

INTERNATIONAL
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FWO, NLC do not pay tax, PAC told

ISLAMABAD: The federal auditors Monday told the Public Accounts Committee (PAC) that the Frontier Works Organization (FWO) and National Logistics Cell (NLC) do not pay tax, claiming that being defence organizations they did not come in the tax net.

The audit officials also informed the committee that on the directives of the then resident General Pervez Musharraf, NLC was illegally awarded a contract worth Rs390 million in 2002. The committee directed the authorities concerned to present a detailed report on the issue within a month.

The monitoring and implementation committee of the Public Accounts Committee of National Assembly met here with Yasmeen Rehman in the chair. The disclosure, which surprised everyone present at the meeting, came during revision of audit paras of ministry of communication. It was observed that the ministry itself, time and again, has praised the performance of the organisations, which do not pay taxes.

“FWO and NLC are praised by authorities knowing that they do not pay taxes and draw heavy salaries and give the impression that no state organisation can match their performance,” Yasmeen Rehman commented.

She also directed the Federal Board of Revenue (FBR) to present details of all such organisations, which do not pay taxes while enjoying large-scale exemptions on various consignments. The auditors told the committee that the NLC and FWO being organisations of Pakistan Army claim that they are exempted from all kinds of taxes.

Director General Federal Audit Syed Gulzar Hussain informed the committee that a row has erupted between the Motorway Police and FWO over challan money amounting to Rs350 million, as both claim they have collected the amount. Noor Alam Khan, a member of the committee, said that FWO’s computerised system on toll plazas on motorways has become obsolete and needs be updated. Talking informally to newsmen after the meeting, DG Audit said that the Federal Board of Intermediate and Secondary Education (FBISE) suffered a loss of Rs13 million by transferring its accounts from one bank to another. He said that FBISE administration also illegally paid Rs280 million for a housing society for its employees in Sawan Garden, Rawalpindi.