

THE KARACHI COTTON ASSOCIATION

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

EXECUTIVE COMMITTEE MEETING NO. 05 OF 2022-23

MINUTES

A **SPECIAL MEETING** of the 91st 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 10, 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. Asif Inam
03. Mr. Abdul Jabbar
04. Mr. Imran Maqbool (via Zoom)
05. Mr. Muhammad Adil Osawala
06. Mr. Sharik Bashir
07. Mr. Waqas Anwar
08. Khawaja M. Zubair (via Zoom)
09. Mr. Abdul Shaji Khan Member, KCA's Spot Rates Committee / Special Invitee
10. Mr. Mudassar Shakoor Dada “
11. Mr. Naushad Khan “
12. Mr. Uzair Iftikhar ul Haq “
13. Khawaja Muhammad Nauman “
- &
14. Mr. Aftab Alam Secretary General

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

APPEAL AGAINST SPOT RATE

- 01 **To consider letter dated 09-01-2023 received from M/s. Diamond International Corporation Limited, appealing against the Spot Rate of Cotton which was fixed at Rs. 18,000/- per 37.324 kgs. Ex-gin on 09-01-2023 by the KCA's Spot Rates Committee.**

Opening the discussion, Chairman informed the Committee that M/s. Diamond International Corporation Limited vide their letter dated 09-01-2023 lodged appeal against the Spot Rate of Cotton which was fixed by the KCA's Spot Rates Committee at Rs. 18,000/- per 37.324 kgs. Ex-gin on 09-01-2023 as they were of the view that the Spot Rate of Cotton should be fixed as Rs. 20,500/- per 37.324 kgs Ex-gin.

Supporting the views of appellant, Mr. Sharik Bashir stated that the Spot Rate of Cotton should be based on actual market.

Mr. Abdul Shaji Khan stated that the KCA's Spot Rates Committee fix daily Spot Rate of Cotton for Base Grade-III, Staple Length 1-1-16”, Micronaire Value between 3.8 to 4.9 NCL. He also stated that there was a Grade and Staple Margins Chart, notified by the KCA to determine the price of Cotton of Upper and Lower Grades than the Base Grade.

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Mr. Abdul Shaji Khan also explained, in detail, the Procedure / SOP being followed by the KCA's Spot Rates Committee for fixation daily Spot Rate of Cotton.

Mr. Sharik Bashir was of the view that some Cotton Brokers should be taken on the KCA's Spot Rates Committee that would help the Committee to fix daily Spot Rate of Cotton more realistic.

Chairman stated that the composition of the daily Spot Rates Committee was defined in By-Law 30 of the By-Laws of the Association that provides that the Executive Committee shall appoint from time to time daily Rates Committee consisting of 12 persons chosen from the members of the Association or their duly authorized or nominated representatives, 06 each respectively to be selected from the Buyers/Exporters and Sellers / Others Categories and 01 Government nominated member Executive Committee of the KCA.

Commenting on the Non-Reporting the Cotton transaction by the members of the Association, Mr. Sharik Bashir stated that the KCA should appeal to its members to report their cotton transaction regularly to the Association so that the same should be kept in view by the KCA's Spot Rates Committee while fixing daily Spot Rate of Cotton.

He also stated that the persons having good knowledge should be taken on the KCA's Spot Rates Committee and in this regard, the KCA should request the members of the Association to spare their representatives to appoint on the KCA's Spot Rates Committee.

The Executive Committee considered, in detail, an Appeal against Spot Rate of Cotton lodged by M/s. Diamond International Corporation Limited and desired that in future, while considering the Appeal against Spot Rate by the Executive Committee, HVI Results and Reports of Cotton Transaction should be placed before Executive Committee for ready reference. The Executive Committee also desired that SOP, already evolved, and being followed by the KCA's Spot Rates Committee for fixation of daily Spot Rate of Cotton should be reviewed to make it more realistic.

RESOLUTION NO. 41: After careful consideration, the Executive Committee decided to uphold the Spot Rate of Cotton fixed by the KCA's Spot Rates Committee for Base Grade-III, Staple Length 1-1-16", Micronaire Value between 3.8 to 4.9 NCL on 09-01-2023 at Rs. 18,000/- per 37.324 kgs Ex-gin.

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

-Sd/-
(AFTAB ALAM)
Secretary General
KARACHI: 10-01-2023

-Sd/-
CHAIRMAN
