

**THE KARACHI COTTON ASSOCIATION**

(The Cotton Exchange, I.I. Chundrigar Road, Karachi)

**EXECUTIVE COMMITTEE MEETING NO. 13 OF 2022-23**

**MINUTES**

A **REGULAR MEETING** of the 91<sup>st</sup> Executive Committee of The Karachi Cotton Association was held in the Board Room of the Association, The Cotton Exchange, I.I. Chundrigar Road, Karachi on **Tuesday, August 22, 2023** at **12:30 hours** to consider the following Agenda:-

**P R E S E N T**

- |     |                           |                    |
|-----|---------------------------|--------------------|
| 01. | Mr. Muhammad Atif Dada    | -Chairman          |
| 02. | Mr. Rizwan Iqbal Umer     | -Vice-Chairman     |
| 03. | Mr. Asif Inam             |                    |
| 04. | Mr. Altaf Hussain         |                    |
| 05. | Mr. Abdul Jabbar          |                    |
| 06. | Mr. Amir Javed            |                    |
| 07. | Mr. Imran Maqbool         | -Zoom              |
| 08. | Mr. Muhammad Asif         |                    |
| 09. | Mr. Muhammad Adil Osawala |                    |
| 10. | Mr. Premchand             |                    |
| 11. | Mr. Sharik Bashir         |                    |
| 12. | Mr. Waqas Anwar           |                    |
| 13. | Khawaja M. Zubair         | -Zoom              |
|     | &                         |                    |
| 14. | Mr. Aftab Alam            | -Secretary General |

The meeting started with the recitation from the **HOLY QURAN**.

**MINUTES (51)**

01. **To confirm minutes of the meeting No. 12 of the Executive Committee held on 04-07-2023.**

As no objection to the minutes of the Regular meeting No. 12 of the Executive Committee held on 04-07-2023 was received, the same were confirmed by the Executive Committee and signed by Chairman in token of confirmation.

**APPLICATIONS FOR THE MEMBERSHIP OF THE ASSOCIATION**

02. (a) **To consider application dated 25-05-2023 from M/s. S.Y. Sons & Co., for admission as member of the Association.**

The Executive Committee interviewed Mr. Muhammad Majid, Authorized Representative of M/s. S.Y. Sons & Co.

**RESOLUTION NO. 116:** After consideration, it was decided to ballot the application of M/s. S.Y. Sons & Co., for membership of the Association in the next meeting of the Executive Committee.

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- (b) **To consider application dated 02-08-2023 from M/s. Control Union Pakistan (Pvt) Ltd. for admission as member of the Association.**

The Executive Committee interviewed Khawaja Muhammad Nauman, Authorized Representative of M/s. Control Union Pakistan (Pvt) Ltd.

**RESOLUTION NO. 117:** After consideration, it was decided to ballot the application of M/s. Control Union Pakistan (Pvt) Ltd. for membership of the Association in the next meeting of the Executive Committee.

- (c) **To consider application dated 07-08-2023 from M/s. Shan Industries for admission as member of the Association.**

The Executive Committee interviewed Mr. Sham Lal, Authorized Representative of M/s. Shan Industries.

**RESOLUTION NO. 118:** After consideration, it was decided to ballot the application of M/s. Shan Industries for membership of the Association in the next meeting of the Executive Committee.

**RENEWAL OF COTTON BROKERS LICENSES  
FOR THE YEAR 2023-2024**

03. **To extend the date of renewal of Cotton Brokers Licences beyond 31-08-2023.**

The Committee was informed that 17 Licensed Cotton Brokers have not yet got their Cotton Brokers Licenses renewed for the year 2023-2024.

**RESOLUTION No. 119** After consideration, the Executive Committee decided to finally extend the date of renewal of Cotton Brokers Licenses for the year 2023-24 upto 15-09-2023 subject to payment of renewal fee and late surcharge as under:-

<u>S.No.</u>	<u>Renewal Period</u>	<u>Fee Payable</u>	<u>Late Surcharge</u>	<u>Total Payable</u>
01.	01-09-2023 to 15-09-2023	Rs.250/-	Rs. 3,000/-	Rs. 3,250/-

The Executive Committee directed the Accounts Section to send letters to the Licensed Cotton Brokers, who have not yet renewed their Brokers Licenses, advising them to get their licenses renewed at the earliest but not later than 15-09-2023.

The Executive Committee decided that if any Cotton Broker's License is not renewed within the finally extended period i.e. upto 15-09-2023, the same would be treated automatically as cancelled w.e.f 16-09-2023.

**KCA'S HUMAN RESOURCE COMMITTEE**

04. **To approve recommendations of the Human Resource Committee as contained in the minutes of its meeting held on 26-06-2023.**

Chairman informed the Executive Committee that one of the Agenda Item of the meeting of the Human Resource Committee held on 26-06-2023 was to appoint Receptionist in place of Late Muhammad Amjad, Ex-Receptionist, the KCA.

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He also informed that in the above referred meeting of the Human Resource Committee, the Committee did not recommend to the Executive Committee to appoint Receptionist in place of Late Muhammad Amjad, Ex-Receptionist, the KCA and desired the Vice-Chairman to provide full justification for appointment of Receptionist in place of Ex-Receptionist.

Khawaja M. Zubair pointed out that in fact, in the meeting of the Human Resource Committee held on 26-06-2023, there were difference of opinion i.e. whether the vacant post of Receptionist should be filled within the available staff of the Association or hiring the Receptionist from outside.

Mr. Sharik Bashir stated that there was no need to appoint Receptionist in place of Ex-Receptionist of the KCA as one Receptionist is enough to perform duty at the Reception Desk of the Cotton Exchange Building.

Khawaja M. Zubair was of the view that security of the Cotton Exchange Building should not be compromised and the vacant post of Receptionist should be filled immediately.

**RESOLUTION No. 120:** After consideration, the Executive Committee desired the Secretariat to prepare a list of Officers and Staff of the Association alongwith their necessary details and submit the same in the next meeting of the Human Resource Committee to consider again the case of appointment of Receptionist in place of Late Muhammad Amjad.

#### **KCA'S BUILDING AND FINANCE COMMITTEE**

05. **To approve recommendations of the KCA's Building and Finance Committee as contained in the minutes of its meeting held on 18-08-2023.**

While considering the recommendations of the Building and Finance Committee dated 18-08-2023, Chairman informed the Executive Committee that the matter regarding investment of KCA's available Funds amounting to Rs. 65,000,000/- was considered in the meeting of the Building and Finance Committee held on 18-08-2023 and after consideration, the Committee recommended to the Executive Committee to invest the KCA's available funds amounting to Rs. 65,000,000/- in the following Shariah Compliant Bank's Open end Mutual Funds equally:-

- 1) National Bank of Pakistan
- 2) United Bank Limited
- 3) Muslim Commercial Bank

Mr. Sharik Bashir stated that the available funds of the KCA should be invested in Mutual Fund of Conventional Banks instead of Mutual Fund of Shariah Compliant Banks to get better rate of profit. However, majority of the members of the Executive Committee were of the views that the KCA's available funds should be invested in Mutual Fund of Shariah Compliant Banks, as recommended in the meeting of the Building and Finance Committee held on 18-08-2023, without considering the difference in rate of profit.

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Chairman also informed the Executive Committee that a letter dated 03-08-2023 received from M/s. Mansoor Ahmad Khan & Co., Legal Advisors of the the KCA was also considered in the meeting of the Building and Finance Committee held on 18-08-2023. In their letter dated 03-08-2023, M/s. Mansoor Ahmad Khan & Co., Legal Advisors of the the KCA informed that they had decided to raise the Retainer-Ship fee amounting to Rs. 100,000/- per month and anything less than this amount may not be sustainable for their continued support to the KCA. In addition to this, they had mentioned various terms and conditions regarding their retainer-ship in their letter dated 03-08-2023, he added.

Chairman further informed that the retainer-ship fee of Mansoor Ahmad Khan & Co., Legal Advisors of the KCA were previously enhanced as under:-

<u>YEAR</u>	<u>FROM</u>	<u>TO</u>
In 1998	Rs. 3000/-	Rs. 5000/-
In 2018	Rs. 5000/-	Rs. 30000/-

Chairman stated that the Building and Finance Committee in its meeting held on 18-08-2023 desired the Secretariat to prepare statement showing Nos. of Legal Advices etc. sought by the KCA from M/s. Mansoor Ahmad Khan & Co., Legal Advisors of the KCA preferably in last 05 years for the perusal of the Chairman.

He also stated that after consideration, the Building and Finance Committee recommended to the Executive Committee to authorize the Chairman to look into the matter and take appropriate decision on the subject matter at his discretion.

The Executive Committee desired to negotiate the subject matter with M/s. Mansoor Ahmad Khan & Co., Legal Advisors of the KCA through good offices of Senior Member (s) of the Association with a view to bring the retainer-ship fee at a reasonable level, he added.

**RESOLUTION No. 121:** After consideration, the Executive Committee approved the recommendations of the Building and Finance Committee as contained in its minutes of the meeting held on 18-08-2023.

#### **RATES COMMITTEE**

06. **To appoint the Rates Committee for the month of September, 2023.**

**RESOLUTION NO. 122:** It was decided by the Executive Committee that the existing Rates Committee may continue for the month of September, 2023.

#### **COTTON SITUATION**

07. **To discuss the cotton situation.**

The Executive Committee observed that according to PCGA's Report dated 18-08-2023, the arrivals of cotton in ginneries, as on 15-08-2023, were reported as 2.115 million bales.

**RESOLUTION NO. 123:** Noted.

**GRADE AND STAPLE MARGINS**

08. **Recommendations of the Grade and Staple Margins Committee of the KCA as contained in the minutes of its meetings held on 31-07-2023 and 15-08-2023.**

**RESOLUTION NO. 124:** The Executive Committee noted the recommendations of the Grade and Staple Margins Committee as contained in the minutes of its meetings held on 31-07-2023 and 15-08-2023.

**GRANT OF LEAVE TO THE MEMBERS OF THE EXECUTIVE COMMITTEE**

09. **To grant leave of absence to the Members of the Executive Committee from attending the meeting of the Executive Committee.**

**RESOLUTION NO. 125:** The Executive Committee granted leave of absence to Mr. Humayun Zafar, Mr. Abdullah Hashwani, Dr. Jassu Mal, Mr. Muhammad Adil Naseem and Mr. Shahid Raza from attending to-day's meeting of the Executive Committee on the intimation received on telephone regarding their pre-occupations on other assignments.

**ANY OTHER MATTER WITH THE PERMISSION OF THE CHAIR**

**VISIT OF MAJ. MUHAMMAD KASHIF ISLAM (R), CHAIRMAN, PAKISTAN COTTON BROKERS ASSOCIATION TO KCA ON 10-08-2023**

Chairman informed the Executive Committee that Maj. Muhammad Kashif Islam (R), Chairman, Pakistan Cotton Brokers Association (PCBA) visited the KCA on 10-08-2023.

In the meeting with Chairman, the KCA, Maj. Muhammad Kashif Islam (R), Chairman, PCBA briefed about the initiative taken by PCBA to revive / implement the Cotton Grading System of Pakistan Cotton Standards Institute (PCSI) in the Cotton sector in collaboration with PCGA, APTMA and the KCA and sought support of the KCA in this regard.

Chairman also informed that under the above referred initiative, 10 volunteer ginning factories, 05 in Sindh and 05 in the Punjab was being designated to produce lint cotton by implementing the cotton grading system of PCSI.

Chairman further informed that Chairman PCBA desired the KCA to encourage only the Brokers Registered with PCBA or the KCA to work with Textile Mills and Ginning Factories so that some system of accountability could be imposed. In this context, Chairman, PCBA furnished him a list of Registered Brokers of the PCBA, he added.

In response to the desire of Chairman, PCBA, Chairman, the KCA stated that there were 320 Licensed Cotton Brokers of the KCA to provide their services to the Cotton Ginners and Local Textile Mills for making cotton transactions.

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Mr. Sharik Bashir stated that if the Registered Brokers of PCBA prefer to do cotton business on the basis of KCA's Sales / Purchase Contract of Raw Cotton then the Cotton business could be done through Registered Cotton Brokers of PCBA. He desired the KCA to forward its Draft of Sales / Purchase Contract of Raw Cotton to APTMA and PCGA for their consideration and support in the best interest of the cotton economy.

Chairman stated that some time ago, Syed Rizwan Vajahat, Cotton Developer, IKEA Group approached the KCA to know about the KCA's Sales / Purchase Contract of Raw Cotton. In this regard, two meetings were held with IKEA to brief them about the KCA's Sales / Purchase Contract of Raw Cotton and the procedure to be followed under the By-Laws of the Association, in case of any dispute in respect of the Sales / Purchase Contract of Raw Cotton. Later on, two sessions with the Cotton Ginners were also organized at Sukkur and Multan by the BCI / the KCA in which the representatives of the KCA answered the queries raised by the Cotton Ginners regarding KCA's Sales / Purchase Contract of Raw Cotton but no further progress was made in this regard, he added.

**RESOLUTION NO. 126: Noted.**

Thereafter, the meeting ended with a vote of thanks to the Chair.

**-Sd/-**  
**(AFTAB ALAM)**  
Secretary General  
KARACHI: 22-08-2023

**-Sd/-**  
**CHAIRMAN**

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