Annexure no. 07
January 31, 2023

Subject: MINUTES OF THIRD EC MEETING OF PAAPAM

A copy of the minutes of the 3rd EC meeting held **at 11:00 AM, on January 26, 2023,** at the PAAPAM office, **Karachi**, are being reproduced below for your approval:

PRESENT:

1. Mr. Munir K Bana	: Chairman
2. Mr. Usman Aslam Malik	: Senior Vice Chairman
3. Mr. Taufiq Sherwani	: Vice Chairman
4. Mr. Mohsin Qaiser	: Member
5. Mr. Umar Abdullah	: Member
6. Mr. Syed Misbah Uddin	: Member
7. Mr. Mannan Ahmed	: Member
8. Mr. Mumshad Ali	: Member (Through Zoom)
9. Mr. Saad Mahmood Sherani	: Member (Through Zoom)
10. Mr. Muhammad Nasim	: Member
11. Mr. Syed Asad Ali Naqvi	: Member (Through Zoom)
12. Mr. Zain Ul Abidin	: Member
13. Mr. Abdur Razzaq Gauhar	: Immediate Past Chairman
14. Mr. Abdul Rehman Aizaz	: Immediate Past Senior Vice Chairman
15. Mr. Ghulam Murtaza	: Secretary General

1. **Talawat**
   The meeting began with a recitation from Holy Quran by Mr.Umar Abdullah, ECM.
2. **Approval of minutes of the 2nd meeting of EC**
   The SG shared the minutes of the second EC meeting (already circulated) on the screen, Mr. Muhammad Naseem proposed, and Mr. Muhammad Mannan seconded the minutes and it was unanimously approved by the house.

3. **Cooption of one new EC member.**
   Discussion: Chairman, Mr.Munir K Bana, informed the house that our two statutory seats reserved for women entrepreneurs had been lying vacant as no applications were received to fill in these seats. However, the Chairman stated that one lady member, Ms. Narisa Dharani, CEO M/s Electropolymers (Pvt) Ltd. Karachi, has recently filed her nomination for a reserved seat. The house

scrutinized the nomination papers, and the Secretary-General also confirmed that the cooption rules legally allow filling in the reserved seats and cooption was also permitted in our memorandum and articles of association.

Decision: The House approved the cooption unanimously and welcomed the new honorable member on board for the remaining period expiring on 30th September 2024. Mr. Mohsin Qaisar proposed and Mr. Zain Shariq seconded the motion.

4. **New Membership cases**

Discussion: The Secretary-General placed two new membership cases before the house for approval:

i. M/s Tracking World Pvt Ltd, Lahore
ii. M/s M. Hafeez Industries, Lahore

The Pak Auto Engineering, Lahore's case was deferred to the next meeting due to few missing documents.

Mr. Muhammad Naseem, the convener membership committee, apprised that the committee had completed scrutiny and survey of the unit and found both cases eligible for PAAPAM membership.

Decision: The house accorded its approval to both applications. Mr. Taufiq Sherwani proposed, and Mr. Mannan Ahmed seconded the cases.

5. **The amnesty case of M/s AAMI Engineering Pvt Ltd.**

Discussion: The Secretary-General presented the case of M/s AAMI Engineering Pvt Ltd. before the house, which did not pay the fee for last year. The SG verified that they had now received two years required fees.

Decision: The case was approved and the SG was advised to proceed as per rules regarding voting rights.

6. **To consider broadening the scope of the Association by opening membership of PAAPAM to other engineering entities.**

Discussion: IPC, Mr. Abdur Razzaq Gauhar, briefed the house regarding the rationale behind the proposition. He explained that we should expand the scope and base of PAAPAM membership to other engineering sectors. We should no longer be dependent only on auto parts and OEMs. He said the size of auto parts was only 5.8%, whereas the size of the engineering goods was 20% plus. While enunciating the other sectors, IPC further emphasized diversifying ourselves from chapters 70-84, the lesson PAAPAM learned in the recession. He also told the house that the Auto Policy had been renamed 'Engineering Goods Development Policy (EGDP).' IPC also unveiled the salient points of the policy. Mr. Abdul Rehman Aizaz feared that the new entrants may dominate auto players them and that PAAPAM might lose its identity in this expansion. The SVC, Mr. Usman Aslam Malik said that further brainstorming of pros and cons and is needed & this agenda should be deferred to the next meeting, to give more time for arriving at a prudent decision. Mr. Muhammad Nasim and Mr. Taufiq Sherwani suggested filters could be used to avoid dilution of our identity.

Decision: The SG was asked to defer this agenda to the next meeting.

7. **To discuss the proposal of the membership services committee to issue annual PAAPAM Membership Cards, to be replaced annually. The quotes taken from various vendors vary from Rs.350-450.**
   Discussion: The house appreciated the matter and observed that PAAPAM had been doing so in the past, and the same practice should continue.
   Decision: The house refreshed its approval and advised the SG to proceed.

8. **To create a portal to facilitate the members.**
   Discussion: SG tabled the proposal of the membership committee to go over the existing website or develop a comprehensive portal featured with the membership login area to display the audio, videos, catalogs, and other self-loading business information. Mr. Muhammad Nasim supported the motion being the head of the membership committee. The same might be promoted worldwide in the fertilized business areas to attract inquiries directly into the private inbox. The proposal fascinated the house but needed a handsome budget and homework. Mr. Mohsin Qaisar pointed out the size of the funding for this infrastructure. The house also instructed the SG to find out possible services to our members like discounts on shopping etc.
   Decision: The house formed a committee to make recommendations to EC in the next EC meeting:

   i. **Mr. Zain Shariq : Head**
   ii. **Mr. Mohsin Qaiser : Member**
   iii. **Mr. Umer Abdullah : Member**

9. **Auto Industry Crisis**
   Discussion: SVC Mr. Usman Aslam Malik briefed the house on the industry's recession, which has affected most of the members.
   Decision: The point was clubbed, with point No.12 being of an identical nature.

10. **Recommendation of the Corporate Management System Committee to emphasize and sensitize the top Management's commitment to the sustainability of PAAPAM's Corporate Management System.**

Discussion: The SG apprised the house that the CMS committee intended that all the Executive and Standing Committee members be well aware of the CMS to ensure sustainability. The only way to ensure this was the periodical training of the members. Mr. Abdur Razzaq Gauhar added that only with the commitment of the top management, could this system could be sustained.
Decision: The SG was asked to chalk out the training schedule for all concerned periodically. The first one would be a joint session.

11. The SG was instructed that every physical EC meeting should be linked in future through zoom to the other office of PAAPAM.

12. **Industry's Crises**
Discussion: Chairman Mr. Munir K Bana strongly reacted to the country's financial management, which had brought the industry to a grinding halt. Especially dollar and import restrictions were causing the closure of the industry. Mr. Abdul Rehman Aizaz briefed the house that PAAPAM was facing regarding severe import restrictions and the idea of 90 days or 120 days deferral of LCs had an inheritant risk because of dollar fluctuations up to Rs.350 after 90 or 120 days. Banks demand a guarantee for deferred arrangements which only OEMs could give. Secondly, who would pay the high financial cost if members had to maintain the OEM's inventory for longer periods? The backlog could crash everything on maturity of 180 or 120 days. Mr. Usman Aslam Malik added that they should sensitize the OEMs that if they kept avoiding localization, all auto sectors could collapse in toto. The SVC also detailed the back-end efforts of PAAPAM for its members, including appeals and media pressure. The Chairman stated that import of used tractors was another ill-advised decision of ECC and matter of serious concern for PAAPAM, which has added miseries to the already tumbling industry. Hence it was decided not to accept it. PAAPAM's appeals & demos has forced ECC to review its decision.
Decision: It was decided to raise voice of PAAPAM on every platform. And a meeting with the OEMs should be requested for scheduling and timelining of production. Also decided to engage UHF for a fresh exercise under the changed circumstances for financial working as input data for various negotiations. Responsibility for Cars was given to VC Mr. Taufiq Sherwani to do necessary homework in consultation with IPC Mr. Abdur Razzaq Gauhar.

13. **Pakistan Auto Show Karachi**
Discussion: SVC, Mr. Usman Aslam Malik requested the South chapter for confirmed date of PAPS Karachi. Mr. Zain Ul Abedin, convener of Karachi, stated that the committee was working towards early holding of the show.

Decision: The house asked Mr. Zain Ul Abedin to communicate the dates before August 2023 as any later dates would affect the Lahore show.

14. **Commercialization of Head Office.**
Discussion: The SVC told the house that the Head Office of PAAPAM had a residential status. Due to this reason, we had been sent notices from the Lahore Development Authority threatening to seal the office. He suggested getting that commercialized after paying the fee to avoid the departmental time-to-time cognizance.
Decision: The Chairman authorized Mr. Abdur Razzaq Gauhar to do whatever was necessary to resolve the issue and present a comprehensive proposal to the MC for decision.

15. With no other item remaining to be discussed, the meeting ended with a vote of thanks to the Chairman, who presided over the meeting.

Best regards,

(Ghulam Murtaza).
Secretary General

CC to :

1. **Chairman**
2. **SVC**
3. **VC**
4. **Secretary South to execute relevant points**
5. **Mr. Anas Haroon to execute the relevant points and arrange a joint training with consultation of the South.**