

**136<sup>TH</sup> MEETING OF PASSCO'S BOARD OF DIRECTORS TO BE HELD ON  
01<sup>ST</sup> JULY, 2019 AT 1100 HOURS IN CONFERENCE ROOM OF PASSCO,  
HEAD OFFICE, LAHORE**

**AGENDA**

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**MINUTES OF THE 136<sup>TH</sup> MEETING OF PASSCO's  
BOARD OF DIRECTORS HELD ON 01<sup>ST</sup> JULY, 2019**

1. The 136<sup>th</sup> meeting of PASSCO Board of Directors was held on 01<sup>st</sup> July, 2019 at 1100 hours in the Committee Room of PASSCO, Head Office, Lahore. Following attended:-

|    |   |                   |
|----|---|-------------------|
| 1. | Dr. Muhammad Hashim Popalzai<br>Secretary NFS&R/ Chairman PASSCO<br>Ministry of National Food Security & Research<br>Government of Pakistan | Chairman          |
| 2. | Mr. Khurram Saeed Naik<br>Executive Vice President/ Divisional Head<br>Commercial & Retail Banking Group<br>National Bank of Pakistan       | Director          |
| 3. | Mr. Asif Bashir<br>Chief – Commercial & Retail Banking Group (South)<br>Allied Bank Limited   | Director          |
| 4. | Mr. Muhammad Nadeem Chohan<br>SEVP/ Group Head, R& RAM, SAM & OREO,<br>Credit and operation Division,<br>Zarai Taraqati Bank Limited        | Director          |
| 5. | Mr. Muhammad Khan Khichi<br>Managing Director<br>PASSCO, Head Office  | Managing Director |
| 6. | Mr. Emad Nazir Ahmed  | Company Secretary |

2. The meeting commenced with the recitation from Holy Quran.
3. Nomination of a director from Finance Division was not received. Leave of absence was granted to:-
- Mr. Hassan Nawaz Tarar, Group Head Security & Marketing, MCB Bank Limited, Lahore
  - Mr. Kashif Umar Thanvi, General Manager - Head Rural Banking, Habib Bank Limited, Karachi
  - Mr. Talat Khurshid Mian, General Manager - Central North, United Bank, Limited.

**Item no.1**

**CONFIRMATION OF THE MINUTES – 135<sup>TH</sup> BOD MEETING HELD ON 04<sup>TH</sup> APRIL, 2019**

4. Minutes of 135<sup>th</sup> meeting BOD held on 04.04.19 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**

5. The Board was apprised about the progress on the decisions taken on preceding BOD meetings. The Board generally expressed satisfaction on the progress.

**Item No.3**

**TO APPROVE THE RETIRED EMPLOYEES FINANCIAL ASSISTANCE SCHEME (REFAS).**

6. The Board appreciated the proposal of the management to extend welfare support to the PASSCO employees as they do not have any retirement benefits like pension, gratuity, etc. The Board considered each and every aspect of the proposal in detail and emphasized on a need to adopt a risk free avenue of investment of funds in a transparent manner to ensure provision of benefits to employees under proposed scheme. Considering that a special management resource would be required for handling of proposed individuals' account, a simple management practice was preferred to ensure that the management has the entire control on financial management of funds. Powers of Board of Directors was also considered under section 183 of Companies Act 2017, para 28 of Memorandum of Association and legal advice of legal advisor wherein the Board of Directors is fully empowered and authorized to take decision for the company and its employees.

7. The Board considered and discussed the recommendations of the HR Committee of BOD PASSCO (9<sup>th</sup> meeting held on 01-07-2019) and after due deliberations, resolved: -

**"To approve the Retired Employees Financial Assistance Scheme (REFAS) as a Defined Contribution Plan w.e.f. 01.07.2019, where:**

- (i) Rs. 1,000 million shall be directly invested in banks on quarterly basis till December 2019 through investment committee already constituted by BOD. After December 2019, the investment committee may decide to invest in medium/long term basis.**
- (ii) Profits on above investment shall be utilized for REFAS. This profit shall be a contribution towards REFAS that shall be credited to each employees ledger account on prorata basis based on their basic pay. Amount of contribution shall also be invested directly in banks through investment committee.**
- (iii) Accumulated amount (share of contributions and profits thereon) shall be paid to each regular employee in lump sum on his retirement / death / resignation subject to issuance of No Objection Certificate.**

Item No. 4

ENHANCEMENT IN SPECIAL PAY FOR COMPANY SECRETARY PASSCO.

8. The Board considered and discussed the recommendations of the HR Committee of BOD PASSCO (8<sup>th</sup> meeting held on 28-03-2019) and after due deliberations, resolved: -

**"To approve Special Pay of Rs.25,000/- per month for the Company Secretary PASSCO with effect from 1st July, 2019. However, if an officer who performs the duties of Company Secretary as a full time job will not be entitled to the Special Pay."**

Ex-agenda Item.1

APPROVAL TO RE-DESIGNATE STAFF OF MINOR CROP AS CHOWKIDARS AND SUPERVISORS AT DIFFERENT SITES ACROSS PAKISTAN

9. Chairman BOD proposed an ex agenda item to consider the legal position of matter referred to Law Division as directed by BOD in 135<sup>th</sup> BOD meeting on agenda item no. 7. Chairman informed the Board that Ministry of Law and Justice, Government of Pakistan vide its OM F.No. 309/2019-Law-1 dated 30.05.2019 has clarified the legal position that PASSCO is bound to regularize its daily wages employees and since the readjustment of 34 employees is a matter of internal reorganization of PASSCO, the issue of readjustment has to be decided by Board of Directors as a matter of company policy. The Chairman also referred to Islamabad High Court Judgement ICA No. 294-2018 Para 12 where it is stated that it is a trite law where rules of service of any organization are non-statutory, the relationship between employer and employee is of "master and servant"

10. The Board considered the legal position in context of agenda no. 7 of 135<sup>th</sup> BOD meeting and after due deliberation resolved to:

**"Approve change of nomenclature of 4x Minor Crops posts as Supervisors to look after the construction and renovation of Godowns along-with approval to change the nomenclature of 35 x vacant posts of Minor Crop as Chowkidars to be posted one each at different locations across Pakistan for security & protection of PASSCO wheat stocks stored in Godowns".**

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

Approved