

**MINUTES OF THE 133RD MEETING OF PASSCO's
BOARD OF DIRECTORS HELD ON 30TH JULY, 2018**

1. The 133rd meeting of PASSCO Board of Directors was held on 30th July, 2018 at 1000 hours in the Committee Room of PASSCO, Head Office, Lahore. Following attended:-

1.	Mr. Fazal Abbas Mekan Secretary NFS&R/ Chairman PASSCO Ministry of National Food Security & Research Government of Pakistan	Chairman
2.	Mr. Asif Bashir Chief – Commercial & Retail Banking Group (South) Allied Bank Limited	Director
3.	Mr. Kashif Umar Thanvi General Manager - Head Rural Banking Habib Bank Limited	Director
4.	Mr. Hassan Nawaz Tarar Group Head Security & Marketing MCB Bank Limited	Director
5.	Mr. Muhammad Nadeem Chohan SEVP/ Group Head,R& RAM, SAM & OREO, Credit and operation Division, Zarai Taraqati Bank Limited	Director
6.	Mr. Talat Khurshid Mian General Manager - Central North United Bank Limited	Director
7.	Mr. Muhammad Khan Khichi Managing Director PASSCO, Head Office	Managing Director PASSCO
8.	Mr. Emad Nazir Ahmed	Company Secretary

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

3. Leave of absence was granted to:-

a. Mr. Khurram Saeed Naik, Executive Vice President, National Bank of Pakistan.

b. Mr. Zahoor Ahmed, Sr.Joint Secretary(CF-I), MINFIN, Islamabad.

NOMINATION OF DIRECTOR.

4. The Company Secretary informed the Board that the Competent Authority of United Bank Limited has nominated Mr.Talat Khurshid Mian, GM-Central North, United Bank Limited, to act as Director on PASSCO Board of Directors in place of Syed Ijaz Ul Hassan

5. The Board welcomed Mr.Talat Khurshid Mian on PASSCO's Board of Directors.

ITEM NO.1

CONFIRMATION OF THE MINUTES – 132nd MEETING OF BOD HELD ON 06.04.2018

6. Minutes of 132nd meeting BOD held on 06.04.18 duly approved by Chairman BOD was placed before the Board for confirmation. The Board considered and confirmed the minutes.

ITEM NO.2

UPDATE ON THE DECISIONS OF PRECEDING BOD MEETING

7. The Board was apprised about the progress on the decisions taken on preceding BOD meetings. The Board generally expressed satisfaction on the progress and gave following instructions:-

a. **OUTSTANDING RECEIVABLES OF PASSCO AND AGING ANALYSIS OF PASSCO RECEIVABLES**

The Board was briefed about the status of receivables and that Rs. 6,013.500 Million was surrendered and not paid to PASSCO by Ministry of Finance in year 2017-18, due to which PASSCO suffered loss in term of mark-up being paid to the financial institution on borrowed amounts. The Board directed the management to take up the matter with Ministry of Finance through Ministry of National Food Security & Research that due to non-payments PASSCO is paying huge amounts of mark-ups specifically due to increasing trend of KIBOR.

b. **UP-DATE ON EXPORT OF 0.5 MILLION TON OF WHEAT**

Board was briefed about the effective strategies adopted and measures taken against the challenges faced during export of 0.5 million metric tons of wheat through private parties on the analogy of Provincial Food Departments, to implement decision of ECC of the cabinet dated 26th April, 2018.

The board appreciated the efforts/ achievements of PASSCO management.

c. **FUTURE STRATEGY.**

UP-DATE ON MOBILE STORAGE FEASIBILITY STUDY.

The Board considered and discussed the feasibility report submitted on the Mobile Storage in detail and directed the management to conduct a comprehensive knowledge based study encompassing availability of related latest local and international technology and assessing the demand of said facility by farmers.

d. **UP-DATE ON CONSTRUCTION OF 10X GODOWNS CHAK 135-16/L (KHANEWAL) AND 04 XGODOWNS AT IQBAL NAGAR (HAFIZABAD).**

The Board showed its concern on the slow progress and directed to pursue the contractor for expeditious completion of the construction of Godowns.

Item No.3

HEALTH ASSISTANCE PACKAGE FOR POST-RETIREMENT MEDICAL EXPENSES/ REIMBURSEMENT AT NORMAL RETIREMENT AGE OF PASSCO EMPLOYEES.

8. The Board considered the recommendations of 6th meeting of HR Committee of BOD held on 14-05-2018 on the above agenda item and after due deliberations, resolved to:-

“To extend the post-retirement medical re-imburement benefits to the extent of retired employees themselves, who have retired w.e.f. 01-04-2018 or thereafter, for life time, on the same analogy of existing policy of the serving employees of PASSCO subject to concurrence from external auditors on the following aspects”.

	Description	Scenario 2 For Whole Life
1.	Accrued Liability as at 31.03.2018	Rs. 55,379,016
2.	Current Service Cost for the year 2018-19	Rs. 2,419,532

Item No.4.

CRITERIA FOR PAYMENT OF BONUS ON PERFORMANCE BASIS.

9. The HR Committee of PASSCO BOD in its 6th meeting held on 14.05.2018 considered and recommended following criteria for payment of bonus for approval by PASSCO BOD:

“The criteria for grant of bonus to PASSCO employees basing on individual’s performance on achieving assigned targets, assessment of individual employees during training courses, discipline/legal record and evaluation of reporting officers i.e. (ACR as detailed below):

<u>Grade</u>	<u>%age for bonus</u>
A+ (Outstanding)	125%
A (very good)	100%
B (Good)	100%
C (Average)	50%
D (Below Average)	Nil
E (Poor)	Nil

10. The Board considered the recommendations of 6th meeting of HR Committee of BOD PASSCO held on 14-05-2018 and after due deliberations, resolved to:-

“Approve the aforementioned criteria regarding making payment of bonuses to PASSCO employees as well as disentitlement, for implementation henceforth”.

11. The Board further directed the management put up “Bell Curve” policy for the approval of the Board, after consideration by HR Committee of BOD.

Item No.5

APPROVAL FOR GRANT OF ADHOC RELIEF ALLOWANCE – 2018 @ 10% OF BASIC PAY TO PASSCO EMPLOYEES W.E.F. 01.07.2018.

12. The Board considered the agenda item at length and after due deliberation resolved to:-

“Approve the Grant of Adhoc Relief Allowance - 2018 @ 10% of the running basic pay w.e.f. 01.07.2018 to PASSCO employees for immediate implementation, in wake of the relief given to Federal Government employees, in the budget for 2018-19, subject to concurrence of the Finance Division”.

Item No.6.

CERTIFICATION OF BASIC SEED.

13. The General Manager Commercial briefed the Board about the proposed project of production of certified seed of wheat along with the requirement of finances to start the project.

14. The Board after detailed deliberation directed the management to prepare long term feasibility including a comprehensive study of PASSCO's expected market share, the market demand situation and the likely affect of PASSCO's entry in this field on the private sector. The Board directed to present the study to Ministry of National Food Security & Research for a policy decision, before presenting it to the BOD.

Item No.7.

FEASIBILITY REPORT ON COLD STORAGE.

15. The General Manager Commercial briefed the Board about the progress on the project of cold storage along with the feasibility report.

16. The Board after detailed deliberation directed the management to hire a consultant to conduct a comprehensive study on the market demand, benefits to farmers, option on available local/ international technology as well as various business model options including Public Private Partnership.

Item No.8.

PROPOSAL FOR CONSTRUCTION OF 23X PASSCO'S GODOWNS.

17. The management briefed the Board about the need of construction of godowns at the proposed wheat procurement areas. The board was apprised that the godowns would be constructed from indigenous funds pooled separately for the purpose of increasing storage capacity. The Board was also briefed about the basis of cost estimation.

18. The Board considered the agenda item at length and after due deliberation directed the management to adopt the latest design and trends in construction of godowns and resolved to:-

“Approve the construction of 23x PASSCO’s Godowns at proposed sites with the estimated financial cost of Rs. 308.155 Million with the time frame of one year for completion of project”.

Item No.9

PROPOSAL FOR REHABILITATION OF PASSCO’S GODOWNS.

19. The management briefed the Board that the existing godowns were constructed 38 years back and since then no major repair of these godowns have been executed and the rehabilitation of these godowns is important to keep them in functioning position. On queries raised by some members, the Board was also briefed on the basis of calculations of proposed cost of repairs.

20. The Board considered the agenda item at length and after due deliberation resolved to:-

“Approve Rs. 75.69 Million for rehabilitation (major repair / maintenance of PASSCO’s Godowns) for the year 2018-19”.

21. The Board desired to put up pictorial progress, before and after the rehabilitation.

Item No.10

TO CONSIDER AND APPROVE THE INITIALED AUDITED ACCOUNTS OF PAKISTAN AGRICULTURAL STORAGE & SERVICES CORPORATION LTD. TOGETHER WITH THE AUDITOR’S REPORT THEREON FOR THE YEAR ENDED 31ST MARCH 2018.

22. The Board considered the recommendations of Standing Financial Analysis/ Audit Committee of BOD meeting held on 09-06-2018 on the above agenda item and after due deliberations, resolved to:-

- a. **Approve the audited accounts of PASSCO for the year ended 31st March 2018 with net profit after tax Rs. 408.718 Million, together with the following specific item as required by the auditors and authorized Managing Director PASSCO and Mr. Asif Bashir, Director, to sign the audited accounts as required under law:-**

Rs. In Million

Sr.#	Item	Amount
1.	Fixed Capital Expenditure	9.002

- b. **Moisture gain-Wheat 6,036 M.Tons.**
c. **Signing Representation Letter by Chief Executive and General Manager F&A.**

Item No.11

PROPOSAL FOR REPLACEMENT OF VEHICLES BEYOND ECONOMICAL REPAIRS

23. The Board considered the agenda item at length and after due deliberation resolved to:-

"Approve approximate cost of Rs. 16 Million for purchase of proposed 09 numbers of vehicles on replacement basis." As per detail enclosed as Annex-A.

Ex-Agenda Item No.1

Assistance Package For Families of Government Employees Who Die in Service

24. The Board considered the agenda item at length and after due deliberation resolved to:-

"Approve the inclusion of word "WIDOW/ WIDOWER" in the assistance package which has already been approved by the BOD during 127th meeting.

25. The meeting then ended with a vote of thanks to and from the Chair.

MINUTES OF THE 49TH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF PASSCO HELD ON 30TH JULY, 2018.

1 The 49th Annual General Meeting of the Shareholders of PASSCO was held on 30th July, 2018 at 1200 hours in the Committee Room of PASSCO, Head Office, 11-Kashmir Road, Lahore. The following attended:-

1.	Mr. Fazal Abbas Mekan Secretary NFS&R/ Government of Pakistan	Chairman
2.	Mr. Hassan Nawaz Tarar Group Head Security & Marketing MCB Bank Limited	Director
3.	Mr. Asif Bashir Chief – Commercial & Retail Banking Group (South) Allied Bank Limited	Director
4.	Mr. Kashif Umar Thanvi General Manager - Head Rural Banking Habib Bank Limited	Director
5.	Mr. Muhammad Nadeem Chohan SEVP/ Group Head,R& RAM, SAM & OREO, Credit and operation Division, Zarai Taraqati Bank Limited	Director
6.	Mr. Talat Khurshid Mian General Manager - Central North United Bank Limited	Director
7.	Mr. Muhammad Khan Khichi Managing Director PASSCO, Head Office	Managing Director PASSCO
8.	Mr. Emad Nazir Ahmed	Company Secretary

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

3. Leave of absence was granted to:-

- a. Mr. Khurram Saeed Naik, Executive Vice President, National Bank of Pakistan.
- b. Mr. Zahoor Ahmed, Sr. Joint Secretary (CF-I), MINFIN, Islamabad.

TO RECEIVE, CONSIDER AND ADOPT THE AUDITED ACCOUNTS FOR THE YEAR 2017-2018 TOGETHER WITH THE DIRECTORS' AND AUDITORS' REPORT THEREON.

4. On the recommendations of Board of Directors, the Members resolved to receive, consider and adopt the Annual Audited Accounts for the year ended March 31, 2018 together with Directors' and Auditors' Report thereon.

APPOINTMENT OF AUDITORS AND FIXATION OF THEIR REMUNERATION

5. On the recommendations of the Standing Financial Analysis / Audit Committee of PASSCO, the Members unanimously resolved to:-

“Approve the re-appointment of M/s A.F. Ferguson & Co, Chartered Accountants as Auditors for the year 2018-19 and authorize Managing Director PASSCO to negotiate/ finalize audit fee with auditors at not more than 10% increase.”

6. There being no other business, the meeting concluded at 1300 hours with a vote of thanks to and from the Chair.