

**MINUTES OF 7<sup>TH</sup> MEETING OF THE EXECUTIVE COMMITTEE OF NBFI &  
MODARABA ASSOCIATION OF PAKISTAN HELD ON 6<sup>TH</sup> JANUARY 2011  
AT 4.00 P.M. AT 602, PROGRESSIVE CENTRE, SHAHRAH-E-FAISAL, KARACHI**

**Present:-**

1. Mr. Basheer A. Chowdry, Chairman
2. Mr. Murtaza Ahmed Ali, Vice Chairman
3. Mr. Abdus Samad Khan, Member
4. Mr. S. Zaheer Mehdi, Member
5. Mrs. Arjumand A. Qazi, Member
6. Mr. Zulfiqar Ali, Member
7. Mr. Amjad Iqbal, Member
8. Mr. Muhammad Samiullah, Secretary General

**Leave of absence granted:**

1. Mr. Farrukh S. Ansari, Member
2. Mr. Khaqan Hasnain Ibrahim. Member
3. Mr. Muhammad Adil Ghaffar, Member
4. Mr. Abdul Ghaffar Umer, Member

The quorum being complete the meeting started with the recitation of Holy Quran by Mr. Muhammad Samiullah.

The Chairman welcomed the Members to the 7<sup>th</sup> Executive Committee meeting of the Association.

He requested the members to offer Fateha for the departed soul of the younger brother of Mr. Muhammad Samiullah, Secretary General who died recently in Dubai due to severe cardiac arrest. All the members offered fateha and prayed for him.

The meeting started as per agenda. -

**Agenda Item No.1: Confirmation of Minutes of 6<sup>th</sup> EC Meeting held on Nov. 29, 2010.**

Mr. Basheer Chowdry sought comments/observation of the members on the minutes of 6<sup>th</sup> meeting of the Executive Committee. Since there were no comments, the minutes were adopted being proposed by Mr. Murtaza Ahmed Ali and seconded by Mrs. Arjumand A. Qazi.

**Agenda Item No.2: Matters arising out of the proceedings of last meeting:**

Mr. Muhammad Samiullah informed the Committee that a meeting of the Rules & Regulations Committee was held on 10<sup>th</sup> December, 2010 at the Association's office, which was attended by the following members of this respective committee. -

1. Mr. Abdus Samad Khan, Member EC
2. Mr. Muhammad Adil Ghaffar, Member EC
3. Mr. Amjad Iqbal, Member, EC

The Rules & Regulations Committee deliberated and discussed in length the comments of some of the members on the Draft "Code of Conduct". After thorough discussions various inputs received from members were accommodated, and a final version was prepared, which was circulated to the members.

The progress in connection with other matters of the agenda of the last EC meeting was decided to be discussed subsequently as all the matters were contained in the agenda of the current meeting.

**Agenda Item No.3: To finalize "Code of Conduct" and "Vision and Mission" Statement of the Association:**

The final version of the "Code of Conduct" approved by the Sub-Committee was circulated to the members for their concurrence and input. The Executive Committee appreciated the efforts of Mr. Muhammad Samiullah and Rules & Regulations Committee as well as the members who voluntarily sent their observations. The EC approved and adopted the "Code of Conduct"

The Draft "Vision and Mission" Statement prepared by Mr. Abdus Samad Khan and amendment by Mr. Khaqan Hasnain Ibrahim were reviewed by the members and it was observed that it needs to be improved further. The Vision and Mission Statement will be discussed and finalized in the next meeting.

**Agenda Item No.4: To approve the plan and expenditure of office renovation of the Association.**

Mr. Muhammad Samiullah informed that a plan was prepared and discussed with Mr. Muhammad Adil Ghaffar, Member EC who suggested that the plan should be prepared by a professional architect so that a better design and look of the office may come up. Accordingly we have got the plan prepared by a professional architect which was placed before the Committee.

It was suggested that the plan may be put up to the Sub-Committee and get the same approved. The secretary General noted the same for compliance.

**Agenda Item No.5: To update First Year Book of the Association**

The Secretary General placed before the Committee two options of the title cover of the Year Book prepared by BBCL. The Committee approved Option No.1 with certain modifications. The Secretary General noted these modifications.

He further informed that data from four members have not yet been received inspite of the repeated reminders. As regards Messages for the Year Book, Mr. Muhammad Samiullah informed, that the Governor State Bank of Pakistan has shown his inability to give message due to his pressing official engagements, however messages from the Finance Minister, Chairman, SECP and Registrar Modaraba are in the process of finalization and expected to be received within a week's time. The matter is being followed up vigorously.

The Secretary General informed that upto now ten advertisements from members and seven advertisements from the clients have been received. It is expected that the entire cost of the Year Book will be met through advertisements.

**Agenda Item No.6: To discuss and approve development of Website of the Association**

The Secretary General informed that three options of the web designs were sent to the members for their concurrence and approval. These options were not approved by the members. It was suggested that professional web designers may be contacted so that the website of the association should be dynamic and presentable. The Secretary General informed that quotations were obtained from Cyber Net and PNT Global and placed before the previous Executive Committee, which were termed as on the higher side.

It was pointed out that web site of MUFAP is very attractive and it is of a good standard. It was therefore decided that fresh quotations may be obtained and a highly presentable/workable web site be developed. The Secretary General noted the same for compliance.

**Agenda Item No.7: To discuss pending issues of Modaraba and Leasing Sectors with SECP**

The Chairman informed that Mr. Muhammad Ali Ghulam Muhammad has been appointed as Chairman, SECP. It will be useful if a representative body of the Executive Committee of the Association meets with the Chairman to congratulate him on his appointment and also share with him the fundamental and pertinent aspects of NBFIs sector in the context of the current economic climate and lack of resources. He pointed out that the financial crises of 2008-09 left a large number of NBFIs struggling for their survival, without any clear perception of the medium to long term viability and quantum of their product lines. He further said that it is a pressing and crucial demand of the day that a serious, focused and practical strategy is evolved by the Association with the input of all members, particularly the senior professionals, to be shared with the SECP for their support and guidance. For the purpose it was suggested by him to arrange an extended meeting of the Executive Committee and other senior members of the Modaraba and Leasing Sectors on Friday the 14<sup>th</sup> January, 2011 for discussing to carve workable ideas for the future of NBFIs and particularly for the proposed meeting with the Chairman, SECP.

The Secretary General informed that Mr. Imran Hussain Minhas, Joint Registrar has asked for a comparative study of the products being used by Modarabas and Islamic banks and to highlight those products, which Islamic banks are using, but Modarabas are not using due to problems/difficulties being faced by Modarabas in introducing these products.. In this connection a detailed letter has been sent to the Joint Registrar. Now we have received a letter from him requesting us to select one of the products keeping in view its cost and benefit for the Modaraba sector. The Chairman advised the Secretary General to send the whole correspondence to the members of the Executive Committee for their input on this important subject matter. The Secretary General noted the same for compliance.

**Agenda Item No. 8: To approve payment of Annual Subscription of Asian Financial Services Association (AFSA)**

The Secretary General placed before the Committee an invoice of Asian Financial Services Association (AFSA) amounting to US \$.1500/- being the annual subscription for FY 2011.

The Committee approved payment of the annual subscription. Previously Leasing Association of Pakistan was making the payment of this subscription. MS said that that the association has already informed them that Leasing Association of Pakistan and Modaraba Association of Pakistan have been merged with and into NBFi & Modaraba Association of Pakistan.

**Agenda Item No. 9: To approve payment of Invoice of M/s Mohsin Tayebaly & Co.**

M/s Mohsin Tayebaly & Co. sent an invoice of Rs.500,000/- being their fee for professional services rendered in respect of incorporation and establishment of NBFi & Modaraba Association of Pakistan. It was pointed out that an amount of Rs.250,000/- was agreed as the professional fee of M/s Mohsin Tayebaly & Co. in a meeting with Mr. Irfan Tayebaly.

The Committee approved the payment of Rs.250,000/- to M/s Mohsin Tayebaly & Co. being the full and final payment of the fee for professional services rendered by them.

**Agenda Item No.10: Any other matter with the permission of the Chair.**

**i. Awards/Certificates of Merit received by the Members**

The Secretary General informed that:

- a. First Habib Modaraba received "Certificate of Merit" from South Asian Federation of Accountants (SAFA) for "Best Presented Account" and "Corporate Disclosure" within the category of NBFi Sector of Pakistan.
- b. Allied Rental Modaraba received "27<sup>th</sup> Corporate Excellence Award" from the Management Association of Pakistan in "Equity Investment Instruments Sector".
- c. First Habib Modaraba received "27<sup>th</sup> Corporate Excellence Certificate" from Management Association of Pakistan in "Equity Investment Instruments Sector".
- d. ORIX Leasing Pakistan Limited received "27<sup>th</sup> Corporate Excellence Certificate" by Management Association of Pakistan in the category of Modaraba and Leasing Companies in recognition of its performance in the Leasing sector.
- e. Joint Committee of ICAP and ICMAP has given "Best Corporate Report Award – 2009" to First Habib Modaraba under the category of Non-Banking Financial Institutions.

The Chairman and the Members of the Executive Committee congratulated Mr. Murtaza Ahmed Ali, Mr. Muhammad Shoaib Ibrahim and Mr. Teizoon Kisat on their achievements in recognition of their best performances. It is hoped that in

future more members of the Association will become eligible for these achievements in the financial sector.

**ii. Shariah Advisor of Modaraba Association of Pakistan**

The Secretary General informed that Mufti Abdul Sattar Laghari was appointed as Shariah Advisor of Modaraba Association of Pakistan on 1<sup>st</sup> April 2008 at a remuneration of Rs.100,000/- per annum payable on quarterly basis. Since Modaraba Association of Pakistan has been merged with and into NBFI & Modaraba Association of Pakistan, a fresh appointment letter to Mufti Saheb as Shariah Advisor on the panel of NBFI & Modaraba Association of Pakistan should be issued.

The Committee approved and advised the Secretary General to get the said letter issued to Mufti Saheb.

**iii. Sub-Committee for Taxation**

Mr. Amjad Iqbal proposed the name of Mr. Ali Akbar, Chief Financial Officer, ORIX Leasing Pakistan Limited to be included in the Sub-Committee constituted for Taxation Matters as he is involved and fully conversant with the taxation matters of the Leasing sector.

The Committee agreed to the proposal and advised the Secretary General to incorporate the name of Mr. Ali Akbar in the Sub-Committee for Taxation. The Secretary General noted for compliance.

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

**Muhammad Samiullah**  
**Secretary General**