

**AGENDA POINTS DISCUSSED IN 118<sup>TH</sup> MEETING OF PASSCO'S BOARD OF DIRECTORS HELD ON 20<sup>TH</sup> MARCH, 2015 AT 1030 HOURS IN CONFERENCE ROOM OF PASSCO, HEAD OFFICE, LAHORE**

ITEM NO.	SUBJECT
1.	HIGHLIGHTS ON PASSCO CURRENT ACTIVITIES
2.	NOMINATION OF DIRECTOR
3.	PROGRESS – MINUTES & DECISIONS OF 117 <sup>TH</sup> BOD MEETING HELD ON 31 <sup>ST</sup> OCTOBER, 2014
4.	CONFIRMATION OF THE MINUTES – 117 <sup>TH</sup> BOD MEETING HELD ON 31 <sup>ST</sup> OCTOBER, 2014
<b><u>FINANCIAL MATTERS</u></b>	
5.	SANCTION OF BI-CYCLE AND MOTOR CYCLE ADVANCES
6.	APPROVAL OF WHEAT PROCUREMENT POLICY FOR THE YEAR 2015-16
7.	APPROVAL OF THE PRE-OPERATION BUDGET FOR THE YEAR ENDING 31 <sup>ST</sup> MARCH 2016 – WHEAT TARGET: 0.8 MILLION METRIC TONS
8.	REFORMATION OF PASSCO VEHICLES FLEET
<b><u>COMMERCIAL AUDIT PARAS</u></b>	
9.	ILLEGAL REFUND OF SECURITY AMOUNTING TO Rs.4.678 MILLION
10.	REGULARIZATION OF AMOUNT OF RS.35,13,174.00 RE-IMBURSED TO THE PASSCO OFFICERS AS POL CEILING DURING PASSCO FINANCIAL YEAR 2013-14
11.	PROPOSAL – REGULARIZATRION OF Rs.2.1 MILLION INCURRED FOR UPLIFTING OF PASSCO PLAZA
12.	NON COLLECTION OF ADVANCE TAX Rs.1.47 MILLION

**EXTRACT OF MINUTES OF THE 118TH MEETING OF PASSCO's  
BOARD OF DIRECTORS, HELD ON 20th MARCH, 2015**

1. The 118th meeting of PASSCO Board of Directors was held on 20<sup>th</sup> March, 2015 at 1100 hours in the Conference Room of PASSCO, Head Office, Lahore. Following attended:-

a.	<u>Mr. Seerat Asghar Jaura</u> Secretary National Food Security & Research, Islamabad.	Chairman
b.	<u>Mr. Kamran Rasool</u> Group Head CSR & Security MCB Bank Limited, Lahore.	Director
c.	<u>Mr. Muhammad Khalid Zia,</u> A/Executive Vice President, Zarai Taraqati Bank Limited, Islamabad.	Director
d.	<u>Mr. Naweed Sharif</u> Head Corporate & Investment Banking Group United Bank Limited, Karachi.	Director
e.	<u>Mr. Asif Bashir</u> Group Chief - Special Assets Management Group, Allied Bank Limited, Lahore.	Director
f.	Mr. Tariq Masud Capt. (Retd.)	Managing Director PASSCO
g.	Mr. Emad Nazir Ahmed	Company Secretary

2. The meeting commenced with the recitation from Holy Quran.

3. Leave of absence was granted to:-

- i. Mr. Mubashar Maqbool, Head Commercial Banking, Habib Bank Limited, Karachi.
- ii. Mr. Khurram Saeed Naik, Executive Vice President, National Bank of Pakistan, Karachi.

4. The Board welcomed Mr. Asif Bashir on PASSCO Board of Directors.

5. All the Board Members appreciated the efforts/ achievements made by the Managing Director PASSCO to restore the possession of PASSCO Godowns at Korangi Karachi.

## 6. PROGRESS ON DECISIONS TAKEN BY BOD IN PRCEEDING MEETING

The Board of Directors considered and deliberated the agenda points of 118<sup>th</sup> meeting of Board of Directors at length and

- a. The Board appreciated the efforts made by the Management regarding recovery of receivables from the GOP and other Government agencies. However, the Board took serious note of the huge amount of receivables and emphasized the need for immediate recovery of PASSCO Receivables outstanding against the Government of Gilgit-Baltistan, Government of Pakistan and AJ&K.
- b. The Board pointed out that it was legally bound under the Code of Corporate Governance to ensure proper financial management of PASSCO and to protect it from risk of the nature which unrealized receivable presented. The amount of receivables had risen to the alarming level of Rs.60.592 Billion. Keeping in view the status of Receivables and the responsibilities of the Board of Directors, it was resolved that the following concerns/ directions of the Board be communicated to the Ministry of National Food Security & Research:-
  - i. The procurement of Wheat should be related to a realistic annual requirement and excess procurement of Wheat must not be made. The target must be fixed so that before the commencement of procurement in 2016, only the strategic reserve must be left in stock.
  - ii. Until the amount of receivables comes down considerably, releases may be made against advance payments only.
  - iii. From financial year 2015-16 onwards release of Wheat from PASSCO's stock be allowed only if the relevant Government Agencies like Gilgit Baltistan (GB) and Azad Jammu & Kashmir (AJ&K) have sufficient funds available in their budget.
  - iv. Finance Division be requested to make maximum releases of funds to PASSCO out of current financial year's budget to reduce the level of receivables substantially.
  - vi. Finance Division be requested to ensure availability of funds in future budgets commensurate with allocated Wheat quantity.

- c. The proposal for safety system of men, building and material was discussed at length and the Board directed that a comprehensive letter may be written to LDA explaining the importance of such emergency arrangements. The Board further directed that meanwhile study for possible alternate arrangements be conducted and put up to Board for approval.
- d. The Board was briefed about construction of 10 x godowns at Chak 135-16/L (Khanewal) and 10 x godowns at Iqbal Nagar (Pindi Bhattian) to be commenced in April, 2015.
- e. The Board was briefed about progress on decision of Production/ Sale of Basic Certified Seed.
- f. The Minutes of the 117th Meeting of BOD held on 31<sup>st</sup> October, 2014 circulated to all members of the Board of Directors were confirmed by the Board.

#### **DECISIONS OF THE BOARD OF DIRECTORS – 118<sup>TH</sup> MEETING**

- a. The Board approved implementation of the revised policy for B<sub>1</sub>-cycle and Motor Cycle Advance in line with Government of Pakistan, Finance Division, Regulation Wing, O.M No.F.8(2)-Reg.7/87(Vol-II)-288, Islamabad the 20<sup>th</sup> July 2012 excluding the advance for Motor Car in PASSCO with immediate effect."
- b. The Board resolved to approve the Wheat Procurement Policy for the year 2015-16. The Board of Directors directed that in future the salient changes in the Wheat Procurement Policy be briefed to the Board during the meeting.
- d. The Board resolved to approve the pre-operation budget estimates for the financial year 2015-16."
- e. The Board resolved to approve Phase-II, Instead of previously approved 23 x Suzuki Mehran VX, Purchase of 16 x Vehicles (13 x Suzuki Mehran VX, 1x Toyota Hiace, 2 x Suzuki Ravi Pickups and 8 x Motorcycles HONDA C.D 70cc).
- f. The Board resolved to regularize Refund of security amounting to Rs.4,677,750 to M/s United Flour & General Mills, Lahore as per requirement of DAC.

- g. The Board resolved to regularize/ endorse the previous practice approved by the Competent Authority i.e. MD vide letter No. 7572 dated 02<sup>nd</sup> November, 1993 and minutes of the 59<sup>th</sup> BOD Meeting held on 20<sup>th</sup> October, 1994 respectively and further Transport Policy Para 4-N along with its financial impact on account of reimbursement of POL as per above mentioned policy.
  - h. The Board deferred the point regarding regularization of Rs.2.1 Million incurred for uplifting of PASSCO Plaza. The Board directed to put up in the next Board of Directors meeting.
  - j. The Board resolved to approve SOP on Sale/ Auction of Downgraded / Retrieved Items / USA Dead Stock / Junk Store Items.
8. The meeting then ended with a vote of thanks to the Chair.