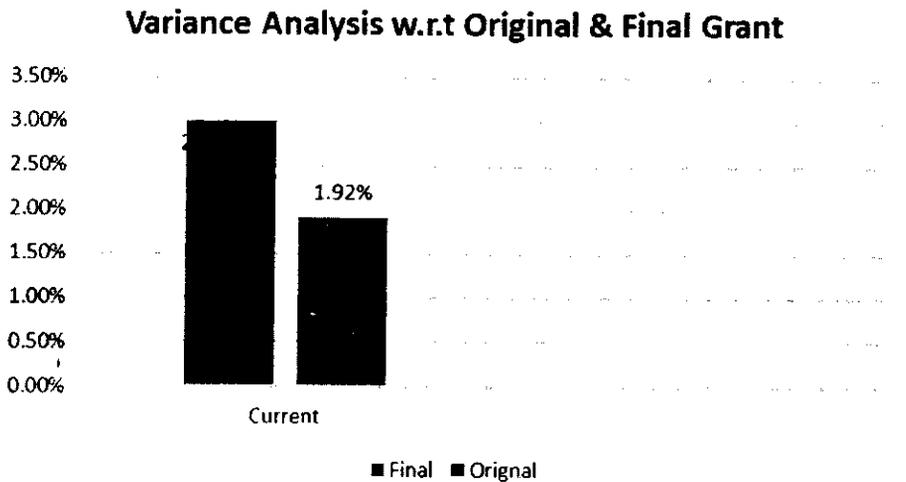


As shown in the chart below, it was observed that under the current grant there was 1.92% of excess w.r.t original grant which increased to 2.99% excess w.r.t final grant.



### 31.3 Classified Summary of Audit Observations

Audit observations, amounting to Rs. 2916 million, were raised in this report during the current audit of **Ministry Of Religious Affairs And Interfaith Harmony**. Summary of the audit observations classified by nature is as under:

(Rupees in million)

S. No	Classification	Amount
1	Non-production of record	
2	Reported cases of fraud, embezzlement and Misappropriation	
3	Irregularities	
A	<i>HR/Employees related Irregularities</i>	
B	<i>Procurement related irregularities</i>	
C	<i>Management of account with commercial banks</i>	
D	<i>Recovery</i>	2916
E	<i>Internal Control</i>	
4	Value for money and service delivery	
5	Others	

### 31.4 Status of compliance with PAC Directives

Audit Year	No. of Audit Paras	No. of Actionable Points Issued	Compliance	Non/Partial Compliance	% of Compliance
2010-11	2	1	1	1	100
2011-12	4	0	0	4	-
2012-13	6	0	0	6	-
2013-14	7	6	1	6	17
2014-15	4	4	2	2	50
2015-16	25	0	0	25	-
2016-17	11	4	1	10	25
2018-19	12	0	0	12	-
2019-20	12	12	0	12	-
2020-21	20	0	0	20	-
2021-22	2	0	0	2	-
2022-23	13	0	0	13	-
<b>Total</b>	<b>118</b>	<b>27</b>	<b>5</b>	<b>113</b>	<b>-</b>

### 31.5 AUDIT PARAS

#### Ministry of Religious Affairs and Interfaith Harmony

##### 31.5.1 Non-deposit of rent/receipts collected into Federal Consolidated Fund - Rs. 96.741 million

As per Rule 7(1) of Federal Treasury Rules (FTR) all moneys received by or tendered to Government officers on account of the revenues of the Federal Government shall, without undue delay, be paid in full into a treasury and shall not be appropriated to meet departmental expenditure, nor otherwise kept apart from the Federal Consolidated Fund (FCF) of the Federal Government.

The management of Ministry of Religious Affairs and Interfaith Harmony (Main Secretariat), Islamabad received rent and receipts amounting to Rs. 96.741 million during 2021-22, as per detail below:

Date	Received from	Receipt Description	Amount (Rs.)
30.06.2021	ICT - Police	Rent of Building	2,205,000
14.07.2021	Ripha University	Rent of Building	22,052,835
14.07.2021	Ripha University	Rent of Building	14,701,890
31.05.2022	Ripha University	Rent of Building	50,018,174
31.05.2022	Ripha University	Rent of Building	456,000
02.07.2021	M/s Hotline Travels - HGO	Penalty	500,000
03.09.2021	HGOs - through NBP	Co. Name/Address change	190,000
17.09.2021	HGOs - through NBP	Co. Name/Address change	25,000

29.12.2021	HGOs - through NBP	Co. Name/Address change (25)	635,000
18.02.2022	HGOs - through NBP	Co. Name/Address change (18)	395,000
24.02.2022	M/s Sanofi Aventis Pakistan Ltd	Penalty - vaccine	4,617,000
08.03.2022	HGOs - through NBP	Co. Name/Address change (5)	25,000
15.03.2022	HGOs - through NBP	Co. Name/Address change (11)	245,000
31.03.2022	HGOs - through NBP	Co. Name/Address change (10)	240,000
08.04.2022	HGOs - through NBP	Co. Name/Address change (12)	270,000
25.04.2022	HGOs - through NBP	Co. Name/Address change (14)	70,000
07.03.2022	Pharmaceutical firms	Purchase of tender documents	25,000
25.04.2022	Pharmaceutical firms	Purchase of tender documents	70,000
<b>TOTAL</b>			<b>96,740,899</b>

Audit observed that the management did not deposit rent and receipts into Federal Consolidated Fund (FCF).

Audit is of the view that non-deposit of rent and receipts into FCF is a violation of provisions of FTRs, thus the management's action is held irregular and unauthorized. Furthermore, the government was deprived of its due receipts.

The management did not reply till finalization of the report.

Audit recommends discontinuation of irregular practice of non-deposit of rent and receipts collected into FCF immediately.

### **Evacuee Trust Property Board, Lahore**

#### **31.5.2 Non-Assessment of Evacuee Trust Properties**

Section 4(2)(f) of the Evacuee Trust Properties (Management & Disposal) Act, 1975 empowers the Board to assess or reassess the rent or lease amount of the evacuee trust property.

The Supreme Court of Pakistan vide order dated 08-09-2022 decided appeals of some tenants who filed writ petition against Assessment/ Re-assessment in the Scheme 1977. The operative part of the judgment of Supreme Court of Pakistan is as under:

*"The respondents are however directed to make a reassessment of the rent in accordance with law. We have been informed that the law provides for reassessment every three years. As soon as the period of three years expires after rent dues in accordance with the law after hearing all concerned parties including the petitioner. The learned counsel for the petitioner on*

*instructions submits that as far as arrears are concerned, the petitioners are ready and willing to pay the same provided reasonable installments are allowed to them to clear their dues. In case, the amount of arrears has been finalized, the petitioners may approach the Department with a reasonable proposal regarding payment of dues in installments and if such application is made the department shall consider the same sympathetically and decide it in accordance with law."*

Audit observed as under:

- i. The ETP Board in 348<sup>th</sup> meeting held on 27.09.2022 directed to implement the order of the Supreme Court of Pakistan.
- ii. Standard Operating Procedures (SOPs) for assessment / re-assessment were formulated by ETPB Headquarter for implementation.
- iii. The ETPB Headquarter stopped the implementation of the SOPs on the objection raised by the Administrator Faisalabad Zone and Deputy Administrator Lahore-I.

Audit is of the view that the directions of the Supreme Court were very clear and the delay in implementation thereof is undue favour to the tenants.

The management did not reply.

Audit recommends that directions of the Supreme Court of Pakistan may be implemented in letter and spirit besides fixing the responsibility of delay in assessment / re-assessment on the persons at fault.

### **31.5.3 Non-recovery of rent/ lease money from defaulters - Rs. 1,701 million**

Section 4(2)(q) of the Evacuee Trust Properties (Management and Disposal) Act, (No. XIII) 1975 states that the function of the Board shall be to exercise financial and administrative control over offices attached to or under it.

Evacuee Trust Properties Board (ETPB) record revealed that an amount of Rs. 1,701.05 million was recoverable from the tenants/ lessees as per following detail:

S.No.	ETPB-District	Arrears (Rs. in million)
1.	Labore-I	224.62
2.	Peshawar	118.73

3.	Rawalpindi	79.91
4.	Sukkur	189.31
5.	Karachi (U)	186.82
6.	Karachi (R)	95.58
7.	Hassanabdal	34.38
8.	Lahore-II	64.62
9.	Multan	77.08
10.	Jhang	43.17
11.	Sahiwal	37.05
12.	Layyah	86.47
13.	Sialkot	42.34
14.	Hyderabad	79.73
15.	Sargodha	45.35
16.	Gujrat	102.40
17.	Bannu	39.65
18.	Bhakkar	11.06
19.	Gujranwala	27.05
20.	Faisalabad	42.68
21.	Sheikhupura	10.53
22.	Okara	9.99
23.	Quetta	10.95
24.	Kasur	12.30
25.	Nankana Sahib	21.17
26.	Bahawalpur	8.11
	<b>Total:</b>	<b>1701.05</b>

The audit observed that the management did not take corrective steps to recover the outstanding rent.

Audit is of the view that non recovery of dues had deprived the Board of a legitimate share of income.

The management did not reply.

Audit recommends recovery of outstanding rent.

#### **31.5.4 Non-recovery of arrears from defaulters of ETPB Islamabad - Rs.81.013 million**

Clause 3-(i) (a) of as per Amended Scheme for the Management & Disposal of Urban Evacuee Trust Properties, 1977 provides that the tenant shall pay the monthly rent in advance by the 10 of each month and in case of annual lease, the

lease money shall be paid by the 10 of the first month of the lease year. In case of default in payment by the above said due date, surcharge @ 10% shall be charged.

The ETPB rented out office space of GT Tower and ET Complex Islamabad to various Ministries/ Divisions and private companies. Rent of office building amounting to Rs. 81,012,788 was outstanding against the following defaulters/lessees of ETPB properties up to 30.06.2023:

*Amount in Rupees*

Sr. No.	Name of Ministry/ Govt. Department	Period		Outstanding Amount	Received Amount	Amount of Arrears
		From	To			
1	Pakistan Credit Guarantee	01.10.2014	30.06.2019	18,119,056	13,257,879	4,861,177
2	Govt. of Balochistan	15.11.2020	14.11.2023	5,840,327	1421805	4,418,522
3	Federal Board of Revenue	15.01.2021	14.01.2024	6,728,940	2,821,097	3,907,843
4	Hafiz Ahsaan Ahmed & Law Associates	19.08.2022	18.08.2025	1,001,000	0	1,001,000
5	Federal Board of Revenue	15.01.2021	14.01.2024	7,225,200	4,094,280	3,130,920
6	M/O Information Tech.	01.03.2021	28.02.2024	2,091,534	0	2,091,534
7	Federal Board of Revenue (AEIO Zone)	01.01.2022	31.12.2024	9,907,650	3,508,962	6,398,688
8	Poverty Alleviation	05.02.2020	04.02.2023	88,637,737	37,187,465	51,450,272
9	NCRC	01.09.2020	31.08.2023	7,192,032	3,439,200	3,752,832
<b>Grand Total</b>						<b>81,012,788</b>

Audit observed that Evacuee Trust Property Board did not recover the outstanding rent of Rs.81,012,788 up to 30.06.2023 from above said Federal Ministries/Government Departments located at GT Tower and ET Complex Islamabad.

Audit is of the view that due to negligence of the management of Evacuee Trust Property, Lahore the Government/Board was deprived of the due share of income from properties.

The management did not reply.

Audit recommends recovery of the outstanding rent from the tenants.

### 31.5.5 Non-completion of geo-mapping of ETP properties

Section 4(1) of the Evacuee Trust Properties (Management and Disposal) Act, (No. XIII) 1975 states that general supervision and control of all evacuee trust

shall, subject to any directions that may be given by the Federal Government, vest in the Board, and Board shall take such action as it deems fit for the proper management, maintenance, and disposal of such property in accordance with provisions of this Act and the rules, scheme or directions made or issued there under.

ETPB in its 331st Board meeting held on 30-09-2020 approved the proposal of Surveyor General of Pakistan amounting to Rs. 28 million for the geo-mapping of ET properties with completion period of 06 months. A contract agreement for execution of the project was signed on 19-10-2020 between ETPB & Survey of Pakistan.

Audit observed as under:

- i. The implementation period of the project in the contract was mentioned one year in contradiction to the time allowed by the Board of 06 months.
- ii. Despite making payment of Rs. 28 million to the Survey of Pakistan, as approved by the Board in its 340th meeting, the task could not be completed till today.
- iii. Being part of the contract, an android application was also developed to take pictures and location of the property but no progress on its implementation was on record.

Audit is of the view that (i) signing of contract agreement for a period of one year in contradiction to the directions of the Board; (ii) clearance of full payment of contract amount without completion of the task; (iii) non implementation of the Android application to attach the image and location of the property is gross negligence on part of the management.

The management did not reply.

Audit recommends that the process may be completed as per the agreement signed, especially implementation of the Android application to attach the image and location of the property.

### **31.5.6 Inefficiency causing increase in encroachments despite SUPARCO reports through satellite imagery**

Section 4(1) of the Evacuee Trust Properties (Management and Disposal) Act, (No. XIII) 1975 states that general supervision and control of all evacuee trust shall, subject to any directions that may be given by the Federal Government, vest in the Board, and Board shall take such action as it deems fit for the proper management, maintenance, and disposal of such property in accordance with provisions of this Act and the rules, scheme or directions made or issued there under.

Clause 2(i) of Scheme of Removal of Encroachments and Demolition of unauthorized structures on the Evacuee Trust Property, 1983 provides that the Chairman, an Administrator, a Deputy Administrator or an Assistant Administrator hereinafter referred to as the unauthorized officer, may order the removal of any encroachment made on or over an Evacuee Trust Property and may also order the demolition of unauthorized structures thereon, whether temporary or permanent”.

ETPB in its 346<sup>th</sup> Board meeting approved the proposal of SUPARCO for satellite-based monitoring of ET assets on a quarterly basis for efficient management of ET Properties for Rs. 170.90 million. Accordingly, an agreement was signed with SUPARCO on 12-08-2022 for implementation of the project.

Audit observed as under:

- i. On implementation of the Satellite monitoring by SUPARCO the encroachments were reduced from 57.1466 Acres (in first quarter December 2022 to February 2023) to 7.008 Acres (in second quarter March to May 2023) i.e. reduced by 82 %.
- ii. The encroachment was again increased to 12.4817 Acres in the third quarter from June to September 2023.
- iii. Actions taken by management on the encroachments reported by SUPARCO were not forthcoming from the record.

Audit is of the view lack of action by ETPB and concerned District Administrator on the encroachment reported by satellite imagery is gross negligence on part of the management.

The management did not reply.

Audit recommends that responsibility may be fixed for non-removal of encroachments as reported by satellite imagery.

**31.5.7 Non recovery of arrear of lease money from the occupants of Agriculture land - Rs. 101.481 million**

Section 24 of the Evacuee Trust Property Board Act, 1975 is reproduced as under:

Any sum due to the Board in respect of any Evacuee Trust Property, which is not paid within thirty (30) days of its having become due, shall be recoverable as arrears of land revenue.

Clause 14 of Scheme for the Lease of Evacuee Trust Agriculture Land, 1975 is reproduced as under:

“The full lease money for the first year shall be payable by the lessee in advance and for subsequent years by the 31<sup>st</sup> of January every year. In case of auction the lease money shall be payable at the fall of hammer and for each subsequent year payable in advance by 31<sup>st</sup> of January”.

The management of the ETPB leased out agriculture land in different districts to different formers for agriculture purposes. Details are as under:

**(Rupees)**

Sr.#	District	Arrear upto June, 2023
1.	Bahawalpur	179,584
2.	Bannu/D.I.Khan	962,012
3.	Bhakkar	1,645,637
4.	Faisalabad	4,268,221
5.	Gujranwala	8,184,724
6.	Gujrat	1,685,737
7.	Hassanabdal	12,404,073
8.	Hyderabad	325,198
9.	Jhang	8,118,021
10.	Kasur	20,371,428
11.	Multan	2,105,601
12.	Okara	2,225,649
13.	Peshawar	32,500,058

14.	Rawalpindi	4,468,241
15.	Sargodha	92,465
16.	Sialkot	1,674,849
17.	Sukkur	270,114
	<b>Total</b>	<b>101,481,612</b>

Audit observed that the management neither extended the lease period nor recovered the rent amounting to Rs.101,481,612 for the period after the expiry of the previous lease.

Audit is of the view that due to non-recovery the Trust Fund was put to loss.

The management did not reply.

Audit recommends recovery of the outstanding lease money.

### **31.5.8 Irregular lease of land of 234 Acres to a single lessee**

Section 7 (f)&(g) of the Evacuee Trust Properties (Management & Disposal) Act 1975 provides constitution of Trust Pool including (f) all profits and income received or derived from any evacuee trust property (g) all rents, and other amounts received, realized or recoverable in respect of evacuee trust property.

Clause 3 of the Scheme for the lease of Evacuee Trust Agricultural Land, 1975 states that:

(1) the lease of the land in rural areas shall be given to the following:

- i. The Cultivator.
- ii. The J&K refugees/ allottee/ lessee.

(2) The proposed lessee under sub-para (1) above may be allowed to retain land upto a maximum of 12 ½ acres provided he:

- i. Does not own more than 4 ½ acres of agricultural land: or
- ii. Who has no tenancy right of 12 ½ acres or more anywhere.

Clause 12(5) of the Scheme for lease of Evacuee Trust Agricultural Land, 1975 states that no person can bid and take on lease rural agricultural land in excess of 12 ½ acres, urban agricultural land in excess of six acres and Banjar land in excess of economic holding with marginal adjustments.

The Chairman ETPB approved to lease agricultural land measuring 234 acres to M/s Pakistan International Agricultural Services (PIAS) (Pvt) Ltd, Lahore @ Rs. 43,000 per acre per annum.

Audit observed as under:

- i. The lease of 234 acres land was offered in violation of the Scheme for the lease of Agricultural Land, 1975.
- ii. The ETP Board approved allowing PMU to lease out the land and retain income derived therefrom in violation of the ETPB Act.

Audit is of the view that lease of 234 acres of agriculture land to a single party is violation of the Scheme 1975. Further giving control over the land to the PMU and receiving the income derived therefrom is irregular.

The management did not reply.

Audit recommends inquiry to fix the responsibility besides deposit of already received income into Trust Pool.

**31.5.9 Loss due to non-recovery of rent from tenant of commercial property measuring 15 kanals 12 marla at Bela Basti Ram, Lahore – Rs. 924.551 million**

Section 24 of the Evacuee Trust Properties (Management & Disposal) Act, 1975 states that any sum due to the Board in respect of any evacuee trust property which is not paid within thirty days of its having become due, shall be recoverable as an arrears of land revenue.

Evacuee Trust Property measuring 15 kanal 12 marlas 189 Sq. ft situated at Bela Basti Ram, Lahore was leased out to Mr. Amir Abdullah Khan Rokhari for period of 33 years on 26-07-1966 extendable for a further period of 99 years. The lease period was extended w.e.f. 30-07-1999 to 29-07-2032 in favour of Mst. Zeenat Amir Khan Rokhri widow of Amir Abdullah Khan Rokhari (late).

The amount of Rs. 924,551,383 was outstanding against the lessee as on 30-08-2023. The detail of arrear is

From	To	No of Months	Monthly Rent	Total Rent	Annual Increase
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01.08.1999	30.06.2002	35	1,094,940	38,322,900	
01.07.2002	30.06.2005	36	1,423,422	51,243,192	30 % Increased
01.07.2005	30.06.2006	12	1,850,449	22,205,383	30 % Increased
01.07.2006	30.06.2007	12	1,998,484	23,981,814	8 % Increased
01.07.2007	30.06.2008	12	2,158,363	25,900,359	8 % Increased
01.07.2008	30.06.2009	12	2,331,032	27,972,388	8 % Increased
01.07.2009	30.06.2010	12	2,517,515	30,210,179	8 % Increased
01.07.2010	30.06.2011	12	2,718,916	32,626,993	8 % Increased
01.07.2011	30.06.2012	12	2,936,429	35,237,152	8 % Increased
01.07.2012	30.06.2013	12	3,171,344	38,056,125	8 % Increased
01.07.2013	30.06.2014	12	3,425,051	41,100,615	8 % Increased
01.07.2014	30.06.2015	12	3,699,055	44,388,664	8 % Increased
01.07.2015	30.06.2016	12	3,994,980	47,939,757	8 % Increased
01.07.2016	30.06.2017	12	4,314,578	51,774,937	8 % Increased
01.07.2017	30.06.2018	12	4,659,744	55,916,932	8 % Increased
01.07.2018	30.06.2019	12	5,032,524	60,390,287	8 % Increased
01.07.2019	30.06.2020	12	5,435,126	65,221,510	8 % Increased
01.07.2020	30.06.2021	12	5,869,936	70,439,231	8 % Increased
01.07.2021	30.06.2022	12	6,339,531	76,074,369	8 % Increased
01.07.2022	30.06.2023	12	6,846,693	82,160,319	8 % Increased
01.07.2023	30.08.2023	2	7,394,429	14,788,857	8 % Increased
<b>Total payable</b>				<b>935,951,963</b>	
<b>Amount paid by lessee</b>				<b>11,400,580</b>	
<b>Outstanding amount</b>				<b>924,551,383</b>	

Audit observed that ETP did not recover the outstanding rent of Rs.924.551 million from the tenant.

Audit is of the view that due to non-recovery of lease money, the ETPB was deprived of its due revenue of Rs. 924.551 million.

The management did not reply.

Audit recommends that recovery of outstanding lease money may be made and verified from audit.

#### **31.5.10 Non-recovery of monthly rent from Dr. AQ Khan Hospital Trust – Rs. 11.214 million**

Section 4(1) of the Evacuee Trust Properties (Management and Disposal) Act, (No. XIII) 1975 states that general supervision and control of all evacuee trust shall, subject to any directions that may be given by the Federal Government, vest

in the Board, and Board shall take such action as it deems fit for the proper management, maintenance, and disposal of such property in accordance with provisions of this Act and the rules, scheme or directions made or issued there under.

ETPB entered into an agreement with Dr. A.Q.Khan Hospital Trust and lease out land measuring 15 kanals 3 marlas for a period of 30 years with the construction period of 03 years. Rent after construction due as per agreement (50% of rate of category B of Clause 18-B) was as under:

Floor	Covered Area	Rate	Rent per month
Basement	28796	1	28796
Lower Ground Floor	28796	2.25	64791
Upper Ground Floor	30059	2.25	67632.75
First Floor	28116	1.5	42174
Second Floor	28068	1	28068
Third Floor	29835	0.5	14917.5
Mumty	4837	0.5	2418.5
<b>Total</b>	<b>178507</b>		<b>248797.75</b>

Monthly rent amounting to Rs. 11,214,162 was recoverable with 8% annual increase from the Hospital Trust as detailed below:

Period	Rent	Amount (Rs)
11-04-2020 to 30-06-2020	248798 x 3	746,394
01-07-2020 to 30-06-2021	268702 x 12	3,224,424
01-07-2021 to 30-06-2022	290,198 x 12	3,482,376
01-07-2022 to 30-06-2023	313,414 x 12	3,760,968
	<b>Total:</b>	<b>11,214,162</b>

Audit observed that the monthly rent amounting to Rs. 11,214,162 was not being recovered with an 8% annual increase from the Hospital Trust.

Audit is of the view that non-recovery of the monthly rent has deprived ETPB of its due receipt.

The management did not reply.

Audit recommends recovery of outstanding rent from the lessee.

### 31.5.11 Non-establishment of Pension Fund

Para 16(1) of Evacuee Trust Property Board (Pension) Regulations requires that there shall be a fund consisting of contribution made by the Board to be called the Trust Property Pension Fund out of which all pension and gratuities shall be payable to its employees.

The management of ETPB Lahore made payment on account of Pension during the financial year 2019-23 as under:

Year	Allocation Rs. million		Payment Rs. million	
	Gratuity	Pension	Gratuity	Pension
2019-20	50.030	161.168	42.991	158.995
2020-21	27.546	184.951	22.223	176.690
2021-22	30.350	194.861	29.810	194.225
2022-23	93.000	247.413	92.955	247.198
<b>Total</b>	<b>200.926</b>	<b>788.393</b>	<b>187.979</b>	<b>777.108</b>

Audit observed as under:

- i. The management did not create a Pension Fund to deposit the amount of monthly contribution of the employees.
- ii. The management got approved its annual budget for pension from the ministry and made payments there against.
- iii. The controlling Ministry and FA Organization did not pinpoint the irregularity since the approval of Pension Rules in 1979 up to 2023.

Audit is of the view that the payment of pension through budget allocation was a violation of the approved Pension Rules.

The management did not reply.

Audit recommends creation of Pension Fund by calculating the monthly contribution from 1979 to 2023 and deducting the yearly amount of pension paid. Further payment should be made from the Pension Fund.