

**GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE**

Islamabad, the 24th August, 2010

**NOTIFICATION
(Income Tax)**

S.R.O. 827 (1)/2010. - The following draft of certain further amendments in the Income Tax Rules, 2002, which the Federal Board of Revenue proposes to make in exercise of the powers conferred by sub-section (1) of section 237 of the Income Tax Ordinance, 2001 (XLIX of 2001), is hereby published for the information of all persons likely to be affected thereby, as required under sub section (3) of the said section, and notice is hereby given that the draft will be taken into consideration after fifteen days of its publication in the official Gazette.

Any objection or suggestion, which may be received from any person, in respect of the said draft before the expiry of the aforesaid period, shall be considered by the Federal Board of Revenue.

DRAFT AMENDMENT

In the aforesaid Rules, in the Second Schedule, after Part-I the following new Part shall be inserted, namely:-

" Part-I A

RETURN OF TOTAL INCOME/STATEMENT OF FINAL TAXATION										IT-1			
UNDER THE INCOME TAX ORDINANCE, 2001 (FOR COMPANY)													
Registration	1	Taxpayer's Name							NTN	Reg/Inc No			
	2	Business Name							Year Ending Date	2010			
	3	Business Address							Res. Status	Resident	Non-Resident		
	4	Principal Activity							Code				
	5	Representative							Assessed	N ^o			
Share Holding	6	NTN	Top 10 Share Holders' Names	%	Capital	NTN	Top 10 Share Holders' Names	%	Capital				
	Remaining Share Holders												
	Total										100%		
Manufacturing/ Trading Account (Including Final/Fixed Tax)	7	Net Sales	3101	Amount		93	Capital	Code		Amount			
	8	Gross Domestic Sales	31011			94	Paid-up Capital	8021					
	9	Domestic Commission/Brokerage	31021			95	Reserves	8041					
	10	Gross Exports	31012			96	Accumulated Profits	8081					
	11	Foreign Commission/Brokerage	31022			97	Surplus on Revaluation	8071					
	12	Robates/Duty Drawbacks	3107			98	Long Term Liabilities	8076					
	13	Cost of Sales To be reconciled with Annex D.1	3110			99	Long Term Loans	8071					
	14	Local Raw Material/ Components	310411			100	Deferred Liabilities	8071					
	15	Imported Raw Material/ Components	310421			101	Current Liabilities	8088					
	16	Salaries/Wages	311101			102	Trade & Other Payables	8021					
	17	Power	311102			103	Short Term Loans	8021					
	18	Fuel	311103			104	Other Liabilities	8021					
	19	Stores/Spares	311106			105	Total Capital & Liabilities	8089					
	20	Insurance	311107			Assets					Code	Amount	
	21	Repair & Maintenance	311108			106	Fixed Assets	8100					
	22	Other Expenses	311116			107	Land	8101					
	23	Accounting Amortization	3114			108	Building	8111					
	24	Accounting Depreciation	3115			109	Plant & Machinery	812101					
	25	Opening Stock	3117			110	Capital Work-in-Progress	8181					
	26	Finished Goods Purchases (Local)	312412			111	Motor Vehicles	8131					
	27	Finished Goods Purchases (Imports)	312422			112	Office Equipment	812109					
	28	Closing Stock	3118			113	Furniture & Fixtures	812103					
	29	Gross Profit/ (Loss) To be reconciled with Annex D.1	3119			114	Current Assets	8299					
	Profit & Loss Account (Including Final/Fixed Tax)	30	Gross Receipts	3139			115	Investments	8291				
		31	Markup/ Interest (for Financial Institutions)	31311			116	Cash & Cash Equivalents	8201				
		32	Leasing	31312			117	Stock in Trade/Stores/Spares	8201				
		33	Oil & Gas Exploration	31313			118	Trade Receivables	8201				
		34	Telecommunication	31314			119	Advances/Deposits/Prepayments/Other Receivables	8241				
		35	Insurance	31315			120	Intangible assets	8401				
36		Accounting Gain on Disposal of Intangibles	3135			121	Other Assets	8402					
37		Accounting Gain on Disposal of Assets	3136			122	Total Assets	8409					
38		Other Revenues/ Fee/ Charges for Services etc.	3131			Final Tax Statement U/s 115(4)							
39		Management, Administrative, Selling & Financial expenses	3139			123	Source	Code	Receipts/Value	Rate	Code	Tax Due	
40		Rent/ Rates/ Taxes	3144			124	Imports	84011		5%	85011		
41		Salaries & Wages	3144			125		84012		5%	85012		
42		Traveling/ Conveyance	3145			126		84013		2%	85013		
43		Electricity/ Water/ Gas	3145			127		84014		5%	85014		
44		Communication Charges	3144			128		84015		5%	85015		
45		Repairs & Maintenance	3153			129	Insurance/Re-insurance (Non-Resident)	315901			315902		
46		Stationery/ Office Supplies	3155			130	Media Services Payments received by Non-Res	315903		5%	315902		
47		Advertisement/ Publicity/ Promotion	3157			131	Gas consumption by CNG Station	84021		4%	85021		
48		Insurance	3158			132	Royalties/Fees	840211		5%	850211		
49		Professional Charges	3160			133		840212		5%	850212		
50		Profit on Debt (Markup/Interest)	3161			134	Contracts (Non-Resident)	840221		5%	850221		
51		Donations	3163			135	Supply of Goods	840211		3.00%	850211		
52		Directors' Fees	3177			136		840212		3.00%	850212		
53		Workers Profit Participation Fund	3179			137	Payment to Owners for supply of cotton int	840214		5%	850214		
54		Loss on Disposal of Intangibles	3185			138	Contracts (Resident)	840231		5%	850231		
55		Loss on Disposal of Assets	3186			139		840232		5%	850232		
56		Accounting Amortization	3187			140	Export/ Importing Commission/Export Services	84071		5%	85071		
57		Accounting Depreciation	3188			141		84072		8.75%	85072		
58		Bad Debts Provision	31811			142		84073		5.00%	85073		
59		Obsolete Stocks/Stores/Spares Provision	31812			143		84075		5%	85075		
60		Diminution in Value of Investments Provision	31813			144	Foreign Importing Commission	84075		5%	85075		
61		Bad Debts Written Off	31821			145	Property Income	84081			85081		
62		Obsolete Stocks/Stores/Spares Written Off	31822			146	Prizes	84091			85091		
63		Selling expenses(Freight outwards etc.)	3195			147	Winnings	84092		5%	85092		
64		Others	3179			148	Profit/Loss Commission	84101		5%	85101		
65		Net Profit/(Loss)	3199			149	Brokerage/Commission	84121		5%	85121		
Adjustments		66	Inadmissible Expenses (including proportionate expenses relating to PFR)	3199			150	Advertising Commission	84122		5%	85122	
		67	Tax Gain on disposal of Intangibles	319125			151	Goods Transport Vehicles	84141			85141	
		68	Tax Gain on disposal of Assets	319126			Total						
	69	Other Inadmissible Expenses	319130			152	Source	Code	Receipts/Value	Rate	Code	Tax Due	
	70	Admissible Deductions	3192			153	Property Income not subject to WHT	210101			852101		
	71	Tax Amortization	319207			154	Purchase of Leasehold/Prepaid Exha. Oil	210101			852001		
72	Tax Depreciation	319208			155	Services rendered contracts executed outside Pakistan	210102			852002			
73	Other Admissible Deductions	319209			Total								
74	Income/(Loss) relating to Final and Fixed tax	3199			156	Total of Final & Fixed Tax (146+150)				84502			
75	Loss for the year surrendered to Holding Company	3201			157	Tax Paid/ Deducted				84501			
76	Loss acquired from Subsidiary Company and Adjusted	3202			158	Tax Payable/ Refundable to be transferred to Net Tax Payable				8899			
77	Brought Forward Loss Adjusted/(Loss for the year Carry Forward)	3200			159	Gross Tax				8201			
Total / Taxable Income Computation	78	Total Income/ (Loss)	8289			160	Tax Reductions, Credits & Averaging				8248		
	79	Business Income/(Loss)	3289			161	Business Turnover				310101		
	80	Capital Gains	4999			162	Minimum Tax				820201		
	81	Other Sources Income/ (Loss)	5899			163	Minimum Tax Exemptions/ Reductions				8217		
	82	Foreign Income/ (Loss)	6399			164	Adjustment of Minimum Tax				8407		
	83	Deductible Allowances	9139			165	Final Tax on Business Turnover				8558		
	84	Zakat	9121			166	Net Minimum Tax Payable				8203		
	85	Workers Welfare Fund	9122			167	Net Tax				8298		
	86	Charitable Donations Admissible for Straight Deduction	9124			168	Tax Already Paid including Adjustments				8499		
	87	Taxable Income/ (Loss)	9199			169	Net Tax Payable				8891		
Bank	88	Exempt Income	8199			170	Tax Paid as per CPR No.				8471		
	89	Property Income	8102			171	Net Tax Refundable may be credited to my bank account as under				8898		
	90	Business Income	8103			172	Bank						
	91	Capital Gains	8104			173	City						
	92	Other Sources Income/ (Loss)	8105			174	Branch Name & Code						
	93					175	A/C Number						
I, _____ holder of CNIC _____										176	WHT Paid with Return as per CPR No.	8205	
in my capacity as Principal Officer / Trustee / Representative (as defined in section 172 of the Income Tax Ordinance, 2001) of the Taxpayer named above, do solemnly declare that to the best of my knowledge and belief the information given in this Return/Statement u/s 115(4) is correct, complete and in accordance with the provisions of the Income Tax Ordinance, 2001, Income Tax Rules, 2002 and the Companies Ordinance 1984.													
Date (dd/mm/yyyy) _____										Signature _____			



Annex A-1
Depreciation, Initial Allowance and Amortization
(Purchased Assets)

2010
A-1

NTN

Reg./Inc. No.

S.No.	Depreciable Assets Particulars/Description	Code	Brought forward Write-off Value Amount (Rs)	Additions Amount (Rs)	(Deletions) Amount (Rs)	Total Amount (Rs)	Initial Allowance on additions, if any		Depreciation		Write Down Value carried forward Amount (Rs)
							Rate	Amount (Rs)	Rate	Amount (Rs)	
1.	Building (all types)	8102					50%		10%		
2.	Furniture including fittings	810303					0%		15%		
3.	Machinery and plant (not otherwise specified)	810301					50%		15%		
4.	Motor vehicles plying for hire	81042					50%		15%		
5.	Motor vehicles not plying for hire	81041					0%		15%		
6.	Ships	81043					50%		15%		
7.	Technical or professional books	810304					50%		15%		
8.	Computer hardware including printer, monitor and allied items	810302					50%		30%		
9.	Machinery and equipment used in manufacture of IT products	810308					50%		30%		
10.	Machinery and equipment Qualifying for 1st year Allowance	810309					90%		30%		
11.	Air crafts and aero engines	81044					50%		30%		
12.	Below ground installations of mineral oil concerns	810306					0%		100%		
13.	Computer hardware including printer, monitor and allied items, that have been used previously in Pakistan	810312					0%		50%		
14.	Off shore platforms and production installations of mineral oil concerns	810307					50%		20%		
15.	Any plant or machinery that has been used previously in Pakistan	810310					0%		15%		
16.	Any plant or machinery in relation to which a deduction has been allowed under another section for the entire cost of the asset in the tax year in which the asset is acquired.	810311					0%		15%		
Total											

S.No.	Intangibles Particulars/Description	Code	Acquired on (Date) dd/mm/yyyy	Useful Life Year(s)	Original Cost Amount (Rs)	Amortization		Remarks
						Business Use Excess	Actual Usage Days	
1.	Intangibles	8105						
2.	Any expenditure providing advantage or benefit for a period	8107						
3.	Others	8141						
Total								

Signature _____



Annex B-1
Carry forward and brought forward of Unabsorbed
Depreciation, Initial Allowance, Amortization and
Business Losses
(Other than Speculation Business)

2010

B-1

NTN Reg/Inc No.

Particulars	Code	Amount (Rs.)
1. (a) Business income/(loss) for the year after depreciation and amortization	261111	
(b) Business income/(Loss) for the year transferred to Return of Total Income for adjustment against (loss)/income for the year under any other head of income	261112	
(c) Loss for the year surrendered in favour of a holding company	3901	
(d) Balance business income/(loss) for the year after depreciation and amortization [Add 1(a) minus 1(b) minus 1(c)]	261114	
2. Breakup of balance income/(loss) for the year after depreciation and amortization:	261211	
(a) Business income/(loss) for the year before depreciation/amortization	3900	
(b) Depreciation for the year including unabsorbed depreciation brought forward	3988	
(c) Amortization for the year including unabsorbed amortization brought forward	3987	
3. Details of adjustments of brought forward business losses, losses of subsidiary, depreciation and amortization including unabsorbed depreciation and amortization	261311	
(a) Business income/(loss) for the year before depreciation and amortization [from 2(a) above]	261312	
(b) Adjustment of brought forward business losses	261313	
(c) Adjustment of losses of subsidiary	261314	
(d) Adjustment of depreciation including unabsorbed depreciation brought forward	261315	
(e) Adjustment of amortization including unabsorbed amortization brought forward	261316	
(f) Balance business Income after adjustment transferred to Return of Total Income [3(a) minus 3(b) minus 3(c) minus 3(d) minus 3(e), if greater than zero, else Nil]	261317	
(g) Balance business loss after adjustment carry forward [3(a) minus 3(b) minus 3(c) minus 3(d) minus 3(e), if less than zero, else Nil]	261318	

Assessment Year / Tax Year (starting from earliest year)	Code	Balance brought forward OR For the current year		Adjusted against the income for the current year	Lapsed (not available for carry forward) /Attributable to PTR income	Balance carried forward
		Taxpayers own	Of amalgamating company			
		Amount (Rs.)	Amount (Rs.)			

4. Details / breakup of business losses brought forward and carried forward						
(a)	2000-01	3900				
(b)	2001-02	3900				
(c)	2002-03	3900				
(d)	2003	3900				
(e)	2004	3900				
(f)	2005	3900				
(g)	2006	3900				
(h)	2007	3900				
(i)	2008	3900				
(j)	2009	3900				
(k)	Current year	3900				
Total		262422				

5. Details / breakup of un-absorbed depreciation brought forward and carried forward						
(a)	B/Forward	319288				
(b)	Current year	319288				
Total		262513				

6. Details / breakup of un-absorbed amortization brought forward and carried forward						
(a)	B/Forward	319287				
(b)	Current year	319287				
Total		262613				

7. Details / breakup of losses of subsidiaries brought forward and carried forward						
(a)	2008	3904				
(b)	2009	3904				
(c)	Current year	3904				
Total		262714				

Signature

FBR FEDERAL BUREAU OF REVENUE ISLAMABAD		Annex C-1 Tax Already Paid Including Adjustments				2010 C-1	
NTN		Reg/Inc No.					
Particulars					Code	Amount of Tax paid (Rs.)	
Advance Tax							
1.	First installment	CPR No.	Evidence of payment attached		94611		
2.	Second installment	CPR No.	Evidence of payment attached		94612		
3.	Third installment	CPR No.	Evidence of payment attached		94613		
4.	Fourth installment	CPR No.	Evidence of payment attached		94614		
5.	Sub-Total [Add 1 to 4]				9461		
Tax Collected/Deducted at Source (Other than tax collected/deducted on receipts/value of goods subject to final taxation)					Amount of Tax deducted (Rs.)		
6.	On import of goods		Evidence of payment attached		94019		
7.	On dividend Income				94039		
8.	On commission paid to members of stock exchange		Evidence of payment attached		94059		
9.	On profit on debt		Evidence of payment attached		94049		
	Certificate/Account No. etc.	Bank	Branch	Share%			
					94049		
					94049		
					94049		
10.	On Government securities		Evidence of payment attached		94043		
11.	On payments received by non-resident		Evidence of payment attached		940539		
12.	On Import of CBU motor vehicle by manufacturers		Evidence of payment attached		94018		
13.	On payments for goods		Evidence of payment attached		940619		
14.	On payments for services		Evidence of payment attached		940629		
15.	On payments for execution of contracts		Evidence of payment attached		940630		
16.	On cash withdrawal from bank		Evidence of payment attached		94119		
	Certificate/Account No. etc.	Bank	Branch	Share%			
					94119		
					94119		
					94119		
17.	On trading of shares at a Stock Exchange		Evidence of payment attached		94138		
18.	On financing of carry over trade		Evidence of payment attached		94139		
19.	With motor vehicle tax (Other than goods transport vehicles)		Evidence of payment attached		94149		
	Registration No.	Engine / Seating Capacity	Owner's Name	Share%			
					94149		
					94149		
					94149		
20.	Tax Collected by car manufacturer		Evidence of payment attached		94118		
	Registration No.	Engine / Seating Capacity	Owner's Name	Manufacturer Particulars			
					94179		
					94179		
					94179		
21.	With bill for electricity consumption		Evidence of payment attached		94159		
	Consumer No.	Subscriber's CNIC	Subscriber's Name	Share%			
					94159		
					94159		
					94159		
22.	With telephone bills, mobile phone and pre-paid cards		Evidence of payment attached		94169		
	Number	Subscriber's CNIC	Subscriber's Name	Share%			
					94169		
					94169		
					94169		
23.	Others						
24.	Sub-Total [Add 6 to 23]				94599		
Adjustment of Prior Year(s) Refunds Determined by Department							
25.	Refund adjustments (To the extent adjustment is required against the current year's tax payable, if any)						
	Refund Assessed		Previous Adjustments		Available for Adjustment		Total
	Tax Year	Amount (Rs.)	Tax Year	Amount (Rs.)	Amount (Rs.)		Amount (Rs.)
(a)							94981
(b)							94981
(c)							94981
(d)	Sub-Total [Add 25(a) to 25(c)]				Evidence of refund due attached		9498
Total Tax Already Paid Including Adjustments							
26.	Transfer to the Return of Income [Add 5 plus 24 plus 25(d)]				9499		
Workers Welfare Fund Already Paid							
27.	CPR No.			Evidence of payment attached	9495		
				Signature			



Annex D-1

Breakup of Sales in case of Multiple Business

**2010
D-1**

	Reg./Inc. No.		NTN		
	Taxpayer Name		Tax Year		
	Business Name		RTO/LTU		
BUSINESS WISE BREAKUP OF SALES	Sr.	Business Name & Business Activity	Sales	Cost of Sales	Gross Profit/Loss
		(1)	(2)	(3)	(4) = (2) - (3)
	1	Business Name			
		Business Activity			
	2	Business Name			
		Business Activity			
	3	Business Name			
		Business Activity			
	4	Business Name			
		Business Activity			
5	Business Name				
	Business Activity				
	Total (to be transferred to Sr-13 & 29 of the Main Return (IT-1))				
Signature					

Note : Grey blank fields are for official use

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This notification shall be applicable for the tax year 2010.

[C.No.2(1) Tax Base/ 10]

(ASRAR RAOUF)
Member Policy (Direct Taxes)/
Additional Secretary