

THE KARACHI COTTON ASSOCIATION

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

EXECUTIVE COMMITTEE MEETING NO. 09 OF 2022-23

MINUTES

A **REGULAR 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 **Thursday, April 27, 2023** at **12:30 hours** to consider the following Agenda:-

P R E S E N T

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|-----|---------------------------|--------------------|
| 01. | Mr. Muhammad Atif Dada | -Chairman |
| 02. | Mr. Rizwan Iqbal Umer | -Vice-Chairman |
| 03. | Mr. Abdullah Hashwani | |
| 04. | Mr. Abdul Jabbar | |
| 05. | Mr. Amir Javed | |
| 06. | Mr. Muhammad Asif | |
| 07. | Mr. Muhammad Adil Osawala | |
| 08. | Mr. Premchand | |
| 09. | Mr. Sharik Bashir | |
| 10. | Mr. Waqas Anwar | |
| 11. | Khawaja M. Zubair | -(Zoom) |
| | & | |
| 12. | 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. 08 of the Executive Committee held on 21-03-2023.**

As no objection to the minutes of the Regular meeting No. 08 of the Executive Committee held on 21-03-2023 was received, the same were confirmed by the Executive Committee and signed by Chairman in token of confirmation.

APPLICATION FOR THE MEMBERSHIP OF THE ASSOCIATION

02. **To consider application dated 03-02-2023 from M/s. Al-Shahbaz Cotton Ginners & Oil Mills., for admission as member of the Association.**

Secretary General informed the Executive Committee that Mr. Ramesh Lal, Authorized Representative of M/s. Al-Shahbaz Cotton Ginners & Oil Mills did not appear again before the Executive Committee for interview owing to out of country at present.

Secretary General also informed that Mr. Ramesh Lal would return from abroad in May, 2023 and appear before the Committee for interview in the next meeting.

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RESOLUTION NO. 77: After consideration, the Executive Committee deferred the interview of Mr. Ramesh Lal, Authorized Representative of M/s. Al-Shahbaz Cotton Ginners & Oil Mills till its next meeting.

HUMAN RESOURCE COMMITTEE

03. **Recommendations of the KCA's Human Resource Committee as contained in the minutes of the meeting held on 08-03-2023.**

Chairman informed the Executive Committee that while considering the provision to increase amount of Gratuity payable to the employees of the Association, the KCA's Human Resource Committee in its meeting held on 08-06-2022 constituted a short Sub-Committee comprising of the following to make proposal to increase Gratuity of the Regular Employees of the Association and grant service benefits to the Contract employees of the Association for its consideration:-

- | | | |
|-------|-----------------------|-------------------------------|
| (i) | Khawaja M. Zubair | Chairman |
| (ii) | Mr. Jahangir Moghul | Vice-Chairman |
| (iii) | Mr. Amin Hashwani | Member E.C. / Former Chairman |
| (iv) | Khawaja Tahir Mahmood | Former Chairman |

Giving the background of the case, Chairman informed the Executive Committee that since a considerable time, it was being observed that amount of Gratuity payable to the Regular Employees of the Association upon their retirement was not enough due to calculation of Gratuity on the basis of very low Basic Salaries.

Chairman stated that in order to consider the above referred issues of the employees of the Association, various meetings of the above referred Sub-Committee were held from time to time and consultation was also made with the lawyer in this regard. The findings of the Short Sub-Committee dated 08-03-2023 were as under:-

-Khawaja Tahir Mahmood said that no organization is legally responsible to pay both PF and Gratuity to regular employees. KCA is already paying PF which should be continued. Whereas Gratuity may now be paid at proposed enhanced amount and thereafter this chapter of Gratuity be closed as on 30 June 2023.

09 nos of staff were working in KCA as regular employees and therefore eligible for gratuity, he added.

Khawaja Tahir Mahmood further said that he and Mr. Amin Hashwani have both mutually agree and propose for an amount of PKR 3.5 million to be added to Gratuity amount (as per KCA prevailing calculation for Gratuity) of 09 regular employees. Moreover he said that Gratuity due for these staff be calculated max upto 30 June 2023, paid and then the Gratuity chapter should be closed for future. The regular staff retiring earlier than 30 June 2023 will off-course have cut-off date as per their last day in service.

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Mr. Amin Hashwani supported all of the above and stressed on the legal obligation.

The sub committee then proposed to settle the gratuity of the 09 persons at around 4-4.5 million by adding 3 million over the amount as per existing method.

Mr. Sohail Naseem disagreed to this proposal. He said that either all 09 Regular Employees should be paid in the same manner as was paid before OR if a new formula is to be decided then not only the 09 persons but also the ones who are still working in the Association as Contract employees and have been paid gratuity earlier as per old method should be paid the difference as per new method.

Mr. Abdul Jabbar supported the views of Mr. Sohail Naseem.

Mr. Amin Hashwani said that if we start going back to the staff already paid then there is not way to draw a line. Then why stop at the staff still working and why not also consider the ones who passed away. So there is no end.

Mr. Rizwan Iqbal Umer supported the proposal of Khawaja Tahir Mahmood and Mr. Amin Hashwani.

House was divided and Mr. Muhammad Atif Dada reserved his opinion to be declared later.”

At this stage, Secretary General and Deputy Secretary (Statistics) left the meeting as desired by the Executive Committee

RESOLUTION No. 78: After consideration, the Executive Committee desired to prepare statements showing actual Profit and Loss Accounts of the KCA for last 05 years and projected Profit and Loss Accounts of the KCA for the next 05 years by taking into Account 10% interest rates for consideration of the Executive Committee in its next meeting.

BUILDING AND FINANCE COMMITTEE

04. (a) **Recommendations of the KCA’s Building and Finance Committee as contained in the minutes of the meeting held on 20-03-2023.**

While considering the Minutes of the meeting of the KCA’s Building and Finance Committee held on 20-03-2023, Vice-Chairman invited the attention of the Executive Committee towards the recommendation of the KCA’s Building and Finance Committee against Agenda Item No.01 and desired that the investment of KCA’s Fund also be made in mutual funds of Bank Al-Habib Limited and United Bank Limited in addition to (i) Habib Bank Limited (ii) Muslim Commercial Bank Limited (iii) National Bank of Pakistan and (iv) Bank Al-Falah Limited as recommended by the Building and Finance Committee in its meeting held on 20-03-2023 to which the members of the Executive Committee attending the meeting were agreed.

RESOLUTION No. 79: After consideration, the Executive Committee approved the recommendations of the Building and Finance Committee as contained in its minutes of the meeting held on 20-03-2023 against Agenda Item Nos. 02 to 10.

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As regard the recommendation of the Building and Finance Committee dated 20-03-2023 against Agenda Item No. 01, the Executive Committee decided that the investment of KCA's Fund also be made in mutual funds of Al-Habib Asset Management Limited and UBL Fund Managers Limited in addition to (i) HBL Asset Management Limited (ii) MCB Arif Habib Savings and Investments Limited (iii) NBP Fund Management Limited (iv) Alfalah Asset Management Limited as well as in Conventional Banks / Banks deal in Islamic Banking having A1+ rating / grade earlier approved by the Executive Committee.

The Executive Committee resolved to open Accounts of the Karachi Cotton Association in the following Banks to make its investment in their Mutual Funds:-

- i) HBL Asset Management Limited
- ii) MCB Arif Habib Savings and Investments Limited
- iii) NBP Fund Management Limited
- iv) Alfalah Asset Management Limited
- v) Al-Habib Asset Management Limited
- vi) UBL Fund Managers Limited

The Executive Committee also resolved that any two of the following be and are authorized to operate jointly Mutual Funds Investment Accounts of the Karachi Cotton Association and make invest / disinvest / reinvest the Association's Funds in the above referred Banks :-

- i) Mr. Muhammad Atif Dada Chairman,
- ii) Mr. Rizwan Iqbal Umer Vice-Chairman
- iii) Mr. Amir Javed Member of the Executive Committee
- iv) Mr. Abdul Jabbar Member of the Executive Committee
- v) Mr. Waqas Anwar Member of the Executive Committee
- vi) Mr. Aftab Alam Secretary General

The Executive Committee further resolved the above aforesaid signatories be and are hereby also authorized as per the aforementioned authorization to sign the Investment Form, Account Operating Form, Redemption Form, Conversion Form and any other related document(s) on behalf of the Association.

- b) **Recommendations of the Building and Finance Committee of the KCA as contained in the minutes in its meeting held on 25-04-2023.**

RESOLUTION No. 80: After consideration, the Executive Committee approved the recommendations of the Building and Finance Committee as contained in its meeting held on 25-04-2023.

RATES COMMITTEE

05. **To appoint the Rates Committee for the month of May, 2023.**

RESOLUTION No. 81: After consideration, it was decided by the Executive Committee that the existing Rates Committee might continue for the month of May, 2023.

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COTTON SITUATION

06. **To discuss the cotton situation.**

The Executive Committee observed that according to PCGA's Report dated 03-03-2023, the arrivals of cotton in ginneries, as on 01-03-2023, were reported as 4.875 million bales as compared to 7.441 million bales in the corresponding period last year.

RESOLUTION No. 82: Noted.

GRANT OF LEAVE TO THE MEMBERS OF THE EXECUTIVE COMMITTEE

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

RESOLUTION No. 83: The Executive Committee granted leave of absence to Mr. Humayun Zafar, Mr. Asif Inam, Mr. Altaf Hussain, Dr. Jassu Mal, Mr. Imran Maqbool, 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.

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

-Sd/-
(AFTAB ALAM)
Secretary General
KARACHI: 27-04-2023

-Sd/-
CHAIRMAN
