

## Rs 1bn paid to textile sector R&D claimants

TAHIR AMIN

ISLAMABAD: The Ministry of Textile has disbursed Rs 1 billion among 200 registered units, which had submitted research and development (R&D) claims.

Sources told Business Recorder that the government had earmarked Rs 5.6 billion for R&D claims. To claim R&D dues it was mandatory to register all textile units with the Ministry of Textile.

The textile industry has been facing financial crunch and is still waiting for R and D claims. Their 60 percent R and D dues are yet to be paid, sources in the textile industry said.

Around 10,000 exporters' R&D claims are pending, but only 298, registered with the R&D Cell of the Ministry of Textile, have been assured reimbursement.

Registration process of the textile units is underway and so far about 7000 units have filed the forms on line. The Ministry has evolved a three-tier scrutiny system for checking the forms which are forwarded by the Associations after verifications.

Sources said that the number of the forms so far received is about 7000, of which about 600 units have been issued Provisional Certificates; and approximately 200 final certifications having full information were endorsed and Rs 1 billion has been disbursed among them under the R&D claims.

They said that the remaining

## Rs 1bn paid

> from page 1

forms were returned to the Associations as these had major discrepancies and could not be considered even for provisional certification. These forms will have to be resubmitted.

However, textile associations have rejected the registration process, saying that it is so complicated that only 10 percent of the textile units have got registered while the remaining 90 percent are still to get the registration forms.

They said that under the new textile policy, the government had issued SROs about the free import of machinery for the textile sector. The Ministry of Textile also issued three notifications for the implementation of the Policy, according to which, textile manufacturers will receive three percent drawback on garments, two percent on home textile and one percent on fabrics. But due to so much complicated registration process these facilities are awaited.

## FBR issues procedure for computation of export profits

RECORDER REPORT

ISLAMABAD: The Federal Board of Revenue has issued procedure for the computation of export profits attributable to export sales where a taxpayer maintains separate accounts of export business, as determined by the Commissioner under the Income Tax Ordinance 2001.

In this regard, the FBR has amended Income Tax Rules, 2002 through an S.R.O 58 (I)/2010 issued on Friday.

According to the notification, where a taxpayer exports any goods manufactured in Pakistan, the taxpayer's profits attributable to export sales of such goods shall be computed in the following manner. Where a taxpayer maintains separate accounts of the business of export of goods manufactured in Pakistan, the profits of the export business shall be taken to be such amount as may be determined by the Commissioner in accordance

> P 4 Col 3

## FBR issues procedure for computation of export profits

> from page 1

with the provisions of Ordinance on the basis of such accounts.

In other cases, the profits of such business shall be taken to be an amount which bears to the total profits of the business of the taxpayer from the sale of goods, the same proportion as the export sales of goods manufactured in Pakistan bear to the total sales of goods.

The expression "export sales" means the f.o.b. price of the goods exported and the expression "total sales" means the aggregate of export sales as determined, the ex-factory price of goods sold in Pakistan, where the goods exported out of Pakistan were manufactured by the exporter, or the ex-godown price of goods sold in Pakistan, in other cases.