

## MINUTES OF THE 145<sup>th</sup> MEETING OF PASSCO's BOD

The 145<sup>th</sup> meeting of PASSCO Board of Directors was held at PASSCO Head Office, 11-Kashmir Road, Lahore on 07<sup>th</sup> February, 2023 at 1000 hours. The following attended:-

a.	Mr. Zafar Hasan Secretary, Ministry of National Food Security & Research Government of Pakistan	Chairman
b.	Mr. Asif Bashir Chief – Special Assets Management Group (SAM) Allied Bank Limited	Director
c.	Mr. Ahmad Naazer Minhaj General Manager - Head Agriculture Banking Habib Bank Limited	Director
d.	Mr. Hassan Nawaz Tarar Group Head Security & Marketing MCB Bank Limited	Director
e.	Mr. Asad Ullah Habib Acting President/ CEO Zarai Taraqati Bank Limited	Director (Attended through Video-Link)
f.	Mrs. Naushaba Shahzad Executive Vice President/ Group Head-A Inclusive Development Group, National Bank of Pakistan	Director
g.	Mr. Sheharyar Ahmad, Deputy Secretary (CF) Ministry of Finance, Government of Pakistan	Director
h.	Capt. (Retd.) Saeed Ahmad Nawaz	Managing Director
i.	Mr. Emad Nazir Ahmed	Company Secretary

2. The meeting commenced with recitation of the verses of Holy Quran and the Chairman of the Board welcomed the members.

3. Leave of absence was approved for Mr. Zakria Naseem Mir, General Manager, United Bank Limited/ the Director of PASSCO BOD.

### Item No. 1: ELECTION OF CHAIRMAN BOD PASSCO

4. The Board considered the agenda and unanimously adopted the following resolution:

**“RESOLVED THAT Mr. Zafar Hasan, Secretary, National Food Security & Research Division be and is hereby elected as Chairman of Board of Directors”.**

**Item No. 2:                    APPOINTMENT OF MANAGING DIRECTOR, PASSCO**

5.        The Board considered the agenda and decided as follows:

**“RESOLVED THAT the appointment of Capt. (Retd.) Saeed Ahmad Nawaz as Managing Director, Pakistan Agricultural Storage & Services Corporation Limited (PASSCO) be and is hereby approved on standard terms and conditions with effect from 14<sup>th</sup> July, 2022 and until further orders”.**

**Item No. 3:                    NOMINATION OF DIRECTORS**

6.        The Board considered various nominations received from respective shareholders and approved the following resolution:

**“RESOLVED THAT the appointments of Mr. Zakria Naseem Mir, GM-Northern Punjab, United Bank Limited w.e.f. 07.07.2022, Naushaba Shahzad, Executive Vice President / Group Head (A), Inclusive Development Group, National Bank of Pakistan w.e.f. 14.10.2022, Mr. Sheharyar Ahmed, Deputy Secretary (CF), w.e.f. 02.02.2023, Mr. Ahmed Naazer Minhaj, GM-Head Agricultural Banking, Habib Bank Limited w.e.f. 19.12.2022 and Mr. Asad Ullah Habib, Acting President/CEO, ZTBL w.e.f. 20.11.2022 be and are hereby approved as Directors.”**

**Item No. 4:                    DICLOSURE OF CONFLICT OF INTEREST BY THE DIRECTOR**

7.        All the Directors confirmed that they had no conflict of interest with any of the agenda items to be considered in the meeting.

**Item No. 5:                    CONFIRMATION OF THE MINUTES OF 144<sup>TH</sup> BOD MEETING HELD ON 04<sup>TH</sup> MARCH, 2022**

8.        The Board considered and confirmed the minutes of 144<sup>th</sup> meeting of Board of Directors held on 04<sup>th</sup> March, 2022.

**Item No. 6:                    UPDATE ON THE DECISION OF PRERCEDING BOD MEETING**

9.        Company Secretary briefed the Board about the latest position and aging of receivables from Agencies/Provinces and Federal Government. He apprised the Board that all the long overdue

receivables (over 90 days) had been realized except an amount of Rs. 36,610 million outstanding against Govt. of Pakistan.

### **HIGH LIGHTS ON CURRENT ACTIVITIES**

10. GM (Field) attended the meeting on invitation and briefed the Board about wheat stock position, allocation vs lifting of local/imported wheat and stocks damaged due to torrential rain/flood in August 2022. The Board was apprised that case to seek approval from Federal Government to auction damaged stock and to pick up resultant cost differential had already been submitted to M/o NFS&R. The Board directed the Management to expedite the process to auction damaged wheat well before the start of next harvesting season, after seeking approval from the Federal Government.

11. Managing Director apprised the Board that PASSCO managed to quickly import wheat and ensured timely supply to Agencies/Provinces to avert flour crisis in the Country. It successfully handled enhanced strategic reserves for food security and through efficient management limited the loss to less than 2% during torrential rains. Overdue repair of godowns/silos was carried out that enhanced storage capacity by 10,905 Metric Tons. The management accelerated the process of realizing sale proceeds and received Rs. 116.748 billion since April, 2022. PASSCO institutionalized convening of regular meetings of DAC, Board Committees and DPC.

12. Board was further briefed that age-old logo of PASSCO was re-designed thematically. Initiative was taken to establish a Liaison/Food security Centre in Islamabad. Face recognition and bio-metric attendance system was installed in Head Office and all Zonal Offices respectively for centralized processing. We regularized the services of 76 daily wagers and 69 employees were promoted in a transparent manner without facing any litigation or complaints. PASSCO got its energy audit of Head Office conducted during November, 2022 which reduced electricity and gas consumption by 15-25% and 15-17% respectively. The management updated SOPs for efficient procurement operations, internal audit, stock reclassification and climatic gains. In pursuance of directions of the Federal Government, 2 x directors have qualified as Certified Director from Pakistan Institute of Corporate Governance (PICG). PASSCO recently shifted to e-office, leveraging the computerization for total transparency and reformed business processes.

13. The Board appreciated the management for reforms introduced and advised that detailed TOR be developed and placed before HR Committee of the Board for end to end computerization through a reputed consulting firm. The Chair directed to review the reformed policy on climatic gains in the light of studies conducted on the subject and ensure that any substantial gains or losses, if any should be accounted for.

**Item No. 7:                    REVISION OF BASIC PAY SCALE AND ALLOWANCES – 2022 FOR PASSCO EMPLOYEES W.E.F. 01.07.2022**

14. The Board considered the recommendations of 11<sup>th</sup> HR Committee of BOD held on 11.08.2022 and after due deliberations approved the following resolution:

**“RESOLVED THAT the Revision of Basic Pay Scales – 2022, Grant of Adhoc Relief Allowance 2022 @ 15% and Grant of Disparity Reduction Allowance-2022 (for employees in BPS 20 – BPS 22) @ 15% of Basic Pay Scales-2017 be and are hereby approved w.e.f. 01.07.2022 for PASSCO employees.”**

**Item No. 8:                    INCREASE IN CONSOLIDATED PAY OF DAILY WAGES OF PASSCO EMPLOYEES FROM RS. 20,000/- TO RS. 25,000/- PER MONTH**

15. The Board considered the recommendations of 11<sup>th</sup> HR Committee of BOD held on 11.08.2022 and after due deliberations approved the following resolution:-

**“RESOLVED THAT the increase in consolidated pay from Rs.20,000/- to Rs.25,000/- for daily wages employees of PASSCO be and is hereby approved w.e.f. 01.04.2022”**

**Item No. 9:                    TO CONSIDER AND RECOMMEND FOR APPROVAL IN AGM, THE INITIALED AUDITED ACCOUNTS OF PASSCO TOGETHER WITH THE AUDITORS’ REPORT THEREON FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

16. The Board considered the recommendations of Standing Financial Analysis/ Audit Committee of BOD meeting held on 17.01.2023 the agenda item and after due deliberations approved the following resolution:-

**“RESOLVED THAT the Audited Accounts of PASSCO for the year ended 31<sup>st</sup> March, 2022 together with the following specific items as required by the auditors and payment of cash dividend of 25% at the rate of Rs. 7,958.36/- per share out of its current profit be and are hereby recommended for approval by shareholders in Annual General Meeting:**

- |  |                             |
|--|-----------------------------|
| <b>a) Fixed capital expenditure</b>  | <b>15.854 (Rs. Million)</b> |
| <b>b) Moisture gain-Wheat</b>  | <b>115.444 (M.Ton)</b>      |
| <b>c) Change in accounting Policy as referred to in the financial statements.”</b> |                             |

**“FURTHER RESOLVED THAT Mr. Asif Bashir along with Managing Director be and are authorized to sign Director’s Report and Audited Accounts”.**

**Item No. 10:            TO CONSIDER AND RECOMMEND TO THE AGM, THE APPOINTMENT OF AUDITORS (EXTERNAL AUDITORS) & FIXATION OF THEIR REMUNERATION FOR THE YEAR ENDING 31<sup>ST</sup> MARCH, 2023**

17. The Board considered the recommendation of Standing Financial Analysis/ Audit Committee of BOD held on 17.01.2023 and after due deliberations approved the following resolution:-

**“RESOLVED THAT the appointment of M/s Crowe Hussain Chaudhury & Co. Chartered Accountants as External Auditor for the year 2022-23 against audit fee of Rs.2,090,000/- plus tax and out of pocket expenses be and is hereby recommended for approval by shareholders in Annual General Meeting.”**

**Item No. 11:            AUTHORIZATION OF MANAGING DIRECTOR AND COMPANY SECRETARY FOR AUTHENTICATION OF DOCUMENTS (AGENDA APPROVED THROUGH CIRCULAR RESOLUTION)**

18. The Board considered the agenda and approved the following resolution:-

**“RESOLVED THAT the Resolution passed through circulation by the Directors be and is hereby ratified by the Board”**

**Item No. 12:            REHABILITATION OF PASSCO INDUSTRIAL ESTATE GODOWNS AT MULTAN ZONE (AGENDA APPROVED THROUGH CIRCULAR RESOLUTION)**

19. The Board considered the agenda and approved following resolution:-

**“RESOLVED THAT the Resolution passed through circulation by the Directors be and is hereby ratified by the Board”**

**Item No. 13:            ENHANCEMENT IN REMUNERATION FOR CHAIRMAN AND BOARD MEMBERS**

20. The Board considered the agenda and after comprehensive deliberations approved the following resolution:-

**“RESOLVED THAT the remuneration of Rs.40,000/- per meeting for the Chairman and each Director (excluding the incumbent MD) for attending meetings of the Board and Board Committees be and is hereby approved w.e.f. 145<sup>th</sup> BOD Meeting.”**

**Item No. 14: TO APPROVE HEALTH ASSISTANCE TO ALL RETIRED EMPLOYEES**

21. The Board considered the recommendation of 13<sup>th</sup> HR Committee of BOD held on 17.01.2023 and after due deliberations approved the following resolution:-

**“RESOLVED THAT the post-retirement medical re-imburement benefits to employees who have retired before 01.04.2018 on the same analogy of existing policy about the employees retired after 01.04.2018 for lifetime be and is hereby approved”**

**Item No. 15: TO APPROVE REVISION OF EDUCATION ALLOWANCE**

22. The Board considered the recommendation of 13<sup>th</sup> HR Committee of BOD held on 17.01.2023 and after due deliberations approved the following resolution:-

**“RESOLVED THAT the enhancement in the rates of Education Allowance to PASSCO employees from BPS 1 to 15 as per following details be and is hereby approved:**

<b>a. Up to Matric</b>	<b>:</b>	<b>Rs. 2400/- per month per child</b>
<b>b. College going Children</b>	<b>:</b>	<b>Rs. 3600/- per month per child</b>
<b>c. Post Graduate/Graduate Level</b>	<b>:</b>	<b>Rs. 5000/- per month per child</b>

**(Subject to maximum of Rs.12000/- per month per individual employee)”**

**Item No. 16: TO APPROVE “PASSCO REGULATIONS 2022”**

23. The Board considered the recommendation of 13<sup>th</sup> HR Committee of BOD held on 17.01.2023 and after due deliberations approved the following resolution:-

**“RESOLVED THAT the management shall hire a consultant to review the HR Policy and redraft it to bring the same in conformity with the best corporate values and policies in similar entities at home and abroad.”**

**Item No. 17: INSTALLATION OF OFF-GRID SOLAR SYSTEMS AT PURCHASE CENTERS /RESERVOIRS IN FIELD ZONES**

24. The Company Secretary briefed the members regarding the agenda item. DGM (Works) was also invited and he briefed the Board about the feasibility of the proposal. Mr. Asif Bashir; the Director suggested to factor in the shorter life of batteries due to usage of 1 HP water pump and incentives

allowed by the Federal Government for solarization. The Board after due deliberation emphasized that it should be implemented in phases and approved the following resolution:-

**“RESOLVED THAT the phase wise installation of Off-Grid Type Solar Systems at PCs/RVs be and is hereby approved. In first phase the solar system be installed in 100% centers located in Sindh (17 centers) & Balochistan (7 centers) and 50% centers located in Punjab (90 Centers)”.**

**Item No. 18:                    APPROVAL FOR COMPENSATION FOR PASSCO EMPLOYEES AS A PASSCO ALLOWANCE**

25. The Board considered the recommendation of 12<sup>th</sup> HR Committee of BOD held on 23.09.2022 and deliberated in detail on various aspects including severe hardships of employees and approved the following resolution:-

**“RESOLVED THAT the Compensation package @ 30% of Running Basic Pay as PASSCO allowance for PASSCO employees be and is approved w.e.f 01.01.2023.”**

**“FURTHER RESOLVED THAT the improvement of pay package be included in the TOR of HR Consultant to be hired under the decision given in Agenda Item No. 16”.**

**Item No. 19:                    REPLACEMENT OF VEHICLES BEYOND ECONOMICAL REPAIRS THROUGH AUCTION/NEW PROCUREMENT OF VEHICLES**

26. The Board considered the and after detailed discussions approved the following resolution:-

**“RESOLVED THAT the sale of 16 No. of 800 CC and 04 No. of 1000 CC vehicles and purchase of 20 new 1000 CC vehicles as replacement of operational vehicles sold be and is hereby approved.”**

**Item No. 20:                    APPROVAL TO INCREASE THE PAID UP CAPITAL OF PASSCO**

27. The management requested to withdraw the Agenda Item.

**“The Board allowed the Management to withdraw the Agenda Item”.**

**Item No. 21:                    AMENDMENT OF PASSCO'S MEMORANDUM AND ARTICLE OF ASSOCIATION AS PER COMPANIES ACT, 2017**

28.     The Company Secretary briefed that Memorandum and Articles of Association were updated to bring the same in conformity with the provisions of Companies Act, 2017 since the existing documents had references of repealed Companies Ordinance, 1984. MD shared with the Board the legal opinions of the former as well as current Legal Advisors of PASSCO. The Board considered the agenda and after due deliberation passed the following resolution:-

**“RESOLVED THAT in light of the advice of present Legal Advisor the amendments in Memorandum and Articles of Association are not legally required”.**

29.     There being no other business, the meeting ended with a vote of thanks to and from the Chair.