



YEAR BOOK 2007-2008



**GOVERNMENT OF PAKISTAN
MINISTRY OF FINANCE
REVENUE DIVISION
ISLAMABAD**

Fiscal Research and Statistics (FR&S) Wing, FBR

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Our Vision

To be Modern, Progressive, Effective, Autonomous and Credible Organization for Optimizing Revenue by Providing Quality Service and Promoting Compliance with Tax and Related Laws.

Our Mission

Enhance the Capacity of the Tax System to Collect Due Taxes through Application of Modern Techniques, Providing Taxpayer Assistance and by Creating a Motivated, Satisfied Dedicated and Professional Workforce

Our Values

*Integrity
Professionalism
Teamwork
Courtesy
Fairness
Transparency
Responsiveness*

Foreword

The Federal Board of Revenue collected taxes amounting to Rs.1007.2 billion during 2007-08, thus crossing the barrier of one trillion rupees. This achievement is indicative of taxpayers' confidence in improved tax structure and tax administration.

The current edition of Revenue Division's Year Book, presents analysis of tax revenues vis-à-vis assigned targets for 2007-08. An update on the Human Resource Management (HRM) initiatives in FBR has also been included in this issue. A Month-to-Month Collection of all the individual taxes for 2007-08 and 2006-07 has also been presented in the appendix.

I commend the efforts of Fiscal, Research & Statistics (FR&S), Wing, FBR for compilation of Revenue Division's Year Book 2007-08.

(Ahmad Waqar)
Secretary Revenue Division/ Chairman, FBR

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Chapter 1

The Structure of the Revenue Organization

The Revenue Division, in its present shape, has a checkered history of its establishment. The Central Board of Revenue (CBR) was created on April 01, 1924 through enactment of the CBR Act, 1924. In 1944, a full-fledged Revenue Division was created under the Ministry of Finance. After independence, this arrangement continued up to 31st August 1960 when on the recommendations of the Administrative Re-organization Committee, CBR was made an attached department of the Ministry of Finance. In 1974, further changes were made to streamline its functions. Consequently, the post of Chairman, CBR was created with the status of ex-officio Additional Secretary and Secretary Finance was relieved of his duties as ex-officio Chairman of the CBR.

To remove further impediments in the exercise of administrative powers of a Secretary to the Government, and effective formulation and implementation of fiscal policy measures, the status of the Revenue Division was restored under the Ministry of Finance on October 22, 1991. It was abolished in January 1995, and CBR reverted back to the pre-1991 position. However, it was again re-established on December 01, 1998. The Revenue Division continues to exist since then. In the wake of restructuring of its functions, CBR has adopted new Act under which it has been renamed as Federal Board of Revenue (FBR) since July 2007.

Functions of Revenue Division/ FBR

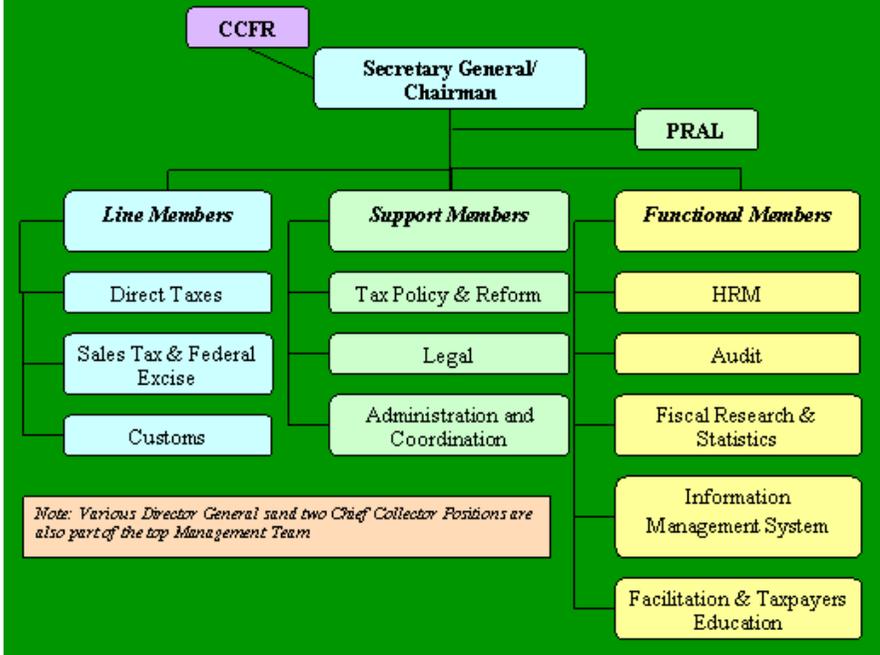
In the existing setup, the Chairman, FBR, being the executive head of the Board as well as Secretary of the Revenue Division has the responsibilities of:

- Formulation and administration of taxation policy;
- Levy and collection of federal taxes;
- Quasi-judicial function of hearing of appeals;
- Enter into double-taxation treaties with other countries;
- Liaise with all Ministries as well as Chambers of Trade and Industry; and
- Provide an up-date on FBR activities to the President and the Prime Minister of Pakistan.

Organizational Set-up

In the present setup, the Secretary, Revenue Division/ Chairman, FBR is assisted by the three *Line Members* (one each for Direct Taxes, Sales Tax and Federal Excise Duties, and Customs), three *Support Members* (Legal, Tax Policy and Reforms, and Administration and Coordination); and five *Functional Members* (Human Resource Management, Information Management System, Audit, Facilitation and Taxpayers' Education, and Fiscal Research and Statistics). Besides this top tier, senior management also includes various Director General and two Chief Collector positions.

Organizational Structure of FBR





FBR Chairman, Mr. Ahmad Waqar addressing the conference of Directors General of Large Taxpayers, Units & Regional Tax Offices, in Islamabad on August 13, 2008

The names of Secretaries/ Ex-officio Chairmen, full time Chairmen and Secretary General Revenue Division/ Chairmen, who headed the Revenue Division/ CBR/FBR from August 14, 1947 onwards, are presented below for ready reference.

Finance Secretaries/ Ex-Officio Chairmen, CBR

1)	Sir Victor Turner	14.08.1947	01.02.1950
2)	Mr. Abdul Qadir	01.02.1950	25.02.1952
3)	Mr. Mumtaz Hasan	25.02.1952	01.11.1958
4)	Mr. H. A. Majid	01.11.1958	29.07.1960
5)	Mr. M. Ayub	29.07.1960	19.06.1961
6)	Mr. Mumtaz Mirza	19.06.1961	06.03.1963
7)	Mr. M. M. Ahmed	06.03.1963	30.05.1966
8)	Mr. Ghulam Ishaq Khan	31.05.1966	08.09.1970
9)	Mr. A.G.N. Kazi	08.09.1970	10.10.1971

Chairmen, CBR

1)	Mr. M. Zulfiqar	11.10.1971	17.11.1973
2)	Mr. Riaz Ahmad	17.11.1973	30.09.1974
3)	Mr. M. Zulfiqar	01.10.1974	12.11.1975
4)	Mr. N.M. Qureshi	12.11.1975	14.12.1980
5)	Mr. Fazlur Rahman Khan	14.12.1980	11.08.1985
6)	Mr. I.A. Imtiaz	11.08.1985	20.08.1988
7)	Syed Aitezazuddin Ahmed	20.08.1988	02.01.1989
8)	Mr. Ghulam Yazdani Khan	22.01.1989	11.08.1990
9)	Mr. Ahadullah Akmal	16.08.1990	24.07.1991
10)	Mr. Sajjad Hasan	24.07.1991	03.10.1991

Secretary Revenue Division/ Chairmen, CBR

1)	Mr. Sajjad Hasan	03.10.1991	03.11.1992
2)	Mr. M. Mubeen Ahsan	03.11.1992	03.05.1993
3)	Qazi M. Alimullah	03.05.1993	17.07.1993
4)	Mr. Javed Talat	26.07.1993	01.07.1994
5)	Mr. A.R. Siddiqi	11.07.1994	11.01.1995

Chairmen, CBR

1)	Mr. Alvi Abdul Rahim	13.07.1995	28.08.1996
2)	Mr. Shamim Ahmed	28.08.1996	11.11.1996
3)	Mr. Hafeezullah Ishaq	11.11.1996	02.01.1998
4)	Mr. Moinuddin Khan	02.01.1998	06.11.1998

Secretary Revenue Division/ Chairmen, CBR/ FBR

1)	Mian Iqbal Farid	07.11.1998	06.11.1999
2)	Mr. Riaz Hussain Naqvi	08.11.1999	02.07.2001
3)	Mr. Riaz Ahmad Malik	03.07.2001	11.03.2004
4)	Mr. M. Abdullah Yusuf	12.03.2004	14.06.2006
5)	Mr. Ahmad Waqar	23.07.2008	To Date

Secretary General Revenue Division/ Chairman, CBR/ FBR

1)	Mr. M. Abdullah Yusuf	14.06.2006	23/07/2008
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Chapter 2

FBR Revenue Collection vis-à-vis Target

FBR Revenue Collection Relative to Target

The collection of federal tax revenues has increased significantly in the recent years. The fiscal year 2007-08 has been a historic one as the FBR tax revenues exceeded one trillion rupees mark. The economy has encountered serious shocks like large scale load shedding, political unrest and higher inflation. Start-of-the-year challenging target of Rs. 1,025 billion was assigned to FBR and the required overall growth was 21% over the collection of Rs. 847.2 billion during FY: 06-07. However, target was revised downward to one trillion rupees for 2007-08.

Despite serious shocks to the economy, the tax collection has increased by a robust growth of 18.9% during 2007-08. Unfortunately, political unrest, load shedding and spiraling prices have affected the manufacturing sector and general consumers at large. Resultantly; revenue realization efforts have seriously been affected. Thus, the revenue target was revised downward to Rs. 1,000 billion. However, in spite of these adversaries, FBR has been able to successfully cross the psychological mark of one trillion rupees at the end of the year, by collecting Rs. 1007.2 billion. It is encouraging that the target achievement has been broad-based as all the four taxes have achieved their respective revised targets (Table 1).

**Table 1: A Comparison of Collection vis-à-vis
Original and Revised Targets 2007-08**

(Rs. Billion)

Tax Heads	Original Targets	Revised Targets	Collection: 07-08	Difference from Revised Targets	
				Absolute	Percent
Direct Taxes	405.0	385.0	387.5	2.5	0.7
Sales Tax (GST)	382.0	375.0	376.9	1.9	0.5
Federal Excise	98.0	92.0	92.2	0.2	0.2
Customs Duties	140.0	148.0	150.6	2.6	1.7
All Taxes	1025.0	1,000.0	1,007.2	7.2	0.7

Source: FBR Data Bank

Revenue Collection in FY: 07-08 Vis-à-Vis FY: 06-07

A comparison of net collection for FY: 07-08 and FY: 06-07 confirms a healthy growth of 18.9% in federal receipts (Table 2). In fact, an increase of Rs. 160 billion over last year collection has been the largest in the history of Pakistan. This increase (in absolute terms) exceeds the previously recorded highest collection of Rs. 134 billion during FY: 06-07. The performance of all the taxes has been vibrant ; federal excise registering a robust growth of 28.4% followed by sales tax 21.8%. The direct taxes and customs duty have also recorded healthy growths of 16.1% and 13.8% respectively.

The substantial growth in the tax revenues could not keep pace with tax revenue to GDP ratio, that declined from 9.7% in FY: 06-07 to 9.6% in FY: 07-08. This was mainly due to higher growth in the GDP(mp) than the revenue collection.

**Table 2: A Comparison of Net Collection
in FY: 07-08 vis-à-vis FY: 06-07**

(Rs. Billion)

Heads	Collection		Difference	
	FY: 07-08	FY: 06-07	Absolute	Percent
Direct Taxes	387.5	333.7	53.7	16.1
Sales Tax (GST)	376.9	309.4	67.5	21.8
Federal Excise	92.2	71.8	20.4	28.4
Customs Duties	150.6	132.3	18.3	13.8
All Taxes	1,007.2	847.2	160.0	18.9

Source: FBR Data Bank

Head-Wise Analysis

As indicated earlier, that the revised target of Rs. 1000 billion has been surpassed by FBR. All the four taxes have achieved their respective targets together with achievement of double digit growth in collection during FY: 07-08. The head-wise analyses is as under:

Direct Taxes: The direct taxes have emerged the major source of federal tax revenues since 2006-07 by contributing 38.7% of total receipts during FY: 07-08. The net collection has been Rs. 387.5 billion against the annual target of Rs. 385 billion. An amount of Rs. 25.8 billion refunds have been paid back to the taxpayers as against Rs. 32.2 billion paid during FY: 06-07. The income tax is the major contributor in direct taxes with 94% share. The remaining portion has been

contributed by capital value tax, workers' welfare fund and workers' participatory fund.

There are three components of income tax i.e. withholding taxes (WHT), voluntary payments (VP) and collection on demand (COD). During FY: 07-08 the share of WHT, VP and COD in gross collection has been 52.3 %, 36.8 % and 10.9% respectively. The break-up on these components is presented in Table 3.

Table 3: Head-wise Performance of Direct Taxes

(Rs. Billion)

	2007-08	2006-07	Change (%)
Voluntary Payments	145.5	165.7	-12.2
Collection on Demand	42.9	11.2	283.0
Deductions at Source (WHT)	206.6	170.9	20.9
Gross Receipts	395.0	347.8	13.6
Refunds	25.8	32.2	-19.9
Other DT	18.3	18.1	1.1
Net Direct Taxes	387.5	333.7	16.4

Sales Tax: General Sales Tax (GST) is the second major source of collection of federal tax revenues after direct taxes. During FY: 07-08, the gross and net collection of sales tax stood at Rs. 405.1 billion and Rs. 376.9 billion respectively, entailing growth of 16.9% and 21.8% over last year. The revised target of sales tax has been achieved to the extent of 100.2%. The share of sales tax in total tax collection has also increased from 36.5% in FY: 06-07 to 37.6% during FY: 07-08. The decline of Rs. 8.9 billion in refund payments has been recorded. The performance of sales tax by components is presented in the following Table 4.

Table 4: Collection and Growth of GST: FY: 07-08

(Rs. Billion)

Sources of GST	Collection/ Refunds			Growth (%)		
	Gross	Refund	Net	Gross	Refund	Net
Import Stage	195.4	0.0	195.4	11.1	25.4	11.1
Domestic Stage	209.7	28.1	181.6	23.0	-24.0	36.0
GST (Total)	405.1	28.1	376.9	16.9	-23.9	21.8

Sales Tax Domestic Collection and Major Revenue Spinners: The major revenue spinners include POL products, telecom services, natural gas, sugar, cigarettes, iron & steel, services other than telecom, electrical energy, beverages and cement. Sector wise analysis shows that the major contribution has been from POL products posting a growth of around 81% in its collection during 2007-08. The

main reason for this phenomenon is i) decaping the impact of rise in prices of POL and ii) the zero rating of crude oil at import stage on 30th November 2007. It may be stated that earlier, sales tax used to be charged on crude oil at import stage and later adjusted against the inputs claim while compiling the sales tax liability against the refined products of POL. After this measure, the refineries have been relieved of getting their money stuck since the import of crude oil as now they pay tax at the time of sales of their product. Despite a time lag of two months period in translation of impact of zero rating on sales tax collection at domestic stage, the increase in collection has been extra-ordinary. It is pertinent to say that in collection from POL during last five months i.e., February 2008 to June 2008 has been around 174%.

The telecom sector continued its significant performance with above 20% growth in collection during the FY: 07-08. This growth is attributable to boom in the telecom sector. Collection from natural gas has recorded minimal growth during 2007-08. The collection from sugar has improved during the last three months of 07-08. A growth of 13.2% in collection from cigarette during 2007-08 has been mainly due to around 7% growth in the production of cigarettes and 7% increase in the prices of cigarettes.

The collection from iron & steel has been unusual during FY: 07-08 (168%), and mainly attributable to the policy intervention in the budget 2007-08. The sales tax has now been charged on the iron and steel on the basis of electricity consumed at the rate of Rs.4.15/unit and being collected by the electricity billing agencies i.e., WAPDA and KESC. This change has significantly facilitated the sales tax collection from iron & steel units. The overall performance of services has been encouraging with above 20% growth in collection which is associated with better contribution by airlines, courier and media services. The decline in collection from electrical energy has occurred because FBR opted for the policy of net rather than gross collection. This policy intervention has reduced the refund payments by almost 11 billion in FY: 07-08.

The modest growth in collection from automotive industry (motor cars/motorcycles/auto Parts) is indicative of the fact that the boom in the industry prevailed during FY: 06-07 is almost over as the major factor for the boom i.e., the financial support by the financial institutions is no more available on cheaper rates. Therefore, the tempo of production in automobile industry has slowed down during the period.

A healthy growth in collection from beverages is the impact of increase in prices as well as the continued demand for the branded beverages products.

Sales Tax at Import Stage: The collection of sales tax at imports depends on imports. A healthy growth of 35.7% in value of imports has been observed during FY: 07-08 as compared to 8.1% in FY: 06-07. However, significant import of zero-rated raw material and zero rating of crude oil on 30th November 2007 vide SRO No.1164(1)/2007 has affected the growth tempo of sales tax at import stage.

The gross collection of sales tax import has contributed around 48.4% in the total sales tax collection during FY: 07-08. However, its share has increased to 52% in net terms as all the refund claims are entertained from the domestic collection of sales tax. The collection of sales tax imports stood at Rs.195.4 billion entailing a growth of 11.1% as compared to last year.

A double digit growth has been recorded in collection from edible oil, plastic products, electrical machinery, organic chemicals, paper and paper board and oil seeds. However, the collection from vehicles and machinery have declined marginally i.e. by 4.4% and 0.4% respectively. The collection from POL products has exhibited a nominal growth of 2.5% only. The main reason of this apparent low growth is, as stated earlier, zero rating of crude oil for the purpose of sales tax. Although, this measure has reduced the pace of collection, however, it has corrected the flaw in the system prevailing for the long period. The significant increase of above 70% in collection from edible oil is due to continued increase in international prices of the products.

In the budget 2007-08, a bulk of the plastic products' sales tax rates were increased from 15% to 20%. Additional revenue of Rs. 4.6 billion has been collected from plastic products indicating around 46% growth in collection as compared to last year. In case of collection from iron & steel (72) imports, despite above 30% increase in value term, sales tax collection has observed a nominal growth of only 1.2%. The outcome is mainly attributed to a huge import of zero rated scrap during the period under review. On the other hand, a significant increase in imports of electric generating sets and rotary converters, multi-station access units, sim cards, monitors and energy saving lamps have posted a positive impact in sales tax collection entailing above 30% growth in collection from electrical machinery. Around 39% growth in collection from organic chemicals bears the combined impact of above 20% increase in value of imports as well as increase in sales tax rates of sub-chapters 2903.2100 and 2905.1100 from 15% to 20%. The growth in collection from paper and paper board has been more than the increase in value term mainly because of increase in rate of sales tax from 15% to 20%. The collection from misc. chemicals, articles of iron & steel and rubber products has been consistent with the growth in imports. The imports of aluminum products posted a

positive growth of 6.8% in collection of sales tax despite a decline in its value by 15%.

Customs Duties:

Despite broad-based tariff reduction in more than one and a half decades, customs duties are still one of the important sources of tax collection of the federal government. It contributes 24.3% of the collection in the indirect taxes and 15% in total taxes collected by FBR. The trend of slow down in import in FY: 06-07 has continued in the first half of FY: 07-08 which has started improving swiftly in all the months of second half. This acceleration in imports in the last two quarters of FY: 07-08 has not only resulted into overall significant growth in import and dutiable imports for FY: 07-08 but also improved the collection of CD substantially. In fact, around 27% growth in the value of dutiable import has recorded during FY: 07-08 against projected growth of 3%. The gross and net collection of customs duties has been Rs. 163 billion and Rs. 150.6 billion respectively during FY: 07-08 reflecting growths of 12.4% and 13.8% respectively. The difference between growths of the gross collection and net collection is due to a saving of Rs. 330 million in refund/rebate payments during FY: 07-08. The collection of customs duties has not only exceeded the previous year's collection of customs duties but also surpassed target of Rs. 148 billion for FY: 07-08. The overall increase in customs duties is mainly attributable to spiraling prices of POL products, increased imports of most of the major items like edible oil, machinery, plastic, cereals, paper & paperboard.

Performance of Major Revenue Spinners of Customs:

The automobile sector (CH: 87) is the top revenue generation source of customs duties. The collection of customs duties from this sector has declined by 8.6% due to reduced dutiable imports by 3.2%. The import of motor cars/jeeps (87.03) is the major revenue generation source in 2007-08. The government policy to restrict the import of old and used motor vehicles more than 3 years of age has vastly discouraged the import of motorcars. The import of number of motorcars/jeeps has dropped from 26,967 in FY: 06-07 to 17301 in FY: 07-08. This has not only declined the value of import by 78 % but also recorded a loss of Rs.0.5 billion in CD during FY: 07-08. On the other hand, the numbers of imported CKD kits of motor vehicles have also come down from 196,070 in FY: 06-07 to 147,374 in FY: 07-08 entailing a loss of Rs. 2.3 billion in CD as compared to PFY. Thus, overall loss of Rs. 2.8 billion has been recorded in the collection of CD from CKD/CBU motor cars/jeeps.

Petroleum is the second major revenue generation source of customs duties. Most of the items of POL products are exempted from CD. Despite 70% duty free imports of POL products, the collection of POL products has exhibited a robust growth of 59% in the collection of CD with 69% growth in dutiable imports. The collection from POL products has increased from Rs.15.1 billion in FY: 06-07 to Rs. 24 billion in FY: 07-08. Main factor behind this vibrant performance is the spiraling prices of petroleum products around the world. In fact, a major chunk of the collection of POL products is realized from the import of High Speed Diesel (HSD). The collection of CD from HSD has gone up from Rs. 13.7 billion in FY: 06-07 to Rs. 23 billion during FY: 07-08 yielding a colossal growth of 67%. Apart from increased prices, higher quantity of imported HSD is also responsible for strong growth in the collection of customs duties during FY: 07-08.

Edible oil is the third higher source of custom duties. The value of import of edible oil (CH: 15) has recorded a massive growth of 90.4% but its collection of CD grew by 9.3%. This gap is understandable as prices of edible oil have gone up significantly which has resulted into higher growth in value of import of edible oils. Since edible oils are subjected to specific customs duty rates, therefore, this huge growth in the value of imports has not helped in boosting the customs' revenue accordingly. Thus, the growth in the collection of edible oil has been attained due to growth in the collection of crude palm oil and crude soybean due to increased imported quantities of these items by 22% and 281% respectively

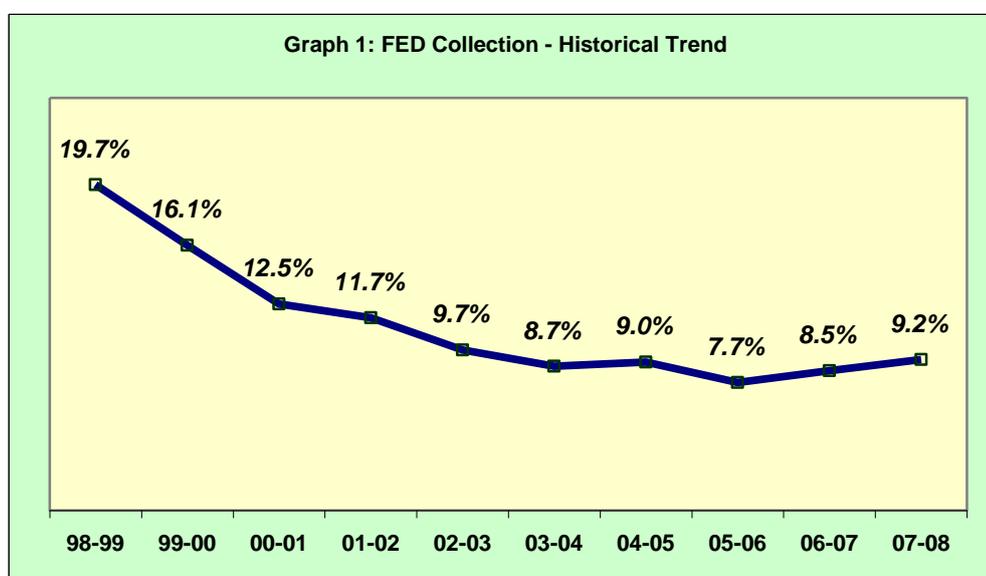
Despite zero rating and lower rates for many items, machinery (electrical and mechanical) is still contributing substantially to the customs duties. A considerable growth of 21.8% in the collection of CD from electrical machinery was mainly due to increased collection from telecommunication and transmission equipments, transformers and generating sets.

The value of dutiable imports of mechanical machinery has manifested a growth of 7.6% while collection grew by 10.5%. This growth has mainly been driven by improved collection of industrial goods, construction machinery, pumps and engines. On the other hand, the import of textile machinery has come down by 4.5% resulting in 12.3% decline in the collection of CD. Similarly, the collection of plastic has also recorded a growth of 17.5% against dutiable import of 16.9% which also reflects consistency of collection with its base. Some other groups like iron and steel, paper & paper board, tanning & dying, tea & coffee have also improved their collection due to increased dutiable imports. The collection from organic chemical has posted a modest growth while

miscellaneous chemicals have declined the collection during FY: 07-08 as compared to PFY.

Federal Excise Duties (FED): During FY: 07-08, Rs. 92.2 billion has been collected against Rs. 71.8 billion in the corresponding period last year. The collection has been 28.4% higher than the previous year. In fact it is the 11 months collection and in this backdrop, the performance of FED has been reasonable.

It has been noted that the FED collection has again become an important source of federal tax revenues during last three years. Historically, the share of FED in total federal taxes has been declining since FY: 98-99 till FY: 05-06 from 19.7% to 7.7% (Graph 1). Nevertheless, due to various budgetary measures like FED on services including air travel, non-fund services and levy of 1% SED at domestic and import stage during last two years, the FED share has again increased to 8.5% and 9.2% in 2006-07 and 2007-08 respectively. The FED revenue target for FY: 08-09 is about 22% higher than the realized collection during FY: 07-08.



Analysis of Major Commodities of FED

Among major items, cigarette was the top most revenue generator with around 31% share in FED collection, followed by cement (16.4%), services (13.5%), beverages (7.8%), natural gas (6.6%) and POL products (3%). In absolute terms Rs. 72 billion were collected from major six items. As already mentioned, the reason for nominal or negative growth was one month lag in FED collection. However, a 42% negative growth in POL products is due to its shrinking base. On the other hand a robust growth of over 181% in the head of services confirms a buoyant base for FED revenues.

The shortfall from these two items has been compensated by IAT and insurance by collecting 27% and 11% higher revenue than the assigned targets. The meager revenue from franchise is the point of concern for the relevant quarters. The revenue target set for franchise services was Rs. 833 million for FY: 07-08, whereas the realized collection was only Rs. 282 million. The collection declined by 55% as compared to Rs. 625 million collected in the PFY. The second item which missed the target is the non-fund services provided by the banks. Although the collection increased by 120% as compared to last year but remained short of target by 20%. Weak areas, the franchise and non-fund services, need attention and careful monitoring for better performance in future.

Special Excise Duty (SED)

One percent Special Excise Duty was levied in the budget for FY: 07-08 both at import and domestic stages. The overall revenue target for 1% SED was set at Rs. 12 billion with bifurcation of Rs. 6 billion each at domestic and import stage. The performance during the first year has been mixed. At the import stage target was achieved to the extent of 115.4%, whereas at the domestic level the performance has not been satisfactory. Nevertheless, after weak performance during first three quarters, in the 4th quarter collection improved significantly and target for the respective quarter was achieved by 101%.

Projections for FY: 2008-09

Based upon the past performance and expecting the buoyant stance, the budgetary target for FY: 08-09 has been set at Rs. 1,250 billion, requiring an increase of 24.1% over the provisional collection of Rs. 1007.2 billion of FY: 07-08.

The projection for FY: 08-09 reflects tax mix of individual taxes: DT 39.9%, GST 37.7%, FED 9%, and CD13.5%. Detail of projection for 2008-09 has been depicted in Table 5.

**Table 5 : A Comparison of Baseline
Collection and Projections**

	Provisional Collection FY: 07-08	Projections FY: 08-09	Addition (Rs. Billion)	Growth (%)
Direct Taxes	387.5	499.0	111.5	28.8
Sales Tax	376.9	470.0	93.1	24.7
Federal Excise Customs Duties	92.2	112.0	19.8	21.5
	150.6	169.0	18.3	12.2
All Taxes	1007.2	1250.0	242.8	24.1

Conclusion

The FY:2007-08 has been a difficult year for Pakistan's economy. The original target assigned to FBR was revised downward from Rs. 1,025 billion to one trillion rupees. However, FBR has been able to exceed the revised target. The FY:07-08 has been important due to crossing of one trillion rupees mark. Moreover, unprecedented growth of Rs. 160 billion has been recorded in 2007-08 against previous year. It is encouraging that all the taxes have achieved their targets during 2007-08. The revenue generation through budgetary measures introduced during Budget 2007-08 has been favourable.

Chapter 3

*Human Resource Management: An Update*¹

Introduction

Human Resource (HR) is the most valuable asset of an organization. Under the ongoing reforms in FBR, ample attention has been paid to HR function. The aim of the HR strategy in Federal Board of Revenue (FBR) is to build capacity to work in a changing environment through better skills and a proper mindset. The HR strategy focuses on restructuring of the organization, re-engineering of the business processes, communication with stakeholders, workforce planning and rationalization, performance management with the related compensation structure, career planning and training of the entire workforce. Progress in FBR is visible in human resource management in the past few years. A significant improvement has been made in employees' salaries, information dissemination, skill building and creation of comprehensive data base

Human Resource Strategy

The strategy has been laid out in a manner that will roll out the blueprint for action in specific areas of intervention to facilitate the entire reform process through creating an enabling environment. Special emphasis has been laid on systems and procedures that foster a robust working environment that motivates employees to perform better on the job. Based on their performance, they are entitled to receive rewards in a transparent way. Details on the HR strategy in FBR and its implementation are as follows:

Communication Plan

One of the most important and effective ways to shift culture is to keep the workforce informed of what is happening and why and to seek their feedback on specific reforms processes that are going to change their ways of working and their lives. A workforce that understands why it is being asked to change will comply

¹ The Update has been prepared by Suleman Yaqub, Second Secretary (HRM), FBR.

much more readily and effectively to the entire process. The communication strategy includes the following tools:

Employee Perception Survey

The employee perception survey is going to be a corner stone of FBR's communication plan. The survey will provide an opportunity to the employees to express their opinion on various aspects of the reforms process. The employee feedback will not only provide FBR management with specific areas to focus their attention but it will also go a long way in building employee trust and ownership to the entire process. The first survey instrument has been developed. The subjects covered in the instrument are as follows:

1. Overall Reforms Strategy
2. Organization Culture
3. Compensation
4. Performance Appraisal
5. Integrity Management

It would be fruitful to administer the survey every year in order to regularly keep up to date with the employees' perception about the reforms process.

Line Management buy-in

One of the hallmarks of HR communication strategy is to continuously seek the buy-in of the line management for each intervention. There are a variety of different ways to achieve this objective, the most effective being a participative management style where line management's feedback is solicited for specific assignments. One classic example of this aspect has been the workforce planning process where HR team worked closely with the line management teams from Income Tax, Sales Tax and Customs and was able to achieve a consensus workload formula to arrive at a rational workforce plan. This aspect has already sent positive signals within the organization and the line management are now interacting more frequently in order to achieve organizational goals and objectives thus deviating from the age old bureaucratic style.

FBR's quarterly newsletter namely Revenews has now been established as an important tool to communicate with employees with regard to the reform programs and the new initiatives being undertaken.

Workforce Planning

Functional Organization

The components of this functional structure are as follows:

1. Taxpayer Facilitation
2. Information Processing
3. Audit Division
4. Enforcement/Refund Division
5. Legal/Investigation Division
6. Headquarters

Workload Analysis

Workforce planning was carried out on the basis of actual workload; i.e. actual number of audits conducted per year and its realistic projected estimates for the coming years taking into account the increases in line with ambitious revenue targets.

Workforce Requirement

1. Once the number of auditors required was known, number of senior officers assigned supervision of them was arrived at keeping in view the workforce requirements of the Commissionerate / Collectorates. An effort was made to keep the officer to staff ratio to 1:2.5 at the point of arrival workforce planning.
2. On similar lines, a transitional plan was made for both the Income Tax and Sales Tax keeping in view the interim phase of reform when pendency from previous years would be liquidated. Thus in order to arrive at officers to staff ratio of 1:2.5 at the point of arrival, interim phase of reform would not cut the workforce drastically but there would be a smooth transition in reduction of workforce by natural attrition.
3. On the basis of the above assumptions, templates were prepared for the workforce projections in which just entering the workload in number of audits, workforce projections could be achieved instantaneously in MS-Excel sheets. These templates were a major breakthrough in the workforce planning since now the effort could be concentrated on the diversification of the types of audits to be conducted in both of the taxes.

Selection Process

Internal Job Posting

The FBR has developed a transparent, fair and competency based selection policy known as Internal Job Posting (IJP). The successful employees selected through IJP are entitled to an additional pay @ 100% allowance. The salient features of the Policy and process of IJP are as follows.

1. In consonance with the modernization and automation of various HR processes, the Internal Job Posting process was shifted over to the FBR website for a futuristic approach towards online applications, short-listing and processing etc. All posting are advertised along with the details of the positions through the FBR's website www.fbr.gov.pk.
2. The Board-in-Council in one of its meeting again deliberated on IJP policy and processes. The weight-age for selection against special position was revised as under:
 - a. Performance Evaluation Report (for the last five years) 40%
 - b. Interview 40%
 - c. Training 20%
3. It was also decided that the policy of conducting interviews through a cross-functional interview panel would continue. The interview panels for different levels were approved as follows:

BS of candidate	BS of panel
5-16	17/18
17-18	19/20
19-20	21

Training

HRM wing has drawn a program to train all the employees through internal and external resources and to enhance the capability of the two training directorates (DT & Customs). Some important interventions are as follows.

- Entry Level:
 - ◆ MBA Tax Management
- Junior Level (BS 17-18)

- ◆ Capacity building programs by IBA
- Senior (BS 20-21)
 - ◆ Leadership and Strategic Change Management by LUMS
- Mid Level (BS 19)
 - ◆ Change Management program by LUMS
- Specific Functional Training for RTOs
 - ◆ TMS and Train the Trainer
 - ◆ Audit Techniques and Financial Accounting
 - ◆ Functional Management
- Training for Staff (BS1-16)
 - ◆ Pakistan Computer Bureau
- Foreign Training
 - ◆ Management Training
 - ◆ Technical (Jb Specific) Training
 - ◆ Computer Training (BPS 7-16) is being finalized.
- E-MBA

Performance Management

FBR's objective for its performance management systems is to ensure the continual development of its staff in the role they perform, acknowledge their contribution, assess future potential and development needs (professional and personal), create a shared understanding of mutual accountability and thereby create a member of staff who can contribute positively to the organization achievement and its overall environment. Performance development is a continuous process and should not be treated as an event and should form a core responsibility of line managers. The new Performance Management System (PMS) is at discussion/approval stage.

Career Planning

A detailed comprehensive career planning strategy is also under preparation. The plan is to link promotion and career progression to the new Performance Management System. However, departure from the existing system of ACRs would be obtained in stages as a result of feedback received from the field offices on the implementation of the new system of appraisal as follows:

1. A total change in system was opposed due to its ramifications for the lateral and horizontal mobility of FBR officers vis-à-vis officers of other occupational groups

2. A gradual shift to a performance management system was agreed to by most officers as it would take into account the futuristic dynamics of change
3. Give time for adjustments while officers are being trained in the application of the new system

Management Style

HRM FBR firmly believes that in order to make the Reforms Process successful, the top management of FBR should lead by example. The traditional bureaucratic style has to be done away with and a team based approach has to be adopted. The leadership style of FBR top management should reflect some of the following important considerations:

1. Empowerment & Delegation
2. Teamwork & Communication
3. Strategic Leadership
4. General Management
5. Results Orientation

HR Wing intends to arrange extensive training for the top management through internal and international courses including the Advanced Management Program at Harvard and other business schools of repute. This kind of training also becomes important in the wake of the fact that they have to handle and deal with the middle management who in the last few years have been exposed to high level training/Degree Programs from some of the best educational institutes in the world.

STATISTICAL APPENDIX
COMPARATIVE STATEMENTS OF
MONTH-TO-MONTH AND PROGRESSIVE
COLLECTION OF
FEDERAL TAXES 2007 – 08

ALL TAXES
TWO YEAR COMPARATIVE - MONTH TO MONTH & PROGRESSIVE COLLECTION

Rs. Million

MONTHS		FY 2007-08			FY 2006-07			COMPARISON			COMPARISON AS % AGE		
		GROSS	Reb / Ref	NET	GROSS	Reb / Ref	NET	GROSS	Reb / Ref	NET	GROSS	Reb / Ref	NET
1		2	3	4	5	6	7	8	9	10	11	12	13
JULY	M	55,869	4,928	50,941	54,468	8,290	46,178	1,401	-3,362	4,763	2.6	-40.6	10.3
AUGUST	M	63,040	2,901	60,139	54,016	7,683	46,333	9,024	-4,782	13,806	16.7	-62.2	29.8
	P	118,909	7,829	111,080	108,484	15,973	92,511	10,425	-8,144	18,569	9.6	-51.0	20.1
SEPTEMBER	M	100,662	6,606	94,056	101,547	10,121	91,426	-885	-3,515	2,630	-0.9	-34.7	2.9
1st Quarter		219,571	14,435	205,136	210,031	26,094	183,937	9,540	-11,659	21,199	4.5	-44.7	11.5
OCTOBER	M	69,798	3,410	66,388	60,399	7,087	53,312	9,399	-3,677	13,076	15.6	-51.9	24.5
	P	289,369	17,845	271,524	270,430	33,181	237,249	18,939	-15,336	34,275	7.0	-46.2	14.4
NOVEMBER	M	73,412	4,869	68,543	67,079	8,052	59,027	6,333	-3,183	9,516	9.4	-39.5	16.1
	P	362,781	22,714	340,067	337,509	41,233	296,276	25,272	-18,519	43,791	7.5	-44.9	14.8
DECEMBER	M	106,630	11,621	95,009	123,862	9,626	114,236	-17,232	1,995	-19,227	-13.9	20.7	-16.8
2nd Quarter		249,840	19,900	229,940	251,340	24,765	226,575	-1,500	-4,865	3,365	-0.6	-19.6	1.5
Upto 2nd Qtr		469,411	34,335	435,076	461,371	50,859	410,512	8,040	-16,524	24,564	1.7	-32.5	6.0
JANUARY	M	85,205	7,664	77,541	55,594	3,434	52,160	29,611	4,230	25,381	53.3	123.2	48.7
	P	554,616	41,999	512,617	516,965	54,293	462,672	37,651	-12,294	49,945	7.3	-22.6	10.8
FEBRUARY	M	75,866	3,100	72,766	56,830	4,404	52,426	19,036	-1,304	20,340	33.5	-29.6	38.8
	P	630,482	45,099	585,383	573,795	58,697	515,098	56,687	-13,598	70,285	9.9	-23.2	13.6
MARCH	M	99,973	5,428	94,545	89,298	7,399	81,899	10,675	-1,971	12,646	12.0	-26.6	15.4
3rd Quarter		261,044	16,192	244,852	201,722	15,237	186,485	59,322	955	58,367	29.4	6.3	31.3
Upto 3rd Qtr		730,455	50,527	679,928	663,093	66,096	596,997	67,362	-15,569	82,931	10.2	-23.6	13.9
APRIL	M	88,982	5,319	83,663	66,406	6,921	59,485	22,576	-1,602	24,178	34.0	-23.1	40.6
	P	819,437	55,846	763,591	729,499	73,017	656,482	89,938	-17,171	107,109	12.3	-23.5	16.3
MAY	M	96,530	3,919	92,611	70,491	4,717	65,774	26,039	-798	26,837	36.9	-16.9	40.8
	P	915,967	59,765	856,202	799,990	77,734	722,256	115,977	-17,969	133,946	14.5	-23.1	18.5
JUNE	M	157,657	6,675	150,982	129,382	4,402	124,980	28,275	2,273	26,002	21.9	51.6	20.8
4th Quarter		343,169	15,913	327,256	266,279	16,040	250,239	76,890	-127	77,017	28.9	-0.8	30.8
Upto 4th Qtr		1,073,624	66,440	1,007,184	929,372	82,136	847,236	144,252	-15,696	159,948	15.5	-19.1	18.9

DIRECT TAXES
TWO YEAR COMPARATIVE - MONTH TO MONTH & PROGRESSIVE COLLECTION

Rs. Million

MONTHS		FY 2007-08			FY 2006-07			COMPARISON					
		GROSS	Reb / Ref	NET	GROSS	Reb / Ref	NET	GROSS	Reb / Ref	NET	GROSS	Reb / Ref	NET
1		2	3	4	5	6	7	8	9	10	11	12	13
JULY	M	15,197	1,087	14,110	11,619	1,533	10,086	3,578	-446	4,024	30.8	-29	39.9
AUGUST	M	15,401	394	15,007	12,941	1,831	11,110	2,460	-1,437	3,897	19.0	-78	35.1
	P	30,598	1,481	29,117	24,560	3,364	21,196	6,038	-1,883	7,921	24.6	-56	37.4
SEPTEMBER	M	51,106	2,691	48,415	52,021	6,741	45,280	-915	-4,050	3,135	-1.8	-60	6.9
1st Quarter		81,704	4,172	77,532	76,581	10,105	66,476	5,123	-5,933	11,056	6.7	-59	16.6
OCTOBER	M	17,625	464	17,161	17,946	1,880	16,066	-321	-1,416	1,095	-1.8	-75	6.8
	P	99,329	4,636	94,693	94,527	11,985	82,542	4,802	-7,349	12,151	5.1	-61	14.7
NOVEMBER	M	20,219	1,499	18,720	17,433	3,508	13,925	2,786	-2,009	4,795	16.0	-57	34.4
	P	119,548	6,135	113,413	111,960	15,493	96,467	7,588	-9,358	16,946	6.8	-60	17.6
DECEMBER	M	58,478	7,296	51,182	80,444	4,212	76,232	-21,966	3,084	-25,050	-27.3	73	-32.9
2nd Quarter		96,322	9,259	87,063	115,823	9,600	106,223	-19,501	-341	-19,160	-16.8	-4	-18.0
Upto 2nd Qtr		178,026	13,431	164,595	192,404	19,705	172,699	-14,378	-6,274	-8,104	-7.5	-32	-4.7
JANUARY	M	31,116	4,046	27,070	13,527	1,070	12,457	17,589	2,976	14,613	130.0	278	117.3
	P	209,142	17,477	191,665	205,931	20,775	185,156	3,211	-3,298	6,509	1.6	-16	3.5
FEBRUARY	M	25,586	568	25,018	14,772	992	13,780	10,814	-424	11,238	73.2	-43	81.6
	P	234,728	18,045	216,683	220,703	21,767	198,936	14,025	-3,722	17,747	6.4	-17	8.9
MARCH	M	43,140	2,185	40,955	42,779	3,914	38,865	361	-1,729	2,090	0.8	-44	5.4
3rd Quarter		99,842	6,799	93,043	71,078	5,976	65,102	28,764	823	27,941	40.5	14	42.9
Upto 3rd Qtr		277,868	20,230	257,638	263,482	25,681	237,801	14,386	-5,451	19,837	5.5	-21	8.3
APRIL	M	28,254	1,339	26,915	17,821	2,741	15,080	10,433	-1,402	11,835	58.5	-51	78.5
	P	306,122	21,569	284,553	281,303	28,422	252,881	24,819	-6,853	31,672	8.8	-24	12.5
MAY	M	29,503	1,291	28,212	20,803	978	19,825	8,700	313	8,387	41.8	32	42.3
	P	335,625	22,860	312,765	302,106	29,400	272,706	33,519	-6,540	40,059	11.1	-22	14.7
JUNE	M	77,682	2,960	74,722	63,864	2,833	61,031	13,818	127	13,691	21.6	4	22.4
4th Quarter		135,439	5,590	129,849	102,488	6,552	95,936	32,951	-962	33,913	32.2	-15	35.3
Upto 4th Qtr		413,307	25,820	387,487	365,970	32,233	333,737	47,337	-6,413	53,750	12.9	-20	16.1

INDIRECT TAXES
TWO YEAR COMPARATIVE - MONTH TO MONTH & PROGRESSIVE COLLECTION

Rs. Million

MONTHS		FY 2007-08			FY 2006-07			COMPARISON			COMPARISON AS % AGE		
		GROSS	Reb / Ref	NET	GROSS	Reb / Ref	NET	GROSS	Reb / Ref	NET	GROSS	Reb / Ref	NET
1		2	3	4	5	6	7	8	9	10	11	12	13
JULY	M	40,672	3,841	36,831	42,849	6,757	36,092	-2,177	-2,916	739	-5.1	-43.2	2.0
AUGUST	M	47,639	2,507	45,132	41,075	5,852	35,223	6,564	-3,345	9,909	16.0	-57.2	28.1
	P	88,311	6,348	81,963	83,924	12,609	71,315	4,387	-6,261	10,648	5.2	-49.7	14.9
SEPTEMBER	M	49,556	3,915	45,641	49,526	3,380	46,146	30	535	-505	0.1	15.8	-1.1
1st Quarter		137,867	10,263	127,604	133,450	15,989	117,461	4,417	-5,726	10,143	3.3	-35.8	8.6
OCTOBER	M	52,173	2,946	49,227	42,453	5,207	37,246	9,720	-2,261	11,981	22.9	-43.4	32.2
	P	190,040	13,209	176,831	175,903	21,196	154,707	14,137	-7,987	22,124	8.0	-37.7	14.3
NOVEMBER	M	53,193	3,370	49,823	49,646	4,544	45,102	3,547	-1,174	4,721	7.1	-25.8	10.5
	P	243,233	16,579	226,654	225,549	25,740	199,809	17,684	-9,161	26,845	7.8	-35.6	13.4
DECEMBER	M	48,152	4,325	43,827	43,418	5,414	38,004	4,734	-1,089	5,823	10.9	-20.1	15.3
2nd Quarter		153,518	10,641	142,877	135,517	15,165	120,352	18,001	-4,524	22,525	13.3	-29.8	18.7
Upto 2nd Qtr		291,385	20,904	270,481	268,967	31,154	237,813	22,418	-10,250	32,668	8.3	-32.9	13.7
JANUARY	M	54,089	3,618	50,471	42,067	2,364	39,703	12,022	1,254	10,768	28.6	53.0	27.1
	P	345,474	24,522	320,952	311,034	33,518	277,516	34,440	-8,996	43,436	11.1	-26.8	15.7
FEBRUARY	M	50,280	2,532	47,748	42,058	3,412	38,646	8,222	-880	9,102	19.5	-25.8	23.6
	P	395,754	27,054	368,700	353,092	36,930	316,162	42,662	-9,876	52,538	12.1	-26.7	16.6
MARCH	M	56,833	3,243	53,590	46,519	3,485	43,034	10,314	-242	10,556	22.2	-6.9	24.5
3rd Quarter		161,202	9,393	151,809	130,644	9,261	121,383	30,558	132	30,426	23.4	1.4	25.1
Upto 3rd Qtr		452,587	30,297	422,290	399,611	40,415	359,196	52,976	-10,118	63,094	13.3	-25.0	17.6
APRIL	M	60,728	3,980	56,748	48,585	4,180	44,405	12,143	-200	12,343	25.0	-4.8	27.8
	P	513,315	34,277	479,038	448,196	44,595	403,601	65,119	-10,318	75,437	14.5	-23.1	18.7
MAY	M	67,027	2,628	64,399	49,688	3,739	45,949	17,339	-1,111	18,450	34.9	-29.7	40.2
	P	580,342	36,905	543,437	497,884	48,334	449,550	82,458	-11,429	93,887	16.6	-23.6	20.9
JUNE	M	79,975	3,715	76,260	65,518	1,569	63,949	14,457	2,146	12,311	22.1	136.8	19.3
4th Quarter		207,730	10,323	197,407	163,791	9,488	154,303	43,939	835	43,104	26.8	8.8	27.9
Upto 4th Qtr		660,317	40,620	619,697	563,402	49,903	513,499	96,915	-9,283	106,198	17.2	-18.6	20.7

SALES TAX (TOTAL)
TWO YEAR COMPARATIVE - MONTH TO MONTH & PROGRESSIVE COLLECTION

Rs. Million

MONTHS		FY 2007-08			FY 2006-07			COMPARISON			COMPARISON AS % AGE		
		GROSS	Reb / Ref	NET	GROSS	Reb / Ref	NET	GROSS	Reb / Ref	NET	GROSS	Reb / Ref	NET
1		2	3	4	5	6	7	8	9	10	11	12	13
JULY	M	29,188	2,954	26,234	28,688	4,664	24,024	500	-1,710	2,210	1.7	-36.7	9.2
AUGUST	M	30,537	1,690	28,847	25,247	4,332	20,915	5,290	-2,642	7,932	21.0	-61.0	37.9
	P	59,725	4,644	55,081	53,935	8,996	44,939	5,790	-4,352	10,142	10.7	-48.4	22.6
SEPTEMBER	M	30,679	3,008	27,671	32,910	2,264	30,646	-2,231	744	-2,975	-6.8	32.9	-9.7
1st Quarter		90,404	7,652	82,752	86,845	11,260	75,585	3,559	-3,608	7,167	4.1	-32.0	9.5
OCTOBER	M	33,420	1,914	31,506	26,031	4,057	21,974	7,389	-2,143	9,532	28.4	-52.8	43.4
	P	123,824	9,566	114,258	112,876	15,317	97,559	10,948	-5,751	16,699	9.7	-37.5	17.1
NOVEMBER	M	32,243	2,503	29,740	31,760	3,630	28,130	483	-1,127	1,610	1.5	-31.0	5.7
	P	156,067	12,069	143,998	144,636	18,947	125,689	11,431	-6,878	18,309	7.9	-36.3	14.6
DECEMBER	M	28,335	3,017	25,318	24,683	4,135	20,548	3,652	-1,118	4,770	14.8	-27.0	23.2
2nd Quarter		93,998	7,434	86,564	82,474	11,822	70,652	11,524	-4,388	15,912	14.0	-37.1	22.5
Upto 2nd Qtr		184,402	15,086	169,316	169,319	23,082	146,237	15,083	-7,996	23,079	8.9	-34.6	15.8
JANUARY	M	31,979	2,072	29,907	26,406	1,620	24,786	5,573	452	5,121	21.1	27.9	20.7
	P	216,381	17,158	199,223	195,725	24,702	171,023	20,656	-7,544	28,200	10.6	-30.5	16.5
FEBRUARY	M	30,344	1,506	28,838	26,223	2,507	23,716	4,121	-1,001	5,122	15.7	-39.9	21.6
	P	246,725	18,664	228,061	221,948	27,209	194,739	24,777	-8,545	33,322	11.2	-31.4	17.1
MARCH	M	32,818	2,266	30,552	26,649	2,573	24,076	6,169	-307	6,476	23.1	-11.9	26.9
3rd Quarter		95,141	5,844	89,297	79,278	6,700	72,578	15,863	-856	16,719	20.0	-12.8	23.0
Upto 3rd Qtr		279,543	20,930	258,613	248,597	29,782	218,815	30,946	-8,852	39,798	12.4	-29.7	18.2
APRIL	M	37,281	2,240	35,041	30,305	3,328	26,977	6,976	-1,088	8,064	23.0	-32.7	29.9
	P	316,824	23,170	293,654	278,902	33,110	245,792	37,922	-9,940	47,862	13.6	-30.0	19.5
MAY	M	41,040	1,600	39,440	30,414	2,989	27,425	10,626	-1,389	12,015	34.9	-46.5	43.8
	P	357,864	24,770	333,094	309,316	36,099	273,217	48,548	-11,329	59,877	15.7	-31.4	21.9
JUNE	M	47,242	3,405	43,837	37,109	930	36,179	10,133	2,475	7,658	27.3	266.1	21.2
4th Quarter		125,563	7,245	118,318	97,828	7,247	90,581	27,735	-2	27,737	28.4	0.0	30.6
Upto 4th Qtr		405,106	28,175	376,931	346,425	37,029	309,396	58,681	-8,854	67,535	16.9	-23.9	21.8

**SALES TAX (DOMESTIC)
TWO YEAR COMPARATIVE - MONTH TO MONTH & PROGRESSIVE COLLECTION**

Rs. Million

MONTHS		FY 2007-08			FY 2006-07			COMPARISON			COMPARISON AS % AGE		
		GROSS	Reb / Ref	NET	GROSS	Reb / Ref	NET	GROSS	Reb / Ref	NET	GROSS	Reb / Ref	NET
1		2	3	4	5	6	7	8	9	10	11	12	13
JULY	M	13,884	2,948	10,936	13,571	4,656	8,915	313	-1,708	2,021	2.3	-36.7	22.7
AUGUST	M	14,518	1,664	12,854	10,395	4,329	6,066	4,123	-2,665	6,788	39.7	-61.6	111.9
	P	28,402	4,612	23,790	23,966	8,985	14,981	4,436	-4,373	8,809	18.5	-48.7	58.8
SEPTEMBER	M	14,414	3,005	11,409	18,118	2,255	15,863	-3,704	750	-4,454	-20.4	33.3	-28.1
1st Quarter		42,816	7,617	35,199	42,084	11,240	30,844	732	-3,623	4,355	1.7	-32.2	14.1
OCTOBER	M	15,890	1,914	13,976	14,596	4,051	10,545	1,294	-2,137	3,431	8.9	-52.8	32.5
	P	58,706	9,531	49,175	56,680	15,291	41,389	2,026	-5,760	7,786	3.6	-37.7	18.8
NOVEMBER	M	14,394	2,499	11,895	15,390	3,627	11,763	-996	-1,128	132	-6.5	-31.1	1.1
	P	73,100	12,030	61,070	72,070	18,918	53,152	1,030	-6,888	7,918	1.4	-36.4	14.9
DECEMBER	M	16,188	3,012	13,176	11,891	4,118	7,773	4,297	-1,106	5,403	36.1	-26.9	69.5
2nd Quarter		46,472	7,425	39,047	41,877	11,796	30,081	4,595	-4,371	8,966	11.0	-37.1	29.8
Upto 2nd Qtr		89,288	15,042	74,246	83,961	23,036	60,925	5,327	-7,994	13,321	6.3	-34.7	21.9
JANUARY	M	14,556	2,052	12,504	13,703	1,619	12,084	853	433	420	6.2	26.7	3.5
	P	103,844	17,094	86,750	97,664	24,655	73,009	6,180	-7,561	13,741	6.3	-30.7	18.8
FEBRUARY	M	16,797	1,504	15,293	12,600	2,504	10,096	4,197	-1,000	5,197	33.3	-39.9	51.5
	P	120,641	18,598	102,043	110,264	27,159	83,105	10,377	-8,561	18,938	9.4	-31.5	22.8
MARCH	M	17,124	2,261	14,863	12,547	2,569	9,978	4,577	-308	4,885	36.5	-12.0	49.0
3rd Quarter		48,477	5,817	42,660	38,850	6,692	32,158	9,627	-875	10,502	24.8	-13.1	32.7
Upto 3rd Qtr		137,765	20,859	116,906	122,811	29,728	93,083	14,954	-8,869	23,823	12.2	-29.8	25.6
APRIL	M	21,010	2,225	18,785	14,838	3,327	11,511	6,172	-1,102	7,274	41.6	-33.1	63.2
	P	158,775	23,084	135,691	137,649	33,055	104,594	21,126	-9,971	31,097	15.3	-30.2	29.7
MAY	M	21,671	1,597	20,074	13,838	2,974	10,864	7,833	-1,377	9,210	56.6	-46.3	84.8
	P	180,446	24,681	155,765	151,487	36,029	115,458	28,959	-11,348	40,307	19.1	-31.5	34.9
JUNE	M	29,217	3,405	25,812	18,958	929	18,029	10,259	2,476	7,783	54.1	266.5	43.2
4th Quarter		71,898	7,227	64,671	47,634	7,230	40,404	24,264	-3	24,267	50.9	0.0	60.1
Upto 4th Qtr		209,663	28,086	181,577	170,445	36,958	133,487	39,218	-8,872	48,090	23.0	-24.0	36.0

SALES TAX (IMPORT)
TWO YEAR COMPARATIVE - MONTH TO MONTH & PROGRESSIVE COLLECTION

Rs. Million

MONTHS		FY 2007-08			FY 2006-07			COMPARISON			COMPARISON AS % AGE		
		GROSS	Reb / Ref	NET	GROSS	Reb / Ref	NET	GROSS	Reb / Ref	NET	GROSS	Reb / Ref	NET
1		2	3	4	5	6	7	8	9	10	11	12	13
JULY	M	15,304	6	15,298	15,117	8	15,109	187	-2	189	1.2	-25.0	1.3
AUGUST	M	16,019	26	15,993	14,852	3	14,849	1,167	23	1,144	7.9	766.7	7.7
	P	31,323	32	31,291	29,969	11	29,958	1,354	21	1,333	4.5	190.9	4.4
SEPTEMBER	M	16,265	3	16,262	14,792	9	14,783	1,473	-6	1,479	10.0	-66.7	10.0
1st Quarter		47,588	35	47,553	44,761	20	44,741	2,827	15	2,812	6.3	75.0	6.3
OCTOBER	M	17,530	0	17,530	11,435	6	11,429	6,095	-6	6,101	53.3	-100.0	53.4
	P	65,118	35	65,083	56,196	26	56,170	8,922	9	8,913	15.9	34.6	15.9
NOVEMBER	M	17,849	4	17,845	16,370	3	16,367	1,479	1	1,478	9.0	33.3	9.0
	P	82,967	39	82,928	72,566	29	72,537	10,401	10	10,391	14.3	34.5	14.3
DECEMBER	M	12,147	5	12,142	12,792	17	12,775	-645	-12	-633	-5.0	-70.6	-5.0
2nd Quarter		47,526	9	47,517	40,597	26	40,571	6,929	-17	6,946	17.1	-65.4	17.1
Upto 2nd Qtr		95,114	44	95,070	85,358	46	85,312	9,756	-2	9,758	11.4	-4.3	11.4
JANUARY	M	17,423	20	17,403	12,703	1	12,702	4,720	19	4,701	37.2	1,900.0	37.0
	P	112,537	64	112,473	98,061	47	98,014	14,476	17	14,459	14.8	36.2	14.8
FEBRUARY	M	13,547	2	13,545	13,623	3	13,620	-76	-1	-75	-0.6	-33.3	-0.6
	P	126,084	66	126,018	111,684	50	111,634	14,400	16	14,384	12.9	32.0	12.9
MARCH	M	15,694	5	15,689	14,102	4	14,098	1,592	1	1,591	11.3	25.0	11.3
3rd Quarter		46,664	27	46,637	40,428	8	40,420	6,236	19	6,217	15.4	237.5	15.4
Upto 3rd Qtr		141,778	71	141,707	125,786	54	125,732	15,992	17	15,975	12.7	31.5	12.7
APRIL	M	16,271	15	16,256	15,467	1	15,466	804	14	790	5.2	1,400.0	5.1
	P	158,049	86	157,963	141,253	55	141,198	16,796	31	16,765	11.9	56.4	11.9
MAY	M	19,369	3	19,366	16,576	15	16,561	2,793	-12	2,805	16.8	-80.0	16.9
	P	177,418	89	177,329	157,829	70	157,759	19,589	19	19,570	12.4	27.1	12.4
JUNE	M	18,025	0	18,025	18,151	1	18,150	-126	-1	-125	-0.7	-100.0	-0.7
4th Quarter		53,665	18	53,647	50,194	17	50,177	3,471	1	3,470	6.9	5.9	6.9
Upto 4th Qtr		195,443	89	195,354	175,980	71	175,909	19,463	18	19,445	11.1	25.4	11.1

CUSTOMS
TWO YEAR COMPARATIVE - MONTH TO MONTH & PROGRESSIVE COLLECTION

Rs. Million

MONTHS		FY 2007-08			FY 2006-07			COMPARISON			COMPARISON AS % AGE		
		GROSS	Reb / Ref	NET	GROSS	Reb / Ref	NET	GROSS	Reb / Ref	NET	GROSS	Reb / Ref	NET
1		2	3	4	5	6	7	8	9	10	11	12	13
JULY	M	9,625	887	8,738	10,156	2,080	8,076	-531	-1,193	662	-5.2	-57.4	8.2
AUGUST	M	10,547	817	9,730	11,193	1,482	9,711	-646	-665	19	-5.8	-44.9	0.2
	P	20,172	1,704	18,468	21,349	3,562	17,787	-1,177	-1,858	681	-5.5	-52.2	3.8
SEPTEMBER	M	11,407	899	10,508	11,216	1,113	10,103	191	-214	405	1.7	-19.2	4.0
1st Quarter		31,579	2,603	28,976	32,565	4,675	27,890	-986	-2,072	1,086	-3.0	-44.3	3.9
OCTOBER	M	11,205	1,032	10,173	10,948	1,147	9,801	257	-115	372	2.3	-10.0	3.8
	P	42,784	3,635	39,149	43,513	5,822	37,691	-729	-2,187	1,458	-1.7	-37.6	3.9
NOVEMBER	M	12,646	867	11,779	12,328	875	11,453	318	-8	326	2.6	-0.9	2.8
	P	55,430	4,502	50,928	55,841	6,697	49,144	-411	-2,195	1,784	-0.7	-32.8	3.6
DECEMBER	M	12,012	1,296	10,716	12,875	1,276	11,599	-863	20	-883	-6.7	1.6	-7.6
2nd Quarter		35,863	3,195	32,668	36,151	3,298	32,853	-288	-103	-185	-0.8	-3.1	-0.6
Upto 2nd Qtr		67,442	5,798	61,644	68,716	7,973	60,743	-1,274	-2,175	901	-1.9	-27.3	1.5
JANUARY	M	15,324	1,545	13,779	10,339	743	9,596	4,985	802	4,183	48.2	107.9	43.6
	P	82,766	7,343	75,423	79,055	8,716	70,339	3,711	-1,373	5,084	4.7	-15.8	7.2
FEBRUARY	M	12,219	1,020	11,199	10,243	901	9,342	1,976	119	1,857	19.3	13.2	19.9
	P	94,985	8,363	86,622	89,298	9,617	79,681	5,687	-1,254	6,941	6.4	-13.0	8.7
MARCH	M	16,233	977	15,256	13,889	910	12,979	2,344	67	2,277	16.9	7.4	17.5
3rd Quarter		43,776	3,542	40,234	34,471	2,554	31,917	9,305	988	8,317	27.0	38.7	26.1
Upto 3rd Qtr		111,218	9,340	101,878	103,187	10,527	92,660	8,031	-1,187	9,218	7.8	-11.3	9.9
APRIL	M	14,677	1,740	12,937	11,256	843	10,413	3,421	897	2,524	30.4	106.4	24.2
	P	125,895	11,080	114,815	114,443	11,370	103,073	11,452	-290	11,742	10.0	-2.6	11.4
MAY	M	15,968	1,022	14,946	11,945	739	11,206	4,023	283	3,740	33.7	38.3	33.4
	P	141,863	12,102	129,761	126,388	12,109	114,279	15,475	-7	15,482	12.2	-0.1	13.5
JUNE	M	21,134	306	20,828	18,649	629	18,020	2,485	-323	2,808	13.3	-51.4	15.6
4th Quarter		51,779	3,068	48,711	41,850	2,211	39,639	9,929	857	9,072	23.7	38.8	22.9
Upto 4th Qtr		162,997	12,408	150,589	145,037	12,738	132,299	17,960	-330	18,290	12.4	-2.6	13.8

**FEDERAL EXCISE
TWO YEAR COMPARATIVE - MONTH TO MONTH & PROGRESSIVE COLLECTION**

Rs. Million

MONTHS		FY 2007-08			FY 2006-07			COMPARISON			COMPARISON AS % AGE		
		GROSS	Reb / Ref	NET	GROSS	Reb / Ref	NET	GROSS	Reb / Ref	NET	GROSS	Reb / Ref	NET
1		2	3	4	5	6	7	8	9	10	11	12	13
JULY	M	1,859	0	1,859	4,005	13	3,992	-2,146	-13	-2,133	-53.6	-100.0	-53.4
AUGUST	M	6,555	0	6,555	4,635	38	4,597	1,920	-38	1,958	41.4	-100.0	42.6
	P	8,414	0	8,414	8,640	51	8,589	-226	-51	-175	-2.6	-100.0	-2.0
SEPTEMBER	M	7,470	8	7,462	5,400	3	5,397	2,070	5	2,065	38.3	166.7	38.3
1st Quarter		15,884	8	15,876	14,040	54	13,986	1,844	-46	1,890	13.1	-85.2	13.5
OCTOBER	M	7,548	0	7,548	5,474	3	5,471	2,074	-3	2,077	37.9	-100.0	38.0
	P	23,432	8	23,424	19,514	57	19,457	3,918	-49	3,967	20.1	-86.0	20.4
NOVEMBER	M	8,304	0	8,304	5,558	39	5,519	2,746	-39	2,785	49.4	-100.0	50.5
	P	31,736	8	31,728	25,072	96	24,976	6,664	-88	6,752	26.6	-91.7	27.0
DECEMBER	M	7,805	12	7,793	5,860	3	5,857	1,945	9	1,936	33.2	300.0	33.1
2nd Quarter		23,657	12	23,645	16,892	45	16,847	6,765	-33	6,798	40.0	-73.3	40.4
Upto 2nd Qtr		39,541	20	39,521	30,932	99	30,833	8,609	-79	8,688	27.8	-79.8	28.2
JANUARY	M	6,786	1	6,785	5,322	1	5,321	1,464	0	1,464	27.5	0.0	27.5
	P	46,327	21	46,306	36,254	100	36,154	10,073	-79	10,152	27.8	-79.0	28.1
FEBRUARY	M	7,717	6	7,711	5,592	4	5,588	2,125	2	2,123	38.0	50.0	38.0
	P	54,044	27	54,017	41,846	104	41,742	12,198	-77	12,275	29.1	-74.0	29.4
MARCH	M	7,782	0	7,782	5,981	2	5,979	1,801	-2	1,803	30.1	-100.0	30.2
3rd Quarter		22,285	7	22,278	16,895	7	16,888	5,390	0	5,390	31.9	0.0	31.9
Upto 3rd Qtr		61,826	27	61,799	47,827	106	47,721	13,999	-79	14,078	29.3	-74.5	29.5
APRIL	M	8,770	0	8,770	7,024	9	7,015	1,746	-9	1,755	24.9	-100.0	25.0
	P	70,596	27	70,569	54,851	115	54,736	15,745	-88	15,833	28.7	-76.5	28.9
MAY	M	10,019	6	10,013	7,329	11	7,318	2,690	-5	2,695	36.7	-45.5	36.8
	P	80,615	33	80,582	62,180	126	62,054	18,435	-93	18,528	29.6	-73.8	29.9
JUNE	M	11,599	4	11,595	9,760	10	9,750	1,839	-6	1,845	18.8	-60.0	18.9
4th Quarter		30,388	10	30,378	24,113	30	24,083	6,275	-20	6,295	26.0	-66.7	26.1
Upto 4th Qtr		92,214	37	92,177	71,940	136	71,804	20,274	-99	20,373	28.2	-72.8	28.4