# FBR Quarterly Review

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A Review of Resource Mobilization Efforts of
Federal Board of Revenue

FBR
PAKISTAN

**FEDERAL BOARD OF REVENUE**
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The FBR Quarterly Review, January – March, 2012 has been prepared by the Research Team of Strategic Planning and Research & Statistics Wing.

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# Contents

# *Foreword*

*It is encouraging that FBR has attained a significant growth of about 27% in revenue receipts during July-March, 2012 despite low growth in GDP and gas & power outages. The current issue of FBR Quarterly Review provides an update on FBR resource mobilization efforts. The in-depth analysis of tax revenues during July-March 2011-12 presents an insight into various components of federal taxes. Besides tax revenue analysis, the current issue includes two comprehensive articles on "The Banking Sector in Pakistan" and "Withholding Taxes at Import Stage- A Preliminary Assessment". Both articles provide detailed analysis of tax structure including tax revenue contribution and issues involved. Moreover, month-to-month tax receipts during July-March, 2011-12 as compared to corresponding period last year have also been provided.*

*I appreciate and complement the efforts put in by SP&S Wing, FBR in bringing out this issue. I hope that information provided in the current issue of FBR Quarterly Review will be useful for all readers.*

*Mumtaz Haider Rizvi*
*Chairman, FBR*

# I

## FBR Tax Collection:
## An Analysis of the Tax Revenues: July-March, 2011-12

### FBR Revenue Position

The fiscal year 2011-12 has been quite challenging for FBR as a huge target of Rs.1,952 billion was assigned. In order to reach the target, 25% growth was required over the collection of Rs. 1,558 billion during 2010-11. Despite severe energy crisis and unfavorable economic situation, FBR has been able to attain a significant growth of around 27% during first three quarters of CFY. An amount of Rs. 1,298.8 billion has been collected against Rs. 1,020.1 billion in the corresponding period of PFY. During July-March 2011-12, Rs. 278.6 billion higher amount has been realized as compared to the corresponding period last year. The performance is commendable when viewed in the context of higher refund payments as compared to corresponding period last year. The target has been achieved by around 100% during first 9 months of CFY. The targets of customs and sales tax were exceeded while the target of income tax was missed by only 1.7% during July-March 2011-12. Due to the abolition of special excise duties in Budget 2011-12, the target of FED was achieved to the extent of about 90%.

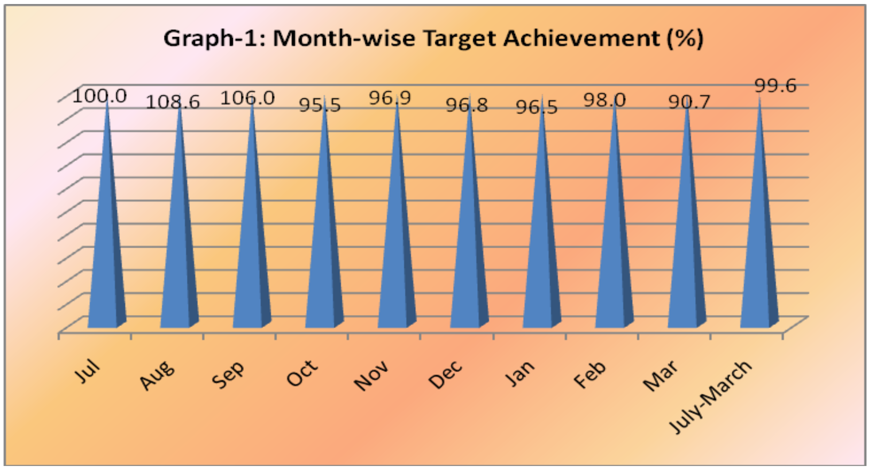
**Table 1: Head-wise Revenue Collection: July-March 2011-12 Vs 2010-11**

*(Rs. Billion)*

| Tax Heads | Target | Collection | | | Target Achieved (%) |
|---|---|---|---|---|---|
| | | FY 11-12 (*) | FY 10-11 | Growth (%) | |
| Direct taxes | 486.8 | 478.7 | 381.6 | 25.4 | 98.3 |
| Sales Tax | 576 | 586.7 | 422.7 | 38.8 | 101.9 |
| FED | 94.5 | 84.8 | 89.1 | -4.8 | 89.7 |
| Customs | 147.2 | 148.6 | 126.8 | 17.2 | 101.0 |
| **Total** | **1,304.5** | **1,298.8** | **1,020.2** | **27.3** | **99.6** |

(*)Collection of Sales tax Includes Rs.18.3 billion collected by the Sindh Revenue Board on services.

The month-wise target achievement has been shown in Graph 1. In the months of October to January the performance was not much satisfactory, however, it has started again improving from February 2012 and resultantly the overall target has nearly been achieved.




Keeping in view the growth trend in the first nine months of current year and the collection realized in the 4th quarter of PFY, the target of Rs 1,952 billion is expected to be achieved at the end of the current fiscal year.

**Detailed Analysis of Individual Taxes**

The tax-wise distribution indicates that except FED, all other taxes have registered a positive growth during first three quarters of CFY. The collection of sales tax have grown by 39%, followed by direct taxes 25.4% and customs duties by 17.2%. The sales tax collection at import stage has witnessed a highly impressive growth of 47.6%.

***Direct Taxes:*** The performance of direct taxes during first and second quarter remained excellent; however, in third quarter the pace of growth remained slow. The collection increased by 30.1% and 29.5% in 1st and 2nd quarters respectively (Table 2). In Q3, the growth momentum could not continue and the net collection grew by 18% as compared to Q3 of PFY. Nevertheless, it is encouraging to note that overall growth in first nine months have been 25.4%. In absolute terms, Rs. 478.7 billion have been collected against the target of Rs.486.8 billion and target has been achieved to the extent of 98.3%. In next three months of CFY, a balance of Rs. 266 billion would require to be collected. Keeping in view the growth trend of first nine months, it is hoped that the target of direct taxes would be met.

**Table 2: Net Revenue Receipts of Direct Taxes: A Comparison**

*( Rs. Billion)*

| Period | Net Collection | | Growth (%) |
|---|---|---|---|
| | FY 11-12 | FY 10-11 | |
| Quarter-I | 124.5 | 95.7 | 30.1 |
| Quarter-II | 188 | 145.2 | *29.5* |
| ***H1: July-Dec.*** | ***312.5*** | ***240.9*** | ***29.7*** |
| Quarter III | 166.1 | 140.7 | 18.0 |
| ***July-March*** | ***478.6*** | ***381.6*** | ***25.4*** |

### *Analysis of Components of Direct Taxes*

The components of direct taxes are income & corporate tax and other direct taxes. The former broadly consists of Collection on Demand (COD), Voluntary Payments (VP) in the shape of tax with returns, advance tax and withholding taxes (WHT). The other direct taxes include WWF and WPPF which accounts for about 2% of net collection. Table 3 highlights the performance of these heads during CFY.

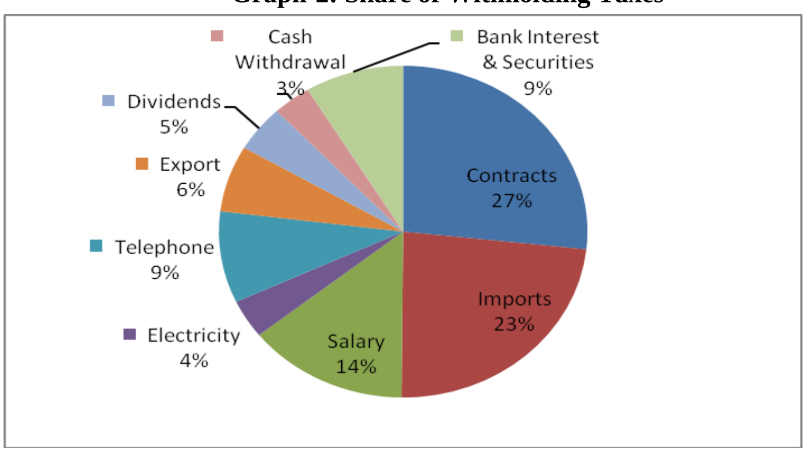
**Table 3: Direct Taxes Collection July-March**

*(Rs. Million)*

| Revenue Heads | FY 11-12 | FY 10-11 | Growth (%) |
|---|---|---|---|
| **Collection on Demand** | **73,363** | **34,268** | **114.1** |
| Arrear | 6,009 | 12,644 | -52.5 |
| Current | 67,354 | 21,624 | 211.5 |
| **Voluntary payment** | **161,552** | **128,407** | **25.8** |
| With Returns | 13,257 | 11,123 | 19.2 |
| Advance Tax | 148,295 | 117,284 | 26.4 |
| **Withholding Tax** | **286,398** | **235,758** | **21.5** |
| Misc | 23,324 | 1,685 | 1284.2 |
| Total Income Tax (Gross) | 544,637 | 400,118 | 36.1 |
| Refund | 76,151 | 29,458 | 158.5 |
| Income Tax (Net) | 468,486 | 370,660 | 26.4 |
| Other Direct Taxes | 10,176 | 10,959 | -7.1 |
| Total Direct Taxes (Net) | **478,662** | **381,619** | **25.4** |

The collections under the voluntary compliance and COD have grown by 25.8% and 114% during July-March 2011-12. WHT continues to be the leading source of direct tax receipts. The WHT collection during July-March, 2011-12 has been Rs. 286.4 billion against Rs. 235.8 billion during PFY, indicating a healthy growth of 21.5%. The major contributors of withholding taxes are contracts, imports, salary, telephone, export, bank interest, electricity, dividends and cash withdrawal as given in Table 4. The share of contracts (27%) remains at the top followed by imports (24%), salary (14%), and telephones 9% (Graph 2).

**Graph-2: Share of Withholding Taxes**



The highest growth in WHT collection has been from dividends (56.3%) followed by imports (38.9%), bank interest (37.1%) and salaries (23.6%).

**Table 4: Collection from Leading WHT Heads**

*(Rs Million)*

| Collection Head | July- March | | Difference | |
|---|---|---|---|---|
| | FY 11-12 | FY 10-11 | Absolute | Percent |
| **Contracts** | 70547 | 60931 | 9616 | 15.8 |
| **Imports** | 61985 | 44629 | 17356 | 38.9 |
| **Salary** | 37431 | 30290 | 7141 | 23.6 |
| **Electricity** | 9921 | 10763 | -842 | -7.8 |
| **Telephone** | 23512 | 19374 | 4138 | 21.4 |
| **Export** | 17082 | 16598 | 484 | 2.9 |
| **Dividends** | 11925 | 7632 | 4293 | 56.3 |
| **Cash Withdrawal** | 8923 | 10484 | -1561 | -14.9 |
| **Bank Interest & Securities** | 22959 | 16741 | 6218 | 37.1 |
| **a. Sub Total** | **264,285** | **217,442** | **46,843** | **21.5** |
| % Share in total WHT | 92 | 90 | | |
| b. Other WHT | 22,113 | 18,316 | 3,797 | 20.7 |
| **c. Total WHT** | **286,398** | **235,758** | **25618** | **21.5** |
| Share (%) in Gross I. Tax | 53 | 59 | | |

***Detailed Analysis of Indirect Taxes***

The indirect taxes are comprised of three components: sales tax (GST), federal excise duties, and customs duties. The major contribution in indirect taxes is made by sales tax followed customs and federal excise duties.

***Sales Tax***: Sales Tax is the leading sources of federal tax receipts. It has contributed around 45.3% of the total net revenue collection of federal taxes during the first nine months of FY: 11-12. The net collection has been Rs. 586.7 billion, respectively showing growth of 39% over the corresponding period of PFY. The target has been exceeded by 2%. The net collection of sales tax has grown by more than 30% in each quarters of CFY as compared to corresponding period last year.

**Table 5: Sales Tax Collection:**
**A Comparison: July-March 2011-12 Vs 2010-11**

*(Rs .Billion)*

| Period | Net Collection | | Growth (%) |
|---|---|---|---|
| | FY: 11-12 | FY:10-11 | |
| **July-March** | **586.7** | **422.7** | **38.8** |

***Sales Tax (Domestic) Collection and Major Revenue Spinners*:**

The commodity-wise details of domestic sales tax collection during July-March 2011-12 confirms that a significant growth has been witnessed in sugar (130.3%) followed by cement (82.2%), natural gas (19.5%) and POL products by 11.4%. The collection of sales tax is skewed towards few items and only major ten items shared 73% in gross collection. A negative growth has been recorded in GST receipts from services and electrical energy during the period under review. The negative growth in services is mainly due to collection of services started by the Government of Sindh as well. As far as decline in the collection of electrical energy is concerned, higher refunds payments as well as higher input/output ratios as compared to previous year have affected its collection during July-March, 2011-12.

***Sales Tax at Import Stage:***

The contribution of sales tax at import stage has been around 53% in total sales tax collection during July-March 2011-12. The growth in each quarter and overall collection has been encouraging. In Q1, Q2 and Q3, STM collection grew by 62.8%, 37.6% and 50.7% respectively.

Commodity-wise details reveal that top ten major commodities have recorded a double-digit growth in collection. These items include POL products, edible oil, plastic, vehicles, machinery, fertilizers, iron & steel etc. (Table 6). Further, around 35% of sales tax collection originates from POL products.

**Table 6: Major Revenue Spinners of Sales Tax at Import Stage**

*(Rs. Million)*

| PCT | Tariff Description | ST (M) Collection | | | Share (%) JM: 11-12 |
|---|---|---|---|---|---|
| | | JM: 11-12 | JM: 10-11 | Growth (%) | |
| 27 | POL Products | 109,839 | 75,127 | 46 | 35 |
| 15 | Edible oil and Waxes | 24,858 | 19,862 | 25 | 8 |
| 39 | Plastic | 20,095 | 18,014 | 12 | 6 |
| 87 | Vehicles | 19,531 | 14,187 | 38 | 6 |
| 84 | Machinery | 17,304 | 6,641 | 161 | 6 |
| 31 | Fertilisers | 16,149 | 826 | 1,855 | 5 |
| 72 | Iron & Steel | 15,612 | 13,770 | 13 | 5 |
| 85 | Electrical Machinery | 10,525 | 6,077 | 73 | 3 |
| 12 | Oil Seeds | 8,083 | 5,357 | 51 | 3 |
| 29 | Organic Chemicals | 6,832 | 5,648 | 21 | 2 |
| | Sub-total | **248,828** | **165,509** | **50** | **80** |
| | Others | 63,382 | 46,515 | **36** | 20 |
| | **Grand Total:** | **312,210** | **212,024** | **47.6** | |
| | Refunds | 5 | 44 | **-89** | |
| | Net | **312,900** | **211,980** | **47.6** | |

*Note: JM stands for July-March*

***Customs Duties:*** Despite broad-based tariff rationalization over the years, the customs duty is still one of the important sources of tax collection in the country. The share of customs duties in indirect taxes and total federal taxes has been around 19% and 12% respectively. An amount of Rs. 148.6 billion as collection has been realized during July-March, 2011-12 against Rs. 126.8 billion in PFY. The collection is 17.2% higher than the collection of last year and the target has been exceeded by 0.9%.

The commodity-wise information presented in Table 7 reveals that the collection lacks diversification as only fifteen commodities contribute a major share in total gross receipts. Auto sector is a vital source of customs duties. The collection from automobile has improved by 45% mainly due to 21% growth in dutiable imports.

POL products classified in chapter (27) have exhibited a growth of about 11% in collection of customs duties. Other items like edible oil, machinery, plastic, iron & steel and textile materials have registered positive growth in the collection due to increased dutiable imports. However, the collection from paper & paperboard and tea & coffee has registered a negative growth of 8.5% and 3% due to decline in dutiable imports during the same period.

**Table 7: Growth in Collection of Customs Duties and Effective Rates During FY: 2011-12 and FY: 2010-11**

*(Growth and Effective Rates in percent)*

| ***PCT* Chapter** | **Tariff Description** | **Growth During July-March (%)** | | | **Effective Rates with Dutiable Imports** | |
|---|---|---|---|---|---|---|
| | | **Value of Imports** | **Dutiable Imports** | **Customs Duties** | **Upto March, 2011-12** | **Upto March, 2010-11** |
| 87 | Vehicles | 30.0 | 20.8 | 45.4 | 33.6 | 27.9 |
| 27 | POL Products | 40.2 | -3.8 | 11.3 | 9.1 | 7.9 |
| 15 | Edible oil and Waxes | 23.9 | 24.4 | 5.5 | 8.2 | 9.7 |
| 84 | Machinery | 3.1 | 4.4 | 6.9 | 7.8 | 7.6 |
| 85 | Electrical Machinery | 6.8 | 13.2 | 8.5 | 8.0 | 8.4 |
| 39 | Plastic Resins,etc. | 2.3 | 2.8 | 3.3 | 7.4 | 7.3 |
| 72 | Iron & Steel | 11.0 | 6.1 | 3.9 | 11.2 | 11.4 |
| 48 | Paper and Paperboard | 0.3 | -2.1 | -8.5 | 17.0 | 18.2 |
| 54 | Textile Materials | 6.5 | 6.6 | 5.1 | 9.0 | 9.1 |
| 29 | Organic chemicals | 19.8 | 2.0 | 5.4 | 6.1 | 5.9 |
| 9 | Cofee and Tea etc. | 0.2 | -1.0 | -3.0 | 9.7 | 9.9 |
| 55 | Staple Fibres | 7.2 | 5.9 | 11.0 | 6.3 | 6.0 |
| 4 | Dairy Produce; Birds' Eggs; Natural Honey | -1.0 | -2.1 | -5.0 | 24.9 | 25.7 |
| 32 | Dyes & paints . | -1.1 | -4.3 | -6.1 | 11.8 | 12.0 |
| 69 | Ceramic Products | 38.7 | 39.5 | 30.4 | 28.5 | 30.5 |
| | Others | 6.5 | 14.5 | 31.4 | 22.8 | 21.1 |
| | **Grand Total:** | **18.3** | **8.8** | **16.8** | **13.3** | **12.4** |

**Federal Excise:** The collection from federal excise duties has registered a negative growth of 4.8% during July-March: 2011-12. The net revenue stood at Rs.84.8 billion against Rs.89.1 billion during the corresponding period last year. One of the major reasons of this decline is the abolition of special excise duty on imports and domestic stages.

The commodity-wise collection of major revenue spinners provides a comparison between JM: 11-12 against JM: 10-11 (Table 8). The share of six major items has been around 85% during this period. The collection from cigarettes exhibited a growth of 15.5% followed by POL products (11.4%) and natural gas (2%) respectively. The collection from cement, services and beverages have registered negative growth. The decline in collection from cement and beverages is due to the reduction of FED rates announced in Budget FY: 2011-12.

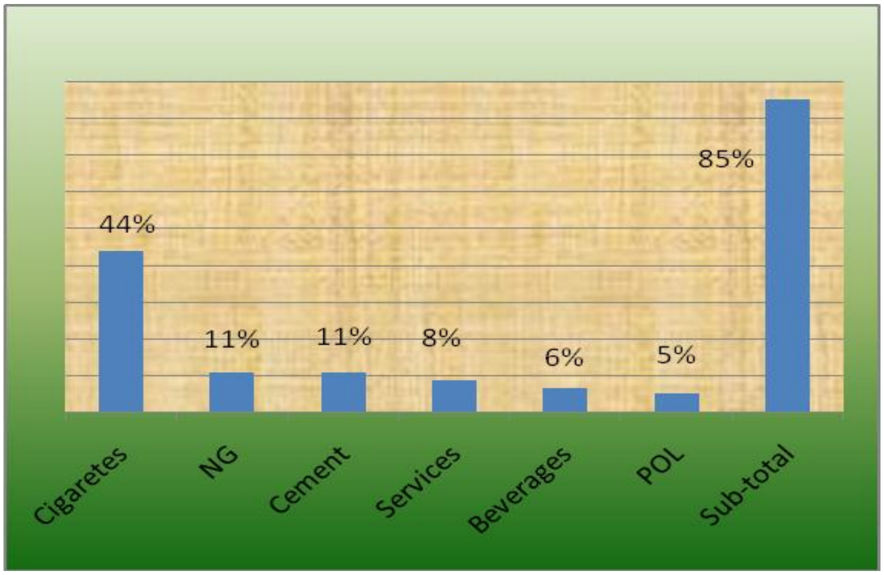
**Table 8: FED Collection from Major Commodities**
**July-March: 2011-12 Vs 2010-11**

*(Rs. Million)*

| Commodities | FY 11-12 | FY 10-11 | Difference | |
|---|---|---|---|---|
| | | | Absolute | Percent |
| Cigarettes | 35,945 | 31,123 | 4,822 | 15.5 |
| Cement | 8,871 | 10,739 | - 1,868 | -17.4 |
| Natural Gas | 8,821 | 8,652 | 169 | 2.0 |
| Services | 7,027 | 8,424 | -1397 | -16.6 |
| Beverages | 5,248 | 5,919 | -671 | -11.3 |
| POL | 4,171 | 3,743 | 428 | 11.4 |
| Sub Total | 70,083 | 68,600 | 1483 | 2.2 |
| Other | 12,447 | 20,488 | -8041 | -39.2 |
| **Total** | **82,530** | **89,088** | **-6558** | **-7.4** |

The six revenue spinners of FED that have contributed major part of FED are cigarettes, cement, beverages, natural gas, POL products and services (Graph 3). The combined share of these six items has been 85% during July-March 2011-12. The major amount is contributed by one item i.e. cigarettes Rs. 36 billion out of Rs. 82.5 billion FED collection in July-March 2011-12.

**Graph-3: Share of Major items in FED Collection**




## Concluding Observations

The current fiscal year has been quite challenging. On one hand, a huge target of Rs.1,952 billion was assigned and on the other hand, gas & power outages and overall economic slowdown has affected the collection of federal taxes. Despite all these factors hindering growth in the tax revenues, it is encouraging that all the major taxes exhibited substantial growth during July-March 2011-12. With dedication and hard work, it is hoped that the target of Rs.1,952 billion will be achieved.

**II**

# Withholding Tax at Import Stage-A Preliminary Assessment
**By**
**Mir Ahmad Khan**[1]

## Introduction

Imports have been one of the vital sources of tax revenues in developing countries. The empirical findings of Li and Murphy (2010) reveal that changes in imports drive changes in tax revenues Pakistan relied rather heavily on duty and taxes on import for revenues in the absence of any meaningful contribution by the domestic sector. The purpose of the existing policy was to apply higher tariff to generate sufficient revenues on one hand and to protect local industries that were at their infancy stage on the other hand. It is easier to collect taxes on imports and rather sure source of revenue generation if smooth inflow of imports continues.

Despite large scales tariff rationalization in a couple of decades, a significant amount of duties and taxes are still collected from imports. Apart from tariff, imports have been subjected to para tariff[2] and other import taxes like sales tax, federal excise duty and withholding income tax. Withholding tax on imports was introduced to enhance the level of contribution of withholding taxes despite it protective effects. It has exhibited significant improvement in the tax receipts in the recent years and is the third major source of import related taxes. On the direct taxes front, withholding tax on imports is the second major revenue generation source of overall withholding taxes.

The main purpose of present article is to assess and improve the rate structure & eliminate exemptions, and to determine the level of contribution by withholding taxes on imports by various sectors. The article will, especially, be helpful for locating of tax measures for improving revenues. Starting from a brief introduction, an analysis of tax rate structure has been presented followed by analysis of withholding tax revenues from imports. After that some issues of WHT on imports have been discussed and finally, the discussion concluded.

## Legal Aspects of Withholding Tax on Imports

The withholding tax on import was introduced in 1979[3] through section 50(5) of the Income Tax Ordinance, 1979. However, it was incorporated in the Income Tax Ordinance,

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[1]Author is the Second Secretary, Strategic Planning, and Research & Statistics Wing, FBR. The Author is highly grateful to Madam Azra Mujtaba, Member(SP&S), FBR for invaluable support and guidance for completion of this article. Thanks are also due to Muhammad Ashraf Ghauri, (DR&S), Saghir Ahmed, SP&S Wing and Syed Shoaib Iqbal (DR&S) for providing data support.

[2]Para tariff is the levy of surcharges.

[3]See for details on withholding tax "Guide to Withholding Tax", Federal Board of Revenue,( April, 1999).

2001 under section 148. The collection of withholding tax on imports is the responsibility of Customs authorities. The person responsible for collection is Collector of Customs. The withholding tax on import is collected at 13 Model Customs Collectorates all over the country. The tax base of withholding tax on import is the value of goods as per section 25 of Customs Act, 1969, subject to the *ad valorem* duty increased by the customs-duty, sales tax and federal excise duty, if any, payable.

## Structure of Withholding Tax Rates on Import Stage

### *A. Standard Withholding Tax Rate*

The withholding tax on import has largely been fluctuating between 2% to 6% during 1990-91 to 2011-12 as is evident from the Table 1.

**Table 1: Trends in Withholding Tax Rates on Imports**

| Fiscal Years | Withholding Tax Rates |
|---|---|
| 1991-92 | 2% |
| 1994-95 | 2% |
| 1995-96 | 4% |
| 1999-2000 | 5% |
| 2001-02 | 6% |
| 2006-07 | 6% |
| 2007-08 | 5% |
| 2008-09 | 2% |
| 2009-10 | 4% |
| 2010-11 | 5% |
| 2011-12 | 5% |

### *B. Reduced Withholding Tax Rates*

Apart from the standard rate of 5%, reduced rates of withholding tax i.e. 3%, 2% and 1% are applicable in various categories as discussed below:

*i) Reduced Withholding Tax @3% for Import of Raw Material for Industrial Undertakings*[4]

According to the clause (9A) of the part II of the second schedule, withholding tax@3% on value of the raw material imported by an industrial undertaking is allowed for its own use.

[4] Detailed definition of Industrial Undertaking has been provided in Chapter 1 under (Preliminary) of Income Tax Ordinance, 2001 available at www.fbr.gov.pk.

The withholding tax rates on imports for manufacturing sector from 2006-07 to 2011-12 are depicted in Table 2:

**Table 2: Reduced Tax Rates for Industrial Undertakings**

| Fiscal Years | Raw Materials Imports by Industry |
|---|---|
| 2006-07 | 6% |
| 2007-08 | 1% |
| 2008-09 | 2% |
| 2009-10 | 3% |
| 2010-11 | 3% |
| 2011-12 | 3% |

Currently, the reduced rate of 3% for the industrial undertakings is adjustable while tax collected from a person on imports of edible oil and packing materials for a tax year is minimum tax.

*ii) Reduced Withholding Tax @2% for Import of Pulses*

As provided in clause 24 of part II of the 2nd Schedule to the Income Tax Ordinance, 2001, a reduced withholding tax rate of 2% is allowed to the imports of pulses.

*iii) Reduced Withholding Tax @1% on Imports*

The reduced rate of withholding tax i.e. 1% is applied to a number of items or groups of items through various clauses of second Schedule to Income Tax Ordinance, 2001. The detail has been depicted in Table 3.

**Table 3: Reduced Withholding Tax @1% on Imports**

| Description | HS code/ PCT | SROs/Clauses of Part II of the 2nd Schedule | Adjustable /Final |
|---|---|---|---|
| Potassic Fertilizer | 3104 | Economic Co-ordination Committee (ECC) decision No. ECC-155/12/2004[Clause 13E Part] | **Final** |
| Mobile Phone Sets | 8517.1210 | Clause 13G | **Final** |
| Gold | 3102.1000 | Clause 13G | **Final** |
| Silver | Respective Heading | Clause 13G | **Final** |
| Export Oriented Industries | Chapter 50 to 63 of Pakistan Customs Tariff and their inputs | Clause 9 | **Final** |
| Urea Fertilizer | 3102.1000 | Clause 23 | **Final** |

**Further Exemptions From Withholding Tax on Imports**

Apart from various reduced rates of withholding tax at import stage, a number of exemptions from WHT on imports have also been allowed. An effort has been made to group these exemptions as follows:

**1) Petroleum Products**

According to clause 56(i) of Part (IV) of the 2nd schedule to the Income Tax Ordinance, 2001, the whole Pakistan Customs Tariff (PCT) Chapter (27), mainly covering petroleum products i.e. energy items crude oil, motor spirit, furnace oil, high speed diesel oil etc & non energy items etc. are exempt from withholding tax on imports.

**2) Power/Energy Sector**

The exemptions for imports from withholding tax for the power are highlighted below:

i) As per Clause (76) of Part IV of 2nd Schedule to Income Tax Ordinance, 2001, exemption from WHT is allowed to import of solar PV Panels/modules, along with related components including investors, charge controllers and batteries, LVD induction lamps, SMD, LED's with or without blast with fittings and fixtures, fully assembled solar torches, lanterns and related instruments.

ii) Further, exemption was also allowed to import of goods dedicated for use in renewable sources of energy like solar and wind etc., even if locally manufactured, which include induction lamps, SMD LED's with or without blast with fittings and fixtures, wind turbines including alternator and mast, solar torches, lanterns and related instruments, PV modules along with the related components including inventers, charge controllers and batteries through Clause (77) of Part IV of 2nd Schedule to Income Tax Ordinance, 2001.

iii) The imports by Contractors and sub contractors engaged in the execution of power project under the agreement between the Islamic Republic of Pakistan and HUB Power Company Limited are also exempt covered by Clause (70) of Part IV of 2nd Schedule

**3) Automobile**

i) Tax shall not exceed the amount specified in Notification No. SRO 577(I)/2005 dated 6th June, 2005 and Clause 4 of Part III of 2nd Schedule to the Income Tax Ordinance, 2001.

ii) Exemption has also been granted to imports under PCT(Chapter 86) i.e. railway or tramway locomotive rolling—stock and parts thereof; railway or tramway fixtures and fitting and parts thereof mechanical (including electromechanical traffic signals equipment of all kinds through Clause 56(i) of Part IV of the 2nd Schedule to Income Tax Ordinance, 2001.

**4) Trading Houses**

Imports of the trading houses are exempt under Clause 57 of Part IV of 2nd Schedule under the following conditions.

i) Have paid up capital of exceeding Rs.250 million

ii) Own fixed assets exceeding Rs. 300 million at the close of the Tax year.

iii) Maintain computerized records of imports and sales of goods.

iv) Maintain a system for issuance of 100% cash receipts on sales.

v) Present accounts for tax audit every year and is registered with Sales Tax department

**5) Exportation/Exporters**

The exemption of imports is also allowed to the followings:

i) Goods imported by direct and indirect exporters covered under sub-chapter 7 of Chapter XII of SRO 450(I)/2001 dated June 18, 2001.

ii) Goods temporarily imported into Pakistan for subsequent exportation and which are exempt from customs duty and sales tax under Notification No. S.R.O.1065 (I)/2005 dated the 20th October, 2005 and Clause 56 of Part IV of 2nd Schedule to Income Tax Ordinance, 2001.

**6) Manufacturing Bonds**

Imports by Manufacturing Bond as prescribed under Chapter XV of Customs Rules, 2001 notified vide SRO.450(I)/2001, dated June, 18, 2001 are exempted as per Clause 56(iii) of Part IV of 2nd Schedule to the Income Tax Ordinance, 2001

**7) Plant Machinery, Fixtures, Fitting etc for Promotion of Industrial Activities**

Exemption of imports is provided through SRO 947(I) 2008 dated September 05, 2008 in case of plant, machinery, fixtures, fittings or its allied equipments for the purposes of setting up an industrial undertaking (including hotels) or for installation of an existing industrial undertaking (including hotels) by the same industrial undertaking and a certificate to that effect from the Commissioner, in respect of such plant, machinery, fixtures, fittings or equipments is produced certain conditions and restrictions apply on the issuance of the certificate by the Commissioner).

**8) Relief for Affected Areas**

*i) Import of Machinery*

Import of plant and machinery for establishment of business in the most affected and moderately affected areas of Khyber Pukhtunkhwa, FATA and PATA till the $30^{th}$ day of June, 2011 is exempt through Clause 10A(iv) of Part IV of $2^{nd}$ Schedule to Income Tax Ordinance, 2001.

*ii) Import of Raw Materials*

Exemption is also provided through SRO 754/(I)/2010 dated August 9,2010 to raw materials imported for own consumption by the taxpayers (other than the manufacturers and suppliers of cement, sugar, beverages and cigarettes) located in the most affected areas of Khyber Pakhtunkhwa, (district Peshawar, Malakand Agency, and districts of Swat, Buner, Shangla, Upper Dir, Lower Dir, Hangu, Bannu, Tank, Kohat, and Chitral) and taxpayers located in moderately affected areas of Khyber Pakhtunkhwa (Charsada, Nowshera, D.I. Khan Batagram, Lakki Marwat, Swabi and Mardan), FATA and PATA on production of exemption certificate issued by the Chief Commissioner concerned.

**9) Pesticide**

Exemption from withholding tax is allowed to mineral oil imported by a manufacturer or formulator of pesticides which is exempt from customs-duties under the customs Notification No. SRO 857(I)/2008, dated the $16^{th}$ August, 2008 under Clause (56)(v) of Part IV of $2^{nd}$ Schedule to Income Tax Ordinance, 2001.

**10) Cypher Devices**

The exemption of withholding on import is also allowed to fully as well partly designed/assembled cipher devices, for use within the country as are verified by Cabinet Division (NTISB) with reference to design, quality and quantity according to Clause (60) of Part IV of $2^{nd}$ Schedule to Income Tax Ordinance, 2001.

**11) Special Provisions**

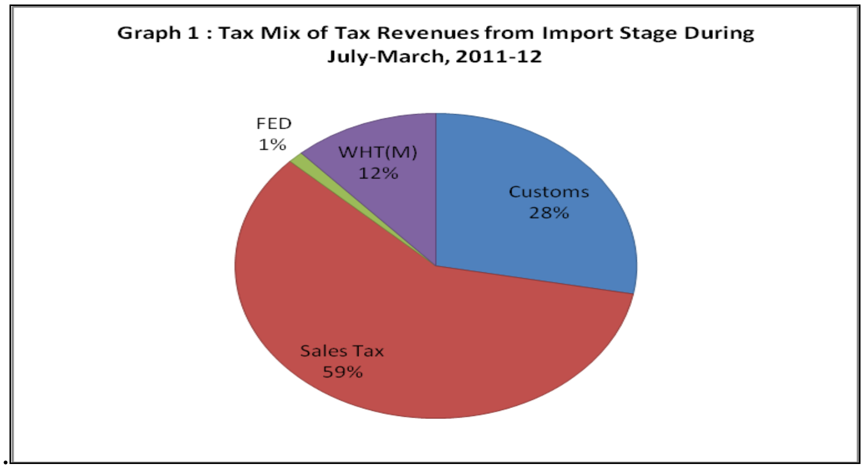
Pakistan Customs Tariff Chapter (99) covering exempted items from customs duty including the imports of diplomats, foreign missions etc. through Clause 56 of Part-IV of $2^{nd}$ Schedule to Income Tax Ordinance, 2001.

**12) Agha Khan Development Networks**

Institution of Agha Khan Development Network, Pakistan listed in Schedule 1 of the Accord and Protocol dated November 13, 1994, executed between the Government and Agha Khan Network through Clause 16 of Part IV of $2^{nd}$ Schedule to Income Tax Ordinance, 2001.

## Contribution of Withholding Tax in Tax Revenue from Imports

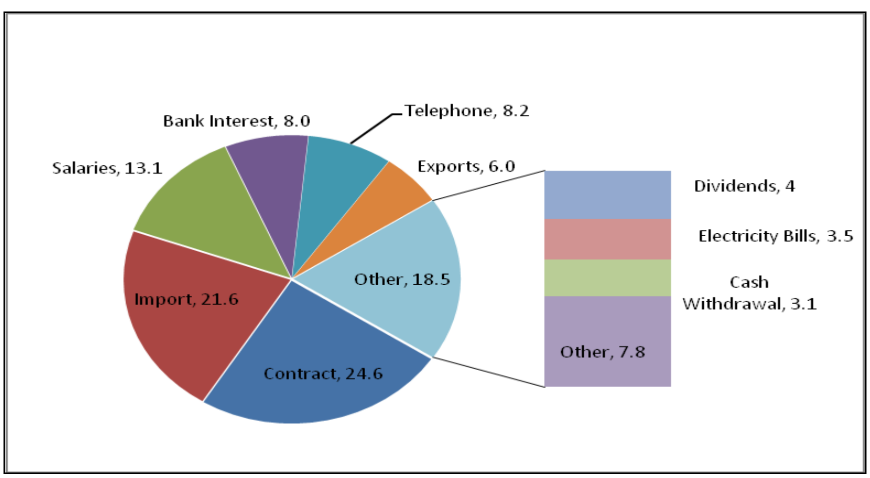
The overall collection of tax receipts at import stage constitutes a significant portion of the federal taxes in Pakistan. Withholding tax is the 3rd major revenue generation source of the import related taxes which also contributes more than 1/5th to the overall collection from imports as evident from Graph 1. During July-March 2011-12, a significant amount of Rs.62 billion was realized against Rs. 44.6 billion during corresponding period last year.




**Graph 1 : Tax Mix of Tax Revenues from Import Stage During July-March, 2011-12**

Withholding taxes are the leading revenue generation source of income tax in the country. Withholding tax on import stage is one of the components of overall withholding taxes. It is the second top revenue generation source of withholding taxes after contracts. In fact, it has contributed more than 2/5th of the collection of withholding taxes during July-March, 2011-12 as illustrated in Graph 2.

**Graph 2: Composition of Withholding Taxes(%) during July-March, 2011-12**



The withholding tax on imports has cast healthy influence on the receipts of overall withholding taxes and import related taxes in the recent years. A major breakthrough has been observed in 2009-10 when its receipts have manifested a dramatic rise from Rs. 30 billion to Rs. 50 billion entailing a massive growth of 67%. Consequently, it stood at Rs. 66 billion in 2010-11 with 32% growth. Similarly, the spate of higher growth continued during the July-March in the current fiscal year as well.

Year wise details of tax revenues realized from imports, overall withholding tax and WHT on imports have been presented in Table 4.

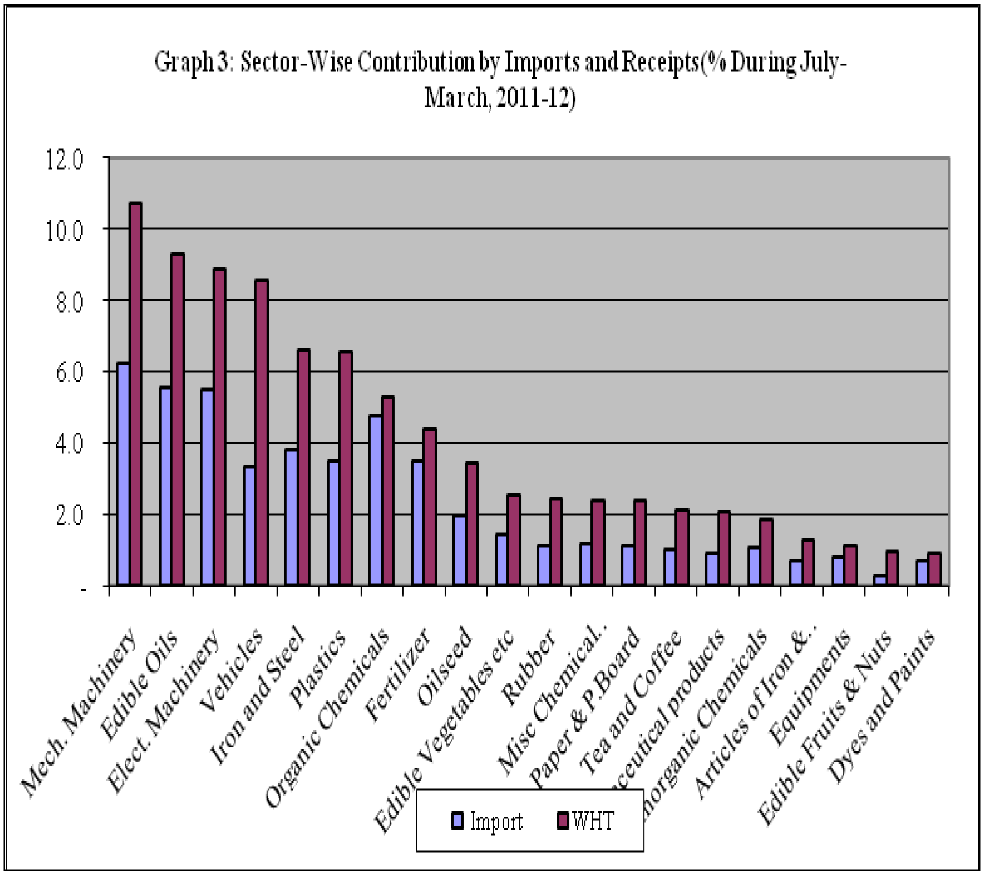
**Table 4: Tax-wise Trends in Tax Receipts**

*(Rs Billion)*

| Fiscal Year | All Taxes Collected from Imports | Overall Withholding taxes | WHT on Import |
|---|---|---|---|
| 1990-91 | 60.4 | 50.5 | 2.1 |
| 1991-92 | 74.8 | 61.8 | 3.0 |
| 1992-93 | 77.2 | 61.4 | 3.6 |
| 1993-94 | 83.1 | 64.2 | 3.8 |
| 1994-95 | 106.5 | 77.7 | 4.2 |
| 1995-96 | 129.3 | 88.9 | 10.9 |
| 1996-97 | 136.5 | 86.1 | 12.6 |
| 1997-98 | 118.7 | 74.5 | 12.0 |
| 1998-99 | 125.2 | 65.3 | 14.1 |
| 1999-00 | 149.0 | 61.7 | 14.7 |
| 2000-01 | 179.9 | 65.0 | 19.4 |
| 2001-02 | 167.4 | 47.8 | 19.2 |
| 2002-03 | 202.6 | 68.8 | 20.8 |
| 2003-04 | 247.9 | 91.0 | 22.8 |
| 2004-05 | 296.0 | 115.4 | 24.5 |
| 2005-06 | 350.6 | 138.4 | 26.9 |
| 2006-07 | 349.8 | 132.3 | 25.8 |
| 2007-08 | 400.2 | 150.7 | 27.7 |
| 2008-09 | 411.0 | 148.4 | 30.1 |
| 2009-10 | 488.2 | 160.3 | 50.2 |
| 2010-11 | 579.4 | 184.9 | 66.4 |

*Source: FBR Data Bank*

It is evident from Graph 3 that sector-wise contribution in imports and receipts reflect a strange picture during July-March, 2011-12. All the 20 major revenue spinners of withholding taxes reflect higher contribution in withholding tax as compared to the their contribution in imports. These major 20 items covers only around 48% of the total imports while contribution in withholding tax has been around 84%. This implies that remaining around half of imports contributed around 16% of the withholding tax. This is a clear indication of how huge is the level of exemptions in withholding tax at import stage. This further confirmed by the fact that petroleum oils (Chapter 27) contributed 28.7% of the imports but exempted from withholding tax.




***Tax Collection Rate***[5]

An effort has been made to gauge that which sector is facing higher rate of withholding tax on import. It is evident from Table 5 that collection rate during July-March; 2011-12 have been higher in case of edible fruits (7.3%)[6], vehicles (5.4%), pharmaceuticals (5%) etc. Similarly, organic chemicals, fertilizer, equipments machinery, iron & steel etc have relatively low collection rate. The low collection rate of 0.7% has been recorded in items of import other than 20 major spinners of withholding tax on imports.

[5]Collection rate is simply the receipts of withholding tax on imports relative to imports.

[6]This is strange case as this collection rate is extremely higher than standard rate. The piecemeal information of PCT Chapter 8 reflects higher collection rates in case of dried grapes (0806.2000), (ii) apples (0808.1000) and ( iii) Apricot 0809.1000.

**Table 5: Sector-Wise Tax Collection Rates of WHTon Imports during July-March, 2011-12**

*(Rs Billion)*

| SNO | Sectors | Imports | WHT Tax | Tax Collection Rate (%) |
|---|---|---|---|---|
| 1 | Mechanical Machinery | 183,314 | 6,639 | 3.6 |
| 2 | Edible Oils | 163,447 | 5,762 | 3.5 |
| 3 | Electrical Machinery | 162,103 | 5,506 | 3.4 |
| 4 | Vehicles | 97,899 | 5,304 | 5.4 |
| 5 | Iron and Steel | 112,568 | 4,108 | 3.6 |
| 6 | Plastics | 102,599 | 4,076 | 4.0 |
| 7 | Organic Chemicals | 139,873 | 3,265 | 2.3 |
| 8 | Fertilizer | 102,883 | 2,727 | 2.7 |
| 9 | Oilseed | 58,268 | 2,142 | 3.7 |
| 10 | Edible Vegetables etc | 42,632 | 1,561 | 3.7 |
| 11 | Rubber | 32,663 | 1,495 | 4.6 |
| 12 | Misc Chemical Products | 34,331 | 1,482 | 4.3 |
| 13 | Paper & Paper Board | 32,354 | 1,467 | 4.5 |
| 14 | Tea and Coffee | 29,529 | 1,309 | 4.4 |
| 15 | Pharmaceutical products | 26,005 | 1,293 | 5.0 |
| 16 | Inorganic Chemicals | 31,078 | 1,136 | 3.7 |
| 17 | Articles of Iron & Steel | 20,034 | 774 | 3.9 |
| 18 | Equipments | 22,620 | 687 | 3.0 |
| 19 | Edible Fruits & Nuts | 8,252 | 599 | 7.3 |
| 20 | Dyes and Paints | 20,115 | 563 | 2.8 |
| | Sub Total | 1,422,567 | 51,895 | 3.6 |
| | Other | 1,519,584 | 10,105 | 0.7 |
| | Total | **2,942,151** | **62,000** | 2.1 |

It is clear from Table 6 that all the top 20 sectors recorded improvement in their receipts from 2007-08 to 2010-11. The improvement has been remarkable in 2011-12 as well. The collection grew by 38.2% which is a good omen for revenue generation at faster pace. Out of the twenty major spinners, only paper & paperboard has exhibited negative growth which is mainly due to reduced import during July-March, 2011-12.

**Table 6: Trends in Receipts of Major Spinners of WHTon Imports**

*(Rs Million)*

| PCT Ch. | Description | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 Upto March | 2010-11 Upto March | Growth (%) |
|---|---|---|---|---|---|---|---|---|
| **84** | Mechanical Machinery | | 2,966 | 4,179 | 6,177 | 6,639 | 3,580 | 85.4 |
| **15** | Edible Oil | 2,818 | 3,123 | 4,825 | 7,033 | 5,762 | 4,806 | 19.9 |
| **85** | Electrical Machinery | 2,797 | 2,270 | 3,447 | 5,560 | 5,506 | 3,505 | 57.1 |
| **87** | Vehicles (Non-Railway) | 2,370 | 1,791 | 4,520 | 5,209 | 5,304 | 3,715 | 42.7 |
| **72** | Iron and Steel | 2,401 | 2,523 | 4,340 | 5,060 | 4,108 | 3,642 | 12.8 |
| **39** | Plastic Resins etc. | 1,572 | 2,046 | 3,824 | 5,082 | 4,076 | 3,658 | 11.4 |
| **29** | Organic Chemicals | 1,346 | 1,887 | 3,146 | 3,930 | 3,265 | 2,702 | 20.8 |
| **31** | Fertilisers | 583 | 697 | 2,087 | 1,388 | 2,727 | 1,077 | 153.1 |
| **12** | Oilseeds | 426 | 657 | 1,745 | 1,748 | 2,142 | 1,451 | 47.6 |
| **07** | Edible Vegetables etc | 265 | 598 | 773 | 1,284 | 1,561 | 1,076 | 45.0 |
| **40** | Rubber Products | 584 | 432 | 1,013 | 1,793 | 1,495 | 1,251 | 19.5 |
| **38** | Misc Chemical Product | 567 | 667 | 1,376 | 1,899 | 1,482 | 1,280 | 15.8 |
| **48** | Paper & Paperboard | 790 | 794 | 1,302 | 2,170 | 1,467 | 1,583 | -7.4 |
| **09** | Tea & Coffee | 410 | 562 | 1,170 | 1,687 | 1,309 | 1,299 | 0.8 |
| **30** | Pharmaceutical Product | 677 | 545 | 1,316 | 1,548 | 1,293 | 1,123 | 15.2 |
| **28** | Inorganic Chemicals | 271 | 735 | 968 | 1,266 | 1,136 | 831 | 36.8 |
| **73** | Articles of Iron & Steel | 457 | 450 | 643 | 854 | 774 | 571 | 35.7 |
| **90** | Optical, Photographic | 351 | 276 | 471 | 764 | 687 | 433 | 58. |
| **08** | Edible Fruits & Nuts | 206 | 216 | 502 | 684 | 599 | 521 | 15.0 |
| **32** | Dyes and Paints | 278 | 345 | 554 | 735 | 563 | 506 | 11.4 |
| | **Sub Total** | **21,398** | **23,581** | **42,199** | **55,869** | **51,894** | **38,609** | 34.4 |
| | **Others** | **6,277** | **6,521** | **8,054** | **10,530** | **9,791** | **6,020** | 62.6 |
| | **Grand Total** | **27,675** | **30,102** | **50,253** | **66,399** | **61,685** | **44,629** | 38.2 |

## Issues in Withholding Tax on Imports

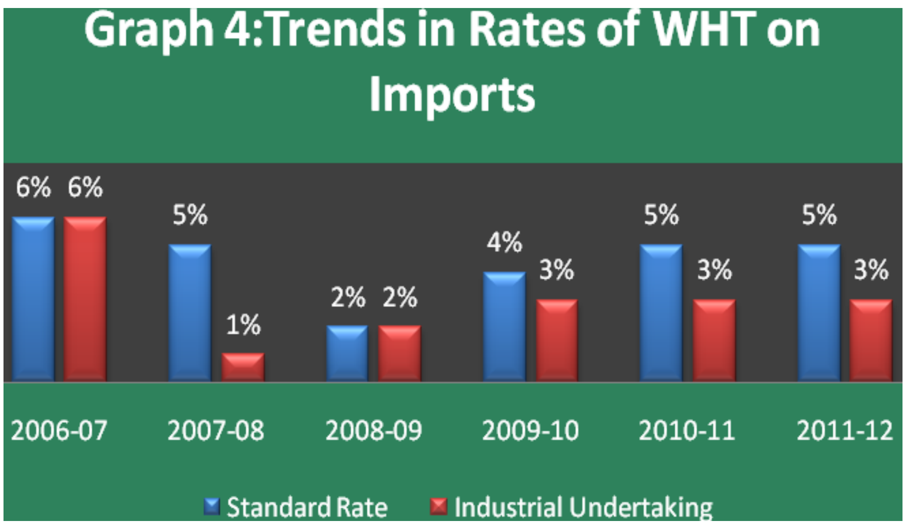
### *Concentration of Revenues and Narrowness of Base*

A bulk of withholding tax at import stage is collected from major 20 PCT Chapters. Most of these chapters are traditionally the major revenue spinners of either customs or sales tax on import. There is a need to bring the other sectors in the net or to shoulder the burden equally and help in enhancement of tax receipts. The substantial contribution is also required from remaining PCT chapters as well.

The narrowness of the base of withholding tax on import stage is the leading issue in withholding tax on imports. Around half of the import is either lightly taxed or out the tax net. Some sectors require preferential treatment for investment and industrial growth purposes. On the other hand, we have to honor the contracts with international organizations, diplomats etc. Many exemptions already mentioned in the exemption section seem unjustifiable.

***Instability and complexity in Rates Structure***

There have been wide fluctuations in the standard rate of withholding tax on import in the last 6 years. Similar is the case of import of raw material by industrial undertakings for their own use to some extent. Graph 4 illustrates variations in the withholding tax rate on imports.




The application of uniform withholding tax on imports is a debatable issue. A uniform withholding tax rate is highly attractive in a variety of ways. This will lessen the cost of the importers. The advantage of uniform rate will be to limit the role of the special interest groups who exert pressure on the government for concessions or reduction of rates. Moreover, Roberta Gatti, World Bank shows a robust association between standard deviation of tariff and measured corruption across countries.

It is evident from graph 4 that a uniform rate of 2% was applicable to commercial and industrial importers in 2008-09 with minor exceptions. Despite lower uniform rates, the collection was increased substantially in 2008-09. A uniform rate of 5% will bring additional revenues in the forms of withholding tax which will further improve tax revenues from WHT on imports.

**Conclusion and Recommendations**

The withholding tax on import is the second major revenue generation source of the withholding tax. The receipts from withholding tax on imports have recorded substantial growth in recent years and it is highly likely that it will become top revenue generation source in the couple of years. The government of Pakistan has abolished the special excise duty on imports on a large number of items. So there is a vast scope of increasing tax receipts from withholding tax on import stage. In the face of more revenue requirement by the government, withholding tax will definitely attract the attention of Budget makers of the country.

The rate structure of withholding tax on imports has been quite complex. Frequent revisions in the tax rates of withholding tax on imports have been an issue. Moreover, a range of reduced rates are also applicable. There might be a apprehension that this facility can be misused, for instance, in case of industrial undertaking where imported raw materials, for their own use, are allowed at reduced rates but can be used for somewhere else as there is no mechanism to check it. This can create injustice to the genuine importers as their cost of business will be higher.

The time has come to rationalize the rates of withholding tax on imports. A uniform rate of 5% will be suitable for enhancing tax revenues but also will bring equality in the system. All the reduced rates may be converted into full standard rate of 5% and the benefit of adjustability may also be granted to these importers so that each transaction leaves a trail to be followed by the FBR. Similarly, the compliance of submission of statement of withholding tax needs to be improved; this will also be a good step towards documentation.

There are a number of exemptions which can be withdrawn. These includes chapter 27, (mainly relating to petroleum product may be brought into tax net except crude oil (27.09). Moreover, exemption of import of trading houses may also be withdrawn. Exemptions to Plant, machinery and equipment from withholding tax on imports may be withdrawn on the ground that most of the machinery items in sales tax regime have also been withdrawn in mid- March, 2011.

*Crude oil is exempted from customs, sales tax and FED.*

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**III**

# Industry Profile: Banking Sector in Pakistan


***By***

**Naeem Ahmed**[7]


## Introduction

Banking sector plays an important role in economic development by channeling the funds from surplus sector to the deficit sector of economy. The role of banks as a funds provider is central in every economy, but in a developing country like Pakistan it becomes even more vital. Banking sector contributes significantly in the economy of Pakistan in shape of capital formation, tax revenues especially in direct taxes, facilitating international trade & investments, supply of credit to the agriculture sector and employment generation directly & indirectly.

A phenomenal change has been witnessed in the banking industry of Pakistan in recent years, owing to the liberal reforms and restructuring executed by the State Bank.[8] The industry has been transformed from an indolent, government dominated sector into a much more active, competitive and profitable industry. The new generation private banks have now established themselves in the system and have set new standards of service and efficiency[9]. The functions of banks start from retail banking and extend to investment and corporate banking, thus create a number of economic and financial opportunities.

In 2006 a study was conducted on "Banking Sector in Pakistan" and was published in FBR Quarterly Review. However, during last five years industry has grown substantially and economy has witnessed many ups and down, hence there was a need to again review the banking industry which is major part (88%) of financial sector of Pakistan. This study analyses the contribution of banking sector in the economy with major focus on tax policy initiatives for banking sector, impact of policy measures on tax revenues and the related issues.

Literature Review: Banking is now an essential part of our economic system. International trade and commerce seems extremely difficult without speedy banking services. Most of the economists agree that the banking sector contributes a lot in the

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[7] Author is the Second Secretary SP&S Wing, FBR. Author is highly grateful to Madam Azra Mujtaba (Member SP&S) for guidance and encouragement to complete this paper.
Thanks are also due to Syed Shoaib Iqbal (DR&S) and Mr. Zafar Iqbal (PRAL) for data support.

[8] See *Issue # 33,* Mergers and Acquisitions, *Economic report April 4th, 2007,* Research Desk Treasury and FX Group MCB BANK Ltd.

[9] http://www.competitionmaster.com/ArticleDetail.aspx?ID=41e9ef66-3271-418d-b344-09f76d6f59a1

economy as individuals, large corporations and governments depend on banks for borrowing. In this regard Miwa and Ramseyer (2000) have quoted Alexander Gerschenkron claiming that banks facilitate economic growth in backward countries and in 1990s and 2000s, many theorists claimed that banks helps economy to grow. There is a sufficient literature supporting the argument that countries with better and efficient financial systems grow faster (Kasekende 2008). According to Gross (2001) financial intermediaries play a significant role in determining the type of investment activities, the job creation and distribution of income.

Khan and Senhadji (2000) have summarized the benefits of banks and say that financial intermediaries help in number of ways like; i) facilitating trade, hedging, diversifying, and pooling of risk, ii) efficiently allocating resources, iii) mobilizing savings, iv) facilitating the exchange of goods and services. In sum financial system facilitates the allocation of resources over space and time. Moreover, facility of internet banking, ATMs and the credit/debit cards has helped millions of the customers[10]. Without rural or farm credit agriculture sector can’t grow and prosper, which in many countries like Pakistan is the backbone of economy.

**Banking Sector in Pakistan**

At the time of independence, Pakistan started with a dilapidated banking structure with only 4 local commercial banks with 23 branches in operation in both parts of the country[11]. The banking sector has witnessed many ups and downs since then. These events can be divided into three distinct time periods, namely; the era of industrialization (1947-1968), the episode of nationalization (1974-1990) and re-emergence of liberalized financial activities (1991-2005).

The financial sector of Pakistan consists of Scheduled Commercial Banks which include nationalized, foreign, and private banks; and Non-banking Financial Institutions (NBFIs). The NBFCs include; Development Finance Institutions (DFIs), Investment Banks, leasing companies, Modarabas, and housing finance companies. In 1974 all domestic commercial banks were nationalized by the Government. Pakistan Banking Council was established, which assumed the role of a banking holding company but with limited supervisory powers. PBC was dissolved in 1997, leaving the SBP as the sole regulatory authority for banks and financial institutions in Pakistan.

[10] http://www.competitionmaster.com/ArticleDetail.aspx?ID=41e9ef66-3271-418d-b344-09f76d6f59a1

[11] FBR Quarterly Review April-June 2006, www.fbr.gov.pk /SBP Report 2011

Now in 2011-12, 23 private banks and five public sector commercial banks are operating in Pakistan (Annex-1). There are also 4 specialized scheduled banks, 6 foreign banks, Development Financial Institutions (Non-bank) and microfinance banks in the country. Total number of branches of commercial banks is nearly 10,000, with assets of all banks Rs. 7,715 billion (Economic survey/SBP). It is very substantial increase in short span of four years (Table 1) as the assets of banks have increased by 37%, deposits by 41% and profit after tax by 19%.

**Table: 1 Key Banking Statistics**

**(*Rs. Billion*)**

| | CY08 | CY09 | CY10 | CY11 |
|---|---|---|---|---|
| Total Assets | 5628 | 6516 | 6782 | 7715 |
| Advances | 3173 | 3240 | 3231 | 3383 |
| Deposits | 4218 | 4786 | 5128 | 5965 |
| Equity | 563 | 660 | 668 | 723 |
| Profit after tax | 43 | 54 | 36 | 51 |

Source: (SBP Reports**)**

## Islamic Banking:

In Pakistan the Islamic Banking has emerged as a response to both religious and economic needs. During last few years a significant growth in the market share has been witnessed. The government of Pakistan has taken a number of initiatives since 1979 to introduce interest free products in banking sector. During 1990s the Islamic banking practices were initiated in many countries. In December 2001 SBP issued detailed criteria for the establishment of full-fledged Islamic bank in private sector. Currently there are 5 Islamic banks working in Pakistan and a robust growth has been witnessed in most of the indicators of Islamic Banking (Table 2).

**Table 2: Existing Position and Growth Forecasts**

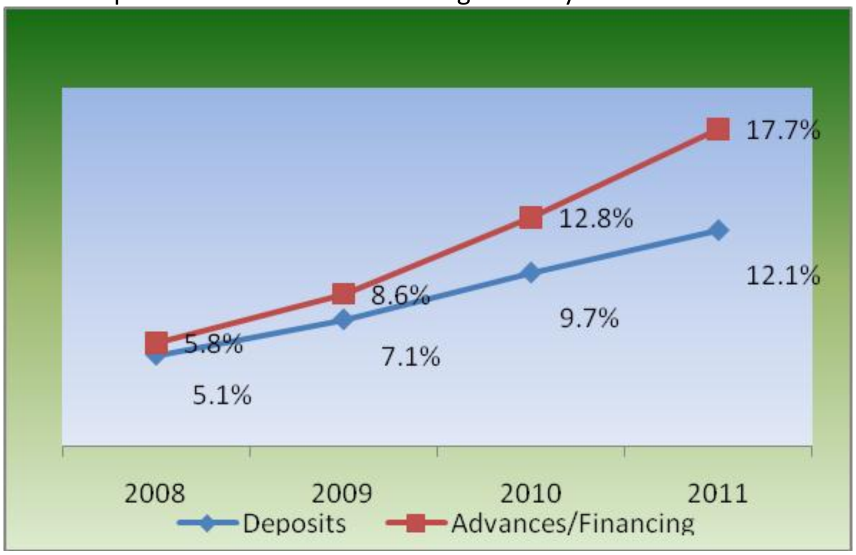
*Rs. Million*

| | **2008** | **2009** | **2010** | **2011** | **2012*** |
|---|---|---|---|---|---|
| **Deposits** | 215,938 | 340,128 | 499,036 | 722,109 | 907,064 |
| Growth | - | 58% | 47% | 45% | 26% |
| **Financing** | 84,641 | 277,153 | 413,594 | 600,014 | 731,591 |
| Growth | - | 50% | 49% | 45% | 22% |
| **Human Resource Requirement** | 9,601 | 13,063 | 16,181 | 19,220 | 20,953 |
| Growth | - | 36% | 24% | 19% | 9% |

(*) forecast

Deposits and advances of Islamic Banks have increased very rapidly during last few years and so is the share in banking sector, as evident from Graph 1.

Graph 1: IB Share in total Banking Industry-Growth Trend




There is a lot of scope for Islamic Banking in future as it can attract a large unbanked segment of population which avoids interest based banking. The performance of Islamic Banks during last five years supports this claim.

**Banking Sector and Contribution to the Economy**

Following are the major areas where role of banking sector is supportive and vital in the creation of economic activities.

**Capital Formation**

There is a direct link between credit availability and investment. Theoretically, higher is the magnitude of capital formation when cost of borrowing is low, *ceteris paribus*. For banks, credit remains the main source of interest income. Recently, the growing difference between lending and deposit rates has become the major source of net interest income (NII) for the commercial banks. The advances of banking sector have substantially increased from Rs. 1 trillion in 2002 to around Rs. 3.4 trillion in 2011 i.e. reflecting 240% growth[12]. The leading banks in respect of assets, deposits, advances and investments were: NBP, HBL, UBL, MCB, ABL, Bank Al-Falah and Standard Chartered Bank.

The sectoral share in lending is shown in Table 3. Major share goes to textile (19%), energy (11%) and sugar (3%). Other major sectors which are facilitated by the banks are cement, leather and automobile.

[12] Table 1, FBR Quarterly April-Jun 2006/SBP Report 2011

**Table 3: Sectoral Share in Lending**

*(Rs. billion)*

| Sectors | Dec-09 | June-10 | June-10 | Share (%) |
|---|---|---|---|---|
| Textile | 648 | 594 | 657 | 19 |
| Production & Transmission of Energy | 294 | 327 | 374 | 11 |
| Sugar | 62 | 82 | 122 | 3 |
| Cement | 95 | 91 | 81 | 2 |
| Shoes & Leather Garments | 21 | 21 | 25 | 1 |
| Automobiles & Transport equipment | 52 | 47 | 41 | 1 |
| Others | 2167 | 2179 | 2224 | 63 |
| Total | 3339 | 3341 | 3523 | 100 |

*Source: SBP Annual report 201, Ch.1*

**Employment Generation:** The growing need of employment is substantiated by the fact that out of 54.9 million civilian labor force, 3.1 million people are unemployed in the country[13]. In this backdrop, creation of new job opportunities always remains one of the top priorities of the government. Although major contribution of the banking sector is credit provision for promotion of investment in the country, but its role in employment generation is also considerable. According to the available information, around 100,000 people are directly employed in the banking sector[14].

**Tax Revenues:** Banks also contribute in shape of tax revenues to the government exchequer. The detailed discussion on the tax policy, revenue contribution by the banking sector and related issues has been given in the following paragraphs.

***Tax Policy***

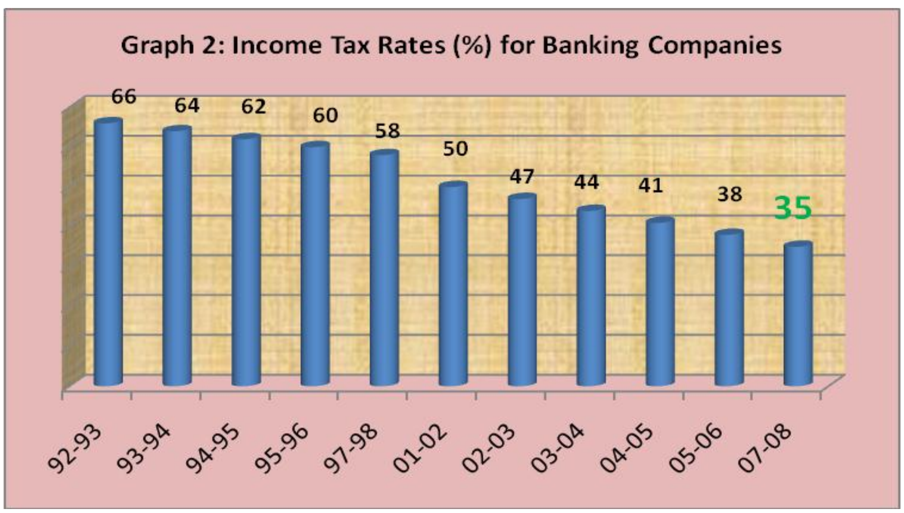
Taxes are one of the tools of fiscal policy applied for multifaceted objectives like revenue generation, equitable distribution of resources, facilitation of taxpayers and to promote investment in the economy. FBR being the major revenue collecting organization have been trying to frame tax policies to attain these objectives. In this regard banking sector along with other corporate sector has been given special attention particularly after the initiation of tax policy and administrative reforms. The banking companies were overburdened with high income tax rates during early 1990s in Pakistan.

[13] Economic Survey 2010-11, p/157

[14] *NBP Economic Bulletin January-February 2011*

A separate schedule "The Seventh Schedule" has been added in Income Tax Ordinance 2001, dealing with the income, profits, gains and tax payable by the banking companies. According to section 5(1) of Seventh Schedule the banking company shall be required to pay advance tax for the year under section 147 in twelve equal installments payable by 15th of every month. The income tax rate structure of banking companies is given in The First Schedule of Income Tax Ordinance, 2001.

***Rate Structure for Banking Companies:*** Keeping in view the bad impacts of high tax rates, FBR took bold initiatives and offered drastic reduction in tax rates of banking companies under the ongoing tax reform program. The rates of tax imposed on taxable income of a banking company have been gradually reduced from 66% in 1992 to 35% in 2007 and onwards (Graph 2), with the expectation of better compliance by the banking sector.




The overall reduction in the tax rates is nearly 50% i.e. from 66% in 1992-93 to 35% in 2007, which is in fact a major shift in tax policy to favor the corporate taxpayers and to attract investments in the country.

***Rate Structure of Withholding Taxes:*** By acting as withholding agents for the government, the banks collect WHT on various heads like bank interest, securities and more recently on cash withdrawal and advance tax on transactions in banks. The sections under which these withholding taxes are collected are depicted in Table 4.

**Table 4: Rate Structure of Withholding taxes collected by Banks**

| Sections | Heads | Rates |
|---|---|---|
| u/s 151 (1) (a) | Profit on debt- NSC/PO | @10% |
| u/s 151 (1) (b | Profit on debt- Bank Deposits | @10% |
| u/s 151 (1) (c) | Profit on debt- Govt Securities | @10% |
| u/s 151 (1) (d) | Profit on debt- Other Securities | @10% |
| u/s 231 A | Cash Withdrawal | @0.2% |
| u/s 231 AA | Advance Tax on Transaction in bank | @0.3% |

***Income Tax Base:*** Banking sector base during 2011 consisted of 46 banks that can be categorized into public, private, foreign, and specialized banks (Table 5). The complete list of the banks is provided as Annex-1.

**Table 5: Historical Composition of Banks**

| **Categories** | **1998** | **2003** | **2005** | **2011** |
|---|---|---|---|---|
| Public Sector Commercial Banks | 6 | 5 | 4 | 5 |
| Local Private Banks (including DFIs) | 16 | 18 | 20 | 31 |
| Foreign Banks | 20 | 14 | 11 | 6 |
| Specialized Banks | 4 | 3 | 4 | 4 |
| **Total** | **46** | **40** | **39** | **46** |

### *Tax Contribution by the Banks*

The banking sector has also been an important source of tax revenues. The increased profitability has led to higher tax contribution in absolute terms particularly during last few years. The gross and net income tax collection from banking sector was Rs. 50 billion and Rs. 37 billion respectively in FY: 2006-07, which increased to Rs.75.6 billion and Rs. 47.5 billion in FY: 2011-12 during July-March. However, despite enormous profits declared by the banks, the share of banking sector tax payment in income tax receipts has hovered around 10% during last six years (Table 6).

**Table 6: Income Tax Collected from Banking Sector**

*(Rs. Billion)*

| Year | Collection | | | Growth % in Net Collection | Share (%) in Net Income Tax |
|---|---|---|---|---|---|
| | Gross | Refund | Net | | |
| 2006-07 | 50,046 | 12,701 | 37,345 | | 9.6 |
| 2007-08 | 50,111 | 6,426 | 43,685 | 17.0 | 9.8 |
| 2008-09 | 68,900 | 10,453 | 58,447 | 33.8 | 11.1 |
| 2009-10 | 73,659 | 18,135 | 55,524 | -5.0 | 9.2 |
| 2010-11 | 73,869 | 8,300 | 65,569 | 18.1 | 10.9 |
| 2011-12 (July-Mar) | 75,596 | 28,048 | 47,548 | | 9.9 |
| 2010-11(July-Mar) | 44,922 | 4,809 | 40,113 | 18.5 | 10.5 |

*Source: MPR/FBR Yearbook*

The refund payments to banking sector particularly, in CFY have grown enormously i.e. Rs. 28 billion up to March 2012 against only Rs.4.7 billion in the corresponding period last year. Out of Rs. 76.2 billion direct taxes refunds in July-March 2011-12 Rs. 67.1 billion have been issued by the LTUs, moreover, the major chunk i.e. around 42% have been issued to the banks in the said period as illustrated in Table 7.

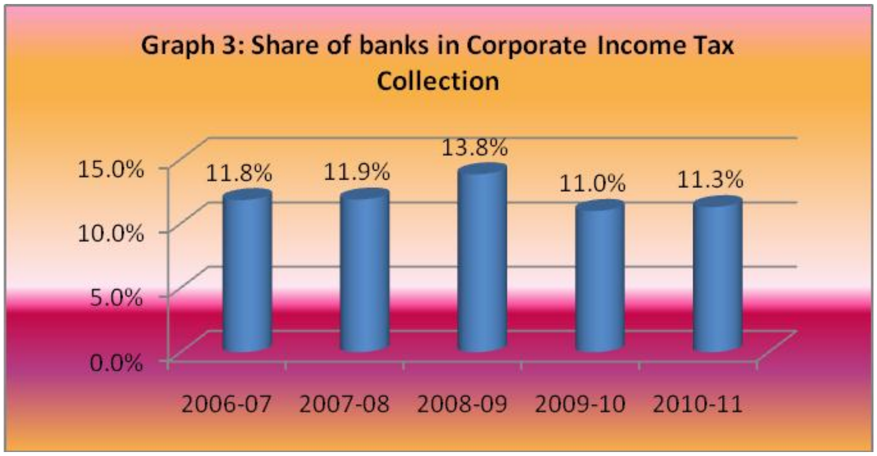
**Table 7: LTU-wise Refunds Issued to Banks**

Rs million

| LTUs | JULY-MARCH | | | | Growth % | Share % of Banks |
|---|---|---|---|---|---|---|
| | Total Refunds issued by LTU's | | Refunds Issued to Banking Companies | | | |
| | 2011-12 | 2010-11 | 2011-12 | 2010-11 | | |
| Karachi | 36,922 | 14,838 | 16,815 | 1,148 | 1,365 | 46 |
| Islamabad | 26,699 | 3,643 | 10,593 | 2,852 | 271 | 40 |
| Lahore | 3,500 | 4,527 | 579 | 717 | -19 | 17 |
| **Total** | **67,121** | **23,008** | **27,987** | **4,717** | 493 | 42 |

**Collection Share of Banking Sector in Corporate Income Tax:**

The collection share of banking sector in total corporate income tax increased to 13.8% in 2008-09 but again started declining and reached to 11.3% in 2010-11 (Graph 3). Keeping in view the hefty profits of banking sector in last few years the share of income tax should have also risen.




Another area which needs detailed analysis is the composition of income tax paid by the banking sector. The data in this regard is reflected in Table 8. It is believed that the banking sector is one of the most documented and growing sectors of the economy. The analysis of share of income tax paid by banks under various heads invites attention of the concerned quarters. In 2006-07 banks deposited 23% of their total income tax with return and just 6% from collection out of demand, apparently a pleasant outcome of USAS. However, in the later years, this pattern changed and share of payment with return lowered to 1-2% and CoD share increased significantly i.e. 30-46%. Therefore, one may perceive that substantial increase in CoD is apparently the underreporting and concealment in income tax returns submitted by the banks. Nonetheless, it is encouraging to note that field formations through the appropriate efforts collected the concealed revenue to great extent.

**Table 8: Composition of Income Tax Paid by Banking Sector**

| Years | With Return | Advance | Withholding | CoD |
|---|---|---|---|---|
| 2006-07 | 23% | 61% | 9% | 6% |
| 2007-08 | 3% | 62% | 6% | 30% |
| 2008-09 | 1% | 52% | 1% | 46% |
| 2009-10 | 1% | 59% | 3% | 37% |
| 2010-11 | 2% | 64% | 2% | 32% |
| 2011-12 | 1% | 49% | 8% | 42% |

The above Table also reflects that advance tax during CFY has declined and 49% of collection has been realized through advance tax against 64% in the corresponding period of PFY.

It is pertinent to mention that FBR has changed its policies in shape of USAS and drastic reduction in rates, to create taxpayers friendly environment in the country and for the economic development, now it is the responsibility of all the taxpayers and specifically, the corporate taxpayers and the Banks to pay their due share to help enable the economy to grow and flourish.

***Withholding Taxes:*** By acting as withholding agents for the government, the banks collect WHT on various heads like bank interest, securities, on cash withdrawal and more recently advance tax on transaction in banks. The sections under which these withholding taxes are collected are; u/s 231 A @0.2% Cash Withdrawal, u/s 231 AA @0.3% (Advance Tax on Transaction in bank), u/s 151 (1) (a) @10% Profit on debt- Bank Deposits, u/s 151 (1) (b) @10% Profit on debt- Bank Deposits, u/s 151 (1) (c) @10% Profit on debt- Govt Securities, u/s 151 (1) (d) @10% Profit on debt- Other Securities.

Major source of revenue is WHT on interest payment on savings @ 10%. Its share in income tax receipts ranged between 2.2% and 4.8% during last five years. In absolute terms, the collection has been between Rs. 6.4 billion and Rs. 16.1 billion during 2005-06 and 2010-11 (Table 9).

**Table 9: Withholding Taxes**

*(Rs.Billion)*

| **Years** | **Collection** | |
|---|---|---|
| | **(U/s 231A) Cash Withdrawal** | **U/s 151 Bank Interest & Securities** |
| 2005-06 | 2.4 | 10.2 |
| 2006-07 | 4.8 | 13.7 |
| 2007-08 | 6.4 | 14.1 |
| 2008-09 | 11.3 | 16.1 |
| 2009-10 | 12.9 | 19.9 |
| 2010-11 | 21.3 | 23.4 |
| 2011-12 (JM) | 8.6 | 23.0 |
| 2010-11 (JM) | 10.4 | 16.7 |
| *Growth%* | *-17.3* | *37.1* |

Withholding tax on cash withdrawal @ 0.1% on amount exceeding Rs. 25,000/ was levied from 1st July 2005. This rate was raised to 0.2% effective July 2006. In order to check misuse of the provision, the limit of Rs. 25,000/- per transaction has been changed from per transaction to per day basis. During FY: 05-06, the first year, an amount of Rs. 2.4 billion was collected, however, in the coming years the amount gradually increased and touched Rs. 21 billion in 2010-11. The rate was enhanced from 0.2% to 0.3%. However, in the

CFY, the collection from cash withdrawal has declined by around 17% as the rate was again reduced to 0.2% from 0.3% in the Budget FY: 2011-12.

Another recently introduced withholding tax was Advance Tax on Transaction in bank (u/s 231 AA @0.3%). The collection realized from this head in first nine months of CFY has been Rs.235 million against Rs.94 million in July-March 2010-11 it's first year of inception. This area needs vigilance and monitoring as the collection realized so far looks less than the potential.

**Indirect Taxes:** The nature of the banking business is such that there is limited scope for indirect taxes. However, in the past federal excise duty was charged @1% on bank loans and advances in 1991-92 and continued till 1996-97. The amount collected under this head had ranged from Rs.711 million in 1991-92 to Rs. 2538 million in 1996-97. Notwithstanding this significant amount, it was not perceived as a good tax as it was discouraging investment. In order to streamline the system and to promote investment in the country, the government withdrew the said excise duty in 1997.

**Sales tax Domestic:** Since FY: 2009-10 the banking services are being collected under the VAT mode. Earlier banking services were being collected under the FED in 2007-08 and 2008-09. Then they were transferred to VAT mode. The year-wise collection is reflected in the table below.

**Table 10: Collection from Banking Services**

*(Rs. Million)*

| Years | VAT Mode | FED Collection |
|---|---|---|
| 2007-08 | - | 1334 |
| 2008-09 | - | 3007 |
| 2009-10 | 4736 | 501 |
| 2010-11 | 5290 | - |
| 2011-12 (JM) | 2454 | |
| 2010-11 (JM) | 3911 | |

Note 2011-12 excludes Sindh

### Issues and Concerns

***Low Tax Contribution*****:** It has been observed that profits of banks have increased significantly during last five years and particularly, in 2010-11. Nonetheless, in response to the governments' policy of reduction in tax rates, the revenue contribution by the banks has not been much encouraging and the outcome falls short of expectations to some extent and hence, the tax contribution of the banking sector appears to be inconsistent with its profits.

***Changed Composition of Income Tax:*** Similarly, increasing share of collection out of demand from the banking sector is not a healthy sign when USAS is in vogue. The USAS was basically the trust shown by the revenue organization in the taxpayers to enhance the confidence in the revenue collecting organization. It is imperative to mention that collection with return was 23% in 2006-07 which has plummeted to 1% in 2010-11 and contrary to this share of CoD which was 6% has increased to 42% during the same period. The increased share of CoD also shows the appropriate efforts of field staff to check the concealment cases. Nonetheless, the decreasing share of collection with return and advances and on the other hand increased share of CoD raises the questions. Like; how far it is safe to allow the taxpayers and particularly to the large taxpayers to assess their income and taxes by themselves and secondly, how audit department would tackle the concealment cases? Certainly there is a need to make foolproof system and to take effective measures to safeguard the public money.

***Higher Refund Payments to Banks:*** Most of the banks are registered in the LTUs. It has been observed that during the CFY higher refunds have been paid to the banks as compared to July-March period last year. Share of the banking sector refund in corporate sector has been more than 40%. In absolute terms Rs 23.3 billion higher refund payments in July-March CFY as compared to PFY were made. The question is why such huge refunds were generated? The increased refund payments to banking sector in July-March 2011-12 need to be examined by the concerned quarters.

***Collection from Cash Withdrawal*:** A substantial decline in the collection from withholding taxes on cash withdrawal is justifiable to some extent as its rate of tax was reduced in the budget FY 2011-12. However, it was expected that the reduction in rates would be compensated through the natural growth in economic activities and overall GDP, but these estimations fell short of expectations. Therefore, concerned field formations need to monitor the collection under this head to realize the revenue as per the potential. Similarly, it appears that the recently introduced “Advance Tax on Transaction” in bank could not produce desired results. The collection realized from this head in first nine months of CFY has been Rs.235 million against Rs.94 million in July-March 2010-11. This area also needs proper monitoring.

***Rising Spreads and Low profits on Deposits:*** According to SBP banking system of Pakistan is characterized by high banking spreads, which are generally linked to the efficiency of financial intermediation and competition in the banking sector[15]. The same

[15] See SBP Annual Report 2011

has been pointed out by the IMF Country report[16]. The data confirms that the bank spread between borrowing and lending rates has been on the higher side. Whereas the deposit rates have ranged between 1.2% and 2.7%, the lending rates have ranged between 8.8% to 13.5% during 2004-5 to and 2010-11. The rising spread is certainly good for the banks but may not be for the borrowers and the small and medium depositors who hardly earn anything on their deposits. At macro level high spreads impede financial intermediation by discouraging potential savings with low returns on deposits, thus constraining investment activities with a high cost of borrowing (SBP Report).

**Table 11: Lending and Deposit Rates (% per annum)**

| | **04-05** | **05-06** | **06-07** | **07-08** | **08-09** | **09-10** | **10-11** |
|---|---|---|---|---|---|---|---|
| Deposits Rates | 1.37 | 1.96 | 2.6 | 4.13 | 4.44 | 4.2 | 4.53 |
| Advances Rates | 8.81 | 10.61 | 11.55 | 12.49 | 14.5 | 13.63 | 13.46 |
| ***Spread*** | ***7.44*** | ***8.65*** | ***8.95*** | ***8.36*** | ***10.06*** | ***9.43*** | ***8.93*** |

Source: Economic Bulletin (Nov-Dec, 2011), NBP

In this regard the IMF suggestion of introducing more competition in shape of alternatives like NSS, investment products by insurance companies etc. in financial sector to low the spreads, seems workable. So there is a need to address the issues of small and medium depositors to encourage the savings, direly needed for investments and economic development.

## Concluding Remarks

The study has acknowledged the vital role played by the banking sector in economic development and growth of the economy of Pakistan. Despite certain limitations, the banking sector, by and large, has been able to channel resources from small and medium savers to the industrial and commercial concerns. The inefficiencies that had crept in the system due to prolonged public sector ownership after the banks were nationalized have been reduced to a great extent after the implementation of far reaching reforms in the last decade. It is expected that under the current regulatory framework of SBP the banking sector would become more strengthened and competitive and consequently, the industry will flourish and grow in coming years. Moreover, as the SBP, has already decided to adopt Basel II in Pakistan. It would be helpful to maintain safety and soundness, to enhance competitive equality and to introduce a more risk sensitive framework.

[16] IMF Country Report No.12/35

Regarding revenue receipts from the banking sector, it appears that the outcome falls short of expectations. It was perceived that the continuous and very substantial decline of banking rates and significant growth in the banking sector activities would have a positive impact on the income tax paid by the sector, but it has not happened so far. Similarly, the changed composition of direct taxes paid by the banks is a matter of concern. It is expected that the documented sector like banking would increase its share of tax payments through voluntary compliance. Moreover, the declining collection from cash withdrawal is also not a healthy sign and should be monitored minutely.

After the substantial reduction in the corporate income tax rates i.e. 66% to 35% over the years and significant increase in the profits of banking sector, the responsibility now falls on the banking sector to contribute to the national economy through its fair share of income taxes. The problems faced by Pakistan economy like rising public debt, fiscal deficit, low tax/GDP ratio etc. can be tackled effectively if the corporate sector and, particularly, the banking sector starts paying its due share of taxes.

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# STATISTICAL APPENDIX

Comparative Statements of

Month – to – Month and Progressive

Collection of

Federal taxes 2011-12

# Collection of Taxes 2011-12

*(Rs Million)*

| MONTHS | M/P | FY 2011-12 Gross | FY 2011-12 Reb/Ref | FY 2011-12 Net | FY 2010-11 Goss | FY 2010-11 Reb/Ref | FY 2010-11 Net | COMPARISON Goss | COMPARISON Reb/Ref | COMPARISON Net | Growth (%) Gross | Growth (%) Reb/Ref | Growth (%) Net |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| JULY | M | 162,084 | 49,808 | 112,276 | 87,371 | 10,223 | 77,148 | 74,713 | 39,585 | 35,128 | 85.5 | 387.2 | 45.5 |
| AUGUST | M | 125,424 | 4,918 | 120,506 | 105,935 | 5,995 | 99,940 | 19,489 | -1,077 | 20,566 | 18.4 | -18 | 20.6 |
| | **P** | **287,508** | **54,726** | **232,782** | **193,306** | **16,218** | **177,088** | **94,202** | **38,508** | **55,694** | **48.7** | **237.4** | **31.4** |
| SEPTEMBER | M | 154,421 | 6,398 | 148,023 | 123,005 | 6,598 | 116,407 | 31,416 | -200 | 31,616 | 25.5 | -3 | 27.2 |
| **1st Quarter** | | **441,929** | **61,124** | **380,805** | **316,311** | **22,816** | **293,495** | **125,618** | **38,308** | **87,310** | **39.7** | **167.9** | **29.7** |
| OCTOBER | M | 132,591 | 6,183 | 126,408 | 114,354 | 10,807 | 103,547 | 18,237 | -4,624 | 22,861 | 15.9 | -42.8 | 22.1 |
| | **P** | **574,520** | **67,307** | **507,213** | **430,665** | **33,623** | **397,042** | **143,855** | **33,684** | **110,171** | **33.4** | **100.2** | **27.7** |
| NOVEMBER | M | 139,028 | 7,180 | 131,848 | 110,108 | 7,076 | 103,032 | 28,920 | 104 | 28,816 | 26.3 | 1.5 | 28 |
| | **P** | **713,548** | **74,487** | **639,061** | **540,773** | **40,699** | **500,074** | **172,775** | **33,788** | **138,987** | **31.9** | **83** | **27.8** |
| DECEMBER | M | 213,805 | 12,129 | 201,676 | 168,462 | 6,882 | 161,580 | 45,343 | 5,247 | 40,096 | 26.9 | 76.2 | 24.8 |
| **2nd Quarter** | | **485,424** | **25,492** | **459,932** | **392,924** | **24,765** | **368,159** | **92,500** | **727** | **91,773** | **23.5** | **2.9** | **24.9** |
| **Upto 2nd Qtr** | | **927,353** | **86,616** | **840,737** | **709,235** | **47,581** | **661,654** | **218,118** | **39,035** | **179,083** | **30.8** | **82** | **27.1** |
| JANUARY | M | 150,311 | 14,308 | 136,003 | 120,054 | 11,641 | 108,413 | 30,257 | 2,667 | 27,590 | 25.2 | 22.9 | 25.4 |
| | **P** | **1,077,664** | **100,924** | **976,740** | **829,289** | **59,222** | **770,067** | **248,375** | **41,702** | **206,673** | **30** | **70.4** | **26.8** |
| FEBRUARY | M | 143,362 | 9,974 | 133,388 | 113,662 | 7,752 | 105,910 | 29,700 | 2,222 | 27,478 | 26.1 | 28.7 | 25.9 |
| | **P** | **1,221,026** | **110,898** | **1,110,128** | **942,951** | **66,974** | **875,977** | **278,075** | **43,924** | **234,151** | **29.5** | **65.6** | **26.7** |
| MARCH | M | 178,472 | 8,204 | 170,268 | 149,372 | 5,200 | 144,172 | **29,100** | **3,004** | **26,096** | **19.5** | **57.8** | **18.1** |
| **3rd Quarter** | | **472,145** | **32,486** | **439,659** | **383,088** | **24,593** | **358,495** | **89,057** | **7,893** | **81,164** | **23.2** | **32.1** | **22.6** |
| **Upto 3rd Qtr** | | **1,399,498** | **119,102** | **1,298,796** | **1,092,323** | **72,174** | **1,020,149** | **307,175** | **46,928** | **260,247** | **28.1** | **65** | **27.3** |
| APRIL | M | | | | 137,143 | 7,457 | 129,686 | | | | | | |
| | **P** | | | | **1,229,466** | **79,631** | **1,149,835** | | | | | | |
| MAY | M | | | | 172,890 | 13,267 | 159,623 | | | | | | |
| | **P** | | | | **1,402,356** | **92,898** | **1,309,458** | | | | | | |
| JUNE | M | | | | 261,699 | 13,143 | 248,556 | | | | | | |
| **4th Quarter** | | | | | **571,732** | **33,867** | **537,865** | | | | | | |
| **Annual** | | | | | **1,664,057** | **106,043** | **1,558,014** | | | | | | |

**(*) M- Monthly, P-Progressive** **(*) Includes Rs.18.3 billion collected by SRB on services**

# DIRECT TAXES

*(Rs Million)*

| MONTHS | M/P | Collection | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | FY 2011-12 | | | FY 2010-11 | | | COMPARISON | | | Growth (%) | | |
| | | 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 | 14 |
| JULY | M | 72,547 | 43,581 | 28,966 | 25,297 | 7,195 | 18,102 | 47,250 | 36,386 | 10,864 | 186.8 | 505.7 | 60 |
| AUGUST | M | 33,730 | 1,661 | 32,069 | 28,490 | 2,484 | 26,006 | 5,240 | -823 | 6,063 | 18.4 | -33.1 | 23.3 |
| | **P** | **106,277** | **45,242** | **61,035** | **53,787** | **9,679** | **44,108** | **52,490** | **35,563** | **16,927** | **97.6** | **367.4** | **38.4** |
| SEPTEMBER | M | 65,262 | 1,755 | 63,507 | 53,223 | 1,613 | 51,610 | 12,039 | 142 | 11,897 | 22.6 | 8.8 | 23.1 |
| **1st Quarter** | | **171,539** | **46,997** | **124,542** | **107,010** | **11,292** | **95,718** | **64,529** | **35,705** | **28,824** | **60.3** | **316.2** | **30.1** |
| OCTOBER | M | 42,296 | 2,637 | 39,659 | 36,995 | 2,777 | 34,218 | 5,301 | -140 | 5,441 | 14.3 | -5 | 15.9 |
| | **P** | **213,835** | **49,634** | **164,201** | **144,005** | **14,069** | **129,936** | **69,830** | **35,565** | **34,265** | **48.5** | **252.8** | **26.4** |
| NOVEMBER | M | 47,395 | 1,974 | 45,421 | 35,283 | 2,615 | 32,668 | 12,112 | -641 | 12,753 | 34.3 | -24.5 | 39 |
| | **P** | **261,230** | **51,608** | **209,622** | **179,288** | **16,684** | **162,604** | **81,942** | **34,924** | **47,018** | **45.7** | **209.3** | **28.9** |
| DECEMBER | M | 110,200 | 7,255 | 102,945 | 81,481 | 3,208 | 78,273 | 28,719 | 4,047 | 24,672 | 35.2 | 126.2 | 31.5 |
| **2nd Quarter** | | **199,891** | **11,866** | **188,025** | **153,759** | **8,600** | **145,159** | **46,132** | **3,266** | **42,866** | **30** | **38** | **29.5** |
| **Upto 2nd Qtr** | | **371,430** | **58,863** | **312,567** | **260,769** | **19,892** | **240,877** | **110,661** | **38,971** | **71,690** | **42.4** | **195.9** | **29.8** |
| JANUARY | M | 49,664 | 8,084 | 41,580 | 42,074 | 5,214 | 36,860 | 7,590 | 2,870 | 4,720 | 18 | 55 | 12.8 |
| | **P** | **421,094** | **66,947** | **354,147** | **302,843** | **25,106** | **277,737** | **118,251** | **41,841** | **76,410** | **39** | **166.7** | **27.5** |
| FEBRUARY | M | 56,885 | 5,650 | 51,235 | 40,049 | 2,843 | 37,206 | 16,836 | 2,807 | 14,029 | 42 | 98.7 | 37.7 |
| | **P** | **477,979** | **72,597** | **405,382** | **342,892** | **27,949** | **314,943** | **135,087** | **44,648** | **90,439** | **39.4** | **159.7** | **28.7** |
| MARCH | M | 76,833 | 3,554 | 73,279 | 68,183 | 1,509 | 66,674 | 8,650 | 2,045 | 6,605 | 12.7 | 135.5 | 9.9 |
| **3rd Quarter** | | **183,382** | **17,288** | **166,094** | **150,306** | **9,566** | **140,740** | **33,076** | **7,722** | **25,354** | **22** | **80.7** | **18** |
| **Upto 3rd Qtr** | | **554,812** | **76,151** | **478,661** | **411,075** | **29,458** | **381,617** | **143,737** | **46,693** | **97,044** | **35** | **158.5** | **25.4** |
| APRIL | M | | | | 51,866 | 2,231 | 49,635 | | | | | | |
| | **P** | | | | **462,941** | **31,689** | **431,252** | | | | | | |
| MAY | M | | | | 54,240 | 7,245 | 46,995 | | | | | | |
| | **P** | | | | **517,181** | **38,934** | **478,247** | | | | | | |
| JUNE | M | | | | 131,948 | 7,744 | 124,204 | | | | | | |
| **4th Quarter** | | | | | **238,054** | **17,220** | **220,834** | | | | | | |
| **Annual** | | | | | **649,129** | **46,678** | **602,451** | | | | | | |

# SALES TAX (TOTAL)

*(Rs Million)*

| MONTHS | M/P | Collection | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | FY 2011-12 | | | FY 2010-11 | | | COMPARISON | | | Growth (%) | | |
| | | 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 | 14 |
| JULY | M | 66,668 | 4,994 | 61,674 | 42,902 | 2,102 | 40,800 | 23,766 | 2,892 | 20,874 | 55.4 | 137.6 | 51.2 |
| AUGUST | M | 66,572 | 2,177 | 64,395 | 54,163 | 2,595 | 51,568 | 12,409 | -418 | 12,827 | 22.9 | -16.1 | 24.9 |
| | **P** | **133,240** | **7,171** | **126,069** | **97,065** | **4,697** | **92,368** | **36,175** | **2,474** | **33,701** | **37.3** | **52.7** | **36.5** |
| SEPTEMBER | M | 63,134 | 3,886 | 59,248 | 45,409 | 4,076 | 41,333 | 17,725 | -190 | 17,915 | 39 | -4.7 | 43.3 |
| **1st Quarter** | | **196,374** | **11,057** | **185,317** | **142,474** | **8,773** | **133,701** | **53,900** | **2,284** | **51,616** | **37.8** | **26** | **38.6** |
| OCTOBER | M | 66,333 | 2,607 | 63,726 | 54,011 | 7,227 | 46,784 | 12,322 | -4,620 | 16,942 | 22.8 | -63.9 | 36.2 |
| | **P** | **262,707** | **13,664** | **249,043** | **196,485** | **16,000** | **180,485** | **66,222** | **-2,336** | **68,558** | **33.7** | **-14.6** | **38** |
| NOVEMBER | M | 65,285 | 4,279 | 61,006 | 49,826 | 3,619 | 46,207 | 15,459 | 660 | 14,799 | 31 | 18.2 | 32 |
| | **P** | **327,992** | **17,943** | **310,049** | **246,311** | **19,619** | **226,692** | **81,681** | **-1,676** | **83,357** | **33.2** | **-8.5** | **36.8** |
| DECEMBER | M | 75,115 | 4,158 | 70,957 | 58,907 | 2,996 | 55,911 | 16,208 | 1,162 | 15,046 | 27.5 | 38.8 | 26.9 |
| **2nd Quarter** | | **206,733** | **11,044** | **195,689** | **162,744** | **13,842** | **148,902** | **43,989** | **-2,798** | **46,787** | **27** | **-20.2** | **31.4** |
| **Upto 2nd Qtr** | | **403,107** | **22,101** | **381,006** | **305,218** | **22,615** | **282,603** | **97,889** | **-514** | **98,403** | **32.1** | **-2.3** | **34.8** |
| JANUARY | M | 70,839 | 5,261 | 65,578 | 52,349 | 5,770 | 46,579 | 18,490 | -509 | 18,999 | 35.3 | -8.8 | 40.8 |
| | **P** | **473,946** | **27,362** | **446,584** | **357,567** | **28,385** | **329,182** | **116,379** | **-1,023** | **117,402** | **32.5** | **-3.6** | **35.7** |
| FEBRUARY | M | 60,631 | 3,565 | 57,066 | 49,201 | 4,207 | 44,994 | 11,430 | -642 | 12,072 | 23.2 | -15.3 | 26.8 |
| | **P** | **534,577** | **30,927** | **503,650** | **406,768** | **32,592** | **374,176** | **127,809** | **-1,665** | **129,474** | **31.4** | **-5.1** | **34.6** |
| MARCH | M | 68,745 | 4,011 | 64,734 | 51,940 | 3,445 | 48,495 | 16,805 | 566 | 16,239 | 32.4 | 16.4 | 33.5 |
| **3rd Quarter** | | **200,215** | **12,837** | **187,378** | **153,490** | **13,422** | **140,068** | **46,725** | **-585** | **47,310** | **30.4** | **-4.4** | **33.8** |
| **Upto 3rd Qtr** | | **603,322** | **34,938** | **586,685** | **458,708** | **36,037** | **422,671** | **144,614** | **-1,099** | **145,713** | **31.5** | **-3** | **34.5** |
| APRIL | M | | | | 56,595 | 4,295 | 52,300 | | | | | | |
| | **P** | | | | **515,303** | **40,332** | **474,971** | | | | | | |
| MAY | M | | | | 83,971 | 5,290 | 78,681 | | | | | | |
| | **P** | | | | **599,274** | **45,622** | **553,652** | | | | | | |
| JUNE | M | | | | 84,918 | 5,213 | 79,705 | | | | | | |
| **4th Quarter** | | | | | **225,484** | **14,798** | **210,686** | | | | | | |
| **Annual** | | | | | **684,192** | **50,835** | **633,357** | | | | | | |

# SALES TAX (IMPORTS)

*(Rs Million)*

| MONTHS | M/P | Collection | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **FY 2011-12** | | | **FY 2010-11** | | | **COMPARISON** | | | **Growth (%)** | | |
| | | 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 | 14 |
| JULY | M | 37,311 | 1 | 37,310 | 20,670 | 3 | 20,667 | 16,641 | -2 | 16,643 | 80.5 | -66.7 | 80.5 |
| AUGUST | M | 34,150 | 1 | 34,149 | 22,820 | 0 | 22,820 | 11,330 | 1 | 11,329 | 49.6 | #DIV/0! | 49.6 |
| | **P** | **71,461** | **2** | **71,459** | **43,490** | **3** | **43,487** | **27,971** | **-1** | **27,972** | **64.3** | **-33.3** | **64.3** |
| SEPTEMBER | M | 32,663 | | 32,663 | 20,470 | 0 | 20,470 | 12,193 | 0 | 12,193 | 59.6 | #DIV/0! | 59.6 |
| **1st Quarter** | | **104,124** | **2** | **104,122** | **63,960** | **3** | **63,957** | **40,164** | **-1** | **40,165** | **62.8** | **-33.3** | **62.8** |
| OCTOBER | M | 33,833 | 0 | 33,833 | 25,136 | 0 | 25,136 | 8,697 | 0 | 8,697 | 34.6 | #DIV/0! | 34.6 |
| | **P** | **137,957** | **2** | **137,955** | **89,096** | **3** | **89,093** | **48,861** | **-1** | **48,862** | **54.8** | **-33.3** | **54.8** |
| NOVEMBER | M | 34,903 | 1 | 34,902 | 22,197 | 0 | 22,197 | 12,706 | 1 | 12,705 | 57.2 | #DIV/0! | 57.2 |
| | **P** | **172,860** | **3** | **172,857** | **111,293** | **3** | **111,290** | **61,567** | **0** | **61,567** | **55.3** | **0** | **55.3** |
| DECEMBER | M | 38,696 | 1 | 38,695 | 30,774 | 13 | 30,761 | 7,922 | -12 | 7,934 | 25.7 | -92.3 | 25.8 |
| **2nd Quarter** | | **107,432** | **2** | **107,430** | **78,107** | **13** | **78,094** | **29,325** | **-11** | **29,336** | **37.5** | **-84.6** | **37.6** |
| **Upto 2nd Qtr** | | **211,556** | **4** | **211,552** | **142,067** | **16** | **142,051** | **69,489** | **-12** | **69,501** | **48.9** | **-75** | **48.9** |
| JANUARY | M | 36,331 | 1 | 36,330 | 25,610 | 0 | 25,610 | 10,721 | 1 | 10,720 | 41.9 | #DIV/0! | 41.9 |
| | **P** | **247,887** | **5** | **247,882** | **167,677** | **16** | **167,661** | **80,210** | **-11** | **80,221** | **47.8** | **-68.8** | **47.8** |
| FEBRUARY | M | 31,323 | 0 | 31,323 | 20,839 | 23 | 20,816 | 10,484 | -23 | 10,507 | 50.3 | -100 | 50.5 |
| | **P** | **279,210** | **5** | **279,205** | **188,516** | **39** | **188,477** | **90,694** | **-34** | **90,728** | **48.1** | **-87.2** | **48.1** |
| MARCH | M | 33,695 | 0 | 33,695 | 23,508 | 5 | 23,503 | 10,187 | -5 | 10,192 | 43.3 | -100 | 43.4 |
| **3rd Quarter** | | **101,349** | **1** | **101,348** | **69,957** | **28** | **69,929** | **31,392** | **-27** | **31,419** | **44.9** | **-96.4** | **44.9** |
| **Upto 3rd Qtr** | | **312,905** | **5** | **312,900** | **212,024** | **44** | **211,980** | **100,881** | **-39** | **100,920** | **47.6** | **-88.6** | **47.6** |
| APRIL | M | | | | 25,338 | 1 | 25,337 | | | | | | |
| | **P** | | | | **237,362** | **45** | **237,317** | | | | | | |
| MAY | M | | | | 38,311 | 0 | 38,311 | | | | | | |
| | **P** | | | | **275,673** | **45** | **275,628** | | | | | | |
| JUNE | M | | | | 33,021 | 1 | 33,020 | | | | | | |
| **4th Quarter** | | | | | **96,670** | **2** | **96,668** | | | | | | |
| **Annual** | | | | | **308,694** | **46** | **308,648** | | | | | | |

# SALES TAX (DOMESTIC)

*(Rs Million)*

| MONTHS | M/P | Collection | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **FY 2011-12** | | | **FY 2010-11** | | | **COMPARISON** | | | **Growth (%)** | | |
| | | 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 | 14 |
| JULY | M | 29,357 | 4,993 | 24,364 | 22,232 | 2,099 | 20,133 | 7,125 | 2,894 | 4,231 | 32 | 137.9 | 21 |
| AUGUST | M | 32,422 | 2,176 | 30,246 | 31,343 | 2,595 | 28,748 | 1,079 | -419 | 1,498 | 3.4 | -16.1 | 5.2 |
| | **P** | **61,779** | **7,169** | **54,610** | **53,575** | **4,694** | **48,881** | **8,204** | **2,475** | **5,729** | **15.3** | **52.7** | **11.7** |
| SEPTEMBER | M | 30,471 | 3,886 | 26,585 | 24,939 | 4,076 | 20,863 | 5,532 | -190 | 5,722 | 22.2 | -4.7 | 27.4 |
| **1st Quarter** | | **92,250** | **11,055** | **81,195** | **78,514** | **8,770** | **69,744** | **13,736** | **2,285** | **11,451** | **17.5** | **26.1** | **16.4** |
| OCTOBER | M | 32,500 | 2,607 | 29,893 | 28,875 | 7,227 | 21,648 | 3,625 | -4,620 | 8,245 | 12.6 | -63.9 | 38.1 |
| | **P** | **124,750** | **13,662** | **111,088** | **107,389** | **15,997** | **91,392** | **17,361** | **-2,335** | **19,696** | **16.2** | **-14.6** | **21.6** |
| NOVEMBER | M | 30,382 | 4,278 | 26,104 | 27,629 | 3,619 | 24,010 | 2,753 | 659 | 2,094 | 10 | 18.2 | 8.7 |
| | **P** | **155,132** | **17,940** | **137,192** | **135,018** | **19,616** | **115,402** | **20,114** | **-1,676** | **21,790** | **14.9** | **-8.5** | **18.9** |
| DECEMBER | M | 36,419 | 4,157 | 32,262 | 28,133 | 2,983 | 25,150 | 8,286 | 1,174 | 7,112 | 29.5 | 39.4 | 28.3 |
| **2nd Quarter** | | **99,301** | **11,042** | **88,259** | **84,637** | **13,829** | **70,808** | **14,664** | **-2,787** | **17,451** | **17.3** | **-20.2** | **24.6** |
| **Upto 2nd Qtr** | | **191,551** | **22,097** | **169,454** | **163,151** | **22,599** | **140,552** | **28,400** | **-502** | **28,902** | **17.4** | **-2.2** | **20.6** |
| JANUARY | M | 34,508 | 5,260 | 29,248 | 26,739 | 5,770 | 20,969 | 7,769 | -510 | 8,279 | 29.1 | -8.8 | 39.5 |
| | **P** | **226,059** | **27,357** | **198,702** | **189,890** | **28,369** | **161,521** | **36,169** | **-1,012** | **37,181** | **19** | **-3.6** | **23** |
| FEBRUARY | M | 29,308 | 3,565 | 25,743 | 28,362 | 4,184 | 24,178 | 946 | -619 | 1,565 | 3.3 | -14.8 | 6.5 |
| | **P** | **255,367** | **30,922** | **224,445** | **218,252** | **32,553** | **185,699** | **37,115** | **-1,631** | **38,746** | **17** | **-5** | **20.9** |
| MARCH | M | 35,050 | 4,011 | 31,039 | 28,432 | 3,440 | 24,992 | 6,618 | 571 | 6,047 | 23.3 | 16.6 | 24.2 |
| **3rd Quarter** | | **98,866** | **12,836** | **86,030** | **83,533** | **13,394** | **70,139** | **15,333** | **-558** | **15,891** | **18.4** | **-4.2** | **22.7** |
| **Upto 3rd Qtr** | | **290,417** | **34,933** | **273,785**(*) | **246,684** | **35,993** | **210,691** | **43,733** | **-1,060** | **44,793** | **17.7** | **-2.9** | **21.3** |
| APRIL | M | | | | 31,257 | 4,294 | 26,963 | | | | | | |
| | **P** | | | | **277,941** | **40,287** | **237,654** | | | | | | |
| MAY | M | | | | 45,660 | 5,290 | 40,370 | | | | | | |
| | **P** | | | | **323,601** | **45,577** | **278,024** | | | | | | |
| JUNE | M | | | | 51,897 | 5,212 | 46,685 | | | | | | |
| **4th Quarter** | | | | | **128,814** | **14,796** | **114,018** | | | | | | |
| **Annual** | | | | | **375,498** | **50,789** | **324,709** | | | | | | |

**(*) Rs.18.3 billion collected by SRB on services**

# FEDERAL EXCISE

*(Rs Million)*

| MONTHS | M/P | Collection | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **FY 2011-12** | | | **FY 2010-11** | | | **COMPARISON** | | | **Growth (%)** | | |
| | | 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 | 14 |
| JULY | M | 9,668 | | 9,668 | 7,293 | | 7,293 | 2,375 | 0 | 2,375 | 32.6 | - | 32.6 |
| AUGUST | M | 9,867 | | 9,867 | 10,322 | | 10,322 | -455 | 0 | -455 | -4.4 | - | -4.4 |
| | **P** | **19,535** | **0** | **19,535** | **17,615** | **0** | **17,615** | **1,920** | **0** | **1,920** | **10.9** | **-** | **10.9** |
| SEPTEMBER | M | 8,900 | 0 | 8,900 | 9,296 | 0 | 9,296 | -396 | 0 | -396 | -4.3 | #DIV/0! | -4.3 |
| **1st Quarter** | | **28,435** | **0** | **28,435** | **26,911** | **0** | **26,911** | **1,524** | **0** | **1,524** | **5.7** | **#DIV/0!** | **5.7** |
| OCTOBER | M | 8,507 | 0 | 8,507 | 10,242 | 0 | 10,242 | -1,735 | 0 | -1,735 | -16.9 | - | -16.9 |
| | **P** | **36,942** | **0** | **36,942** | **37,153** | **0** | **37,153** | **-211** | **0** | **-211** | **-0.6** | **-** | **-0.6** |
| NOVEMBER | M | 9,596 | 0 | 9,596 | 10,779 | 0 | 10,779 | -1,183 | 0 | -1,183 | -11 | - | -11 |
| | **P** | **46,538** | **0** | **46,538** | **47,932** | **0** | **47,932** | **-1,394** | **0** | **-1,394** | **-2.9** | **-** | **-2.9** |
| DECEMBER | M | 6,914 | 1 | 6,913 | 10,216 | 1 | 10,215 | -3,302 | 0 | -3,302 | -32.3 | 0 | -32.3 |
| **2nd Quarter** | | **25,017** | **1** | **25,016** | **31,237** | **1** | **31,236** | **-6,220** | **0** | **-6,220** | **-19.9** | **0** | **-19.9** |
| Upto 2nd Qtr | | 53,452 | 1 | 53,451 | 58,148 | 1 | 58,147 | -4,696 | 0 | -4,696 | -8.1 | 0 | -8.1 |
| JANUARY | M | 11,859 | 219 | 11,640 | 10,564 | 0 | 10,564 | 1,295 | 219 | 1,076 | 12.3 | - | 10.2 |
| | **P** | **65,311** | **220** | **65,091** | **68,712** | **1** | **68,711** | **-3,401** | **219** | **-3,620** | **-4.9** | **-** | **-5.3** |
| FEBRUARY | M | 8,453 | 0 | 8,453 | 9,761 | 0 | 9,761 | -1,308 | 0 | -1,308 | -13.4 | - | -13.4 |
| | **P** | **73,764** | **220** | **73,544** | **78,473** | **1** | **78,472** | **-4,709** | **219** | **-4,928** | **-6** | **-** | **-6.3** |
| MARCH | M | 11,260 | 0 | 11,260 | 10,616 | 0 | 10,616 | 644 | 0 | 644 | 6.1 | #DIV/0! | 6.1 |
| **3rd Quarter** | | **31,572** | **219** | **31,353** | **30,941** | **0** | **30,941** | **631** | **219** | **412** | **2** | **#DIV/0!** | **1.3** |
| **Upto 3rd Qtr** | | **85,024** | **220** | **84,804** | **89,089** | **1** | **89,088** | **-4,065** | **219** | **-4,284** | **-4.6** | **21,900.00** | **-4.8** |
| APRIL | M | | | | 13,088 | 0 | 13,088 | | | | | | |
| | **P** | | | | **102,177** | **1** | **102,176** | | | | | | |
| MAY | M | | | | 16,248 | 2 | 16,246 | | | | | | |
| | **P** | | | | **118,425** | **3** | **118,422** | | | | | | |
| JUNE | M | | | | 18,931 | 0 | 18,931 | | | | | | |
| **4th Quarter** | | | | | **48,267** | **2** | **48,265** | | | | | | |
| **Annual** | | | | | **137,356** | **3** | **137,353** | | | | | | |

# C U S T O M S

*(Rs Million)*

| MONTHS | M/P | Collection | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | FY 2011-12 | | | FY 2010-11 | | | COMPARISON | | | Growth (%) | | |
| | | 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 | 14 |
| JULY | M | 13,201 | 1,233 | 11,968 | 11,879 | 926 | 10,953 | 1,322 | 307 | 1,015 | 11.1 | 33.2 | 9.3 |
| AUGUST | M | 15,255 | 1,080 | 14,175 | 12,960 | 916 | 12,044 | 2,295 | 164 | 2,131 | 17.7 | 17.9 | 17.7 |
| | **P** | **28,456** | **2,313** | **26,143** | **24,839** | **1,842** | **22,997** | **3,617** | **471** | **3,146** | **14.6** | **25.6** | **13.7** |
| SEPTEMBER | M | 17,125 | 757 | 16,368 | 15,077 | 909 | 14,168 | 2,048 | -152 | 2,200 | 13.6 | -16.7 | 15.5 |
| **1st Quarter** | | **45,581** | **3,070** | **42,511** | **39,916** | **2,751** | **37,165** | **5,665** | **319** | **5,346** | **14.2** | **11.6** | **14.4** |
| OCTOBER | M | 15,455 | 939 | 14,516 | 13,106 | 803 | 12,303 | 2,349 | 136 | 2,213 | 17.9 | 16.9 | 18 |
| | **P** | **61,036** | **4,009** | **57,027** | **53,022** | **3,554** | **49,468** | **8,014** | **455** | **7,559** | **15.1** | **12.8** | **15.3** |
| NOVEMBER | M | 16,752 | 927 | 15,825 | 14,220 | 842 | 13,378 | 2,532 | 85 | 2,447 | 17.8 | 10.1 | 18.3 |
| | **P** | **77,788** | **4,936** | **72,852** | **67,242** | **4,396** | **62,846** | **10,546** | **540** | **10,006** | **15.7** | **12.3** | **15.9** |
| DECEMBER | M | 21,576 | 715 | 20,861 | 17,858 | 677 | 17,181 | 3,718 | 38 | 3,680 | 20.8 | 5.6 | 21.4 |
| **2nd Quarter** | | **53,783** | **2,581** | **51,202** | **45,184** | **2,322** | **42,862** | **8,599** | **259** | **8,340** | **19** | **11.2** | **19.5** |
| **Upto 2nd Qtr** | | **99,364** | **5,651** | **93,713** | **85,100** | **5,073** | **80,027** | **14,264** | **578** | **13,686** | **16.8** | **11.4** | **17.1** |
| JANUARY | M | 17,949 | 744 | 17,205 | 15,068 | 658 | 14,410 | 2,881 | 86 | 2,795 | 19.1 | 13.1 | 19.4 |
| | **P** | **117,313** | **6,395** | **110,918** | **100,168** | **5,731** | **94,437** | **17,145** | **664** | **16,481** | **17.1** | **11.6** | **17.5** |
| FEBRUARY | M | 17,393 | 759 | 16,634 | 14,651 | 702 | 13,949 | 2,742 | 57 | 2,685 | 18.7 | 8.1 | 19.2 |
| | **P** | **134,706** | **7,154** | **127,552** | **114,819** | **6,433** | **108,386** | **19,887** | **721** | **19,166** | **17.3** | **11.2** | **17.7** |
| MARCH | M | 21,634 | 639 | 20,995 | 18,633 | 246 | 18,387 | 3,001 | 393 | 2,608 | 16.1 | 159.8 | 14.2 |
| **3rd Quarter** | | **56,976** | **2,142** | **54,834** | **48,352** | **1,606** | **46,746** | **8,624** | **536** | **8,088** | **17.8** | **33.4** | **17.3** |
| **Upto 3rd Qtr** | | **156,340** | **7,793** | **148,547** | **133,452** | **6,679** | **126,773** | **22,888** | **1,114** | **21,774** | **17.2** | **16.7** | **17.2** |
| APRIL | M | | | | 15,595 | 932 | 14,663 | | | | | | |
| | **P** | | | | **149,047** | **7,611** | **141,436** | | | | | | |
| MAY | M | | | | 18,431 | 730 | 17,701 | | | | | | |
| | **P** | | | | **167,478** | **8,341** | **159,137** | | | | | | |
| JUNE | M | | | | 25,902 | 186 | 25,716 | | | | | | |
| **4th Quarter** | | | | | **59,928** | **1,848** | **58,080** | | | | | | |
| **Annual** | | | | | **193,380** | **8,527** | **184,853** | | | | | | |