

THE KARACHI COTTON ASSOCIATION

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

EXECUTIVE COMMITTEE MEETING NO. 09 OF 2021-22

MINUTES

A **REGULAR MEETING** of the 90th 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, April 26, 2022** at **12:05 hours** to consider the following Agenda:-

P R E S E N T

- | | | |
|-----|---------------------------|---------------------|
| 01. | Khawaja M. Zubair | -Chairman |
| 02. | Mr. Jahangir Moghul | -Vice-Chairman |
| 03. | Mr. Ahmed Ebrahim | |
| 04. | Mr. Junaid Habib Vaid | |
| 05. | Mr. Muhammad Asif | |
| 06. | Mr. Muhammad Nasir Sohail | |
| 07. | Mr. Rehan Nasir | |
| 08. | Mr. Sajid Haroon | |
| 09. | Mr. Sharik Bashir | |
| 10. | Mr. Waqas Anwar | |
| | | & |
| 11. | Mr. Aftab Alam | - Secretary General |

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

MINUTES (51)

01. **To confirm minutes of Regular meeting No. 08 of the Executive Committee held on 29-03-2022.**

As no objection to the minutes of Regular meeting No. 08 of the Executive Committee held on 29-03-2022 was received, the same were confirmed by the Executive Committee and signed by Chairman in token of confirmation

MEMBERSHIP BALLOTS

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

RESOLUTION No. 78: The results of secret ballot were declared by Chairman. M/s. AL Azam Fibres was unanimously elected as member of the Karachi Cotton Association w.e.f. 26-04-2022.

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

RESOLUTION No. 79: The results of secret ballot were declared by Chairman. M/s. Mapko Trade was unanimously elected as member of the Karachi Cotton Association w.e.f. 26-04-2022.

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- (c) **To hold ballot under Article No. 9 in respect of M/s. New S.S.D. Industries, the Executive Committee had fixed to-day's meeting for balloting of their application.**

RESOLUTION No. 80: The results of secret ballot were declared by Chairman. M/s. New S.S.D. Industries was unanimously elected as member of the Karachi Cotton Association w.e.f. 26-04-2022.

**REPAIRING & PAINTING OF CEILING & DAMAGED WALLS IN THE CORRIDORS
ON 4TH FLOOR OF THE COTTON EXCHANGE**

03. **To consider Office Note dated 20-04-2022 on the above subject.**

The Executive Committee considered Office Note dated 20-04-2022 on the above subject.

Chairman stated that the subject matter was considered in the meeting of the Building and Finance Committee held on 28-03-2022. After consideration, the Committee recommended to the Executive Committee to approve one of the following options to repair and painting of Ceiling and damaged walls of the corridors on 4th Floor of the Cotton Exchange.

- i) The repair and painting of Ceiling and damaged walls of the corridors on 4th Floor of the Cotton Exchange be carried out by the KCA at its own cost.

OR

- ii) The repair and painting of Ceiling and damaged walls of the corridors on 4th Floor of the Cotton Exchange be carried out by getting shares from the tenants as was the case of repair of the roof of the Cotton Exchange.”

Mr. Jahangir Moghul, Mr. Rehan Nasir, Mr. Muhammad Nasir Sohail and Mr. Waqas Anwar were of the views that the expenditure involved in repairing & painting of Ceiling & Damaged walls in the Corridors on 4th Floor of the Cotton Exchange should be met by the KCA. However, Mr. Sharik Bashir and Mr. Junaid Habib Vaid were of the views that the expenditure under discussion should be met by the Tenants of the 4th Floor of the Cotton Exchange Building.

Chairman was of the view that the repair and painting of Ceiling and damaged walls of the corridors on 4th Floor of the Cotton Exchange should be repaired by getting shares from the tenants.

Mr. Sharik Bashir stated that the KCA should evolve Policy / Plan to handle such matters in future.

Mr. Muhammad Nasir Sohail suggested that the KCA should have to approve annual budget to deal with such matters.

RESOLUTION No. 81: After consideration, the Executive Committee approved a sum of Rs. 175,000/- for repairing and painting of Ceiling and damaged walls of the corridors on 4th Floor of the Cotton Exchange for the time being and the said expenditure should be recovered from the Tenants of the 4th Floor of the Cotton Exchange if the Executive Committee considered appropriate.

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**CONSTITUTION PETITION NO. 191 / 2022 FILED BY M/S. INDUS COTTON GINNERS
AGAINST M/S. THE KARACHI COTTON ASSOCIATION AND OTHERS
IN THE HIGH COURT OF SINDH KARACHI**

04. **To consider Office Note dated 20-04-2022 on the above subject.**

The Executive Committee considered Office Note dated 20-04-2022 on the above subject.

Chairman recalled that in the meeting of the Executive Committee held on 29-03-2022, Dr. Jassu Mal stated that the KCA should settle the case amicably by recovering all outstanding rent etc. He also stated that he was prepared to give guarantee to KCA in-writing that M/s. Indus Cotton Ginnners would not become defaulter of the KCA in future. Dr. Jassu Mal also stated that if there was any delay in payment of outstanding amount from M/s. Indus Cotton Ginnners in future, he would directly pay the total due amount of M/s. Indus Cotton Ginnners to the KCA in respect of Room No. 406, the Cotton Exchange, I.I. Chundrigar Road, Karachi.

Mr. Sharik Bashir stated that it was not a good practice as M/s. Indus Cotton Ginnners become second time defaulter of rent of Room No. 406, the Cotton Exchange, I.I. Chundrigar Road, Karachi. He was, therefore of the view that it would not be advisable to again settle the case of M/s. Indus Cotton Ginnners when Honorable Court had given the possession of Room No. 406, the Cotton Exchange, I.I. Chundrigar Road, Karachi to the KCA.

The Executive Committee was informed that M/s. Indus Cotton Ginnners had filed Constitution Petition No. 191 / 2022 against the Karachi Cotton Association and others in the High Court of Sindh, Karachi. However, the Honorable Court had passed Orders, operative portion of which reproduce below:-

“Notice to respondents as well as A.G. Sindh. Since present petition is against conflicting findings recorded by courts below, hence, parties shall maintain status-quo.”

Chairman stated that the Executive Committee should give due consideration to the request of Dr. Jassu Mal who was a worthy member of the Executive Committee of the KCA. He also stated that if the Executive Committee would give its consent to settle the subject case, the KCA would recover from M/s. Indus Cotton Ginnners all outstanding rent, professional fee paid by the KCA to its Lawyers previously and presently and other expenditures met by the KCA in this case and obtain Guarantee/Undertaking from Dr. Jassu Mal on Stamp Paper that if there was any delay in payment of outstanding amount from M/s. Indus Cotton Ginnners, in future, he would directly liable to pay the total due amount of M/s. Indus Cotton Ginnners to the KCA in respect of Room No. 406, the Cotton Exchange, I.I. Chundrigar Road, Karachi. He further stated that due to the above referred decision of the Honorable High Court of Sindh, the KCA was not in a position to rent out the Room No. referred to above to any one.

Mr. Muhammad Nasir Sohail suggested that the KCA should recover advance rent of 03 years from M/s. Indus Cotton Ginnners in addition to the all outstanding rent, professional fee paid by the KCA to its Lawyers previously and presently and other expenditures met by the KCA in this case.

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RESOLUTION No. 82: After thorough deliberations on the above subject, the Executive Committee agreed, in principle, to settle the above referred case with M/s. Indus Cotton Ginners in the Court of Law subject to clear all outstanding rent, professional fee paid by the KCA to its lawyers previously and presently and other related expenditure met by the KCA and payment of advance rent of 03 years by M/s. Indus Cotton Ginners in respect of Room No. 406, the Cotton Exchange, I.I. Chundrigar Road, Karachi. The details of which are shown below:-

(a)	<u>Outstanding Rent and Service Charges:-</u>	<u>Rent p.m</u>	<u>Amount</u>	<u>TOTAL DUES</u>
(i)	From January'2020 to December'2020	31,480	377,760	
(ii)	From January'2021 to June'2021	34,628	207,768	
(iii)	From July'2021 to June'2022	38,091	<u>457,092</u>	1,042,620
(b)	<u>Advance Rent and Service Charges with estimated Increase @ 10% p.m</u>			
(i)	From July'2022 to June'2023	41,900	502,800	
(ii)	From July'2023 to June'2024	46,090	553,080	
(iii)	From July'2024 to June'2025	50,699	<u>608,388</u>	1,664,268
(c)	<u>Legal Cost:-</u>			
(i)	50% Legal Cost share by the KCA for 1st, Rent Case in 2018		388,750	
(ii)	Session Court Legal Cost for 2020-2021		85,000	
(iii)	Legal Cost for Hi-Court of Sindh		<u>250,000</u>	723,750
(d)	<u>Cost of Repair and Maintenance:-</u>			70,000
Total Recoverable Amount				3,500,638

The Executive Committee decided that in case, the subject matter was settled in the Court of Law, the KCA would obtain Guarantee / Undertaking on Stamp Paper (to be drafted by the KCA's Lawyer) from Dr. Jassu Mal that if there was any delay in payment of outstanding amount from M/s. Indus Cotton Ginners, in future, he would directly liable to pay the total due amount of M/s. Indus Cotton Ginners to the KCA in respect of Room No. 406, the Cotton Exchange, I.I. Chundrigar Road, Karachi.

**RESERVED CAR PARKING ADJACENT TO THE COTTON EXCHANGE OPP:
HABIB BANK PLAZA**

05. To consider Office Note dated 20-04-2022 on the above subject.

The Executive Committee considered Office Note dated 20-04-2022 on the above subject.

The Executive Committee was informed that in the meeting of the Executive Committee held on 29-03-2022 considered the matter relating to fix charges per car per month against allocation of reserved Car Parking Adjacent to the Cotton Exchange Building at Station Road, Opp: Habib Bank Plaza (On Road) to the Tenants of the Cotton Exchange for the period from April 01, 2022 to February 28, 2023.

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The Executive Committee was also informed that after consideration, the Executive Committee vide its Resolution No. 77 dated 29-03-2022 resolved as under:-

“RESOLUTION No. 77: After thorough consideration, the Executive Committee decided to charge Rs. 6000/- per car per month and recover an amount of Rs. 66,000/- per car in advance from the allottees of the car parking for 11-months i.e. from April 01, 2022 to February 28, 2023.”

The Executive Committee was further informed that most of the applicants for allocation of reserved car parking under discussion had expressed their inability to pay Rs. 6000/- per car space per month and desired the Executive Committee to reduce the charges at appropriate level.

RESOLUTION No. 83: After thorough consideration, the Executive Committee decided to reduce the charges for allocation of reserved Car Parking adjacent to the Cotton Exchange Building at Station Road, Opp: Habib Bank Plaza (On Road) from Rs. 6000/- per car per month to Rs. 4000/- per car par month and recover an amount in advance from the allottees of the car parking till February 28, 2023.

RATES COMMITTEE

06. **To appoint the Rates Committee for the month of May, 2022.**

RESOLUTION NO. 84: It was decided by the Executive Committee that the existing Rates Committee may continue for the month of May, 2022.

GRADE AND STAPLE MARGINS

07. **Recommendations of the Grade and Staple Margins Committee of the KCA as contained in the minutes of its meeting held on 30-03-2022.**

RESOLUTION NO. 85: The Executive Committee noted the recommendations of the Grade and Staple Margins Committee as contained in the minutes of its meeting held on 30-03-2022.

COTTON SITUATION

08. **To discuss the cotton situation.**

The Executive Committee observed that sowing of cotton (crop season 2022-23) was in progress both Sindh and the Punjab. However, due to acute shortage of Canal water in many areas of Southern Punjab and Sindh, as reported, the cotton crop in these areas was considerably affected in the eve when the country is facing extreme shortage of cotton since last 03-04 years due to devastating failure of cotton crop.

RESOLUTION NO. 86: **Noted.**

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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 today's meeting of the Executive Committee.

RESOLUTION NO. 87: The Executive Committee granted leave of absence to Mr. Asif Bashir, Mr. Amin Hashwani, Dr. Jassu Mal, Mr. Jai Kishan, Mr. Muhammad Adil Osawala, Mr. Parvez Hassan, Mr. Muhammad Atif Dada, Ms. Shaheen Syed 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

KCA'S HVI COMMITTEE

06. Recommendations of the KCA's HVI Committee as contained in the minutes of the meeting held on 25-04-2022.

RESOLUTION NO. 88: After consideration, the Executive Committee approved the recommendations of the KCA's HVI Committee as contained in its minutes of the meeting held on 25-04-2022.

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

-Sd-
(AFTAB ALAM)
Secretary General
KARACHI: 26-04-2022

CHAIRMAN
