

SENATE SECRETARIAT

“QUESTIONS FOR ORAL ANSWERS AND THEIR REPLIES”

to be asked at a sitting of the Senate to be held on

Thursday, the 6th February, 2014

DEFERRED QUESTIONS

(i) Questions Nos. 72 and 86 Originally set down for answering on 17th December,
2013 (99th Session)

(ii) Questions Nos. 23 and 24 Originally set down for answering on 8th January,
2014 (100th Session)

72. ***Mr. Saleem H. Mandviwalla:** (Notice received on 18-11-2013 at 12:20 pm)

Will the Minister for Planning and Development be pleased to state:

- (a) *whether it is a fact that the Central Development Working Party (CDWP) has recently approved seven projects in the energy, water resources, manpower, higher education, technology and social welfare sectors, if so, the details thereof and*
- (b) *the criteria / procedure adopted for the selection and approval of the said projects?*

Reply not received.

86. ***Mrs. Khalida Parveen:** (Notice received on 25-11-2013 at 02:55 pm)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state the mechanism devised by the Government for promotion of educational and economic interests of backward classes and areas of the country during the last five years in pursuance of Article 37 of the Constitution of the Islamic Republic of Pakistan?

Reply not received.

23. ***Mr. Saleem H. Mandviwalla:** (Notice received on 11-12-2013 at 08:00 pm)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to refer to Senate question No. 12 replied on 4th December, 2013 and state:

- (a) *the total amount of outstanding tax refund for the current fiscal year; and*

(b) *the reasons for downward slide in tax refund during the first quarter of the current fiscal year as compared to the corresponding period of the last year?*

Mr. Muhammad Ishaq Dar: (a) The amount of outstanding sales tax refund claims for the current fiscal year is Rs. 4,502 million. However, the actual total outstanding amount of sales tax refund claims is Rs. 95,709 million, which includes claims pertaining to the period prior to the current fiscal year, outstanding for different reason's such as incomplete documents, objections, required verifications, etc.

The amount of outstanding Income Tax refunds for the current fiscal year is Rs. 7,537 million, while total outstanding Income Tax claims is Rs. 87,331 million.

Due to elimination of zero rating on local supplies, of the five export oriented sectors and strict checking of claims by bogus claimants, the number and amount of refund claims against local supplies has declined in the current, fiscal year.

It is also pertinent to mention that, all refund claims are being processed, sanctioned and paid strictly in queue, *i.e.* first come first served basis.

(b) As per reconciled figures, the refund payments are higher by 9.5% during first quarter. of FY 2013-14 as compared to the corresponding, period last year.

24. ***Mr. Saleem H. Mandviwalla:** (Notice received on 11-12-2013 at 08:00 pm)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state:

(a) *the title of SROs which have been rationalized by the present Government to enhance the tax revenue for the current financial year;*

(b) *the differential tax revenue for the said SROs, separately;*

(c) *the title of SROs which are valid / operational at present; and*

(d) *the number of SROs under deliberation to be rationalized?*

Mr. Muhammad Ishaq Dar: (a) INLAND REVENUE.

Reply is **Annexed-A.**

CUSTOMS

No Customs SRO has been rationalized by the present Government with the aim to enhance the tax revenue for the current financial year. However, pursuant to announcement by the Finance Minister during budget speech 2013-14, a committee has been constituted to review the concessionary regime and finalize the plan by December, 2013. The plan, after approval of the Government, will be implemented in a phased manner.

(b) INLAND REVENUE

Reply is **Annexed-B**

CUSTOMS

As already replied, no SRO has been rationalized by the present government to enhance tax revenue, hence, no differential tax revenue is involved.

(c) INLAND REVENUE

Reply is **Annexed-C**

CUSTOMS

At present 65 Customs SROs are valid / operational. The List containing title of SROs is attached at **Annex-D**. These SROs have been issued from time to time to give effect to various government policies / decisions / initiatives undertaken during the period 1973 till to date.

(d) INLAND REVENUE

Certain principles have been formulated on the basis of which a number of categories of SROs issued from time to time are planned to be deleted/rationalized over a period of three years. Thus, as the process has just started, there are no SROs under deliberation, and shall be considered on a case-to case basis according to the formulated principles.

CUSTOMS

The committee has been tasked to review all customs concessionary SROs.

(Annexures have been placed on the Table of the House as well as Library.)

16. ***Syeda Sughra Imam:** (Notice received on 19-11-2013 at 09:35 am)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state:

- (a) *whether it is a fact that 19,000 US/NATO/ISAF containers were found missing from Karachi port a few years ago, if so, the details thereof*
- (b) *the details of items in the said containers; and*
- (c) *whether any US/NATO/ISAF container coming to Karachi port carry weapons / arms / ammunitions, if so, the details thereof?*

Mr. Muhammad Ishaq Dar: (a) Briefly stated, a Media report appeared in August, 2013 that DG Rangers has submitted in the Honorable Supreme Court of Pakistan that 19,000 container had gone missing a few years ago.

The Honorable Supreme Court *vide* order dated 30-08-2013 in the Suo Moto case No.16/2011(Case regarding law & order situation in Karachi) set up One Man Commission to enquire, *inter alia*, into the smuggling of arms and ammunition in Karachi.

The One Man Commission submitted its report on 10-09-2013. The Commission has concluded that no consignment or container imported by the US Army, NATO and ISAF Forces was found missing. The shipping companies responsible for transportation of containerized and loose cargo of US Army, NATO and ISAF forces to destinations in Afghanistan had also not filed any claim against the transporters in the court of law. The US Embassy in Pakistan has also confirmed this and refuted the allegation that the containers imported for forces in Afghanistan had been pilfered or consumed in Pakistan.

The Commission has also stated that the law enforcement agencies *i.e.* IB, Police, Rangers, PCG & MSA have confirmed that neither they have received any information nor any information was passed to Pakistan Customs regarding smuggling of foreign origin arms & ammunition including the imports made in transit for forces in Afghanistan.

(b) Not applicable in the light of above explanation.

(c) In terms of Memorandum of Understanding (MoU), signed between the Islamic Republic of Pakistan and the United States of America on 31-07-2012, arms, ammunition and hazardous materials cannot be imported into Pakistan for transit to Afghanistan. This restriction is being enforced.

17. ***Syeda Sughra Imam:** (Notice received on 22-11-2013 at 09:15 am)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state that whether there is any proposal under consideration of the Government to privatize some Public Sector Enterprises, if so, its details?

Reply not received.

18. ***Syeda Sughra Imam:** (Notice received on 25-11-2013 at 09:00 am)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state the steps taken by the Government to counter or prevent cyber attacks or infiltration from other countries?

Reply not received.

19. ***Mr. A. Rehman Malik:**(Notice received on 09-12-2013 at 00:00)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state the value and denomination of the Pak currency notes printed by the Government during the last six months?

Mr. Muhammad Ishaq Dar: The denomination wise value of printing of Pak currency notes during the period from July to December, 2013 is as under:

Value in Billion (PKR)	Denomination
5	10
2	20
5	50
18	100
55	500
142	1000
105	5000
Total	332

20. ***Mr. Saleem H. Mandviwalla:** (Notice received on 12-12-2013 at 10:30 am)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to refer to the Senate starred question No. 11, replied on 4th December, 2013 and state:

- (a) whether the tax / revenue target for the first quarter of 2013-14 has been adjusted for the new tax structure;*
- (b) whether it is a fact that against the target of tax / revenue collection of Rs.509 billion for the said quarter, 95% has been collected, if so, whether this target is under the new tax structure;*
- (c) the target of tax revenue for the current fiscal year as per the revised tax structure;*

(d) *the present tax net for the current fiscal year and its comparison with the preceding fiscal year; and*

(e) *the measures being adopted by the Government to increase the said net?*

Mr. Muhammad Ishaq Dar: (a) FBR revenue target for the first quarter of CFY (2013-14) was Rs. 509 billion as fixed at the time of announcement of federal budget 2013-14. There is no change in the tax structure as yet.

(b) FBR has achieved the revenue target of Rs. 509 billion by 93.4% during first quarter of CFY. Taxation structure is the same without any revision as yet.

(c) The tax revenue target fixed for CFY is Rs. 2,475 billion as announced at the time of federal budget 2013-14.

(d) Reply at part (e) below.

(e) A fresh initiative to expand the tax net has been launched by the government during the current financial year. For this purpose data collected through third party sources such as purchase of immovable property, purchase of motor vehicles, educational institution fees, utility bills, sales tax invoices etc is being used to identify potential taxpayers. So far notices requiring filing of return have been issued to 61,246 potential taxpayers during current financial year. The government aims to bring 100,000 new potential taxpayers in the net during the current financial year and an additional 100,000 in each of the following two years.

21. ***Mr. Saleem H. Mandviwalla:** (Notice received on 12-12-2013 at 10:30 am)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state:

(a) *the steps taken / being taken by the Government to facilitate the FBR to access the bank accounts of non-filers of tax returns as provided in section 165-A of the Income Tax Ordinance, 2001; and*

(b) *the estimated tax revenue target to be achieved through the said measure?*

Mr. Muhammad Ishaq Dar: (a) “Banking Companies Reporting Requirements Rules” in the Income Tax Rules, 2002 have been notified *vide* SRO 1035(I)/2013 dated 05-12-2013. However, due to litigation and stay orders granted by Courts (Lahore High Court Lahore and Sindh High Court Karachi), FBR is unable to access the bank accounts of non-filers.

(b) The said provision has been stayed by the Lahore High Court. It is therefore premature/ impossible to predict any revenue target without actual application of this provision.

22. ***Mr. Saleem H. Mandviwalla:** (Notice received on 16-12-2013 at 07:00 pm)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state:

- (a) the growth rate target fixed for the first quarter of the current financial year; and*
- (b) the growth rate achieved during the said quarter and its comparison with the growth rate achieved during the same period of the preceding financial year?*

Mr. Muhammad Ishaq Dar: (a) The first quarter target of CFY was fixed at Rs. 509 billion and the required growth rate was 23.9%.

(b) The growth rate achieved during the first quarter of 2013-14 was 16%, as compared to 8% growth rate recorded during the same period of preceding financial year.

23. ***Mr. Muhammad Humayun Khan:** (Notice received on 26-12-2013 at 04:50 pm)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state:

- (a) the amount (in US dollars) received by the Government of Pakistan from IMF from June 2012 to November 2013;*
- (b) the amount (in US dollars) paid back by the Government to IMF during the said period; and*
- (c) the details of remittances received from the Overseas Pakistanis during that period?*

Mr. Muhammad Ishaq Dar: (a) From June 2012 to November 2013, Government received a total US \$ 544.5 Million under the Extended fund Facility.

(b) From June 2012 to November 2013, Government paid a total of US \$ 4706.4 Million to the IMF.

(c) Home Remittances of US \$ 21,445.9 million were received from Overseas Pakistanis during June 2012 to November 2013, witnessing a growth of 5.78% over the same period (June 2011 to November 2012)- (Table below).

June 2012 to
Nov 2013

June 2011 to
Nov 2012

Home Remittances	21,445.90	20,273.23
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24. ***Mr. Karim Ahmed Khawaja:** (Notice received on 30-12-2013 at 11:00 am)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state the number of persons working in the State Bank of Pakistan with grade-wise and province-wise break-up?

Mr. Muhammad Ishaq Dar: Total number of persons working in the State Bank of Pakistan (SBP) as on 31st December, 2013, is 1323 (1191 Officers + 1323 Staff).

Grade-wise and Province-wise break-up is as follows:

25. ***Mr. Muhammad Talha Mehmood:** (Notice received on 31-12-2013 at 09:30 am)

Will the Minister for Planning and Development be pleased to state the details of projects presently lying with the Planning Commission of Pakistan for approval indicating also the names of the Ministries/ Divisions which submitted those projects and the time by which the same will be approved?

Mr. Ahsan Iqbal: (i) 38 Projects received during December 1, 2013 - 15th January, 2014 are under process of scrutiny and appraisal before submission to the Central Development Working Party (CDWP) for approval/recommendation to the ECNEC due to higher cost (exceeding Rs. 1.00 billion) falling in the sanctioning powers of ECNEC. These projects were forwarded by Government of Sindh (1); Ministry of National Food Security (2); Kashmir Affairs & Gilgit Baltistan Division (10); Economic Affairs Division (1); Ministry of Education &

Training (1); Ministry of Inter Provincial Coordination (1); Aviation Division (1); PAEC (3); Water & Power Division (6); Ministry of Planning, Development & Reform (1); HEC (2); Cabinet Division (1); Law Justice & Human Rights Division (1); Ministry of Science & Technology (4); Defence Division (2) and Federal Flood Commission (1). These projects relate to Agriculture & Food, Culture Sports & Tourism, Education, Environment, Energy, Governance, Health, Higher Education, Manpower, Physical Planning & Housing, Science & Technology, Transport & Communications and Water Resources sectors.

(ii) At present, 24 projects are pending for consideration & approval by the Executive Committee of the National Economic Council (ECNEC) costing over Rs. 1000 million. These projects relate to Govt. of Sindh (3); Govt. of Khyber Pakhtunkhwa (1); Govt. of Balochistan (1); Kashmir Affairs & Gilgit Baltistan Division (3); Ministry of Education & Training (2); PAEC (1); Water & Power Division (11); National Health Services Division (1) and Communications Division (1). These projects fall in category of Agriculture & Food, Energy, Health, Nutrition, Transport & Communications and Water Resources sectors.

(iii) Approval of the development projects is a continuous process. The schemes submitted by Ministries/Division and Provincial Governments are appraised and placed before competent approving forum depending on cost of the project. Therefore, a cut off date cannot be given by which all of the projects pending for CDWP and ECNEC will be approved. However, efforts are made to ensure minimum possible time.

26. ***Mr. Muhammad Talha Mehmood:** (Notice received on 31-12-2013 at 09:30 am)

Will the Minister for Planning and Development be pleased to state:

- (a) *the main functions of the Planning Commission of Pakistan;*
- (b) *the details of plans and projects prepared / approved by the said Commission during the last five years indicating also the present status in each case; and*
- (c) *the procedure laid down for preparation and approval of the said projects and plans?*

Mr. Ahsan Iqbal: (a) Planning Commission/Planning, Development & Reform Division prepares comprehensive National Plan for Economic and Social Development of the country and within this framework an Annual Plan and Annual Development Program as part of its assigned major functions under the Rules of Business. Details are at Annex-I.

(b) List of projects approved by the CDWP during last five years is placed at Annex-II. (F/A and F/B).

(c) The ECNEC approved guidelines (from time to time) to streamline procedure for project preparation, submission to Planning Commission and final approval by the CDWP/ECNEC depending on volume of cost of each project. Existing guidelines for project

approval were considered and approved by the ECENC in its meeting held on April 24, 2000. Salient feature are at Annex-III.

(Annexures have been placed on the Table of the House as well as Library.)

27. ***Col. (R) Syed Tahir Hussain Mashhadi:** (Notice received on 31-12-2013 at 09:50 am)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state:

- (a) whether it is a fact that percentage of taxes for registered taxpayers has been increased during the last five fiscal years, if so, the details of increase with years-wise break-up and its reasons; and*
- (b) the steps being taken by the Government to rationalize the percentage of taxes for them?*

Mr. Muhammad Ishaq Dar: (a) FBR collects Sales Tax, Customs Duty, Federal Excise Duty and Income Tax. Rates of Sales Tax have remained in the range of 16% to 17% during the last five year whereas general rates of Federal Excise Duty have remained @ 15%. Likewise, rates of income tax have not been increased and in fact threshold of income chargeable to income tax has been increased to provide relief to the lower income groups. Some adjustments in the rates of Income Tax, however, have been made to rationalize the rates.

(b) As submitted above, there has been no increase in rates of three domestic taxes under the purview of FBR. However, a resume of rates of these taxes is given hereunder:

(i) Breakup of rates of Sales Tax during the past five years:

July-2013 to date	17%
July-2011 to June-2013	16%
July-2010 to June-2011	17%
July-2008 to June-2010	16%

(ii) General rate of Federal Excise Duty has remained @ 15% during the last five years.

(iii) The following income in the cases of individual taxpayers has been exempt from tax during the past five years:

Tax year	Basic exemption in cases of business individual	Basic exemption in cases of salaried individual
2009	100,000	200,000

2010	100,000	200,000
2011	300,000	300,000
2012	350,000	350,000
2013	400,000	400,000

Highest rates of tax in cases of business individuals and salaried individuals have remained @ 25% and 20% respectively during the past five years.

(iv) Income Tax rates in cases of companies have remained unchanged @ 35% during the last five years and in fact from the next year these are applicable @ 34% as amended through Finance Act, 2013.

28. ***Mr. Muhammad Humayun Khan:** (Notice received on 01-01-2014 at 09:30 am)

Will the Minister for Planning and Development be pleased to state the amount released against the approved allocations for the PSDP projects during the current financial year with month-wise break-up?

Mr. Ahsan Iqbal: The federal PSDP has two components *i.e*

- i. Rupee Component and
- ii. Foreign Aid.

The Ministry of Planning, Development & Reform releases/authorizes funds against the rupee component only which are then released by Finance Division/AGPR through a sanction. The detail of month-wise releases during current financial year is given below:

<i>Month</i>	<i>(Rs million)</i> <i>Release Authorized</i>
July, 2013	14,508.114
August, 2013	6,750.974
September, 2013	31,523.983
October, 2013	23,876.591
November, 2013	31,437.097
December, 2013	15,288.415
January, 2014*	4,531.140
Total	127,916.314

*As on 10-01-2014

29. ***Mr. Muhammad Humayun Khan:** (Notice received on 03-01-2014 at 09:30 am)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state:

- (a) *the amount paid as annual contribution by the Government of Pakistan to various international organizations since 2000; and*

(b) the value in monetary terms of benefits or assistance received from the said organizations during that period?

Mr. Muhammad Ishaq Dar: (a)

30. ***Mr. Muhammad Talha Mehmood:** (Notice received on 09-01-2014 at 10:00 am)

Will the Minister for Science and Technology be pleased to state:

- (a) *the year in which the last audit of accounts of Pakistan Engineering Council (PEC) was conducted; and*
- (b) *whether any irregularity was surfaced in the report of the said audit, if so, the details thereof and the action taken in the light of that report?*

Mr. Zahid Hamid: (a) As per section 24(3) of PEC Act 1976, the audit of accounts of PEC (up-to 30th June 2013) was conducted by the Chartered Accountants firm named M/s J.A.S.B & Associates in 2013.

(b) No irregularity was pointed out by the said Auditors in their Audit Report dated November 18, 2013.

31. ***Col. (R) Syed Tahir Hussain Mashhadi:** (Notice received on 20-01-2014 at 08:15 pm)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state:

- (a) *the amount of external public debt of the country as of 15 December, 2013; and*
- (b) *the amount of foreign currency reserves of the country on the said date?*

Mr. Muhammad Ishaq Dar: (a) The amount of external public debt of the country as on 15th December, 2013 was US\$47,962 million.

(b) The total amount of foreign currency reserves of the country as on 16th December, 2013 (15th December, 2013 being holiday) was \$8,444 million.

32. ***Mrs. Kalsoom Parveen:** (Notice received on 21-01-2014 at 02:00 pm)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state:

- (a) *the amount of grants, donations and soft loans received from various countries from 1st July to 30th December, 2013, indicating also the details of projects on which the same have been utilized with province-wise breakup; and*

(b) *the amount received from international donors for health and education sector in the country during the said period indicating also details of projects / programmes for which the same was received?*

Mr. Muhammad Ishaq Dar: (a) The Country-wise status of various projects is as under:—

33. ***Mr. Saeed Ghani:** (Notice received on 21-01-2014 at 02:05 pm)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state:

- (a) *the names, place of domicile, expertise / field of experience of the present Members of Privatization Commission indicating also the names and addresses of their business; and*
- (b) *whether any of the said member individually or being member of a consortium has / had participated in bidding process / applied for privatization of any unit in the past, if so, their names?*

Reply not received.

ISLAMABAD :
The 4th February, 2014.

AMJED PERVEZ,
Secretary.