

PSMA/X-3879/M
23rd Nov 2018

MINUTES
OF

THE MEETING OF THE PAKISTAN STEEL MELTERS ASSOCIATION WAS HELD IN HEAD OFFICE OF THE ASSOCIATION ON 23rd Nov 2018 AT 4 PM.

1. **Attendance.** Annexure -‘A’

2. **Agenda.**

1. **Dua** for Mian Arshad Mehmood, Director Shalimar Steel Re-rolling Mills who passed away on 12th Nov 2018. **إِنَّا لِلَّهِ وَإِنَّا إِلَيْهِ رَاجِعُونَ**
2. To prepare a **package of points** to be discussed with **FBR** Islamabad meeting on 26th Nov 2018.
3. Grant of Membership to :-
 - a. **G.M Steel Industries - Gujranwala** One WAPDA bill received. Online paid Rs **2.5 Lac. Sponsored** by Ikram Steel Industries, Bismillah Steel Furnace.
 - b. **Sohail Latif Siddique** Undertakes to submit **one WAPDA bill next month**. Cheque for **Rs 2.5 Lac** received. **Sponsored** by Zia Steel Re-rolling Mills, Hattar Steel Re-rolling Mills.
4. Any other points with the permission of the chair.

MR. LIAQAT ALI
VICE CHAIRMAN
PRESIDED OVER THE
PROCEEDINGS

3. **Recitation** The proceedings commenced with the recitation of the Holy Quran, by Ch Sarwar.

4. **Mushroom Growth – Self Generation – In Sugar Mills, Chemical Industries And Others**

A mushroom growth of steel melting units is being experienced in the above mentioned industries. The Pakistan Steel Melting Industry is paying **sales tax @ Rs 13/=** per electricity unit consumed. While the steel melting units installed in the above mentioned places are not paying the said sales tax and **Evading Millions of rupees.**

A few suggestions to ensure payment of due taxes by these furnaces are submitted as under:-

Panel Capacity Tax – Transformer. It needs to be levied from the date of production.

Sales Tax. It also needs to be levied from the date of commencement of the production.

Steel Melting Furnaces established in sugar mills & chemical industries premises be duly registered as a steel melting industry with the concerned RTO in sales tax and income tax.

Incorporation. This association needs to be incorporated with the regional tax authorities for comprehensive checks and taxation of the mentioned steel melting furnaces in the said industries.

5. FATA/PATA Sales Tax Issue & Income Tax Issue SRO – 1212 (I) 2018, Annexure – ‘A’ lays down exemption of whole of sales tax up to 30th June 2023. In all other provinces of Pakistan a standard steel melting furnace of 10 x Ton capacity pays Rupees 2 to 2.5 crores besides tax for electricity bill on monthly basis. While Steel melting units in settled areas have to pay this tax.

Cheap billets from the said non tax areas are dumped in taxable areas like Islamabad, Gujranwala, and Lahore. Tax paying units have to bear the brunt of losses. Billets or MS products manufactured in FATA/PATA, if **transported to Hattar, or Punjab be levied the same prevalent sales tax**, since there is a difference of Rs 12,000/= per ton. **The units in Taxable Areas have become Non Competitive.**

6. It was decided by the house that 5600/= at the port be made as Non Adjustable. Sales tax may be levied @ Rs 3/= per electricity unit consumed.

7. Sugar Mills It was also finalized by the house that steel melting industry in sugar mills be made to pay Rs 8,000 to Rs 10,000 as non adjustable at the port.

8. Sales tax may be named as RD / CD etc.

9. 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