

PAKISTAN TANNERS ASSOCIATION
(CENTRAL OFFICE)

PTA-174/2011/213

Dated: 21st March'2011

**SUB : MINUTES OF THE EMERGENT (4th) MEETING OF CENTRAL
EXECUTIVE COMMITTEE OF PTA HELD ON 17th MARCH'2011
THROUGH VIDEO CONFERENCE IN PTA CENTRAL OFFICE,
KARACHI AND PTA NORTHERN ZONE OFFICE, LAHORE :**

The **Emergent (4th) Meeting** of the Central Executive Committee of Pakistan Tanners Association was held through Video Conference on **Thursday, the 17th March'2011 at 11:00 a.m. in PTA (Central Office), Karachi and PTA (Northern Zone) Office, Lahore** simultaneously under the Chairmanship of **Mr. Khurshid Alam** to discuss Presidential Ordinances promulgated on 15th March'2011 and its impact on Leather Industry.

Following Members of the Central Executive Committee of PTA as well as special invitees attended the Meeting in Karachi & Lahore :-

<u>Sl. #</u>	<u>Name of Member</u>	<u>Designation</u>
01.	Mr. Khurshid Alam	Chairman
02.	Mr. Fawwad Shafi	Vice Chairman
03.	Mr. Aziz Ahmed	Vice Chairman
04.	Mr. Asfandyar Farrukh	Member
05.	Mr. Azam Malik	- do -
06.	Mr. M. Khurshid Ahmed	- do -
07.	Mr. Muhammad Shafi	- do -
08.	Mr. S. Anjum Zafar	- do -
09.	Mr. Shahid Usman	- do -
10.	Mr. Usman Umer	- do -
11.	Mr. Gulzar Firoz	Ex-Officio Member
12.	Mr. Agha Saiddain	Special Invitee
13.	Mr. Anwar Iqbal	- do -
14.	Mr. Badre Alam	- do -
15.	Mr. Fazal-ur-Rehman	- do -
16.	Mr. Habibur Rahman Shaikh	- do -
17.	Mr. M. Saeed	- do -
18.	Mr. Mansoor Iqbal	- do -
19.	Mr. Muhammad Naseem Shafi	- do -
20.	Mr. Nasir Anwar Sheikh	- do -
21.	Mr. Salman Zafar	- do -
22.	Sh. M. Afzal Hussain	- do -
23.	Sh. Sarfaraz Amin	- do -
24.	Shaikh Muhammad Naeem	- do -
25.	Mr. Tanveer Aslam Chawla	- do -

The meeting commenced with recitation from the Holy Quran.

Before taking up the Agenda, the House was apprised of the sad demise of Late Prof. Naseem Zakaria father of Mr. Wasim Zakaria of M/s. Footlib Ltd., Kasur. Member participants in the meeting offered Fateha praying to Almighty Allah to rest the departed soul in the eternal peace and grant strength to the bereaved family members to bear the irreparable loss.

The Committee accordingly adopted the following Resolution in this regard :-

RESOLUTION

“BE IT RESOLVED AND IT IS RESOLVED THAT THE CENTRAL EXECUTIVE COMMITTEE OF PTA CONDOLED THE SAD DEMISE OF PROF. NASEEM ZAKARIA FATHER OF MR. WASIM ZAKARIA OF M/S. FOOTLIB LTD., KASUR AND OFFERED FATEHA PRAYING TO ALMIGHTY ALLAH TO REST THE DEPARTED SOUL IN THE ETERNAL PEACE AND GRANT STRENGTH TO THE BEREAVED FAMILY MEMBERS TO BEAR THE IRREPARABLE LOSS.”

The Chairman, PTA, Mr. Khurshid Alam thanked all the member participants for sparing their time to attend the meeting at Karachi and Lahore simultaneously on a short notice.

Thereafter, the proceeding on the Agenda of the Meeting started item-wise as under :-

1. WITHDRAWAL OF EXEMPTION OF GENERAL SALES TAX/ZERO RATING FACILITY AVAILABLE TO FIVE SECTORS INCLUDING LEATHER. THROUGH NOTIFICATION (SRO # 231(I)/2011 DATED 15TH MARCH'2011) THE GOVERNMENT HAS RESTRICTED THE SALES TAX ZERO RATING FACILITY OF FIVE EXPORT SECTORS ONLY TO REGISTERED MEMBERS MANUFACTURERS-CUM-EXPORTERS OR EXPORTERS FOR EXPORT PURPOSE. THE DOMESTIC SUPPLIES OF THESE FIVE SECTORS WILL NOW BE LIABLE TO SALES TAX AT 17% :

The Committee discussed the issue of withdrawal of exemption of General Sales Tax/Zero Rating facility available to five sectors including Leather through the Notification/SRO # 231(I)/2011 dated 15th March'2011 and comments/suggestions were invited from the member participants in this regard,

At first the Chairman requested Mr. Muhammad Naseem Shafi to offer his comments on the hurriedly promulgated Ordinance on the subject. He expressed his opinion that at the behest of IMF such step was necessitated and advised to implement the same for which SRO 509(I)/2007 dated 09.06.2007 has been modified to the extent of making domestic supplies only of the Five Sectors liable to Sales Tax @ 17% while these sectors including Leather already enjoying the zero rating facility would continue to avail it. However, it was desired to request the FBR to allow zero rating facility to the Domestic Supplies also as heretofore.

Mr. S. Anjum Zafar, Mr. Agha Saiddain, Mr. Azam Malik, Mr. Aziz Ahmed, Mr. Khurshid Ahmed, Mr. Gulzar Firoz, Sh. Sarfaraz Amin, Sh. Afzal Hussain, Mr. Usman Umer and Mr. Badre Alam in particular spoke on the significant issue seriously one by one.

They put-forth the various options to react and expressed some apprehensions on its impact after implementation particularly to have safeguard for the leather industry under the Sales Tax amended regime in respect of supply chain of hides & skins.

Mr. S. Anjum Zafar suggested to request the FBR to add specifically the word “**Manufacturers**” after the word “exporters,” in the SRO 231(I)/2011.

It was felt essential in order to achieve positive result of the revised notification to request the FBR to ensure (1) transparent and expeditious Sales Tax Refund System and (2) to avoid flying invoices by unscrupulous dealers.

After threadbare discussion on the matter, the Committee discussed all the pros & cons of SRO 231(I)/2011 dated 15th March'2011 and decided to keep on waiting for detailed clarification in this behalf from the FBR. Thereafter the matter will be reviewed for adopting appropriate line of action.

2. 15% FLOOD SURCHARGE ON INCOME TAX WITH IMMEDIATE EFFECT TILL 30.06.2011

The Committee discussed the one time 15% Flood Surcharge on already payable Income Tax with effect from 15th March till 30th June'2011 and decided to comply with it being one time levy for genuine cause.

3. INCREASE IN SPECIAL EXCISE DUTY FROM 1% TO 2.5% FOR THE REMAINING PERIOD OF TAX YEAR 2010-11 :

The Committee discussed and considered this exorbitant increase by 150% effective from 15th March'2011. However, it would be for the remaining period of tax year 2010-11.

Special Excise Duty is refundable but it takes considerable longtime with much hassle to get refund from the Collectorate.

The recent increase from 1% to 2.5% will further aggravate the situation by entailing more time in releasing due refunds.

4. 2% INCREASE IN THE POWER TARIFF W.E.F. 15TH MARCH'2011 :

It was decided to register necessary protest by issuing press releases in the prominent Newspapers to attract the attention of the Government towards increasing the power tariff intermittently when the industry is already facing frequent load shedding.

5. ANY OTHER MATTER WITH THE PERMISSION OF THE CHAIR :

I) ANNUAL SUBSCRIPTION FEE FOR THE YEAR 2011-12 :

The Chairmen of both the Zones moved proposals for the increase in rates of renewal / membership fees in respect of Corporate Class and Associate Class to be charged from the members of the respective zones effective from 1st April'2011 as under :

Class of Membership	Current Subscription Rate	PROPOSED Subscription Rate
Corporate Class	Rs.13,000/-	Rs.15,000/-
Associate Class	Rs. 10,000/-	Rs.12,500/-

Based on the newly approved Memorandum & Articles of Association of PTA under Trade Organizations Rules, 2007 the rates of the membership fees are to be determined by the Central Executive Committee, PTA.

As per consensus reached in this regard, the above rates have been approved to be applicable to the members of both the Zones w.e.f. 1st April'2011 in order to make uniformity.

Since there being no other matter to discuss, the meeting concluded with a vote of thanks to the Chair.

APPROVED:

**(KHURSHID ALAM)
CHAIRMAN**

Yours faithfully,
For: PAKISTAN TANNERS ASSOCIATION

**(MOINUDDIN QURAISHI)
SECRETARY**

