

MINUTES OF APPPMA EXECUTIVE COMMITTEE MEETING HELD ON FRIDAY, THE 23RD OCTOBER, 2020 AT ITS REGISTERED OFFICE, T-23, 3RD FLOOR, BILAL CENTRE, 9, NICHOLSON ROAD, LAHORE.

Attendance: As per list.

Mr. M. Ashraf Hassan newly elected Chairman, who took over affairs of the Association warmly welcomed the Hon'able Members, who have come to attend the first E.C. Meeting of the present tenure starting from 1st October, 2020. He also expressed sincere thanks for the out-going E.C. Members who retired on 30.09.2020 and hoped that the Hon'able House would extend full cooperation to him in running day to day affairs of the Association. Mr. M. Ashraf Hassan, Chairman assured the Hon'able Members that with their full cooperation and support, he shall be able to run the functioning of the Association efficiently and in best interest of Members.

The Executive Committee Meeting started with recitation from Holy Qurean. On the request of the Chairman, Haji Muhammad Afzal very kindly recited the Holy Verses.

1. To offer Dua for the departed souls.

The first item on the Agenda of the Executive Committee Meeting pertained to offering Dua for the departed souls. Mr. M. Ashraf Hassan, Chairman requested Haji Gul Muhammad to please lead the prayer particularly for 7 days old baby girl of Mr. Faisal Sattar Mughal. Accordingly, the Dua was offered and thereafter, the proceedings of the meeting started.

2. To confirm Minutes of the Meeting of the Association held on 30.09.2020.

The second item on Agenda of E.C. Meeting related to confirmation of E.C. Meeting of the Association held on 30.09.2020. Mr. M. Ashraf Hassan, Chairman informed the Hon'able House that Minutes of the said meeting were sent to all the Members through E-Mail. However, Secretary General was asked to circular hard copies of the Minutes in the Hon'able House. Accordingly, copies of the minutes were distributed in the Hon'able House.

Mr. Zahid Ullah Shinwar, Mr. Hamid Aslam, Mr. Laeeq Ahmed, Mr. Humayun Sharif and some other Members praised the working of the out-gong Chairman, Mr. Faisal Sattar Mughal and his team. They were of the view that functioning of the Association revived after almost 3 years dysfunction and remained exceptionally good during his tenure. The Hon'able House lauded and appreciated performance of the out-going Chairman and his team.

The Chairman informed the Hon'able House briefly about the proceedings of the meeting dated 30.09.2020 which covered the following:-

- In the meeting ANNUAL PERFORMANCE REVIEW OF APPPMA for the year 2019 and 3 year plan of activities were approved.

- Appointment of External Auditors – M/s Malik & Co. For the year 2020 was recommended.
- Annual Accounts of APPPMA for the year ended 30.06.2020, prepared by External Auditors were approved.
- Display of old photographs was earlier confirmed on the request of Haji Gul Muhammad.
- Board Resolution for two bank accounts of APPPMA - Allied Bank and Meezan Bank for operating the same was passed. Any 2 out of 3 Signatories (M. Ashraf Hassan, Chairman, Haji M. Afzal, Vice Chairman and Mr. M. Aslam Kamyana, Secretary General were approved.

Since there was no objection from any Hon' able Members, Mr. Zahid Ullah Shinwari proposed, Mr. Hamid Aslam seconded and the motion stood approved.

3. **To discuss persistent unjustified increase in the price of PVC Resin by M/s Engro Polymer & Chemicals Limited, who enhanced it in less than two months on 6 (Six) dates, its impact on our business and APPPMA future line of action in this regard.**

The third item on Agenda of E.C related to unjustified frequent price increase of PVC Resin by M/s Engro Polymer & Chemicals Limited and as is mentioned in the Agenda Item the Company enhanced it on six (6) dates in less than two months. Mr. M. Ashraf Hassan Chairman condemns these unprecedented price increases by EPCL. The Chairman informed the Hon'able House that the matter was taken up with the CEO, EPCL. Beside, Mr. Imran Khan, Prime Minister, Islamabad has been approached for his intervention to save the PVC & Plastic Pipe Manufacturing Industry of the country due to unprecedented and frequent price increase of PVC Resin by M/s Engro. The Chairman invited the Hon'able House for open discussion on the point.

Mr. Zahid Ullah Shnwri criticised M/s Engro for their unfriendly price fixation policy of PVC Resin and its persistent frequent upward changes, due to which its price has increased considerably resultantly it is difficult for Manufacturers of PVC & Plastic Pipes to maintain the prices of their ends products. He said that frequent upward changes of price of PVC Resin make it difficult for the PVC & Plastic Pipe Manufacturers to maintain their commitments to Customers and this is particularly true with regard to Government Departments for their project. As such, the Government Departments are shifting to utilize HDPE pipes instead of pipes made with PVC Resin due to low prices.

Mr. Laeeq Ahmed, Mr. Hamid Aslam, Haji Muhammad Afzal, Mr. Faisal Sattar Mughal and Mr. Nasim Shahid Mughal have serious reservation regarding price fixation of PVC Resin by EPCL. All the Hon'able Members were extremely critical with

the PVC Resin Price mechanism of M/s Engro Polymer & Chemicals Limited. They were of the firm opinion that M/s Engro Polymer & Chemicals Limited manipulate the domestic price and while calculating domestic price include in it the import duties and levies thus their domestic price remains always high. According to them it is surprising that for the first time, the domestic price of PVC Resin by M/s Engro is less than its imported price.

According to the above named Hon;able Members and also others present in the House, that M/s Engro Polymer & Chemicals Limited is continuing its onslaught on the PVC & Plastic Pipe Manufacturing Industry of the country, thus in less than 20 days, have enhanced the price of the material on different 6 (six) dates. There is no consistency in the price mechanism policy of the Company. They told that PVC Resin constitutes almost 95% of the PVC Pipe material cost; if the material cost is so rapidly and persistently changed upward, and production cost increases, then the end price of PVC Pipes and other products made with PVC Resin shall obviously become uncompetitive and beyond the reach of the masses with multifarious negative impact on PVC Pipe Product Lines.

Mr. Faisal Sattar Mughal, informed the Hon;able House that APPPMA took all possible steps to persuade M/s Engro to withdraw these unjustified price increases and to adopt a consistent price mechanism policy. Accordingly, Mr. M. Imran Khan, Prime Minister of Pakistan, Advisor to the Prime Minister Mr. Abdul Razzaq Dawood, Federal Minister of Industries and Chairman, FBR have been approached for their intervention to save PVC & Plastic Pipe Manufacturing Industry from its collapse due to exorbitant price increase of PVC Resin, the basic raw material for the production of PVC Pipes. Mr. Faisal Sattar Mughal further informed the Hon;able House that a complaint / petition has also been filed with the Competition Commission of Pakistan (CCP), Islamabad against their abuse of monopolistic and dominant position by increasing the prices of PVC Resin.

The Hon'able House lauded and appreciated actions taken by the out-going APPPMA Management and hoped that the new administration under Chairmanship of Mr. M. Ashraf Hassan to continue taking appropriate measures to safeguard the interest of Association Members.

Since there was no objection from any Hon'able Mr. Zahid Ullah Shinwari proposed, Mr. Hamid Aslam seconded and the motion stood approved.

4. **To apprise the Hon;able House about latest development in our complaint / petition pending with Competition Commission of Pakistan (CCP), Islamabad.**

The fourth item on the Agenda of Executive Committee related to discuss complaint / petition lodged with the Competition Commission of Pakistan (CCP), Islamabad. Mr. M. Ashraf Hassan, Chairman informed the Hon'able House that M/s Engro Polymer & Chemicals Limited resorted to unwarranted and unjustified increase in the Price of PVC Resin, the basic raw material for the production of PVC Pipes and within a span of less than 20 days from 13.12.2019 to 07.01.2020 revised upward as under:-

- 13.12.2019 Rs. 206. Per bag
- 01.01.2020 Rs. 210. Per bag
- 07.01.2020 Rs. 215. Per bag

Mr. Faisal Sattar Mughal, the then Chairman, APPPMA took up the matter with the management of M/s Engro Polymer & Chemicals Ltd for reversal of their decision in this respect. After unsuccessful holding series of meetings with the management of the company, APPPMA took up the matter with Competition Commission of Pakistan (CCP) on 11.01.2020 for their abuse of monopolistic & dominant position. The services of a competent counsel has been engaged and the case is pending with the Commission for adjudication.

The Hon'able House appreciated efforts of Mr. Faisal Sattar Mughal, Chairman and his team for taking up boldly with the Management of M/s Engro and subsequently lodging the complaint / petition with Competition Commission of Pakistan (CCP), Islamabad.

Mr. M. Ashraf Hassan, Chairman informed the Hon'able House that, as informed by CCP officially, a team of CCP was conducting the enquiry and the case is being processed through by them for final hearing stage on any date.

Since there was no objection from any Hon'able Member, Mr. Naseem Shahid Mughal proposed and Mr. Humayun Ajmal seconded and the motion stood approved.

5. **To discuss letter received from Ministry of Commerce, (Trade Policy), Islamabad for APPPMA feedback for amendment of Negative list for export of DOP to Afghanistan.**

The fifth Item on the Agenda of the meeting related to discuss a letter received from the Ministry of Commerce, Trade Policy Islamabad seeking amendment of Negative List for export of DOP to Afghanistan. Copies of letter along with its enclosure were distributed in the Hon;able House for the info of Hon'able Members and their comments thereon.

Mr. Humayun Sharif and most of the Hon'able Members were of the view that allowing of export of DOP to Afghanistan would mean shortage of the product n the domestic market, hence increase in its price. This shall not be in the interest of the industry of the country and its growth. Hence, the Hon'able House unanimously adopted to drop the idea by the Ministry of Commerce,(Trade Policy).

Since there was no objection from any Hon-able Mr. Hamid Aslam proposed, Mr. Kashif Naseem seconded and the motion stood approved.

6. **Nomination of Members to the General Body and Executive Committee of FPCCI elections for the year 2021.**

The sixth Item on the Agenda of Executive Committee related to sending nominations to the General Body and Executive committee of FPCCI for its elections for the year 202. The Chairman the Hon'able House that 28th November, 2020 is the last date for submission of the nominations.

Mr. M. Ashraf Hassan Chairman apprized the Hon'able House that as per Memorandum and Articles of the Association of APPPMA, the Chairman, with the approval of Executive Committee is fully authorised to nominate Members to the General Body and Executive Committee of FPCCI for the elections 2021. Mr. Faisal Sattar Mughal apprized that Executive Committee last year in its meeting on 10.10.2019 has approved a criteria for these nominations, which included:-

- Nominations for two seats for FPCCI Election:-
1 Executive Committee and 1 General Body
- Permanent Policy decided in E.C. Meeting on 10.0.2019
- The nominee must have 2 years active participation
- E.C Nominee to give donation of Rs. 200,000. And for General Body Rs. 125,000.
- The nominees shall not apply for the seats for next 2 years.
- The nominated member shall not avail air-/ hotel etc. from contesting FPCCI Candidates / group.

Mr. Zahid Ullah Shinwari, gave a brief about his service to APPPMA and requested that his name may be nominated for the Executive Committee of FPCCI.

Mr. M. Ashraf Hassan, Chairman informed that two groups are functioning within FPCCI – one group lead by Mr. Iftikhar Ali Malik and the second one by Mr. Anjum Nisar, the present President FPCCI. He categorically informed the Hon'able Members that APPPMA shall stand independent and not to affiliate with any group.

Mr. M. Ashraf Hassan informed that as a Chairman he has suggested nominations as follows:-

1. The Executive Committee – Mr. M. Ashraf Hassan – present Chairman.
2. The General Body – Ch. Muhammad Akram – Present E.C. Member

After further discussion on the topic by other Members, Mr. M. Ashraf Hassan Chairman, APPPMA confirmed nominations of the above.

Since there was no objection from any Hon'able Members, Mr. Nasim Shahid Mughal proposed, Mr. Hamayun Anjam seconded and the motion stood approved.

7. Submission of Statutory returns to SECP.

The Chairman informed the Hon'able House that Statutory Returns have been submitted to the Securities & Exchange Commission of Pakistan (SECP) on 05.10.2020, The Hon'able House appreciated efforts of APPPM office for submission thereof within time limit frame.

- Since there was no objection from any Hon'able Members, Mr. Faisal Sattar Mughal proposed, Mr. Humayun Ajmal seconded and the motion stood approved.

8 To discuss matters of Hon'able Members in dealing with HUD & PHE Department, Government of the Punjab, Lahore.

9. Any Other point with the permission of the Chair.

- Mr. Omer Nawaz informed the Hon;able House that The International Exhibition of Plastic Machinery, equipment, raw material and technology 'Pak Plas' is organized by Pakistan Plastic Manufacturers Association (PPMA). He suggested to collaborate with PPMA in organizing this exhibition and share organizing benefits of this exhibition.
- Mr. Omer Nawaz second proposal related to approaching University of Engineering and Technology (UET) for attracting Graduates undergoing training in the industry and their subsequent absorption.
- Mr. Omer Nawaz third suggestion related to benefitting from SMEs Accreditation programme offered by Small & Medium Sized Enterprises.

Since there was no other point for discussion, the meeting ended with a vote of thanks to the Chair.

SECRETARY GENERAL

**ALL PAKISTAN PVC & PLASTIC PIPE
MANUFACTURERS ASSOCIATION**