

MINUTES OF SECOND MEETING OF NBFİ & MODARABA ASSOCIATION OF PAKISTAN HELD ON 30TH JULY, 2010 AT 602, 6TH FLOOR, PROGRESSIVE CENTRE, SHAHRAH-E-FAISAL, KARACHI

Present:-

1. Mr. Mohammed Khalid Ali, Chairman
2. Mr. Jalaluddin Ahmed, Vice Chairman
3. Mr. Rafique Dawood, Member
4. Mr. Farrukh S. Ansari, Member
5. Mr. Shams Ghani, Member

Leave granted:

1. Mr. Humayun Murad, Member
2. Mr. Siyyid Tahir Nawazish, Member
3. Mr. Aamir Iftikhar Khan, Member
4. Mr. S. Anvaar Rasool, Member
5. Mrs. Hamida Aqeel, Member

The quorum being complete the meeting was considered to be duly constituted.

Mr. Muhammad Khalid Ali, Chairman took the Chair and called the meeting to order. The meeting started with the recitation of Holy Quran.

Mr. Muhammad Khalid Ali, Chairman, welcomed the Committee Members in the second meeting of the Executive Committee of NBFİ & Modaraba Association of Pakistan.

The meeting than followed the agenda:-

1. Confirmation of the minutes of the first EC meeting held on March, 05, 2010

The Chairman invited the members to offer their comments on the minutes of the last meeting circulated earlier. Since there were no comments, the minutes were than ratified proposed by Mr. Rafique Dawood and seconded by Mr. Farrukh S. Ansari.

2. To update establishment of NBFİ & Modaraba Association of Pakistan

Mr. Muhammad Samiullah, Secretary General informed the Committee that after obtaining licence from Director General, Trade Organizations, SECP has been approached for the issuance of Certificate of Incorporation. After completing the required formalities, on 29th July, 2010 SECP has issued the certificate, He showed the original licence and certificate of incorporation to the members of the Committee.

The Committee appreciated the work done by the Secretary General in connection with the formation of the NBFI & Modaraba Association of Pakistan and obtaining licence from DGTO and Certificate of Incorporation from SECP.

3. Opening of Bank Account in the name of NBFI & Modaraba Association of Pakistan and approve the authorized signatories.

On an enquiry the Secretary General informed that presently Leasing Association of Pakistan (LAP) is maintaining a Bank Account with Bank AL Habib Limited and Modaraba Association of Pakistan (MAP) is maintaining a Bank Account with BankIslami Pakistan Limited.

It was resolved to open the Bank Account of NBFI & Modaraba Association of Pakistan in BankIslami Pakistan Limited, Shahrah-e-Faisal Branch, Karachi and passed the following resolutions:-

“RESOLVED That a Saving Bank Deposits Account will be opened with BankIslami Pakistan Limited, Shahrah-e-Faisal Branch, Karachi in the name of “NBFI & Modaraba Association of Pakistan”

Further resolved that the bank account with BankIslami Pakistan Limited will be operated in two sets as under:-

- Mr. Muhammad Samiullah, Secretary General is authorized to sign cheques singly upto Rs.15,000/-.
- All cheques above Rs.15,000/- will be signed jointly under the signatures of any two of the following:-
 1. Mr. Muhammad Khalid Ali, Chairman
 2. Mr. Jalaluddin Ahmed, Vice Chairman
 3. Mr. Farrukh S. Ansari, Member
 4. Mr. Muhammad Samiullah, Secretary General

It was further resolved that the Secretary General will forward the necessary documents for account opening to the bank under his signatures.”

4. Annual Subscription of NBFI & Modaraba Association of Pakistan

The Secretary General informed the Committee that in the joint meeting of MAP and LAP held on January 06, 2010 the annual subscription of the association was approved on the basis of Paid-up Capital of the members, details of which are as under: -

<u>Paid-up Capital</u>	<u>Annual Subscription</u>
Upto 100 million	Rs. 75,000/-
From 101 million to 200 million	Rs.100,000/-
From 201 million to 300 million	Rs.125,000/-
From 301 million and above.	Rs.150,000/-

The Secretary General put up it before the Sponsors / Executive Committee for its approval. The Committee unanimously approved the annual subscription on the basis of Paid-up Capital details as given above and advised the Secretary General to immediately call upon the subscription on pro-rata basis for nine months i.e. from 1st July 2010 to 31st March 2011 to ensure compliance of Trade Organisations Rules, 2007.

5. Printing of Memorandum & Articles of Association of NBFi & Modaraba Association of Pakistan

The Secretary General informed that Memorandum & Articles Association of NBFi & Modaraba Association of Pakistan was received from the DGTO duly vetted by them have been submitted to the Company Registration Office, SECP, Karachi for the issuance of Certificate of Incorporation. The Certificate of Incorporation have been received on 29th July, 2010 whereas the vetted Memorandum & Articles of Association is yet to be received. Upon receipt of the same duly vetted by SECP, it will be printed as we have to submit printed copies to different authorities including Bank for opening an account of the Association.

After discussion it was resolved to print 100 copies of Memorandum & articles of Association of NBFi & Modaraba Association of Pakistan.

6. First Elections of the Executive Committee of NBFi & Modaraba Association of Pakistan.

The Secretary General informed the Committee that in the Memorandum & Articles of Association of NBFi & Modaraba Association of Pakistan prepared by Mohsin Tayebaly & Company, the following clause was included:-

“16. ELECTION OF EXECUTIVE COMMITTEE

At each Annual General Meeting, the Executive Committee shall be elected for the ensuing year in the manner hereinbefore provided. Until the First Annual General Meeting which will be held within three months from the date of incorporation of the Association, the following will be the first Members of the Executive Committee of the Association.”

The DGTO while finalizing and vetting the Memorandum & Articles of Association deleted this clause with the plea that this is against the Trade Organizations Rules, 2007. On our various enquiries, they referred Clause 17 of the Trade Organizations Rules, 2007 which read as under:-

“17. **Eligibility to vote** (1) Subject to the provisions of Section 10 of the Ordinance, the eligibility of a member of trade organization to vote at the elections of the trade organization shall be subject to the following conditions:

- (a) the member has completed two years of valid membership of the trade organization as on the date of announcement of election schedule by the Executive Committee of the trade organization;

It was suggested by the members to take up the matter with the lawyer Mohsin Tayebaly & Company, Mr. Naseem Abbas, Lawyer of Ministry of Commerce and DGTO to advise on the issue as our understanding was that the first Executive Committee of the NBFi & Modaraba Association of Pakistan shall hold the office till the first election of the Executive Committee

which is required to be held within three months from the date of issuance of Certificate of Incorporation. In our case the Certificate of Incorporation was issued on 29th July 2010 and three months would be completed on or before 29th October 2010.

The development in the matter would be conveyed to the members of the Executive Committee in due course.

7. Regional (Zonal) office of the Association:

The Secretary General informed that setup of two regional offices, one in northern zone and second in southern zone is mandatory in accordance with the Trade Organization Rules, 2007. To establish a Regional office in Lahore, certain proposals were discussed. The Secretary General was advised to take up the matter and finalise under confirmation to the Committee.

8. Approval of Preliminary Expenses incurred in connection with establishment of the NBF & Modaraba Association of Pakistan.

The Secretary General informed the Committee that so far an expenditure of Rs.242,225/- have been incurred in connection with the establishment of the Association which has been shared equally by Modaraba Association and Leasing Association. Details of the expenditure were provided to the members which was subsequently approved by the Committee.

9. Compliance Report to be submitted to DGTO

In terms of TO Rule 6 sub-rule (xi) within ninety days of grant of licence, the trade organization shall submit a compliance report to the Director General about the completion of requirements of sub-rules (v), (vi), (ix) and (x). These sub-rules are reproduced hereunder:-

- (v) that the trade organization applies for incorporation as a company under the Companies Ordinance, 1984 (XLVII of 1984) within thirty days of the date of the licence and shall secure incorporation within ninety days of the date of licence.
- (vi) that the trade organisation submits application form for membership of the Federation within one month along with the payment of stipulated subscription and maintains its membership with the Federation.
- (ix) that within one month of the grant of licence, the trade organization shall establish its independent office which shall:
 - (a) be housed in a premises, not being used as residence or office of any of its member.
 - (b) have telephone, fax and internet connection etc. in the name of the trade organization.
 - (c) be located at a prominent and easily accessible place.
- (x) that within one month of the grant of licence, the trade organization shall appoint a full time Secretary General, having appropriate qualifications.

The Secretary General submitted the compliance of the above sub-rules as under:-

- (v) The Certificate of Incorporation have been obtained from SECP on 29th July 2010.
- (vi) Application for membership of the Federation have been completed and will be submitted in a couple of days. An expenditure of Rs.30,000/- (Admission Fee Rs.5,000/- and Annual Subscription Rs.25,000/-) was placed before the Committee for approval. The Committee approved the expenditure.
- (ix) All the formalities are already completed.
- (x) The Committee approved the appointment of Mr. Muhammad Samiullah as Secretary General of NBFi & Modaraba Association of Pakistan with continuity of service as he is already working as Secretary General of Modaraba Association of Pakistan (MAP) and Leasing Association of Pakistan (LAP) which are being merged with and into NBFi & Modaraba Association of Pakistan. As far as emoluments and other benefits of the Secretary General are concerned, he will continue to draw the same salary and benefits which he is drawing presently.

The Secretary General shall submit the compliance report to the DGTO within the stipulated time specified in the TO Rules, 2007.

10. Invitation to other NBFIs for the membership of NBFi & Modaraba Association of Pakistan.

Since NBFi & Modaraba Association of Pakistan has been incorporated, it was proposed that other NBFIs should also be invited to become the members of this Association. The Chairman said that he will talk to the Chairman of Investment Banks Association of Pakistan and persuade them to join the Association.

11. Code of Conduct of the Association:

The Secretary General presented before the Committee a draft of the Code of Conduct to be observed by the members of the Association. The Chairman said that this code of conduct will be discussed and finalized in the next meeting of the Executive Committee.

12. e-filing of Returns to SECP

Presently eServices for filing various returns through internet are being utilized. The filing fee in case of online submission of documents is Rs.500/- whereas fee for manual submission is Rs.1,250/-.

NBFi & Modaraba Association of Pakistan has to apply to avail the eService facility for filing various statutory returns to SECP.

The Committee approved and resolved to pass the following resolution: -

“That Mr. Muhammad Samiullah holding CNIC Number 42201-0348848-1, Secretary General be and is hereby authorized to sign electronic filing with Securities and Exchange Commission of Pakistan using digital signature certificate issued by NIFT (Pvt.) Limited.

Further, the aforementioned applicant is authorized for obtaining Digital Signature Certificate from National Institutional Facilitation Technologies (Pvt.) Limited in respect of electronic filling of documents with Securities and Exchange Commission of Pakistan.

That a certified true copy of this resolution be given to the institutions concerned.”

There being no other business to be transacted, the meeting ended with a vote of thanks to the Chair.

MOHAMMED KHALID ALI
Chairman