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e) Electric Power Shutdowns and Non-availability of Gas Connection

Another negative impact on financial results of recent years is the extra ordinary occurrence of Electrical shutdowns and power load shedding by WAPDA increasing not only our diesel bill but also effecting the production quantity and quality.

Moreover, our application for sanction and availability of gas connection, for the purpose of a captive power plant is still pending with the gas authorities, despite the fact that our production facility is located in the vicinity of Lahore. Thus we have been denied the right of cheaper and self produced continuous power, a benefit which is essential for the energy intensive air-jet technology and is being availed by most of our competitors, even in remote areas.

f) Innovative Taxes

Despite facing financial losses, the textile industry further penalized by imposition of certain taxes like withholding tax and turnover tax.

g) Indifferent attitude of Govt

A major reason for the textile debacle in the country was the indifferent attitude of the government towards the problems of this very important sector of the economy. However, now that a new government set up is in place, we are looking forward to a serious consideration to key issues of textile industry.

We believe that it is only because of effective management, that we are being able to sustain this difficult period and are confident that once the circumstances take a positive turn, we shall look forward to prosperous times. And will also declare dividend as done in the past.

We hope the above explanation will meet your requirements.

Thanking you,

Yours faithfully

For ICC TEXTILES LIMITED


(JAVED RASHID)
General Manager Finance