

Sales Tax Refund Claims

Textile sector facing huge financial crisis: PAF chief

RECORDER REPORT

KARACHI: Exporters of an apparel textile sector are facing huge financial crisis as tax office has backlogged Rs50 billion under sales tax refund claims, customs rebate and other such claims that caused them big investment problems to run their units to continue production, Chairman Pakistan Apparel Forum (PAF), Muhammad Javed Bilwani said on Saturday.

"Huge amount of exporters' liquidity of almost 50 billion rupees has been stuck up in the Government of Sales Tax Refund Claims; Customs Rebate Claims and DTL Claims causing great sufferings to the already harassed and burdened exporters," he said.

He said the exporters were at a loss from non-refund of their amount and widely failed to make both ends meet under the worsening situation as fears grow the financial crunch may ruin their export businesses.

"It has been the practice of the

FBR to put 25 percent amount of Sales Tax Refund Claims of the exporters are deferred by the FBR and they are so used to such wrong practice that even the amount of Sales Tax paid on utility bills are being deferred which is not at all understood and really surprising because the utility companies are not unknown nor unverifiable," he said.

During the last two decades, there was never such a hardship caused to the value-added textile exporters, he said, adding that "I am really surprised at the strange attitude and cold shouldering of the FBR because the higher ups do not even want to meet the major and important stakeholders to listen to their burning problems".

The snubbed stakeholders, who are the highest taxpayers, generating the largest employment with a potential of great exports and foreign exchange earnings, wanted to get help from the tax office to end their financial problems, he said.

"It seems the FBR is purposely bent on harassing the genuine exporters. The FBR shows that great targets are achieved while such huge amounts of genuine exporters liquidity is purposely held up by the FBR," he added.

He said the exporters were unable to prepare their marketing plans, improve output to global markets and bring in innovation to their products for being financially since their huge amount has been out of their businesses but with the FBR.

"A large number of 'harassed' value-added textile exporters have been complaining of huge amount of outstanding Sales Tax Refund Claims and Customs Rebate Claims making it impossible for them to run their factories and businesses and cater to their foreign buyers which if continued will compel them to close down their units and throw out millions of labourers on the road," Bilwani said.

