

THE KARACHI COTTON ASSOCIATION

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

EXECUTIVE COMMITTEE MEETING NO. 06 OF 2017-18

MINUTES

A **REGULAR MEETING** of the 86th 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, January 30, 2018** at **12:30 hours** to consider the following Agenda:-

P R E S E N T

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|-----|------------------------------|--------------------|
| 01. | Khawaja Tahir Mahmood | Chairman |
| 02. | Mr. Naser Wahab | |
| 03. | Mr. Aftab Umar | |
| 04. | Mr. Ahmed Ebrahim | |
| 05. | Mr. Asif Inam | |
| 06. | Mr. Imran Mabqool | |
| 07. | Mr. Muhammad Adil Osawala | |
| 08. | Mr. Nasir Anwer Barkhurdaria | |
| 09. | Mr. Parvez Hassan | |
| 10. | Mr. Sajid Haroon | |
| 11. | Mr. Muhammad Atif Dada | -Ex-officio Member |
| 12. | Dr. Khalid Abdullah | |
| | & | |
| 13. | Mr. Aftab Alam | Secretary General |

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

MINUTES (51)

01. (a) **To confirm minutes of the meeting No. 04 of the Executive Committee held on 26-12-2017.**

As no objection to the minutes of the meeting No. 04 of the Executive Committee held on 26-12-2017 was received, the same were confirmed by the Executive Committee and signed by Chairman in token of confirmation.

- (b) **To confirm minutes of the meeting No. 05 of the Executive Committee held on 18-01-2018.**

As no objection to the minutes of the meeting No. 05 of the Executive Committee held on 18-01-2018 was received, the same were confirmed by the Executive Committee and signed by Chairman in token of confirmation.

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MEMBERSHIP BALLOTS

02. a) **To hold ballot under Article No. 9 in respect of M/s. KN Terry Tex, the Executive Committee had fixed to-day's meeting for balloting of their application.**

RESOLUTION No. 54: The results of secret ballot were declared by Chairman. M/s. K N Terry Tex was unanimously elected as member of the Karachi Cotton Association w.e.f. 30-01-2018.

- b) **To hold ballot under Article No. 9 in respect of M/s. A E Mohamedy & Co., the Executive Committee had fixed to-day's meeting for balloting of their application.**

RESOLUTION No. 55: The results of secret ballot were declared by Chairman. M/s. A E Mohamedy & Co. was unanimously elected as member of the Karachi Cotton Association w.e.f. 30-01-2018.

RESIGNATION FROM THE MEMBERSHIP OF THE ASSOCIATION

03. **To consider letter dated 02-01-2018 from M/s. Meezan International, tendering their resignation from the membership of the Association.**

Secretary General informed the Executive Committee that M/s. Meezan International vide their letter dated 02-01-2018, had tendered their resignation from the membership of the Association. He also informed that M/s. Meezan International was admitted as member of the Association on 06-06-1985.

RESOLUTION NO. 56: After consideration, the Executive Committee accepted the resignation tendered by M/s. Meezan International from the membership of the Association w.e.f. 30-01-2018 and directed the Secretariat that their membership deposit be refunded to them after adjusting the dues, if any, of the Association.

**ANNUAL SUBSCRIPTION OF FPCCI
(FOR THE FINANCIAL YEAR JANUARY 1, 2018 - DECEMBER 31, 2018)**

04. **To consider letter dated 08-01-2018 requesting for payment of Annual Membership Subscription of the FPCCI for the year 2018 (January-December).**

The Executive Committee considered the working paper dated 25-01-2018 placed by the Secretariat on the above subject.

Chairman informed the Executive Committee that the FPCCI vide their letter dated 08-01-2018 requested the KCA to pay an amount of Rs. 50,000/- towards the Annual Membership Subscription of the FPCCI for the financial year January 1, 2018 to December 31, 2018.

RESOLUTION No. 57: After consideration, the Executive Committee approved the payment of Rs. 50,000/- to the FPCCI towards Annual Membership Subscription of the FPCCI for the financial year January 1, 2018 to December 31, 2018.

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**CAR PARKING SPACES IN THE CAR PARKING AREA IN
COTTON EXCHANGE BUILDING**

05. **To draw ballot for 5 covered car parking spaces of The KCA to be allocated to the tenant-members on leave and licence basis for one year commencing from 01-02-2018.**

The Executive Committee considered the Working Paper dated 25-01-2018 placed by the Secretariat on the above subject.

The Secretary General informed the Committee that 14 applications for the allocation of 05 covered Parking spaces at the KCA Car Parking Area, on leave and license basis for one year commencing from 01-02-2018, were received from the tenant members of this Exchange. As numbers of interested applicants had exceeded the numbers of spaces available, the allocation of 05 parking spaces would be considered through Ballot, he added.

RESOLUTION No. 58: As a result of ballot, the following tenant members declared successful:-

	<u>Name of the firm</u>	<u>Car Parking Space No.</u>
i)	M/s. Crescent Textile Mills Ltd.	4
ii)	M/s. Mohd Siddiq & Company	5
iii)	M/s. Roberts Cotton Associates Limited	6
iv)	M/s. Amer Cotton Mills (Pvt.) Ltd.	7
v)	M/s. Neelum Textile Mills Ltd.	8

KCA'S HVI COMMITTEE

06. **Recommendations of the HVI Committee of the KCA as contained in the minutes of its meeting held on 12-01-2018, for approval.**

RESOLUTION No. 59: After consideration, the Executive Committee approved the recommendations of the HVI Committee as contained in its minutes of the meeting held on 12-01-2018.

JOINT STRATEGY FOR IMPROVEMENT IN COTTON TRADE

07. **Follow-up briefing by Chairman, the KCA on an understanding developed between PCGA, APTMA and the KCA on the issues concerning with the cotton trade in a meeting held on 28-12-2017 at the KCA.**

Giving the briefing on the above subject, Chairman apprised the Executive Committee that in the meeting held with the Office Bearers / Officials of the PCGA in the office of the KCA on 28-12-2017, in which Office Bearers / Officials of APTMA were also present, 13 points Agenda / issues concerning with the cotton trade were discussed, in detail, and after discussion, it was mutually agreed to form a Committee comprising of 03 representative each from PCGA, APTMA and the KCA to take necessary actions leading to achievement of the agreed Agenda and follow-up the agreed issues with the Government Authorities and Private Trade etc.

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Chairman also apprised the Executive Committee that accordingly letters were sent to Chairmen, APTMA and the PCGA on 01-01-2018 to communicate to the KCA, the names of their 03 representatives on the Committee formed in the above referred meeting. In response to above letters, APTMA vide their letter dated 12-01-2018 addressed to Chairman, the KCA, forwarded 04 names of their representatives on the Committee under discussion. However, the names of the representatives of the PCGA on the Committee had not yet been received by the KCA.

Mr. Imran Maqbool stated that after noticing the undesirable behavior of the representatives of the PCGA in the meeting held at the KCA on 28-12-2017, it would not be advisable to participate in the future meetings if held with PCGA .

Mr. Asif Inam stated that the ginners participated in the meeting held on 28-12-2017 at the KCA with questionable intention. He also stated that he understands that on the advice of the PCGA, the Government had interfered in the Free Trading Policy of cotton after following successfully the same since last several years and levied duty and taxes on import of cotton. He enquired whether the KCA should follow the vision of PCGA.

Chairman stated that the KCA had made its efforts to discuss and resolve important pending issues of the cotton trade in the meeting held at the KCA 28-12-2017. He also stated that getting APTMA, PCGA and the KCA mutually agree on the 13 Agenda Points was a landmark achievement in the recent history of cotton trade of Pakistan. In view of this, Chairman was of the view that this process should continue without any alteration or impediment at this stage. May be at a later stage, this can be mutually discussed among these Associations through the nominated representatives, he added. However, Chairman said that the KCA always advocated the free trading policy in cotton i.e. free export and import of cotton without any qualitative and quantitative restrictions.

He recalled that the KCA had issued a Press Release dated 26-04-2017 in which the KCA strongly recommended the Government not to impose any duty and tax on import of cotton so that the local industry could meet its requirement of shortage in raw material from abroad and ensure exports of optimum quantity of value added products of raw cotton in the international market to earn valuable foreign exchange for the country.

Mr. Muhammad Atif Dada stated that the Chairman, KCA had rightly stated that in the meeting held in the KCA on 28-12-2017, the discussions were held on the common issues of the cotton trade but the threatening attitude adopted by the ginners in the meeting was not desirable. He also stated that there was no harm to meet the PCGA in future but if the APTMA would not be prepared to meet with the PCGA then the desired results could not be achieved.

Chairman enquired Mr. Asif Inam about the position to be taken at this stage. Mr. Asif Inam stated that the KCA should link free trade policy in cotton with all the Agenda points with PCGA.

Mr. Muhammad Atif Dada enquired Mr. Asif Inam whether the stand regarding free trading policy in cotton was his own view or view of APTMA. Mr. Asif Inam stated that he would formally send the view of the APTMA in this regard to the KCA shortly.

When an internal issue of APTMA was discussed, Mr. Imran Maqbool stated that we had no right to discuss that what was happening in APTMA.

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Mr. Ahmed Ebrahim was of the view that the KCA should take stand and continue to follow the objectives which were behind to hold meeting with APTMA and PCGA.

Mr. Nasir Anwer Barkhurdaria stated that there would be no benefit to hold meetings with the PCGA.

Mr. Sajid Haroon stated that till the size of the cotton crop was not increased the desired results could not be achieved by holding meeting with the PCGA/Ginners.

Supporting the above referred views of Mr. Sajid Haroon, Mr. Parvez Hassan stated that the exercise of holding meetings with the ginners would not be proved fruitful at this stage when the country was experiencing a problem of short crop.

Vice Chairman, the KCA was of the view that we should not close the doors and continue the process of negotiations with the ginners.

Concluding the discussion, Chairman stated that primarily, it was his brainchild to initiate a process, involve APTMA and PCGA and make joint efforts leading to resolution of decades long unresolved important matters of cotton trade of Pakistan.

Further he stated that he spent countless number of hours alongwith the KCA Secretariat for doing the spade work leading to the mutual resolve of the Agenda items by these Associations.. It will be very unfortunate if this process is stopped at this stage because of one point of free trade policy which in current stage bears totally conflicting opinion by APTMA and PCGA, he added.

Chairman stated that if the members of the Executive Committee of the KCA unanimously agree to stop the initiative then he would be prepared to do it . In such a case, he was ready to face alone the blame of backing-out , if raised by the PCGA. However, since some members of the Executive Committee of the KCA were still of the view that the process should be continued thus for balancing, the KCA would become inactive till mid of Feb, 2018 and then continue with the process in case APTMA did not withdraw its letter No. PO/SECT/135/0061 dated 12-01-2018 latest by mid of Feb, 2018 .

Chairman further stated that if the letter referred to above was withdrawn by the APTMA till mid of February 2018, the Chairman, the KCA would close the process of negotiations with the ginners being made for resolving the important pending issues concerning to the Cotton Trade.

Replying to the issues of shortage of cotton in the country and payment of premium on producing of quality cotton, Dr. Khalid Abdullah stated that there were many commodities in Pakistan production of which was not according to the demand, therefore, being imported from abroad to meet the local requirement. He also stated that when the quality cotton would be produced then it would involve additional cost and require premium to pay.

RESOLUTION No. 60: Noted.

RATES COMMITTEE

08. **To appoint the Rates Committee for the month of February, 2018.**

RESOLUTION No. 61: It was decided by the Executive Committee that the existing Rates Committee may continue for the month of February, 2018.

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GRADE AND STAPLE MARGINS

09. **Recommendations of the Grade and Staple Margins Committee of the KCA as contained in the minutes of its meetings held on 29-12-2017 and 12-01-2018 for information.**

RESOLUTION No. 62: The Executive Committee noted the recommendations of the Grade and Staple Margins Committee as contained in the minutes of its meetings held on 29-12-2017 and 12-01-2018 respectively.

COTTON SITUATION

10. **To discuss the cotton situation.**

The Executive Committee observed that according to PCGA's Report dated 18-01-2018, the arrivals of cotton in ginneries, as on 15-01-2018, were 11,334,725 bales as compared to 10,535,922 bales in the corresponding period last year.

Mr. Asif Inam stated that there were only 0.150 to 0.200 million bales left unsold / unginning in the ginning factories.

RESOLUTION No. 63: Noted.

GRANT OF LEAVE TO THE MEMBERS OF THE EXECUTIVE COMMITTEE

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

RESOLUTION No. 64: The Executive Committee granted leave of absence to Mr. Asif Bashir, Mr. Amin Hashwani, Dr. Jessu Mal, Mr. Shahid Shafiq, Mr. Sohail Wali, Mr. Zahid Mazhar and Mr. Muhammad Shamim Khan 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

12. **ORGANIC COTTON SUPPLY CHAIN EVENT**

Chairman informed the Executive Committee that WWF-Pakistan vide their email dated 29-01-2018 had informed that they were planning to organize Organic Cotton Supply Chain meeting with collaboration of Karachi Cotton Association (KCA) on 15-02-2018 from :09:30 a.m. to 02:30 p.m. in KCA office in which representative from brands, textile, Ginning industry and Agriculture Department would participate.

Chairman also informed the Executive Committee that WWF-Pakistan would be met all expenses of Lunch and Tea etc to be served in the event.

Chairman sought permission of the Executive Committee in this regard.

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RESOLUTION No. 65: After consideration, the Executive Committee allowed to hold Organic Cotton Supply Chain meeting in the KCA's office on 15-02-2018 from 09:30 a.m. to 02:30 p.m. being organized by WWF-Pakistan in collaboration with the KCA.

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

(AFTAB ALAM)
Secretary General
KARACHI: 30-01-2018

CHAIRMAN
