timely into the Central Zakat Fund Account CZ-08 during the Financial Year 2016-17, which was held irregular. Detail is given at **Annex-3**.

The irregularity occurred due to weak internal controls.

Audit contends that the late remittances of Zakat resulted in irregular use of Zakat by ZCCAs.

Management of Al-Baraka Bank replied that the amount was deposited with SBP through PO No. 8221006436 dated 13-06-2016 but the said PO was presented for clearance by SBP on 28-09-2016 and proceeds were realized on very same date.

Management of Silk bank replied that the late deposit of Zakat collected was due to absence of any specified period for deposit of amount in the referred section. However, we intend to deposit Zakat deduction within required time period in future for which we would like to request to provide clarity in the date of submission starting from 1st of Ramadan.

Management of Zarai Taraqati Bank Limited (ZTBL) replied that the PO was deposited in SBP on 29-06-2016 and the data was to be collected from all branches of ZTBL through out the country manually, which took time.

Management of Habib Bank Limited replied that within the allotted one month time period, we compiled and consolidated Zakat Collection Report on Form CZ-08A and timely transferred the Zakat Fund, so we have not violated the laid down procedure.

Management of National Bank of Pakistan replied that the compilation and consolidation continued till last week of Ramazan at our hub branch for Zakat collections at NBP Nadir House Branch, Karachi. After due checking / verification the Payment Order was prepared on 04-07-2016 for submission to SBP Karachi. Further, we have issued warning to concerned branch to remain careful in future.

The replies are not acceptable as Zakat was not deposited into the Central Zakat Fund Account No.8 immediately after deduction of Zakat on 1st of Ramazan.

However, the managements of remaining 07 ZCCAs did not submit reply.

The DAC in its meeting held on 18-01-2018 directed that proper justification from remaining ZCCAs be obtained and produced to audit within two weeks.

Audit recommends that Ministry may take up the matter with SBP for recovery of profit earned by banks through lending by retaining amount of Zakat with them (at an average lending rate of 9%) amounting to Rs 12,685,409 as calculated in **Annex-3**. Moreover, in remaining cases, as decided by DAC in its meeting held on 06-02-2014, the Administrator General Zakat may propose amendments in Ordinance / Rules for imposition of penalty / charges for late deposit in order to discourage retention and late remittances of Zakat.

1.4.2 Non-reconciliation of Zakat collection- Rs 271.760 million

According to Para-64 of Accounting Procedure for the Central Zakat Fund states that “At the close of each month, the entries recorded in the registers maintained in the Central Zakat Administration will be compared with the figures reported by the State Bank of Pakistan through the monthly statements on forms CZ-21 and CZ-22 and the accompany documents. In case of discrepancy, the details supplied by the State Bank of Pakistan will be checked and reconciled with those given in the return on form CZ-08 sent directly by the ZCCAs and those available in the record of the CZA. If any discrepancy persists, it shall be settled by referring the matter to the State Bank of Pakistan and /or to the ZCCAs concerned or other relevant agency/office. The accounts of Central Zakat Fund shall be reconciled on monthly basis”.

During audit of Zakat record of Ministry of Religious Affairs and Interfaith Harmony for the FY 2016-17, it was observed that there was a difference of Rs 271,760,195 between the figures of CZA and those reported by SBP through the

monthly statements on forms CZ-21 & 22. Detail is given at **Annex-4**. The difference should be removed through reconciliation.

The irregularity occurred because department was only depending upon the figures intimated by the State Bank of Pakistan on monthly basis without any verification.

Audit contends that in the absence of proper reconciliation, the accuracy of amounts / accounts could not be ascertained.

Management replied that letters would be issued to all coded ZCCAs for obtaining copies of CZ-08 to reconcile the remaining amount.

The reply is not tenable as no further progress has been intimated to audit.

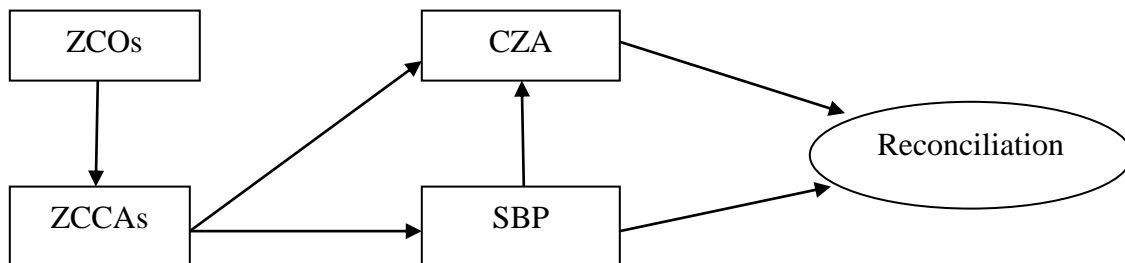
The DAC in its meeting held on 18-01-2018 directed to produce the reconciled record to audit within two weeks.

Audit recommends that the reconciliation of Zakat collection may be made and verified from audit.

Chapter-2 ZAKAT COLLECTION CONTROLLING AGENCIES AND ZAKAT COLLECTION OFFICES

2.1 Introduction

Zakat Collection and Refund Rules, 1981 prescribe procedures to be followed by Zakat Collection Controlling Agencies (ZCCA) and Zakat Collection Offices (ZCO) for the collection / deduction of Zakat Fund. The flow of accounting information for collection is from the ZCOs to ZCCAs to Central Zakat Fund Account No.8 being maintained at State Bank of Pakistan. The flow of information regarding collection and disbursement is shown in the following diagram:



The Directorate of Zakat Audit conducted audit of 63 ZCCAs / ZCOs (as detailed in Annex-15) during the Audit Year 2017-18 out of many ZCCAs (banks and companies), 13,000 Post Offices (ZCOs) and 367 National Saving Centers (ZCOs) working under 12 Regional Directorates.

2.2 Comments on Budget and Accounts

The total deductions (including refunds) made by ZCCAs / ZCOs during the year 2016-17 were Rs 8,141.68 million as compared to Rs 7,475.94 million in previous year. This shows an increase of 8.90% as compared to last year.

2.3 AUDIT PARAS

Non-production of record

2.3.1 Non-production of record – Rs 1,345.407 million

According to Section 14, sub section 2 of the Auditor General’s Ordinance, 2001 “The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with request for information in as complete a form as possible and with all reasonable expedition” and sub section 3 provides “Any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person”.

Despite repeated reminders, eleven (11) ZCCAs / ZCOs did not produce the auditable record of Zakat collected / deducted and exempted (CZ-50) amounting to Rs 1,345.407 million during the years 2012-17 as detailed in **Annex-5**.

Without complete production of record, Audit could not ascertain the correct assessment and deduction of Zakat.

Management of National Saving Center Fawara Chowk Abbottabad replied that since the Branch is centralized only specific reports can be generated at Branch level. The reports that were possible at branch level were provided to the Audit.

The reply is not acceptable since detail of accounts as on valuation date were not provided.

Management of Summit Bank Super Market Branch Islamabad replied that the 955 Saving Accounts customers were in-eligible for deduction of Zakat having less balances than nisab amount declared by the authorities. Therefore provision of CZ-50 is not required in these instances / accounts.

The reply is not acceptable as the average amount of the account balances of 955 Saving Accounts customers as on valuation date was well above the nisab.

Management of Ghani Glass Limited replied that Ghani Glass Employees Provident Fund is a separate entity managed by its independent board of trustees and they are unable to produce the record.

However, the matter was reported to the managements of remaining 08 formations but no reply has been received till finalization of audit report.

The DAC in its meeting held on 18-01-2018 directed, in case of Pakistan Petroleum Company Limited Karachi, to provide a complete list of shareholders for sampling and record (CZ-50) as sampled by Audit be further produced for verification within two weeks, in case of NSC Fawara Chowk Abbottabad, to produce record (CZ-50, list and balances of on valuation date) within two weeks and in remaining cases to produce the record for verification within two weeks.

Audit recommends that record may be produced to audit and inquiry may be conducted and disciplinary action be taken against the person(s) responsible for non-production of record.

Irregularity and non compliance

2.3.2 Irregular exemption granted without obtaining declarations or on invalid declarations – Rs 797.79 million

Para 20 of Chapter III of Zakat Collection and Refund rules, 1981 provides that Zakat shall not be deducted in respect of the assets of a person claiming exemption on the ground of faith and fiqh under the first proviso to sub section (3) of section 1 of the Ordinance, provided he files with the ZCO an attested true copy of the declaration, on form CZ50 within a period not less than thirty days preceding the Valuation Date.

In contravention of above provision, 34 ZCCAs / ZCOs granted exemption of Rs 797.79 million to individuals without obtaining the declarations on Form CZ-50 or on invalid declarations i.e., not submitted one month before the valuation date or was incomplete. Detail is given in **Annex-6**.

The irregularity occurred due to ignorance of rules and procedures governing Zakat exemption and improper maintenance of record by ZCCAs.

The non-deduction of Zakat from individuals resulted into less collection of Zakat Fund.

Management in general replied that either the valid declarations are available for verification or maintained at some other places or the individuals / companies were correctly exempted from Zakat or the matter has been noted for future compliance. The replies are not acceptable as original / valid record was not produced to audit for verification. Details of replies are given in **Annex-6**.

However, the matter was reported to the managements of remaining 13 formations but no reply has been received till finalization of audit report.

The DAC in its meeting held on 18-01-2018 directed, in case of Arif Habib Securities Limited, to produce attested true copies of CZ-50 from both sides within one month, in case of Bata Pakistan Limited Lahore, to recover the amount and to produce the record for verification within two weeks, in case of Avanceon Limited Lahore, to made serious efforts to recover the amount from employees and to produce remaining 110 declarations of shareholders within two weeks, in case of State Life Insurance Corporation of Pakistan, Rawalpindi Zone, to submit a justified reply to Audit for consideration within two weeks otherwise recovery will be effected and in remaining cases to produce the record to audit within stipulated time.

Audit recommends that the amount of Zakat not deducted without obtaining valid declaration forms should be recovered and deposited into Zakat Fund Account CZF-08 under intimation to Audit.

2.3.3 Non / Late deposit of Zakat deducted – Rs 93.784 million

Rule 3 (1) of Zakat collection and refund rules 1981 provides that “Each ZCCA shall ensure the correct deduction of Zakat by its ZCOs, and the proper accounting, control and remittance thereof, in accordance with the provision of the Ordinance, the rules and the instructions which the CZA may issue in this behalf, from time to time”. Rule 33 (4) further adds that “ZCCAs will remit immediately after the close of the periods given in consolidated Zakat Collection Reports (Forms CZ-08A and CZ-08B), the aggregate of the amount collected by their ZCOs less refunds, to the Central Accounts No. 8-Central Zakat Fund with the State Bank of Pakistan”.

Audit observed that 10 ZCCAs / ZCOs collected Zakat of Rs 93.784 million but did not deposit / timely deposit into CZF-08 during the years 2014-17, in violation of above rules. Details are given at **Annex-7**.

Management of GPO Attock replied that quarterly statements upto June 2017 have already been send to quarter concerned well in time. However, date of submission was omitted but figures and accounts have been accounted for by the circle office, Director of Accounts and Directorate General too.

The reply is not tenable as without mentioning of date, Audit could not verify the exact submission of amount. In addition to it, the amounts in quarters Jan to March 2017 and April to June 2017 have been submitted late.

Management of MCB Ilaqa Nawab Sahib Branch Lahore replied that bank as a one unit submits entire deduction of Zakat from all branches and segregate in province wise on CZ-50 which are being produced for verification. Branch wise details are not prepared by bank at centralized level.

The reply is not tenable as CZ-07 send by MCB Nawab Sahib Branch to its regional headquarter have not been shown to audit.

Managements of Pakistan Petroleum Company limited Karachi and Accountant General Office Khyber Pakhtunkhwa replied that the amounts have been deposited now which may be verified.

The replies are not tenable as original challans showing deposit of Zakat amount were not shown to audit.

Management of National Saving Center Saddar Bazar, Lahore replied that the figures were timely conveyed to ZCCA on prescribed proforma CZ-07 for onward deposit into CZF Account No.8.

However, the matter was reported to the managements of Engro Polymer Limited Lahore, Askari Bank Limited Main Branch Karachi, PICIC Investment Limited Karachi, Pak Elecktron Limited Lahore and Accountant General Office Lahore on 20-09-2017, 20-09-2017, 25-07-2017, 23-11-2017 and 9-12-2017 respectively but no reply has been received till finalization of audit report.

The DAC in its meeting held on 18-01-2018 directed, in cases of Pakistan Petroleum Company limited Karachi and Accountant General Office Kyber Pakhtunkhwa that attested copies of deposited challans of the amount be shown to Audit for settlement of para. However, in remaining cases, it was decided that record be produced to Audit for verification within two weeks.

Audit recommends that amount of Zakat be deposited immediately and the matter regarding late deposit of Zakat may be justified. Otherwise responsibility for late deposit of Zakat be fixed.

2.3.4 Less deduction of Zakat from holders of Special Saving Certificates / Accounts and Defence Saving Certificates – Rs 30.453 million

Column 5 of Row 3 of First Schedule to Zakat & Ushr Ordinance 1980 specify the deduction date as “ The date on which the first return is paid, or the date of encashment / redemption / withdrawal, which ever be earlier in the Zakat year” and Zakatable assets as “Fixed Deposit Receipts and Accounts and similar receipts and accounts and certificates (e.g. Khas, Deposit Certificates), by whatever name described, issued by the banks operating in Pakistan, post offices, national savings centers and financial institutions, on which return is receivable by the holder periodically or is received earlier than maturity or withdrawal”.

Audit observed during scrutiny of record of Special Saving Certificates (SSCs) that 04 Zakat deducting Agencies either deducted Zakat from holders only once i.e., on the encashment / maturity of SSCs or did not deduct Zakat at the time of withdrawal of amount. Additionally, GPO Gujranwala did not deduct Zakat on 1st of Ramazan on Special Saving Accounts during the years 2013-17. Thus, a total Zakat of Rs 30.453 million was less deducted as detailed in **Annex-8**.

Audit contends that such violation has resulted in loss to Zakat fund.

Management of National Saving Center Fawara Chowk Abbottabad replied that Zakat on DSCs shall be collected only once at the time of actual encashment on payable value (Principal plus profit) as on valuation date immediately preceding such encashment and same is the provision in case of rule 15 of SSCs Rule 1990.

The reply is not tenable since Audit contends that less amount was deducted on account of DSCs and in case of SSCs, as per Zakat and Ushr Ordinance 1980, the Zakat was required to be deducted in each financial year as on valuation date.

Management of GPO Attock replied that Zakat was not deducted in cases where only profit has been drawn.

The reply is not tenable as the Saving and similar accounts are liable to be deducted for Zakat as on the amounts outstanding above nisab on 1st of Ramazan each year

The matter was reported to the management of NSC Abpara Branch Islamabad, GPO Gujranwala and NSC Chakwal on 29-09-2017, 29-11-2017 and 8-12-2017 respectively but no reply has been received so far.

The DAC in its meeting held on 18-01-2018 directed, in case of National Saving Center Fawara Chowk Abbottabad, to submit a justified reply to Audit for consideration within two weeks otherwise recovery will be effected. In remaining cases, since the formations did not attend meeting, the DAC directed to write a letter to Post Master (General) / DG NSC to bound the formations to produce the record to Audit within two weeks.

Audit recommends that the amount of Zakat less deducted may be recovered.

2.3.5 Non-deduction of Zakat on maturity of TDRs– Rs 4.233 million

Rule 6 of the Zakat Collection and Refund Rules 1981 reads with Row 3 of First Schedule to the Zakat and Ushr Ordinance 1980 inter alia require that Zakat be deducted from Fixed Deposit Receipts and Accounts, including those based on profit and loss sharing and similar receipts and accounts and certificates, by whatever name described, on which return is receivable by the asset holder periodically or is received earlier than the maturity or withdrawal.

Audit observed, in cases of following banks, that Term Deposit Receipts (booked by such account holders) attained maturity and Zakat amounting to Rs 4.233 million was not deducted against these TDRs in violation of the above rules. Detail is given below:

Sr. No.	Name of ZCCA / ZCO	Para No. of AIR	FYs	Amount (Rs in million)	Remarks
1	Silk Bank Blue Area Islamabad	02	2011-17	1.599	Zakat on maturity of TDRs of 03 companies not deducted
2	Bank of Punjab Blue Area Islamabad	05	2015-17	1.482	Zakat on maturity of TDRs of 10 accounts holders not deducted
3	Al-Habib PECHS Lahore	02	2014-17	1.152	Zakat on maturity of TDRs of 15 accounts holders not deducted
Total				4.233	

The irregularity occurred due to weak internal controls and non-observance of Zakat rules.

The management of Bank of Punjab Blue Area Islamabad replied that the TDRs were either encashed before Ramazan or booked after Ramazan in respective years.

The reply is not tenable as no supporting documents regarding booking of TDRs after Ramazan were produced to audit.

Management of Silk bank Main Branch Blue Area Islamabad (through unsigned letter) replied that the TDRs issued have been on Auto rollover basis and are under lien against guarantee (during the whole objected period).

The reply is not acceptable as bank guarantee is for a specific time period and is not charged against loan instead it is a back-up for other asset with a promise by a lending institution that if a borrower defaults on its liabilities or obligations, the bank will cover the costs. Additionally, the above mentioned companies received return regularly on such TDRs.

Management of Al-Habib PECHS Lahore replied that the Branch mark Zakat exemptions on Profit and loss sharing accounts and Fixed deposit receipts after obtaining original CZ-50 from customers and the system is centralized at Karachi and all original record held at Karachi. We have now obtained original CZ-50 from centralized Processing Unit Karachi.

The reply is not tenable as original record has not been verified from audit.

The DAC in its meeting held on 18-01-2018 directed, in case of Silk bank Main Branch Blue Area Islamabad, that recovery be effected under intimation to Audit. In other cases it was directed that original record be produced to Audit for verification within two weeks.

Audit recommends that the amount of Zakat should be deducted on maturity of TDRs as per rules and amount of Zakat not deducted be recovered.

2.3.6 Unauthorized refund of Zakat deducted from Haj Collection Account - Rs 113.823 million

Chapter II, rule 4 (1 & 2) of Zakat Collection and Refund Rules, 1981 states that (1) for recording the deductions of Zakat in respect of Saving bank accounts including those based on profit and loss sharing and similar accounts a ZCO shall prepare, on

the Deduction Date, the scroll (Form CZ-01) in respect of only those accounts which carry, on the Valuation Date, a balance exceeding the amount as notified by the Administrator General. (2) Zakat shall be deductible on the deduction date in respect of the balances as on the Valuation Date.

During scrutiny of record of Habib Bank Limited, CDA, Civic Centre, Islamabad, it was observed that the management opened a PLS Account No. 0602-79018499-55 (HBL Al-Mukhtar) for collection of Haj Fee with titled "Haj Collection 2006 All Branches". Being PLS Account, on the Valuation Date i.e. 07-06-2016, the banking system of HBL deducted Zakat amounting to Rs 113,823,033 on available balance of Rs 4,552,921,359. However, on the very next day i.e. 08-06-2016, the bank refunded the same amount of Zakat in their account without adopting proper procedure, which is against the above rules. It is pertinent to mention here that account holder received huge profit amounting to Rs 49,063,451 as per bank statement during the period 30-06-2016 to 09-09-2016.

Management replied that Hajj account is a special purpose Government account with specific amounts, the profits of which are utilized for the welfare of Hajjis which is not liable for deduction of Zakat.

The reply is not acceptable since there is no sufficient proof that the account is owned by the Ministry of Religious Affairs and Interfaith Harmony. Moreover, the deducted amount generated profits and original amount is liable for Zakat deduction. The fact that profits are generated warrants a detailed explanation on part of the management as to what exactly was the reason the amount was invested in a PLS account and where precisely the profits went.

The irregularity occurred due to weak internal controls and non-observance of Zakat rules.

The DAC in its meeting held on 18-01-2018 directed that the copy of MoU with Ministry of Religious Affairs and Interfaith Harmony be provided to Audit for verification within two weeks.

Audit recommends that the amount of Zakat irregularly refunded be recovered under intimation to audit.

2.3.7 Zakat evasion by individuals through Self-Pay Orders just before Valuation Date and re-deposit in own Account – Rs 1.632 million

As per Chapter III, Para 20 of the Zakat Collection and Refund Rules 1981 “Zakat not to be deducted in respect of the assets of a person claiming exemption on grounds of faith and fiqh.- (1) Zakat shall not be deducted in respect of the assets of a person claiming exemption from deduction on grounds of faith and fiqh under the first proviso to sub-section (3) of section 1 attested true copy thereof, within a period not less than thirty days preceding the Valuation Date.

During scrutiny of record of Faysal Bank Limited Main Branch, Haider Road, Rawalpindi it was noticed that few individuals got Self-Pay Orders just before Valuation Date and re-deposited these Pay Orders in their own accounts after 1st Ramadan to evade Zakat amounting to Rs 1,632,125 as detailed in **Annex-9**. The option of filing declaration was available as per Law, but Zakat was evaded by issuing Self-Pay Orders (on form it was mentioned that PO is issued for Zakat). On these cases the compulsory deduction of Zakat is applicable, so Zakat shall be deducted and deposited to CZF.

The irregularity occurred due to non-compliance of rules.

Management of Faysal bank Haider Road Rawalpindi replied that the customers willfully withdrew their amounts and requested the bank to issue payment orders in their favour.

The reply is not tenable as exemption procedure as described in Zakat and Ushr Ordinance was not adopted.

The DAC in its meeting held on 18-01-2018 directed to submit a justified reply to Audit for consideration within two weeks otherwise recovery be effected.

Audit recommends that the amount of Zakat evaded shall be recovered and deposited into CZF-08.

2.3.8 Irregular exemption from Zakat to Trusts / Foundations – Rs 2.785 million

According to Section 2(xxiii) of Zakat and Ushr Ordinance 1980, sahib-e-nisab means a person who owns or possesses assets not less than nisab, but does not include—

- (i) an institution, fund, trust, endowment or society—
- (a) registered as a charitable organisation under the Societies Registration Act, 1860, or as a company under section 26 of the Companies Act, 1913, or registered or approved as a charitable or social welfare organisation under any other law for the time being in force, and
 - (b) approved by the Central Board of Revenue for the purposes of section 47 of the Income Tax Ordinance, 1979.

Audit observed that Habib Sugar Mills Ltd., Karachi exempted 14 trusts / foundation from compulsory deduction of Zakat under asset code 108 (Securities including shares and debentures of companies or statutory corporations excluding those held in the name of a company or a statutory corporation on which return is payable periodically or otherwise, and is paid) without obtaining exemption certificates from Ministry of Religious Affairs and Interfaith Harmony or approval of Federal Board of Revenue under section 47 of the Income tax Ordinance. An amount of Rs 83.570 million was liable to Zakat on which Zakat amounted to Rs 2.089 million was not deducted. Additionally, Silk Bank Blue Area Islamabad exempted PLS account no. 2000955038 of Trust namely Waqf-e-Kuli Khan as on valuation dates 19-06-15 and 07-06-16 without obtaining exemption certificate from Ministry or approval of Federal Board of Revenue. An amount of Rs 27,857,173 was liable to Zakat on which Zakat amounted to Rs 696,429 was not deducted.

The irregularity occurred due to non-observance of Zakat rules.

Exemptions were granted without observance of prevailing Zakat rules and obtaining relevant documents supporting exemptions from Zakat which has resulted in loss to Zakat fund.

Management of Habib Sugar Mills Limited replied that we have requested concerned trustees to submit copy of approval obtained from FBR.

Management of Silk Bank main Branch Blue Area Islamabad replied that the trust has been registered under Societies Registration Act, 1860 and according to Zakat and Ushr Ordinance, 1980 it comes under definition of a non sahib-e-nisab.

The reply is not tenable as approval of Federal Board of Revenue under section 47 of the Income tax Ordinance was not produced to audit.

The DAC in its meeting held on 18-01-2018 directed, in case of Silk Bank, to produce proof of exemption from FBR within two weeks otherwise recovery be effected and in case of Habib Sugar Mill, it was directed to produce record to audit within two weeks.

Audit recommends that the valid documentations showing exemption from deduction of Zakat may be shown to Audit otherwise the amount of Zakat be recovered.

2.3.9 Non-deduction of Zakat on PLS accounts of Private Ltd. Companies / society – Rs 19.135 million

According to Zakat & Ushr Ordinance 1980 and Zakat Collection and Refund Rule, 1981, Zakat on saving/similar accounts by whatsoever name described be deducted @ 2.5% of the amount standing to the credit of the account at the commencement of the day on the valuation date except those exempted under the rules.

In contravention of above, management of following banks did not deduct Zakat from PLS accounts of private Ltd. companies / society on 1st of Ramazan in four years from 2013 to 2017. Audit is of the view that since PLS accounts of private Ltd. companies / society are liable to Zakat, non-deduction of Zakat was held as irregular. Detail is given below:

Sr. No.	Name of Bank	Para No. of AIR	Name of companies / society exempted	FYs in which Zakat on 1st of Ramazan not deducted	Amount of Zakat (Rs in million)
1	Silk Bank, Blue Area Branch, Islamabad	01	i. Sky Blue Builders ii. PECHS	2013-17	2.259
2	MCB Main Branch, Quetta	03	i. PWPF Merck Pvt. Ltd ii. TKF UNHCR iii. MERCK (Pvt) Ltd	2015-17	16.876
Total					19.135

The irregularity occurred due to misinterpretation / non-observance of rules and procedures governing Zakat exemption.

Audit contends that this has resulted into less collection of Zakat which deprived mustahiqeen from due benefits of Zakat.

Management of Silk Bank replied, in case of Sky blue builders replied that the account has been under lien during mentioned period against credit facilities to

customer. The reply is not acceptable as the documents produced with reply does not serve the exemption requisites as provided in section 25 of Zakat collection and Refund rules 1981. In case of PECHS, it was replied that Zakat was required to be charged on the opening balance of 1st of Ramazan on 30-06-2014 and 30-06-2014 was treated as normal working day as per SBP circular. The reply is not tenable as bank statement in this regard was not shown to audit. Also the balance as on 30-06-2014 (1st of Ramazan) amounting to Rs 2,850,712 was communicated to the audit team by the Bank itself. In remaining cases no reply has been received so far.

The matter was reported to the management of MCB Main Branch Quetta on 30-10-2017 but no reply has been received so far.

The DAC in its meeting held on 18-01-2018 directed, in case of Silk Bank, Blue Area Branch, Islamabad, to submit a justified reply to Audit for consideration within two weeks otherwise recovery will be effected. However, in case of MCB Main Branch, Quetta, since the formation did not attend meeting, the DAC directed to write a letter to SBP to bound the formation to produce the record to Audit within two weeks.

Audit recommends that the amount of Zakat due as per rules which was not deducted should be recovered and deposited into Zakat Fund Account CZF-08 under intimation to Audit.

CHAPTER -3 ISLAMABAD ZAKAT & USHR COMMITTEE

3.1 Introduction

The Islamabad Zakat & Ushr Committee (IZUC) consists of 148 LZCs out of which 79 LZCs were subjected to audit. The IZUC provided Zakat Funds to LZCs and various institutions for disbursement to *mustahiqeen* under various Zakat regular programmes like Guzara Allowance, Educational Stipends, Deeni Madaris, Health Care and Marriage Assistance to unmarried *mustahiq* women.

3.2 Comments on Budget & Accounts

Statement of accounts for the year 2016-17 was as under:

Particulars	Rs in Million
Opening	56.370
Receipts / refunds	186.230
Total available	244.600
Disbursements	139.727
Closing Balance	104.873

IZUC Islamabad received an amount of Rs 186.230 million (40% more than the previous year) from Ministry of Religious Affairs and Interfaith Harmony during the financial year 2016-17 and disbursed an amount of Rs 139.727 million during the year 2016-17, which was 57.12% of the total available funds. The balances at year end were not refunded into CZF account.

3.3 Brief comments on the status of compliance with PAC Directives

Reports for the Audit Years 2011-12, 2012-13, 2014-15 and 2015-16 have not yet been discussed in PAC. Audit recommends that audit reports should be placed before the PAC regularly. The status of compliance with PAC directives is given below:

Audit Year	Status of PAC/Remarks	No. of Audit Paras (Sub-Paras) Discussed	Paras (Sub-Paras) Not Complied
2007-08	PAC held	8	8
2009-10	PAC held	4	3
2010-11	PAC held	9	3
2011-12	PAC not held	-	-
2012-13	PAC not held	-	-
2013-14	PAC held	7	7
2014-15	PAC not held	-	-
2015-16	PAC not held	-	-
2016-17	PAC not held	1(7)	1(7)

3.4 AUDIT PARAS

Irregularity and non-compliance

3.4.1 Disbursement by un-lawful Chairmen of LZCs appointed for more than two consecutive terms - Rs 58.978 million

According to section 18 (2) of Zakat & Ushr ordinance 1980, “The Chairman and members of the Local Committee shall hold office for a term of three years and shall be eligible for re-election or re-selection as the case may be; Provided that a Chairman shall not be eligible to hold office for more than two consecutive terms”.

The available record of the DZC / LZC revealed that the Islamabad Zakat & Ushr Committee Islamabad appointed 78 Chairmen LZCs for more than two consecutive terms since 2002. The appointment of the Chairmen for the third & fourth consecutive terms and disbursement of amount of Rs. 58,978,062 by these Chairmen during the year 2016-2017 was held as irregular. Detail is given in **Annex-10**.

The irregularity occurred due to weak internal controls and defective selection process of Chairmen and members LZCs.

Selection of Chairmen for more than two consecutive terms was not only violation of rules but also against the spirit of good governance.

Management replied that the election / selection of LZCs has been started and 88 Chairmen / Administrators have been selected to-date and remaining 62 LZCs will be completed within 02 months.

DAC in its meeting held on 17-01-2018 directed to conduct an inquiry into the matter at Deputy Secretary Level.

No progress was intimated till the finalization of this report.

Audit recommends that responsibility for irregular appointment of Chairmen may be fixed.

3.4.2 Non-reconciliation of Zakat fund account

Para 89 of General Financial Rules Volume-I inter alia requires that amounts disbursed by DZCs be reconciled with the Federal Treasury Office.

In contravention of above instructions, a sum of Rs 139,727,097 was disbursed by DZC Islamabad during the year 2016-17 but reconciliation of figures was not carried out with the Federal Treasury Office for the financial year 2016-17.

The irregularity occurred because the Islamabad Zakat and Ushr Committee did not reconcile its accounts on monthly basis with Federal Treasury Office.

In the absence of proper reconciliation, the accuracy of accounts could not be ascertained.

Management replied that the figures have been reconciled by FTO, which is available for verification.

DAC in its meeting held on 17-01-2018 directed to verify the reconciled record from audit within 3 days.

No progress was intimated till the finalization of this report.

Audit recommends that reconciliation should be made on monthly basis to ensure accuracy of accounts besides action be taken against the person(s) responsible for the lapse.

3.4.3 Non Collection of Ushr

According to the provisions contained in Chapter-III, "Ushr" of Zakat and Ushr Ordinance, 1980, the Provincial Revenue Departments were responsible to assess and collect Ushr from every land-owner, guarantee, lessee, and lease-holder or land holder in the prescribed manner, and maintain the record containing such information for a crop season under intimation to Zakat authorities. Moreover Ushr yardstick for each crop's yield is required to be issued by DZC.

Audit observed during examination of record at DZC level that no Ushr is being assessed / collected by the committee since 1990 which is a violation of provisions of Zakat and Ushr Ordinance as well as decisions taken by CZC from time to time in this regard. This matter was also reported in previous year audit reports but no action has been taken so far.

Due to lack of coordination between Zakat office and Revenue Department, assessment and collection of Ushr could not be made.

The non-assessment, collection and deposit of Ushr resulted in a loss to the Zakat exchequer.

Management replied that a letter has been sent to Assistant Commissioner (Sadar), District Collector ICT Islamabad to furnish the assessment and collection of Ushr, the same will be submitted to Audit as and when received by this office.

DAC in its meeting held on 17-01-2018 directed to produce record to audit within two weeks.

No progress was intimated till the finalization of this report.

Audit recommends that the management may pursue the matter with Revenue Department for immediate action regarding assessment and collection of Ushr.

3.4.4 Unjustified release of marriage grant without Nikahnama - Rs. 1.740 million

Para 2.6 of Revised Zakat Disbursement Procedure duly approved by the Central Zakat Council, in its 87th Meeting held on 6th November, 2002 provides as amended in 94th meeting of CZC held on 02-02-08 that "Marriage grant shall be paid to a female applicant or her parent / guardian on the recommendation of Nazim /

Councilor or Khateeb / Imam Masjid of the area. The applicant or her parent/guardian will provide copy of Nikahnama to Local Zakat Committee, within three months of drawl of Zakat grant, for record, failing which the amount so granted shall be recovered from the person who has recommended the applicant for payment of marriage grant.

Chairman Islamabad Zakat and Ushr Committee (IZUC) released a sum of Rs 1,740,000 out of Zakat fund on account of Marriage Grant (Jahez) to 52 beneficiaries of different LZCs of the District. The copies of Nikahnama were either not obtained or where obtained were found tampered. Moreover, it was also observed that in most of the cases supporting documents as required for approval/release of funds for Marriage Grant (Jahez) were not on record. Detail is given in **Annex-11**.

The irregularity occurred due to weak internal controls.

Audit contends that payment made without obtaining copy of Nikahnama opens up the possibility of disbursement to the non-deserving.

Management replied that we have conveyed the matter to all concerned Chairmen LZCs for provision of copies of Nikahnama, which will be submitted to Audit as and when received by this office.

DAC in its meeting held on 17-01-2018 directed to produce relevant record to audit within two weeks.

No progress was intimated till the finalization of this report.

Audit recommends that copies of Nikahnamas and required documents may be collected and shown to audit, otherwise amount may be recovered besides fixation of responsibility for non-compliance.

3.4.5 Irregular appointment of Administrator's LZCs and disbursement through them - Rs 22.913 million

Section 18 (4) of Zakat and Ushr Ordinance 1980 relating to constitution of Local Zakat Committee provides that "The District Committee shall constitute a team of three or more persons including at least one gazetted officer, one aalim-e-deen and one member of the District Committee to organize a public gathering of the adult Muslims, teachers and ulema residents of a locality and call upon them to select, in

the prescribed manner, seven adult Muslims residing in that locality who possess Secondary School Certificate and are known to be pious and who offer five times prayer daily, and have sound moral and financial integrity and not engaged in political activity”.

Despite pointing out by audit in previous audit reports, IZUC Islamabad did not constitute 34 LZCs since 2002 and appointed administrators in the LZCs without quoting reasons for non-holding of election in the LZCs as required under the rules. The other supporting documents like notification for formation of the election committees, proof for holding of gathering, decision of DZC in each case, were not produced to audit for verifications. Hence releases made to the LZCs through administrators amounting to Rs 22,913,000 were unjustified and irregular. Detail is given in **Annex-12**.

The irregularity occurred due to weak internal controls.

This may have resulted in accommodating non-genuine mustahiqeen selected on the basis of favoritism by concerned Administrators.

Management replied that the District Zakat Committee has appointed 34 Administrators from 2002 to 2017 due to death / resignation of respective Chairmen LZCs. The constitutions of such LZCs will be completed in two months.

DAC in its meeting held on 17-01-2018 directed to inquiry the matter at Deputy Secretary Level.

No progress was intimated till the finalization of this report.

Audit recommends that responsibility be fixed for non-compliance.

3.4.6 Unequal release of Guzara Allowance to specific Local Zakat Committees – Rs 90.424 million

Section 9(2) of The Zakat and Ushr Ordinance 1980 provides that a provincial Council may from the Provincial Zakat Fund make disbursements and transfer funds to the personal ledger account of the District Zakat Fund on the basis of population in such form and manner as may be prescribed and as would help in ensuring satisfaction of the needs of the needy and the poor throughout its jurisdiction, as far as possible, on a uniform basis.

The District Zakat Committee Islamabad released an amount of Rs 90,424,000 during the year 2016-17 to 150 LZCs under the head “Guzara Allowance ” which was required to be disbursed on equal basis. The funds released to different LZCs range from 59,000 to 1,960,000, which was held as irregular. Detail is given in **Annex-13**.

The irregularity occurred due to weak internal controls and poor financial management.

Audit contends that the mustahiqeen of other LZCs were deprived from getting assistance.

Management replied that due to availability of sufficient funds of Zakat, the Guzara Allowance was released to all Chairmen / Administrators LZCs of Islamabad and the number of mustahiqeen of city / sectors of Islamabad is less than rural areas.

DAC in its meeting held on 17-01-2018 directed to produce area / LZC wise population as per census to audit within 02 weeks.

No progress was intimated till the finalization of this report.

Audit recommends that responsibility may be fixed for irregular release.

3.4.7 Irregular Release of Zakat Fund to CTTI, Islamabad for students on incomplete application forms – Rs 1.20 million

An application form MORA-I (Technical) has been prescribed for applying stipend for students of educational institutions. The form contains space for CNIC No. of student (if above 18 years of age). However, in general a copy of NIC of a parent/guardian should be obtained along with application form for record and second part of the form relating to Istehqaq will be signed by Chairman Local Zakat Committee of the area of which the student is a permanent resident. Istehqaq certificate for scholarship purposes will be completed by the LZC within 30 days of the receipt of MORA scholarship Form and returned to applicant or sender by retaining one copy for office record.

During the course of audit, it was observed that the DZC Islamabad released Zakat Fund amounting to Rs 1,200,000 to Construction Technology Training Institute (CTTI), Islamabad during the financial year 2016-17, basing on forms those lacked signatures of students and parent / guardians. Also copies of CNIC of parents/guardians and approval of MORA Committee was found missing. Thus

authenticity of release of Zakat Fund to students could not be ascertained in the absence signatures and CNICs.

The irregularity occurred due to weak internal controls and non-scrutiny of applications by management of DZC Islamabad.

Audit contends that payment of educational stipend may have been released against non-mustahiq and non deserving students.

Management replied that the concerned institution has been asked to produce requisite record for onward submission to Audit, which will be made available in few days.

DAC in its meeting held on 17-01-2018 directed to produce the requisite record to Audit within two weeks.

No progress was intimated till the finalization of this report.

Audit recommends that responsibility be fixed for non-compliance.

LOCAL ZAKAT COMMITTEES

3.4.8 Payment through cash / open cheques / self cheques instead of crossed cheques – Rs 4.284 million

Para 2 of Zakat Disbursement Procedure duly approved by the Central Zakat Council in its 87th meeting held on 16th November, 2002 provides that payment shall be made to Mustahiqeen through crossed cheques by the respective LZC.

In violation of laid down procedure, the Chairmen of 23 LZCs disbursed a sum of Rs 4,284,000 during the years 2013-16 through cash / open cheques / self cheques instead of crossed cheques. Detail is given at **Annex-14**.

The irregularity occurred due to weak internal controls.

Audit contends that in the absence of payment through crossed cheques, the chances of misuse of Zakat funds can not be ruled out.

Management replied that the concerned Chairmen / Administrators have been asked to explain the position but the reply is still awaited.

DAC in its meeting held on 17-01-2018 directed to conduct an inquiry at Deputy Secretary level within one month. Moreover, instructions be issued to all concerned for strict compliance of rules in future.

No progress was intimated till the finalization of this report.

Audit recommends that responsibility be fixed for non-compliance.

3.4.9 Non-refund of unspent balances – Rs 6.542 million

In terms of Para 62 of minutes of 92nd meeting of CZC held on 28th June, 2004, unspent balances as on 30th June each year shall be refunded to CZF.

In violation of laid down procedure, 43 LZCs of IZUC Islamabad did not refund unspent balances of Rs 6,541,996 at the end of financial year 2016-17. Detail is at **Annex-15**.

The irregularity occurred due to weak internal controls and poor financial management.

Audit contends that this violation deprived a number of mustahiqeen from due benefits of Zakat and also created hindrance in preparation of budgetary estimates for the next year.

Management replied that the last installment of 2016-17 was released in June 2017 (before Eid-ul-Fitr) and most of mustahiqeen were unable to collect cheques before Eid. The concerned Chairmen / Administrators stated that the cheques were accordingly issued in July 2017.

DAC in its meeting held on 17-01-2018 directed to get the record verified from Audit within 03 days.

No progress was intimated till the finalization of this report.

Audit recommends that unspent balance should be refunded to CZF-08 immediately and action may also be taken against the person(s) at fault.

3.4.10 Payment made without passing resolutions – Rs 17.961 million

Para 21(1,2) of Chapter II of Accounting Procedure and Operational Arrangements for Local Zakat Funds inter alia requires that each payment from LZC will be covered by a resolution of LZC, which will be duly minuted and recorded.

During scrutiny of record, it was revealed that the Chairmen of 29 LZCs disbursed an amount of Rs. 17,960,739 out of Zakat Fund during the year 2016-17 without passing resolution by LZC. The payment without approval of LZC was held irregular and unjustified. Detail is given at **Annex-16**.

The irregularity occurred due to weak internal controls.

Audit contends that the absence of resolution of LZC may lead to unauthentic payment.

DZC Islamabad replied that all concerned Chairmen / Administrators had been informed to complete and provide resolution registers for onward submission to Audit which have not been received so far.

DAC in its meeting held on 17-01-2018 directed to produce requisite record to Audit within 02 weeks.

Audit recommends that the resolutions registers duly completed may be shown to audit and responsibility be fixed for non-compliance.

CHAPTER – 4 NATIONAL LEVEL HEALTH INSTITUTIONS

4.1 Introduction

Islamabad Zakat and Ushr Committee issues lump sum amount directly to 06 National Level Health Institutions (NLHIs) operating in ICT for the provision of health assistance to poor and needy people. The Health Welfare Committee (HWC) of each hospital has been authorized to utilize Zakat Funds. The composition of Health Welfare Committee is as under:

- | | | |
|------|---|-----------|
| i. | Medical Superintendent/Head of the Health Institution | Chairman |
| ii. | A senior doctor of the Health Institution | Member |
| iii. | Chairman, District Zakat Committee (DZC) | Member |
| iv. | Social Welfare Officer | Secretary |

4.2 Comments on Budget and Accounts

A sum of Rs 30 million was released by Islamabad Zakat and Ushr Committee to 05 National Level Health Institutions during the Financial Year 2016-17 by Islamabad Zakat and Ushr Committee, Islamabad. Out of 05 NLHIs, 03 NLHIs having budget of Rs 28.5 million were audited, which was 92% of total allocated funds.

4.3 AUDIT PARAS

Irregularity and non-compliance

4.3.1 Non-deduction of discount while making payment for medicine - Rs 2.025 million

According to agreement between PIMS Islamabad and M/S Dawn Pharmacy for purchase of drugs/medicines for the financial year 2016-17, discount rate will be 41.50% at retail price fixed by Drug Regulatory Authority of Pakistan.

Islamabad Zakat and Ushr Committee released Zakat Fund of Rs 5,000,000 to Health Welfare Committee (HWC) PIMS Islamabad for the treatment of Hepatitis “C” patients in the month of November 2016. Out of the fund, HWC PIMS, Islamabad made a payment of Rs 4,950,000 vide cheque No. 34831199 dated 29-6-2017 for Hepatitis C medicines to M/S Dawn Pharmacy, Islamabad who had offered 41.5%

discount in general on all medicines to be supplied during the year 2016-17. HWC PIMS Islamabad made full payment without availing discount of Rs 2.025 million, which was held irregular.

The main cause for non-deduction of discount is lack of knowledge of rules and regulations and undue benefit to the supplier.

The non-deduction of discount resulted in overpayment to supplier.

Management replied that the Islamabad Zakat and Ushr Committee (ICT) Islamabad approved the quotation submitted by Dawn Pharmacy, which was taken by the IZ&UC from the vendors directly and the funds released for Hepatitis C is special allocation and is not included in separate allocation.

The reply is not tenable as PIMS authorities has already agreed vide letter No. F.1-11/2016-17/L.P Zakat/Purchase/PIMS dated 16-03-2017 that PIMS discount rates will be applied on bills of Hepatitis C.

DAC in its meeting held on 17-01-2018 directed to recover the amount after necessary re-calculations.

Audit recommends to recover the amount and to fix responsibility against person(s) at fault.

ANNEXES

Annex-1

MFDAC Paras

1. Central Zakat Fund, Islamabad

Para No. of AIR	Subject of Audit Para	DAC's Decision
4	Less collection of Zakat due to wrong calculations of Zakatable assets – Rs 326 million	DAC meeting not held so far
5	Non-allotment of codes on suo moto to companies / organizations – Rs 28.571 million	-do-
6	Compliance on DAC decisions of last DAC meeting held on the Audit reports of the Audit Year 2016-17 not shown to audit	-do-
7	Non-conduct of Internal Audit	-do-
8	Improper filling of FORM CZ-08	-do-

2. KSB Pumps Company Limited Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Non Deposit of Zakat deducted from Employees Provident Fund amounting to Rs 0.199 million	DAC meeting not held so far.
3	Exemption allowed to Employees without an attested True copy of CZ-50 – Rs 1.486 million	-do-
4	Detail of Assets/Account No. not mentioned in Declaration CZ-50 – Rs	-do-

	1.397 million	
5	Irregular Exemption to the Employees of KSB Pump Ltd. from Deduction of Zakat – Rs 0.108 million	-do-
6	Non Maintenance of Register on Form CZ-02 (Zakat Deduction/ Refund Register)	-do-
7	Late Deposit of Zakat deducted from Shareholders amounting to Rs 0.233 million	-do-
10	Non Maintenance of Register on Form CZ-02 (Zakat Deduction/ Refund Register) on account of Dividend paid to Shareholders	-do-

3. Avanceon Limited Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
4	Non Submission of Consolidated Zakat Collection Reports to Central Zakat Administration	DAC meeting not held so far.
5	Non Maintenance of Register on Form CZ-02 (Zakat Deduction/ Refund Register)	-do-

4. Pakgen Power Limited Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
3	Non Maintenance of Register on Form CZ-02 (Zakat Deduction/ Refund Register)	DAC meeting not held so far.

5. Pak Elektron Limited, Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
3	Irregular Exemption Granted without an attested True copy of CZ-50-Rs. 141,945 million	DAC meeting not held so far.
4	Detail of Assets/Account No. not mentioned in Declaration CZ-50-Rs 38.411 million	-do-
6	Zakat Exemption Allowed to Non Muslims and Non Pakistanis to Accounts Holders without Solemn Affirmation	-do-
8	Exemption from Deduction of Zakat Allowed to Shareholder Companies without supporting documents	-do-
9	Non Submission of Quarterly Reports to ZDCA	-do-
10	Non Maintenance of Register on Form CZ-02 (Zakat Deduction/ Refund Register)	-do-

6. Atlas Insurance Limited Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
2	Non Maintenance of Register on Form CZ-02 (Zakat Deduction / Refund Register)	DAC meeting not held so far.
3	Late deposit of Zakat deducted from shareholders	-do-
5	Exemption from deduction of Zakat allowed to shareholder companies without supporting documents	-do-

7. First National Equities Limited, Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Non Deposit of Zakat into CZF-08 amounting to Rs 0.273 million	DAC meeting not held so far.
2	Non Maintenance of Register on Form CZ-02 (Zakat Deduction/ Refund Register)	-do-

8. Bata Pakistan Limited, Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Irregular Exemption Granted on Dividend without Declaration Form (CZ-50) - Rs 28,719	DAC meeting not held so far.
3	Irregular Grant of Zakat Exemption without Documents - Rs 108,167	-do-

9. Nestle Pakistan Limited, Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
3	Late Deposit of Zakat deducted from Shareholders amounting to Rs 0.114 million	DAC meeting not held so far.

10. Kohinoor Energy Limited, Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Irregular Grant of Zakat Exemption on Incomplete / Improper	DAC meeting not held so far.

	Declarations (CZ-50) submitted by Shareholders-Rs 0.304 million	
2	Irregular Exemption Granted without an attested True copy of CZ-50-Rs 55.221 million	-do-
3	Zakat Exemption Allowed to Non Muslims and Non Pakistanis to Accounts Holders without Solemn Affirmation	-do-
5	Exemption from Deduction of Zakat Allowed to Shareholder Companies without supporting documents	-do-
6	Non Maintenance of Register on Form CZ-02 (Zakat Deduction/ Refund Register)	-do-
		-do-

11. Hi-Tech Lubricants Limited Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
2	Zakat Exemption Allowed to the employees on Incomplete/ Improper Declarations (CZ-50)-Rs 167,694	DAC meeting not held so far.
3	Non Maintenance of Register on Form CZ-02 (Zakat Deduction/ Refund Register)	-do-
5	Exemption from Deduction of Zakat Allowed to Shareholder Companies without supporting documents-Rs 3,167,645	-do-
6	Zakat Exemption Allowed to Non Muslims Share Holders without Solemn Affirmation - Rs 5,421	-do-
7	Non Maintenance of Register on	-do-

	Form CZ-02 (Zakat Deduction/Refund Register) on account of Dividend paid to Shareholders	
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12. Sazgar Engineering Works Limited, Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Zakat Exemption Allowed to Non Muslims and Non Pakistanis to Accounts Holders without Solemn Affirmation	DAC meeting not held so far.
3	Exemption from Deduction of Zakat Allowed to Shareholder Companies without supporting documents	-do-
4	Non Maintenance of Register on Form CZ-02 (Zakat Deduction/Refund Register)	-do-

13. Arif Habib Securities Limited, Karachi

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Non-Deduction of Zakat from the Provident Fund paid to the Employees amounting to Rs 34,567	DAC meeting not held so far.

14. Cherat Cement company Limited, Karachi

Para No. of AIR	Subject of Audit Para	DAC's Decision
3	Declaration (CZ-50) not obtained on Original Stamp Paper/True Copy	DAC meeting not held so far.

	Involving amounting – Rs. 128,117	
5	Non Maintenance of Register (Zakat deduction/Refund register) on Form (CZ-02)	-do-
6	Non-maintenance of record	-do-

15. Adamjee Insurance Limited, Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
3	Exemptions from deduction of Zakat allowed to shareholders companies without supporting documents – Rs 7.781 million	DAC meeting not held so far.
5	Non-maintenance of Register CZ-02	-do-

16. IGI Insurance Limited, Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Non-production of complete record	DAC meeting not held so far.

17. Pak Suzuki Motor Company Limited, Karachi

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Irregular exemption from Zakat granted on final settlement / permanent withdrawal of advances without obtaining declarations on Form CZ-50 – Rs 21,858	DAC meeting not held so far.
2	Irregular Zakat exemptions granted	-do-

	on Zakat declarations which were not received 30 days prior to valuation date – Rs 231,659	
4	Non-submission / deposit of Form CZ-08 on quarterly basis	-do-
5	Late deposit of Zakat – Rs 66,201	-do-
6	Non-maintenance of Register on Form CZ-02 (Zakat Deduction/ Refund Register)	-do-
7	Less deduction of Zakat due to wrong calculations of assets liable to Zakat– Rs 10,000	-do-

18. Engro Polymer and Chemicals Limited, Karachi

Para No. of AIR	Subject of Audit Para	DAC's Decision
2	Irregular Acceptance of Under Valued (CZ-50) – Rs 50,876	DAC meeting not held so far.
3	Non-maintenance of Quarterly Summary Report	-do-

19. PICIC Investment Fund Karachi

Para No. of AIR	Subject of Audit Para	DAC's Decision
2	Un-acknowledgement receipt - Rs 5.884 million	DAC meeting not held so far.
3	Late deposit of Zakat into CZF-08 Account – Rs 5.884 million	-do-

20. Golden Arrow Selected Funds Limited Karachi

Para No. of AIR	Subject of Audit Para	DAC's Decision
2	Non-maintenance of Register on Form CZ-02 (Zakat Deduction/Refund Register)	DAC meeting not held so far.
3	Irregular exemptions granted on incomplete / invalid declarations – Rs 14,528	-do-
4	Non-submission of pre-receipted copy to Central Zakat Administration	-do-
5	Non-production of record	-do-

21. Pakistan Petroleum Limited Karachi

Para No. of AIR	Subject of Audit Para	DAC's Decision
5	Declaration (CZ-50) not obtained on Original Stamp Paper/True Copy	DAC meeting not held so far.
6	Exemption allowed from deduction of Zakat without specification of fiqa	-do-
7	Non submission of the quarterly summery report to the Zakat deduction controlling officer	-do-
8	Non Maintenance of Register (Zakat deduction/Refund register) on Form (CZ-02)	-do-

9	Non-maintenance of record	-do-
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22. Pakistan State Oil Company Limited Karachi

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Late Deposit of Zakat amounting to Rs 5,596,865	DAC meeting not held so far.
3	Irregular Exemption Granted without an attested True copy of CZ-50-Rs 1,454,980	-do-

23. Habib Sugar Mills Limited Karachi

Para No. of AIR	Subject of Audit Para	DAC's Decision
4	Non Maintenance of Register on Form CZ-02 (Zakat Deduction/ Refund Register)	DAC meeting not held so far.
5	Irregular exemption granted on invalid declarations – Rs 81,781	-do-

24. Muslim Commercial Bank, Illaqa Nawab Sahib Branch, Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
3	Non Maintenance of Record	DAC meeting not held so far.

25. State Life Insurance Corporation Rawalpindi

Para No. of AIR	Subject of Audit Para	DAC's Decision
2	Zakat Exemption Allowed to Policy Holders on Incomplete/Improper Declarations (CZ-50)	DAC meeting not held so far.
4	Non Maintenance of Register on Form CZ-02 (Zakat Deduction/ Refund Register)	-do-

26. CMA (Officers) Rawalpindi

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Exemption Granted against Final Settlement & Non-Refundable Advances of GPF on Declaration Received Less than Thirty Days /After Valuation Date	DAC meeting not held so far.
2	Non Production of Declaration (CZ-50) on which Exemption Granted	-do-
3	Non Maintenance of Zakat Deduction / Refund Register (CZ-02)	-do-

27. Accountant General Office Punjab Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
2	Non-Deposit of Zakat deducted on	DAC meeting not held so far.

	Non-Refundable Advance and Final Payment of Employees into CZF-08 – Rs 39.650 million	
4	Non maintenance of Quarterly Reports to CZA	-do-
6	Non Maintenance of Register on Form CZ-02 (Zakat Deduction/ Refund Register)	-do-

28. Accountant General Office Khyber Pakhtunkhwa Peshawar

Para No. of AIR	Subject of Audit Para	DAC's Decision
3	Non-obtaining of Quarterly Zakat Collection Reports on form CZ-07	DAC meeting not held so far.
4	Non Maintenance of Register on Form CZ-02 (Zakat Deduction / Refund Register)	-do-
5	Irregular Zakat exemptions granted on Zakat declarations which were not received 30 days prior to valuation date – Rs 160,833	-do-
6	Less-deposit of Zakat deducted – Rs 227,899	

29. Accountant General Office Gilgit

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Non-production of record	DAC meeting not held so far.
3	Non-preparation of Form CZ-08 to	-do-

	Ministry of Religious Affairs and Interfaith Harmony	
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30. DAO Sanghar

Para No. of AIR	Subject of Audit Para	DAC's Decision
2	Non-maintenance of Register (Zakat Deduction/Refund Register) on Form (CZ-02)	DAC meeting not held so far.
3	Non-maintenance of record	-do-
4	Suspected fraud/irregular payment Rs.3.835 million under the head final settlement/permanent advance	

31. DAO Sukkur

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Detail of Assets/Account No. not mentioned in Declaration CZ-50 Rs. 1.09 million	DAC meeting not held so far.
4	Non Maintenance of Register on Form (CZ-02) Zakat Deduction/Refund Register	-do-
5	Non-maintenance of record	-do-
6	Non submission of the quarterly summery report to the Zakat deduction controlling officer	-do-

32. DAO Chakwal

Para No. of AIR	Subject of Audit Para	DAC's Decision
2	Non-submission of Quarterly Summary Reports (CZ-07) on to ZCCA	DAC meeting not held so far.
3	Non-maintenance of Zakat Collection/ Refund Register on Form CZ-02	-do-

33. GPO Attock

Para No. of AIR	Subject of Audit Para	DAC's Decision
2	Non/ less deduction of Zakat on Payment / Discharge of defense Saving Certificates-Rs 51,837	DAC meeting not held so far.
3	Exemption allowed against Saving Accounts on Late receipt Declaration CZ-50 received -Rs 85,366	-do-
5	Whereabouts of Zakat Deposited in CZF not Known-Rs. 14.049 million	-do-
6	Non maintenance of Zakat deduction refund Register CZ-02/ non Provision of Account wise Zakat Collection detail	-do-

34. GPO Gujranwala

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Unacknowledged remittance/ transfer of Zakat - Rs 13.410 million	DAC meeting not held so far.
2	Non-submission of Quarterly Summery Report	-do-
3	Non-production of record	-do-
4	Non-deduction of Zakat on Defence Savings Certificates – Rs 48,302	-do-
6	Irregular Acceptance of Under Valued Declaration (CZ-50)-Rs 5,510	-do-
7	Whereabouts of Zakat Deposited not Known Rs.13.450 Million	-do-

35. National Saving Centre Abbottabad

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Non-deposit of Zakat into CZF - Rs 3.906 million	DAC meeting not held so far.
2	Non-deduction of Zakat on discharge of Regular Income Certificates - Rs 9.926 million	-do-
3	Non-deduction of Zakat on Discharge of Behbood Saving Certificates -	-do-

	Rs. 14.676 million	
6	Acceptance of Form CZ-50 without signature of deponents, without detail of assets and unattested photocopy	-do-

36. National Saving Centre Chakwal

Para No. of AIR	Subject of Audit Para	DAC's Decision
2	Non-submission of Quarterly Summary Reports (CZ-07) on to ZCCA	DAC meeting not held so far.
3	Non-maintenance of Zakat Collection/ Refund Register on Form CZ-02	-do-

37. National Saving Centre Saddar Bazar Lahore Cantt

Para No. of AIR	Subject of Audit Para	DAC's Decision
2	Non Deduction of Zakat on Discharge of Regular Income Certificates - Rs 25.142 million	DAC meeting not held so far.
3	Non Deduction of Zakat on Discharge of (STC) Short Term Certificates – Rs 0.228 million	-do-
4	Non Deduction of Zakat on Discharge of Behbood Saving Certificates – Rs 26.977 million	-do-
5	Non Deduction of Zakat on	-do-

	Pensioners Benefit Accounts (Ten Years Scheme) – Rs 3.448 million	
6	Irregular Acceptance of Under Valued (CZ-50) – Rs 0.862 million	-do-

38. National Saving Centre Islamabad

Para No. of AIR	Subject of Audit Para	DAC's Decision
2	Non-deduction of Zakat on Regular Income Certificates - Rs 2.27 million	DAC meeting not held so far.
3	Wrong calculation of Zakat on discharge of DSCs after deduction of income Tax - Rs 9,375	-do-
4	Acceptance of invalid / incomplete Declaration - Rs 157,692	-do-
5	Non Maintenance of Zakat Deduction / Refund Register on Form CZ-02	-do-

39. National Saving Centre, Baloch Colony Karachi

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Non-deposit of Zakat into CZF- Rs 67.092 million	DAC meeting not held so far.
2	Non-deduction of Zakat on discharge of Regular Income Certificates- Rs. 63.479 million	-do-
3	Detail of Assets/Account No. not mentioned in Declaration CZ-50	-do-

4	Non-deduction of Zakat on Discharge of Behbood Saving Certificates - Rs. 57.927 million	-do-
5	Non Deduction of Zakat Rs. 17.624 on Pensioners Benefit Accounts (Ten Years Scheme)	-do-
6	Declaration (CZ-50) not Obtained on Original Stamp Paper/True Copy Involving Rs. 12,514,222	-do-
7	Non Deduction of Zakat Rs. 601,027 on Reinvestment of Certificates (DSC/SSC)	-do-

40. ABL Garden Town, Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
2	Irregular Acceptance of Under Valued (CZ-50) – Rs 423,761	DAC meeting not held so far.

41. Askari Bank NPT Building, Third Floor, F-8 Markaz, Islamabad

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Exemption allowed without attested true copy of CZ-50 - Rs 4.512 million	DAC meeting not held so far.
2	Unacknowledge receipt of Zakat deducted amount in account CZF-08 of State Bank of Pakistan - Rs	-do-

	475,390	
3	Non-submission of Quarterly/ Annual Reports to CZA	-do-
4	Non-maintenance of Zakat Deduction/Refund Register (Form CZ-02)	-do-
5	Exemption allowed on late submission of CZ-50 by customers - Rs 123,440	-do-

42. Silk Bank Main Branch, Karachi

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Non submission of the quarterly summery report to the Zakat deduction and controlling Office/head office	DAC meeting not held so far.
3	Avoidance from Zakat by using banking Accounting System amounting to Rs. 213,405	-do-
5	Exemption allowed on unattested Copies of CZ-50 -Rs. 8.316 million	-do-
6	Whereabouts of Zakat Deposited in CZF not Known-Rs. 663,713	-do-

43. HUM Network, Karachi

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Exemption allowed without declaration on CZ-50 -Rs. 288,785	DAC meeting not held so far.
2	Non-submission of the quarterly summary report to the Zakat deduction and controlling Office/head office	-do-
3	Non Maintenance of Register on Form CZ-02 (Zakat deduction/ Refund Register)	-do-
4	In-Complete Production of Record	-do-

44. The Bank of Punjab Blue Area Branch, Islamabad

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Non submission of the quarterly summary report to the Zakat deduction and controlling Office/head office	DAC meeting not held so far.
3	Non maintenance of form CZ-02	-do-
4	Exemption allowed on CZ-50 without attestation of Oath Commissioner - Rs. 1.268 Million	-do-

45. Askari Bank Main Branch, I.I. Chandrigar Road, Karachi

Para No. of AIR	Subject of Audit Para	DAC's Decision
3	Declaration (CZ-50) not obtained on Original Stamp Paper/True Copy	DAC meeting not held so far.
4	Non submission of the quarterly summery report to the Zakat deduction controlling officer	-do-
5	Non Maintenance of Register (Zakat deduction/Refund register) on Form (CZ-02)	-do-
6	Non-maintenance of record	

46. Allied Bank Limited Saima Trade Tower Branch Karachi

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Non submission of the quarterly summary report to the Zakat deduction and controlling Office/head office	DAC meeting not held so far.
2	Exemption allowed without declaration on CZ-50 -Rs. 27,716	-do-
3	Exemption allowed on CZ-50 without attestation of Oath Commissioner - Rs. 13,635	-do-
4	Avoidance from Zakat by using banking Accounting System amounting to Rs. 65,657	-do-
5	Exemption allowed on unattested	-do-

	Copies of CZ-50 -Rs. 1.748 million	
6	Exemption from deduction of Zakat granted on irregular declarations CZ-50(after photocopying the declaration of other account holder) - Rs. 13,916	-do-
7	Whereabouts of Zakat Deposited in CZF not Known-Rs. 555,301	-do-

47. Bank Alfalah Main Branch Islamabad

Para No. of AIR	Subject of Audit Para	DAC's Decision
2	Exemption allowed without attested true copy of CZ-50 - Rs 992.758 million	DAC meeting not held so far.
3	Non-submission of Quarterly/ Annual Reports to CZA	-do-
4	Non-maintenance of Zakat Deduction/Refund Register (Form CZ-02)	-do-

48. Faysal Bank Main Branch Rawalpindi

Para No. of AIR	Subject of Audit Para	DAC's Decision
2	Exemption Granted against Final Settlement of GPF on Declaration Received Less than Thirty Days before/After Valuation Date	DAC meeting not held so far.
3	Non Maintenance of Zakat	-do-

	Deduction / Refund Register (CZ-02)	
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49. HBL Pakistan Main Branch Islamabad

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Irregular exemption granted without obtaining Form CZ-50 – Rs 266.710 million	DAC meeting not held so far.
3	Non-deposit of Zakat into CZF - Rs 137.661 million	DAC meeting not held so far.
4	Acceptance of unattested photocopies of Form CZ-50	-do-
6	Non-maintenance of Zakat Deduction/Refund Register (Form CZ-02)	-do-

50. Muslim Commercial Bank Main Branch, Quetta

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Non submission of the quarterly summery report to the Zakat deduction and controlling Office/head office	DAC meeting not held so far.
4	Non maintenance of register for receipt of Zakat declarations/ CZ-50	-do-
5	Non confirmation regarding deposit of amount deducted as Zakat in Central Zakat Fund Account-08- Rs.	-do-

	1.854 million	
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51. National Bank of Pakistan Quetta

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Non- submission of the quarterly summery report to the Zakat deduction and controlling Office/head office	DAC meeting not held so far.
4	Whereabouts of Zakat deducted not known-Rs 4.600 million	-do-
5	Non- Maintenance of Register on Form CZ-02 (Zakat deduction/ Refund Register)	-do-
6	Exemption Granted from deduction of Zakat on improper CZ-50 - Rs. 937,905	-do-

52. Silk bank Limited Main Branch Blue Area, Islamabad

Para No. of AIR	Subject of Audit Para	DAC's Decision
4	Un-notarized photocopies of declarations and declarations given by joint accounts holders on one stamp paper accepted – Rs 1,069,525	DAC meeting not held so far.
5	Improper filling of Form CZ-07 and non-submission of CZ-07 on quarterly basis	-do-

53. Soneri Bank Islamabad

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Exemption Allowed from Deduction of Zakat to Account Holders who had late submitted Declaration (CZ-50) – Rs 130,728	DAC meeting not held so far.
2	Exemption allowed without an attested True copy of CZ-50 Rs 479,358	-do-
3	Non Maintenance of Register on Form CZ-02 (Zakat Deduction/Refund Register)	-do-
4	Non-maintenance of Quarterly Summary Report	-do-

54. Summit Bank Super Market Branch, Islamabad

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Non-deposit of Zakat into CZ-08 – Rs.0.617 million	DAC meeting not held so far.
3	Exemption allowed without declaration on CZ-50 due to Fiqha of the Saving Accounts for the Financial year 2014-15 Rs 4.335 million	-do-
4	Irregular exemptions granted to companies from deduction of Zakat – Rs 15.68 million	-do-
5	Non-maintenance of Zakat Deduction/Refund Register (Form CZ-02)	-do-

55. Bank of Khyber M.M Aalam Road Branch, Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
2	Irregular exemption allowed of Zakat on TDRs	DAC meeting not held so far.
3	Irregular Exemption Allowed Amounting Rs.144,04	-do-
4	Non Maintenance of Record	-do-

56. Bank Al-Habib, PIA ECHS Branch, Lahore

Para No. of AIR	Subject of Audit Para	DAC's Decision
3	Non Maintenance of Record	DAC meeting not held so far.

57. Habib Metropolitan Bank Murree Road Branch, Rawalpindi

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Non-submission of the quarterly summary report to the Zakat deduction and controlling Office/head office	DAC meeting not held so far.
2	Exemption allowed without an original/attested True copy of CZ-50 - Rs 497,101	-do-
3	Whereabouts of Zakat Deducted not Known - Rs 187,103	-do-
4	Non Maintenance of Register on Form CZ-02 (Zakat deduction/	-do-

	Refund Register)	
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58. National Highway Authority, Islamabad

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Non-production of complete record	DAC meeting not held so far.

59. Islamabad Zakat & Ushr Committee, Islamabad

Para No. of AIR	Subject of Audit Para	DAC's Decision
3	Non-Refund of Unspent Balance of DZF – Rs. 104.872 Million	DAC meeting not held so far.
5	Non-Monitoring of Educational Stipend (Technical) released to Vocational Training Institute amounting to Rs. 1.200 Million	-do-
6	Irregular Releases without Recommendation/Approval of DZC – Rs. 139,727,097	-do-
10	Payment of Educational Stipend to the Dependents of Govt. Servants- Rs 108,000	-do-
11	Issuance of cheques to Deeni Madaris without obtaining acknowledgement from students – Rs 935,004	-do-
12	Release of Zakat Fund to Deeni Madaris without obtaining signature of applicant and copies of CNIC of Parents/Guardians along	-do-

	with application forms – Rs. 755,004	
14	Unauthorized appointment of Sweeper out Zakat Fund and paid thereon	-do-
15	Improper Maintenance of Cash Book	-do-
20	Irregular Deduction of Bank Charges Rs. 38,349 from the Accounts LZCs	-do-
21	Double payment against of Jahiz fund Rs.40,000	-do-
22	Excess Disbursement of Zakat Fund on account of Guzara allowance– 203,000	-do-
23	Release of Zakat Fund non resident of District Islamabad Rs. 507,000	-do-
24	Release of Zakat Fund on account of Eid / G.Allowance allowance - Rs. 123,000	-do-
25	Incomplete Production of Record of LZCs	-do-
26	Disbursement of Zakat Fund without Proper Documentation / Placing CNIC in Personal Register (LZ-11) – Rs 4.614 million	-do-

60. PIMS Islamabad

Para No. of AIR	Subject of Audit Para	DAC's Decision
2	Loss of Zakat Fund of Rs. 262,764 due to Less-deduction of discount rate and irregular extension of contract	Despite repeated requests 27-12-2017 and 5-1-2018 the PAO have not been able to convene DAC meeting to-date.
3	Non-refund of unspent balance by HWC – Rs 5.407 Million	
4	Expenditure incurred out Zakat Fund without Passing Resolution by HWC-during 2016-17 Rs.24.087 million	-do-
5	Difference due to non-reconciliation – Rs. 5.407 million	-do-
6	Non-submission of monthly utilization reports	-do-
7	Payment on purchases of medicines other than prescribed by Doctors-Rs. 1.218 million	-do-
8	Non-Conduct of Internal Audit	-do-
9	Non-Production of Patients Treatment History Charts - Rs.94,634	-do-
10	Defective maintenance of register for indoor and outdoor mustahiq patients	-do-

61. NIRM, Islamabad

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Non-issuance of Hearing Aids purchased for patients despite lapse of considerable time Rs. 68,000	DAC meeting not held so far.
2	Issuance of Appliances / Arthoses / prothoses to outdoor patients but their record at Patient Welfare Society Workshop/OT not available/produced Rs. 965,200	-do-
3	Un-authorized deduction of Bank charges Rs. 13,496	-do-
4	Non-maintenance of Meeting Register	-do-
5	Improper maintenance of Cash Book	-do-
6	Non refund of remaining amounting of Rs. 25,345	-do-
7	Irregular participation of Patient Welfare Society in tendering	-do-
8	Non-conduction of Internal Audit	-do-

62. Federal Government Services Hospital, Islamabad

Para No. of AIR	Subject of Audit Para	DAC's Decision
1	Tender called late for FY 2016-17	DAC meeting not held so far.
2	Treatment of patient without	-do-

	obtaining Istehqaq - Rs. 35,200	
3	Medicines issued without doctor's signature on prescription-Rs.12,309	-do-
4	Higher rates charged by the Supplier amounting to Rs. 49,809	-do-
5	Improper Maintenance of Cash Book	-do-

Audit Impact Summary

Sr. No.	Change in Rules / Systems / Procedures	Audit Impact
1	Obtaining of Pre-receipted copies	On the recommendation of Audit, Ministry of Religious Affairs and Interfaith Harmony has started the practice of obtaining pre-receipted copies from ZCCAs. In that regard, letters were sent to approx. 3000 coded LZCs for submission of pre-receipted copies.
2	Devolution of powers to provinces after 18 th amendment	The PAOs of respective formations have been changed. The decentralization will facilitate the people at grass root level.
3	The CZA now started to disburse all the amount of Zakat deducted during the financial year and not keep any funds in CZF-08	More mustahiqeens have been benefited from Zakat
4	Centralization of Zakat collection	The CCI decided that the collection of Zakat will remain centralized with the Federal Government till next NFC awards and the Provincial Governments should hold discussions to evolve a mechanism for collection and disbursement of Zakat till next NFC awards

Late deposit of Zakat by ZCCAs – Rs 1.948 billion

S. No.	Name of Organization	Asset code	Deduction Date / Period under report	Period of Deposit / Deposit date	Amount (Rs)	Estimated cost of retaining funds on the basis of 9% avg. lending rate per annum (Rs)
1	D.G. Post office	101	7-06-16	1-12-16 to 30-12-16	1,796,385	-
	-do-	101	7-06-16	2-11-16 to 30-11-16	19,790,598	-
2	Albaraka Bank	101	7-06-16	04-09-2016 to 02-10-16	705,002	18,506
3	Silk Bank	101	7-06-16	-do-	1,809,122	47,489
4	Bank Al Habib	101	7-06-16	06-07-16 to 04-08-16	291,76,853	218,826
5	Zarai Tarqiati Bank LTD	101	7-06-16	-do-	40,64,046	30,480
6	The Bank of Punjab	101	7-06-16	-do-	105,542,964	791,572
7	Habib Bank Ltd	101	7-06-16	-do-	599,174,506	4,493,809
8	National Bank of Pakistan	101	7-06-16	-do-	902,847,363	6,771,355
9	Muslim Commercial Islamic Bank Ltd.	101	7-06-16	-do-	370,00,000	277,500
10	AG Punjab	111	Jul-Sep 2016	20-01-17	43,007,607	-
	-do-	111	Apr-Jun 2016	28-08-16	63,454,508	-
11	MAG Office Rawalpindi	111	Jul-Sep 2016	04-01-17	102,040,086	-
	-do-	-do-	Oct-Dec 2016	19-04-17	106,937,186	-
12	Habib Metropolitan Bank Ltd Karachi	108	Jan-Dec 2016	22-05-17	1,195,748	35,872
	Total				1,948,442,675	12,685,409

Annex-4
Para 1.4.2

Non-reconciliation of Zakat collection- Rs 271.760 million

Sr. No.	Lunar Months (1437-38)	CZA figure	SBP figure	Difference (Rs)
1	Ramazan-ul-Mubarak	2,244,143,922	2,298,257,507	54,113,585
2	Shawwal	2,434,640,455	2,482,102,811	47,462,356
3	Zeeqad	114,465,242	121,959,684	7,494,442
4	Zillhaj	70,243,198	73,406,726	3,163,528
5	Muharram	206,324,697	217,405,530	11,080,833
6	Safar-ul-Muzaffar	54,433,103	63,790,301	9,357,198
7	Rabi-ul-Awal	106,099,198	113,638,408	7,539,210
8	Rabi-us-Sani	223,159,935	230,678,895	7,518,960
9	Jamadi-ul-Awal	252,563,843	261,168,422	8,604,579
10	Jamadi-us-Sani	20,207,868	24,940,513	4,732,645
11	Rajab-ul-Murajab	325,284,917	339,545,928	14,261,011
12	Shaban-ul-Muazzam	52,068,531	148,500,379	96,431,848
Total amount not reconciled				271,760,195

Non-production of record – Rs 1,345.407 million

Sr. No.	Name of ZCCA / ZCO	Para No. of AIR	Detail of record not produced	FY / deduction date	Amount of Zakat involved (Rs in million)
1.	Pakistan Petroleum Company Limited, Karachi	4	CZ-50 of 11979 Shareholders	2014-17	1,025.279
2.	Askari Bank Main Branch Karachi	2	CZ-50 of Shareholders, employees, detail of pay orders issued just before Ramazan, etc	2016-17	-
3.	Cherat Cement Karachi	4	CZ-50 of 3142 Shareholders	2014-17	-
4.	TPL Properties Company Karachi	1	Complete record of Zakat deducted/exempted	2014-17	-
5.	PICIC Investment Karachi	4	CZ-50 of 6736 Shareholders	2012-15	180.079
6.	NSC Fawara Chowk Abbottabad	5	CZ-50 of 2,383 Shareholders exempted on the basis of fiqah	2014-17	8.362
7.	Summit Bank Ltd., Super Market Branch, Islamabad	2	Detail of the basis on which 955 saving accounts were exempted	2014-17	18.269
8.	Bank Alfalah Ltd., Main Branch, Islamabad	1	Record pertaining to companies accounts	2014-17	113.418
9.	Soneri Bank Main Branch Blue Area Isd.	5	Record pertaining to 73 account holders	2015-17	-
10.	Ghani Glass Ltd., Lahore	1	Record pertaining to deduction of Zakat from the payment of final settlement and non-refundable G.P fund	-	-
11.	AG Punjab Lahore	5	Record relating to G. P. Fund Account Holders	2013-16	-
Total					1,345.407

Irregular exemption granted without obtaining declarations or on invalid declarations – Rs 797.79 million

S. No.	Name of ZCCAs / ZCO	Para No. of AIR	Amount of Zakat exempted (Rs in million)	Fin. Year / Valuation Date	Remarks	Management reply / Date of Reporting
1	Habib Sugar Mills Ltd Karachi	1& 5	0.707	2014-17	W/o obtaining declarations of 41 employees & Invalid declarations of 09 employees	We have obtained CZ-50 of all employees at their final settlement stage. Only CZ-50, which will contains list of assets, will be accepted in future and we have requested CDC to provide CZ-50 of CDC shareholders, the same will be provided to you once we received the forms
2	NBP Main Br Quetta	2& 3	3.378	7-6-16	W/o obtaining declarations from 54 accounts & 05 invalid declaration	13-10-2017 and 22-12-2017
3	Bank of Punjab Blue Area, Islamabad	2	35.229	2015-17	W/o obtaining declarations of 14 accounts	The exemptions were marked after obtaining CZ-50 and is on record
4	Atlas Insurance	1	1.458	2014-17	27 incomplete declarations	20-09-2017 and 14-12-2017
	-do-	4	3.261	2016-17	W/o obtaining declarations of 914 shareholders	
5	Punjab Oil Mills	1	1.181	2016-17	W/o obtaining declarations of 173 shareholders	The persons were the founding shareholders since the incorporation of the company in 1984 and it has been presumed that the declarations of those shareholders would have been recorded at that point

						in time
6	ABL Raja Market Branch, Lahore	1,3 &4	2.528	29-05-17	W/o obtaining declarations of 26 accounts holders & 04 invalid declarations	All missing CZ-50 declarations have been found now and are attached for verification
7	MCB Illaqa Nawab Sahib, Lahore	2	4.213	2015-17	W/o & Invalid 47 accounts holders	We had contacted the customers and they had updated their faith and fiqah on CZ-50. Moreover, we had traced the missing declarations from our record and copies are being attached for ready reference
8	Nestle Pakistan Lahore	1	3.087	2014-16	W/o obtaining declarations of 26 shareholders	20-07-2017 and 14-12-2017
	-do-	2	3.719	2014-17	W/o obtaining declarations of 90 employees	
9	Al-Habib PECHS Br Lahore	1	19.227	2014-17	W/o obtaining declarations of 77 accounts holders	We have obtained CZ-50 from Centralized Processing Unit from Karachi
10	Bank of Khyber MM Alam Road Lahore	1	1.345	2012-17	One company exempted w/o specifying any reason	M/S RMC Construction Company has availed Running Finance (RF) Limit of Rs 10 million and Letter of Guarantee limit of Rs 41 million. It was required to retain such amount in his account under lien to avail the facilities. The lien amount was afterwards reduced to Rs 10.250 million. As the amount was under lien, so Zakat was not principally applicable / deducted.
11	KSB Pumps Co Lahore	8	0.774	2014-17	W/o obtaining declarations of 110	Declarations will be collected as per audit advice while they are

					shareholders	requesting the employees to re-submit zakat declarations as per the prescribed format
12	Adamjee Insurance Lahore	2	7.519	2014-17	W/o obtaining declarations of 209 employees	Record is maintained in Karachi office, it will take some time to arrange declarations. However, Zakat was exempted only on submission of declaration
	-do-	4	7.190	2014-15	W/o obtaining declarations of 1461 CDC & 172 physical shareholders	
13	Hi-Tech Lubricants Lahore	01	1.142	2014-17	W/o obtaining declarations of 36 employees	22-08-2017 and 13-12-2017
	-do-	04	0.369	2016-17	W/o obtaining declarations of 555 shareholders	
14	Arif Habib Securities Lahore	02	215.067	2014-16	W/o obtaining declarations of 134 shareholders	20-09-2017 and 22-12-2017
15	Avanceon Ltd, Lahore	02	0.761	2014-17	W/o obtaining declarations of 73 employees	Record is available for verification except 110 CZ-50 which will be produced later on
	-do-	03	76.551	2014-17	W/o obtaining declarations of 420 shareholders	
16	Pakgen Power, Lahore	02	276.656	2014-17	W/o obtaining declarations of 684 shareholders	Company's shares are in book entry form in CDC. CDC and participants are primary recipients of declarations. CDC at the time of payment advise the company about the status of Zakat deduction
17	Pak Elektron Ltd., Lahore	02	0.849	2014-17	W/o obtaining declarations from 2457 employees (on the basis of below nisab)	23-11-2017

	-do-	07	33.823	2015-16	W/o obtaining declarations from 19 shareholders	
	-do-	05	0.929	2014-17	Late submitted declarations of 216 employees	
18	Sazgar Engineering Works Ltd., Lahore	02	11.136	2015-16	W/o obtaining declarations from remaining 67 shareholders	The declaration of remaining 67 declarations will be submitted without any delay
19	First National Equities Ltd., Lahore	03	3.182	2014-17	W/o obtaining declarations from 22 shareholders	12-10-2017 and 14-12-2017
20	DAO Sanghar	01	2.091	2015-17	W/o obtaining declaration from 39 employees and late submitted declarations of 30 employees	The ones who drew non-refundable G.P Fund advance submitted CZ-50 at the time of drawal and there is no need to submit CZ-50 at the time of final settlement. There is no such practice of submission of CZ-50 30 days before valuation date and is noted for future compliance
21	DAO Sukkur	01	1.919	2015-17	Late submitted declarations of 244 employees	01-01-2018
	-do-	03	0.614	2015-17	W/o obtaining declaration from 90 employees	
22	Golden Arrow Funds Karachi	1	9.549	2016-17	W/o obtaining and keeping in record a copy of declarations of 45 Physical & 232 CDC shareholders	We have forwarded the request to CDC to provide Zakat declarations. For the shareholders having Sub account with stock brokers (participants); CDC has asked us to seek Zakat forms from respective Participants. Zakat declaration of 10 physical

						shareholders are available for verification. We would like to further inform that the Zakat forms for the remaining shareholders may not be available since these are very old investors and the forms have been lost / misplaced by the Registrar of the company
23	Pak Suzuki Motors Karachi	3	0.683	2016-17	W/o obtaining and keeping in record a copy of declarations of 162 shareholders (Physical and CDC)	We have requested CDC to provide CZ-50 of CDC shareholders, the same will be provided to you once we received the forms
24	Habib Sugar Mills Karachi	2	2.414	2016-17	W/o obtaining and keeping in record a copy of declarations of 147 CDC shareholders	We have obtained CZ-50 of all employees at their final settlement stage and only CZ-50 that will contains list of assets, will be accepted in future.
25	Accountant General Kyber Pakhtunkhwa	02	1.848	2015-17	W/o obtaining declaration from 41 employees	Declarations are available in record and can be verified
26	Pakistan State Oil, Karachi	02	6.086	2016-17	W/o obtaining declaration from 14 employees and 83 shareholders	23-11-2017
	-do-	04	9.322	2014-17	Late submitted declarations of 250 employees	
	-do-	05	0.465	2014-17	Non Deduction of Zakat from the Provident Fund on payment of	

					premium of Insurance in 15 cases	
27	Muslim Commercial Bank Ltd., Main Branch, Quetta	02	14.287	2015-17	W/o obtaining declaration from 330 account holders	30-10-2017 and 22-12-2017
28	Silk Bank Main Branch, Karachi	02	10.501	2014-17	W/o obtaining declaration from 27 account holders	We are sending photocopies of declarations which may be verified
	-do-	04	0.598	2015-17	Late submitted declarations of 12 account holders	
29	State Life Insurance Corporation of Pakistan, Rawalpindi Zone	01 & 03	2.928	2014-17	Late submitted declarations of 67 policy holders and 05 employees	20-11-2017 and 14-12-2017
30	Accountant General Gilgit-Baltistan	01	0.491	2016-17	Late submitted declarations of employees	All the beneficiaries are in-service and have been informed to submit valid declarations and in case of failure on their part, Zakat will be deducted from their GP Fund Accounts
31	Bata Pakistan Ltd., Lahore	02	2.688	2014-17	Late submitted declarations of 91 employees	As per practice the company obtains the Zakat declaration from employees at the time of payment of non-refundable advance, now it has been noted for future compliance
32	DAO Chakwal	01	1.420	-	W/o obtaining declaration from 210 employees	8-12-2017
33	AG Punjab, Lahore	01	14.058	2016-17	W/o obtaining declaration from 330 employees	09-12-2017

34	Kohinoor Energy Ltd., Lahore		0.547	2014-17	W/o obtaining declaration from 18 shareholders	23-11-2017 and 14-12-2017
	Total		797.79			

Non / Late deposit of Zakat deducted – Rs 93.784 million

S. No	Name of ZCCA	Para No. of AIR	Remarks	Year / Period	Amount of Zakat involved (Rs. in million)
1.	Engro Polymer Lahore	1	Late deposit	2014-15	2.742
2.	MCB Ilaqa Nawab Sahib, Lahore	1	Non-deposit	2015-17	2.356
3.	NSC Saddar Lahore	1	Non-deposit	2016-17	2.637
4.	Pakistan Petroleum Company Ltd Karachi	1	Non-deposit	2016-17	3.962
5.	Askari Bank main Br Karachi	1	Non-deposit	2014-17	0.909
6.	PICIC Karachi	1	Non-deposit	2015-16	4.494
7.	Pak Elektron Ltd., Lahore	1	Late deposit	2014-17	1.054
8.	Accountant General Office, Khyber Pakhtunkhwa	1	Non-deposit	2016-17	58.948
9.	Accountant General Office, Punjab	3	Non-deposit (manually deducted but not become part of computerized system)	2016-17	2.633
10.	GPO Attock	01	Non / Late deposit	2015-17	14.049
Total					93.784

Annex-8

Para 2.3.4

Less deduction of Zakat from holders of Special Saving Certificates / Accounts and Defence Saving Certificates – Rs 30.453 million

S. No	Name of ZCCA / ZCO	Fin Year / Valuation date	Para No. of AIR	No. of certificate / account holders	Amount of Zakat less deducted (Rs in million)	Remarks
1	NSC Abpara Branch, Islamabad	2014-17	1	53	2.585	No Zakat was deducted at the time of withdrawal of profit on SSC in each Zakat year on invested amount
2	GPO Attock	2014-17	4	10	0.301	No Zakat was deducted at the time of withdrawal of amount of SSC on invested amount
3	NSC Abbottabad Chowk, Abbottabad	2014-17	4	-	23.897	Less Zakat was deducted at the time of encashment / maturity of SSCs and DSCs
4	GPO Gujranwala	2013-17	5	67	2.563	Non-deduction of Zakat on SSAs
5	NSC Chakwal	2013-17	2	35	1.107	No Zakat was deducted at the time of withdrawal of profit on SSC in each Zakat year on invested amount
Total					30.453	

Annex-9
Para 2.3.7

Zakat Evasion by Individuals by issuing Self Pay Orders just before Valuation Date and Re-deposit in own Account – Rs 1.632 million

Sr. No.	Name	Pay order No.	Issuance Date	Redeposit Date	Amount (Rs)	Zakat Applicable
1.	Mr. M. Ijaz Mirza	2081184	25.06.14	11.07.14	2,477,500	61,937
2.	Ms. Najia Arshad	2081197	26.06.14	03.07.14	626,000	15,650
3.	Mr. M. Faisal Ali	2081202	27.06.14	30.06.14	412,921	10,323
4.	Mr. Imran Shakeel	2081220	27.06.14	02.07.14	180,000	4,500
5.	Mr. M. Ahmed	2081200	26.06.14	30.06.14	2,000,000	50,000
6.	Mr. Amir Mehmood	2082686	12.06.15	23.07.15	280,000	7,000
7.	Mr. Zakir Khan	2082710	06.06.15	23.06.15	800,000	20,000
8.	Mr. Suhail Ali	-	15.06.15	22.06.15	270,000	6,750
9.	Ms. Amara Zafar	02082720	17.06.15	22.06.15	196,000	4,900
10.	Mr. Sahibzada Mohammad	02082717	17.06.15	22.06.15	5,090,000	127,250
11.	Syed M. Mohsin Shah	2082728	18.06.15	22.06.15	380,000	9,500
12.	Mr. Waheed Nawaz	2082737	18.06.15	22.06.15	200,000	5,000
13.	M. Zaher Alam	-	03.06.16	09.06.16	20,000,000	500,000
14.	Mr. Faiz Abbas	-	03.06.16	08.06.16	363,000	9,075
15.	Mr. Irfan Kamal Khan	-	03.06.16	09.06.16	1,491,000	37,275
16.	Mr. Azhar Islam	-	02.06.16	10.06.16	1,150,000	28,750
17.	Raja Ghulam Ahmed	-	03.06.16	09.06.16	2,100,000	52,500
18.	Mr.M. Ishaq	-	06.06.16	08.06.16	800,000	20,000
19.	Mr. Mohi ud din	-	06.06.16	08.06.16	1,000,000	25,000
20.	Mr. Abdul Ikhtlaq	-	06.06.16	08.06.16	8,662,000	216,550
21.	Mr. Nadeem Hayat	-	25.05.17	02.06.17	545,000	13,625
22.	Mr. Shahid Mansoor	-	26.05.17	31.05.17	871,600	21,790
23.	Mr. M. Anwar	-	24-05-17	01.06.17	1,100,000	27,500
24.	Mr. Inayat Ullah	-	26-05-17	30.05.17	6,690,000	167,250
25.	Mr. Rao Imran Saddiq	-	26-05-17	30.05.17	689,000	17,225
26.	Mr. Shakil-ud-din Qureshi	-	26-05-17	30.05.17	3,811,008	95,275
27.	M/S Crown Aviation Services	-	26-05-17	30.05.17	3,100,000	77,500
Total					65,285,029	1,632,125

Irregular disbursement by un-lawful Chairmen of LZCs appointed more than two consecutive terms - Rs 58.978 million

S. #	Name of LZC	Name of Chairman	Date of App.	Amount (Rs)
1.	Ali Pur-I	M. Shafique	12/04/2012	756,129
2.	Badia Qadir Bux	Malik Waqar	25-09-2008	756,129
3.	Bobri	Cap M. Ismaiel	25-12-2006	756,129
4.	Bakar Akoo	Yasin Akhter	18-12-2006	756,129
5.	Chattar Karlot	Haji Haq Nawaz	17-12-2006	756,129
6.	Chirah Khas	Sajid Hussain	21-03-2002	756,129
7.	Chohan Sorian	Haji M. Rafique	17-09-2011	756,129
8.	Chapper Mir Kanal	Ch. Mehrban	24-12-2006	756,129
9.	Darkala	Abdul Hameed	16-08-2007	756,129
10.	Dalyala	Mirza M. Sabir	14-03-2002	756,129
11.	Dhoke Paracha	M. Zaman	15-05-2009	756,129
12.	Darwala	Ch. Tariq Mehmood	16-08-2007	756,129
13.	Gokina	Abdul Razaq	17-12-2006	756,129
14.	Ghora Mast	Raja M. Arif	08/02/2010	756,129
15.	Gagri	Ch. Shahid Ahmed	22-03-2002	756,129
16.	Gorla Sharif	Tahir Khan	01/08/2007	756,129
17.	Herno Thanda Pani	Raja Khalid Hameed	24-11-2011	756,129
18.	Herdogher	Raja Saleem Akhter	04/08/2002	756,129
19.	Jandala	Shahroom	23-09-2003	756,129
20.	Jaba Teli	Malik Younas	06/04/2010	756,129
21.	Jhangi Seydan	Ghulam Safdar	2006	756,129
22.	Johad	Abdul Zafeer	27-03-2009	756,129
23.	Kot Hathiyaal (S-I)	Mehboob Kyani	20-12-2006	756,129
24.	Kot Hathiyaal (J-I)	Tariq Abbasi	23-12-2006	756,129
25.	Kirpa-III	Haji Pervaiz Akhter	16-08-2007	756,129
26.	Kuri	Fazal ur Rehman	03/01/2012	756,129
27.	Kalya Chirah	Abdur Raheem	2006	756,129
28.	Loi Bher	Malik Abdul Waheed	22-03-2002	756,129
29.	Lidhot	Malik Bashir	06/07/2003	756,129
30.	Lakhwal	M. Nazir	25-12-2006	756,129
31.	Malot	Khalid Mehmood	30-05-2007	756,129
32.	Mohra Noor	Abdul Hafeez	02/11/2007	756,129
33.	Mohra Chirah	Zamured Hussain	04/02/2002	756,129
34.	Mohri Chirah	Haji Zulficar	2002	756,129
35.	Mera Sumbal Jaffar	Malik Rasheed	16-06-2009	756,129
36.	Mera beri	Malik M. Mushtaq	16-06-2009	756,129
37.	Malpur	Sajid Mumtaz	30-05-2005	756,129
38.	Mohrian	Fazal Hussain Malik	30-05-2007	756,129

39.	Mughal	Mr. Akhlaq	14-06-2016	756,129
40.	Nilor	Maj ® Ayaz	22-06-2007	756,129
41.	Naryas Pdho	Ch. Tanveer	22-12-2006	756,129
42.	Pind Parian	Haji Ghulam Hussain	16-06-2009	756,129
43.	Pind Malkan	Haji M. Ayoub	16-08-2007	756,129
44.	Pind Paracha	Malik Ramzan	16-06-2009	756,129
45.	Phulgran-I	Babu Bashir	03/07/2002	756,129
46.	Pehont	Yasir Murtaza	13-11-2002	756,129
47.	Panjgran	Ch. M. Asif	05/02/2009	756,129
48.	Pona Faqeeran	Raja M. Hanif	2002	756,129
49.	Rehara	Haji Ameer Ahmed	17-09-2011	756,129
50.	Shahdara-I	Haji Barkhurdar	11/10/2006	756,129
51.	Sangjani-II	M. Amir Kyani	13-05-2002	756,129
52.	Suban Seyadan	Syed Haidr Zaman	18-12-2006	756,129
53.	Shah Allah Dita	M. Safdar	22-06-2009	756,129
54.	Sihala-I	Haji Maqsood Ali	29-12-2006	756,129
55.	Sihala-III	Ch. M. Sharif	28-05-2012	756,129
56.	Sheikh Pur	Haji M. Basharat	26-12-2006	756,129
57.	Sarie Kharbooza	Naveed Liaqat Khan	21-03-2002	756,129
58.	Soti ni Pari	M. Naveed	04/02/2002	756,129
59.	Tumair-I	Raja Liaqat	04/12/2002	756,129
60.	Tumair-II	Cap ® M. Ayoub	26-10-2002	756,129
61.	Talhar	Raja Matloob	29-03-2002	756,129
62.	Tarlie Khurd	Ashiq Hussain	25-12-2006	756,129
63.	Tarnol	Malik Ghulam Haider	16-06-2009	756,129
64.	E-8/E-9 & F-8/1-2	Kazafi		756,129
65.	G-6/2	Ghulam Hussain	19-08-2009	756,129
66.	G-6/3-4	Ijaz Ahmed Bhatti	03/07/2009	756,129
67.	G-7/3-1	Haji Abdul Ghafar	24-07-2003	756,129
68.	G-7/3-3	Raja Zulfiqar Ali	13-03-2002	756,129
69.	G-7/3-4	Molana Abdul Ghani	16-01-2007	756,129
70.	G-9/1-4	Abdul Hafeez Alvi	03/09/2007	756,129
71.	G-10	Molana Zahoor ul Islam	26-12-2006	756,129
72.	G-8/3-4	Syed Yamin Shah	25-03-2006	756,129
73.	F-6/3	Fazal Qadir	2002	756,129
74.	F-8/3-4	Mian Amjad	2006	756,129
75.	I-8/2-3 & H-8	Zafar Iqbal	03/07/2010	756,129
76.	I-9/1-2	Raja Manzoor Hussain	23-04-2003	756,129
77.	I-9/3-4	Kh. Khalil Salar	04/05/2004	756,129
78.	I-10/1-2	Shamas ud Deen	24-12-2006	756,129
		Total		58,978,062

**Unjustified release of marriage grant without nikahnamas -
Rs. 1.740 million**

S.No	Name of LZC	Name of Applicant	Amount (Rs)	Remarks
1	Kot Hatal (J)-II	Zantoon Bibi	20,000	Nikah Nama is Tampered
2	Kot Hatal (J)-I	Nasira Shaheen	20,000	Name of Nikahnama is Nasira Parveen
3		Iram Arab	20,000	Nikah Nama is Tampered and without registration
4	Muslim Colony	Shamila Asghar	20,000	Already married women
5		Sobia Bibi	20,000	Without Nikahnama
6	Kot Hatal (S)-II	Saman Khursheed	20,000	Without Nikahnama
7		Hajra Bibi	20,000	Without Nikahnama
8		Samina Bibi	20,000	Without Nikahnama
9		Sobia Bibi	20,000	Without Nikahnama
10		Maryam Niaz	20,000	Other Distt.
11	Noorpur Shahan	Sadra Kiran	20,000	Without Nikahnama
12		Kiran Nisar	20,000	Without Nikahnama
13		(02) missing	40,000	Without documents
14	Sangjani-I	Aneela Sagheer	20,000	Without Nikahnama
15	Kripa-1	Nosheen Zia	20,000	Nikah Nama is Tampered
16		Rukhsana Bibi	20,000	Without Nikahnama
17	F-6/1-2	Aliya Bibi	20,000	Nikah Nama is Tampered
18		Asia Bibi	20,000	Nikah Nama is Tampered
19		Iraum Khokhar	20,000	Without Nikahnama
20		No name	20,000	Without Nikahnama
21	Jhang Syedan	Maryam bibi	20,000	Nikah Nama is Tampered
22		01missing	20,000	Without documents
23	G-7/2	Maryam Zahoor	20,000	Other Distt
24	Athal	Sidra Karim	20,000	Other Distt
25	Pind Bagwal	Missing (9x20000)	180,000	Without documents
26		Farha Naz	20,000	Without Nikahnama
27		Nadia Inam	20,000	Other Distt
28	Chaltor Karlot	Cheque-033039 dt.13.3.17	20,000	Without any evidence
29		Missing	20,000	Without documents
30	G-6/1-2	Aneela Irum	20,000	Other Distt
31		Sajid Begum	20,000	Other Distt
32		Yasmin	20,000	Without Nikahnama

33	G-9/2	Nadia Islam	20,000	Without Nikahnama
34		Tahira Yasmeen	20,000	Nikah Nama is Tampered
35		18 Jehaz paid	360,000	DZC not issued
36	Kot Hathial (J-I)	Ameera bibi	20,000	Without Nikahnama
37	Farash	Kiran Nisar	20,000	Without Nikahnama
38		Haris AShraf	20,000	Without Nikahnama
39	Chatta Bakhtawar	Missing	20,000	Without documents
40		Missing	20,000	Without documents
41	Chelo Thela Saydan	Safona bibi	20,000	Nikah Nama is Tampered
42		Amina bibi	20,000	Nikah Nama is Tampered
43		Sehnaz bibi	20,000	Without Nikahnama
44	Chirah Khas	Aysha bibi	20,000	Without Nikahnama
45	Lohi Bher	Missing 02x20000	40,000	Without documents
46	Pind Bedgwal (S)	(09) issued	180,000	Without Nikahnama
47	Kot Hathial (J-II)	(01) issued	20,000	Without Nikahnama
48	F-6/1-2	(01) issued	20,000	Without Nikahnama
49		Kalsoom bibi	20,000	Without Nikahnama
50	Nilore	(01) issued	20,000	Without Nikahnama
51	I-8/1-4	Aysha bibi	20,000	Nikah Nama is Tampered
52	Tarlai Kalan	Rahsana begum	20,000	Without Nikahnama
Total			1,740,000	

Irregular appointment of Administrator's LZCs - Rs 22.913 million

S.No	Name of LZC	Name of Administrator	Date of Appointment	Amount (Rs)
1	Athal	Haji M. Shafique	15-04-2009	590,000
2	Bimbar Trar	Ghulam Shabir	11/06/2006	216,000
3	Chatta Bakhtawar	Raja M. Younas	04/04/2013	879,000
4	Drek Mohri	Abdul Majeed Khan	17-04-2013	1,270,000
5	Gangota Gujran	M. Saqlain	09/03/2013	621,000
6	Jagiot	Hafiz Akmal Hussain	05/06/2010	324,000
7	Jori Bdhana Khurd	Raja M. Gulistan	20-06-2013	860,000
8	Jhang Syedan	Syed Shahid Hussain	10/03/2011	999,000
9	Kot Hathiyaal (S-II)	Dr. Faraqat	2013	654,000
10	Kirpa-I	Zulfiqar Ali	16-12-2013	324,000
11	Mera Begwal	Ilyas Bhatti	03/06/2008	747,000
12	Mera Sumbal Akoo	Abdul Qayoom	12/09/2013	567,000
13	Muslim Colony	Kh. Ashraf	11/03/2004	1764,000
14	Noor Pur Shahan	Mr. Aleem	28-09-2016	990,000
15	Nogazi	Muhammad Khan	23-07-2014	1,050,000
16	Nara Syadan	Jahangir Akhter	29-12-2015	630,000
17	Noon	Malik Iftikhar	03/02/2014	675,000
18	Pind Begwal (S)	Shakoor Ahmed	03/12/2002	546,000
19	Rawal Town	Sheikh Imtiaz Alam	29-05-2012	1,629,000
20	Sangjani-I	Malik Hassan Deen	03/05/2013	262,000
21	Sihali	M. Riaz	09/03/2012	216,000
22	Sohan	Amjad Ali	24-02-2016	954,000
23	Seri Saral	Malik M. Nazir	06/11/2010	360,000
24	G-6/1-1 & 1-2	Shamsher Khan	13-06-2009	963,000
25	G-7/1-2	Shukat Ali Virk	11/01/2013	225,000
26	G-7/4	Syed Abid Ali Shah	14-02-2013	639,000
27	G-7/3-2	M. Umar Nagra	04/04/2013	360,000
28	G-9/3	Khalid Mehboob	03/01/2013	735,000
29	G-11	Iftihar Ahmed Mirza	25-04-2005	612,000
30	F-6/4	Yanoor Khatak	16-10-2008	198,000
31	F-7/1-4 & 2-3	Mian Rasheed	23-06-2010	227,000
32	F-10 & F-11	Mukhtar Ahmed	14-02-2013	1,350,000
33	I-8/1-4	M. Amin Shah	04/11/2013	477,000
			Total	22,913,000

Annex-13

Para 3.4.6

**Unequal release of Guzara Allowance to specific Local Zakat Committees –
Rs 90.424 million**

S. No.	Name of LZCs	Amount (Rs)
1.	Bobri	89,000
2.	LZC Sihala-I, IBD	833,000
3.	LZC, Ali Pur-I, IBD	480,000
4.	LZC, Ali Pur-II, IBD	518,000
5.	LZC, Ali Pur-III, IBD	200,000
6.	LZC, Athal, IBD	700,000
7.	LZC, Badia Qadir Buksh,	505,000
8.	LZC, Bekar Akoo, IBD	666,000
9.	LZC, Bimbar Trar, IBD	360,000
10.	LZC, Bobri, IBD	420,000
11.	LZC, Budhana Kalan,	340,000
12.	LZC, Chak Shahzad, IBD	300,000
13.	LZC, Chata Bakhtawar	715,000
14.	LZC, Chatar Karlot, IBD	398,000
15.	LZC, Chello Thela Syadan,	452,000
16.	LZC, Chirah Khas, IBD	216,000
17.	LZC, Chohan Sorian,	444,000
18.	LZC, Dalyala, IBD	240,000
19.	LZC, Darek Mohri, IBD	1,230,000
20.	Chai LZC, Darwala-IBD	532,000
21.	LZC, Darwala-IBD	168,000
22.	LZC, Dhoke Paracha,	689,000
23.	LZC, F-10/F-11, IBD	1,440,000
24.	LZC, F-6/1-2, IBD	441,000
25.	LZC, F-6/4, IBD	246,000
26.	LZC, F-7/1-4, IBD	270,000
27.	LZC, F-8/1-2, IBD	138,000
28.	LZC, Farash, IBD	465,000
29.	LZC, G-10, IBD	970,000
30.	LZC, G-11, IBD	680,000
31.	LZC, G-6/1-1 & 1-2, IBD	1,143,000
32.	LZC, G-6/1-3 & 1-4, IBD	480,000
33.	LZC, G-6/2, IBD	369,000
34.	LZC, G-6/3-4, IBD	240,000
35.	LZC, G-7/1, IBD	150,000
36.	LZC, G-7/2, IBD	990,000
37.	LZC, G-7/3-1, IBD	270,000
38.	LZC, G-7/3-2, IBD	400,000

39.	LZC, G-7/3-3, IBD	170,000
40.	LZC, G-7/3-4, IBD	650,000
41.	LZC, G-7/4, IBD	786,000
42.	LZC, G-8/1-2, IBD	225,000
43.	LZC, G-8/3-4, IBD	285,000
44.	LZC, G-9/2, IBD	1,101,000
45.	LZC, G-9/3, IBD	817,000
46.	LZC, Gagri, IBD	420,000
47.	Cha LZC, Gangota Gujran,	626,000
48.	LZC, Ghora Mast, IBD	156,000
49.	LZC, Gokina, IBD	594,000
50.	LZC, Golra Sharif, IBD	945,000
51.	LZC, Herdogher, IBD	300,000
52.	LZC, Herno Thanda Pani,	310,000
53.	LZC, I-10/1-2, IBD	530,000
54.	LZC, I-10/3-4, IBD	159,000
55.	LZC, I-8/1-4, IBD	576,000
56.	LZC, I-8/2-3, IBD	376,000
57.	LZC, I-9/1-2, IBD	300,000
58.	LZC, I-9/3-4, IBD	225,000
59.	LZC, Jaba Tali, IBD	174,000
60.	LZC, Jagiot, IBD	360,000
61.	LZC, Jandala, IBD	216,000
62.	LZC, Jhangi Syadan, IBD	966,000
63.	LZC, Johad, IBD	270,000
64.	LZC, Jori Budhana Khurd,	860,000
65.	LZC, Kalyan Chirah, IBD	216,000
66.	LZC, Kijna, IBD	494,000
67.	LZC, Kirpa-I, IBD	345,000
68.	LZC, Kirpa-II, IBD	144,000
69.	LZC, Kirpa-III, IBD	240,000
70.	LZC, Koral Gangal, IBD	420,000
71.	LZC, Kot Hathial (J-I)	742,000
72.	LZC, Kot Hathial (S-I)	860,000
73.	LZC, Kot Hathial (S-II)	732,000
74.	LZC, Kuri, IBD	270,000
75.	LZC, Ladhot, IBD	410,000
76.	LZC, Lakhwal, IBD	216,000
77.	LZC, Loi Bher, IBD	420,000
78.	LZC, Mallot, IBD	369,000
79.	LZC, Malpur, IBD	360,000
80.	LZC, Mera Bari, IBD	810,000
81.	LZC, Mera Begwal, IBD	747,000

82.	LZC, Mera Chirah, IBD	126,000
83.	LZC, Mera Sumbal Jaffar, IBD	1,071,000
84.	LZC, Mohra Chirah, IBD	200,000
85.	LZC, Mohra Noor, IBD	270,000
86.	LZC, Mohri Chirah, IBD	126,000
87.	LZC, Mohrian, IBD	200,000
88.	LZC, Mughal, IBD	976,000
89.	LZC, Muslim Colony,	1,960,000
90.	LZC, Nara Syadan, IBD	654,000
91.	LZC, Narola, IBD	390,000
92.	LZC, Naryas Padho, IBD	900,000
93.	LZC, Nilor, IBD	546,000
94.	LZC, Nogazi, IBD	350,000
95.	LZC, Noon, IBD	675,000
96.	LZC, Noor Pur Shahan,	1,142,000
97.	LZC, Pag Panwal, IBD	605,000
98.	LZC, Panjgaran, IBD	180,000
99.	LZC, Pehont, IBD	180,000
100.	LZC, Pind Begwal (G)	570,000
101.	LZC, Pind Begwal (J)	270,000
102.	LZC, Pind Begwal (S)	700,000
103.	LZC, Pind Malkan, Ibd	123,000
104.	LZC, Pind Paracha, IBD	564,000
105.	LZC, Pind Paryan, IBD	600,000
106.	LZC, Pona Faqeran, IBD	582,000
107.	LZC, Pulgaran-I, IBD	1,190,000
108.	LZC, Pulgaran-II, IBD	588,000
109.	LZC, Rawal Town, IBD	1,810,000
110.	LZC, Rehara, IBD	576,000
111.	LZC, Said Pur, IBD	900,000
112.	LZC, Sihala-III, IBD	1,170,000
113.	LZC, Sohan, IBD	1,057,000

**Payment through cash / open cheques / self cheques instead of crossed cheques – Rs
4.284 million**

S.No	Name of LZC	Name of Mustahiq / Cheque No.	Period	No. of Musthaq	Amount (Rs)
1	Herdogher	57622922 to 57622996	2016-17	14x3000	42,000
2	G9/1-4	5196637 to 5196642	2016-17	3000x6	18,000
		5320264 & 5320297	2016-17	3000x2	6,000
3	Sharad-I	2301554 to 2301561	2016-17	4x3000	12,000
		9874351	2016-17	1x3500	3,500
4	Tarnol W-1	63446795,63446824,63446835	2016-17	3x3000	9,000
		77290378 to 77290382	2016-17	5x3000	15,000
		77290424,77290414,77290453, 77290445	2016-17	4x3000	12,000
5	Kot Hathiyal(S-II)	47760453 to 47760479	2016-17	8x3000	24,000
6	Koral Kangal	90922589 to 90922618	2016-17	30x3500	105,000
		985132213 to 98513224	2016-17	10x3000	30,000
7	Mohra Chirah	46383001to 46383010	2016-17	5x3500	17,500
		64107271,55866012,64107292 64107286,000005,000010,11	2016-17	7x3000	21,000
8	G-6/1-2 & 3-4	1610506169 to 1610506196	2016-17	12x3500	42,000
9	Kuri	56032204,56032199,56032178 56032201,56032207,56032208 56032191,56032218,8783113	2016-17	9x3000	27,000
		8783114 to 87831132	2016-17	8x3000	24,000
		8783147, 8783166	2016-17	2x3000	6000
10	Badia Qadir Bux	77021939 to 77021999	2016-17	60x3000	180,000
		77022202 to 77022024	2016-17	22x3000	66,000
11	E-8/E-9 & F-8/1-2	81639738,81639736	2016-17	2x20000	40,000
		81639772,81639778,81639795	2016-17	3x3000	9,000
12	Darkala	37952976 to 37952300	2016-17	25x3000	75,000
		48952990 to 48953042	2016-17	50x3000	150,000
		040344674 to 04034699	2016-17	25x3000	75,000
		48953047 to 48953052	2016-17	6x3000	18,000
		65058191 to65058197	2016-17	6x3000	18,000
		04034676 to 04034700	2016-17	10x3000	30,000
		65058195 to 65058210	2016-17	15x3000	45,000
		68785761 to 6878597	2016-17	22x3000	66,000
		68785801 to 68785802	2016-17	2x3000	6,000
13	Mera Sambl Jaffar	71832005 to 71832040	2016-17	30x3500	105,000
		71832041 to 71832050	2016-17	10x3000	30,000
		7911527 to 7911548	2016-17	20x3000	60,000

		8413378 to 8413400	2016-17	22x3000	66,000
		8413402 to 8413470	2016-17	68x300	204,000
		43540101 to 43540136	2016-17	35x3000	105,000
14	Mera Akoo	54346603 to 54346641	2016-17	40x3500	140,000
		78823941 to 78823950	2016-17	9x3000	27,000
15	Noor pur Shahan	164654806 to 164654860	2016-17	55x3000	165,000
		1646547577 to 1646548057	2016-17	90x3000	270,000
16	G-7/3-4	5963829 to 5963869	2016-17	13x3000	39,000
17	Chak Shahzad	28704696,28704699,	2016-17	2x3000	6,000
		28704702 to 28704738	2016-17	36x3000	108,000
18	Ali Pur-II	80246005 to 80246013	2016-17	8x1000	8,000
19	Bhekar Akoo	59832285 to 59832296	2015-16	6x3000	18,000
		711601 to 7116049	2015-16	50x3000	150,000
		96052752 to 96052832	2016-17	80x3000	240,000
		23887726 to 23887819	2016-17	93x3000	279,000
20	Tarlai Kalan	46802800 to 46802825	2016-17	25x3000	75,000
21	I-9/1-2	67080067 to 67080125	2016-17	60x3000	180,000
		65726576 to 65726640	2016-17	65x3000	195,000
22	Mera Beri	90788580 to 90788606	2016-17	20x3500	70,000
		90788607 to 907886650	2016-17	40x3000	120,000
		16466900 to 16466960	2016-17	60x3000	180,000
Total-I					4,032,000

Drawal through Self Cheques

S. No.	Name of LZCs	Code No	Cheque No	Date	Amount (Rs)
1	Gagri		56671469	30.01.17	126,000
			56671474	04.06.17	126,000
Total-II					252,000
Grand Total					4,284,000

Non refund unspent balance – Rs 6.542 million

S.No	Name of LZCs	Period	Amount (Rs)
1	Jagiot	30.6.17	52,016
2	G-9/1-4	30.6.17	322,535
3	Maira Chirah	30.6.17	312,130
4	Sharad-I	30.6.17	285,048
5	Pind Parian	30.6.17	93,179
6	Kot Hathiyal(S-II)	30.6.17	102,633
7	Koral Kangal	30.6.17	249,350
8	G-6/1-2 & 3-4	30.6.17	115,917
9	Gagri	30.6.17	279,822
10	Kirpa-III	30.6.17	236,500
11	Badia Qadir Bux	30.6.17	313,612
12	G-7/2	30.6.17	138,838
13	Tumair-II	30.6.17	115,966
14	Nogazi	30.6.17	305,046
15	Kot Hathyal	30.6.17	147,955
16	Lakhwal	30.6.17	236,442
17	Darkala	30.6.17	144,148
18	Shahdara W-II	30.6.17	220,558
19	Mera Akoo	30.6.17	199,121
20	Plulgran	30.6.17	47,511
21	Chehan Sorain	30.6.17	196,369
22	I-10/3-4	30.6.17	365,831
23	Chak Shahzad	30.6.17	44,067
24	Ali pur-II	30.6.17	106,353
25	Jaba Teli	30.6.17	98,040
26	Mora Noor	30.6.17	137,600
27	Sehali	30.6.17	134,829
28	Bhekar Akoo	30.6.17	453,705
29	Chatta Bakhtawar	30.6.17	117,652
30	Mera Beri	30.6.17	63,923
31	Herno Thandpani	30.6.17	56,083
32	G-7/4	30.6.17	61,363
33	Kijna	30.6.17	64,449
34	Ali Pur	30.6.17	125,177
35	Kot Hathyal Junabi-01)	30.6.17	59,858
36	Pind Pracha	30.6.17	42,275
37	Said Pur	30.6.17	230,706
38	Chelo Thalla Syeda	30.6.17	67,630

39	G-8/1-2	30.6.17	113,496
40	Gangota Guran	30.6.17	20,673
41	Mohri Chirah	30.6.17	31,114
42	F-7/1-4	30.6.17	10,366
43	Noon	30.6.17	22,110
	Total		6,541,996

Payment made without passing resolutions – Rs 17.961 million

S. No.	Name of LZCs	Period	Amount (Rs)
1	G9/1-4	2016-17	219,800
2	Maira Chirah	2016-17	24,500
3	F-7/1-4	2016-17	372,700
4	Noon	2016-17	700,201
5	Pind Parian	2016-17	460,000
6	Koral Kangal	2016-17	677,400
7	G-6/1-2 & 3-4	2016-17	1,041,649
8	Gagri	2016-17	491,008
9	Panjgran	2016-17	183,000
10	Badia Qadir Bux	2016-17	1,266,700
11	Mohrian	2016-17	272,750
12	Darkala	2016-17	586,889
13	Plulgran	2016-17	240,000
14	Chehan Sorain	2016-17	531,093
15	Noor pur Shahan	2016-17	1,235,000
16	Ali pur-II	2016-17	792,780
17	Sehali	2016-17	236,000
18	Tarlai Kalan	2016-17	959,000
19	G-7/3-2	2016-17	60,000
20	I-9/1-2	2016-17	495,000
21	Golra Sharif W-I	2016-17	2,290,699
22	Thomir-01	2016-17	433,036
23	Herno Thandpani	2016-17	342,672
24	Kijna	2016-17	716,224
25	Ali Pur	2016-17	516,000
26	Soni Depari	2016-17	326,515
27	Kot Hathyal Junabi-01)	2016-17	1,456,042
28	G-11/Markaz	2016-17	742,585
29	G-8/1-2	2016-17	291,496
		Total	17,960,739