INDUSTRIAL NOTES

Taxation of Sugar Sector

An insight




Taxation of White Crystalline
&
Monition of Sugar Manufacturing Units

by:

Khawaja Adnan Zahir
Commissioner Inland Revenue
Large Tax Payers Unit, Lahore

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1- HISTORICAL PERSPECTIVE

Details elaborated by the Greek historian Herodotus “the father of history” narrate that great king of Persia Darius commissioned a navel party to explore the River Indus to its mouth. Led by lonian Greek named Skylax the expedition proceeded east and hit the Kabul River and then headed south to Arabian Sea, the outfall of River Indus. The mission was followed soon and in 510 BC the Emperor Darius of what was then Persia invaded India where he found "the reed which gives “honey without bees". The secret of cane sugar, as with many other of man's discoveries, was kept a closely guarded secret whilst the finished product was exported for a rich profit.

It was the major expansion of the Arab peoples in the seventh century AD that led to a breaking of the secret. When they invaded Persia in 642 AD they found sugar cane being grown and learnt how sugar was made. As their expansion continued they established sugar production in other lands that they conquered, including North Africa and Spain.

During the Muslim Agricultural Revolution, Arab entrepreneurs adopted the techniques of sugar production from India and then refined and transformed them into a large-scale industry. Arabs set up the first large scale sugar mills, refineries, factories and plantations.

Sugar was only discovered by Western Europeans as a result of the Crusades in the 11th Century AD. Crusaders returning home talked of this "new spice" and how pleasant it was. The first sugar was recorded in England in 1099. The subsequent centuries saw a major expansion of western European trade with the East, including the importation of sugar. It is recorded, for instance, that sugar was available in London at "two shillings a pound" in 1319 AD. This equates to about US$100 per kilo at today's prices so it was very much a luxury.

In the 15th century AD, European sugar was refined in Venice, confirmation that even then when quantities were small, it was difficult to transport sugar as a food grade product. In the same century, Columbus sailed to the Americas, the "New World". It is recorded that in 1493 he took sugar cane plants to grow in the Caribbean. The climate there was so advantageous for the growth of the cane that an industry was quickly established.

Dutchman Dr. Willem Floor quotes in his book from the diaries and log books of the captains of Dutch Vessels belonging to the Dutch East India Company sailed in the Thatta (Sindh) as far as the 1700s to sell spices and food products. They purchased leather, rice and textile etc. from Sindh. The diaries reveal that the merchants could sell sugar sooner than other commodities at high profits because the locally produced unrefined sugar called Gur would ferments when stored from some time. according to their report sugarcane was grown at that time around the Mancher Lake in Sindh.

The 1390s saw the development of a better press, which doubled the juice obtained from the cane. This permitted economic expansion of sugar plantations to Andalucia and to the Algarve. The 1420s saw sugar production extended to the Canary Islands, Madeira and the Azores.

The Portuguese took sugar to Brazil. Hans Staden, published in 1555, writes that by 1540 Santa Catarina Island had 800 sugar mills and that the north coast of Brazil, Demarara and Suriname had another 2,000. Approximately 3,000 small mills built before 1550 in the New World created an unprecedented demand for cast iron gears, levers, axles and other implements. Specialist trades in mold-making and iron-casting developed in Europe due to the expansion of sugar production. Sugar mills construction developed technological skills needed for a nascent industrial revolution in the early 17th century. After 1625 the Dutch carried sugarcane from South America to the Caribbean islands, where it became grown from Barbados to the Virgin Islands. The years 1625 to 1750 saw sugar become worth its weight in gold. With the European colonization of the Americas, the Caribbean became the world's largest source of sugar. These islands could supply sugarcane using slave labour and produce sugar at prices vastly lower than those of cane sugar imported from the East.

During the eighteenth century, sugar became enormously popular and the sugar market went through a series of booms. As Europeans established sugar plantations on the larger Caribbean islands, prices fell, especially in Britain. By the eighteenth century all levels of society had become common consumers of the former luxury product. At first most sugar in Britain went into tea, but later confectionery and chocolates became extremely popular. Suppliers commonly sold sugar in solid cones and consumers required a sugar nip, a pliers-like tool, to break off pieces.

Beginning in the late 18th century, the production of sugar became increasingly mechanized. The steam engine first powered a sugar mill in Jamaica in 1768, and soon after, steam replaced direct firing as the source of process heat. During the same century, Europeans began experimenting with sugar production from other crops. Andreas Marggraf identified sucrose in beet root and his student Franz Achard built a sugar beet processing factory in Silesia. However the beet-sugar industry really took off during the Napoleonic Wars, when France and the continent were cut off from Caribbean sugar. Today 30% of the world's sugar is produced from beets. The following countries mainly produce sugar from beet, though some of these countries marked produce sugar from sugarcane as well.[1]

America	Japan	Canada	Turkey	Russian Fed	USA
Syria	Moldova	Croatia	Ukraine	Azerbaijan	Iran
Belarus	Morocco	Chile	EU-27	Switzerland	

By 1750 there were 120 sugar refineries operating in Britain. Their combined output was only 30,000 tons per annum. At this stage sugar was still a luxury and vast profits were made to the extent that sugar was called "white gold". Governments recognized the vast profits to be made from sugar and taxed it highly. In Britain for instance, sugar tax in 1781 totalled £326,000, a figure that had grown by 1815 to £3,000,000. This situation was to stay until 1874 when the British government, under Prime Minister Gladstone, abolished the tax and brought sugar prices within the means of the ordinary citizen.

[1] International Sugar Organization Oct 2009,

Trade and Economics

Historically one of the most widely-traded commodities in the world, sugar accounts for around 2% of the global dry cargo market. International sugar prices show great volatility, ranging from around 3 to over 60 cents per pound in the past 50 years. Of the world's 180-odd countries, around 100 produce sugar from beet or cane, a few more refine raw sugar to produce white sugar, and all countries consume sugar.

Consumption of sugar ranges from around 3 kilograms per person per annum in Ethiopia to around 40 kg/person/yr in Belgium. Consumption per capita rises with income per capita until it reaches a plateau of around 35 kg per person per year in middle income countries.

Many countries subsidize sugar production heavily. The European Union, the United States, Japan and many developing countries subsidize domestic production and maintain high tariffs on imports. Sugar prices in these countries have often exceeded prices on the international market by up to three times; today, with world market sugar futures prices currently strong, such prices typically exceed world prices by two times.

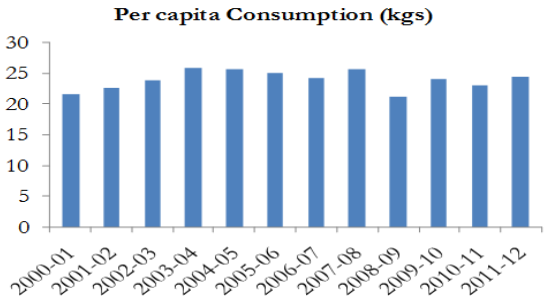
1- SUGAR INDUSTRY IN PAKISTAN

Though production and use of sugar is recorded in 520 BC and long before, the growth of the modern form of white sugar industry in the Indian Sub-continent could be traced to early '30s. The number of sugar mills rose from 29 in 1931 to 139 in 1939. World War II established the need and supply of the sugar as an important commodity. While the European industrial base was being diverted to the war machinery, Asia had the chance to improve its sugar industry and supplies to war torn countries of Europe.

At the time of partition in 1947 only seven sugar mills, existed in the territories of Pakistan, 5 in East Pakistan now known as Bangladesh and only 2 in West Pakistan now known as Pakistan. These two sugar mills namely Rahwali Sugar Mills and Frontier Sugar Mills established in 1936 and 1938 had a capacity of 5000 tonnes each of producing white sugar. During 1954-56 three more sugar mills were established with a capacity of 10000-15000 tonnes. By 1955-56, the sugar production capacity in Pakistan was around 45,000 tonnes.[2]

The sugar industry of Pakistan plays a vital role in creating economic activity for the country's farmers as well as sugar manufacturers. It is the second largest agro based industry of the country after textiles and in terms of acreage, Pakistan is the sixth largest producer of sugarcane and 12th largest producer of refined sugar amongst global players. In Pakistan, sugarcane is grown on approximately one million hectares and provides raw material for the 84 sugar mills operating nationwide presently. In addition to sugar, molasses, a sugar cane by product, is also used in the production of pharmaceutical and fuel grade ethanol while bagasse, another by-product of the process, is used in paper and chip board manufacturing. Out of the total income generated by the sugar sector, majority of the proportion is routed to the growers while a sizeable amount is also paid to the government in lieu of taxes and federal excise duty.

As per recent statistics, the average per capita consumption of sugar in Pakistan is reported around 24.6kg which is higher than sugar consumed in other regional countries and slightly above global average of per capita consumption of the commodity.[3] The non-availability of competitive sugar substitutes for bulk consumers of processed food sector also has an impact on overall consumption. With an abrupt change in the economic activities and urbanization, the demand for white sugar was on the increase. This was attributed to the manufacture of soft drinks, confectioneries and bakery products etc. The number of sugar mills was also on the increase to meet the demand.



The system of supply of sugarcane to the mills has also revolutionized during these years from camel back and bullock carts to locomotives on narrow gage railway lines, tractor trolleys and now to large size trucks. Network of access roads financed and maintained with the help of

[2] Pakistan Sugar Mills Association
[3] JCR-VIS Sector Update; October 2013

road Cess Funds on sugarcane being collected from sugarcane suppliers and milers, modernized the supply line to sugar mills, few having reached now 12,000 tonnes crushing capacity per day, whereas sugarcane production is lacking behind due to low yield forcing the capacity utilization down to 50% in bad harvests.

By 1980 there were 35 sugar mills in the country capable of providing 1.0 million tonnes. Ten more sugar mills were installed by 1990 with the production capacity having reached 2.0 million tonnes. Population and per capita increase always kept the demand high and number of sugar mills increased to 86 in 2009.

a- Features of the Sugar Industry

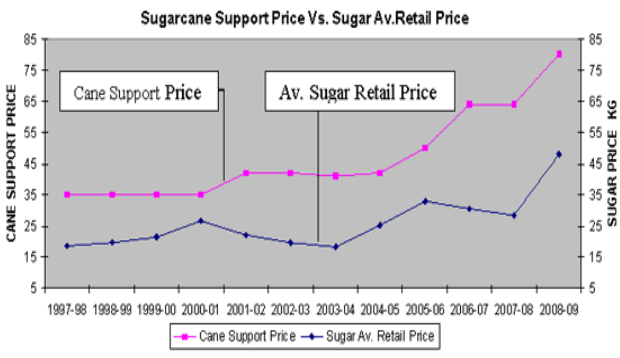
Pakistan is the sixth largest sugar producer in the world. Its 86 sugar mills has the capacity of producing 7.0 million tonnes of sugar annually, indeed with full capacity utilization that would need supply of 80 million tonnes of sugarcane, the best being 53 million tonnes in 2007-08. The surplus installed capacity is causing concern particularly in low supply season. The total outlay at current cost is US$ 1.50 billion. Present annual sugar consumption of the country has crossed 4 million tonnes valued at US$1.8 billion.

Being the second biggest agro-based industry, it is a source of revenue to the Government of Pakistan by about Rs. 22.0 billion, to the growers by Rs. 110-135 billion and to the vendors, other contractors, transporters and suppliers by about Rs. 20.0 billion, besides providing direct and indirect employment to 1.20 million people particularly in the rural areas of the country.

In Pakistan's under developed rural areas, establishment of a sugar mills is seen as a sign of prosperity to the area, as with a sugar-mill comes a new communication system, roads, colonies, schools, hospitals, electricity and above all fresh opportunities of trade and employment for every cadre of society. Thus the sugar industry is both economically and of strategic importance to the country. Its viability has been hampered by the governments' imprudent policies made without prior consultation of the industry. This particularly applies to its sugarcane price-fixing policy.

b- Sugarcane Payment System

The Government of Pakistan supports cane production by setting a market minimum support price announced before or after planting. The support price is set below the local demand price. As a result mills renegotiate the procurement price. The crop price increases up to 50% whenever the crop cycle is at its low ebb. The sugarcane support price has increased from Rs. 40/- per 40 kg in 2004-05 to Rs. 80/- per 40 KG within the recent 4 years causing the sugar production price increase simultaneously.[4]



[4] Pakistan sugar Mills Association

2009-10 is yet to see another 25% increase in the support price of sugarcane in an effort of price incentive to the farmers for increase in plantation which will directly affect the existing production cost of sugar proportionately.

Throughout the entire crushing season the price issue remains a volatile issue between the growers and the millers. The growers refuse to sell the cane at the official price and millers in some areas of Punjab and Sindh delay the start of crushing season. The milling sector ends up bearing the bulk of the risk when the circumstances change. While the support price varies significantly when there is shortfall during a particular harvest, there is no similar level of adjustment when the harvest is good and cane is in abundant supply. Further, this situation is exacerbated by untimely sugar imports contributing to the destabilization of domestic price, always under pressure due to fluctuating harvests.

Continued efforts are underway led by the Pakistan Sugar Mills Association to persuade the Government of Pakistan to consider adoption of a more reliable sugarcane payment system linking the price of cane with the sugar content as being used in Australia and other countries of the world, based on cane quality, a fair deal to growers and millers as well.

At present in Pakistan sugarcane is the only crop that gets paid by weight and not by quality. The system does not provide for any incentive to the grower to improve his crop particularly towards the most crucial aspect, the sugar content.

The following sugar production data for the last decade depicts the rise and fall of the domestic sugar production clearly indicting fall back during certain harvests while the consumption remains on continuous rise. Every bad harvest provides reason for further increase in the sugarcane price as a temporary measure, but a permanent feature.

Year	Sugar Production Tonnes
2008-09	3,190,702
2007-08	4,740,913
2006-07	3,516,218
2005-06	2,588,177
2004-05	2,922,126

Year	Sugar Production Tonnes
2003-04	3,997,010
2002-03	3,652,745
2001-02	3,197,745
2000-01	2,466,788
1999-00	2,414,746

c- Purity

Technicians usually measure the purity (sucrose content) of sugar by polarimetry — the measurement of the rotation of plane-polarized light by a solution of sugar. In past sulphur dioxide was bubbled through the cane juice before evaporation to bleach many colour impurities in to colourless. Sugar was bleached by this process was known as “SULPHITATION”. In Pakistan the sulphitation process has blurred off completely from the old mills the new technique of “CARBONATION” is adopted where sugar syrup is decolorized by filtration through a bed of activated carbon. Requirements established by the Pakistan Standard Quality Control Authority (PSQCA) for the production of white sugar are ps 1822-2007 R. some of the specified limits i.e.

ICUMSA is considered as un-necessarily higher side for domestic consumption, which is still to be considered by the sugar industry.[5]

d- Bagasse

The end product of sugar sector is "Bagasse" which is usually used in boilers for power generation of sugar mills. This end product contains aggregate the following items which range differently from area to area:-

a.	1- Sugar	1.5-2%
b.	2- Water	50%
c.	3- Fiber	47%

e- Enactments

The sugar industry is being governed under the following legal enactments in Pakistan.

- ✓ The Sugarcane Act - 1934
- ✓ The Sugar Product Control Order - 1948
- ✓ The Sugarcane Control Order - 1961
- ✓ The Sugar Distribution Order - 1960
- ✓ The Sugarcane (Development) Cess Rules - 1964
- ✓ The West Pakistan Sugarcane (Development) Cess Rules - 1964
- ✓ The West Pakistan Sugar Factories Control Act - 1950
- ✓ The Gur Control Order - 1948
- ✓ The Punjab Sugarcane Control Order -1972
- ✓ The Sugar Factories Control Rules - 1950
- ✓ The Central Excise Duty on Sugar (Validation) Ordinance, 1979

[5] P.S. 1822-2007 R revised version still to be published by PSQCA

3- TAXATION OF SUGAR SECTOR

White crystalline sugar is the main product which might become by-product over the passage of time due to changing trends of this sector. Industry I moving from the production of White crystalline to food grade "Ethanol" by way of installation of Distillery Units, as this item is exported to European countries, as such comes in zero-rate sector. In the entire process, the following indicators must be kept in mind, while examining the case of a sugar industry:-

- ✓ Date of start of Cursing Season
- ✓ Date of Close of Crushing Season
- ✓ Total No. of days crushing
- ✓ Total Hours actual Crushing
- ✓ Total Hours Lost
- ✓ Total cane Milled (in M.Tons)
- ✓ Total mixed juice obtained (in MTS)
- ✓ Average Mixed Juice
- ✓ Average added water
- ✓ Total Sugar Bagged (in M.Tons)
- ✓ Total Sugar in Process
- ✓ Average Recovery of Marketable Sugar
- ✓ Production of Molasses
- ✓ Production of Bagasse
- ✓ Production/Sale of Electricity
- ✓ Production of Ethanol

a- Structure of taxation prior to 2011

Prior August, 2009, Sales Tax on White crystalline sugar was charged @16% under the normal regime. The Federal Government vide SRO (I)/2009 dated 23.08.2009 reduced the rate of sales tax on local supplies of White crystalline sugar to 8%. Rate under Sales Tax Act, 1990 was 8% by virtue of SRO ___(I)/2009 dated 23.08.2009 (the Notification of 2009 did not bear any number).

b- Structure of taxation prior to 2011

Supply of white crystalline sugar was liable to sales tax in the country upto 03.06.2011. SRO 551(I)/2008 dated 11.06.2008 specified exemption from sales tax on goods mentioned therein subject to certain conditions & restrictions. Accordingly, S.No.27 specifying "white crystalline sugar" was added to above notification vide SRO 481(I)/2011 dated 03.06.2011,granting exemption from sales tax to white crystalline sugar. Thus, sugar moved out of the sales tax regime & entered the FED regime w.e.f 04.06.2011

Islamabad, the 11th June, 2008

NOTIFICAITON
(SALES TAX)

S.R.O. 551(I)/2008:– In exercise of the powers conferred by clause (a) of sub-section (2) of Section 13 of the Sales Tax Act, 1990, the Federal Government is pleased to exempt the goods mentioned in column (2) of the Table below from the whole of sales tax with effect from 1st July, 2008 subject to the conditions and restrictions specified in column (3) thereof, namely:-

S.No.	Description of goods	Conditions and restrictions
(1)	(2)	(3)

(Abdul Wadood Khan)
Additional Secretary

Islamabad, the 3rd June, 2011.

NOTIFICATION
(SALES TAX)

S.R.O. 481 (I)/2011.– In exercise of the powers conferred by clause (a) of sub-section (2) of section 13 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that the following further amendments shall be made in its Notification No. S.R.O. 551(I)/2008, dated the 11th June, 2008, namely:–

In the aforesaid Notification, in the Table, in column (1),–

(a) serial numbers 2, 12, 15, 17 and 18 and the entries relating thereto in columns (2) and (3) shall be omitted;

(b) serial number 25 and the corresponding entries relating thereto in columns (2) and (3) added vide Notification No. S.R.O. 369(I)/2011, dated the 7th May, 2011 shall be re-numbered as serial number 26 and shall be deemed to have been so re-numbered from the 7th May, 2011; and

(c) after serial number 26, re-numbered as aforesaid and the corresponding entries relating thereto in columns (2) and (3), the following new serial numbers and the entries relating thereto shall be added, namely:–

"27.	White crystalline sugar	1701.9910 and 1701.9920
28.	Reclaimed lead if supplied to recognized manufacturers of lead batteries.	Respective headings.".

2. This Notification shall take effect on and from the 4th day of June, 2011.

[C. No. 1/28-STB/2011]

(Khawar Khurshid Butt)
Additional Secretary

Federal Excise duty on sugar @ 8% was introduced through amendment in First and Second Schedule to the Federal Excise Act, 2005, vide Finance Act, 2011 effective from the **4th June,** 2011. Sales tax on import and local supply of sugar was exempted vide SRO 481(I)/2013 dated 03.06.2011 which amended SRO 551(I)/2008 dated 11.06.2008. Accordingly, *Concurrently S.No.53* specifying "*white crystalline sugar"* was added to Table-1 of the First Schedule to the Federal Excise Act, 2005 (the Act hereinafter) levying FED @ 8% ad vol in sales tax mode by simultaneous insertion of S.No.3 "white crystalline sugar" in the Second Schedule to the said Act. The same rate of 8% ad val in sales tax mode was retained even in the Federal Excise Regime.

Presently, white crystalline is being tax under Federal Excise Duty Act under Sales Tax mode. Sales Tax mode is defined as:-

"Sales Tax Mode" means the manner of collection and payment under the Sales Tax Act, 1990, and rules made there under, of the duties of excise chargeable under this Act specified to be collected and paid as if such duties were tax chargeable under section 3 of the said Act and all the provisions of that Act and rules, notifications, orders and instructions made or issued there under shall, *mutatis mutandis*, apply to the excise duty so chargeable;";

Section 7 of Federal Excise Duty Act 2005 explains as follows:-

7. Application of the provisions of the Sales Tax Act, 1990.— In case of goods specified in the Second Schedule or such services as may be specified by the Board through a notification in the official Gazette the duty shall be payable in sales tax mode, whereby—

(1) (a) a registered person manufacturing or producing such goods or providing or rendering such services shall be entitled to deduct input tax paid during the tax period from the amount of duty of excise due from him on such goods or services in respect of that tax period;

(b) a registered person shall be entitled to deduct the amount of duty of excise paid or payable by him on such goods or services as are acquired by him during a tax period from the output tax due from him in respect of that tax period;

(c) a registered person supplying such goods or providing or rendering such services shall be entitled to deduct duty of excise paid or payable on such goods or services as are acquired by him during the tax period from the amount of duty of excise due from him on such goods manufactured or produced or services as are provided or rendered by him during that period; and

(d) a person shall be entitled to deduct duty of excise paid or payable, on such goods or services as are acquired by him during a month, from the amount of duty of excise due from him on such goods manufactured or produced or services as are provided or rendered by him, during that month. Such services as are provided or rendered by him, during that month.

(2) The Federal Government may, by notification in the official Gazette, declare that any of the provisions of the Sales Tax Act,1990, relating to the levy of and exemption from sales tax, registration, book keeping and invoicing requirements, returns, offences and penalties, appeals and recovery of arrears shall, with such modifications and alterations as it may consider

necessary or desirable to adapt them to the circumstances, be applicable in regard to like matters in respect of the duty leviable under this Act.";

Explanation.— For the purposes of this section, the expressions "input tax", "output tax" and "tax period" shall have the same meanings as are assigned to them in the Sales Tax Act, 1990

SECOND SCHEDULE

(Goods on which duty is collectible under sales tax mode with entitlement for adjustment with sales tax and vice versa)

[See section 7]

S. No.	Description of Goods	Heading/sub-heading number
(1)	(2)	(3)
	GOODS	
1	Edible oil excluding epoxidized soyabean oil falling under heading 15.18.	15.07, 15.08, 15.09, 15.10, 15.11, 15.12, 15.13, 15.14, 15.15, 15.16, 15.17 and 15.18
2	Vegetable ghee and cooking oil.	Respective headings.
3	**White Crystaline Sugar**	**170.9910 1710.9920]**

Accordingly, an amendment was made in Schedule-I by inserting serial number 53 for creating chargeability under section 3 of FED Act 2005

FIRST SCHEDULE

[See section 3]

TABLE I

(EXCISABLE GOODS) S.No.	Description of goods	Heading/ sub-heading Number	Rate of duty
(1)	(2)	(3)	(4)
5[53	White Crystalline Sugar	1701.9910 and 1710.9920.	Eight per cent ad val.]

5 Serial No. 53 and entries relating thereto inserted by the Finance Act, 2011.

c- Issuance of SRO 77(I)/2013 dated 7th February 2013

The Federal Government vide SRO 77(I)/2013 dated 7th February 2013 has reduced the rate of FED, which is to be charged @ 0.5% on local supply of white crystalline sugar in a tax period, equivalent to quantity exported during the preceding tax period (except export through land route to Afghanistan and Central Asian Republics), subject to conditions of SRO. Presently the local supply of white crystalline sugar is exempt from Sales tax but Federal excise duty in sales tax mode is chargeable at the rate of 8%. The rate of Federal excise duty on local supply of sugar drops to 0.5% instead of 8% on quantity of sugar supplied locally corresponding to exports

made in previous tax period except exports made to Afghanistan and Central Asian Republics in light of SRO 77(I)/2013 dated 07-02-2013.

Islamabad, the 7 February, 2013

NOTIFICATION
(FEDERAL EXCISE)

S.R.O. 77 (I)/2013.- In exercise of the powers conferred by sub-section (4) of section 3 of the Federal Excise Act, 2005 the Federal Government is pleased to specify the rate of Federal Excise Duty on the item in column (2) of the Table below, falling under the PCT Heading numbers specified in column (3) of the said Table, at the rate specified in column (4) thereof subject to the conditions given as below, namely:-

TABLE

Sr. No	Item Description	Heading Number in the First Schedule to the Customs Act, 1969 (IV of 1969	Rate of Duty
(1)	(2)	(3)	(4)
1.	White crystalline sugar	1701.9910 and 1701.9920	0.5%

(a) rate of duty in column (4) of the Table shall only be applicable on the quantity of local supply of sugar equivalent to the quantity actually exported by the sugar manufacturer, in accordance with the export quota allotted in pursuance of the decision of the ECC in its meeting held on January 10, 2013;

(b) the sugar manufacturer shall present the proof of such export to the concerned Commissioner of Inland Revenue along with the return for the tax period following the tax period in which such export took place. The sugar manufacturer shall also file the calculation in the form given in the Annexure to this notification along with the return;

(c) the quantity exported does not exceed the quota allotted in pursuance of the aforesaid decision of the ECC; and

(d) the benefit of this notification shall not be admissible in respect of exports by land routes to Afghanistan and Central Asian Republics.

Explanation.- If a sugar manufacturer actually exports any quantity of sugar, only then the sugar manufacturer is allowed to charge the FED as given in column (4) of the Table on equivalent quantity of local sale of sugar on supplies made in the tax period succeeding the tax period in which the export took place.

Annexure

CALCULATION OF FED OUTPUT LIABILITY

A.	Total supplies during the tax period (Qty.)	_____ MT
	(a) Local Supplies	_____ MT
	(b) Exports in the preceding Tax Period	_____ MT
B.	Local supplies eligible for concessional rate	_____ MT
C.	Value of eligible local supplies	Rs. _____
	(i) FED on eligible supplies @ 0.5%	Rs. _____
	(ii) FED on non-eligible local supplies @ 8%	Rs. _____
D.	Total FED for the tax period	Rs. _____

[C.N. 2(172)/EX/2012]

(Muhammad Raza Baqir)
Member –IR (Operations)/
Additional Secretary

Amendment in SRO 77(I)/2013 (Federal Excise Act,2005)

Federal Government has issued SRO 1072(I)/2013 dated 27.12.2013 whereby amendments have been made in its notification No. SRO 77(I)/2013 dated 07.02.2013. After this amendment, the concessionary rate period has now been **enhanced to three tax periods**.

Comparative Analysis of the revenue inflow was conducted between corresponding tax periods of July 2011 to January 2012 with July 2012 to January 2013. In addition to this, an across the spectrum stock taking exercise was conducted through the month of December 2012 after the commencement of the crushing season 2012-2013. The analysis revealed that during the tax period of July 2011 to January 2012 there was revenue inflow of Rs 3304 Million in lieu of Sales Tax and Federal Excise Duty, whereas in the corresponding tax period for the Financial Year 2012 2013 there was revenue inflow of Rs 2806 Million, a short fall of Rs 444 Million. This short fall was mainly observed due to SRO-77.

4- POSSIBLE AREAS OF EVASION IN SUGAR SECTOR

a- Suppression in Production and Sales:

Like other Sectors of the economy, Sugar manufacturer are also prone to under declaration and suppression of actual production of sugar, mis-declaring their actual purchase of sugar cane and showing low production yield, and by under declaration of sugar bags produced and sold.

b- Misuse of SRO 77(I)/2013

Sugar Manufacturers have the facility to pay FED @ 0.5% on local supply of sugar equivalent to the quantity of sugar exported but clause (d) of the SRO 77(I)/2013 restricts this benefit and the same is not available against the quantity of sugar exported to Afghanistan and Central Asian republics. Salient features are asunder:-

i. Sugar sector has been allowed to export sugar (@ 0%) and
ii. The equal quantity of such export was allowed on reduced taxation **@ 0.5%** instead 8% FED **ON LOCAL SALES** – in the Tax Period following the exports
iii. This concession is not available for exports to CASs & Afghanistan

a- SRO Challenged before Lahore HC.

Some of the sugar manufacturers challenged clause(d) of SRO-77 on 08-11-2013. The Honorable Lahore High Court struck down the **cause (d) of SRO** relating to exports to CARs & Afghanistan

b- In Intra Court Appeal

Intra court appeal was filed by the department instantly and double bench of the Honorable Lahore Court suspended the operation of judgment given by single judge. However, Department was instructed not to recover the rebate which was already taken by sugar mills till the decision of ICA.

c- Time of Supply:

It is usual trend of sugar manufacturers that, at times, manufacturers supply sugar to buyers in early tax periods whereas payment of output tax is deferred to subsequent tax periods. Though taxation of such supply is differed but it can be checked and verified through periodic stock taking as well as getting information from Trading Corporation of Pakistan as TCP is also a leading buyer of sugar.

5- MEASURES TO COUNTER EVASION

a- Monitoring U/s 40B of Sales Tax Act read with S.45(2) of the FED- 2005

It is important to note that Section 45(2) of FED Act and Section 40B of Sales Tax Act empower the Board and the Chief Commissioner to issue Orders without citing any reason. However, the Superior Courts have interpreted it in a different way and the Lahore High Court has historically quashed all such Orders which were issued without citing any reason.

Commissioner Inland Revenue has independent powers to appoint Officers for posting under the proviso of the section 40B and such powers can be exercised only if he is in possession of material evidence on the basis of which he has reason to believe that the registered person is involved in evasion or tax fraud. The Commissioner is required to record reasons in writing to issue such an order. The following parameters were applied to the revenue generation from each sugar mill:

- Deviation from Effective rate of duty/taxes recovered from the sector average effective rate
- Deviation of Input-Output Ratio from sector average Input Output ratio
- Fall in revenue in corresponding tax periods from the last Financial Year to the present Financial year.

During the exercise of imposition of Section 40B in the season 2012-13, Orders under Section 40B were challenged in the Lahore High Court and the honourable Court held that despite the statutory powers of issuing orders under section 40B without citing any reason , the tenets of natural justice demand that valid and cogent reasons for initiating monitoring must still be given. Therefore on the basis of the analysis regarding sugar mills and also in the light of judicial precedents referred above, it is not appropriate to impose monitoring under section 40B on such sugar mills fulfilling such criteria. Persistence of this action can affect the entire monitoring exercise.

Some of the taxpayers filed appeals against such Orders in Appellate Tribunal Inland Revenue. The Honorable Tribunal adjudicated that since officers/officials was posted on the premises in pursuance of Board's Order, hence, taxpayers had no reason to assail the reasons. The taxpayer immediately went in High court against the Orders of the ATIR. The double bench of the Honorable High Court remanded back the cases to the ATIR with the direction to pass a judgment on the reasons for imposition of section 45 (2) of FED Act 2005 all the while directing that the staff posted at the premises of the sugar mills will continue to monitor the production sale and stock of white sugar but will not interfere in the working of the mill. The ATIR pronounced judgment in favour of Department and action of the Department was upheld. The RPs filed Reference in Lahore High Court which was also decided in favour of Department. As such, the issue of imposition of such provisions has been decided once and for all meaning thereby, only well-reasoned orders passed for such purposes, will stand test of Appeal.

Through enforcement of afore referred provisions of monitoring provided by law, suppression in production of sugar may be checked during the production season. However it is of critical importance that well-reasoned orders may be issued while implementing the afore-referred provisions of monitoring, because unreasoned orders do not stand the test of judicial scrutiny. The following parameters may be applied to generate well-reasoned orders:

- *Lower Effective rate of duty/taxes when compared to average Effective rate of duty/taxes of the sector*
- *Higher Input-Output Ratio when compared to the average Input Output ratio of the sector*
- *Fall in revenue during present Financial year when compared to corresponding tax periods of the last Financial Year*

Monitoring must be selective and not across the board, it should only be initiated in cases where the aforementioned situation is found prevailing, so as to maintain its deterrence. It is also of manifest importance that while posting staff at sugar mills premises due care may be exercised and only officials of impeccable integrity may be given the assignment. For such purposes, staff must be deputed on the following points:-

a- Procurement stage - Monitoring of Cane Procurement Receipt (CPR) at the point of weighing scale
b- Production stage – Monitoring of Bags filling shooter point
c- Dispatch / Sales Monitoring at gate.

Specimen order for imposition of provisions of section 45(2) of the Federal Excise Act 2005 read with section 40B of The Sales Tax Act, 1990 as well as replacement of staff is as below,

SPECIMEN ORDER FOR IMPOSITION OF PROVISIONS OF SECTION 45(2) OF THE FEDERAL EXCISE ACT 2005 READ WITH SECTION 40B OF THE SALES TAX ACT, 1990

ORDER

MONITORING OF SUGAR MILLS UNDER SECTION 45(2) OF THE FEDERAL EXCISE ACT 2005 READ WITH SECTION 40B OF THE SALES TAX ACT, 1990

An analysis of the M/S _____ Sugar Mills Ltd' Sales Tax/ FED Returns and production Summary/ Stock Position was conducted by Zone III, LTU, Lahore wherein it was observed as follows:-

- The average effective rate of duty for the sugar sector is **.4.58** for tax year 2013-2014 whereas effective rate of duty of the registered person for tax year 2013-2014 is **2.95** i.e. the taxpayers effective rate of duty is less than the average sector effective rate of duty for the sugar sector.

- The average input to output ratio is **40.4** for the sugar sector whereas the input to out ratio for the registered person for tax year 2014-2015 is 42.65 i.e. the taxpayer's input output ratio is **2.25** higher than the average input to output ratio of the sector.

2- Now therefore in the light of material evidence placed at Para No. 1 above which suggests evasion of federal excise duty payable in sales tax mode, the following Officers of Inland Revenue are appointed to monitor the production, sales of taxable goods and stock position u/s 45(2) of the Federal Excise Act, 2005 read with Section 40B of the Sales Tax Act, 1990 at the manufacturing/business premises of **M/s ----------Sugar Mills Ltd, Sahiwal**.

M/s ----------Sugar Mills Ltd,		
Sr. No.	**Name of the Officer**	**Designation**
1		
2		
3		

3- The above officers shall remain present at the manufacturing/business premises of the sugar mill **round the clock** for the aforesaid monitoring. They will furnish daily reports regarding production, sale of sugar as well as its by products and stock position recorded and signed by the team members, during the day, on the prescribed format to the Deputy Commissioner E&C. 18, Zone-III, LTU Lahore-, on the following morning by 11.30 A.M. each day.

M/s ---------- Sugar Mills Ltd, -----Address

Commissioner Inland Revenue, Zone III
Large Taxpayers Unit, Lahore

Copy for information to:-

1. The Chief Commissioner Inland Revenue, LTU, Lahore
2. The Additional Commissioner Inland Revenue, E&C, Zone-III, LTU, Lahore
3. All the concerned officers for immediate and strict compliance.
4. Office copy.

SPECIMEN ORDER FOR REPLACEMENT OF STAFF

- ***R D E R***

MONITORING OF SUGAR MILLS UNDER SECTION 45(2) OF THE FEDERAL EXCISE ACT, 2005 READ WITH SECTION 40B OF THE SALES TAX ACT, 1990.

In continuation of this office order No. ---------- dated ----------, Mr ----------, Auditor Inland Revenue, LTU, Lahore is hereby posted at the manufacturing premises of M/s ---------- Sugar Mills Ltd. Unit-I, Jhang in replacement of Mr. --------, Audit Officer Inland Revenue, with immediate effect.

Registered:-

M/s ---------- Sugar Mills Ltd. Unit-I, Jhang
Main Boulevard, Gulberg-III, Lahore

Deputy Commissioner Inland Revenue,
E&C, Unit-18, LTU, Lahore.

Copy for information to:-

1 The Commissioner Inland Revenue, Zone-III, LTU, Lahore
2. The Additional Commissioner Inland Revenue, E&C, Zone-III, LTU, Lahore
3. Concerned officers for immediate and strict compliance.
4. Office copy.

b- Stock taking under section 38 of the Sales Tax Act, 1990:

The payment of Sales Tax that is deferred in-spite of the supply having been made can be checked through physical stock taking from time to time. It is always recommended that stock position may be taken at the following time:-

a- Start of Crushing Season
b- End of Crushing Season
c- End of the Financial Year

However, during monitoring if it is noticed that revenue is decreased or proper sales have not been declared in monthly sales tax return(s) or quantitative returns, stock taking can be arranged at any point of time. The following points may be kept into consideration at the time of stock taking:-

a- Inventory report at the time of visit
b- Physical Counting of sugar bags / stacks
c- Signatures if the RP on such report
d- Bank pledge statement
e- Matching of production data available in the tax office
f- Matching of data with quantitative return

Such exercise will not only help in detecting short reporting but also a vigilance tool for regular monitoring.

Specimen order for posting of staff under section 38 of Sales Tax Act 1990 is enclosed for convenience.

SPECIMEN ORDER FOR POSTING OF STAFF UNDER SECTION 38 – STOCK TAKING

OFFICE ORDER

The following officers/staff of Large Taxpayers Unit, Lahore is deputed to visit M/s --------- Sugar Mills Limited, situated at District Rahim Yar Khan to conduct physical stock taking of sugar starting from ---------- under Section 38 of the Sales Tax Act, 1990.

Sr. No.	Name of the Officer/Official	Designation
01	Mr. _____	IRAO

The stock taking exercise shall be supervised by Mr. _____, Deputy Commissioner Inland Revenue, Enforcement-18, Zone-III, LTU, Lahore.

(KHAWAJA ADNAN ZAHIR)
Commissioner Inland Revenue
Zone-III, LTU Lahore

Copy to:

1. M/s. ---------- Park Upper Mall, Lahore
2. The Chief Accounts Officer, LTU, Lahore.
3. Concerned Officer/staff.
4. Office copy

(Sahibzada Umer Riaz)
Commissioner Inland Revenue
Enf-18 Zone-III, LTU Lahore

c- Countering misuse of Misuse of SRO 77(I)/2013:

As already mentioned above clause (d) of the SRO 77(I)/2013 restricts the benefit of reduced rate of federal excise duty and the same is not available against the quantity of sugar exported to Afghanistan and Central Asian Republics. However there is a tendency to misuse benefit of this SRO by claiming concession of exports made to Afghanistan and Central Asian republics as well as by claiming benefit of reduced rate out of relevant tax period. The export documents along with sales tax returns may be scrutinized on monthly basis to unearth any rebates that have been claimed against exports to Afghanistan. The following documents may be examined in order to verify the claim of RP.

a- Shipping Bills
b- Verification of MR (Mate Receipt) Number & date on the back side of shipping bill
c- Form-E of State Bank of Pakistan
d- Allocation of sugar export quote by SBP
e- Commercial invoice issued by the exporter
f- Packing invoice
g- Bank account statement
h- On line verification of GD from system analyst

After scrutiny of the documents, a show cause for default may be issued. Specimen of such letter is as follows:

SPECIMEN SHOW CAUSE NOTICE ON VIOLATION OF SRO-77

C. No. LTU/ST/E&C-18/2014 Dated -09-2014

SHOW CAUSE NOTICE

Whereas, it has been reported to the undersigned that during the scrutiny of monthly sales tax & federal excise returns for the tax periods from February-2014 to July-2014 of **M/s ------- Sugar Mills, Lahore NTN. 12345678**, following discrepancy has been noticed:-

The registered person made supplies of white crystalline sugar bearing value of Rs.161,990,591/- as per in Annex-C of the Sales Tax & Federal Excise returns for the Tax periods February-2014 to July-2014 and charged Federal Excise Duty in VAT mode @ 0.5% instead of 8% against quantity of White Crystalline Sugar exported to Afghanistan and therefore made less payment of **Rs.12,149,287/-** (FED @ 8% is Rs.12,959,247/- which should have been charged and paid whereas FED has been actually charged and paid @ 0.5% amounting to Rs. 809,960/-). Month wise detail is as under:

Tax Period	Total Export Value of Sugar (Rs.)	Value of sugar export to Afghanistan (Rs.)	Sales Value of Sugar on which FED has been charge @0.5% (Rs.)	F.E.D. Chargeable @8% (Rs.)	F.E.D. Charged @ 0.5% (Rs.)	F.E.D. Chargeable @8% (Rs.)	Balance Recoverable (Rs.)
01-2104	51,030,000	51,030,000	0	0	0	0	0
02-2014	43,492,496	43,492,496	46,177,272	3,694,182	230,877	3,694,182	3,463,305
03-2014	64,007,550	64,007,550	41,132,346	3,290,588	205,666	3,290,588	3,084,922
04-2014	0	0	5,635,467	450,837	28,183	450,837	422,654
05-2014	0	0	44,022,530	3,521,802	220,114	3,521,802	3,301,688
06-2014	0	0	14,864,731	1,189,178	74,326	1,189,178	1,114,852
07-2014	0	0	10,158,245	812,660	50,794	812,660	761,866
Total	**158,530,046**	**158,530,046**	**161,990,591**	**12,959,247**	**809,960**	**12,959,247**	**12,149,287**

White Crystalline Sugar is chargeable to Federal Excise Duty @ 8% vide Finance Act, 2011, through insertion of serial no. 53 of Table-I of the First Schedule to the Federal Excise Act, 2005 and collectable in sales tax mode in view of insertion of serial no. 3 in the Second Schedule to the Federal Excise Act, 2005 vide Finance Act, 2011 as warranted under Section 7 of the Federal

Excise Act, 2005. As per clause (d) of SRO 77(I)/2013 dated 07-02-2013 the benefit of charging of reduce rate of F.E.D. @ 0.5% on local supply of White Crystalline Sugar against the quantity of sugar exported to Afghanistan during preceding tax period(s) is not admissible. In view of the aforementioned clause (d) of SRO 77(I)/2013, it transpires that M/s ---------- Mills has deliberately subverted legal provisions and unlawfully charged F.E.D at reduced rate @0.5% instead of 8% on supply of sugar in local market during tax periods February 2014 to July 2014 against the quantity of sugar exported to Afghanistan during previous tax periods.

2. M/s ---------- Mills Ltd. Lahore has thus contravened the provisions of Sections 3, 4, 7 & 18 of the Federal Excise Act, 2005 alongwith Serial no. 53 of Table-I of the First Schedule to the Federal Excise Act, 2005 and Serial no. 3 of the Second Schedule to the Federal Excise Act, 2005 read with clause (d) of SRO 77(I)/2013 dated 07-02-2013. Therefore, FED amounting to **Rs.12,149,287/-** is recoverable from M/s Shakarganj Mills Ltd under Section 14(1) alongwith default surcharge under section 8 and penalty under section 19(1) of the Federal Excise Act, 2005.

3. On the basis of above facts **M/s --------- Sugar Mills Ltd, Lahore** are charged with the contravention of the afore-mentioned legal provisions and called upon to show cause under Section 14(1) of the Federal Excise Act, 2005 as to why Federal Excise Duty amounting to **Rs.12,149,287/-** alongwith default surcharge under Section 8 (to be calculated at the time of payment), should not be recovered from them under section 14 of the Federal Excise Act, 2005 and penalty may not be imposed under Section 19(I) ibid for violation of the legal provisions referred at Para No. 02 above.

04. **M/s --------Sugar Mills Ltd, Lahore** or their legal representative should appear before the undersigned on ----------at 11.30 AM in the office situated at Large Taxpayers Unit, 6th Floor Tax house, Nabha Road, Lahore failing which the case will be decided on the basis of evidence available.

Deputy Commissioner (IR)
Enforcement-18, Zone-III, LTU, Lahore

Registered
M/s --------- Sugar Mills Ltd.
Main Boulevard, Gulberg-III, Lahore.

d- Violation of SRO 490(I)/2004 dated 12.04.2004

The Federal Board of Revenue has disallowed Sales Tax adjustment on building materials - cement, bricks, furniture, electrical/gas appliances, wire/cables and other items. In this regard, the FBR has amended SRO.490(I)/2004 through an SRO.450(I)/2013 issued here on Thursday.

According to the notification, input tax adjustment is not allowed on building materials - cement, bricks, paints, varnishes, distempers etc; office equipment and machines (exuding electronic fiscal cash registers), furniture, structure, fixture and furnishings excluding those directly used in taxable activity; electrical and gas appliances, pipes, fittings excluding those directly used in taxable activity; wires, cables, ordinary electrical fittings and sanitary fittings, excluding those directly used in taxable activity and crockery, cutlery, utensils etc, excluding those directly used in taxable activity.

FBR has amended S.R.O. 490(I)/2004 which has specified goods, acquired otherwise than as stock in trade, by a registered person, to be the goods in respect of which input tax shall not be claimed including vehicles falling in chapter 87 of the First Schedule to the Customs Act, 1969; food, beverages, garments, fabrics, etcetera and consumption on entertainment and gifts and give-aways. The term "stock in trade" shall mean goods purchased by a registered person in the course of business for sale as such or after further processing or manufacture.

NOTIFICATION
(SALES TAX)

S.R.O. 490(I)/2004.— In exercise of the powers conferred by clause (b) of sub-section (1) of section 8 of the Sales Tax Act, 1990, and in supersession of its Notification No. S.R.O. 578(I)/98, dated the 12th June, 1998, the Federal Government is pleased to specify that the following goods, acquired otherwise than as stock in trade, by a registered person, to be the goods in respect of which input tax shall not be claimed, namely:—

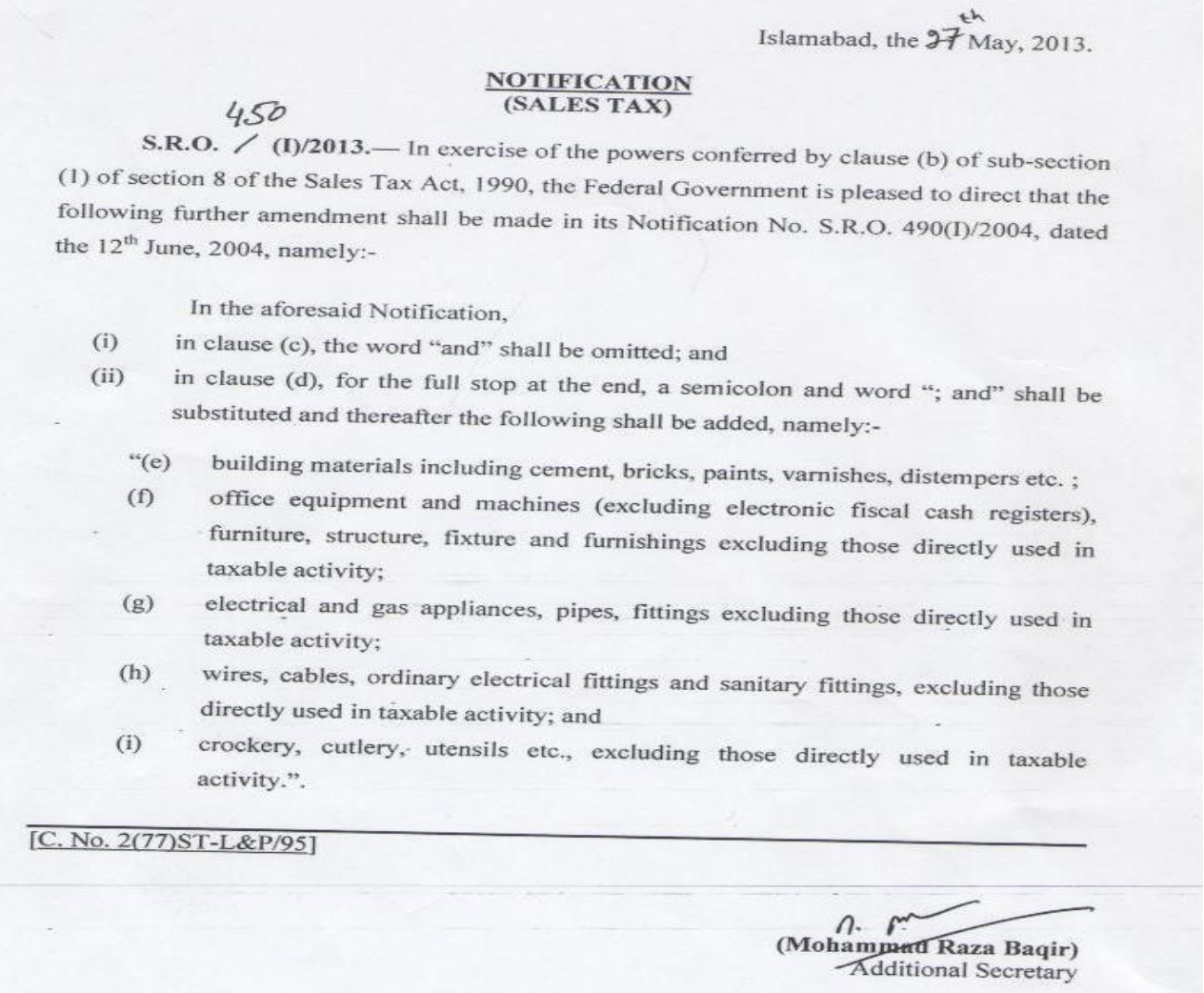
(a) Vehicles falling in chapter 87 of the First Schedule to the Customs Act, 1969 (IV of 1969);
(b) Food, beverages, garments, fabrics, *etcetera* and consumption on entertainment; and
(c) Gifts and give-aways.

Explanation:- For the purpose of this Notification, the term “stock in trade” shall mean goods purchased by a registered person in the course of business for sale as such or after further processing or manufacture.

[C. No. 1/33-STB/2004]

(Shahid Ahmad)
Additional Secretary

Further Amendments made by:
SRO # 450(I)/2013 dated May 27, 2013.
SRO # 464(I)/2007 dated June 09, 2007.



Islamabad, the 27th May, 2013.

NOTIFICATION
(SALES TAX)

450
S.R.O. / (I)/2013.— In exercise of the powers conferred by clause (b) of sub-section (1) of section 8 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that the following further amendment shall be made in its Notification No. S.R.O. 490(I)/2004, dated the 12th June, 2004, namely:-

In the aforesaid Notification,

(i) in clause (c), the word "and" shall be omitted; and

(ii) in clause (d), for the full stop at the end, a semicolon and word "; and" shall be substituted and thereafter the following shall be added, namely:-

"(e) building materials including cement, bricks, paints, varnishes, distempers etc. ;

(f) office equipment and machines (excluding electronic fiscal cash registers), furniture, structure, fixture and furnishings excluding those directly used in taxable activity;

(g) electrical and gas appliances, pipes, fittings excluding those directly used in taxable activity;

(h) wires, cables, ordinary electrical fittings and sanitary fittings, excluding those directly used in taxable activity; and

(i) crockery, cutlery, utensils etc., excluding those directly used in taxable activity.".

[C. No. 2(77)ST-L&P/95]

(Mohammad Raza Baqir)
Additional Secretary

Islamabad, the 9th June, 2007

NOTIFICATION
(SALES TAX)

S.R.O. 464(I)/2007.— In exercise of the powers conferred by clause (b) of sub-sections (1) of section 8 of the Sales Tax Act, 1990, the Federal Government is pleased to direct that the following amendment shall be made in its Notification S.R.O. 490(I)/2004, dated 12th June, 2004, namely:-

In the aforesaid Notification, after clause (c), the following new clause shall be inserted, namely:–

a. in clause (b), the word "and" shall be omitted;
b. in clause (c), for the full stop, the semicolon and the word "and" shall be substituted; and
c. after clause (c) amended as aforesaid, the following new clause shall be inserted, namely:–

"(d) Supply of electricity and gas to residential colonies of registered persons."

[C. No. 4/1-STB/2007]

(Musarrat Jabeen)

SPECIMEN FOR SHOW CAUSE NOTICE UNDER SRO 490

SHOW CAUSE NOTICE

Whereas Scrutiny of monthly Sales Tax & Federal Excise Returns for the tax period(s) June-2013 to June-2014, has revealed that you **M/S Hunza Sugar Mills Ltd, 31/7-A, Abu Bakar Block, New Garden Town, Lahore (NTN 1485210)** have claimed input tax against goods that was not admissible under Section 8(1)(b) of the Sales Tax Act, 1990 read with SRO 490(I)/2004 Dated 12th June, 2004 as amended vide SRO 450(I)/2013 Dated 27th May, 2013. The detail is as under:

SN	TAX PERIOD	NTN	NAME OF THE REGISTERED PERSON	NO. OF INV	TOTAL DISCREPANCY VALUE (RS.)	SALES TAX (RS.)
1	201306	700095	BERGER PAINTS PAKISTAN	1	648,793	103,807
2	201306	1427275	ALLIED PAINT INDUSTRIES	1	1,624,715	259,954
3	201306	1244324	STEELMAN HEAVY INDUSTRIES	2	9,172,000	1,467,520
4	201306	786554	NEW SHALIMAR STEEL INDUSTRIES	4	2,350,249	135,252
5	201309	1427275	ALLIED PAINT INDUSTRIES	2	112,475	19,121
6	201309	3804142	AKZO NOBEL PAKISTAN LIMITED	2	2,385,200	405,484
7	201309	,0656656	BESTWAY CEMENT LIMITED	10	2,092,465	355,719
8	201309	,0786554	NEW SHALIMAR STEEL INDUSTRIES	6	3,629,641	202,113
9	201307	1244324	STEELMAN HEAVY INDUSTRIES	1	878,000	140,480
10	201307	786554	NEW SHALIMAR STEEL INDUSTRIES	9	8,098,164	430,030
11	201310	1427275	ALLIED PAINT INDUSTRIES	6	778,514	132,347
12	201310	,0786554	NEW SHALIMAR STEEL INDUSTRIES	5	4,324,053	236,694
13	201308	656656	BESTWAY CEMENT LIMITED	20	4,139,955	697,472
14	201308	786554	NEW SHALIMAR STEEL INDUSTRIES	8	4,389,869	260,424
15	201312	1427275	ALLIED PAINT INDUSTRIES	2	133,432	22,683
16	201312	3804142	AKZO NOBEL PAKISTAN LIMITED	3	698,500	118,745
18	201312	0786554	NEW SHALIMAR STEEL INDUSTRIES	7	7,460,723	385,477
19	201311	1427275	ALLIED PAINT INDUSTRIES	3	305,971	52,016
20	201311	3804142	AKZO NOBEL PAKISTAN LIMITED	4	4,266,000	725,220
4	201404	656656	BESTWAY CEMENT LIMITED	13	3,724,216	633,117
6	201406	1244324	STEELMAN HEAVY INDUSTRIES	2	2,328,999	395,930
7	201406	786554	NEW SHALIMAR STEEL INDUSTRIES	3	4,094,603	276,870
11	201403	1244324	STEELMAN HEAVY INDUSTRIES	2	2,497,000	424,490
			TOTAL			**7,880,965**

2. Thus, you have claimed inadmissible input of sales tax amounting to **Rs. 7,880,965/-** that resulted in short payment of sales tax for the same amount in violation of Section 8 (1)(b) of the Sales Tax Act, 1990 read with SRO 490(I)/2004 Dated 12th June, 2004 as amended vide SRO 450(I)/2013 Dated 27th May, 2013.

3. On the basis of above facts you **M/S ----------Sugar Mills Ltd, 31/7-A, Abu Bakar Block, New Garden Town, Lahore (NTN 1485210)** are charged for violation of section 6 (2), 7(1), 8(1)(b) *(read with SRO 490(I)/2004 Dated 12th June, 2004 as amended vide SRO 450(I)/2013 Dated 27th May, 2013)*, 22(1) & 26 of the Sales Tax Act, 1990 and called upon to show cause as to why sales tax amounting to **Rs. 7,880,965/-** should not be recovered from you under section 11(2) of the Sales Tax Act, 1990 along with default surcharge under Section 34 ibid and as to why penalty may not be imposed upon you under section 33(5) ibid for violation of the above referred legal provisions.

4. You or your legal representative should appear before the undersigned on _____ at 10:30 AM in the office situated at Large Taxpayers Unit, 7th Floor, Tax House, Nabha Road, Lahore failing which the case will be decided ex-parte on the basis of evidence available.

M/S ---------- MILLS LTD,
New Garden Town, Lahore. Ph. 0421-4000778-9

Deputy Commissioner
Enforcement-18, Zone-III, LTU, Lahore

6- PRODUCTION OF STEEL PRODUCTS IN SUGAR MILLS

Changes in Special Procedure Rules for Steel-Melters

Some of the sugar mills run steel furnaces with power supplies generated through Bagasse. Although electricity meters from WAPDA are also installed. For such purposes, new Rule 58hb has been inducted in Special Procedure Rules 2007 which requires installation of tamper proof meters along with check meters outside the premises. Letters must be sent to active sugar mills requisitioning information regarding production of steel products for verification and ascertaining capacity of such furnaces and mode of operation, through WAPDA transformer or self-generation. Transformer capacity in KVA also be ascertained to verify the contention of he RP. Physical verification of premises of the Unit is also recommended.

Federal Government has issued 421(I)/2014 dated 04.06.2014 – Through this notification amendments have been made in the Sales Tax Special Procedure Rules, 2007 relating to steel re-melters, re-rollers and ship breakers (chapter XI of the Rules). The important changes are as under:

i)- Special procedure shall now apply to the following persons:

(c)- ***"Furnaces or steel mills operated by sugar mills or other persons using self-generated electricity from bagasse or other means;"***

ii) The rate of sales tax has been increased from Rs.4 to Rs.7 per unit of electricity consumed**. *Melting/re-rolling units operated by sugar mills or other persons using self-generated electricity shall not be entitled to pay sales tax @ Rs.7 per unit of electricity.***

viii) A new **Rule 58Hb** has been inserted for steel mills operated by sugar mills or other persons using self-generated electricity (other than natural gas). These units will be liable to tax under the normal tax regime of 17%. However, such units will be required to take following actions.

viii) A new Rule 58Hb has been inserted for steel mills operated by sugar mills or other persons using self-generated electricity (other than natural gas). These units will be liable to tax under the normal tax regime of 17%. **However, such units will be required to take following actions.**

(a) Declare to the Commissioner having jurisdiction their installed transformer capacity for steel melting and re-rolling, which would be subject to verification; and

(b) Install a tamper proof electricity meter on the transformer used for steel melting or re-rolling, along with a check meter outside the mills premises, on the recommendations and under supervision of one representative each from the RTO or LTU having jurisdiction and the electricity distribution company operating in the area.



ANNEXURES

&

TABLES

Table-1
List of Sugar Mills in Pakistan

	Mill's Name	Location / District
PUNJAB		
1.	Abdullah Sugar Mills Limited	Depalpur / Okara
2.	Abdullah (Shahpur)	Sargodha / Sargodha
3.	Adam Sugar Mills	Bahawalnagar
4.	Ashraf Sugar Mills Limited	Ashrafabad / Bahawalpur
5.	Baba Farid Sugar Mills Limited	Okara / Okara
6.	Brothers Sugar Mills Limited	Chunian / Kasur
7.	Chanar Sugar Mills Limited	Faisalabad
8.	Chaudhry Sugar Mills Limited	Toba Tek Singh
9.	Chishtia Sugar Mills Limited	Sargodha
10.	Colony Sugar Mills Limited (Phalia)	Mandi Bahauddin
11.	Colony Sugar Mills Limited	Khanewal
12.	Crescent Sugar Mills Limited	Faisalabad
13.	Etihad Sugar Mills Limited	Rahim Yar Khan
14.	Fatima Sugar Mills Limited	Muzaffargarh
15.	Fecto Sugar Mills Limited	Bhakkar
16.	Gunj Bakhsh Sugar Mills Limited	Sialkot
17.	Hamza Sugar Mills Limited	Rahim Yar Khan
18.	Haq Bahu Sugar Mills Limited	Jhang
19.	Haseeb Waqas Sugar Mills Limited	Nankana Sahib (Sheikhupura)
20.	Huda (Fauji) Sugar Mills Limited	Nankana Sahib (Sheikhupura)
21.	Hunza Sugar Mills Limited	Faisalabad
22.	Husein Sugar Mills Limited	Faisalabad
23.	Indus Sugar Mills Limited	Rajan Pur
24.	Ittefaq Sugar Mills Limited	PakPattan
25.	JDW Sugar Mills Limited	Rahim Yar Khan
26.	JDW-II (United) Sugar Mills Limited	Rahim Yar Khan
27.	Kamalia Sugar Mills Limited	Toba Tek Singh
28.	Kashmir Sugar Mills Limited	Jhang
29.	Kohinoor Sugar Mills Limited	Khushab
30.	Layyah Sugar Mills Limited	Layyah
31.	Madina Sugar & Chemicals (Pvt) Ltd	Jhang
32.	Macca Sugar Mills Limited	Kasur
33.	National Sugar Industries Limited	Sargodha
34.	Noon Sugar Mills Limited	Sargodha
35.	Safina Sugar Mills Limited	Jhang
36.	Pattoki Sugar Mills Limited	Kasur
37.	Ramzan Sugar Mills Limited	Jhang
38.	RYK Sugar Mills Limited	Rahim Yar Khan
39.	Shahtaj Sugar Mills Limited	Mandi Bahauddin
40.	Shakarganj Mills Limited - I	Jhang
41.	Shakarganj Mills Limited - II	Bhone
42.	Shamim Sugar Mills Limited	Faisalabad
43.	Sheikhoo Sugar Mills Limited	Muzaffargarh
44.	Tandlianwala Sugar Mills Limited Unit - I	Faisalabad
45.	Tandlianwala Sugar Mills Limited Unit - II	Muzaffargarh
Khyber Pakhtunkhwa		
46.	Al-Moiz Sugar Mills Limited	Dera Ismail Khan
47.	Chashma Sugar Mills Limited	Dera Ismail Khan
48.	Chashma Sugar Mills Limited Expansion	Dera Ismail Khan
49.	Frontier Sugar Mills Limited	Mardan
50.	Khazana Sugar Mills Limited	Peshawar

51.	Premier Sugar Mills Limited	Mardan
52.	Tandlianwala Sugar Mills Limited	Dera Ismail Khan
53.	Bannu Sugar Mills Limited	Bannu
Sindh		
54.	Al-Abbas Sugar Mills Limited	Mirpurkhas
55.	Abdullah Shah Ghazi Sugar Mills	Thatta
56.	Al-Noor Sugar Mills Limited	Nawabshah
57.	Ansari Sugar Mills Limited	Tando Muhammad Khan
58.	Army Welfare Sugar Mills Limited	Badin
59.	Bawany Sugar Mills Limited	Badin
60.	Dewan Sugar Mills Limited	Thatta
61.	Digri Sugar Mills Limited	Mirpurkhas
62.	Faran Sugar Mills Limited	Hyderabad
63.	JDW-III Sugar Mills Limited	Ghotki
64.	Habib Sugar Mills Limited	Nawabshah
65.	Khairpur Sugar Mills Limited	Khairpur
66.	Khoski Sugar Mills (Pvt) Limited	Badin
67.	Larr Sugar Mills Limited	Thatta
68.	Matiari Sugar Mills Limited	Hyderabad
69.	Mehran Sugar Mills Limited	Hyderabad
70.	Mirpurkhas Sugar Mills Limited	Mirpurkhas
71.	Mirza Sugar Mills Limited	Tappo Badin
72.	Najma Sugar Mills Limited	Mirpurkhas
73.	Naudero Sugar Mills Limited	Larkana
74.	New Dadu Sugar Mills Limited	Dadu
75.	Pangrio Sugar Mills Limited	Badin
76.	Ranipur Sugar Mills Limited	Khairpur
77.	Sakrand Sugar Mills Limited	Nawabshah
78.	Sanghar Sugar Mills Limited	Sanghar
79.	Seri Sugar Mills Limited	Hyderabad
80.	Shahmurad Sugar Mills Limited	Thatta
81.	Sindh Abadgar's Sugar Mills Limited	Hyderabad
82.	Tando Allahyar Sugar Mills (Pvt) Limited	Sanjar Chang
83.	TMK Sugar Mills Limited	Hyderabad
84.	SGM Sugar Mills Limited	
85.	Tharparkar Sugar Mills Limited	Mirpurkhas

TABLE-2

Consolidated Sugar Production From Cane, Beet & Raw (in Tonnes) [6]

Year	Sugar Cane	Beet	Raw	Total
1990-91	1,908,838	23,312		1,932,150
1991-92	2,296,698	29,009		2,325,707
1992-93	2,375,289	18,916		2,394,205
1993-94	2,900,524	21,933		2,922,457
1994-95	2,983,104	18,370		3,001,472
1995-96	2,449,598	20,435		2,470,034
1996-97	2,378,751	14,610		2,393,361

[6] Pakistan Sugar Mills Association

1997-98	3,548,953	06,267		3,555,220
1998-99	3,530,931	10,831		3,541,763
1999-00	2,414,746	14,618		2,429,364
2000-01	2,466,788	17,276	531,930	3,015,994
2001-02	3,197,745	29,172	22,111	3,249,029
2002-03	3,652,748	22,066	1,945	3,676,759
2003-04	3,997,010	23,797		4,020,806
2004-05	2,922,126	11,373	182,302	3,115,801
2005-06	2,588,177	8,934	401,396	2,988,507
2006-07	3,516,218	7,865	2,860	3,526,943
2007-08	4,740,913	5,532	5,929	4,752,374
2008-09	3,134,145	947	----	3,135,092
2009-10	3,133,494	4,641	----	3,138,135
2010-11	4,119,421	13,535	39,679	4,172,726
2011-12	4,652,164	18,216	-	4,670,380
2012-13	5,030,129	33,028	-	5,063,158

TABLE-3
Domestic Monthly Retail Sugar Prices [Rs per Kg][7]

Months	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13
Oct	29.19	23.60	22.04	19.93	20.78	26.71	32.87	29.36	37.61	45.75	81.91	72.01	50.53
Nov	30.24	21.58	21.70	19.67	21.62	29.50	33.15	28.75	37.72	49.25	87.98	67.25	54.07
Dec	26.68	21.05	20.39	19.17	21.63	28.47	30.86	26.89	35.59	60.05	73.78	55.52	53.04
Jan	26.51	20.68	19.83	18.53	24.35	29.49	31.55	25.73	39.38	66.44	72.65	52.39	52.52
Feb	25.70	22.41	20.20	18.16	27.00	35.54	30.74	25.92	42.63	68.55	67.02	50.44	51.83
Mar	25.80	22.22	19.97	17.85	26.33	35.61	30.63	25.64	43.83	64.87	76.95	56.39	52.89
Apr	26.41	21.91	19.83	18.52	26.27	36.77	30.25	25.18	44.96	62.14	67.14	56.48	53.79
May	26.16	21.70	19.71	19.10	26.15	36.32	29.85	28.45	45.45	61.28	65.77	55.22	53.66
Jun	26.75	21.78	19.52	19.27	26.60	34.91	28.38	29.75	45.71	63.27	69.19	55.66	54.50
July	26.51	22.44	19.29	19.49	28.54	35.06	29.09	31.68	46.79	66.68	70.74	55.25	54.90
Aug	26.17	22.14	19.14	20.62	27.85	34.98	30.03	31.95	51.86	72.26	74.65	55.25	54.68
Sep	24.67	22.17	19.80	20.75	26.97	33.43	29.80	33.46	49.10	80.43	76.03	54.18	54.50
Avg.	**26.73**	**21.97**	**20.12**	**19.26**	**25.34**	**33.07**	**30.60**	**28.56**	**43.39**	**63.41**	**72.82**	**57.16**	**53.41**

TABLE-4
Sugarcane Indicative Price in Comparison with Season's Avg. Retail Price 1994 – 2014

Year	Punjab	Sindh	Khyber Pakhtunkhwa	Av Sugar Price/Kg
1994-95	20.50	20.75	20.50	14.36
1995-96	21.50	21.75	21.50	17.86
1996-97	24.25	24.50	24.25	21.46
1997-98	35.00	36.00	35.00	18.75
1998-99	35.00	36.00	35.00	19.63
1999-00	35.00	36.00	35.00	22.85
2000-01	35.00	36.00	35.00	26.73
2001-02	42.00	43.00	42.00	22.00
2002-03	40.00	43.00	40.00	19.83
2003-04	40.00	41.00	40.00	19.26
2004-05	40.00	43.00	40.00	25.31

[7] Federal Bureau & MINFAL

2005-06	45.00	60.00	45.00	33.07
2006-07	60.00	67.00	65.00	30.60
2007-08	60.00	67.00	65.00	28.62
2008-09	80.00	81.00	80.00	43.39
2009-10	100.00	102.00	100.00	63.41
2010-11	125.00	127.00	125.00	72.82
2011-12	150.00	154.00	150.00	57.16
2012-13	170.00	172.00	170.00	53.16
2013-14	170.00	172.00	170.00	-

TABLE-5
Mill Wise Sugar Position Punjab- Season 2012-13

Punjab		Days	Cane Crushed	Sugar Prod.	Rec. %	Mol Prod.	Rec. %
1	Abdullah(Depalpur)*	-	335,926	31,070	9.13	15,214	4.55
2	Abdullah(Shahpur)*	-	310,000	30,000	8.80	14,105	4.55
3	Adam	127	506,092	50,650	10.01	22,828	4.52
4	Ashraf	137	974,075	100,500	10.32	41,618	4.27
5	Baba Farid	129	413,486	37,741	9.13	23,120	5.59
6	Brothers	120	725,741	68,946	9.50	33,000	4.54
7	Chanar	112	456,025	42,420	9.30	23,250	5.09
8	Chaudhry	110	473,839	44,746	4.72	21,050	4.43
9	Chishtia*		39,621	1,869	6.57	1,803	4.55
10	Colony(Phalia)	110	546,402	47,850	8.76	26,055	4.67
11	Colony(Punjab)	131	511,045	53,213	10.41	28,874	5.65
12	Etihad	133	1,343,879	139,090	10.35	52,692	3.92
13	Fatima	126	1,021,211	103,701	10.15	45,767	4.48
14	Fecto	-	491,364	41,503	8.45	20,926	4.25
15	Hamza*	-	3,031,127	313,229	10.33	139,916	4.55
16	Haq Bahu	122	501,003	47,492	9.66	21,034	4.20
17	H.Waqas*	-	439,025	39,422	8.90	19,975	4.55
18	Huda (Fauji)*	-	402,388	37,805	9.40	18,302	4.55
19	Hunza (I)	103	520,126	46,830	9.04	24,400	4.70
20	Hunza (Ii)	114	361,325	36,970	10.18	16,000	4.48
21	Husein	-	580,197	55,368	9.55	24,160	4.16
22	Indus	128	1,055,584	119,843	11.35	38,840	3.68
23	Ittefaq	117	467,397	45,335	9.70	19,578	4.19
24	J.D.W- I	133	2,535,823	289,147	11.40	99,001	3.90
25	J.D.W - Ii (United)	129	1,007,658	114,516	11.60	41,384	4.11
26	Kamalia*	-	971,261	91,379	9.40	44,192	4.55
27	Kashmir	119	676,316	67,968	10.95	29,343	4.34
28	Kohinoor	97	321,235	26,420	8.23	15,043	4.68
29	The Thal Ind. (Unit I)	-	1,060,207	105,342	9.93	48,329	4.55
30	Macca	139	167,492	14,720	9.73	7,463	4.45
31	Madina	94	600,413	55,170	9.18	29,960	4.99
32	National	-	137,096	11,971	8.70	6,237	4.55
33	Noon	107	603,528	57,765	9.57	29,518	4.89
34	Pattoki	133	702,577	66,045	9.40	37,440	5.32
35	Ramzan	105	513,767	49,640	9.68	24,762	4.85
36	R.Y.K	134	1,153,768	117,109	10.15	45,833	3.97
37	The Thal Ind. Unit Ii*		601,732	56,391	9.37	27,378	4.55
38	Shahtaj	113	946,416	90,555	9.57	45,373	4.79
39	Shakarganj (I)		893,931	83,277	9.32	39,510	4.42
40	Shakarganj (Ii)		515,880	50,476	9.78	21,940	4.25
41	Shamim	109	224,888	20,542	9.16	10,295	4.58
42	Sheikhoo	122	1,453,222	138,575	9.52	57,200	3.99
43	Tandlianwala- I		556,143	50,996	9.17	28,523	4.55
44	Tandlianwala- Ii		830,502	78,812	9.50	41,576	4.55
Total 2012-13			**31,980,733**	**3,172,409**	**9.92**	**1,422,807**	**4.45**
Total 2011-12			**32,203,007**	**3,116,348**	**9.68**	**1,445,830**	**4.49**

TABLE-6
Mill-wise Sugarcane Position K.P.K - Season 2012-2013

Khyber Pakhtunkhwa		Days	Cane Crushed	Sugar Prod.	Rec.%	Mol. Prod.	Rec %
1	Al-MOIZ	110	767,762	75,526	9.84	35,752	4.73
2	Chashma	115	881,557	81,836	9.28	40,138	4.55
3	Chashma (Exp.)	120	445,347	39,934	8.97	21,530	4.83
4	Khazana	127	242,760	25,159	10.36	10,167	4.19
5	Premier	102	222,121	20,246	9.11	10,650	4.79
6	Tandlianwala*	-	679421	57360	8.44	30,914	4.55
7	Bannu*	-	119,734	10,113	8.45	5,448	4.55
Total 2012-13			**3,358,702**	**310,174**	**9.23**	**154,599**	**4.60**
Total 2011-12			**3,005,318**	**268,766**	**8.94**	**145,191**	**4.83**

TABLE-7
Mill Wise Sugar Position Sindh - Season 2012-2013

	Sindh	Days	Cane Crushed	Sugar Prod	Rec. %	Mol. Prod.	Rec %
1	Al-Abbas	92	503,179	52,727	10.48	22,838	4.54
2	Abdullah Shah Ghazi	82	217,539	21,195	9.72	9,100	4.18
3	Al-Noor	114	959,302	99,740	10.40	43,623	4.55
4	Alliance	108	322,165	32,699	10.18	14,450	4.49
5	Ansari	114	358,489	37,857	10.56	17,255	4.81
6	Armywelfare	79	233,876	23,477	10.04	11,270	4.82
7	Bawany	87	211,455	23,260	11.00	11,253	5.32
8	Deharki	119	1,204,234	137,185	11.39	49,746	4.13
9	Dewan	82	401,196	40,245	10.24	18,865	5.99
10	Digri	95	283,032	28,946	10.21	12,000	4.24
11	Faran	108	753,025	80,429	10.68	35,730	4.74
12	J.D.W -Iii (Ghotki)	115	1,200,650	134,718	11.22	48,155	4.01
13	Habib	123	939,959	103,582	11.02	42,022	4.47
14	Khairpur	143	556,437	47,130	8.47	23,421	4.21
15	Khoski	81	152,591	16,785	11.00	9,240	6.06
16	Kiran*	116	210,613	20,211	9.60	8,900	4.23
17	Matiari	153	533,616	56,260	10.54	24,530	4.60
18	Mehran	108	915,666	103,580	11.31	38,639	4.22
19	Mirpurkhas	100	535,963	58,920	11.00	25,680	4.79
20	Mirza	44	35,301	3,263	9.23	1,654	4.67
21	Naudero	110	163,922	18,851	11.50	7,558	4.61
22	New Dadu	109	357,833	37,243	10.41	16,308	4.56
23	Pangrio	30	20,531	1,688	8.61	930	4.68
24	Ranipur	124	381,679	35,339	9.26	16,177	4.24
25	Sakrand	109	516,226	51,050	9.89	22,306	4.32
26	Sanghar	121	542,289	52,823	9.77	27,460	5.08
27	Seri	91	70,338	6,020	8.60	4,030	5.73
28	Shahmurad	91	561,083	59,343	10.58	26,367	4.70
29	Sindabadgar	95	384,318	37,855	9.86	19,844	5.16
30	Tando M. Khan	14	8,610	552	7.53	480	5.81
31	Tharparkar	109	255,235	26,262	10.29	12,826	5.11
32	S.G.M	115	599,426	65,773	10.97	23,800	3.97
33	Tando Allahyar	99	360,270	32,539	9.04	16,848	4.68
Total 2012-13			**14,750,048**	**1,547,547**	**10.49**	**663,305**	**4.50**
Total 2011-12			**13,040,210**	**1,267,050**	**9.72**	**624,954**	**4.80**

TABLE-8
Total Sugar Production - Summary 2012-2013

	Crane Crushed	Raw Utilized	Beet Sliced	Sugar Production			Total Sugar	Mol (C+R+B)
				Cane	Raw	Beet		
PUNJAB	31,980,732	-	-	3,172,408		-	3,172,408	1,422,807
SINDH	14,750,048	-	-	1,547,547	-	-	1,547,547	663,305
K.P.K	3,358,702	-	306,343	310,174	-	33,028	343,202	166,639
Total 2012-13	**50,089,482**	**-**	**306,343**	**5,030,129**	**-**	**33,028**	**5,063,157**	**2,252,751**
Total 2011-12	48,248,535	-	176,709	4,652,164	-	18,216	4,670,380	2,224,369

Table-9
EXPORT OF SUGAR

Year	Quantity Tonnes	Values in "000" Rs.	Average Price Rs. per Tonnes
1993-94	121,565	1,204,964	9,912
1994-95	315,886	3,770,558	11,936
1995-96	29,134	350,066	12,016
1996-97	-	-	-
1997-98	210,632	2,897,750	13,757
1998-99	906,602	11,549,170	12,739
1999-00	-	-	-
2000-01	-	-	-
2001-02	-	-	-
2002-03	45,669	627,949	13,750
2003-04	116,175	1,589,210	13,679
2004-05	54,771	1,028,710	18,782
2005-06	61,047	1,590,555	26,055
2006-07	12	330	27,500
2007-08	260,840	5,738,856	22,015
2008-09	23,980	639,677	26,675
2009-10			
2010-11	-	-	-
2011-12	48,672	2,575,403	52,913
2012-13	1,064,215	51,692,066	48,573

TABLE-10
Export of Fermentation Ethyl Alcohol [8]

Year	Quantity Ltrs	Values in "000" Rs.	Average Price Rs. per Ltrs
1990-91	8,229,448	61,090	07.42
1991-92	7,636,000	55,332	07.25
1992-93	8,660,900	90,213	10.42
1993-94	13,206,697	125,866	09.54
1994-95	6,050,200	68,137	11.26
1995-96	1,166,000	16,856	14.45
1996-97	1,232,145	18,273	14.83
1997-98	4,107,000	69,646	16.96
1998-99	6,722,000	115,788	17.22
1999-00	7,608,000	136,364	17.92
2000-01	10,061,000	208,082	20.68
2001-02	14,594,000	341,438	23.39
2002-03	16,341,575	342,658	20.96
2003-04	35,921,065	692,840	19.29
2004-05	36,669,688	1,067,445	29.00
2005-06	33,789,535	1,066,048	32.00
2006-07	34,116,438	1,122,000	32.00
2007-08	28,609,832	892,222	31.19
2008-09	27,045,396	1,209,025	45.70
2009-10	101,260,099	4,679,269	46.21
2010-11	168,509,200	9,506,883	56.00
2011-12	215,814,894	14,234,428	65.96
2012-13	142,065,426	8,735,649	61.49

[8] Federal Bureau of Statistics