



PAKISTAN HOSIERY MANUFACTURERS & EXPORTERS ASSOCIATION

(Government approved sole representative body of Knitted goods & Apparel Manufacturers)



The Member Inland Revenue (Policy),
Federal Board of Revenue,
FBR House, Constitution Avenue,
Islamabad.

Ref: 2018/PHMA/6/116
Dated: 14th November, 2018

SUBJECT: REQUEST TO REGISTER ALL TEXTILE EXPORT ORIENTED INDUSTRIES AS ZERO RATED INDUSTRIES IN UTILITY BILLS TO FACILITATE THE FIVE ZERO RATED EXPORT INDUSTRIES FOR GAS TARIFF RS600/- MMBTU

Dear Sir,

You are well aware that the Government, to enhance, exports declared five zero rated export sectors whereby the majority of export industries complied to the procedure of FBR to avail zero rated facility on Sales Tax. Many small and medium export oriented industries are not registered as zero rated industries in Utilities bills due to cumbersome procedure of FBR and they pay Sales Tax and then apply for Sales Tax Refunds.

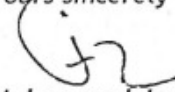
The Government earlier used to treat the Industry (both General and Export Oriented Industry) as one category for gas allocation and tariff was also same for both i.e. Rs600/- per MMBTU and later categorized the industrial gas consumers into two categories i.e: General Industry and Five Zero Rated Export Sectors Industry with different tariffs. Recently, the Government of Pakistan has revised its Gas Allocation and Management Policy after Cabinet's Economic Coordination Committee meetings decision on 17-10-2018 whereby the priority of allocation of system gas has been revised and the Five Zero-Rated sector has been categorized as Second Priority. As per the OGRA Notification dated 18th October 2018 the tariffs for Registered Manufacturers or Exporters of five Zero-Rated sectors and their Captive Power namely: Textile (including jute), carpets, leather, sports and surgical goods has been fixed as Sales Price: All off-takes at flat rate of Rs600/- per MMBTU including GIDC (copies attached). After revision of Gas Tariff, the tariff slab of General Industry has been revised to Rs780/- excluding GIDC.

Since the FBR Portal contains the detailed information of exporters like their NTN, STRN etc. and is refunding the sales tax in such cases to the zero rated export industries. Meaning thereby, the export industries may get the refund, however, in the case of gas tariff of Rs780/- additional Rs100/- of GIDC total Rs880/- charged to five zero rated export industries instead of applicable tariff Rs600/-, how Rs280/- could be refunded?

Several of our member exporters have approached the Association complaining that they have received Gas bills with tariff of Rs780/- additional Rs100/- of GIDC total Rs880/- instead of applicable tariff of Rs600/- as per tariff for Five Zero Rated Export Sectors Industry and requested the Association to take up the matter with concerned to correct the Gas Bills for prompt payments accordingly. Subsequently, it is requested to kindly send the list of all the export industries (including registered as zero rated industries and export industries qualified to get refunds) to the SSGCL so that the SSGCL may update their system to bill the five zero rated export industries according to the Tariff of Rs600/- MMBTU.

We look forward to your cooperation to facilitate the exporters for enhancement of exports and earn precious foreign exchange for our beloved country.

Yours sincerely


Muhammad Jawed Bilwani
Central Chairman

Copy to: The Chairman, FBR, Constitution Avenue, Islamabad.





PAKISTAN HOSIERY MANUFACTURERS & EXPORTERS ASSOCIATION

(Government approved sole representative body of Knitted goods & Apparel Manufacturers)



Ref: 2018/PHMA/6/125
Dated: 30th November, 2018

Mr. Habibullah Khan,
Member Inland Revenue (Operations),
Federal Board of Revenue,
FBR House, Constitution Avenue,
Islamabad.

SUBJECT: REQUEST TO REGISTER ALL TEXTILE EXPORT ORIENTED INDUSTRIES AS ZERO RATED INDUSTRIES IN UTILITY BILLS TO FACILITATE THE FIVE ZERO RATED EXPORT INDUSTRIES FOR GAS TARIFF RS600/- MMBTU

Dear Sir,

You are well aware that the Government, to enhance, exports declared five zero rated export sectors whereby the majority of export industries complied to the procedure of FBR to avail zero rated facility on Sales Tax. Many small and medium export oriented industries are not registered as zero rated industries in Utilities bills due to cumbersome procedure of FBR and they pay Sales Tax and then apply for Sales Tax Refunds.

The Government earlier used to treat the Industry (both General and Export Oriented Industry) as one category for gas allocation and tariff was also same for both i.e. Rs600/- per MMBTU and later categorized the industrial gas consumers into two categories i.e. General Industry and Five Zero Rated Export Sectors Industry with different tariffs. As per the OGRA Notification dated 18th October 2018 the tariffs for Registered Manufacturers or Exporters of five Zero-Rated sectors and their Captive Power namely: Textile (including jute), carpets, leather, sports and surgical goods has been fixed to Rs600/- per MMBTU and General Industry has been revised to Rs780/- per MMBTU.

Since the FBR Portal contains the detailed information of exporters like their NTN, STRN etc. and is refunding the sales tax in such cases to the zero rated export industries. Meaning thereby, the export industries may get the refund, however, in the case of gas tariff of Rs780/- charged to five zero rated export industries instead of applicable tariff Rs600/-, how Rs180/- could be refunded?

Several of our member exporters have approached the Association complaining that they have received Gas bills with tariff of Rs780/- instead of applicable tariff of Rs600/- as per tariff for Five Zero Rated Export Sectors Industry and requested the Association to take up the matter with concerned to correct the Gas Bills for prompt payments accordingly. Subsequently, it is requested to kindly send the list of all the export industries (including registered as zero rated industries and export industries qualified to get refunds) to the SSGCL so that the SSGCL may update their system to bill the five zero rated export industries according to the Tariff of Rs600/- per MMBTU.

We look forward to your cooperation to facilitate the exporters for enhancement of exports and earn precious foreign exchange for our beloved country.

Yours sincerely

Muhammad Jawed Bilwani
Central Chairman

Copy to: Mr. Tariq Hussain Sheikh, Secretary, (IR Operations Wing)
Federal Board of Revenue (Hq), Islamabad.



GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE
(Inland Revenue)

C.NO.1(1)ST-LP&E/ZR/2017-276029-R

Islamabad, 22nd November, 2019.

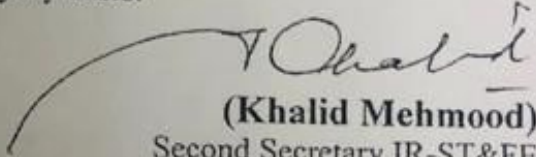
All Chief Commissioners Inland Revenue,
Large Taxpayers Units/Corporate Regional Tax Offices/ Regional Tax Offices.

Subject:- REQUEST TO REGISTER ALL TEXTILE EXPORT ORIENTED INDUSTRIES AS ZERO RATED INDUSTRIES IN UTILITY BILLS TO FACILITATE THE FIVE ZERO RATED EXPORT INDUSTRIES FOR GAS TARIFF RS 600/- MMBTU

I am directed to refer to Board's letters of even no dated 14.12.2018, 08.05.2019 and 27.05.2019 wherein DISCOs and gas provider companies were requested to independently accord preferential tariff at reduced rate at their own end, available to the five export oriented sectors on supply of electricity and gas. It was clarified that zero rating allowed by FBR to various taxpayers under various Sales Tax General Orders read with STGO No. 117 of 2015 dated 14.07.2015 was done on the basis of some internal checks that were specific to FBR and denial by FBR to allow zero rating on utilities under above referred STGO had no nexus/negative inference on the preferential tariff that was otherwise available to five export oriented sectors.

2. As the zero rated regime has been abolished after withdrawal of SRO 1125(I)/2011 dated 31.12.2011 through Finance Act 2019, a number of registered persons have approached Board for clarification on the issue as they are facing hardship in availing reduced rate tariff on new connections/old connections which were not zero rated earlier. In the meanwhile a number of registered persons filed writ petitions in the Lahore High Court and the Honourable Court clubbed all the Writ Petitions and passed order dated 06.11.2019 in W.P no 42514 wherein the Court directed the petitioners/zero rated exporters to pay the gas bill at the reduced rate tariff @ 6.5 \$ per MMBTU and directed the petitioners/exporters which were not previously beneficiary of the SRO before 30.06.2019, to seek clarification from FBR, if they fall under new subsidy regime.

3. The field formations of FBR have details of exporters and even zero rating under erstwhile regime were allowed on the basis of field reports. The Chief Commissioners are therefore directed to implement the directions of the High Court and facilitate the exporters by issuing necessary confirmation to the utility providers for according preferential/reduced rate tariffs to genuine exporters and report progress on fortnightly basis.


(Khalid Mehmood)
Second Secretary IR-ST&FE
(Law, Procedure & Exemption)

CC to:

1. M/s SNGPL/SSGC
2. All DISCOs.
3. Federation of Pakistan Chamber of Commerce & Industry, Clifton, Karachi.
4. All Pakistan Textile Mills Association (APTMA)/ All Pakistan Hosiery Manufacturers & Exporters Association/ Towel Manufacturers Association of Pakistan

ADC	
SO-I	
SO-II	
SO-III	✓
SO-IV	
SO-V	
DBA	
DDO	

REGIONAL CHIEF COMMISSIONER
INLAND REVENUE
LAHORE