



Towel Manufacturers' Association of Pakistan

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Dear Members of the Association

REPORT ON THE MEETING WITH FBR ON 1st March 2023

The representatives of many textile associations had been summoned and the meeting was chaired by Senior Members of the FBR and not the Chairman. They are thinking along the following lines;

We were advised by the officials that they had uncovered many irregularities and frauds in the rebates applied for.

We advised them that we are here to plead for our stuck up refunds and if the FBR will not release them immediately it will lead to a collapse of confidence in the exporting community. We are already under severe liquidity crunch due to the huge increases in costs and therefore working capital requirements. If our refunds are now not paid on time we will not be able to operate our businesses to optimum capacity.

That the department is free to audit and check applications and if any irregularities are found they should proceed with the redress under law. We as associations will not promote or condone any irregularities.

This went on for some time and has been reported in the press also.

How ever I would like to inform our members that in my opinion the FBR is thinking along the following lines and they were “testing the water” with us.

- 1) They will conduct more audits,
- 2) They want to reduce the 12% refund level as normal and justified. We said it should be adjusted upwards as the TAX rates have been increased to 18%, they are talking of 10%.
- 3) They consistently question as to why there is more value addition where there are no sales tax on raw materials as to the normal?

We said if they wish to talk about normal parameters then they should constitute committees and go into the matter again.

We impressed upon them the urgency of paying our dues quickly.

Yours truly,

Tahir Jahangir.
Chairman



Affiliated with the Federation of Pakistan Chamber of Commerce and Industry

