

**MINUTES OF 6TH MEETING OF THE EXECUTIVE COMMITTEE OF NBFI &
MODARABA ASSOCIATION OF PAKISTAN HELD ON NOVEMBER 29, 2010
AT 4.00 P.M. AT 602, PROGRESSIVE CENTRE, SHAHRAH-E-FAISAL, KARACHI**

Present:-

1. Mr. Farrukh S. Ansari - Member
2. Mr. Basheer A. Chowdry - Member
3. Mr. Muhammad Adil Ghaffar - Member,
4. Mr. Abdul Ghaffar Umer - Member
5. Mrs. Arjumand A. Qazi - Member
6. Mr. Murtaza Ahmed Ali - Member
7. Mr. Abdus Samad Khan - Member
8. Syed Zaheer Mehdi - Member
9. Mr. Khaqan Hasnain Ibrahim - Member
10. Mr. Zulfiqar Ali - Member
11. Mr. Amjad Iqbal - Member
12. Mr. Muhammad Samiullah - Secretary General

The Secretary General confirmed that the quorum being complete the requirements to convene the meeting were duly met. At the request of the members, Mr. Farrukh S. Ansari took the Chair and called the meeting to order. The meeting started with the recitation of Holy Quran by Mr. Abdul Ghaffar Umer.

Mr. Ansari welcomed the Members to the Executive Committee meeting of the Association. He informed all present that this was the first full house meeting of the members after co-option of the ten members to the Committee.

The meeting followed the agenda:

Agenda Item No. 1: Confirmation of Minutes of the 5th EC Meeting held on November 23, 2010.

Mr. Farrukh S. Ansari briefed the participants about the items discussed at the last meeting of the Executive Committee held on 23rd November, 2010.

He informed that in the last meeting, resignations of four committee members were accepted in place of whom five members were co-opted.

M/s Baker Tilly, Mehmood Idrees Qamar, Chartered Accountants were approved as Auditors of the Association at a remuneration of Rs.40,000/- plus out of pocket expenses.

As regards the pending matter of the refund of tax pertaining to the Leasing Association as well as Tax matters of both the then Leasing and Modaraba Associations were being dealt with by M/s Shekha & Mufti, Chartered Accountants, it was decided to appoint the same as Tax Advisors of NBFI & Modaraba Association of Pakistan at a remuneration of Rs.25,000/- p.a.

Mr. Ansari further informed the members that in the last meeting the Committee ratified the decision taken by the former Chairman, Mr. Mohammed Khalid Ali, with regard to the annual increments of the staff.

He also informed that the Committee has approved nominations of Mrs. Arjumand A. Qazi and Mr. Muhammad Adil Ghaffar for the forthcoming elections of the FPCCI for the Executive Committee and General Body, respectively.

Thereafter, Mr. Ansari invited the members to offer their comments on the Minutes of the Meeting. There being no comments, the Minutes were approved as proposed by Mr. Basheer A. Chowdry and seconded by Mr. Muhammad Adil Ghaffar.

Mr. Basheer A. Chowdry suggested that the Secretary General may please prepare a report on matters arising out of the proceedings of the Meetings and to make a point of the agenda in future to facilitate, follow up and for completion of such items.

Agenda Item No. 2: To elect the Chairman and the Vice Chairman of the Association for the term 2010 to 2012

Mr. Farrukh Ansari informed the members that as per the terms of Clause 16 (g) of the Memorandum & Articles of Association of NBF1 & Modaraba Association of Pakistan, the Chairman and the Vice Chairman shall be elected by the members of the Executive Committee from amongst its members. He proposed the name of Mr. Basheer A. Chowdry as Chairman of the Association. The members unanimously approved the name of Mr. Basheer A. Chowdry as the Chairman of NBF1 & Modaraba Association of Pakistan.

Mr. Basheer Chowdry took the Chair and thanked the members for the confidence reposed in him by electing him as the Chairman of NBF1 & Modaraba Association of Pakistan. He said that with the support of the members of the Executive Committee he will work for the progress of the sector and the newly established Association in the light of his experience with both the sectors as he has been associated with both the Associations i.e. Modaraba Association of Pakistan and Leasing Association of Pakistan since their inception. He said that he would strive to invoke deeper involvement of the Regulators in the affairs of the Association. He further stated that about four years back the suggestion to establish a larger Association including all Non-Banking Financial Institutions and Modaraba Association of Pakistan was given. The Chairman SECP, Mr. Salman A. Shaikh, supported this suggestion and offered assistance of SECP in this regard.

He also emphasized to improve the working relationship with the other Associations such as the Mutual Funds Association of Pakistan, Investment Banks Association of Pakistan, Pakistan Banks Association and Takaful Companies. He further informed that presently out of the seven Investment Banks, three are members of the NBF1 & Modaraba Association. His endeavor would be to work towards the inclusion of the remaining investment banks to join the NBF1 & MAP. For the purpose he will take up the matter with the Chairman, Investment Banks Association of Pakistan for merger with and into NBF1 & Modaraba Association of Pakistan, to make it a larger and more meaningful entity to resolve the several issues faced by the entire NBF1 and Modaraba sector.

Mr. Abdus Samad Khan appreciated the services rendered by Mr. Chowdry towards the sector and said that Basheer Saheb has a broad vision that is inclusive of Modaraba, Leasing and Investment Banks and the Association will be benefited from his vast and enriched experience.

The second part of Agenda item No. 2 being the election of the Vice Chairman of the Association, as such nominations were requested for the same. Mr. Amjad Iqbal proposed the name of Mrs. Arjumand A. Qazi as Vice Chairperson which she graciously declined and proposed the name of Mr. Murtaza Ahmed Ali as the Vice Chairman which seconded by Syed Zaheer Mehdi. Other members unanimously approved the election of Mr. Murtaza Ahmed Ali as the Vice Chairman of the Association.

Mr. Murtaza Ahmed Ali, who has recently returned after performing Hajj, thanked the members for electing him as the Vice Chairman of the Association. He said he was associated with the Modaraba Association of Pakistan for the last three years and he will strive to work towards resolving the issues faced by the Association.

Agenda Item No. 3: To Constitute Sub-Committees for running the affairs of the Association

The Chairman emphasized that there was a need to make the Association more viable and dynamic through constitution of Sub-Committees. After deliberations the following Committees were formed:

1. Public Relations Committee

- i. Syed Zaheer Mehdi
- ii. Mr. Murtaza Ahmed Ali
- iii. Mrs. Arjumand A. Qazi
- iv. Mr. Amjad Iqbal

This Committee was also entrusted the task of overseeing the work of publication of the Year Book of the Association. In addition, the Committee will strive to work for the awareness and image building of the sector through the Association.

2. Rules & Regulations Committee

- i. Mr. Abdus Samad Khan
- ii. Mr. Muhammad Adil Ghaffar
- iii. Mr. Khaqan Hasnain Ibrahim
- iv. Mr. Amjad Iqbal

3. Taxation/Audit Committee

- i. Mr. Muhammad Adil Ghaffar
- ii. Mr. Abdus Samad Khan
- iii. Mr. Zulfiqar Ali

4. Training & Workshop Committee

- i. Mr. Abdul Ghaffar Umer

The Committee empowered Mr. Abdul Ghaffar Umer to select any members from the Association for his assistance.

Agenda Item No. 4: To finalise the Code of Conduct of the Association

The Secretary General informed the Committee that a draft Code of Conduct was forwarded to all the members for their input. Comments are still awaited while inputs from two members have been received. It was advised to resend the draft to the members of the Executive Committee for their input. The Secretary General was advised to consolidate the input and refer the same to the Rules & Regulations Committee for finalization of the Code of Conduct.

Agenda Item No. 5: To approve the plan & expenditure of office renovation of the Association

The Secretary General informed the Committee that this matter was discussed in the 3rd meeting of the Executive Committee held on 14th October 2010. The Chairman constituted a Working Group consisting of the following to finalise the plan:

- ii. Mr. Muhammad Adil Ghaffar
- iii. Mrs. Arjumand A. Qazi
- iv. Syed Zaheer Mehdi

The Secretary General was advised to prepare the plan along with the feasibility report and to put up the same to the Working Group for finalization.

Agenda Item No. 6: To update on the 1st Year Book of the Association

The Secretary General informed the Committee that data collection for the first Year Book of the NBF & Modaraba Association of Pakistan has been started and being vigorously followed up to complete the data. Letters for messages have already been written to the Finance Minister, the Governor -State Bank of Pakistan, the Chairman-SECP and the Registrar Modarabas.

For advertisements, members and clients have been approached and progress in the matter will be conveyed to the Committee.

The Secretary General also informed the Committee that some of the members have requested to reduce the tariff rates for advertisements. After detailed discussion, the Committee opined that the rates for advertisements should be similar for all members.

On a query about the printing cost, the Secretary General informed that last year the printing cost of Year Books of the Modaraba Association of Pakistan (MAP) and the Leasing Association of Pakistan (LAP) were as under:

MAP Year Book 128 pages	- 400 Books Rs.421,200/-
LAP Year Book 96 pages	- 400 Books Rs.341,600/-

Since this year the Year Book would be a combination of both Modaraba and Leasing Sectors, the total pages would be around 176 pages, for which the estimated cost is Rs.596,000/-. The estimate was approved and it was agreed to cover the major portion of the cost through advertisements of the members and their clients for which the support of all the Executive Committee members was solicited by the Chairman.

Agenda Item No. 7: To discuss issuance of a quarterly Newsletter of the Association

The Secretary General informed the Committee that the Modaraba Association of Pakistan was previously issuing quarterly Newsletter. The rationale behind the issuance of Newsletter was to provide information about the Modaraba Sector regularly to the members. The Committee approved to continue the issuance of quarterly Newsletter for NBFIs & Modaraba Association of Pakistan. Since the month of November is ending, it is proposed to bring the first issue in the month of January, 2011 covering the activities upto December 31, 2010. The Secretary General noted the same for compliance.

Agenda Item No. 8: To discuss and approve the development of website of the Association

The Secretary General apprised the Committee that quotations to develop the website of the NBFIs & Modaraba Association of Pakistan were obtained and the same were placed before the Committee. Since these quotations were on the higher side, Mr. Farrukh S. Ansari offered that he will arrange to develop the website of the Association through their Web designer at a nominal cost of Rs.10,000/- which was approved by the Executive Committee. Now we have received three options for the development of the website. The Chairman advised the Secretary General to forward these options to all the EC members and get their input before finalization of the website. The Secretary General noted for compliance.

Agenda Item No. 9: To discuss and invite other NBFIs for the membership of the Association

The Chairman had covered this matter in his address to the members in the beginning of this meeting.

Agenda Item No. 10: To discuss and constitute a Task Force to improve the image building of the Leasing and Modaraba Sectors.

This matter was covered while constituting the Sub-Committees, mentioned in the earlier part of these minutes.

Agenda Item No. 11: To discuss the pending issues of Modaraba & Leasing Sectors with SECP.

The Secretary General informed that there are a number of issues of Modaraba and Leasing Sectors pending with the SECP. The Chairman said that upon the finalization of the extension or appointment of the Chairman of SECP, the Association will invite him to have a meeting with all the Chief Executives of the Modaraba and Leasing Sectors and thereafter the pending matters will be taken up to be resolved.

Agenda Item No. 12: Any other matter with the permission of the Chair.

Change of Signatories of Bank Account of the Association

The Secretary General informed that due to the resignations of the members from the Executive Committee, a new set of signatories of NBFIs & Modaraba Association of Pakistan need to be conveyed to the Bank. The Executive Committee considered, approved and unanimously passed the following resolution:

“RESOLVED that the authorised signatures provided earlier to the bank stand cancelled with immediate effect.

Further resolved that the bank account of NBFI & Modaraba Association of Pakistan with BankIslami Pakistan Limited, Shahrah-e-Faisal Branch, Karachi will be operated under the joint signatures of any two of the following:

1. Mr. Basheer A. Chowdry - Chairman
2. Mr. Zulfiqar Ali - Member
3. Mrs. Arjumand A. Qazi - Member
4. Mr. Abdul Ghaffar Umer - Member
5. Mr. Muhammad Samiullah - Secretary General

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

The Chairman appreciated the efforts put in by Mr. Muhammad Samiullah, Secretary General for the incorporation of the Association and co-ordinating various aspects including the winding up of the previous Associations.

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

Muhammad Samiullah
Secretary General