

**MINUTES OF MEETING OF THE
EXECUTIVE COMMITTEE OF THE LAHORE
CHAMBER OF COMMERCE & INDUSTRY
HELD ON 18.1.2025 AT 11:30 HOURS
IN AMIN HALL, LCCI BUILDING**

<u>S.No.</u>	<u>Name</u>	<u>Designation</u>	<u>Name of Member Organization</u>
1.	Mian Abuzar Shad (In Chair)	President	Victoria Fabrics (Pvt) Ltd.
2.	Mr. Shahid Nazir	Vice President	Filter House (Pvt) Ltd.
3.	Mr. Tanveer Ahmad	E.C. Member	Eiffel Industries Ltd.
4.	Mr. Faheem-Ur-Rehman Saigol	E.C. Member	Nasir & Sons.
5.	Mr. Asif Malik	E.C. Member	Trafco Tracking (Pvt) Ltd.
6.	Mr. Asif Khan	E.C. Member	ZXMCO Pakistan (Pvt.) Ltd.
7.	Mr. Waqas Aslam	E.C. Member	Super Foods (Pvt.) Ltd.
8.	Mr. Irfan Ahmad Qureshi	E.C. Member	Matchless Engineering (Pvt) Ltd.
9.	Mr. Abdul Majeed	E.C. Member	Dot Print (Pvt) Ltd.
10.	Mr. Amer Saeed Mian	E.C. Member	Mian Travel & Trade (Pvt) Ltd.
11.	Mr. Manzoor Hussain Jaffery	E.C. Member	Karawan-E-Hussani International (Pvt) Ltd.
12.	Mr. Shouban Akhtar	E.C. Member	N Stars Corporation.
13.	Mr. Syed Salman Ali	E.C. Member	Abid & Company (Pvt.) Ltd.
14.	Malik Ahad Amin	E.C. Member	Malik Ahad Amin.
15.	Mr. Muhammad Sajjad	E.C. Member	Hafiz Sajjad Motors (Pvt.) Ltd.
16.	Mr. Muhammad Muneeb Monnoo	E.C. Member	Olympia Oils (Pvt) Ltd.
17.	Mr. Ehtisham-Ul-Haq	E.C. Member	Alpha Chemicals (Pvt) Ltd.
18.	Syed Hasan Raza	E.C. Member	Dairy Solution (Pvt) Ltd.
19.	Rana Muhammad Nisar	E.C. Member	Ghufraan Enterprises.
20.	Mr. Muhammad Ahsan Shahid	E.C. Member	Ahsan Traders.
21.	Mr. Omar Sarfraz	E.C. Member	Omer Steel Traders.
22.	Mr. Khurram Lodhi	E.C. Member	Lodhi Traders.
23.	Mr. Karamat Ali Awan	E.C. Member	Awan Services International (Pvt) Ltd.
24.	Mr. Riaz Shahid	E.C. Member	Khan Mushtarka Goods Transport Co.
25.	Mr. Ali Imran	E.C. Member	Ali Enterprises.
26.	Mr. Amir Ali	E.C. Member	China Favor Star.
27.	Ms. Aamna Randhawa	E.C. Member	Victoria Textile Mills.
28.	Mrs. Firdous Nisar	E.C. Member	Tarz Fashion Cottage.
29.	Mr. Kashif Anwar	Ex-Officio	AMK Engineering (Pvt) Ltd.
	Mr. Shahid Khalil	Secretary General LCCI	

1. RECITATION FROM THE HOLY QURAN

The Meeting started with the recitation from the Holy Quran.

2. LEAVE OF ABSENCE

Leave of absence was granted to the following members:-

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| 1. Mr. Khalid Usman | Sr. Vice President | Water Regime (Pvt) Ltd. |
| 2. Mr. Iftikhar Ahmad | E.C. Member | Risan Engineering Industries (Pvt) Ltd. |
| 3. Sh. Muhammad Fayyaz Ahmad | E.C. Member | Atlantic The Network Company. |
| 4. Mr. Muhammad Imran Saleemi | E.C. Member | Rainbow Stores. |

3. APPROVAL OF MINUTES OF THE EC MEETING

- 3.1 The Secretary General sought approval of the previous minutes. The house unanimously approved the minutes of the previous EC meetings.

4. LIST OF ACTIVITIES

- 4.1 The Secretary General sought approval of the List of Activities, which was circulated along with the notice of the meeting. The House approved the List of Activities presented before it.

5. STATEMENT OF ACCOUNTS

- 5.1 The Secretary General sought approval of the Statement of Accounts. After detailed deliberations, the house granted approval.

6. MINUTES OF THE MEETING OF THE STANDING COMMITTEE

The Minutes of the following Standing Committees were approved in the meeting of the Executive Committee held on 18.1.2025, with some observations recorded below:

- It was decided that anything approved in the minutes, contrary to Chamber policy or LCCI Articles or having financial implications, will be considered "not approved." Moreover, all functions of the standing committees will be organized on a self-financed basis.*

- All Delegations would be as per LCCI SOPs through Delegation Department.**

SR.	NAME OF STANDING COMMITTEE	DATE OF MEETING
A.	Schools & College Education Affairs	8.11.2024
B.	CPEC & Chinese Affairs	28.11.2024
C.	Customs Valuation and Import Affairs	7.12.2024
D.	Gwadar Coastal Tourism	7.12.2024
E.	Gems & Jewelry	11.12.2024

F	Banking Affairs	12.12.2024
G.	Citizen Police Liaison Committee (CPLC)	13.12.2024
H.	Business Friendly Environment for Women	14.12.2024
I.	Pak-Italy Business Promotion	17.12.2024
J.	Shalamar Hospital	19.12.2024
K.	Fashion and Boutique	21.12.2024
L.	Hajj & Umrah	21.12.2024
M	Corporate & Legal Affairs	24.12.2024
N	Motorcycle & Auto Parts Trade	24.12.2024
O.	Research & Development (R&D)	24.12.2024
P	Furniture Trade Affairs	26.12.2024
Q	Hong Kong Taiwan Business Promotion	26.12.2024
R	Legal Education	26.12.2024
S	Association of Southeast Asian Nations (ASEAN)	27.12.2024
T	Joint Meeting of S/Cs on Fresh Fruits and Vegetables Import & Export and Traders of Fruits & Vegetables	27.12.2024
U	Outdoor Advertising	27.12.2024
V	Plastic Industries	27.12.2024
W	Environment	28.12.2024
X	Integrated Marketing	28.12.2024
Y	Learning & Development	28.12.2024
Z	Student Liaison	28.12.2024
AA	Women Economic Empowerment	28.12.2024

AB	Association of Printing, Packaging, Coding and Auto Machinery	30.12.2024
AC	Cottage Industry	31.12.2024
AD	Sweet & Confectionery	31.12.2024
AE	Membership	16.11.2024,30.11.2024 7.12.2024,14.12.2024, 21.12.2024,28.12.2024 & 4.1.2025
AF	IT Infrastructure Development & Training	03.12.2024
AG	International Fairs, Exhibitions and Delegations	29.11.2024

The House approved the minutes of the Standing Committees with an observation to defer the minutes of the Standing Committee of CPEC and Chinese Affairs.

7 ISSUES OF TRADE & INDUSTRY & ANYOTHER ITEM

7.1 The Secretary General sought approvals from the house to increase the fee for the LCCI China Guarantee Letter and the LCCI membership fee, citing current inflationary trends in the country. He said that before obtaining approval for the membership fee increase through an Extraordinary General Meeting (EOGM), approval from the Executive Committee members was required. The house approved initiating the process to increase the LCCI membership fee and deferred the increase in the fee for the LCCI China Guarantee Letter.

7.2 Mr. Hassan Raza highlighted that the Government has imposed a Federal Excise Duty (FED) of Rs. 15 per kg on Food processors who use Sugar in their products like juices, bakery etc. while no FED is applied to sugar sold to traders. This disparity promotes undocumented purchase of sugar. He requested that either the FED be applied to both food processors/manufacturers and traders, or both be exempted.

He also raised the issue of Advance Income Tax exemption certificate U/S 153, stating that according to the government's SRO, an Exemption Certificate is issued upon paying advance income tax for six months and showing anticipated sales. However, he informed the house that despite paying the advance income tax, the relevant department (FBR) is pressing the business community to submit an additional 20-25% in advance tax, which is illegal. He requested the chair to take up this matter with the FBR.

He also suggested that during online renewal of LCCI membership, the membership card is issued either to the owner or one of the directors, whereas others have to apply physically. He requested the Chair to look into this matter and LCCI membership cards

should be issued to all directors online. The Chair referred the matter to the Secretary General.

- 7.3 Mr. Ehtisham-Ul-Haq also endorsed the prevailing income tax issues, emphasizing the need for their resolution. He said that there is a dire need to address the issue of income tax exemptions. He commented that the department blackmails businessmen for paying more to obtain exemption certificates. He urged that faceless system as implemented at Karachi port may to deal with the issue of shipments clearance be installed at Lahore Dry Ports. He further asserted that the root of all the industry's problems lies with the FBR. He commented that this department should be abolished, after which businessmen would provide revenue as per the government's target. He cited the removal of the octroi system, which resulted in revenue collection increasing from Rs. 5 billion to Rs. 25 billion. He requested that Mr. Rashid Langrial, Chairman FBR, Mr. Aurangzeb Ramday, Federal Minister for Finance, Member Income Tax, Member Customs, and other relevant officials be invited to the LCCI to address these issues. The President assured the house that all their matters would be taken up with the relevant government officials.
- 7.4 Mr. Faheem-Ur-Rehman Saigol commented on the sugar-related issue, stating that it pertains to value addition and that such extra taxes will discourage the value-added industry in the country, which will definitely impact the country's exports. He requested the chair to take up this issue. He also requested the commencement of the process to collect budget proposals from all stakeholders, for subsequent submission to the relevant government departments for consideration and implementation. The President requested the EC members to submit their sector-specific budget proposals as soon as possible.
- 7.5 Mr. Irfan Qureshi raised the issues facing the tractor industry, which are 95% localized and primarily based in Lahore and its surrounding areas. He stated that the government had imposed sales tax on tractors this year, resulting in a price hike that adversely affected the farmers' cost of doing business. He added that, due to the efforts of the current provincial Minister for Industries, the sales tax was reduced from 18% to 14%. However, the delay in the execution of the Punjab Government's Green Tractor Scheme has severely impacted this sector. Mr. Qureshi noted that the initial announcement of 40,000 green tractors was later reduced to 9,500, forcing tractor manufacturers to shut down their units for nearly five months. The industry, which used to sell more than 50,000 to 60,000 tractors annually with a production capacity of 80,000, has now declined to just 25,000 tractors per year. In contrast, India manufactured 994,000 tractors this year. He further informed the House that the horsepower per hectare in India is 3.6, compared to only 1.28 in Pakistan, which a major factor is contributing to Pakistan's lower agricultural yield. He requested that this matter urgently be taken up with the Chief Minister Punjab, as the tractor industry plays a significant role in the economy.

- 7.6 Mr. Shoban Akhtar said that in today's meeting with the Minister of Industries at the LCCI, the issue of infrastructure development and waste management in Daroghawala must be taken up, as its paperwork and survey have already been completed with the help of the Metropolitan Corporation Lahore (MCL) and the TMA.
- 7.7 Malik Ahad Amin, while commenting on the withholding tax issue raised by Mr. Ehtisham-ul-Haq, said that in the 2023-24 budget, Government has imposed a 1% withholding tax which is compulsory for everyone, even those with exemptions. He also said that since every manufacturer is registered for sales tax, the FED on the value-added industry is causing double taxation. He also requested that the issue of sales tax under-invoicing in the local paper industry be raised with the Minister of Industries. The President in response said that he is in contact with the Secretary of Finance and the Secretary TDAP and assured the House that he would take up these issues with them.
- 7.8 Mr. Tanvir Ahmed also endorsed Mr. Ehtisham's point on the withholding tax certificate, saying that it is creating problems for the business community. He also highlighted that a new system is being introduced regarding property tax, under which property tax is applied according to the property's value. He condemned the system, stating that it will lead to bribery and undue harassment. He requested that the LCCI must take up this issue with the Excise & Taxation Department. He pointed out that the increasing numbers of tax notices are hampering the already stressed flow of business activities in the country. These practices are the main cause of less tax collection, due to a trust deficit between the business community and tax collecting agencies. He requested the Chair to take up all these matters with the FBR immediately. He also requested that the R&D department prepare a working paper on Business Partnership Constitution, as many businesses face issues regarding partnerships.
- 7.9 Mr. Kashif Anwar, Ex-Officio, raised the issue of consistency and continuity of policies, stating that it is the biggest issue hindering the country's economic growth. He requested the Chair to urge the government to ensure continuity in current policies, at least for the next 5 years. He also mentioned that, according to recent legislation, no company can carry forward its previous year's refund. He further explained that when a registered sales tax filer cannot file their return until their supplier files theirs, it is illogical, as delays on the supplier's part will result in penalties for the filer, disrupting the entire chain. He stated that six months ago, the Prime Minister enacted a law regarding the Rs. 2,700 billion that was held by the FBR. A limit of Rs. 20 million was set for those whose assessments were below Rs. 20 million and had been assessed as such by the assessing officer. After the Commissioner Appeal, the tribunal was dissolved, and the case was transferred to the High Court. Similarly, for assessments exceeding 20 million rupees, the Commissioner Appeal is skipped, and the rest of the process remains the same. He requested that the Minister of Industries be asked how much money was recovered from the 2,700 billion rupees or added to it. Mr. Kashif Anwar also highlighted a law passed

last December, stating that existing taxpayers are burdened rather than the tax net was being expanded. He stated that in the past, when a manufacturer provided supplies, they would also include their customer's withholding tax. Now, with the new budget, this condition has been imposed on all manufacturers, which, to some extent, is not a problem. However, along with this, a law has also been enacted that retailers whose advance tax is Rs. 2 lakh will have to register with the POS system. He requested that this issue be taken up and the limit be raised to at least 5 lakh rupees, so retailers would not suffer. He also urged that retailers with one shop and one NTN should be excluded from the POS category.

- 7.10 The Vice President assured the house that all the issues taken up during the meeting be addressed on priority basis and informed that LCCI is already working on some of the matters. He apprised the members that the LCCI is struggling and fighting for the rights and ease of traders. He said that there are some issues regarding the Tajir Dost Scheme that they are trying to resolve. He stated that IMF conditions are the reason behind these strict measures, but the LCCI is defending the business community at every forum. This is why the FBR is not implementing the scheme as strictly as it could be, he said, adding that it will be taken up with the Minister of Industries as well. He addressed the Property Tax issue raised by Mr. Tanveer Ahmed, saying that the LCCI has also taken up the issue with Commissioner Mr. Umer Chattha, who stated that there are rumors being spread regarding it. He apprised the members that they have set an easy formula with a slight difference in percentage for property tax calculation, with less human interaction. The President asked the Secretary General to invite the DG Excise to the LCCI to discuss these matters in detail.

At the end, while presenting vote of thanks, the Vice President also apprised the House that due to security concerns LCCI management has decided to issue parking stickers to all the EC members to avoid any hassle in future. He thanked all the participants for attending the meeting today.


SHAHID KHALIL
Secretary-General