



DECADE OF EXCELLENCE

2020-21 ANNUAL REPORT

“Consider the bright morning hours, and the night when it grows still and dark. Thy Sustainer has not forsaken thee, nor does He scorn thee: for, indeed, the life to come will be better for thee than this earlier part [of thy life]! And, indeed, in time will thy Sustainer grant thee [what thy heart desires], and thou shalt be well-pleased. Has He not found thee an orphan, and given thee shelter? And found thee lost on thy way, and guided thee? And found thee in want, and given thee sufficiency? Therefore, the orphan shalt thou never wrong, and him that seeks [thy] help shalt thou never chide, and of thy Sustainer’s blessings shalt thou [ever] speak”.

[Surah Ad-Duha: 1-11]



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VISION

To achieve economic prosperity in Sindh and Pakistan.

MISSION

To create an efficient provincial resource mobilization system which can fund economic prosperity of the province.

VALUES



RESPONSIBILITY

We value responsibility by holding ourselves accountable towards all our stakeholders: Government of Sindh, taxpayers and our team.



DIVERSITY

We value diversity by accepting differences and working in a modern, supporting and inspiring environment where contributions are recognized and respected.



INNOVATION

We value innovation by keeping up with the ever-emerging pace of the services sector and beyond. Creativity is appreciated and employees are encouraged to share ideas.



TEAM WORK

We value teamwork by creating an enabling environment where employees work with enthusiasm achieving personal and organizational goals collectively and ensuring a meritorious environment.



INTEGRITY

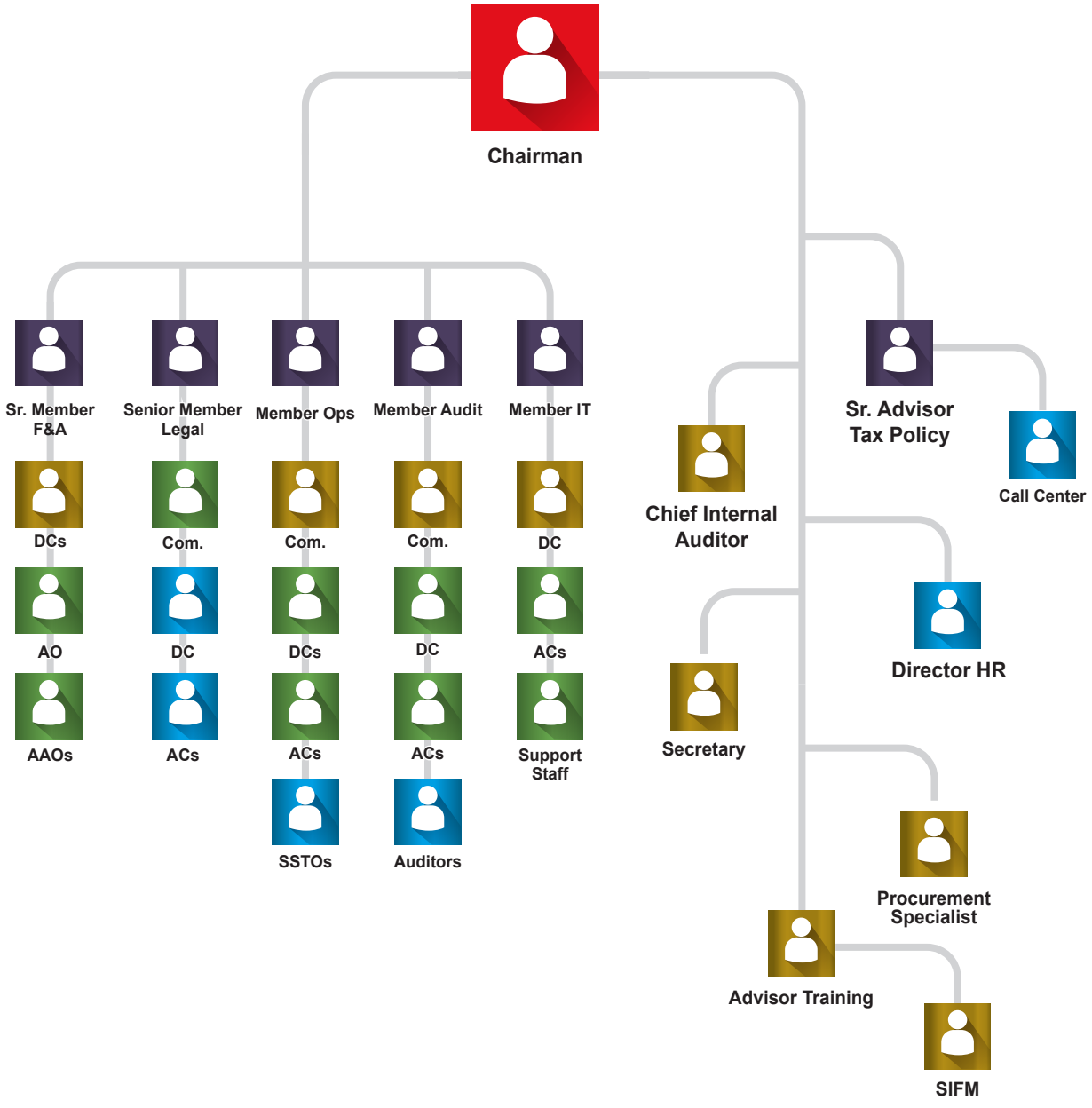
We value integrity by ensuring high standards of honesty in our work, fairness in our decisions and ethics in our conduct.



CLIENT SATISFACTION

We value client satisfaction by surpassing client's expectations by better understanding their needs and offering solutions proactively.

ORGANIZATIONAL STRUCTURE





MESSAGE FROM THE CHAIRMAN

Financial Year 2020-21 has been a particularly significant year for Sindh Revenue Board as it marks the 10th anniversary of organization's inception. SRB's journey through its first decade has been one of the success and triumph. With its performance praised and acclaimed, SRB has set a standard for other tax collecting agencies of the country by posting substantial rise in revenue receipts every year, without increase in tax rate.

While tax collection is an arduous task in the best of times, it was especially challenging in FY 2020-21. Interspersed with disruptions due to the pandemic-induced lockdowns, the year was rife with consequential uncertainties for the service sector. However, it gives me great satisfaction to state that despite all odds, SRB has been able to collect Rs. 128 billion during the FY 2020-21, posting a 21% year-on-year growth. This exhibits SRB's resilience and commitment appreciated by all stakeholders. The collection of Rs. 128 comprises Rs. 123 billion as Sales Tax and Rs. 5 billion as contributions to Sindh Workers Welfare Fund (SWWF) and the Sindh Companies Profit (Worker's Participation) Fund (SWPF).

At 13% as standard rate SRB has maintained the lowest standard rate of sales tax in the country during the year. This proves, yet again, the notion that lower tax-rate can catalyze higher tax-yields, as opposed to higher tax-rates.

It is interesting to see how different sectors have fared during the year. Ports & Terminals, Franchise, Banks and Insurance remained the top revenue contributors. Telecom sector yielded the second highest revenue during the year, following a steep decline this particular sector experienced during preceding two years.

In FY 2020-21, the sector of Stockbrokers exceeded other sectors in terms of revenue contribution with 113% growth, year-on-year. It is also noteworthy that overall, the top-ten sectors contributed approximately 62% of the entire tax-receipts while 21 sectors added more than or equal to one billion rupees individually to the total revenue collected during the year, as compared to 17 sectors in the last financial year.

SRB's foremost priority during the FY 2020-21 has been to widen the tax base in the province and to enhance tax compliance. During the year 4713 new registrations were made.

SRB has continued to invest in the growth and development of its human capital. During the year, introduction of HR Rules & Regulations has strengthened SRB's organizational capacity. HR Wing has also improved its Human Resource Management System (HRMS) by introducing a new, user-friendly module.

The Sindh Institute of Fiscal Management (SIFM) continues to play the pivotal role of capacity building and knowledge sharing. Forty Sindh Sales Tax Officers (SSTOs) recruited in March, 2021 received five-month pre-service training at SIFM. Carefully modularized to cater to the on-job requirements of SSTOs, the subjects included; law, economics, IT, taxation, public policy, constitution and office procedures. It is hoped that after completing their training, the SSTOs shall serve SRB with vigor and passion.

SIFM continues to fulfill its purpose and is readily available for meetings, seminars and workshops. In the coming years, SIFM aims to further improve and impart essential

skill-building trainings to employees of SRB and other Sindh government departments.

The service sector is a fast-growing sector of Pakistan's economy. It poses number of challenges for the tax-collectors in the areas of law, commerce, technology and tax-governance. To meet these challenges, SRB has developed IT tools such as 'Enterprise Resource Planning (ERP)' and 'Business Intelligence (BI)' systems. These tools were made fully functional during the FY 2020-21 for 'predictive analysis and forecasting' of business / taxation trends. A vigilant assessment of compliance mechanisms, and analysis of processed and refined data assisted SRB in making informed policy decisions.

Through the year, SRB maintained focus on transition towards e-administration. After successfully adopting a 100% online tax filing mechanism, SRB has now archived over four million pages, received and generated within the organization, along with meta-data. This is arguably the largest undertaking of its kind in any public sector organization in the province. The Audit Management System (AMS) and other similar initiatives deployed by SRB are actively underway as part of the goal of creating a paper-less work environment.

Despite COVID restrictions, the board met regularly during the year. Strategic, Procedural and Institutional decisions regarding enforcement and administration of revenue-collection efforts were taken by the board during the year besides continuously reviewing performance of the organization.

It is expected that the upcoming financial year 2021-22 shall bring its own unique challenges.

I have full confidence in SRB-team to meet the same and raise the bar high yet again to strengthen the precedent set by their performance thus far.

This report satisfies the legislative requirement whereby the SRB is obligated to present a summary of its activities, performance and achievements before the legislature. SRB hopes that the esteemed legislators of Sindh will continue to guide the organization through their wisdom and advice.

The success of organizations such as SRB is directly proportional to the support and confidence of its major stakeholders especially with regard to its governance and transparency. I would therefore like to take this opportunity to express my utmost thanks to all SRB's taxpayers and other stakeholders who have contributed towards organization's success.

SRB employees deserve much admiration for the sincerity in their efforts and perseverance in their resolve. SRB's unparalleled accomplishments are only a reflection of their hard work.

I would like to express my heartfelt gratitude to the Honorable Chief Minister of Sindh, Syed Murad Ali Shah, whose guidance and support has been instrumental in ensuring our success. Our deep appreciation is also due to the CM Secretariat Staff and Finance Division which have always extended their help and assistance to SRB.

Khalid Mahmood

Chairman

BOARD MEMBER & SENIOR MANAGEMENT



KHALID MAHMOOD

Chairman

Mr. Khalid Mahmood is currently leading Sindh Revenue Board as Chairman. He has served Federal Government for more than three decades holding prominent positions within the country and abroad. Key positions held by Mr. Khalid Mahmood includes, Managing Director of Overseas Employment Corporation, Member (Technical) Customs Appellate Tribunal, Member HQ and Director General Intelligence & Investigation – FBR, Director Trading Corporation of Pakistan and Pakistan's Commercial Counselor in South Korea.



WASIF ALI MEMON

Senior Member (Audit & Legal)

Mr. Wasif Ali Memon is currently serving as Senior Member Audit & Legal at SRB. He started his career as an officer of Pakistan Customs, FBR, for over 30 years and served in various capacities. He has supervised Audit functions in FBR. Other special assignments include, Chief Collector of Pakistan Customs, Member Risk Management Committee, Head of committee on Authorized Economic Operator, Transport Internationaux Routiers and Export Facilitation Schemes.



SYED MUSHTAQUE KAZMI

Senior Advisor (Tax Policy)

Syed Mushtaque Kazmi has worked with Government of Pakistan for around 40 years and is currently engaged with SRB as Senior Advisor (Tax Policy). In the field of taxation, he started his career as an officer of Pakistan Customs & Excise Service and served in Federal Board of Revenue in different senior positions including, Member (Sales Tax) and Member (Technical) in Pakistan Customs. He has also served as tax expert in international assignments on deputation to Zimbabwe in 1982 and Mongolia in 1994.



ABDUL MAJID YOUSFANI

Member (IT)

Mr. Abdul Majid Yousfani is responsible for providing strategic direction to the Information Technology Wing of SRB. Being an officer of Pakistan Customs, he has served at senior positions as Collector, Model Custom Collectorate, Chief FBR Islamabad and at various other key positions within FBR. He has also been Pakistan's Commercial Counsellor in Mexico and Counsel General in Sydney.



MUHAMMAD YASIR JAN BALOCH

Member (Admin & Finance)

Mr. Muhammad Yasir Jan Baloch has served at various key positions in service of Government of Sindh, appointed as Assistant Commissioner back in 1995, with over 25 years of experience serving at key position including: Additional DC, Member CM Inspection Team (CM IT) and Secretary Planning & amp; Development Department, Government of Sindh.



MAQSOOD JAHANGIR

Member (Operations)

Mr. Maqsood Jahangir joined SRB as Member Operations. He is an officer of Inland Revenue Service (IRS), FBR and possesses vast experience of serving the Government of Pakistan for 25 years holding key positions at FBR and Ministry of Commerce. He possesses rich experience in the implementation of tax policy and has dealt with the major business sectors.



SYED HASSAN NAQVI

Secretary Finance Government of Sindh

Mr. Hassan Naqvi is currently Secretary Finance, Government of Sindh. He remained Special Finance Secretary, Government of Sindh, Director Export Processing Zone Authority, Project Director of Computerization Board of Revenue, Government of Sindh, Additional Secretary Chief Minister House Sindh. He has served as ex-officio Member in SRB Board previously as well.



MONA MEHFOOZ

Secretary

Ms. Mona Mehfooz is currently serving as Secretary, Sindh Revenue Board. She has versatile experience of over 20 years serving on leading positions in Tax Administration Departments, including Federal Excise, Sales Tax, Pakistan Customs and Transit Trade. She has also worked on important projects such as, Customs Valuation Gateway, WeBOC, APTCA (Afghan-Pakistan Transit Trade Coordination Authority) and Karachi Export Promotion Zone Processes Automation.

ABOUT US

Invoking the constitutional right to levy, administer and collect sales tax on services, Government of Sindh promulgated the Sindh Revenue Board Act 2010, providing for the establishment of SRB, mandated to regulate matters related to fiscal and economic policies, administration and management, imposition, levy and collection of taxes, duties and other levies in the province. SRB is responsible for the administration and enforcement of Sindh sales tax on services under the Act-2011.

SRB also accepted the responsibility for the overall tax policy, taxpayers' education, facilitation and tax administration. Later, SRB was empowered to collect the contributions under the provisions of the Sindh Workers Welfare Fund Act, 2014 (SWWF) and the Sindh Companies Profit (Workers' Participation) Act, 2015 (SWPF).

Previously, the SST levied under the Sindh Sales Tax Ordinance, 2000 was collected by Federal Board of Revenue (FBR) from July 01, 2000 to June 30, 2011. Similarly, the Workers Welfare Fund and the Workers' Profit Participation Fund in the province of Sindh were also collected by FBR until the said two laws came into operation.

The statutory standard rate levied on services stands at 13%, the lowest amongst all the Provinces and the Federation. Registered persons while determining tax

liability in terms of the standard tax rate are entitled to claim input tax credits for the tax paid on account of taxable purchases consumed proportionately, as prescribed by SRB.

Since its inception SRB has focused on building and establishing credibility and integrity. Revenue targets from FY 2011-12 to FY 2020-21, at a cumulative average growth rate of 412%, were achieved through dedication, focused efforts and resilience.

Besides collecting sales tax on services in the province, SRB also helps Government of Sindh in matters related to fiscal and economic policies. The Tax Policy Wing of SRB regularly assists Government of Sindh in overall taxation policies for the province.

With extended outreach and offices in Hyderabad, Sukkur, Mirpurkhas and Larkana, SRB deploys an automated database system for assessment, audit, monitoring of sales tax on services. SRB aims to constantly align its tax policy with modern business needs keeping in mind the evolving nature of service sector. In this regard, Sindh Institute of Fiscal Management (SIFM) – the training arm of SRB – offers trainings to keep employees up-to-date with modern technology, norms and practices to achieve increased productivity and quality improvement.



Mohenjo-daro



Lansdowne Bridge, Rohri



Shahi Bagh, Shikarpur



Gorakh Hill, Dadu



COVID-19 IMPACT AND THE ECONOMY

The service sector has witnessed an accelerated growth and has become a critical part of developing economies across the world. Technological advancements and ever evolving human capital have led to an increased demand for consumer centered services and intermediate services. Resultantly, the share of service sector in the overall economy of developing countries has increased over the years.

The implications of COVID-19 on the overall socio-economic landscape of every country in the world were unavoidable and detrimental. Economies all over the globe strived to achieve growth and make-up for the losses incurred due to unprecedented restrictions. In case of Pakistan, despite slow growth and market uncertainties owing to COVID-19, the service sector constituted a share of 61.7% to the GDP in FY 2020-2.

Optimizing tax collection of service sectors with that of its contribution to the GDP is a proven challenge due to rapid technological changes and socio-economic determinants. Further, the consumption tax on goods at the retail level comes within the scope of service sector but it is currently a federal subject. A major reason for relatively lesser share of tax collection by provincial authorities when analyzed from the GDP's perspective.

Despite these difficulties SRB has, over the years, proven its efficacy. SRB has worked diligently in expanding the tax base and revenue yield through effective monitoring, responsive service delivery

and robust work ethic.

According to State Bank's report, "In terms of province-wise performance, tax collection by Sindh has the highest contribution in growth, followed by Punjab. In the case of Sindh, this growth mainly stemmed from two factors: (i) a rise in import activity which lead to an uptick in collection from ports and shipping services; and (ii) resumption of GST collection on telecommunication services. In the case of Punjab, most of the YoY increase in tax collection was seen in Q2-FY 21, which was mainly on account of cross-input tax adjustment between FBR and the Punjab Revenue Authority".

COVID-19 outbreak devastated lives and economies all across the world. As a result, majority of the businesses specially service sector saw huge shrinkage and at times a complete halt. Complete lockdowns in first two quarters and sporadic lockdowns in the latter half of FY 2020-21 made it difficult for businesses to thrive. Major sectors were affected by COVID-19 including restaurants, hotels, marriage halls, travel industry, beauty and fitness clubs, cab aggregators and other services. Despite these challenges, Pakistan's economy recovered at a moderate pace. GDP growth rate for FY 2020-21 was 3.94%^[1]. The service sector witnessed a turnaround from 5% contraction in FY 2019-20 to a solid growth of 4.4% in FY 2020-21. SRB managed to achieve a huge 21% growth as compared to the previous year i.e. FY 2019-20, despite slow growth and market uncertainties.

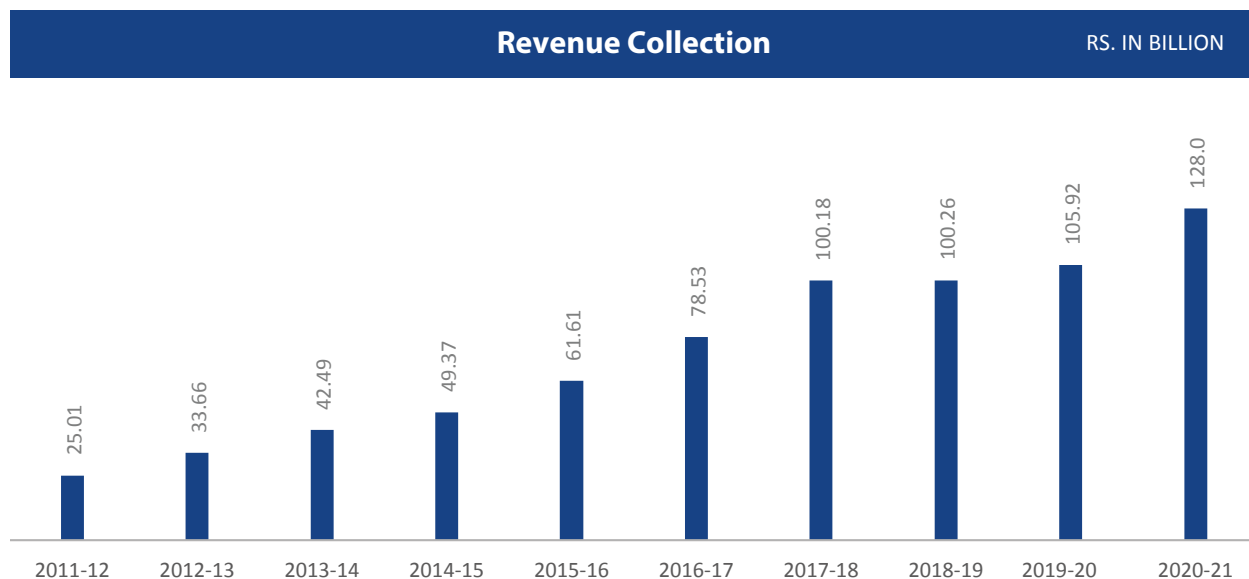
¹ Pakistan Economic Survey 2020-

² Fiscal Policy and Public Debt (July-Mar FY21)

SRB PERFORMANCE OVER THE YEARS

Year-on-year, SRB has proved to be a major source of revenue for Government of Sindh. Starting from Rs. 25 billion in FY 2011-12, to a massive collection of Rs. 128 billion in FY 2020-21 showing an increase of 412% growth in revenue generation. Performance in FY

2020-21 is also creditable considering the impact of COVID-19 and the related restrictions of service sector. SRB's upward trend of revenue collection is depicted in the following graph.



MAJOR SERVICES

The following major service sectors collectively contributed over Rs. 76 billion in the overall collection of SRB. Port, Telecom and Franchise sectors contributed Rs. 17.8 billion, Rs. 13.3 billion and Rs. 11.6 billion respectively. Banks and Insurance sectors showed an increase of 21% and 20% respectively whereas, the Contractual Execution sector contributed Rs. 5.8 billion. The Construction rose by 2% and Business Support Services contributed Rs. 2.23 billion.

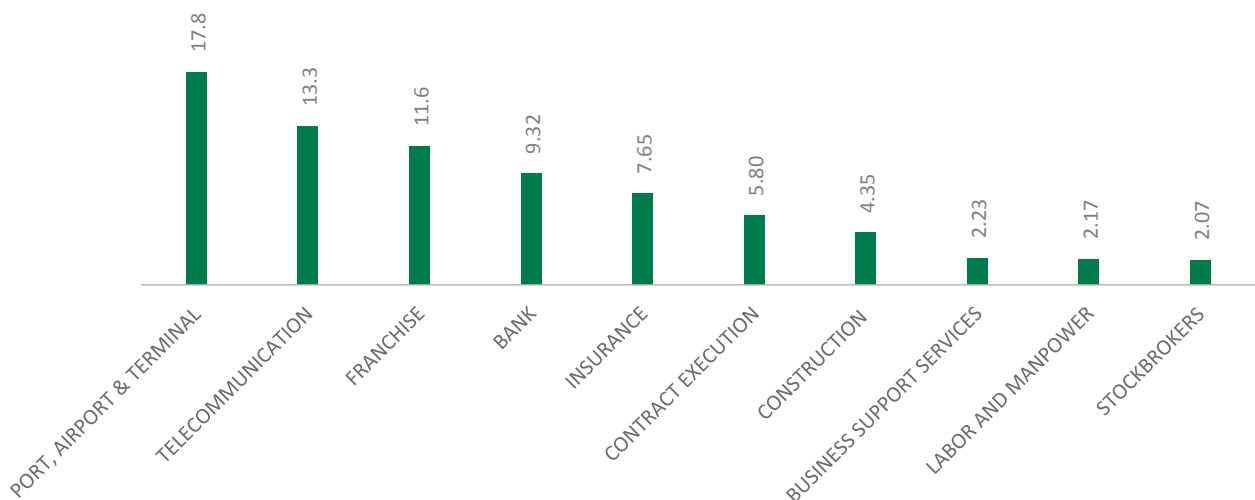
Additionally, Labor and Manpower contributed Rs. 2.17 billion while Stockbrokers stood last with a huge growth of 113% during the FY 2020-21 and made it to the top ten for the first time. Moreover, there were a total of 21 sectors that contributed more than one billion to the total revenue collected as compared to 17 sectors in the previous financial year.

Top 10 Revenue Spinners - Collection and growth during the FY 2020-21

FY 2020-21	Top 10 sectors	Collection	% Growth
1	Port, airport & terminal operators	17.8	33%
2	Telecommunication	13.3	84%
3	Franchise	11.6	5.5%
4	Bank	9.32	21%
5	Insurance	7.65	20%
6	Contract execution	5.80	-2%
7	Construction	4.35	2%
8	Business support services	2.23	25%
9	Labor and manpower services.	2.17	4%
10	Stockbrokers	2.07	113%
	Rs. in billion		

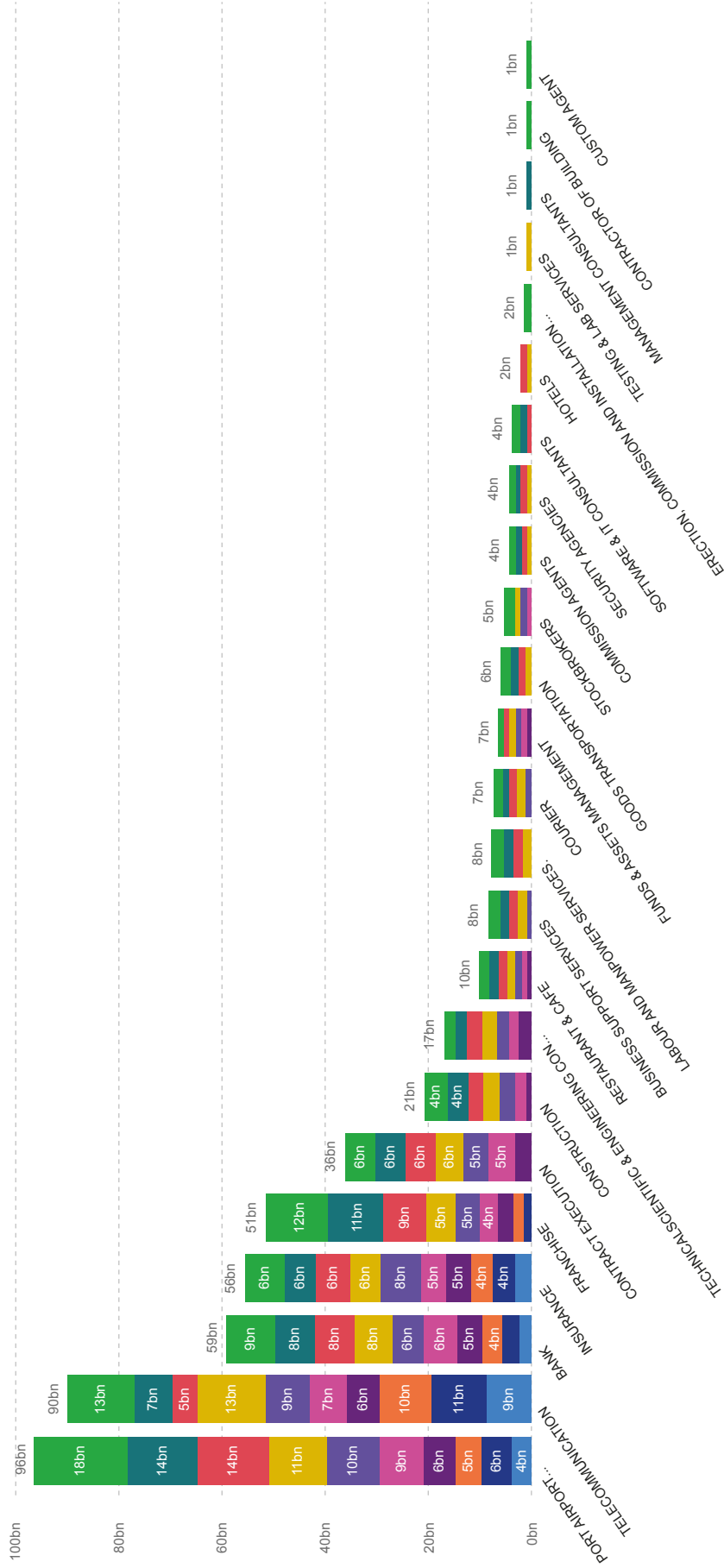
Top 10 Revenue Spinners

RS. IN BILLION



SECTORS CONTRIBUTING RS. 1 BILLION AND ABOVE

Year ● 2011-12 ● 2012-13 ● 2013-14 ● 2014-15 ● 2015-16 ● 2016-17 ● 2017-18 ● 2018-19 ● 2019-20 ● 2020-21



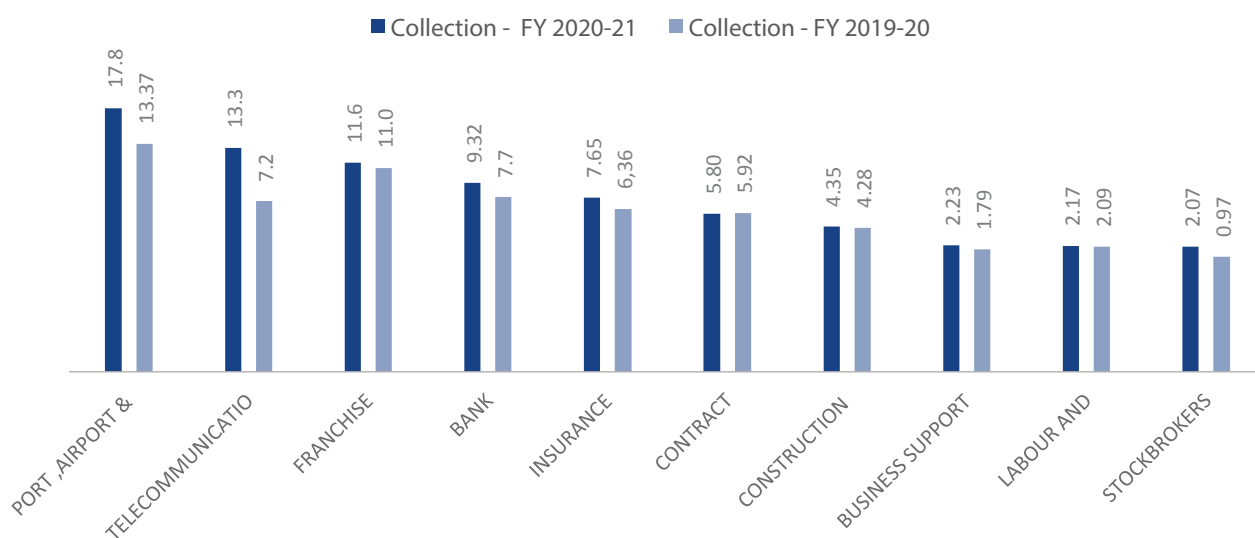
COMPARISON OF TOP 10 SECTORS FY 2020-21 VS FY 2019-20)

Out of the top 10 sectors, 9 showed a positive trend in FY 2020-21, whereas Contract Execution showed a declining trend of only -2%, mainly due to constant lockdowns owing

to COVID-19 pandemic, regardless the sector was able to make its way to the top 10 contributors. Remaining nine revenue sectors achieved a positive growth during the year.

TOP 10 SECTORS' COMPARISON

RS. IN BILLION



FAIZMAHAL KHAIRPUR





INDIVIDUAL PERFORMANCE OF TOP 10 SECTORS

1. Ports & Terminal Operators

2. Telecommunication

3. Franchise

4. Banking

5. Insurance

6. Contractual Execution

7. Construction

8. Business Support Service

9. Labor & Manpower Supply

10. Stockbrokers



1. PORT, AIRPORT & TERMINAL OPERATORS

With persistent growth over successive years, Ports and Terminal Operators yet again remained as the top contributor during the FY 2020-21 despite the unprecedented situation of COVID-19 outbreak. The said sector contributed Rs. 17.82 billion in FY 2020-21 as against Rs. 13.37 billion last financial year recording a remarkable growth of 33%.

The services provided by Ports and Terminal Operators are liable to SST under tariff heading 9819.9090 of the Second Schedule to the Act-2011. Major ports includes, Karachi Port Trust, Port Qasim Authority or any other person or organization managing the operations of

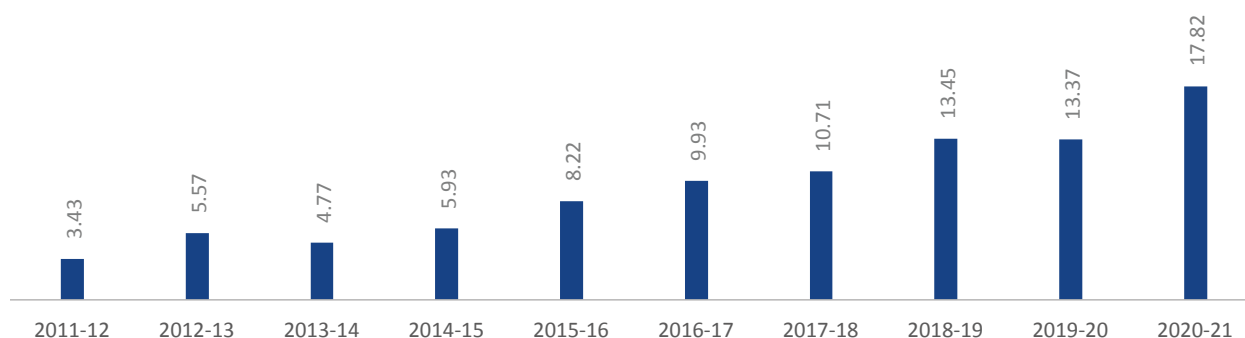
any customs port as declared under Section 9 of the Customs Act, 1969 (Act No. IV of 1969), and Terminal Operator includes Karachi International Container Terminal, Pakistan International Container Terminal and Qasim International Container Terminal or any on-dock or off-dock terminal or any other person doing similar activities, and also includes the cargo or baggage shed operators licensed or appointed by the customs authorities at any customs port or customs airport or customs station and any other service providers ancillary to ports contributed to SST from this sector. These services are taxable at a statutory tax rate of 13%.

Performance over the years

Year	Revenue (Rs. in billion)	Growth %
2011-12	3.43	-
2012-13	5.57	62%
2013-14	4.77	-14%
2014-15	5.93	24%
2015-16	8.22	39%
2016-17	9.93	21%
2017-18	10.71	8%
2018-19	13.45	26%
2019-20	13.37	-1%
2020-21	17.82	33%
2020-21		

Ports and Terminal Operators

Rs. in billion



2. TELECOMMUNICATION

Telecommunication sector has been a consistent top contributor. It stood the second largest sector and witnessed an unparalleled growth of 84% as compared to the last year and contributed Rs. 13.32 billion in FY 2020-21 as averse to Rs. 7.24 billion previously.

Telecommunication services including bandwidth services, telegraph, internet, data communication, network services, value added data services, audio text services, vehicle & other tracking services,

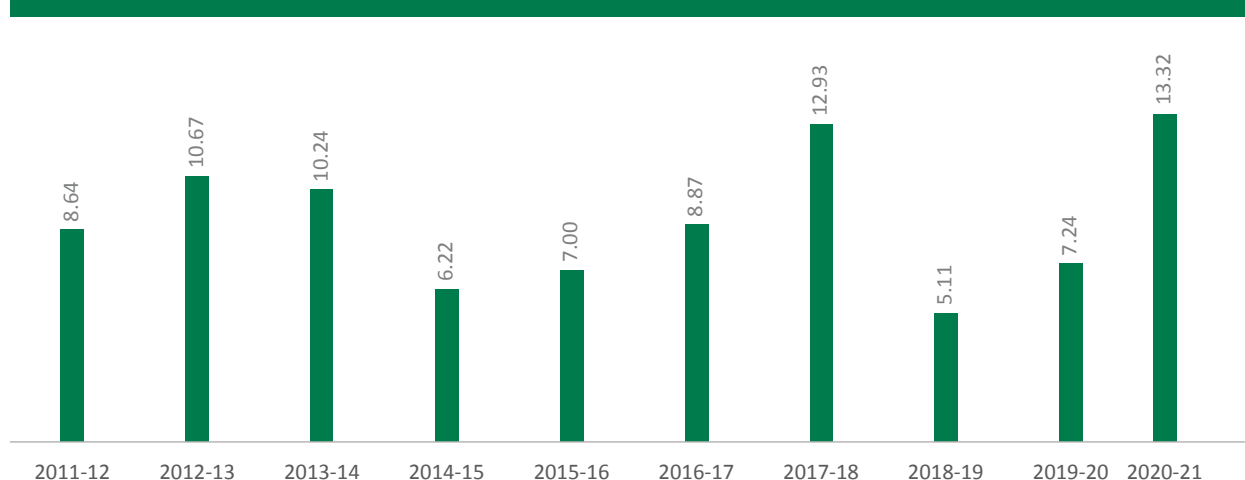
alarm services and international incoming calls services are chargeable to sales tax under tariff heading 98.12 of the Second Schedule which consist of 68 tariff headings of the said schedule to the Act-2011. The statutory rate applied to these services remained chargeable to tax at 19.5%. However, Telecommunication services involving charges payable on the international leased lines or bandwidth services used by software exporting firms registered with Pakistan Software Export Board remained exempt.

Performance over the years

Year	Revenue (Rs. in billion)	% Growth
2011-12	8.64	
2012-13	10.67	23%
2013-14	10.24	-4%
2014-15	6.22	-39%
2015-16	7.00	12%
2016-17	8.87	27%
2017-18	12.93	46%
2018-19	5.11	-60%
2019-20	7.24	42%
2020-21	13.32	84%

Telecommunication

Rs. in billion



3. FRANCHISE

Franchise sector is the third largest sector, yielding a total of Rs. 11.6 billion in SST in the FY 2020-21, experiencing a steady growth of 5.5% as compared to Rs. 11 billion collected last year.

The services provided by persons engaged in Franchise service falls under tariff heading 9823.0000 and are chargeable to SST at a

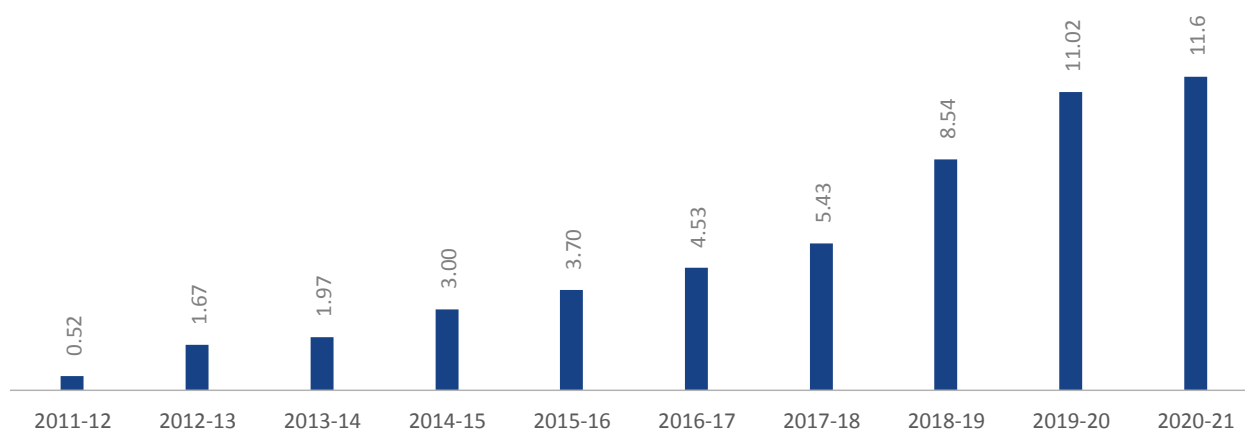
reduced rate of 10% subject to the condition that input tax shall not be admissible. Franchise service provider may opt for the statutory tax rate of 13% by submitting an elect form in the required format and be entitled to adjust the input tax subject to the fulfillment of conditions.

Performance over the years

YEAR	Revenue (Rs. in billion)	Growth %
2011-12	0.52	
2012-13	1.67	220%
2013-14	1.97	18%
2014-15	3.00	52%
2015-16	3.70	24%
2016-17	4.53	22%
2017-18	5.43	20%
2018-19	8.54	57%
2019-20	11.02	29%
2020-21	11.6	5.5%

Franchise

Rs. in Billions



4. BANKING

The banking sector is the fourth largest revenue contributor as it generated Rs. 9.32 billion during the FY 2020-21 despite the State Bank of Pakistan directives providing waiver of all service charges on transfer of funds, through online banking in the wake of COVID-19 outbreak. It exhibited a growth of 21% year-on-year in comparison to Rs. 7.70

billion collected in the previous year.

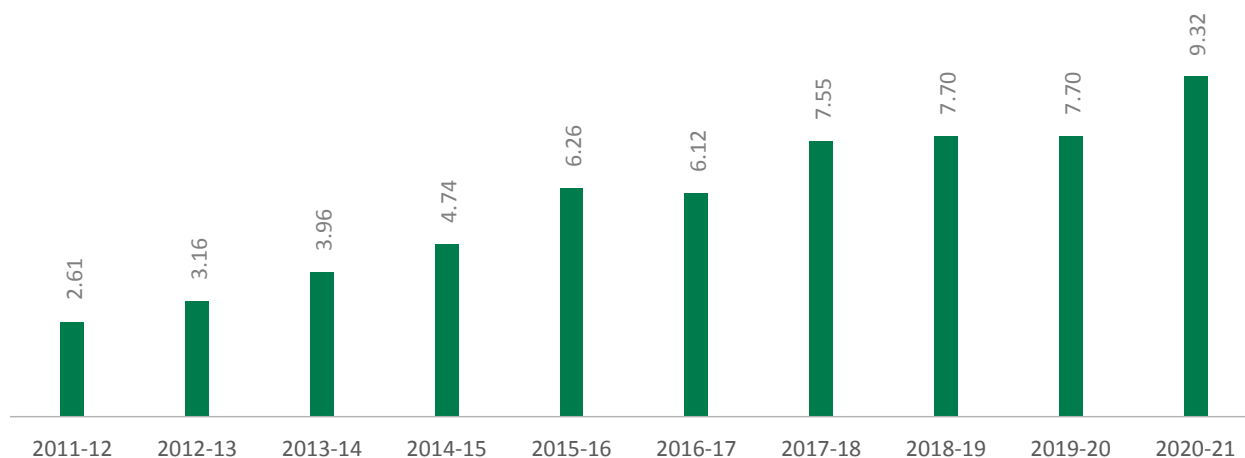
The services provided or rendered by banking companies are chargeable to the SST under tariff heading 98.13 and relevant sub-tariff headings at a standard rate of 13%. Markup or interest charged by banks is excluded from the levy of SST.

Performance over the years

YEAR	Revenue (Rs. in billion)	Growth %
2011-12	2.61	
2012-13	3.16	21%
2013-14	3.96	25%
2014-15	4.74	20%
2015-16	6.26	32%
2016-17	6.12	-2%
2017-18	7.55	23%
2018-19	7.70	2%
2019-20	7.70	0%
2020-21	9.32	21%

Banking

Rs. in Billions



5. INSURANCE

The Insurance sector yielded a total of Rs. 7.65 billion in FY 2020-21. Marking an increase of 20%, this sector stood as fifth maintaining its consistency of making it to the top 10 sectors. The sector contributed Rs. 6.36 billion in FY 2019-20.

The services provided or rendered in respect of insurance by an insurer, including reinsurer are chargeable to the SST under tariff heading 9813.1000 of the Second

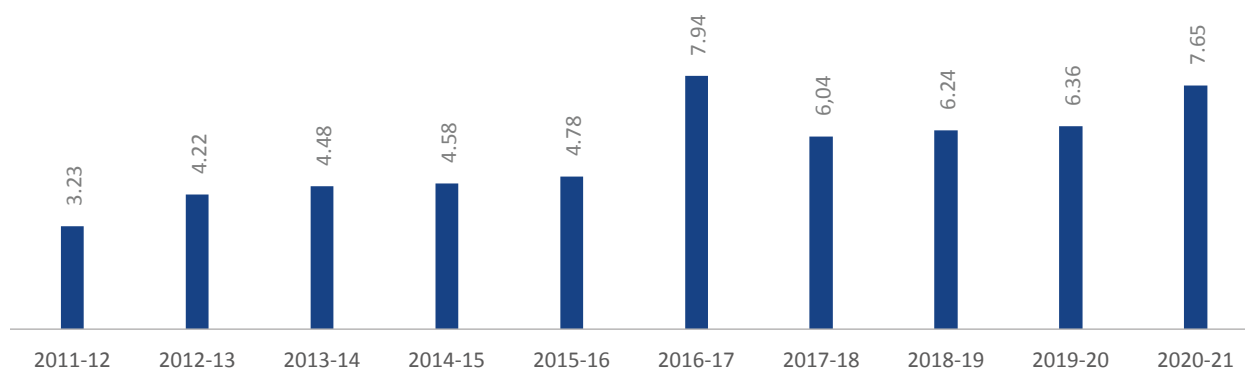
Schedule to the Act-2011. Goods, fire, theft and marine insurance are taxable at a standard rate of 13%. Health insurance and marine insurance for export, however, remained exempt from the levy of SST during the FY 2020-21. The services provided or rendered by insurance agents or brokers are chargeable to the SST under tariff heading 9855.0000 of the Second Schedule to the Act-2011 at reduced tax rate of 5%.

Performance over the years

YEAR	Revenue (Rs. in billion)	Growth %
2011-12	3.23	
2012-13	4.22	31%
2013-14	4.48	6%
2014-15	4.58	2%
2015-16	4.78	4%
2016-17	7.94	66%
2017-18	6.04	-24%
2018-19	6.24	3%
2019-20	6.36	2%
2020-21	7.65	20%

Insurance

Rs. in Billions



6. CONTRACTUAL EXECUTION

The contractual execution of work or furnishing supplies has contributed Rs. 5.8 billion during the FY 2020-21. Despite COVID-19 related restrictions on economic activities falling under this sector and also completion of various projects, this sector, against all odds

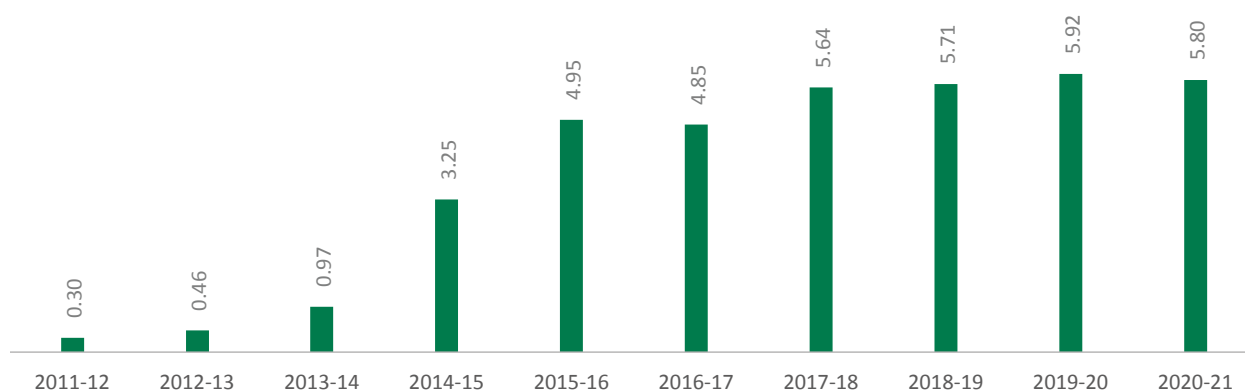
made it to the top ten contributors. The services provided or rendered under Contractual Execution of work or furnishing supplies are taxable services falling under tariff heading 9809.0000 of the Second Schedule to the Act-2011 at the statutory rate of 13%.

Performance over the years

YEAR	Revenue (Rs. in billion)	Growth %
2011-12	0.30	
2012-13	0.46	51%
2013-14	0.97	110%
2014-15	3.25	237%
2015-16	4.95	52%
2016-17	4.85	-2%
2017-18	5.64	16%
2018-19	5.71	1%
2019-20	5.92	4%
2020-21	5.80	-2%

Contractual Execution

Rs. in Billions



7. CONSTRUCTION

The construction sector falls under the tariff heading 9824.0000 of the Second Schedule to the Act-2011. These services are taxable at a reduced rate of 8% of the value of service without adjustment of input tax. Any registered person intending to opt for the statutory tax rate of 13%, may do so by submitting an elect form and shall be entitled to claim input adjustment. The sector showed an increase of 2% year-on-year by collecting Rs. 4.35 billion during the year.

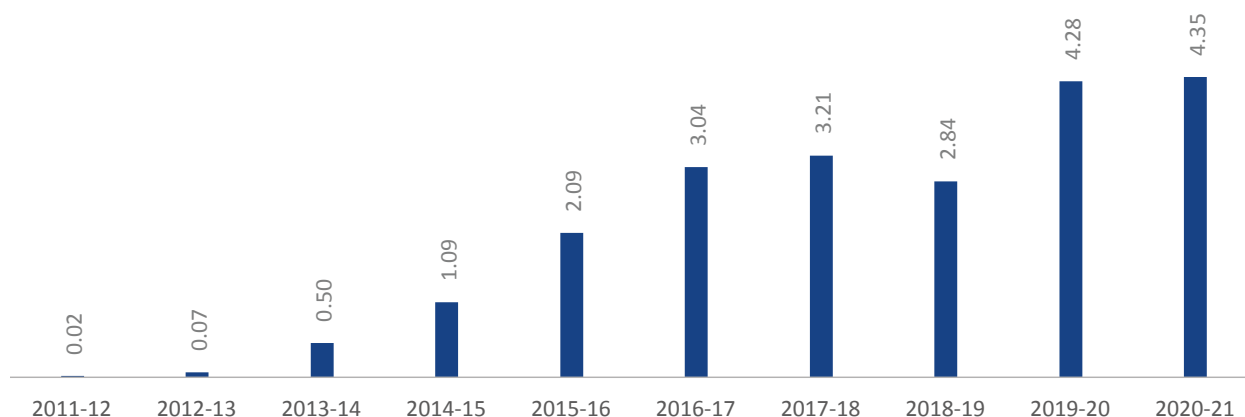
Services provided or rendered by persons engaged in Construction Services, where the total value of such work does not exceed 4 million rupees in a financial year, are exempt from the levy of SST. The threshold is not related to each and every individual contract for construction but is applicable to the annual turnover of the person providing or rendering such services. Further exemptions are also provided to this sector subject to conditions mentioned in the Notification No. SRB-3-4/7/2013.

Performance over the years

YEAR	Revenue (Rs. in billion)	Growth %
2011-12	0.02	
2012-13	0.07	260%
2013-14	0.50	585%
2014-15	1.09	119%
2015-16	2.09	91%
2016-17	3.04	46%
2017-18	3.21	6%
2018-19	2.84	-11%
2019-20	4.28	50%
2020-21	4.35	2%

Construction

Rs. in Billions



8. BUSINESS SUPPORT SERVICE

The Business support service sector contributed Rs. 2.23 billion in the FY 2020-21 previously the sector contributed Rs. 1.79 billion by showing an increase of 25% year-on-year. Services provided or rendered by persons engaged in Business Support Services are covered under tariff heading 9805.9200 and such services are taxable at standard statutory rate of 13%.

transactions, processing of purchase orders, information and tracking of delivery schedules, managing distribution and logistics, customer relationship management services, operational assistance for marketing, formulation of customer services and pricing policies, infrastructural support services and other transaction processing that support businesses.

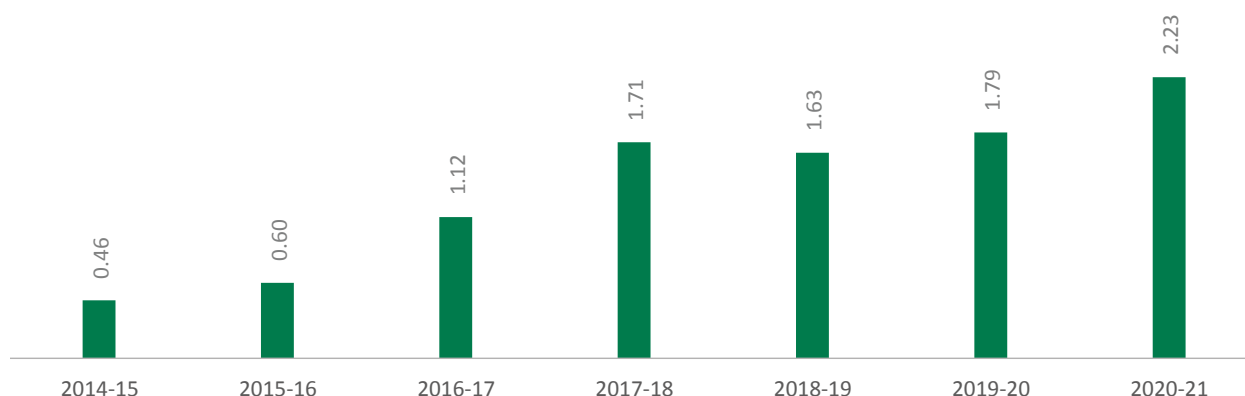
Business Support Services (BSS) include telemarketing, accounting and processing of

Performance over the years

YEAR	Revenue (Rs. in billion)	Growth %
2014-15	0.46	-
2015-16	0.60	31%
2016-17	1.12	85%
2017-18	1.71	53%
2018-19	1.63	-5%
2019-20	1.79	10%
2020-21	2.23	25%

Business support Services

Rs. In billion



9. LABOR AND MANPOWER SUPPLY

The Labor and Manpower Supply service generated a total of Rs. 2.17 billion, despite restriction on their services owing to COVID-19. It witnessed a stable growth of 4% and stood amongst the top 10 contributors during the year. Despite the fact that Honorable Sindh High Court restricted the value of services to the extent of service charges only.

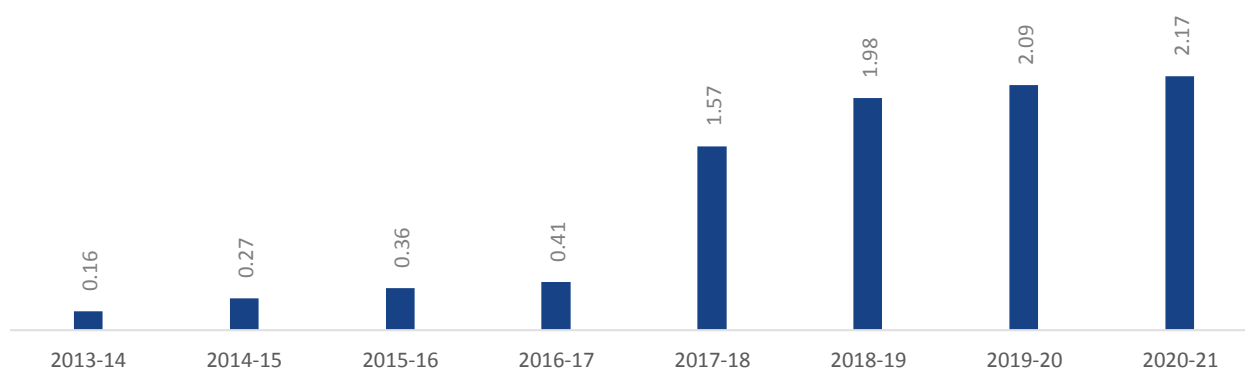
Labor & Manpower Supply Services are defined as the services provided or rendered by persons to another person, for a consideration or for use of the services of a person or individual, employed, hired or supplied by him. This sector is taxable from July 1, 2013 under tariff heading 9829.0000, SST on these services is collected under Rule 42E to the Rules-2011.

Performance over the years

YEAR	Revenue (Rs. in billion)	Growth %
2013-14	0.16	
2014-15	0.27	69%
2015-16	0.36	34%
2016-17	0.41	14%
2017-18	1.57	278%
2018-19	1.98	26%
2019-20	2.09	5.5%
2020-21	2.17	4%

Labour and Manpower

Rs. in Billions



10. STOCKBROKERS

Stockbrokers service made it to the top 10 sectors with a gigantic growth of 113% collecting more than twice the amount it collected in the preceding financial year. KSE-100 Index witnessed an uptick and earned the title of 'Best Asian stock market and fourth best-performing market across the world in 2020'. Economic activity in this

sector increased leading to collection of Rs. 2.07 billion for the FY 2020-21.

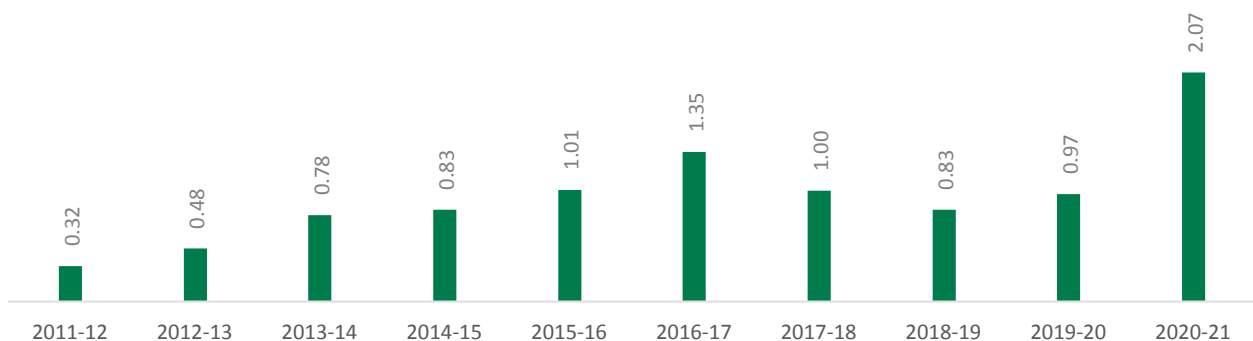
Services provided or rendered by persons or businesses engaged in stockbrokers, future brokers and commodity brokers services are liable to pay SST at the statutory tax rate of 13% under tariff heading 9819.1000 of the Second Schedule to the Act-2011.

Performance over the years

YEAR	Revenue (Rs. in billion)	Growth %
2011-12	0.32	
2012-13	0.48	50%
2013-14	0.78	63%
2014-15	0.83	6%
2015-16	1.01	22%
2016-17	1.35	34%
2017-18	1.00	-26%
2018-19	0.83	-17%
2019-20	0.97	17%
2020-21	2.07	113%

Stockbrokers

Rs. In billions



WITHHOLDING AGENTS

The Rule 3 of Sindh Sales Tax Special Procedure (Withholding) Rules, 2014 (Withholding Rules, 2014) require withholding agent to deduct and deposit the SST amount, at the applicable rate from the amount invoiced or billed or charged by the service provider. The term withholding agent is defined in sub-rule (2) of rule 1 of the Withholding Rules, 2014 which includes the offices and departments governed by Federal Government, Provincial Governments, and Local or District Governments; autonomous bodies; public sector organizations including public corporations; state-owned enterprises and regulatory bodies and authorities; organizations which are funded fully or partially out of the budget grants of Federal or Provincial governments; companies as defined in clause (28) of section 2 to the Act-2011; and FBR registered persons or SRB registered persons for the purpose of collection and payment of SST, provided that they are resident in Sindh or have a place of business in Sindh.

However, exclusions are provided to the SST compulsorily collected by SRB registered service provider of telecommunication, bank companies, financial institution, insurance company (other than a reinsurance company), port operator, airport operators, terminal operator and airport ground services.

The total contributions from withholding agents during the FY 2020-21 is Rs. 14.35 billion posting a growth of 20% year-on-year. The collection made during the previous year was Rs. 11.96 billion. Despite pandemic situation, the collection during the last quarter of FY 2020-21 was Rs. 5.171 billion. This represents an increase of 55% quarter-on-quarter. It was during this year that departments/offices/projects falling under the purview of Military of Defense started making compliance to the Withholding Rules, 2014.

Top 10 Withholding Agents

Rs. in Million

S. NO.	NAME	AMOUNT
1	Thar Coal Block-1 Power Generation Company (Pvt.) Limited	531.60
2	United Energy Pakistan Limited	387.26
3	Oil and Gas Development Company Limited.	376.77
4	K-Electric Limited	353.37
5	Fauji Fertilizer Bin Qasim Limited	352.15
6	Nestle Pakistan Limited	343.26
7	Unilever Pakistan Foods Limited	241.39
8	Port Qasim Electric Power Company (Pvt) Limited	218.05
9	Lucky Cement Limited	217.36
10	Chevron Pakistan Lubricants (Pvt.) Limited	178.63
TOTAL		3,199.84

The applicable withholding rate/deduction rate, against the services received/procured by withholding agents, is tabulated as under:

Sr. No.	Service Category	SST Deduction Rate by Withholding Agents
1	Taxable Services received from SRB unregistered person	Whole of the tax amount at the applicable rate of SST using tax fraction formula.
2	Taxable Services, except Advertisement Services; Renting of Immovable Property Services; Intercity transportation services other than those through pipeline or conduit or through specialized car carriers or through the fleet of logistic companies owning not less than 25 goods transport vehicles and Auctioneers Services, received from SRB registered person	1/5th of SST amount as shown on invoice
3	Advertisement Services, Renting of Immovable Property Services, Intercity transportation services other than those through pipeline or conduit or through specialized car carriers or through the fleet of logistic companies owning not less than 25 goods transport vehicles and Auctioneers Services	Whole of the SST amount, invoiced or billed by service provider
4	Services provided or rendered by insurance agent or insurance brokers	Whole of the SST amount, invoiced or billed by service provider
5	Person providing the services of a cab aggregator	Whole of the SST amount, invoiced or billed by service provider
6	Person providing services of contractor of building or construction (ADP/PSDP scheme 2019-20 or thereafter)	Whole of the SST amount, invoiced or billed by service provider



SWWF & SWPF

Before the 18th Constitutional Amendment Act, 2010, the Government of Pakistan, through Workers Welfare Fund Ordinance, 1971, and the Companies Profits (Worker's Participation) Act, 1968, empowered FBR to collect the contributions of Workers Welfare Fund and Workers Profits Participation Fund.

Subsequent to the devolution of functions to provinces under the 18th Amendment, the Provincial Assembly of Sindh legislated the Sindh Workers Welfare Fund Act, 2014 and the Sindh Companies Profits (Workers' Participation) Act, 2015, in pursuance of the Articles 270AA (6) and (7) of the Constitution. The provisions of Works Welfare Ordinance, 1971 and the provisions of Companies Profits (Workers' Participation) Act, 1968 were repealed in terms of section 20 and section 12 to the Act, 2014 and the Act, 2015 respectively in its application to the province of Sindh. SRB was empowered to collect and recover the contributions of the SWWF and SWPF in the province of Sindh.

Scope

Any concern engaged in manufacturing or producing articles in the Province of Sindh is known as industrial establishment/undertakings, covered by the scope of section 2(g) to the Act, 2014 and paragraph 1 of the SCHEME as per the Schedule to the Act, 2015 in the province of Sindh and is liable to pay 2% of profit before taxation, as SWWF. It is also liable to pay the leftover amount of fund (created as 5% of profit before taxation) after distribution of the said fund amongst workers, as SWPF.

The leftover amounts of Workers Participation Fund, on being so deposited, becomes a part of the Workers Welfare Fund in terms of

section 4 to the Act, 2014.

Utilization of Fund

Under section 8 of Act, 2014, the moneys in the fund are applied to finance projects related to establishment of housing estates or construction of houses, flats or educational institutions or hospitals, development of plots for workers and financing of other measures for welfare of workers and their dependents, including the education of the children of the workers. A part of the fund may also be utilized for investment in securities approved by the Government.

Progress during the FY 2020-21

During the FY 2020-21, Sindh Revenue Board collected Rs. 5 billion which stood close to the amount collected in the previous year, owing to COVID-19 the business environment was significantly unfavorable for the industrial establishments which was hard-hit during the year, facing time to time strict lockdowns.

SRB has attended all meetings of the Sindh Workers Welfare Board and has actively participated to ensure that the intent and purposes of SWWF and SWPF are implemented for the declared objective i.e. welfare of the workers in Sindh.

Relief package from waiver of penalty and interest was introduced in June, 2021 with the approval of the Sindh Cabinet. The package was availed by several industrial establishments and undertakings. The general body of the contributors appreciated the initiative in this regard.

Challenges

- The decision of Council of Common Interest (CCI) has created ambiguity amongst the industrial establishments / undertakings in relation to the jurisdiction. The Federal Government/FBR still demands contribution under the repealed Companies Profit (Workers Participation) Act of 1968 and the repealed Workers Welfare Fund Ordinance of 1971.
- Many industrial establishments / undertakings are depositing the contribution of Sindh Workers Welfare Fund and Sindh Workers Participation Fund with Nazir of the Court instead of Sindh Revenue Board.
- In addition, the collection of Sindh Workers Welfare Fund and Sindh Workers Participation Fund has suffered due to mounting litigation i.e. More than 240 cases are pending in the Sindh High Court and 5 cases pending in the Honorable Supreme Court of Pakistan.

Collection Over the Years						Rs. in billion
2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	
0.714	2.583	7.908	7.132	5.823	5.001	



TAX POLICY WING

Tax Policy Wing deals with Sindh sales tax policies which includes formulating of proposals for resource mobilization for the annual Sindh Budget, suggesting legislative amendments in the provisions of the Sindh Sales Tax on Services Act, 2011 and proposing amendments in the Sindh Sales Tax on Services Rules, 2011 (Rules, 2011), Sindh Sales Tax Special Procedure (Withholding) Rules, 2014 (Withholding Rules, 2014) and other Notifications / Rules issued under the Act-2011. Following are other key matters which Tax Policy Wing deals with:

- Examining various tax-related and exemption-related proposals received from various Chambers of Commerce & Industry, Tax Payers' Associations, Business Councils and the taxpayers.
- Examining issues of tax irregularities and suggesting measures for removal of the same.
- Issuing Notifications/ Rulings / Circulars / Standing Orders.
- Issuing clarifications in resolution of doubts or disputes for the information of the taxpayers and the tax collectors.
- Coordinating with NFC Secretariat of Sindh Government and Federal Government.
- Coordinating with Federal Board of Revenue and other three Provincial Sales Tax Authorities.
- Dealing with matters concerning Council of Common Interest (CCI);
- Dealing with matters concerning National Tax Council (NTC) and its Executive Committee.

- Dealing with Chief Minister's directives received from time to time on tax matters; and
- Resolution of complaints received on Prime Minister's Pakistan Citizen's Portal and on <complaint@srb.gos.pk>.

Meetings held during the FY 2020-21

During the FY 2020-21, several meetings including virtual meetings due to COVID-19 Pandemic, were held with the stakeholders.

Meeting with Revenue Authorities/Boards

For the purposes of coordination between provinces in relation to sales tax matters, Tax Policy Wing attended two "Inter-Provincial Sales Tax Coordination Committee meetings" were held during the year on 26th Sep, 2020 and 17th Oct, 2020 in Lahore and Karachi, respectively. In these meetings several important issues were discussed for resolution and harmonization including matter of common definition of goods and services in Provincial Sales Tax Laws, Single Portal, Negative List, SWWF/WPPF matters as result of CCI decision dated 23rd Dec, 2019 and matters in relation to Software & IT Industry.

Tax Policy Wing also virtually attended a meeting held between FBR and Provincial Revenue Authorities (PRA) held on 23rd, July, 2020, on the implementation of Single Portal/Single Return. Besides, a ceremony in relation to signing of MoU between FBR and PRAs for the development of Single Portal/Single Return was also attended, virtually, on 7th April, 2021.

Meetings with Taxpayers' Associations

During FY 2020-21, Tax Policy Wing held several meetings with the Taxpayers' Association, including the following, in relation to various matters like Budget

proposals in relation to SST, resolution of the taxation issues and so on.

- i. Meeting with representative of Association of Builders and Developers (ABAD) on the matter of levy of SST on Property Developers and Promoters on 12th August, 2020
- ii. Meeting with the representatives of Pakistan Overseas Employment Promoters Association (POEPA) on 18th March, 2021
- iii. Meeting with All Pakistan Restaurants Association (APRA) on 9th June, 2021
- iv. Meeting with the representatives of the Pakistan Broadcasters Association (PBA) held on 10th June, 2021

National Tax Council (NTC) Meetings

Several meetings of Executive Committee of the National Tax Council (ECNTC) were attended virtually by Tax Policy Wing on 5th Aug, 18th Aug, 17th Sept, 14th Oct, 25th Nov, 16th Dec, 2020, 21st Jan, 2021, 1st Feb, 2021, 3rd Mar, 2021, 22nd Apr, 2021 and 29th Apr, 2021 in relation to the matter of harmonization of sales tax regime in Pakistan.

USAID-matters

- i. Meetings were held on 7th and 16th July, 2020, with the representatives of Municipal Services Delivery Program (MSDP), Sindh Basic Education Program (SBEP) and Planning & Development (P&D) Department in relation to the exemption of SST on the USAID-funded projects.
- ii. Virtual meetings held with the USAID representatives on 14th and 16th July, 2020 on the matter of exemption of SST on USAID-funded projects in Sindh.

Meeting with the Ministries

- i. Tax policy Wing attended meetings held with Ministry of Petroleum, Islamabad and Oil Tankers Contractor Association (OTCA) in relation to the levy of SST on transportation of petroleum oils, on 18th, 20th and 24th July, 2020.

- ii. Meeting was also held with the Ministry of Inter-Provincial Coordination on 08th June, 2021 in relation to the matter emanating from the Lahore High Court Order dated 9th October, 2020 in case of Pakistan Broadcasters Association (PBA).

Meetings at Chief Minister House

- i. Meeting held at the CM House Karachi on 14th September, 2020, between the Chief Minister, Sindh and the Federal Minister for IT & Telecom, accompanied by representatives from P@SHA. The meeting discussed matters of Sindh sales tax on IT & Software services.
- ii. Meeting with the Chief Minister in relation to the Resource Mobilization Proposals 2021-22 on 6th May, 2021 was also attended by TP Wing.

- iii. Meeting held with the Advisor to the Honorable Chief Minister on Law on 14th October, 2020 in relation to matters of SWWF/SWPF. Meeting was also attended by the Advocate General Sindh, Secretary Labor & H.R Department, Secretary, SWWF Board, etc.

Meetings in relation to SST on development schemes

Following meetings were held in relation to SST on development schemes and were attended by Tax Policy Wing:

- i. Meeting regarding levy of Sindh sales tax on services on development schemes on 19th October, 2020 at Sindh Secretariat building under the Chairmanship of the Chief Secretary, Sindh.
- ii. Meeting regarding levy of Sindh sales tax on services on development schemes at SIFM, SRB, Karachi on 20th November, 2020 regarding "SST rate on development scheme and the modalities of collection of the SST thereon. Meeting was attended by

Secretary P&D Department and the representative from various Administrative Departments of Sindh.

- iii. Meeting regarding SST rate on development schemes and modalities of collection of SST thereon, was held at SIFM, SRB, Karachi on 9th February, 2021. Meeting was attended by Special Secretary P&D Department and the representative from various Administrative Departments of Sindh.

Other Meetings:

- i. Virtual meeting was held on 16th July, 2020 on the matter of revival of construction sector under the chairmanship of Chief Secretary.
- ii. Meeting with the EY and SECP on 19th August, 2020 on the matter of common business registration.
- iii. Virtual meeting with Finance Division, Islamabad in relation to "RISE Program" on 16th September, 2020

Resource mobilization proposals for the Sindh Budget 2021

On receipt of the budget proposals from the Chambers of Commerce & Industry (i.e. KCCI, OICCI etc.), Trade and Taxpayers' Associations (i.e. NAIAP, Pakistan Hotels Association, Pakistan Banks Association etc.) and individual taxpayers, the Tax Policy Wing examined and formulated views, comments and recommendations on all the budget proposals in relation to Sindh sales tax on services.

For this purpose, Tax Policy Wing also held meetings with POEPA, PBA, PASHA etc. Subsequently, Tax Policy Wing drafted the Resource Mobilization Proposals for the FY 2021-22 and submitted the same to the Finance Department, Sindh on 4th May, 2021. However, it was decided by the Government that there will be no new tax and no increase in tax rates this year. Therefore, Sindh Finance Bill 2021, was neither prepared nor

presented.

Complaints and redressal of grievances

Besides the redressal of several complaints and grievances received on SRB helpline, emails and phones, the Tax Policy Wing also handled 276 public complaints received on the Prime Ministers-sponsored "Pakistan Citizen's Portal".

Moreover, complaints and grievances were also promptly resolved as received on complaint@srb.gos.pk

Working tariff

With a view to facilitating taxpayers and also the officers of SRB, Tax Policy Wing prepared an updated Working Tariff of Sindh sales tax on services containing statutory and effective tax rates on services, existing exemptions/concessions, giving reference of the related notifications, etc. The said Working Tariff is uploaded on SRB website and is also circulated among the relevant stakeholders.

Notifications under the Act-2011

Notifications in relation to several matters including decisions taken by the Government on the proposals made by SRB were initiated in the Tax Policy Wing such as,

- i. In compliance with the decision of the Cabinet meeting held on 30th September, 2020, two exemption notifications were issued on 15th October, 2020, specifying exemption of SST on certain taxable services as are received/procured by Municipal Services Delivery Program (MSDP), Sindh, as funded by USAID under PEPA agreement and exemption of SST on taxable services as are procured by the USAID or the implementing under the Sindh Basic Education Program (SBEP) respectively.
- ii. In view of the discussions held with the Ministry of Petroleum, Provincial Authorities, OTCA and the Sindh Cabinet decision in its meeting held on 13th October, 2020, The Tax Policy Wing issued an

- amendment notification No. SRB-3-4/32/2020 dated 28th October, 2020 specifying certain procedure amendments envisaging resolution of problems of taxpayers and enabling OTCA members to avail input tax credit facility.
- iii. In terms of the Sindh Cabinet decision in its meeting held on 19th December, 2020, the validity of the time - bound exemption notification No. SRB-3-4/3/2016 dated 26th February, 2016, in relation to exemption of SST to Coal Mining Companies and Coal-based power generation companies, as are located in Thar coal field region, were extended from 2020 to 2025.
- iv. Notification No. SRB-3-4/8/2021 was issued on 31st May, 2021 specifying the relief/incentive package which provided substantial benefits (of waivers/concessions in payment of amounts of default surcharge and penalties) and incentives to the taxpayers, service providers and withholding agents in return of their tax compliance.
- v. Notification No. SRB-3-4/10/2021 and No. SRB-3-4/11/2021 dated 31st May, 2021 were issued, specifying the relief/incentive package which provided substantial benefits (of waivers/concessions in payment of amounts of default surcharge and penalties) to the Fund Payers of SWWF and SWPF.
- vi. Notification No. SRB-3-4/13/2021 dated 30th June, 2021 specifying exemption of SST on exports of Call Centre services was also issued.
- vii. Notifications No. SRB-3-4/14/2021 to No. SRB-3-4/16/2021 dated 30th June, 2021 specifying amendments in Sindh Sales Tax on Services Rules, 2011, Sindh Sales Tax Special Procedure (Transportation and Carriage of Petroleum Oils through Oil

Tankers) Rules, 2018.

- viii. Further Notifications No. SRB-3-4/17/2021 to No. SRB-3-4/19/2021 dated 30th June, 2021 specifying extension in the existing reliefs of reduced rate and/or SST exemption (expired on 30th June, 2021) in relation to the services of recruiting agents, health insurance and Cable TV Operators for a period up to 30th June, 2022.

Circulars

Circulars in relation to the following were issued:

- i. Circular No. 06/2020 was issued on 10th July, 2020 clarifying mechanism in relation to input tax adjustment against invoices issued by foreign service providers not having SNTNs.
- ii. Circular No. 07/2020 dated 24th July, 2020 extending the deadline for submission of online FORMs i.e. "F", "C", "R", "B", "G" and "I".
- iii. Circular No. 01/2021 dated 17th May, 2021 providing extension to the registered persons in the last date for e-deposit of SST and e-filing of tax returns for tax period April 2021 in view of the Eid Holidays.

Clarification, Guidance & Facilitation

Tax Policy Wing provided prompt guidance to officers of the SRB and also to the taxpayers and their associations clarifying several taxation, exemption and procedural issues. Tax payer's facilitation was provided through correspondence of letters, e-mails and toll-free number 0800-00778.

HUMAN RESOURCE WING

Human resource Wing is tasked with supporting and managing personnel employed by SRB and ensuring a positive and energizing work environment.

In FY 2020-21 HR Wing continued to catalyze organizational productivity, promote vigorous work culture and cater to the needs of employees. Following are some noteworthy achievements this year:

Recruitment and Training of SSTOs

HR Wing spearheaded the recruitment process of 40 young graduates for the Sindh Sales Tax Officers Batch-2021. The candidates underwent a thorough and competitive testing process comprising of aptitude test and group discussion by IBA, Karachi, followed by a panel interview conducted by senior officials of SRB and the Government of Sindh and a member of Sindh Public Service Commission. The new recruits were given specialized training on tax administration and revenue generation at SIFM.

Promulgation of HR Rules and Regulations

A clear and unambiguous promotion and appointment policy is a prerequisite for a successful and efficient organization.

Keeping this in mind HR Wing successfully adopted two key statutory documents namely: "SRB Employees Appointment and Promotion Regulations 2021" and "SRB Employee Seniority Regulations 2021". These

regulations will further strengthen the Human Resource Planning at SRB and also provide a healthy work environment to its employees.

Human Resource Automation and Digitization

In pursuance of SRB's vision to leverage information technology for achievement of its goals, HR Wing continued to upgrade its Human Resource Management System. This year marked the upgradation and extension of standard oracle HRMS system to an integrated and improved user-friendly module. Under this new system both employee and manager will have extended access to self-services. This initiative will align workforce to the organizational goals leading to an inclusive and mutually rewarding workplace.

COVID-19 and HR Response

FY 2020-21 saw an increase in spread of COVID-19. Wave after wave the readiness and proactivity of HR was challenged throughout the year. The nature of SRB's business is such that it had to continue operations despite challenges. However, HR implemented a cautious and considerate policy that considered relevant SOPs, directives and guidelines to prevent spread of the virus. Minimal staffing, scheduled staff attendance, work-from-home facility and various other

SRB Regular Employees as on June 30th 2021		Contractual and Contingent Employees	
Category	Current Strength	Category	Current Strength
Management	5	Executive	43
Executive	233	Ancillary Staff	9
Ancillary Staff	57	Total	52
Total	295		
Grand Total as on June 30th 2021		295+52=347	



FINANCE & ADMINISTRATION WING

The Administration and Finance Wing ensures that provision of quality support and timely response is extended to employees at all levels through professional practices and efficient management.

Finance Wing

The Finance Wing is mainly responsible for acquiring, managing and forecasting funds required to run SRB in an efficient manner. There are two major responsibilities of Finance Wing, that are budgeting and optimal allocation of funds for various departments, wings and operational activities in order to facilitate all personnel employed by SRB. It ensures efficient financial management and financial control necessary to support all activities. SRB spends its resources with due diligence and complies with the statutory guidelines of Sindh Government's Finance Rules and rules set out by Sindh Public Procurement Regulatory Authority (SPPRA).

Finance Wing also performs strategic planning and forecasting to carry out optimal utilization of funds, recording financial transactions, reconciling expenditures & ensuring compliance with existing rules and regulations. It is also responsible to deduct taxes from each transaction as per the prevalent law. Moreover, it contributes to Organizational growth by measuring and reporting key statistics of finance in compliance with KPIs, on regular basis. These include summary of allocated budget, budget utilized and funds available for use and is usually communicated to senior management in an understandable format.

Admin Wing

The Admin Wing is mandated to provide administrative and logistical support to entire SRB. This Wing works across all

departments and performs all tasks pertaining to its support functions by maintaining efficient management of resources. The main admin functions include:

Stakeholder Management

Primary responsibility of Admin Wing is to coordinate with all stakeholders including; employees, Board and liaise with relevant external public/private authorities for various functions, aimed at providing a seamless working environment.

Contracts & MOUs

Keeping in mind the dynamic nature of work, Admin Wing proactively caters for various organizational needs by executing MOUs and contract in a timely and effective manner.

Health Insurance

Finance and Admin Wing provides 24/7 support to SRB employees in case of medical emergencies and coordinates with the health insurance service provider to ensure the best medical assistance for SRB employees across the board.

Asset Management

The Admin Wing ensures adequate stock and inventory for meeting the office needs and requirements. An inventory management and an asset management system are in place to maintain record for monitoring and ease of access.

Procurement Wing

In order to ensure seamless functioning, admin wing procures relevant goods/services from external sources by fully complying with the guidelines and rules of Sindh Public Procurement Regulatory Authority (SPPRA).

AUDIT WING

The tax administration system in SRB is based on voluntary compliance, which empowers taxpayers to self-assess their tax liability and deposit the amount voluntarily and it also places responsibility on the taxpayer to register and ensure proper compliance with the applicable tax laws. This system is generally known as Universal Self-Assessment Scheme aimed at fostering voluntary compliance.

The primary goal of SRB is to maintain high level compliance of taxpayers with applicable tax laws efficiently and effectively. Therefore, SRB has adopted Compliance Risk Management System, which is a structured process for the systematic identification, assessment, ranking, and treatment of tax compliance risks in the light of Sindh Sales Tax on Services Act, 2011 and the rules made thereunder.

At SRB, the compliance risk management is applied at the strategic and operational levels. At the strategic level it focuses on identifying specific categories of non-compliant behaviors that are likely to have significant tax revenue repercussion, if left untreated. Further, at operational level, the aim is to explore individual cases of taxpayers that represent specific patterns of clients who collectively constitute the strategic level risks which SRB intends to address.

The task of ensuring that the compliance risk management system is correctly implemented and operated is entrusted with the Audit Wing, supervised and run under the directions of the Member (Audit SRB). All audit activities and efforts are made to ensure voluntary compliance by nurturing a spirit of facilitation, cooperation and willing participation by all the

stakeholders. Cases are selected for audit on the basis of the risk-based selection criteria, along with intel reports and such preliminary audit of units.

Highlights of the performance and activities during the year

During the Financial year 2020-21, a total of 208 audit cases were selected for audit, based on the selection criteria. Further, 151 audit cases were carried forward from previous FY 2019-20, resulting in a total of 359 audit cases. Out of those 359 audit cases 25 are in litigation, making Audit Wing unable to proceed till the final decision of the honorable court.

Due to COVID-19 and frequent lockdowns, the operational activities of the Audit Wing were significantly hampered. Consequently, only a total of 110 cases were concluded, representing 33% of the total audit cases.

During the FY 2020-21, Audit Wing in collaboration with IT Wing, has developed and implemented two In-house systems namely Audit Management System (AMS) and Receipt Reconciliation Portal (RRP). The AMS is a compact system which has created paperless working environment, all notices and reports generated through AMS are QR coded which help enhance transparency in the process to a larger scope. Whereas, RRP enhances the efficiency of revenue receipts which helps in reconciliation.

Further Audit Wing facilitate other SRB Wings in matters concerning to External Audit and it also coordinates SRB with department of DG Audit, Sindh in relation to Departmental Accounts Committee (DAC) and Public Accounts Committee (PAC).

INFORMATION TECHNOLOGY WING

The continuous progress made in the field of IT is adding value to the productivity of tax administration with an increase in tax revenue generation. This modern era of information technology aims at advancing and extending the existing boundaries of taxation. These technological developments open up opportunities to change the way tax authorities operate and interact with taxpayers. In this regard IT Wing has been providing continuous support to enhance effective and operative capacity of SRB.

A secure and reliable technological infrastructure has been built to support SRB's day to day activities with special focus on advancing and modernizing tax administration, such as, implementation of e-taxation that usually refers to online filing and assessment of tax returns, enabling electronic payment of taxes, real-time invoice verification, sharing information on tax assessment between different department(s) of the government as well as facilitating audit and reconciliations.

In addition, web-based portals are used for providing information, user guidance and educating taxpayers on new laws, rules and taxation issues. Besides providing technological support to SRB, IT Wing also extended its services by aiding National Bank of Pakistan (NBP) & 1-Link network for ADC e-payment issues.

Major Activities & Achievements of IT Wing in FY 2020-21

- Replacement of SRB Datacenter.
- Installation of Wi-fi routers with centralized management.

- Implementation of Enterprise Resource Planning (ERP).
- Implementation of Business Intelligence (BI) Solution.
- Implementation of 2nd release of Adjudication Management System.
- Implementation of 1st Edition of Electronic Movement of Files.
- Implementation of STRIVE system.
- Web Page Designing and Live Website Management.
- Migration of Data from old servers to new servers.
- Installation and configuration of racks and switches of Server Room.
- Scanning and uploading of over 4 million documents and Meta Data on Archiving Center.
- Creation of Dashboard for EMF.
- Deployment of Audit Management System (AMS).
- Creation of Reconciliation Management Tool.
- Dashboard for Management for Revenue and Registration Projection.
- Forecasting and Predictive analytics of Revenue and Registration.

Way Forward

Keeping in view the requirements of SRB, IT Wing has set following targets for future.

- Dashboard for Adjudication Management Solution.
- Dashboard for Audit Management Solution.
- Integration of all developed and deployed applications.
- Comprehensive Web portal for internal users and taxpayers.
- Implementation of Disaster Recovery Site (DR).

SURVEY AND DEVELOPMENT WING

Survey and Development (S&D) Wing develop strategies encompassing short, medium, and long-term activities for increasing the tax net. This Wing also helps in documenting the informal economic activities in the province of Sindh. It is assigned to conduct surveys, either suo-moto or on directions from other SRB wings especially from operations.

S&D uses different methods to trace out un-registered and non-compliant service providers. The Wing gathers information from the concerned departments such as SECP, FBR, and others. After sorting information, the details of unregistered service providers are sent to the concerned Commissioners to take necessary actions under Sindh Sales Tax on Service Act, 2011.

In case of registered but non-compliant service providers S&D prepares a report and forward the same to the respective Commissioners for further necessary action. The evidence of unregistered and non-compliant service providers is verified through physical surveys done by S&D.

Moreover, S&D Wing detects taxable units on the basis of information available at google, advertisement sites, company profiles, complaints, etc. The S&D Wing also surveys units in pursuance of complaints received on PM's Citizen's Portal and complaints received at <complaint@srb.gos.pk>

Performance

The performance of S&D Wing was affected during FY 2020-21 due to resurgence of COVID-19 since most of the taxable units (specifically hotels, restaurants, clubs, beauty parlors and gyms etc.) remained closed and, were not available for physical surveys.

Despite the said constraints, the performance of the S&D Wing during the FY 2020-21 showed considerable improvement as against that of 2019-20, besides adding potential revenue of about Rs. 5 billion during the year due to addition/registration of new units, enforcements made and compliance obtained. The tax base expanded and tax revenues increased due to the efforts and achievements of the officers of the S&D Wing.

Top 10 Revenue Spinners - Collection and growth during the FY 2020-21

S. NO.	PERFORMANCE ACTIVITY	FY 2020-21	FY 2019-20
1	Total No. of units visited & surveyed	256	160
2	New taxable units detected and registered	151	88
3	Invoice compliance/branch additions enforced	105	72

LEGAL WING

The Legal Wing is the cardinal part of SRB. It deals with all court matters/litigation, maintains effective coordination with Provincial Government Departments, such as Law Department, Advocate General Sindh, the Registrar Office of SHC, Prosecution Department, Provincial Assembly as well as external counsels engaged by SRB for representing cases before superior judiciary. Legal Wing is also tasked to review, the effectiveness and efficiency of organization's operations in all legal matters, particularly drafting/pleading in the courts, train employees in coordination with SIFM.

Legal Wing pursues cases rigorously by filing para-wise written comments, counter affidavits and written statements in the court in time and getting the cases fixed before the court for hearing and their disposal expeditiously. In additions to the above the Legal Wing has also worked in administrative improvements to streamline internal procedures and processes.

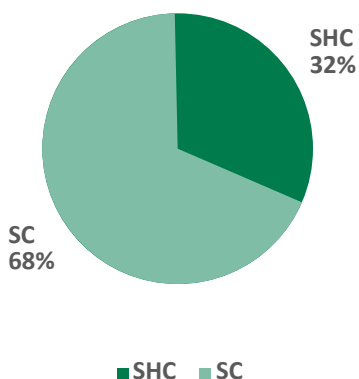
During the FY 2020-21 the Honorable Sindh High Court passed some Judgments in the

cases relating to the levy of SST on "Labor and Manpower supply services, Security Agencies, Shipping/Freight Forwarding Agents and withholding". In this regard, efforts were made for timely filing of appeals before the Supreme Court of Pakistan.

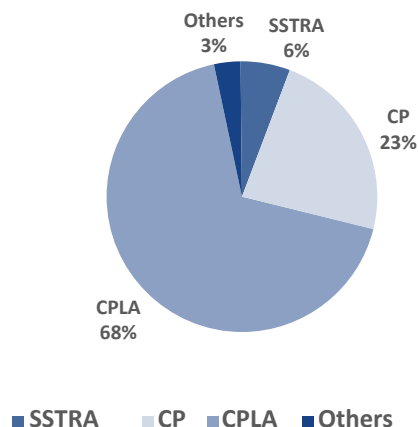
In FY 2020-21 a total of 400 cases were filed in different courts, during this financial year the Legal Wing on its own and with close liaison and coordination with the counsels of SRB was able to get 253 cases disposed of. Following are some other salient activities of Legal Wing during FY 2020-21.

- 20 Special Sales Tax Reference Applications (SSTRAs) were also filed against judgments passed by the Honorable SRB Appellate Tribunal in the Honorable Sindh High Court.
- 42 cases in relation to extension of time period (from 5 years to 8 years) to issue Show Cause Notice for assessments were decided in the favor of SRB.
- Legal Wing was able to get released Rs. 23 million from the Nazir of the Honorable Sindh high Court in the cases of PTCL vs SRB.

Court-Wise Cases



Litigation Wise Cases



CALL CENTER/REGISTRATION WING

Key functions of Call Center / Registration

Call Center/Registration Wing plays a vital role in taxpayers' facilitation in relation to e-registration, e-filing of monthly sales tax returns, e-payments, updating of online registration profiles which includes changes in particulars and answering taxpayers' queries relating to tax matters. Call Center helps, facilitates and asserts the taxpayers for tax compliance, which strengthens SRB robust collection system and its implementation. Call Center works in close liaison with SECP, PRAL,

SRB's IT Wing and SRB Operation's Wing, in the discharge of its functions. SRB Call Center works under an Officer In-charge and is manned by team of seven including, one SSTO, three Call Center Agents and three Officials from PRAL. SRB Call Center is placed under the administrative control of the Senior Advisor (Tax Policy), SRB. For the discharge of its functions and duties, Call Centre is equipped with UAN: 111-778-000 and e-mail IDs info@srb.gos.pk, e.support@srb.gos.pk and a Customer Relationship Management (CRM) system.

Month-wise Details of Persons Registered and e-Signed-Up

S. No	Month	No. of new registered persons	No. of new withholding agents
1	July-2020	288	14
2	Aug-2020	209	12
3	Sep-2020	399	15
4	Oct-2020	387	12
5	Nov-2020	430	16
6	Dec-2020	326	8
7	Jan-2021	343	11
8	Feb-2021	447	12
9	Mar-2021	452	99
10	Apr-2021	444	46
11	May-2021	222	28
12	June-2021	457	36
TOTAL		4404	309

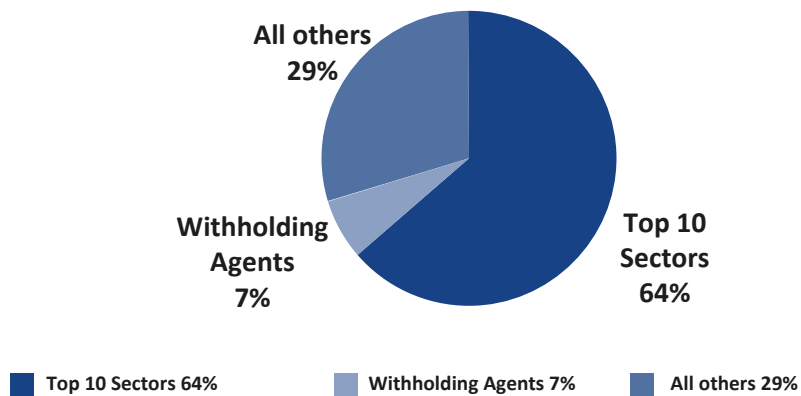
Category-wise details of new registrations of service providers, withholding agents and e-signed ups during 2020-21

INDIVIDUALS CATEGORY	AOP(S) CATEGORY	COMPANY CATEGORY
3,113	524	1,076

Top 10 Service Sectors Of Persons Registered / E-Signed Up During The FY 2020-21

S. NO	Service Category	Total No. of Persons Registered and e-signed up
1	Contractor of Building	658
2	Construction	610
3	Contractual Execution	467
4	Erection, Commission and Installation Services	274
5	Software & IT Consultants	265
6	Goods Transportation	244
7	Restaurant & Café	150
8	Commission Agents	130
9	Car or Automobile Dealers	127
10	Technical, Scientific & Engineering Consultants	98
11	Withholding Agents	309
12	All Others	1,381
	Total	4,713

New Registrations



Customer Relationship Management (CRM) System

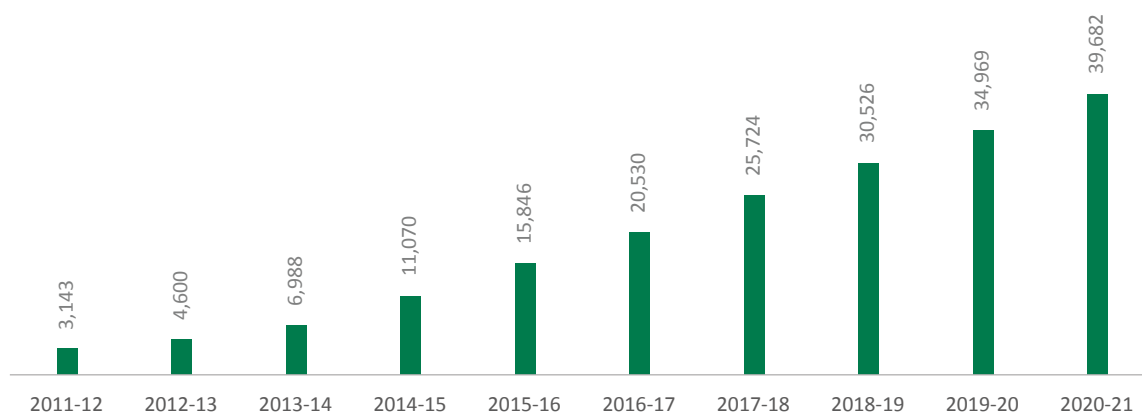
SRB Call Center operates CRM software for the purpose of recording data of interactions made with the taxpayers. Details of Annual Call log are given below

CRM LOG	
Answered (Inbound) Calls	23,106
Walk-In	4,680
Outbound Calls	281
Emails Received At (info@srb.gos.pk and e.support@srb.gos.pk)	15,080
Total Dispositions	43,147

Year-Wise Registration Details

Financial Year	As On 1st Of July Of the Financial Year	New Registrations Including Withholding E-Signed Up	As on 30th June of the Financial Year
2011-12	-	3,143	3,143
2012-13	3,143	1,457	4,600
2013-14	4,600	2,388	6,988
2014-15	6,988	4,082	11,070
2015-16	11,070	4,776	15,846
2016-17	15,846	4,684	20,530
2017-18	20,530	5,194	25,724
2018-19	25,724	4,802	30,526
2019-20	30,526	4,443	34,969
2020-21	34,969	4,713	39,682

10 Year Registration Trend



SINDH INSTITUTE OF FISCAL MANAGEMENT

It was in the second meeting of the SRB Advisory Council, held in September 2013 and chaired by the then Chief Minister of Sindh, that the decision to establish the Sindh Institute of Fiscal Management (SIFM) under the aegis of SRB, was taken. SIFM was eventually, operationalized in August, 2017. The prime objective of SIFM is the capacity building of the officers and staff of SRB; however, it welcomes and facilitates any members of the Sindh Government workforce for conducting any professional development training courses, workshops or seminars.

Since its inception, SIFM has carried-out a number of successful training program for its own employees as well as for those coming from other government formations. SIFM, through its endeavors, has greatly contributed towards development of the technical and interpersonal skills of the trainee officers.

SIFM too was adversely affected owing to COVID-19 pandemic and only managed to conduct a handful of training activities during this year. Following is a snapshot of SIFM's activities during the year.

Mind, Money, Media & Mentors

In October 2020, Mr. Abbas Husain (Director Teachers' Development Centre, Karachi) conducted a 12-days long training program at SIFM, under the captioned heading. Over 150 officers of SRB participated.

The training covered important, yet generally overlooked areas such as clarity of thought, everyday worries about money, impact of media on our lives etc. As per participants feedback, it was a successful training program highly contributing towards their emotional and personal development.

Fire Safety Workshop

Importance of 'fire-safety preparation' in today's urban life, cannot be overemphasized. Keeping this in view, SIFM organized a fire safety workshop, on 16th February 2021. Officers from the Karachi Fire Department conducted the workshop and trained participants regarding rules and procedures of fire safety in today's corporate life particularly highlighting the use of fire-escape routes, placement of fire-extinguishers in offices, overall fire-risk-assessment and other relevant aspects. Participant's feedback of this workshop was positive and they learned a great deal about preparedness and risk-reduction in case of such an unfortunate eventuality.

SSTO Batch-2021 Training

Keeping in view SRB's increasing operational needs, a batch of 40 Sindh Sales Tax Officers (SSTOs) was inducted in March 2021 through an extensive recruitment/selection process in collaboration with IBA Karachi. SIFM designed a comprehensive pre-service training program for these officers covering a vast range of areas such as Law, Jurisprudence, Constitution of Pakistan, Economics, Information Technology, Taxation theory and the operational laws and rules of SRB. The training program was spanned over 21 weeks.

The training quality was further enhanced through co-curricular activities such as Public speaking, Hands-on Legal/Legislative drafting, and a local study tour (to Customs ports of East Wharf & Port Qasim). SIFM also arranged extension lectures for the participants where renowned scholars from a verity of fields were invited such as Judiciary, Academia, CDC, Stock-Exchange, Civil Services of Pakistan, Economic & Public Policy, Governance.

Mind, Money, Media & Mentors



Fire Safety Workshop



SSTO Batch-2021 Training



CHIEF MINISTER OF SINDH VISITS SRB

The honorable Chief Minister of Sindh Syed Murad Ali Shah graced SRB with his visit on 10th September, 2021 and chaired the graduation ceremony of Sindh Sales Tax Officers (SSTOs) Batch 2021, inducted by SRB.

Administrator KMC Murtaza Wahab, Secretary Finance Hassan Naqvi, Principal Secretary Mr. Sajid Abro Executive Director IBA Karachi, Dr. S. Akbar Zaidi, leading economists Dr. Kaiser Bengali and Dr. Qazi Masood Ahmed, honorable Chairman along with board members and other prominent persons from the bureaucracy and academia attended the ceremony. During the event the certificates were distributed among graduating SSTOs.

The batch completed its mandatory pre-service training at SIFM which covered a vast range of areas such as law, jurisprudence, constitution of Pakistan, economics, information technology,

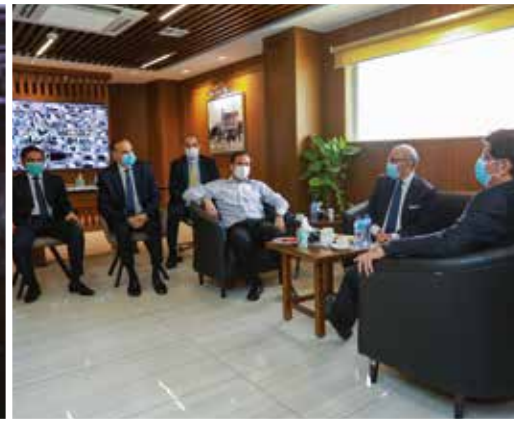
taxation theory and the operational laws and rules of SRB.

During his speech Chief Minister Sindh expressed his appreciation and congratulated graduating SSTOs over successful completion of their training. He expressed his satisfaction with performance of Sindh Revenue Board in regularly achieving its targets and becoming an efficient organization along the way. Honorable CM made no secret of his admiration and said that the establishment of SRB would always be a matter of pride for Government of Sindh.

Honorable Chief Minister Sindh visited different wings and departments of SRB where he was briefed by senior management and appreciated the efforts put in by all departments. He praised the level of automation and digitization of work while visiting the IT and Archive Wing.

SSTO Batch 2021 passing out ceremony





TAXPAYER FACILITATION

Sindh Revenue Board (SRB) for the facilitation of taxpayers has made the whole process paperless, user friendly, and in consistency with existing procedure of Federal Board of Revenue (FBR) for collection of taxes. In this direction a major milestone is achieved by providing one-point facilitation to taxpayers through web-based e-Portal e.srb.gos.pk

Call Center SRB

Call Center provides answers to several questions specific to service tax laws, taxpayers' individual concerns, e-registration, e-filing and e-payment of monthly sales tax returns. It also helps taxpayers update their online registration and tax profiles which includes changes in particulars and answering taxpayer's queries related to tax matters.

Call center facilitates and assists taxpayers for tax compliance, which strengthens SRB's robust tax collection system. SRB ensures that laws, rules, and procedures for sales tax on services are easy to understand and simplify voluntary tax compliance. They also inculcate tax paying culture to equip new taxpayers with the knowledge of tax policies and processes. Honesty, transparency and accountability have been the core principles of SRB.

SRB also uses Customer Relationship Management (CRM) software to manage inbound and outbound calls. It helps Call Center agents to record accurate and relevant person's queries and deals with the complaints and claims of the customers by forwarding online/telephone calls to the respective officers of SRB.

Telephonic Assistance

The goal of call center is to resolve issues during the first interaction. This includes resolving queries and obscurities related to e-registration, e-filing and other tax related procedures. Taxpayer can seek telephonic assistance through UAN: 111-778-000

e-Registration

It facilitates the approval of new registrations

after verification, scanning and attachment of documents. The guidance and assistance are also provided to interested individuals, AOPS and companies to register themselves and join SRB's Taxpayer Community. e-registration is available on web-based e-Portal: e.srb.gos.pk

e-Filing

Call center provides support to taxpayer in filing declaration forms/sales tax returns. Guidance for quarterly and yearly statements specifically for Banking sector is also provided. e-filing is available on web-based e-portal: e.srb.gos.pk

e-Payment

Call center assists taxpayers with e-payment process in order to prepare sales tax on services challan form and preparation of Payment Slip Identifier (PSID). Further the entire process of e-payment is available on web-based e-portal: e.srb.gos.pk

Walk-in Taxpayers

Call center also facilitates walk-in taxpayers who wish to meet SRB's representatives in person. Walk-in service is available in Head Office in Karachi on 6th Floor Shaheen Complex.

Information & e-support mail system

SRB provides e-support mail system where taxpayers may send emails to SRB call center regarding their concerns to get general information as well as resolving technical issues. SRB regularly receives queries through e-support system and respond to them promptly. Furthermore, continuous effort in collaboration with PRAL is made to improve and enhance taxpayer facilitation. Emails for technical issues from taxpayers can be received on info@srb.gos.pk and for general information regarding SST on services can be received on e.support@srb.gos.pk

Updating Tax Profiles

Call center also provides help to tax payer in updating their registration form i.e. Change in particulars as per their request. Further the process of change in particulars is also available on web-based e-portal: e.srb.gos.pk

ABBREVIATIONS & ACRONYMS

S. No	Abbreviation & Acronym	Full Form
1	AAO	Assistant Accounts Officer
2	AC	Assistant Commissioner
3	AO	Accounts Officer
4	AoP	Association of Persons
5	AMS	Audit Management System
6	BI	Business Intelligence
7	CMS	Complaint Management System
8	Com	Commissioner
9	CRM	Customer Relationship Management
10	DC	Deputy Commissioner
11	DLI	Disbursement Link Indicators
12	ERP	Enterprise Resource Program
13	FBR	Federal Board of Revenue
14	FY	Fiscal Year
15	HR	Human Resource
16	IBFD	International Bureau of Fiscal Documentation
17	IT	Information Technology
18	IVR	Interactive Voice Recognition
19	NBFC	Non-Banking Financial Company
20	S&D	Survey & Development
21	SCN	Show Cause Notice
22	SECP	Securities and Exchange Commission of Pakistan
23	SIFM	Sindh Institute of Fiscal Management
24	SRB	Sindh Revenue Board
25	SST	Sindh Sales Tax
26	SSTO	Sindh Sales Tax Officer
27	STIMS	Sales Tax Invoice Management System
28	STRIVe	Sales Tax Real Time Invoice Verification
29	SWPF	Sindh Companies Profit (Workers' Participation) Act, 2015
30	SWWF	Sindh Workers Welfare Fund, 2014





جي تو بيت پانيا، سي ايتون اهين؛
نيومن لائين، پريان سندي پارڙي.

What you consider to be verses are sign posts,
That direct the mind to Lord's adobe.

(Bhittai)



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