

# ANNUAL REPORT

of

**Pakistan Tanners Association**

(Northern Zone)

*2010–2011*

Presented by

*Fawwad Shafi*

**Chairman**



**pta**

**Northern Zone Office**

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*Fawwad Shafi*

*Chairman*

*PTA Northern Zone*





*Allah is the name to begin with, The -Most Gracious, The -Merciful*

*Dear Members,*

*Assalam-o-Alaikum!*

While signing off the year 2010-2011, I humbly pray to Allah - the Al-Mighty, to accept my gratitude for vesting in me the ability and the opportunity to serve the Leather Industry with the best of my skills and knowledge. The enlightened guidance of Prophet Muhammad (PBUH) enabled my honesty to pickup the upright path to steer the affairs of the Association.

Looking at a glance on the last year, I feel delighted and honored while presenting the Annual Report before the members of Pakistan Tanners' Association - Northern Zone. This report highlights the activities and performance of Pakistan Tanners Association-Northern Zone during the year 2010-2011.

I welcome all of you and pay sincere thanks for joining this annual gathering. It is a great honor for me to have been elected unanimously as the Chairman of Pakistan Tanners' Association - Northern Zone for the year 2010-2011. I would like to put forward my appreciation for the cooperation and assistance rendered by you during this period. I'm grateful to Chairman PTA-Central Mr. Khurshid Alam for his guidance and support in resolving various matters. It was his overarching support that helped me out in successfully discharging my responsibilities. I would also like Mr. Fazalur Rehman Sheikh - Vice Chairman PTA-NZ to receive my sincere thanks for his valuable support. I also want to acknowledge the sincere guidance and professional support from almost all the Ex-chairmen of PTA-NZ for which I'm liable to pay my gratitude to those men of high acumen. My special thanks are due for Mr. Khurshid Alam, Mr. Anjum Zafar, Mr. Muhammad Naeem (SLW), Mr. Mansoor Iqbal, Mr. Muhammad Musaddiq and Mr. Agha Saiddain for their support and time in sharing the responsibility. My task has been completed successfully and it was possible only due to the team effort that empowered me to strive for the betterment of industry. In order to remain successful, I wish and hope that members will continue to work with same zeal and spirit.



## 1. Condolences

During the last year, relatives and dears of our following member firms passed away. Association office timely expressed its condolence to the agrieved member. May we pray to Allah, the Almighty, to bless the departed soul in eternal peace and grant courage to the bereaved family to bear the irreparable loss with fortitude.

■	Mr. Saadat Mehmood s/o Haji Mehmood Sadiq Magoon (Quetta waley)
■	Prof. Nasim Zakaria father of Mr. Waseem Zakaria Director Footlib (pvt.) Ltd., Lahore
■	Prof. Amin Javed, Chairman Sublime Group, Sialkot
■	Mother of Malik Abdul Latif Chairman Latif Group of Companies (CE Royal Leather Industries, Lahore)
■	Sheikh Khalid Iqbal brother of Mr. Anwer Iqbal Director National Tanneries of Pakistan (pvt.) Ltd., Lahore

## 2. Activities of the Association

A short summary of the activities of the Association during the year 2010 - 2011 is given hereunder:

### 2.1 Meetings

Besides the Annual General Body Meeting when elections were held in accordance with the Memorandum and Articles of Association, five (05) Zonal Executive Committee Meetings were held to discuss some very important matters concerning the leather tanning industry. Present meeting going on is 6th meeting in the series.

In addition to five meetings of Executive Committee, the 31st Annual General Body Meeting is also scheduled for 15-Sep-2011 when the annual elections will be held in accordance with the Memorandum and Articles of Association.

It would be satisfying to note that Members and Special Invitees of Executive Committee remained very active which helped improving the participation and involvement of members in these meetings and affairs of the industry. It is a healthy sign for the industrial growth and I must suggest adopting necessary measures to maintain and improve members' interest in the affairs of the Association and Leather industry.

### 2.2 Central Managing Committee Meetings

Elected representatives of PTA from Northern Zone made active representation in the Central Managing Committee of PTA by attending the meetings at Karachi/Lahore. In earlier years PTA Central Office used to arrange meetings of Central Managing Committee Lahore and Karachi, alternatively. However, this year, the Central office of PTA arranged to install Video Conference System between PTA-Northern Zone Lahore and PTA Central office Karachi in order to improve participation of members and to save members' precious in travelling between Lahore and Karachi. In this connection, PTA Northern Zone remained host from almost all sessions of Central Managing Committee meetings. This measure has proved its worth and thus helped improved participation in meetings and the same would continue in future.



*Views of Zonal Executive Committee's  
Meetings at Lahore*













### **2.3 Meetings with Chief Commissioner Inland Revenue RTO Lahore/ Collector of Customs Government of Pakistan, Lahore**

*During the year, members of PTA-Northern Zone forwarded their issues and complaints in respect of payment of custom duties and refund of sales tax on export of leather, leather garments and leather products. To resolve their issues, we arranged various meetings with the Chief Commissioner Inland Revenue RTO Lahore and some of its subordinate officers Collector of Customs or the Collector of Sales Tax, requesting them to look into the matters.*

*At Lahore Airport Lahore, we had meeting with Additional Collector Customs wherein PTA-NZ apprised the authority about the increasing volume of pending cases of duty drawback against exports of leather and leather products. The Customs authorities at Lahore Airport were very cooperative. Customs staff at Lahore Airport provided PTA office with complete status of pending cases and the progress made in respect of each case. It was very effective meeting that provided a great relief to member waiting for their cheques against duty drawback cases since long.*

*I'm very much thankful to Mr. Anjum Zafar, Convener Taxation Subcommittee, who led several delegations of Members and hold meetings with the Collectorate of Sales Tax & Federal Excise. During the meetings, we had fruitful discussions on various aspect of Sales tax wherein members also discussed many of their problems directly with the authorities. During these sessions, PTA remained successful in establishing close interaction with Sales tax authorities and resolving the issues/problems of member firms.*

*In respect of making liaison with Customs CARE Collectorate at Karachi, the patronage and cooperation extended by Mr. Khurshid Alam - Chairman PTA-Central need special appreciation. It was only due to his wise approach and strategy that of rebate cheques at CARE Collectorate kept on releasing with a satisfactory pace.*

### **2.4 Liaison with Trade Development Authority of Pakistan, Lahore Office**

*PTA-NZ has been maintaining close liaison with Trade Development Authority of Pakistan, Lahore Office to resolve our members'/ exporters' day-to-day problems concerning exports. This cooperation remained alive in the regime. In July 2011, TDAP Lahore office arranged meeting with PTA-NZ members in order to discuss non-tariff barriers in trade with India. I'm thankful to Mr. Muhammad Musaddiq and Mr. Agha Saiddain who attended the meeting and represented PTA-NZ office by giving valuable inputs in the meeting.*

### **2.6 Meetings at Lahore Chamber of Commerce (LCCI)**

*This year, PTA-NZ maintained close liaison with LCCI and our members also took active part in meetings at LCCI and use LCCI's apex forum for the betterment of leather industry. This year, our Mr. Agha Saiddain was the Convener of LCCI Standing Committee on Environment. I would like to appreciate his efforts as Convener of LCCI Standing Committee in resolving the environmental affairs and imparting awareness to the member industries. PTA-NZ enjoyed closer and stronger relationships with LCCI during his regime.*



## **2.7 Meetings at Zonal Office of Federation of Pakistan Chambers of Commerce and Industry (FPCCI)**

*At this forum, our members also represented and attended several meetings wherein a voiced for different matters of our interest and benefit. The presence of PTA-NZ member at the platform of FPCCI is very important and it needs to be maintained in future.*

## **2.8 Meetings of Leather Sector Associations for holding of Combined Mega Leather Show**

*On the initiative of Central Office of Pakistan Tanners' Association, a joint Committee Meeting of all the key Associations of Leather Sector of Pakistan was held on November 2010 in the Northern Zonal office of Pakistan Tanners' Association at Lahore. Representatives of Leather Garments, Gloves and Footwear Association participated in the meeting in which dates and venue for holding Pakistan Mega Leather Show was mutually decided.*

*Furthering the cause, Mr. Khurshid Alam initiated to hold another Joint Meeting of following Association's representatives in PTA-NZ office Lahore on 13-11-2010:*

- a. Pakistan Tanners' Association*
- b. Pakistan Leather Garments Manufacturers and Exporters Association*
- c. Pakistan Footwear Manufacturers Association*
- d. Pakistan Gloves Manufacturers and Exporters Association*

*In this meeting a Steering Committee comprising of following members was formed:*

- Mr. Muhammad Musaddiq (PTA; Convener)*
- Mr. Khurshid Alam (PTA)*
- Mr. Wasim Zakaria (PFMA; Co-convener)*
- Mr. Nasir Anwer (PFMA)*
- Mr. Mudassar Masud (PLGMEA)*
- Mr. Shahid Latif (PGMEA)*

*The Steering Committee led the task and conducted six meetings in a series. In its meetings, the Committee prepared budgetary details for the Mega Show. Committee also started negotiations with event managers and media companies for holding of event.*

*Meanwhile after meeting of 7th December 2010 when Chief Executive TDAP could not ensure availability of fund, the whole activity stopped. However, the efforts of Steering Committee and its members especially Mr. Wasim Zakaria need due appreciations.*

## **2.11 Activities of PTA-NZ as Campe office of PTA Central office**

*This year, Mr. Khurshid Alam Chairman PTA Central declared the Northern Zonal office as PTA Central Office's Camp Office. Therefore, he arranged following meetings and Press Conferences with the support of PTA-Northern Zone office Secretariat:*



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- Meeting with Governor Punjab at Royal Palm on 25-10-2010
- Meeting with Governor Punjab and Federal Ministers at Governor House Lahore on 27-10-2010
- Meeting with Ms. Carmela Conroy - US Consul General at PTA-NZ office 29-10-2010
- Meeting with Mr. Imran Khan at PTA-NZ office on 30-10-2010
- Central Executive Committee meeting at PTA-NZ office on 30-10-2010
- Meeting with Sialkot Gloves Manufacturers in PTA-NZ office on 29-12-2010
- Meeting with Mr. Robert Hawkins Economic Officer US Consulate, Lahore 19-04-2011

PTA-NZ office also organized 5 Press Conferences in Lahore on following dates:

- Press Conference on 6-Oct-2010 at Royal Palm
- Press Conference on 15-Nov-2010 at LCCI
- Press Conference on 14-12-2010 at PTA-NZ office
- Press Conference on 29-12-2010 at PTA-NZ Office
- Emergent Press Conference at 07-07-2011 at PTA-NZ Office

The Northern Zonal Secretariat published out a comprehensive Newsletter (NewsLeather) on the activities of PTA during October 2010 to Jun-2011. The newsletter was widely circulate amongst offices of President of Pakistan, Prime Minister, Governor of four provinces, various Federal and Provincial Ministers, concerned functionaries of TDAP, Customs and all members of PTA. 'Newsleather' so prepared, received appreciation by members of PTA.

### **3. PTA-NZ Environmental Performance**

In October 2010, Supreme Court of Pakistan took notice of worsening state of environmental affairs, called on the authorities of Pak EPA and asked for strict compliance against country's environmental regulations. As a result, Punjab EPA served notices to 600 tanneries of Punjab under section 16 of Pakistan Environmental Protection Act - PEPA 1997. Member tanneries in Punjab resorted to PTA-NZ office for an amicable solution and response.

Mr. Muhammad Musaddiq - Convener Environmental Subcommittee PTA-NZ prepared and submitted a detailed response on the past environmental performance of its member companies for the information of Honourable Supreme Court of Pakistan and EPA authorities.

Mr. Anjum Zafar is actively involved with Cleaner Production Institute (CPI) as Chairman Board of Governors. CPI is running its Programme for Sustainable and Cleaner production in the manufacturing Industries of Pakistan (SCI-Pak) which aims to develop a model for sustainable production through the implementation of a range of energy and resource recovery initiatives in the Textile and Tannery sectors in Pakistan. Medium size tannery units, most PTA members are receiving technical assistance from SCI-PAK team for cleaner production and energy conservation techniques.



Here, I wish to express my thanks to Mr. Musaddiq sb. and Mr. Anjum Zafar for their great assistance in shouldering a big responsibility to monitor the environment and energy affairs of PTA-NZ as Convener and member of Environmental Subcommittee of PTA-NZ, respectively.

#### **4. Establishment of Leather City in Lahore**

Pakistan Tanners Association in cooperation with Punjab Industrial Estates (PIE) has decided to establish an industrial estate in Lahore for leather sector. The representative of Pakistan Tanners' Association, along with Chief Engineer PIE, Mr. Naveed Mushtaq Gill, and others visited the proposed site near Village Daftu at District Kasur.

After site visit, both PTA and PIE authorities termed the site unsuitable for establishing Leather City due to its approach and connectivity to main roads. During the visit, the PIE authorities informed that Site for Leather City earlier identified by PTA was now available as government has relocated its Aashiana Housing Scheme to some other site. All members unanimously approved to secure the same piece of land near Sua Asal for Establishment of Leather City.



#### **5. Monthly Market Quotations**

PTA-NZ office has been providing to the Central Office, Karachi, the Monthly Market Prices of W.S Buffalo hides and W.S Cow hides indicating the rates of various grades, selection and sizes i.e Extra large, large, medium and small. It has become a regular feature to arrange market rates of above-said commodities for publication so that our members should remain in touch with the prevailing prices of the market. These are issued not only for the guidance of the members but also for the up-to-date information of Customs authorities. I'm especially thankful to Mr. Shahid Usman and who assisted the Association in collecting and providing rates for onward submission to PTA Central office, Karachi.

#### **6. Visa Recommendatory Certificates/ Letters**

During the year under report, we have been issuing recommendatory certificates/ letters to our members or to their representatives, on the receipts of their formal request for the same, and requesting the Foreign Embassies - Consulate Generals for the grant of visa facilities to visit their countries for business tour to explore the possibilities for development of export trade. Generally these letters/ certificates are issued after thorough scrutiny.



*Visit of PTA Representatives with Chief Engineer, PIE  
to Proposed Site for Leather City in Lahore.*





## **7. Other Certificates and Attestations**

*If and when any member approached the Association requiring a Certification Order for onward submission to any concerned authorities, at a time when going abroad carrying samples which are to be shown to their foreign customers. We have also been issuing certificates for exemption of any duty on these samples, which do not have any trade value.*

## **8. Correspondence**

*The incoming queries have promptly been responded and the problems of the members brought into the notice of the concerned authorities. Besides the correspondence with the Government departments, Semi-government, other agencies, the Association also remained in touch with Central Office at Karachi.*

## **9. Finance**

*The Statement of Accounts for the year 2010-2011 is presented before the house for its perusal and approval.*

*In addition to current bank balance, there is an amount of Rs.330,000/- receivable from PTA-NZ Environmental Society on account of management support charges for the year 2010-2011. Necessary arrangements are underway for the transfer of this amount.*

*As regard to PTA claim against MCB, the High Court and the Double Bench of Lahore High Court rejected our claim. Therefore, PTA-NZ decided to approach Civil Court through Mr. Agha I.A Imran Advocate who has been pleading the case at different forums earlier. It is pertinent to mention here that the Executive Committee has already decided to offer 25% of the recovered amount as his professional charges.*

*Case proceedings were filed in Civil Court in October 2010. Till Feb 2011, MCB Bank did not appear nor represented before the Court. In February 2011, its Counsel appeared before the Court. During proceeding, as briefed by our lawyer Mr. Imran, MCB tried to buy more time for preparing defense reply against allegations raised in PTA application. In view of continuous non-responsiveness behaviour from MCB, the Court, on the request of our lawyer, has seized MCB's right for submitting reply in Jun-2011. On the day, when court seized their right, MCB filed an application before the Court raising legal objections on Court's jurisdiction to hear the said case. Our lawyer has prepared and submitted a detail reply to their application denying the contents of application on legal grounds and merit. Lawyer is hopeful that case position is strong. After evaluation of evidences by PTA, court may be in the position to decide the case.*

## **10. Membership**

*At the close of 2010-11, PTA-Northern Zone has 98 members on its register. Out of which, 66 are "Corporate" and 32 are registered in "Associate" class. During the year under report, M/s*



*Mahmood International, Lahore joined PTA-NZ as Associate member of the Association. I welcome the new entrant and hope that their firms would be our active members and make the best use of the Association, thereby enabling it to strive for the cause of the leather industry.*

### **11. Secretariat of the Association**

*In spite of limited staff, the smooth and hard working of staff deserves appreciation for the commendable services rendered during the year by taking vital interest in the affairs of the Association. I am pleased to put on record my acknowledgments for smooth and efficient working of the office alongside its functioning as Camp office for PTA Central Office.*

### **12. Conclusion**

*In the end, I'm thankful to the members of Executive Committee for providing proper advice and timely guidance. It needs to mention that during the year complete harmony and friendly atmosphere was observed and differences in opinion were resolved in a most amicable manner. I pray to Almighty Allah to nourish this atmosphere in future, Ameen. I also pray that we may continue our efforts towards the advancement and development of leather tanning industry. I wish for Pakistan Tanners' Association and its members to see success in all their endeavors, Ameen.*

*Fayyad Sbafi*

*Chairman, Pakistan Tanners' Association  
Northern Zone*