

### **Towel makers demand release of ST refunds**

**KARACHI: The Chairman of the Towel Manufacturers Association of Pakistan, Tahir Jahangir stated that the month of March has also gone by without any sales tax refunds being released by the FBR.**

This despite the fact that all the textile exporters associations were summoned by the FBR to Islamabad on the 1st of March and were officially re-assured that they had reset their computers and the system had been changed to the satisfaction of the authorities and now they will make up the delays in the payment of Sales Tax refunds forthwith.

They assured us that all refunds pending for the last calendar year will be paid off by the 10th of March. We reassured that they will reconsider the filter of 12% export value for refund and enhance it as the sales tax rate had been increased from 17 to 18%.

Nothing has been paid since then and now another months refunds have been added to our burden. Most exporters have not received the refunds due for November and none have received the December ones. By now we should have received January and February refunds too. At the rate of 17% of sales tax now fully 50% of our working capital is stuck with the FBR.

How are we to keep our factories running?

To top it all rates of energy have been enhanced and the steadily depreciating rupee requires an ever larger rupee working capital to maintain the same exports in US Dollars. Where are all these funds going to come from?

The banks are lending at 24% and the stuck sales tax refunds should carry with them a penalty of 2% per month as compensation for the delays. Non payment of sales tax refunds is the biggest discouragement to exporters in Pakistan and the 'principal' reason for repeated setbacks to our exports.—  
PR