

THE KARACHI COTTON ASSOCIATION

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

EXECUTIVE COMMITTEE MEETING NO. 14 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 **Tuesday, September 26, 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. Altaf Hussain | |
| 04. | Mr. Abdul Jabbar | |
| 05. | Mr. Amir Javed | |
| 06. | Mr. Imran Maqbool | -Zoom |
| 07. | Mr. Muhammad Adil Osawala | |
| 08. | Mr. Sharik Bashir | |
| 09. | Mr. Waqas Anwar | |
| | & | |
| 10. | 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. 13 of the Executive Committee held on 22-08-2023.**

As no objection to the minutes of the Regular meeting No. 13 of the Executive Committee held on 22-08-2023 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 11-09-2023 from M/s. Roomi Fabrics Ltd., for admission as member of the Association.**

The Executive Committee interviewed Khawaja Najam-ud-din Roomi, Authorized Representative of M/s. Roomi Fabrics Ltd.

RESOLUTION NO. 127: After consideration, it was decided to ballot the application of M/s. Roomi Fabrics Ltd., for membership of the Association in the next meeting of the Executive Committee.

Contd. on page/2

- (b) **To consider application dated 11-09-2023 from M/s. Masood Fabrics Ltd., for admission as member of the Association.**

The Executive Committee interviewed Khawaja Jalal-ud-din Roomi, Authorized Representative of M/s. Masood Fabrics Ltd.

RESOLUTION NO. 128: After consideration, it was decided to ballot the application of M/s. Masood Fabrics Ltd., for membership of the Association in the next meeting of the Executive Committee.

MEMBERSHIP BALLOTS

- 03.(a) **To hold ballot under Article No. 9 in respect of M/s. S.Y. Sons & Co., the Executive Committee had fixed to-day's meeting for balloting of their application.**

RESOLUTION No. 129: The results of secret ballot were declared by Chairman, M/s. S.Y. Sons & Co., were unanimously elected as member of the Karachi Cotton Association w.e.f. 26-09-2023.

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

RESOLUTION No. 130: The results of secret ballot were declared by Chairman, M/s. Control Union Pakistan (Pvt) Ltd, were unanimously elected as member of the Karachi Cotton Association w.e.f. 26-09-2023.

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

RESOLUTION No. 131: The results of secret ballot were declared by Chairman, M/s. Shan Industries, were unanimously elected as member of the Karachi Cotton Association w.e.f. 26-09-2023.

**INVITATION TO PARTNER AND SPONSOR WORLD COTTON DAY EVENT
- ADVANCING SUSTAINABLE COTTON PRODUCTION IN PAKISTAN**

04. **To consider email dated 24-08-2023 received from the PCGA on the above subject.**

The Committee considered email dated 24-08-2023 received from the PCGA on the above subject.

RESOLUTION No. 132: After consideration, the Executive Committee decided to place Banner of the KCA at a cost of Rs. 25,000/- in the event of World Cotton Day being organized by the PCGA on 07-10-2023.

The Executive Committee also decided to organize World Cotton Day on 07-10-2023 at the premises of the KCA as was the case in the past.

Contd. on page/3

CATEGORIZATION OF MEMBERS

05. **To consider and approve draft list of members categorized as (i) Buyers/Exporters (ii) Sellers and (iii) Others.**

The Executive Committee considered the Draft list of Members categorized as (i) Buyers/Exporters (ii) Sellers and (iii) Others for the year 2023-24.

RESOLUTION No. 133: After consideration, the Executive Committee approved the draft list of members categorized into 3 categories i.e. (i) Buyers/Exporters, (ii) Sellers and (iii) Others and directed to publish the same in the Daily Cotton Market Report to invite objections from the members of the Association and authorized the Chairman to consider such objections on merit, if any, received from the members.

KCA'S BUILDING AND FINANCE COMMITTEE

06. **To approve recommendations of the KCA's Building and Finance Committee as contained in the minutes of its meeting held on 12-09-2023.**

RESOLUTION No. 134: After consideration, the Executive Committee approved the recommendations of the Building and Finance Committee as contained in its minutes of the meeting held on 12-09-2023.

The Executive Committee also approved to appoint Mr. Aftab Alam , Secretary General, the KCA as Authorized Person and Mr. Hassan Haider, Accounts Officer, the KCA as Focal Person to deal with Pakistan Center of Philanthropy, Islamabad, on behalf of the Karachi Cotton Association, for providing documents / information as required by Pakistan Center of Philanthropy for issuance of NPO Certificate to the Karachi Cotton Association.

RATES COMMITTEE

07. **To appoint the Rates Committee for the month of October, 2023.**

RESOLUTION NO. 135: It was decided by the Executive Committee that the existing Rates Committee may continue for the month of October, 2023.

COTTON SITUATION

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

The Executive Committee observed that according to the PCGA's Report dated 18-09-2023, the arrivals of cotton in ginneries, as on 15-09-2023, were reported as 3.933 million bales as compared to 2.186 million bales in the corresponding period last year.

RESOLUTION NO. 136: **Noted.**

Contd. on page/4

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 31-08-2023 and 15-09-2023.**

RESOLUTION NO. 137: The Executive Committee noted the recommendations of the Grade and Staple Margins Committee as contained in the minutes of its meetings held on 31-08-2023 and 15-09-2023.

GRANT OF LEAVE TO THE MEMBERS OF THE EXECUTIVE COMMITTEE

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

RESOLUTION NO. 138: The Executive Committee granted leave of absence to Mr. Humayun Zafar, Mr. Abdullah Hashwani, Mr. Asif Inam, Dr. Jassu Mal, Mr. Muhammad Asif, Mr. Muhammad Adil Naseem, Mr. Premchand, Khawaja M. Zubair 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 MR. FREDERICK DUFFIELD, HEAD OF CORPORATE AFFAIRS AND COMMUNICATIONS AND MR. JOSH BISS, BUSINESS DEVELOPMENT MANAGER, ORITAIN, LONDON TO THE KCA

Chairman informed the Executive Committee that in a function recently held at Lahore, he had an opportunity to meet Mr. Frederick Duffield, Head of Corporate Affairs & Communications and Mr. Josh Biss, Business Development Manager, ORITAIN, London.

He also informed that during his meeting with Mr. Frederick Duffield and Mr. Josh Biss, he apprised them about the aims and objectives / Function of Karachi Cotton Association in marketing of Raw Cotton and the history of the Cotton Exchange Building.

Chairman further informed that taking an opportunity, he extended invitation to Mr. Frederick Duffield and Mr. Josh Biss to visit the KCA / Cotton Exchange Building.

Chairman stated that on my invitation, Mr. Frederick Duffield and Mr. Josh Biss suddenly visited the Karachi Cotton Association on 19-09-2023. During his visit to the KCA, they met me in my office and subsequently paid visit of the Cotton Exchange Building and showed their deep interest regarding features of the Cotton Exchange Building.

Giving the briefing on the Role and Function of Oritain, UK, Chairman informed the Executive Committee that Oritain was a Global leaders in product verification. From their pioneering origins in New Zealand, Oritain has become a global leader in applying forensic and data science to verify the origin of products and raw materials.

He also informed that today Oritain had partnership with some of the world's largest and most valuable brands to support their ESG commitments, reduce the risk of fraud and unethical practices, and protect their reputations.

Contd. on page/5

As regard the role / function of Oritain, Chairman stated that Oritain do Traceability of the product with a view to pinpoint the exact source of any organic material, and whether it originates from ethical sources, or not and ensure more sustainable practices so that brands were empowered to make changes across their supply chain to operate more sustainably and to pass those assurances onto their consumers that's why leading brands use Oritain's forensic science to verify whether their products are sourced authentically, and responsibly.

Chairman stated that he had invited Mr. Frederick Duffield, Head of Corporate Affairs & Communications and Mr. Josh Biss, Business Development Manager, ORITAIN, London, to officially pay their visit to the KCA to meet the Executive Committee and Prominent members of the KCA and discuss matters of mutual interest.

RESOLUTION NO. 139: Noted.

INCREASE IN RATE OF BROKERAGE ON READY COTTON TRANSACTIONS

Chairman informed the Executive Committee that Maj. Muhammad Kashif Islam (R), Chairman, Pakistan Cotton Brokers Association (PCBA) alongwith Mr. Muhammad Naseem Usman, Member, Brokers Advisory Committee, the KCA met him on 25-09-2023.

He also informed that in the meeting, Maj. Muhammad Kashif Islam (R), Chairman, PCBA informed that the expenses of Cotton Broker Selectors was increasing continuously due to abnormal increase especially in the fuel prices and energy prices which were playing havoc all round and suggested to increase the Rate of Brokerage on Ready Cotton Transactions from 50 paisa percent (per Rs. 100.00) to 75 paisa percent (per Rs. 100.00). Letters both dated 25-09-2023 were also received from the PCBA and elected members of the Brokers Advisory Committee of the KCA on the above subject, he added.

He further informed that Maj. Muhammad Kashif Islam (R), Chairman, (PCBA) informed him that the PCGA vide its Notification notified that the Central Executive Committee of the PCGA in its meeting held on 23-09-2023 had finalized Rate of Brokerage as 40 Paisa percent subject to deduction of 12% Withholding Tax.

Mr. Abdul Jabbar stated that the PCGA had taken itself the responsibility to fix Rate of Brokerage on Ready Cotton Transactions as the same job was being done by the KCA since a long time.

Mr. Sharik Bashir stated that no doubt, the KCA might have been fixing the Rate of Brokerage on ready Cotton Transactions in the past but in the current scenario, who will accept Rate of Brokerage, if fixed by the KCA.

Chairman stated that there should be prescribed Rate of Brokerage and the KCA should send reply to the PCBA in response to their letter dated 25-09-2023.

RESOLUTION NO. 140: After consideration, the Executive Committee decided to maintain existing Rate of Brokerage on Ready Cotton Transactions as 50 paisa percent (per Rs. 100.00).

Contd. on page/6

**SETTING-UP OF 160KWp ON GRID SOLAR PV SYSTEM WITH NET METERING
AT THE ROOF OF THE COTTON EXCHANGE BUILDING**

Chairman informed the Executive Committee that due to non supply of 02 Nos. Huawei String Inverters of 100KTL by the M/s. Zonergy, the above referred project could not be completed / commissioned since last one year.

He also informed the Executive Committee that keeping in view of the position stated above, the KCA had obtained a Quotation dated 04-08-2023 amounting to Rs. 4,880,000/- from M/s. Nizam Energy (Pvt) Ltd. for supply of 02 Nos. Huawei On Grid Inverters 115 KTL inclusive of installation, transportation and commissioning charges.

He further informed that subsequently, a meeting was held in the office of the Association on 17-08-2023 between Chairman, the KCA and the representatives of M/s. Nizam Energy (Pvt) Ltd. In this meeting, the representatives of M/s. Nizam Energy (Pvt) Limited were requested as under:-

- i) To supply and install the Inverters and complete other related work so that the project could be commissioned.
- ii) To furnish to the KCA two separate quotations i.e. one for supply of 02 Nos. Inverters 115 KTL with WiFi Dongle of Huawei Brand based on market rate and other for completion of rest of the work of the project.

Mr. Mohsin Mahmood, Deputy General Manager Sales and Operational stated that he would discuss the matter with the management of M/s. Nizam Energy (Pvt) Limited and revert on this subject shortly, he added.

Chairman stated that later on, Mr. Mohsin Mahmood, Deputy General Manager Sales and Operational informed the KCA that they could only supply 02 Nos. Huawei Inverters 115 KTL with WiFi Dongle at the same rate quoted in their quotation dated 04-08-2023.

Keeping in view of the above referred development, a copy of quotation of M/s. Nizam Energy (Pvt) Limited dated 04-08-2023 was forwarded to M/s. Zonergy on 22-08-2023 with the advice that the KCA is planning to purchase 02 Nos. Huawei Inverters 115 KTL with WiFi Dongle from M/s. Nizam Energy (Pvt) Limited and the cost of the same would be deducted from their balance amount.

Chairman also stated that in response to our advice dated 22-08-2023, M/s. Zonergy vide their email dated 24-08-2023, forwarded to the KCA a quotation dated 23-08-2023 of M/s. Dewan Enterprises amounting to Rs. 3,520,000/- for supply of 02 Nos. Huawei Inverters 115 KTL with WiFi Dongle inclusive of cost of 01-Smart Logger 3000A and 02-Smart Power Sensor.

At this stage, both the quotations received from M/s. Nizam Energy (Pvt) Limited and M/s. Dewan Enterprises were forwarded to M/s. Enerzone Engineering Services, Consultant, the KCA with the request to examine the same quotations and offer your valued comments in this regard immediately, he added.

Contd. on page/7

Chairman further stated that M/s. Enerzone Engineering Services, Consultant, the KCA had inter-alia informed the KCA that the rate quoted by M/s. Dewan Enterprises were very attractive and advised to seek technical data sheet of quoted Inverters, Smart Logger and Power Sensors for their review. Accordingly, M/s. Zonergy was requested vide KCA's email dated 25-08-2023 to supply the requisite information to the KCA.

Chairman informed the Executive Committee that M/s. Zonergy vide their email dated 30-08-2023 informed the KCA that they had coordinated with M/s. Dewan Enterprises regarding the delivery of the Inverters. According to them, they were expecting their Inverters to be in house on 05-09-2023. Following this, there internal procurement process to ensure that the inverters should reach at the KCA's premises on 15-09-2023.

He also informed that after consideration, the following reply was sent to M/s. Zonergy on 06-09-2023, in response to their email dated 30-08-2023.

“Dear Mr. Shehroz Khan,

With reference to your email dated 30-08-2023 on the above subject, this is to inform you that your offer to supply us 02 Nos. Huawei Inverters by 15-09-2023 was considered by the Competent Authority of the KCA and accepted the same as a special case subject to the condition that if the Inverters are not received by us on 15-09-2023, we will purchase the same immediately from the market at the prevailing price and the cost of the same will be deducted from your balance amount.

Please note that the 02 Nos. Huawei Inverters, to be supplied to us, should be as per technical specifications mentioned in MOU with back to back 05 years warranty of M/s. Huawei and M/s. Zonergy both.

Awaiting your confirmation within 03-days that all in is order.

**AFTAB ALAM
Secretary General”**

He further stated that as no reply to our email dated 06-09-2023 was received from M/s. Zonergy, he met Mr. Muhammad Hussain Diwan, Director Technical and Mr. Muhammad Siddiqui Suriya, Sales Executive of M/s. Diwan Enterprises on 21-09-2023 in his office.

In the above meeting, the representatives of M/s. Diwan Enterprises were requested to kindly send to the KCA their fresh quotation for supply of 02 Nos. Huawei Inverters 115 KTL, 01-Smart Logger 3000A and 02-Smart Power Sensor and other quotation for completion of remaining installation work of our project, he added.

Chairman apprised the Executive Committee that a fresh quotation amounting to Rs. 3,780,000.01/-for supply of 02 Nos. Huawei Inverters 115 KTL, 01-Smart Logger 3000A and 02-Smart Power Sensor was received from M/s. Diwan Enterprises, however, the other quotation for completion of remaining installation work of our project would be received from M/s. Diwan Enterprises shortly.

RESOLUTION NO. 141: Noted.

Contd. on page/8

**ELECTIONS OF THE EXECUTIVE COMMITTEE AND OFFICE BEARERS
OF THE KCA FOR THE YEAR 2023-24**

Chairman informed the Executive Committee that the Majlis-e-Shoora (Parliament), Islamic Republic of Pakistan passed a Bill, to amend some sections of the Trade Organization Act 2013 vide Trade Organizations (Amendment) Act 2023 effective on and from the 1st January, 2022.

According to the Trade Organizations (Amendment) Act 2023, the tenure of Office Bearers of all Trade Associations was increased from one year to two years, he added.

He also informed that under Section 14 (1) of Trade Organizations Rules 2013, the Executive Committee of the Karachi Cotton Association had earlier approved the Election Schedule for the Elections of Executive Committee and Office Bearers of the Association for the year 2023-24 on 04-07-2023, submitted the same to the Regulator on 04-07-2023 and notified to the members of the Association on 05-07-2023.

He further informed that Subsequently, the Office of the Directorate General of Trade Organization (Regulator) vide their Office Order dated 07-07-2023 directed to Secretary General, FPCCI and Secretary Generals of all Trade Organizations to conduct Elections for the year 2023-24 as per Trade Organizations Act / Rules 2013.

From the Office Order dated 07-07-2023 of Directorate General of Trade Organization, it was cleared to conduct Elections by the FPCCI and all other Trader Organizations for the year 2023-24 as per Trade Organizations Act 2013 / Trade Organizations Rules 2013 instead of AS PER TRADE ORGANIZATION (AMENDMENT) ACT 2023, he added.

Chairman stated that later on Office Bearers of Rahim Yar Khan and Gujarnwala Chambers of Commerce filed a Writ Petition No. 2226 / 2023 Vs Directorate General of Trade Organizations and Others in the Islamabad High Court.

The Islamabad High Court vide their Order dated 13-07-2023 suspended the operation of the impugned order dated 07-07-2023 of the Regulator, relisted the case on 05-10-2023 and directed the parties to file their statements of costs of litigation before the next date of hearing.

In view of the above mentioned developments, the KCA has decided, with the consultation of its Legal Advisors, to stop its process to conduct Elections of the Executive Committee and Office Bearers of the Association for the year 2023-24 and inform the Regulator accordingly.

RESOLUTION NO. 142: Noted.

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

-Sd/-
(AFTAB ALAM)
Secretary General
KARACHI: 26-09-2023

-Sd/-
CHAIRMAN
