

Sindh govt approves IT media city project

RECORDED REPORT
KARACHI: Sindh Minister for Information Technology, Muhammad Raza Haroon, has informed business community that the government has approved IT media city project.

Speaking at a meeting of information technology sub-committee of Karachi Chamber of Commerce and Industry (KCCI) on Monday, he said that work on this project would be started soon.

He said that the government has already allocated 200 acres of land for the city and tenders would be floated in the next few weeks.

Regarding budget of IT department, he said that the government has increased its budget from Rs 300 million to Rs one billion.

He said that private sector should be the main player in the spread of information technology so that world quality IT professionals could be produced to compete in the field.

He pointed out that multinational companies, including Microsoft were reluctant to work with provincial government owing to lack of confidence. He said that he has directed all the provincial government's organisations to use only genuine software and there should be no use of pirated software in the government department and the organisations.

He said after succeeding in building confidence Microsoft and IT department have signed an MoU to enhance cooperation. The minister said that there is a national policy on IT, whereas there is no provincial policy on it.

Raza Haroon further said that now we are developing IT policy with the help of industry, academia and others.

He pointed out that about 80 per cent of the area in Sindh has internet and telephone connection. The minister said that the department is also working on a policing project, which will cover more than 400 police stations, hospital management and information system for Civil Hospital Karachi, establishing video conferencing system in Sindh etc.

The Weather

KARACHI		
Sunset:	06:21 pm (1 weekday)	
Sunrise:	07:09 am (1 weekday)	
Moonset:	02:19 pm (1 weekday)	
Moonrise:	04:29 am (1 weekday)	
Temperature		
	Min	Max
Alkotah	07	09
Badli	17	29
Bahawalpur	13	18
Bahawalpur	13	18
Barni	11	17
Chiniot	02	04
DJKhan	13	19
DJKhan	13	19
Faisalabad	13	18
Gawadar	17	27
Gilgit	04	08
Gujranwala	13	20
Huasa	10	17
Hyderabad	16	26
Islamabad	12	15
Iskhan	12	19
Jacobabad	11	19
Khanpur	08	19
Kalar	03	09
Karachi	18	28
Kohat	10	15
Lahore	11	22
Larkana	13	21
Mirpur Mathania	13	18
Mirpur	12	19
Multan	11	18
Muzaffargarh	07	08
Muzaffargarh	07	08
Peshawar	10	13
Punjab	02	03
Quetta	03	10
Rawalpindi	08	16
Sargodha	13	19
Shikot	13	18
Sialkot	12	17
Sukkur	02	02
Tarbat	16	25
Zob	01	16
Zoon	01	01

Forecast: Rain with snowfall over the hills is expected at isolated places of Hazara division: North-East Punjab (Rawalpindi, Gujranwala & Lahore divisions) and Kashmir. Western mostly cold and dry weather likely in other parts of the country.

Karachi Day

Mixed sentiments observed on LSE

RECORDED REPORT
LAHORE: Mixed sentiments prevailed on the Lahore Stock Exchange (LSE) where banking sector led the equities downward amid decreased trading turnover because of lacking interest on the part of investors but the last-hour buying in oil sector shares helped market improvement.

The LSE-25 index recorded an improvement of 19.11 points to close at 3067.66 against 3048.55 of last Friday while transaction volume considerably declined from previous volume of 26,021 million shares to 17,642 million shares.

The market opened on a positive sign and kept on moving up and down throughout the day. However, just before the closing of trading, the market witnessed fresh buying in selective scrips, including Pakistan Oil Fields, OGDC, PPL, Byco Petroleum of the oil sector that enabled the market to cross the 3080 mark.

Nishat Mills, Engro Corporation, Engro Polymer and Chemical, D G Khan Cement, Fauji Cement, and Dewan Salman Fibre also supported the market. However, Lafarge Pakistan Cement, Maple Leaf Cement, Dewan Cement, Habib Bank, United Bank, MCB Bank, Attock Refinery and Mari Gas remained under pressure on account of profit taking.

The losses were more than the gains, as out of a total of 120 active issues, 57 companies showed strength and closed with gains, 43 went down, while volume of 40 companies stayed glued to their previous levels.

Engro Corporation gained Rs 6.60, Pak Oil Field was improved by Rs 2.56, while OGDC and PPL, were up by Rs 2.30 and Rs 1.42 respectively. On the contrary, Agrano Industries lost Rs 2.99, Mari Gas was down by Rs 1.90, while Brablin Fibres and Attock Refinery were down by Rs 1.76 and Rs 1.25 respectively.

Lafarge Pakistan Cement was the market leader whose 5.158 million shares changed hands followed by Byco Petroleum with 1,708 million shares.

BRIndex30 gains

For most of the market time with only one short visit to the negative just after the start of trading, it closed at 8,380.74 points with a positive change of 14.36 points or 0.17 per cent.

It experienced intra-day high of 8,328.80 and low of 8,359.36 points. The volume was 92,366,207 shares as compared to the volume of KSE All Share and KSE-100, which were 182,215,931 and 122,140,063 shares, respectively.

BR Cement Index closed at 792.01 with a net negative change of -6.3 points or -0.79 percent, registering volume of 56,075,825 shares.

BR Technology and Communication Index closed at 674.94 with a net positive change of 1.63 points or 0.24 percent. Volume was 79,171,970 shares.

BR Commercial Banks Index closed at 2,750.32, recording a negative change of -15.96 points or -0.58 percent and volume of 14,780,051 shares.

BR Oil and Gas Index closed at 2,228.94, recording a positive change of 16.45 points or 0.74 percent. The volume was 93,705,187 shares.

BR Power Generation and Distribution Index closed at 1,588.47 with a net negative change of -6.31 points or -0.39 percent. Volume was 8,572,139 shares.

LTU Karachi

Turnover amounted to 1,586,237 shares as compared to previous turnover of 2,302,032 shares.

Total 157 companies participated in buying and selling activity. Majority of stocks, 84, closed in positive territory, and 71 closed in negative positive zone, whereas two companies remained pegged to its overnight levels.

ISE Ten Index was up by 24.55 points from 2,329.04 to 2,353.59 points.

Bulls dominate ISE proceedings

RECORDED REPORT
ISLAMABAD: Equities showed positive signs under the lead of hot favourites at the Islamabad Stock Exchange (ISE) on Monday where bulls dominated the proceedings under the lead of trendsetters amid increase in indexes.

ISE Ten Index was up by 24.55 points from 2,329.04 to 2,353.59 points.

France agrees warship sale to Russia

PARIS: France has agreed to sell a Mistral class warship to Russia, a French official said on Monday, despite concerns expressed by Georgia, the United States and other countries.

Russia wanted to buy the 21,300-tonne helicopter carrier from France to modernize its navy as it was exposed as outdated during its five-day war against Georgia in 2008. "France has agreed to sell a (Mistral) ship to Russia," Jacques de Lapujade, director of international development at the defence ministry, told reporters.

France belongs to the NATO military alliance and its willingness to sell Russia advanced technology that could be used in a confrontation with its forces or against its allies has caused concern among other NATO members.—Reuters

The rupee

The dollar took start with healthy sign and showed strength throughout the day.

At the end of trading, the dollar was closed at Rs 86.50 and Rs 87.20 as its buying and selling rates against the Saturday closing of Rs 86.70 and Rs 87.00, respectively. However, the rupee continued rising trend last week and further improved against pound sterling. The pound's buying and selling rates were declined to Rs 135.50 and Rs 136.50 respectively as compared to previous closing at Rs 136.00 and Rs 137.00, respectively, the dealers added.

ON THE OPEN MARKET

LAHORE: The rupee, however, lost 70 paise in terms of dollar for buying and selling at Rs 86.50 and Rs 86.70, dealers said.

But, the rupee retained its firmness against euro, picking up 80 paise against for buying and selling at Rs 117.85 and Rs 118.35, they added.

OPEN BUYING Rs 86.50
OPEN SELLING Rs 86.70
LAHORE

The Pak rupee opened on a depressed note and further declined by 20 paise against the US dollar in the open currency market on Monday.

According to the currency dealers,

Sh Rasheed escapes

either the injuries were of gunshot.

When this scribe contacted the DHO Hospital Rawalpindi, the officials confirmed the death of four saying that the hospital received four bodies and four injured including Sh Rasheed. They said that Rasheed received injuries on his foot and legs by broken glass and he is well.

Hundreds of supporters of Sh Rasheed gathered in the area and outside the hospital and chanted slogans against the provincial government and the candidates contesting election against him.

The main UP Road and other adjacent roads were blocked for all kinds of traffic.

APP adds: Expressing his firm resolve to continue serving the people of Rawalpindi with renewed force, Chief of Awami Muslim League (AML) Sheikh Rasheed Ahmad on Monday said assassination attempts cannot suppress his plans to develop Rawalpindi.

In a telephonic interview with a private news channel he said he has not nominated anyone in his First Information Report (FIR) report registered already in Pirsadhai police station this evening.

However, he added that the people sending defamatory letters to eliminate him, a true friend of the poor. He also blamed Punjab Police for not providing him adequate security despite written applications.

Narrating the details of the firing incident at him, he said two motorcycle-riders opened indiscriminate fire at him and companions outside his Khayaban-e-Sir Syed election office. The firing continued for some time.

He just managed to save his life by going inside the office. However, his three close friends lost their lives.

KSE index up 40.25 points

Fertilizer Bin Qasim declined by Re. 0.31 to close at Rs. 31.53 with 4,900 million shares. SilkBank increased by Re. 0.30 to close at Rs. 4.95 with 6,353 million shares.

Neel Pak and Rafhan Maize were the highest gainers and increased by Rs. 49.51 and Rs. 20.50 to close at Rs. 1199.51 and Rs. 1450.00 respectively, while Unilever Pakistan and Lakson Tobacco were the worst losers and declined by Rs. 47.69 and Rs. 11.97 to close at Rs. 2996.70 and Rs. 245.00 respectively.

Hassain Asghar Ali at Aziz Fildahsein Co said that the initiation of talks by India and Pakistan reconciliation after twin blasts in the city on February 5 seemingly neutralized the impact of act of terror. The local bourse after a weak opening soon gathered strength and the index heavyweights with low turnover entered the green zone, thus influencing the index.

He said that the turnover was led by below par and low priced stocks. Stagnation after early trading hours, however, kept the market participants on the sidelines. Ability of the main to sustain expensive valuation kept minor gains intact. Strategy of sell on strength was, however, quite visible, thereby disallowing low turnover and price inflation to add substantial numbers to the index.

Cabinet to approve

Governors, the following procedure is prescribed for acceptance or approval of the amendments to the IMF articles of agreement by the members states: (i) declaration of acceptance for the amendments by the Head of State, Prime Minister or Foreign Minister and (ii) declaration of acceptance through designated officials by issuance of notification of acceptance accompanied by legal authority in favour of the designated official.

On consultation, the Ministry of Law and Justice advised the Finance Division to adopt either of the following two options: (a) For the option mentioned above (i) after the approval of the cabinet or the Prime Minister, the Ministry of Foreign Affairs (Protocol Directorate), on a request from the Finance Ministry will prepare the declaration of acceptance (a standard format) and get it signed by the President of Pakistan. The same may then be sent to Washington. (b) As regards option mentioned in (ii) after the approval of the cabinet or the Prime Minister, the procedure as adopted in earlier cases may be followed i.e. declaration of acceptance may be signed by the Secretary Finance accompanied by the Law Division certificate.

The sources said, the Finance Ministry has adopted the procedure for issuance of declaration of acceptance mentioned above as has been the practice in the past and a case was submitted for the approval of the Prime Minister on September 24, 2009. The Prime Minister approved the proposal and desired that the matter may subsequently be placed before the cabinet.

Soneri Bank

According to the announcement of the Board of Directors of Soneri Bank, the bank has decided to diversify its investment in its operations in the capital businesses in the Asian region, which include all the assets and undertaking of the RBS Pakistan.

Accordingly, SBL will be seeking the approval of the State Bank of Pakistan to proceed with the due diligence of RBS Pakistan once RBS has submitted the requisite application to the SBL in this regard.

Textile seeks

consumers and fertilizer industry. Other industries, including textile, are pressing the government to remove the cross subsidy to provide some relief to these sectors, too. They are of the view that due to cross subsidy, the cost of doing business has increased, making them uncompetitive in the global market.

Sources told Business Recorder that the National Assembly standing committee on textile industry in its last meeting on February 2 had also directed the Ministry of Textile Industry to work out the modalities for elimination of the cross-subsidy on natural gas.

The government had notified 18 percent minimum gas tariff for all consumers after January 1, 2010. "But despite uniform gas tariff to all consumers, government is still giving cross subsidy to domestic consumers and fertilizer units," sources said, adding that the government is expected to give Rs 35 billion cross subsidy to the consumers during 2009-10. It is expected that the amount of subsidy would further increase with gas supply to Fertilizer and Engro Chemicals.

According to sources, Petroleum Ministry had earlier proposed to Finance Ministry to end the cross subsidy for gas consumers, which is increasing burden on some other sectors like textile.

"But Finance Ministry had expressed reluctance to end cross subsidy as in case of elimination it had to allocate hefty amount from the budget for giving relief to domestic and fertilizer consumers," sources said, adding that according to agreements signed with fertilizer companies under Fertilizer Policy 2001, the government is bound to provide gas at cheaper rates.

The textile sector strongly agitated against the policy of cross-subsidy. It said that its exports have suffered a setback as a result of which they were losing market to China and India due to high cost of production. Therefore, the committee recommended that the government should provide subsidy to the textile industry like other Asian countries. Moreover, the committee asked the government to provide level playing field to the industrial sector to compete with other Asian countries in the international market.

SBP given powers to take control of banks

The State Bank; terminate the employment of any officers or employees of the banking company, or replace any of its officers or employees, or engage such new employees, as deemed necessary; prepare a scheme of amalgamation or merger and submit the same for approval of the State Bank to merge the banking company with another banking company; re-organise the banking company by increasing its capital or selling its shares to new shareholders or reconstituting its Board of Directors in accordance with the provisions of this Ordinance; re-construct the banking company in such manner as considered necessary, including the closing down of businesses that are not viable or change its management; or take any other measures as may be approved by the State Bank to rehabilitate the banking company.

Provided that the administrator shall prepare scheme of reorganization, reconstruction, amalgamation, sale of assets or winding up or any other resolution measure within sixty days of his appointment or such period as may be specified by the State Bank.

Amendment of section 42, Ordinance LVII of 1962.- In the said Ordinance, in sub-section (1), in clause (d), in sub-clause (v) for the full stop, at the end, the semi colon shall be substituted and thereafter the following new clause shall be inserted, namely:— "(v) without prejudice to the generality of this section or any provision of this Ordinance, if the State Bank is satisfied that one or more of the circumstances exist under which a banking company, — has become or is likely to become insolvent; has suspended or is likely to suspend payments as these fall due; has defaulted or is likely to default in making payments to depositors; is carrying on its business in a manner detrimental to the interests of its depositors, creditors or other stakeholders; has contravened any provisions of this Ordinance or any restrictions or condition imposed on its licensee; has engaged any director, chief executive or an officer of a banking company who is or is likely to be detrimental to the interests of the banking company or its depositors or otherwise undesirable; has created hindrance, delay or obstruction for the State Bank in performance of its supervisory functions; has willfully destroyed, concealed or moved outside of Pakistan all or part of its assets, the administration, operation and books or records; has failed to comply with any direction given by the State Bank; has failed to meet capital adequacy or minimum capital requirements prescribed by the State Bank; has defrauded its depositors and creditors; is willfully engaged in or is being used for criminal activities; is part of a financial group which is under liquidation, or in respect of which a custodian, receiver, administrator or liquidator has been appointed; is a branch or subsidiary of a banking company whose licence to carry on banking business in the country of its origin has been cancelled; has breached requirements under any document of commitment to the State Bank; or is otherwise in a situation or circumstance which in the opinion of the State Bank may materially impair the ability of the banking company to make payments, meet its obligations or otherwise continue its operations, the State Bank may, keeping in view the gravity of the situation and compliance behavior of the banking company, from time to time, invoke any one or more of the following actions, namely:—

Star to have detailed info

information of the business account would be verified directly to the Star system to identify it before issuance of refund claims. Instead of getting bank account details such as account number, bank branch, etc, directly from the taxpayers, the Star managers would have online access to the basic bank account information of the refund claimants.

During a recent meeting on the FBR operational systems, officials of Large Taxpayer Units (LTUs) and Regional Tax Offices (RTOs) expressed their confidence in the Star system due to its effective verification processes. The system has matured over the last few years as with consistent involvement of the field offices, its functions have a higher acceptance level. However, it has been observed that interaction of Star with data obtained through e-portal appears to be insufficient, especially with regard to information on bank accounts of the taxpayers. The Star system should be automatically populated with the bank account details declared by taxpayers in various forms through the e-portal.

Therefore, the linkage between the FBR e-portal and the Star system would be ensured for availability of necessary data about the bank accounts of the refund claimant. As the Star has now been centralised, the support service pertaining to generation of customized-reporting of taxpayer's data would be enhanced, the FBR added.

Finance Amendment Ordinance

section 122C in the Income Tax Ordinance 2001 through Finance (Amendment) Ordinance, 2009.

Sources said that the section 122C had empowered the tax officials to make best judgement assessment (ex-parte assessment) on the basis of any kind of data available with the department. This would be applicable in the cases where any person failed to respond to the notice under section 114 for filing of income tax returns. In the presence of section 121 (best judgement assessment), there was no requirement for introducing another assessment provision in the Ordinance 2001. Finance (Amendment) Ordinance, 2009 is mainly related to the harmonisation of taxes, but discretionary powers of the tax officials have been enhanced through new assessment provisions in the Income Tax Ordinance 2001.

The income tax officials could make "best judgement assessment" relying on the departmental data, but the section 122C has not specified that the information should be supported by necessary proof. The authenticity of information needs to be verified before passing "best judgement assessment", sources added.

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information of the business account would be verified directly to the Star system to identify it before issuance of refund claims. Instead of getting bank account details such as account number, bank branch, etc, directly from the taxpayers, the Star managers would have online access to the basic bank account information of the refund claimants.

During a recent meeting on the FBR operational systems, officials of Large Taxpayer Units (LTUs) and Regional Tax Offices (RTOs) expressed their confidence in the Star system due to its effective verification processes. The system has matured over the last few years as with consistent involvement of the field offices, its functions have a higher acceptance level. However, it has been observed that interaction of Star with data obtained through e-portal appears to be insufficient, especially with regard to information on bank accounts of the taxpayers. The Star system should be automatically populated with the bank account details declared by taxpayers in various forms through the e-portal.

Therefore, the linkage between the FBR e-portal and the Star system would be ensured for availability of necessary data about the bank accounts of the refund claimant. As the Star has now been centralised, the support service pertaining to generation of customized-reporting of taxpayer's data would be enhanced, the FBR added.

Finance Amendment Ordinance

section 122C in the Income Tax Ordinance 2001 through Finance (Amendment) Ordinance, 2009.

Sources said that the section 122C had empowered the tax officials to make best judgement assessment (ex-parte assessment) on the basis of any kind of data available with the department. This would be applicable in the cases where any person failed to respond to the notice under section 114 for filing of income tax returns. In the presence of section 121 (best judgement assessment), there was no requirement for introducing another assessment provision in the Ordinance 2001. Finance (Amendment) Ordinance, 2009 is mainly related to the harmonisation of taxes, but discretionary powers of the tax officials have been enhanced through new assessment provisions in the Income Tax Ordinance 2001.

The income tax officials could make "best judgement assessment" relying on the departmental data, but the section 122C has not specified that the information should be supported by necessary proof. The authenticity of information needs to be verified before passing "best judgement assessment", sources added.