

SENATE SECRETARIAT

“QUESTIONS FOR ORAL ANSWERS AND THEIR REPLIES”

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

Wednesday, the 21st August, 2013

DEFERRED QUESTIONS

- (i) Questions Nos. 20, 29, 31, 31-A, 35 : Originally set down for answering on 7th March, 2013 (91st Session).
36, 39, 40, 41-C, 41-D, 42 and 43.
- (ii) Questions Nos. 3, 5, 7, 10, 11, 12 : Originally set down for answering on 16th April, 2013
and 13 (92nd Session).

20. ***Mr. Nisar Muhammad:** (Notice received on 14-02-2013 at 09:10 a.m.)

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

- (a) *the names and place of domicile of Appraisers, Examiners and principal Appraisers posted/transferred at Karachi port during the last 10 years; and*
- (b) *the criteria/procedure adopted for the said posting/transfer?*

Mr. Muhammad Ishaq Dar: (a) The information is annexed;

(b) The staff is posted at Karachi Port according to the workload, experience and fitness for the job.

(Annexure has been placed on the Table of the House as well as Library.)

29. ***Mr. Karim Ahmed Khawaja :** (Notice received on 11-02-2013 at 09:15 a.m.)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased state the amount collected under the heads of various taxes and duties since 2002 with year-wise break-up?

Mr. Muhammad Ishaq Dar: (a) The amount collected under the heads of various taxes and duties since FY: 2001-02 with year-wise break-up is as under:—

(Rs. Million)

Years	Direct Taxes	Customs	FED	Sales Tax	Total
2001-02	142,505	47,818	47,186	166,561	404,070
2002-03	151,898	68,836	44,754	195,139	460,627
2003-04	165,079	91,045	45,552	219,167	520,843
2004-05	183,372	115,374	53,104	238,537	590,387
2005-06	224,988	138,384	55,272	294,798	713,442
2006-07	333,737	132,299	71,804	309,396	847,236
2007-08	387,861	150,663	92,137	377,430	1,008,091
2008-09	443,548	148,403	117,455	451,744	1,161,150
2009-10	525,977	160,273	124,784	516,348	1,327,382
2010-11	602,451	184,853	137,353	633,357	1,558,014
2011-12	738,424	216,906	122,464	804,899	1,882,693
2012-13(*)	739,691	239,017	119,449	841,266	1,939,423

(*) Provisional

31. ***Mr. Karim Ahmed Khawaja:** (Notice received on 12-02-2013 at 09:10 a.m.)

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

- (a) *the formula adopted for distribution of resources under the last NFC Award;*
- (b) *the percentage of amount being provided to each province under the said Award; and*
- (c) *the amount of share and paid as well to each province under every Award so far with year-wise break-up?*

Mr. Muhammad Ishaq Dar: (a) & (b) The formula adopted for distribution of resources under the last NFC Award as well as the percentage of amount being provided to each province under the said Award is explained as under:

The share of each province in the net proceeds of divisible pool taxes are derived as follows:

- 1% of undivided divisible federal taxes set aside for KPK for War on Terror Expenditures:
- Out of the balance, during FY 2010-11, the provincial share was 56% and from FY 2011-12 onwards, the share of the provinces is 57.5%.
- The provincial share in the divisible pool taxes is being distributed as per ratio given below:

Punjab	Sindh	Khyber Pakhtunkhwa	Balochistan	Total
51.74%	24.55%	14.62%	9.09%	100%

(c) The amount of share and paid as well to each province under every Award so far with year-wise break-up is at **Annex-I**.

31 -A. ***Mrs. Nuzhat Sadiq:** (Notice received on 11-02-2013 at 9:30 a.m.)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state with reference to Starred Question No. 33 replied on 29th January, 2013:

- (a) the role of State Bank of Pakistan with regard to protection of the value of rupee both within and outside Pakistan;*
- (b) whether it is a fact that the SBP conducts post assessment of its monetary policies, if so, the details of such assessments; and*
- (c) whether the SBP has worked to limit the credit facility to the Government of Pakistan as required by section 9A (b) of the State Bank of Pakistan Act, 1956, if so, its details?*

Mr. Muhammad Ishaq Dar: (a) Since 2000, SBP has been following a flexible exchange rate regime in which the value of Pakistani rupee *vis-a-vis* other currencies is determined in the foreign exchange market through the market forces of supply and demand in both domestic and international markets.

However, volatility in the foreign exchange market can have implications for the inflation outlook due to potential feedback from exchange rate changes. Therefore, to avoid excessive volatility, ensure smooth functioning of the foreign exchange market, and building its foreign exchange reserves, SBP occasionally intervenes in the foreign exchange market in a calibrated manner. It is pertinent to highlight that SBP does not aim to keep the exchange rate at any pre-determined level.

Research and experiences of central banks support that allowing economic fundamental to determine the value of exchange rate provides stability to balance of payment position.

(b) SBP reviews its monetary policy stance six times in a year; *i.e.* in the second week of February, April, June, August, October and December of each year. In the review of February and August, monetary policy announcements are accompanied with a detailed monetary policy statement that not only provides assessment of the earlier policy decisions but also analyzes emerging risks and challenges for the economy. On the remaining four occasions monetary policy decisions are communicated through a brief press release only.

The latest monetary policy statement was issued recently on February 8, 2013 (Annexed).

(c) Yes. The government has legislated amendments in the SBP Act in March 2012. As part of these amendments a new section 9C has been included that:—

- (i) The Federal Government borrowing from SBP shall be zero at the end of each quarter barring the ways and means limits.
- (ii) The debt stock of Federal Government owned to SBP as on 30th April, 2011 shall be retired within eight year.
- (iii) If above, provisions are not observed by the Federal Government, Finance Minister shall place before the parliament a statement giving detailed justification of the said failure.

35. ***Col. (R) Syed Tahir Hussain Mashhadi:** (Notice received on 12-02-2013 at 10:30 a.m.)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state the total amount of aid received so far from foreign countries for the flood affectees during the last three years?

Reply not received.

36. ***Col. (R) Syed Tahir Hussain Mashhadi:** (Notice received on 12-02-2013 at 10:30 a.m.)

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

- (a) *whether the amount of taxes and fuel surcharges collected by private airlines in the country at present goes to the government account;*
- (b) *if so, the revenue received during the year 2010-2011; and*
- (c) *whether there is any proposal to review the said policy; if so, the details thereof?*

Mr. Muhammad Ishaq Dar: (a) The amount of Income Tax, Sales Tax and Federal Excise Duty is deposited by private airlines in State Bank of Pakistan and National Bank of Pakistan and are accounted for by Federal Board of Revenue. Fuel surcharge is not a collection of Federal Board of Revenue.

(b) The revenue (taxes) received during the financial year 2010-11 from private airlines is given below:

(Rs. in Millions)

Name of Airline	Income Tax	Sales Tax	Federal Excise duty	Total
Air Blue	45.509	113.608	274.951	434.068
Bhoja Air	—	—	—	—
Shaheen Air	85.762	98.344	296.499	480.605
Total	131.271	211.952	571.450	914.673

(c) There is no proposal under consideration to review the policy of collection of taxes by FBR from private airlines.

39. ***Mr. Nisar Muhammad:** (Notice received on 13-02-2013 at 10:55 a.m.)

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

- (a) *whether it is a fact that a number of NATO containers disappeared on the way, if so, the loss caused to the national exchequer on this account; and*
- (b) *the number of persons found involved in the said scam and action taken against them?*

Mr. Muhammad Ishaq Dar: (a) The matter is *sub-judice* before the Hon'ble Supreme Court of Pakistan in *suo moto* case No.16 of 2010 (ISAF Container Scam). Thus, comments on the issue can not be offered at this stage.

(b) The National Accountability Bureau is investigating the cases of NATO/ISAF missing containers on the directives of Hon'ble Supreme Court of Pakistan.

They have not yet concluded the inquiry. NAB has to submit their investigation report before Hon'ble Supreme Court of Pakistan. Therefore, prior to disposal of the instant case by the Apex Court, no comments can be offered at this juncture.

40. ***Mrs. Nuzhat Sadiq:** (Notice received on 13-02-2013 at 11:00 a.m.)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state whether financial and administrative audit of office of the Auditor General of Pakistan is conducted, if so, when was it conducted indicating also irregularities pointed out in it?

Mr. Muhammad Ishaq Dar: The Director General (Federal Govt) is responsible for audit of all Audit & Accounts Offices in accordance with Para 30-B (P-11) of Manual of Standing Orders of Auditor General of Pakistan. Moreso, the Administrative Inspection of Pakistan Audit Department Offices as per Para-16 of Manual of Standing Orders of Auditor General of Pakistan is carried out by the Inspection Regulation & Vigilance Wing of the Office of the AGP. The Admn. Inspection of AGP's Office has been conducted upto 2008-2009 & 2009-2010. These Inspection Reports include 51 paras/observations.

41-C. ***Mr. Abdul Haseeb Khan:** (Notice received on 13-02-2013 at 4:40 p.m.)

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

- (a) number of cases in which refund was made under the head of "sales tax" since July 2008 indicating also the amount so refunded; and*
- (b) whether it is a fact that in a number of said cases the refund was obtained fraudulently, if so, the details of such cases indicating also the names and other particulars of the persons found involved in those cases and action taken against them?*

Mr. Muhammad Ishaq Dar: (a) Number of cases in which refund was made under head of "Sales Tax" since 2008 is 123,924 and the amount involved is Rs. 153.226 billion.

(b) Sales tax refunds are sanctioned and paid in accordance with the provisions of sections 10 and 66 of the Sales Tax Act, 1990 read with Chapter V of the Sales Tax Rules, 2006. All possible efforts are made to prevent the issuance of any unlawful refund. For this purpose, FBR and its subordinate offices have issued detailed procedures, alongwith instructions to the processing officers addition, automated checking is conducted through computerized systems like STARR (Sales Tax Automated

Refund Repository) and CREST (Computerized Risk Evaluation for Sales Tax), which detect and stop most attempts to obtain unlawful refund. After sanction, post-refund audit of the refund claims is required, while the Directorate General of Intelligence & Investigation – Inland Revenue also monitors the process. FBR thus follows a policy of continuous efforts to enhance internal controls to prevent payment of illegal refunds. However, despite these efforts, some unlawful refunds were sanctioned and paid. The Directorate General has issued Red Alerts (signifying dubious refunds) in 170 cases involving Rs. 3,753.840 million, which are at different stages of investigation, adjudication or recovery.

41-D. ***Mr. Abdul Haseeb Khan:** (Notice received on 13-02-2013 at 4:40 p.m.)

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

(a) *the quantum of losses to the economy of the country due to war on terror from 1st July, 2010 to 31st December, 2012; and*

(b) *the quantum of funds received as aid / assistance from US in connection with war on terror during the said period and details of its utilization?*

Mr. Muhammad Ishaq Dar: • During the fiscal year 2010-11 the estimated loss is reported at \$17.82 billion. The estimates for the remaining period July 2011 to 31st December 2012 is not available.

• To update the cost of war on terror a committee has been constituted which is working to finalize the estimates.

42. ***Mr. Muhammad Talha Mehmood:** (Notice received on 14-02-2013 at 9:20 a.m.)

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

(a) *the share of each province in the proceeds of divisible Federal Taxes; and*

(b) *the amount actually disbursed to each province since 2010-11 with year-wise break-up?*

Mr. Muhammad Ishaq Dar: (a) The share of each province in the net proceeds of divisible pool taxes are derived as follows:

- 1% of undivided divisible federal taxes set aside for KPK for War on Terror Expenditures;

- Out of the balance, during FY 2010-11, the provincial share was 56% and from FY 2011-12 onwards, the share of the provinces is 57.5%.
- The provincial share in the divisible pool taxes is being distributed as per ratio given below:

Punjab	Sindh	Khyber Pakhtunkhwa	Balochistan	Total
51.74%	24.55%	14.62%	9.09%	100%

(b) The amount actually disbursed to each province since 2010-11, with year-wise break-up is as under:

(Rs. in Billion)

Components	PUNJAB	SINDH	KPK	BAL	TOTAL
FY 2010-11	421.308	199.784	133.435	83.337	837.865
FY 2011-12	483.37	229.36	152.99	93.26	958.976
FY 2012-13	569.317	327.893	199.608	125.323	1,222.14

43. ***Ch. Mohammad Jaffar Iqbal:** (Notice received on 14-02-2013 at 9:40 a.m.)

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

- whether it is a fact that FBR has cleared certain cases of refund/ adjustment to bogus individuals and companies on fake and flying invoices during the first half of the current fiscal year, if so, the details thereof;*
- whether FBR had evaluated the value / volume of such refunds/ adjustments on the same account during the last four fiscal years, if so, the details thereof alongwith the value / volume of such refund / adjustment with year-wise breakup; and*
- the steps being taken by the Government to curb such practice in future?*

Mr. Muhammad Ishaq Dar: (a) It is not a fact that FBR has cleared bogus refunds. In fact FBR foils all such attempts of seeking bogus refund on fake/flying invoices by bogus individuals and companies.

(b) FBR continuously evaluates the fake/flying invoices and claim of bogus refunds. Recently Computerized Risk-based Evaluation of Sales Tax (CREST) has been launched to plug all such attempts.

(c) Sales tax refunds are sanctioned and paid in accordance with the provisions of sections 10 and 66 of the Sales Tax Act, 1990 read with Chapter V of the Sales Tax Rules, 2006. All possible efforts are made to prevent the issuance of any unlawful refund. For this purpose, FBR and its subordinate offices have issued detailed procedures, alongwith instructions to the processing officers. In addition, automated checking is conducted through computerized systems like STARR (Sales Tax Automated Refund Repository) and CREST (Computerized Risk Evaluation for Sales Tax), which detect and stop most attempts to obtain unlawful refund. After sanction, post-refund audit of the refund claims is required, while the Directorate General of Intelligence & Investigation – Inland Revenue also monitors the process. FBR thus follows a policy of continuous efforts to enhance internal controls to prevent payment of illegal refunds. However, despite these efforts, some unlawful refunds were sanctioned and paid. The Directorate General has issued Red Alerts (signifying dubious refunds) in 170 cases involving Rs. 3,753.840 million, which are at different stages of investigation, adjudication or recovery.

3. ***Mrs. Naseema Ehsan:** (Notice received on 15-03-2013 at 10:15 a.m.)

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

- (a) *the volume of foreign loans obtained by the Government during the last five years indicating also the names of countries / financial institutions from which loans obtained; and*
- (b) *the volume of domestic loans obtained by the Government during the said period indicating also the names of financial institutions from which the same were obtained?*

Mr. Muhammad Ishaq Dar: (a) The volume of foreign loans obtained by the Government during last five years from (FY2009 to FY2013) along with the names of countries/financial institutions from which loans were obtained are as under:

Countries/Financial Institutions	Amount in US \$ Million
ADB	3783.69
CHINA	3312.57
E.C.O. T/BANK	9.98

Countries/Financial Institutions	Amount in US \$ Million
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FRANCE	40.32
GERMANY	60.48
IDB	525.71
IDB(ST)	1481.26
IFAD	77.32
ITALY	39.31
JAPAN	572.21
KOREA	38.20
KUWAIT	98.00
OPEC FUND	32.49
SAUDI ARABIA	737.53
World Bank	3745.43
Subtotal	14554.52
IMF	7878.00
Grand Total	22432.52

Year wise detail is at **Annex-I**.

(b) The domestic loans obtained by the Government during last five years were mainly from commercial banks, State Bank of Pakistan and Central Directorate of National Savings. The year wise details is as under:—

(Rs.in Million)

Year	Commercial Banks	SBP	CDNS	Others/(GP Fund)	Total Loans Obtained
2008-09	313,684	6,957	267,224	(2,439)	585,425
2009-10	551,223	17,084	225,712	(147)	793,872
2010-11	930,191	192,565	234,946	4,414	1,362,116
2011-12	980,612	442,189	188,354	10,177	1,621,332
2012-13	963,647	515,488	385,315	7,071	1,871,521
Total	3,739,357	1,174,283	1,301,551	19,075	6,234,267

5. ***Col. (R) Syed Tahir Hussain Mashhadi:** (Notice received on 19-03-2013 at 11:40 a.m.)

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

- (a) *whether loan was granted to the persons /firms who purchased government units privatized during the years 2008 to 2012; and*
- (b) *if so, the amount thereof in each case separately?*

Mr. Muhammad Ishaq Dar: (a) Yes.

(b) During the years 2008-2012, loans were granted to only one company *i.e.* M/s Agritech Limited (Formerly Hazara Phosphate Fertilizer Limited (HPFL) before Privatization) as per detail given below:—

(Rs. in Million)

Bank Name	Loan/Credit Granted in years				Total	
	2008	2009	2010	2011	2012	
Summit Bank	200.00	—	—	11.80	—	211.80
Bank Alfalah-	—	100.00	—	—	—	100.00
Bank Islami Ltd.	—	175.00	—	—	—	175.00
Dubai Islamic Bank	400.00	—	365.00	—	—	765.00
Faysal Bank	200.00	—	—	150.00	—	350.00
HSBC	1000.00	168.30	—	50.00	42.56	1,260.86
Pak China Inv.Co.	—	100.00	—	—	—	100.00
Pak.Libya Holding Co.	—	500.00	—	—	—	500.00
Soneri Bank	—	500.00	—	—	—	500.00
Bank of Punjab						168.50
			(2008-12)			
Barclays Bank	200.00	—	—	—	—	200.00
National Bank of Pakistan						3196.00 (2008-12)
KASB Bank	725.00	635.00	550.23	549.88	549.88	2,149.99

(Rs. in Million)

Bank Name	Loan/Credit Granted in years				Total	
	2008	2009	2010	2011	2012	
JS Bank	—	—	635.44	—	314.30	949.7
Al-Baraka Bank-	—	333.69	341.69	309.29	393.58	1,378.25
Allied Bank Limited	200.00	—	—	—	—	200.00
Askari Bank Ltd	2.00	300.00	—	—	—	302.00
Citi Bank	922.17	849.44	897.72	897.72	812.06	4379.11
Standard Chartered Bank	1,500.00	—	—	—	—	1,500.00
Silk Bank						700.00 (2008-12)

7. ***Mrs. Nuzhat Sadiq:** (Notice received on 19-03-2013 at 13:45 p.m.)

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

(a) *the method applied to calculate foreign exchange reserves;*

- (b) *the foreign exchange reserves in the country as of 16th March, 2008 and 16th March, 2013;*
- (c) *the foreign and indigenous loan obtained in USD during the aforesaid period;*
- (d) *the amount of loan in USD to be returned to the IMF and other indigenous and foreign financial institutions separately during 16th March, 30th June, 2013; and*
- (e) *the steps being taken by the Government to strengthen economic position of the country?*

Mr. Muhammad Ishaq Dar: (a) Liquid foreign exchange reserves compiled and published by SBP on weekly basis have two components (i) Reserves with SBP and (ii) Reserves held with Banks.

- (i) Reserves with SBP include all foreign currency assets held by SBP including SBP Nostro Accounts held outside Pakistan and Special Drawing Rights (SDR) with IMF.
- (ii) Reserves with Banks are FE-25 Foreign Currency Accounts balances with banks less any foreign exchange lending by banks against these foreign currency deposits.

(b) The total Liquid foreign exchange reserves as on 14th March, 2008 were \$13844.5 million and 15th March, 2013 at \$12436.1 million.

Note: 16th March, 2008 & 2013 being holiday.

(c) The amount of foreign loans borrowed by Pakistan since 16-3-2008 till 16-03-2013 from IMF stands at \$7878 million. Whereas, the foreign loans by GOP excluding IMF stood at \$6887 million.

(d) The amount of loan to be returned to the IMF during the said period is \$ 1086.95 million including \$16.5 million as interest charges. However, the amount of loans to be returned to foreign financial institutions against loans in US dollar during the said period is estimated at US\$73.5 million (excl. IMF).

(e) To strengthen economic position following steps are being taken by the government.

- I. Resolving circular debt issue to generate electricity and enhance productive capacity of industrial sector to reap the potential growth of the economy.
- II. To resolve the energy crisis, the energy policy is being finalized.

- III. Food security policy is also being finalized on fast track basis.
- IV. Policy rate has been reduced to 9.0 percent to attract private sector investment.
- V. Inflation has been contained through regular price monitoring and ensuring smooth supplies of all commodities.
- VI. Fiscal austerity measures and tax reforms to reduce fiscal deficit.
- VII. Ensuring a transparent auction of 3-G license, PTCL proceeds to strengthen BOP.
- VIII. Recent Investment agreement with China is also a step to attract foreign investment.
- IX. Revival of investor's confidence which is evident from the performance of stock market and raising investment to GDP ratio to 20 percent.
- X. Incentivizing home remittances through Pakistan Remittances Initiative Program.
- XI. Entering into IMF program to strengthen the reserves position and further stabilize the Balance of Payment position and open the window for multilateral, bi-lateral foreign funding for our mega development projects.
- XII. Enhancing export growth by 5.1 percent in 2013-14 through market and product diversification.

10. ***Mrs. Nuzhat Sadiq:** (Notice received on 21-03-2013 at 09:00 a.m.)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to refer to Senate starred question No. 10 replied on 14th December, 2012 and state:

- (a) *the details of the facility of enhancement in encashment of leave preparatory to retirement up to three hundred and sixty five days indicating also the date of its applicability;*
- (b) *whether it is a fact that the officers / officials born on 1st July, 1952, spent the day of 30th June, 2012, in Government Service and stood retired w.e.f 1st July, 2012, have not been given the said benefit, if so, its reasons; and*

(c) *the criteria laid down to give benefit of encashment of enhanced LPR to Government servants who stood retired on 1st July, 2012?*

Mr. Muhammad Ishaq Dar: (a) Federal Government has enhanced encashment of leave preparatory to retirement (LPR) from 180 days to 365 days in lieu of 365 days (LPR) vide Finance Division's Notification dated 29-08-2012. This facility is applicable to a Civil Servant retired on or, as the case may be, retiring on or after 01-07-2012 provided such leave is available at his credit subject to a maximum of 365 days.

(b) Yes, they are not given the said benefit because they were not in Government Service on 1st July, 2012.

(c) As replied above.

11. ***Mr. Muhammad Talha Mehmood:** (Notice received on 22-03-2013 at 09:00 a.m.)

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

(a) *the details of foreign loans obtained by the Government since 2008-09;*

(b) *the details of foreign loans paid back by the Government during the said period; and*

(c) *the percentage of increase or decrease in the foreign loans during present regime?*

Reply not received.

12. ***Mr. Muhammad Talha Mehmood:** (Notice received on 25-03-2013 at 09:00 a.m.)

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

(a) *the rate of inflation in the country at present; and*

(b) *the steps being taken by the Government to control it?*

Mr. Muhammad Ishaq Dar: (a) The rate of inflation in the country at present July 2013 is 8.3 % as compared to 9.6 % of July 2012.

(b) Following steps are being taken to check inflation:—

- (a) The Cabinet and ECC reviews inflationary trend and prices of essential commodities in its meeting on regular basis.
- (b) To maintain fiscal discipline, the government has focused on prudent expenditure management.
- (c) The SBP under their Monetary Policy control inflation through policy rate.
- (d) National Price Monitoring Committee (NPMC) is also monitoring prices of essential commodities in consultation with Provincial Governments and concerned Federal Ministries/ Divisions and Organization.

13. ***Mr. Muhammad Talha Mehmood:** (Notice received on 25-03-2013 at 09:00 a.m.)

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

- (a) *the revenue collection target fixed for the current financial year with head-wise break-up; and*
- (b) *the revenue collected so far with head-wise break-up?*

Mr. Muhammad Ishaq Dar: (a) & (b) Head wise revised revenue targets fixed for the Financial Year 2012-13 and Provisional collection FY 2012-13 is given below:

(Rs. in Billion)

Tax Head	Revised Target 2012-13	Provisional Collection 2012-13
Direct Taxes	779.0	739.7
Sales Tax	865.0	841.3
Federal Excise Duty	122.0	119.4
Customs	241.0	239.0

Total

2,007.0

1,939.4

10. ***Mrs. Nuzhat Sadiq:** (Notice received on 19-04-2013 at 14:30 p.m.)

Will the Minister for Industries and Production be pleased to state:

- (a) *whether it is a fact that an unprecedented increase was witnessed in the prices of urea in the country during the recent years;*
- (b) *whether any investigation was conducted by the Ministry or any other institution to find the causes for the said increase, if so, the details thereof and action thereon; and*
- (c) *the steps taken by the Government to lower the prices of urea?*

Ghulam Murtaza Khan Jatoi: (a) Yes, it is a fact that a substantial increase was witnessed in the prices of urea in the country during the recent years. Urea price has increased from Rs.820 per 50 Kg bag in July 2010 to Rs.1726 till May 23, 2013 by manufacturers. The reasons for this increase are—

- (i) gas curtailment to fertilizer industry and ultimate loss in production there by increase in cost of production
- (ii) Imposition of 16% GST by Government of Pakistan in March, 2011.
- (iii) The periodic increase in the gas prices has also resulted in the increase in cost of production of fertilizer industry.

(b) the prices of fertilizer are deregulated and relevant clause of fertilizer Policy 2001 is quoted for reference as

“Selling price of fertilizer shall remain deregulated on the understanding that while manufacturers will allow free market forces to prevail, they will pass benefits in the form of lower price of fertilizer to the farmers. In order to ensure this objective is achieved a Committee will be set up and shall meet as and when required, but at least on a regular quarterly basis and take appropriate steps as necessary. The committee will be headed by the Ministry of Industries & Production and will include Minister for Food & Agriculture, Livestock as well as a senior representative from the Ministry of Finance.”

However Competitive Commission of Pakistan (CCP) has conducted an investigation on June 2012 under Section 37 (1) of the Competition Act 2010 in response

to unprecedented hike in the price of Urea Fertilizer starting December 2010 onwards, to enquire while taking into account all relevant factors whether the price hike was unreasonable or a result of anticompetitive practices in terms of Section 3 or Section 4 of the Act. Accordingly CCP imposed a penalty of Rs.3.14 billion in case of Engro Fertilizer Limited and Rs.5.5 billion in case of Fauji Fertilizer Company.

(c) The Government of Pakistan in view of the above mentioned scenario has imported 3.55 Million Tons of urea from 2010 to-date to bridge the demand & supply gap in the country by spending.

(vii) US \$ 1442 million Foreign Exchange.

(viii) Pak Rupees 76.96 billion as subsidy to keep its prices within farmers reach.

The Government's timely decision of urea import helped to ensure its availability in every nook and corner of country as well as to check private sector's price increase. The private sector rather was forced to reduce the prices of their product by Rs.125 / 50 Kg bag (Detail at Annexure-A).

11. ***Col. (R) Syed Tahir Hussain Mashhadi:** (Notice received on 23-04-2013 at 10:20 a.m.)

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

- (a) *whether it is a fact that the Government has launched an amnesty scheme for registration of duty free vehicles in the country, if so, the number of vehicles registered under that scheme; and*
- (b) *the revenue collected under the said scheme and its comparison with the revenue collected from the local automobile industry during the same period?*

Mr. Muhammad Ishaq Dar: (a) Scheme had been notified by Federal Government through SRO 172(1)/2013 dated 05-03-2013 giving an option to the owners of the vehicles for legitimization of non duty paid vehicles in their possession. The scheme remained effective from 05-03-2013 to 06-04-2013. As many as 50,901 vehicles were produced by the owners for legitimization on payment of duty/ taxes.

(b) CUSTOMS

An amount of rupees 15,862 million (15.8 billion) has been realized as duty/ taxes as a consequence of this scheme. An amount of Rs. 2,783.58 million has been realized on CKD kits imported for assembly/ manufacturing of vehicles by local manufacturers, during this period.

INLAND REVENUE

The revenue collected from the local automobile industry during the same period?

(Rs.In Million)

Month	Income Tax	Sales Tax	FED	Total
March, 2013	287.5	266.3	0.1	553.9
April, 2013	298.2	630.0	0.0	928.2
Total	585.7	896.3	0.1	1482.1

12. * **Mr. Muhammad Talha Mehmood:** (Notice received on 23-04-2013 at 11:20 a.m.)

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

- (a) *the foreign exchange reserves of the country as on 1st July, 2008, 1st July, 2009, 1st July, 2010, 1st July, 2011, 1st July, 2012 and at present; and*

(b) *the steps being taken by the Government to beef up the reserves?*

Mr. Muhammad Ishaq Dar: (a) The total foreign exchange reserves of the country on the specified dates are as follows:—

US \$ Million

Period	Total F.E. Reserves
01-07-08	11387
01-07-09	12416
01-07-10	16772
01-07-11	18278
01-7-12	15236
07-08-13	10327.50

(b) The level of foreign exchange reserves at present is adequate to meet the Foreign Exchange obligations of the country. These steps such as regional economic cooperation initiatives, enhanced market access to European countries, growth in remittances, due, inter alia to Pakistan Remittances Initiative, changes in the energy mix, improvement in global economic environment and decrease in oil prices would improve this position further in the medium term.

13. ***Mr. Muhammad Talha Mehmood:** (Notice received on 26-04-2013 at 09:00 a.m.)

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

(a) *the steps being taken by the Government for poverty alleviation in the country;*

(b) *the amount spent for the said purpose during the present regime with year-wise breakup; and*

(c) *the percentage of decrease or increase in poverty during the present regime with year-wise breakup?*

Reply not received.

14. ***Mr. Muhammad Talha Mehmood:** (Notice received on 08-05-2013 at 11:00 a.m.)

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

- (a) *the categories of house building loans being granted by the House Building Finance Corporation at present indicating also the rate of interest / markup being charged on the same; and*
- (b) *whether there is any proposal under consideration of the Government to reduce the said interest / markup, if so, its details?*

Mr. Muhammad Ishaq Dar: (a) There are four categories of house building loans which are as under:

- (i) Loan for purchase of a residential property
- (ii) Loan for construction of residential property
- (iii) Loan for renovation of an existing residential property; and
- (iv) Loan for replacement of an existing housing finance from Banks (Balance Transfer Facility)

The rate of interest / markup being charged on the above loan categories is KIBOR + 3.25% Spread for salaried persons and KIBOR + 3.50% for Self employed/Business persons.

(b) The interest / markup is linked with KIBOR, as such the benefit of any reduction in KIBOR is immediately passed on to HBFCL customer. However, no any proposal for reduction of interest is under consideration.

15. ***Haji Ghulam Ali:** (Notice received on 21-05-2013 at 16.:55 p.m.)

Will the Minister for Industries and Production be pleased to state:

- (a) *the criteria laid down for appointment of Members of the Board of Directors of Pakistan Industrial Development Corporation (PIDC); and*
- (b) *the names, educational qualifications, experience, place of domicile and date of appointment of the incumbent members of the Board?*

Mr. Ghulam Murtaza Khan Jatoi: (a) Pakistan Industrial Development Corporation (PIDC) is under administrative control of Ministry of Industries & Production. The Members on the Board of Directors of PIDC are appointed by the Ministry as per laid down criteria in Memorandum and Article of Association of PIDC (**Annex-A. p 1-4**).The Security Exchange Commission of Pakistan vide SRO 180 (1)/2013 dated 8th March, 2013 has elaborated certain criteria of a person to be nominated as director and to evaluate the performance of director under rule 3(7) (1&2) and rule 8 (1&2) respectively which inter alia stipulates as under:-(**Annex-B. p 1-5**).

RULE-3 Composition of Board

7) (1). For the purpose of determining as to whether a person proposed to be appointed as director is a 'fit and proper person', the Commission shall take into account any consideration as it deems fit, including but not limited to the following criteria, namely:—

The person proposed for the said position—

- (a) is at least graduate;
- (b) is a reputed businessman or a recognized professional with relevant sectoral experience;
- (c) has financial integrity;
- (d) has no convictions or civil liabilities;
- (e) is known to have competence;
- (f) has good reputation and character;
- (g) has the traits of efficiency and honesty;
- (h) does not suffer from any disqualification to act as a director stipulated in the Ordinance;
- (j) has not been subject to an order passed by the Commission canceling the certificate of registration granted to the person individually or collectively with others on the ground of its indulging in insider trading, fraudulent and unfair trade practices or market manipulation, illegal banking, forex or deposit taking business;
- (j) has not been subject to an order passed by the Commission or any other regulatory authority, withdrawing or refusing to, grant any license or approval to him which has a bearing On the capital market.
- (k) is not a shock broker or agent of a broker; and
- (l) does not suffer from a conflict of interest; this includes political office holders in a legislative role.

7) (2). A director shall cease to be considered as a "fit and proper person" for the purpose, if he incurs any of the following disqualifications, namely:—

- (a) he is convicted by a court or any offence involving moral turpitude, economic offence, disregard of securities and company laws or fraud.
- (b) an order for winding up has been passed against a company of which he was the officer as defined under section 305 of the Ordinance;
- (c) he or his close relatives have been engaged in a business which is of the same nature as and directly competes with the business carried on by the public Sector Company of which he is the director.

RULE 8. Performance Evaluation

8) (1). The performance evaluation of the member of Board including chairman and chief executive shall be undertaken for which the Board shall establish a process, based on specific criteria, and the chairman of the board shall take ownership of such evaluation. The committee shall also carry out their evaluation on annual basis.

8) (2). The board shall monitor and assess the performance of senior management on periodic basis, at least once a year, and hold them accountable for accomplishing objectives ,goals and performance indicators set for this purpose.

This SRO is mandatory from 8th June, 2013.

(b) The present Board of Directors of Pakistan Industrial Development Corporation (PIDC) was constituted on 30th May, 2011 and partially modified by replacing all the members from the private sector on 28th January, 2013 However, on 15th August 2013 all the members from the private sector have been withdrawn with the approval of Prime minister (**Annex-C- p.1-2-3**). Presently there are five members from Public Sectors on the Board of Directors of PIDC as per detail attached as **Annex-D**.

The Date of Appointment of the Members from Public Sector varies due to transfer/posting of members.

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

16. ***Syeda Sughra Imam:** (Notice received on 24-06-2013 at 13:45 p.m.)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state the steps taken by the Government for seeking outstanding US Coalition Support Fund?

Reply not received.

17. ***Syeda Sughra Imam:** (Notice received on 25-06-2013 at 09:00 a.m.)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state whether it is a fact that the amount allocated in the budget 2013-14 for current expenditures of the Ministry of Finance, Revenue Economic Affairs, Statistics and Privatization has been reduced by 30% as compare(to the amount allocated for that purpose in the last budget, if so, what steps have led to it?

Reply not received.

19. ***Mrs. Rubina Irfan:** (Notice received on 27-06-2013 at 15:30 p.m.)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state the relief provided in repayment of bank loans to the business community affected by terrorism and lawlessness in the country during recent years?

Mr. Muhammad Ishaq Dar: A fiscal relief package for war torn areas of Khyber Pakhtunkhwa, FATA/PATA was announced by the Prime Minister in March 2010. Under this package, relief of Rs.3405.483 million has been provided to the business community affected by terrorism in repayment of their bank loans.

20. ***Mr. Saeed Ghani:** (Notice received on 03-07-2013 at 15:00 p.m.)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state the number of cases of privatization challenged in the courts since 1990 indicating also the judgments passed by the courts and the action taken by the government in the light of judgments in each case?

Reply not received.

21. ***Mr. Saeed Ghani:** (Notice received on 03-07-2013 at 15:00 p.m.)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state the number of cases of privatization undertaken by FIA, NAB or any other agency for investigation since 1990 indicating also the findings of investigation and the action taken by the Government in the light of those findings in each case?

Reply not received.

22. ***Mr. Saeed Ghani:** (Notice received on 10-07-2013 at 11:50 a.m.)

Will the Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization be pleased to state the amount provided to Election Commission of Pakistan for holding General Election 2013 with head-wise breakup?

Mr. Muhammad Ishaq Dar: For the Conduct of General Elections 2013 ECP demanded an amount of Rs. 5.099 billion from Finance Division. Against which Finance Division had provided Supplementary Grants amounting to Rs. 3.981 billion as one line budget under the head Lump Provision for Conduct of Elections, as following:

	<u>(Rs. In billion)</u>
1. Tech. Supplementary Grant.	Rs. 2.000
2. Reg. Supplementary Grant.	Rs. 0.718
3. Tech. Supplementary Grant.	Rs. 1.263
Total:	Rs. 3.981

ISLAMABAD :
The 20th August, 2013.

IFTIKHAR ULLAH BABAR,
Secretary.

SENATE SECRETARIAT

“UNSTARRED QUESTION AND ITS REPLY”

For Wednesday, the 21st August, 2013

1. **Mrs. Nuzhat Sadiq:** (Notice received on 16-07-2013 at 11:00 a.m.)

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

- (a) *whether it is fact that Planning and Development Division has failed to forward / finalize the cases of pension and final payment of GP fund to the legal heirs of the employees of the Planning and Development Division and its attached departments who died during service since January, 1, 2013 despite completing the codal formalities, if so, the reasons thereof; and*
- (b) *the steps taken / being taken to finalize such cases at the earliest?*

Mr. Ahsan Iqbal: (a) Denied. Only one case which is under process in M/o Planning & Development regarding late Ms. Shahnaz Yasmin, Deputy Chief who died on 27-02-2013. The applications have been received from her husband and other family members like brothers and sisters. The case has been delayed due to non provision of Succession Certificate issued by the Court. Moreover, Bank Account for pension, GPF etc. required to finalize the case has not yet been provided by her legal heirs.

(b) M/o Planning & Development has already advised the legal heirs of the deceased employee to provide the required documents for release of pension and GP fund and so far P&D has not received these documents. Complete documents when provided by the heirs of the deceased, the case for pension and GPF will be sent to AGPR for payment.

ISLAMABAD :
The 20th August, 2013.

IFTIKHAR ULLAH BABAR,
Secretary.