



Building Better Today, Tomorrow

The Pakistan Steel Melters Association

Recognized by the Government of Pakistan

PSMA/X-022/M

3rd Oct 2017

MINUTES OF

THE MEETING OF THE PAKISTAN STEEL MELTERS ASSOCIATION WAS HELD IN THE HEAD OFFICE OF THIS ASSOCIATION ON 3rd Oct 2017 AT 2 PM.

1. **Attendance.** Annexure 'A'.
2. **Agenda.** Plan Of Activities – Annexure 'B'.
Annual Performance Review – Annexure 'C'.

MR. CHAUDHRY SARWAR
PRESIDED OVER THE
PROCEEDINGS

3. **Recitation.** The proceedings commenced with the recitation of the Holy Quran by Chaudhry Sarwar.
4. **The Plan of Activities & Annual Performance Review** was approved by the house. The Chairman has directed all the individual members of the **Executive Committee** to **discuss, explain** and **seek the views** of the concerned Members of their areas of Jurisdiction as per rule 23 of Director General Of Trade Organizations rules 2013. It shall include **Future Activities**, Finances and their effects / Out Come of such Activities.



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5. The Chairman also directed the Executive Committee to thoroughly conduct Annual Performance (Reviews) for Year 2016 Annexure – 'C'. Review was based on this Performance for coming years. The performance be Reviewed in an Progressive Manner.

6. Closure: There being no other point the meeting ended with a vote of thanks to the chair.


Maj ® Mansoor Mahmood
Secretary General
Mob:0334-4173068





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Annexure – 'A'

3rd October 2017

ATTENDANCE ROLL EXECUTIVE COMMITTEE MEETING

S/NO	NAME	Factory Name
1	Mr. Chaudhry Sarwar	Chaudhry Steel Furnace
2	Mr. Zahid Malik	Irfan Steel Industry (Pvt) Ltd
3	Mr. Liaqat Ali	Islamabad Steel Furnace
4	Mian Muhammad Saeed	Madina Steel Industry,
5	Mian Ahmad Hassan	Tayyab Brothers (PVT) Ltd
6	Mian Muhammad Saeed	Nazir Steel Mills
7	Mr. Javaid Naseer	Kareem Steel Industry
8	Mr. Umair Cheema	Chenab Steel Re-Rolling Mills
9	Mr. Amjad Ali Ch	M.M Steel
10	Mr. Hafiz Muhammad Tahir	Hafiz Steel Furnace

THE PAKISTAN STEEL MELTERS ASSOCIATION

PLAN OF ACTIVITIES

For the Year 1st Oct 2017 – 30th Sep 2018

S.No	Activity	Date of Commencement	Date of Accomplishment	Financial Impact	Intended Goals
1.	FPCCI Certificate Books, Letterhead Pad & Receipts Books Printing	1 st January 2017	31 st January 2017	46,000/=	Yearly Office Stationary Requirements
2.	Plan To Buy Association's Own Office, Full Payment Office & Registry Of New Office	1 st March 2017	31 st March 2017	68,60,000/=	Plan To Buy Association's Own Office
3.	Office Renovation	1 st April 2017	30 st April 2017	4,00,000/=	Office Requirement
4.	Steel Almirah For Office	1 st June 2017	30 st June 2017	15,000/=	Requirement For Office Files
5.	Plan To Buy A New AC For Office	1 st August 2017	31 st August 2017	83,000/=	Requirement For Office



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Annexure 'C'

Performance Review Report 2016-17

You well know that today Pakistan steel melting industry is the largest revenue generating sector in Pakistan. We do appreciate industrial friendly policies of the government. But with the turn of events this industry is in doldrums and we request for immediate attention to save the domestic industry from collapse. Few submissions are as under:-

1. **Sales Tax** Our domestic industry has to be saved. Presently imported billets is cheaper as compared to local billets. More over prices of steel all over in the international market have crashed down. As such reduction of sales tax of Rs 9/= per electricity unit consumed be reduced to Rs 4/= per electricity unit. Keeping the above in view this reduction is almost mandatory now.

2. **Advance Sales Tax Of Rs 5600/=** A heavy amount of sales tax ie Rs 9/= per electricity unit consumed (lacs of units are utilized per month), is being paid in the electricity bills. On the other hand an amount of Rs 5600/= Per Ton at the port is withheld also which is adjustable later on from our power bills. This adjustable amount gets stuck up and the working capital is exhausted and future industrial process is depressed. As such it is submitted that this scheme of Advance Sales Tax should be **withdrawn**.

3. **Levy Of 5% RD On Steel Scrap** 5% RD on import of the steel and iron scrap has been imposed w.e.f 12th Feb 2015. The move was made one-sided without taking into confidence of the stake holders that is, steel melting sector, and a serious anomaly has now been created versus ship breaking sector. Since the move was to tab revenue, we request that scrap being an **Industrial Raw Material**, 5% RD be removed upon import of steel scrap.

4. **Import Of Billets And Finished Goods From China & Other Countries** The surging imports of billets is seriously effecting the very survival of steel melting industry of Pakistan. Furnaces are being closed, being non – competitive. Keeping in view the above facts, FBR was cooperative enough to levy 15% RD on import of billets which may be enhanced to 40%. It is requested that this imposition be levied across the board on all steel finished products being imported into the country. Sales tax be increased from 17% to 35% on imported finished goods.

5. **Levy Of 2% Custom Duty On Import Of Scrap** This also needs to be reviewed and abolished.

6. **Income Tax** Income Tax on Steel Units be fixed @ Rs.0.50 per electric Unit and to be paid in cash quarterly or adjusted from advance Income Tax paid or refunds. This should be full and final liability. Steel Units should be exempt from audit under various sections.

7. Sales tax on local scrap to be removed or existing SRO 678 to be amended to clarify it and make it clear that there is no Sales Tax on locally generated scrap.

8. **Smuggling Of MS Billets & Finished Goods Through Land Route** Smuggling of finished & semi finished steel goods through Taftan, Sust and Torkhum Borders are of great concern. Earnest effects are required to put a stop to this smuggling through land routes. This will help save our local industry.



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9. Mushroom Growth Of Steel Melting Units In FATA/ PATA/Dargai/Mardan Agency

This Association has constantly been knocking FBR door that the mushroom growth of steel melting units in the above mentioned areas are posing a real threat due to the fact that these units enjoy sales tax and income tax exemptions. We are paying 7200/= per ton – sales tax. Besides this income tax and other taxes are also being paid.

Under the law these units though cannot sell their products out side tax exempted areas, but they are being sold in tax areas of Punjab, specially in Lahore, Gujranwala & Islamabad. It is proposed that an excise duty @ of Rs 7200/= per ton be levied on units in the above mentioned areas.

10. Close Liaison With Environment Protection Agency Presently one of the biggest issue of this industry is Protection of Environment. During the process of iron & steel melting huge smoke is emitted which is very harmful to Environment. In this issue close liaison is maintained by the Individual Furnaces and Collectively / Centrally by this Association with the Environment protection agency. Million of rupees have been spent. This task is being endeavored through two means. Planting of trees inside and outside individual furnaces areas. Secondly, as per the Directions of EPA, millions were spent on manufacture and establishment of Dry Scrubbers. They are utilized to Supress smoke. Now as per the latest instructions of EPA, wet Scrubbers are to be manufactured and installed by the individual furnaces. Million of rupees are being spent.