

## MINUTES OF THE 146<sup>th</sup> MEETING OF PASSCO BOD

The 146<sup>th</sup> meeting of Board of Directors was held at PASSCO Head Office, 11-Kashmir Road, Lahore on 10<sup>th</sup> March, 2023 at 1130 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.	Ms. Naushaba Shahzad Executive Vice President/ Group Head-A Inclusive Development Group, National Bank of Pakistan	Director
g.	Mr. Sheharyar Ahmad, Deputy Secretary (CF-I) Ministry of Finance, Government of Pakistan	Director
h.	Capt. (Retd.) Saeed Ahmad Nawaz	Managing Director
i.	Mr. Emad Nazir Ahmed	Company Secretary
j.	Mr. Shahid Ibrahim, GM (HR)	By Invitation
k.	Mr. Zahoor Ahmed Ranjha, GM (Field)	By Invitation

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: CONFIRMATION OF THE MINUTES OF 145<sup>TH</sup> BOD MEETING HELD ON 07<sup>TH</sup> FEBRUARY, 2023**

4. The Board considered and confirmed the minutes of 145<sup>th</sup> meeting of Board of Directors held on 07<sup>th</sup> February, 2023.

**Item No. 2: DISCLOSURE OF CONFLICT OF INTEREST BY THE DIRECTOR**

5. All the Directors affirmed that they had no conflict of interest with any of the agenda items beings considered in the meeting.

**Item No 3: PROGRESS ON THE ACTIONABLE DECISIONS OF 145<sup>TH</sup> BOD MEETING**

6. The Company Secretary apprised the members regarding progress on following actionable decisions of the 145<sup>th</sup> BOD meeting:-

- a. TOR for hiring of IT Consultancy firm: As per direction, the Agenda item was placed for the approval of the Board with the recommendation of HR Committee meeting held on 03.03.2023.
- b. Review the reformed policy on climatic gains in light of studies conducted on the subject:  
It was informed that the management had written two letters to the Ministry of NFS&R for sharing any studies conducted on the subject of climatic gains. No response had been received to date. The Managing Director highlighted the fact that PASSCO had done away with the practice of claiming presumptive climatic gains from center in-charges but the mechanism for accounting of actual climatic gains continued unabated. The Chairman stated that he would ensure that the Ministry appropriately responded to the letters. If required he would engage research institutes to provide their input on the subject and the policy could be refined accordingly.
- c. Rehabilitation of PASSCO Industrial Estate Godowns at Multan Zone: The Board was apprised that tender had been floated.
- d. TOR for Hiring of HR Consultant: The Company Secretary informed that TOR for hiring of HR Consultant was considered in the 14<sup>th</sup> HR Committee meeting held on 03.03.2023. The Committee directed the Management to redraft in the light of their observations and put up again.
- e. INSTALLATION OF OFF-GRID SOLAR SYSTEMS AT PURCHASE CENTERS /RESERVOIRS IN FIELD ZONES: The Board was apprised that tender had been floated. The Board deliberated that under prevailing economic condition the solar equipment might not be readily available and at least 60% cost increase could be expected. The Board, therefore, directed to implement the project on pilot basis, if the Bids received were still beyond the allocations approved.

f. REPLACEMENT OF VEHICLES BEYOND ECONOMICAL REPAIRS THROUGH AUCTION/NEW PROCUREMENT OF VEHICLES: The Board was apprised that payment had been made to M/s Suzuki and expected delivery time of vehicles was 60 days.

**Item No. 4: RATIFICATION OF THE DECISIONS OF 14<sup>TH</sup> HR COMMITTEE MEETING**

7. The Board considered and ratified the minutes of 14<sup>th</sup> HR Committee meeting held on 03.03.2023. Ms. Naushaba Shahzad pointed out that the eligibility criteria for IT Consultancy Firm did not mention the benchmark parameters for assessment of firms. The Board directed to incorporate it in TOR accordingly and approved following resolutions:

- “RESOLVED THAT the Policy/SOP for disposal of fixed assets be and is hereby approved”
- “RESOLVED THAT the IT Equipment Replacement Policy be and is hereby approved”
- “RESOLVED THAT the Terms of Reference (TOR) for hiring of IT Consultancy Firm be and are hereby approved”

8. Mr. Asif Bashir highlighted that different initiatives/decisions approved by the Board with best possible intentions were shelved in the past due to transfer/posting of Managing Directors. The Board directed that a high level Committee of the Management should be formulated with a responsibility to ensure continuation of policies in true letter and spirit.

**Ex-Agenda Item No. 1: APPROVAL REGARDING DAMAGED WHEAT AND TO REITERATE BOARDS PREVIOUS DECISION REGARDING LOSSES**

9. GM (HR) briefed the Board regarding the agenda item explaining in detail the severe climatic conditions due to which the stocks were damaged and timely measures that the management took for the safeguard of wheat stocks. The Management shared the interim report of the Committee constituted by the M/o NFS&R to ascertain and confirm losses of damaged wheat in rain affected zones of PASSCO. The interim findings/recommendations of the Committee were discussed in detail.

10. The Board expressed their concern about the findings that the damaged stock figures reported by the Management were inflated and actual damaged wheat was not more than 50% of initially reported figures by the Management. The Directors also inquired as to why the damaged wheat was not separated from sound quality stocks in time to eliminate the chances of damaging the sound quality wheat.

11. The Managing Director apprised the Board that teams headed by GMs were immediately constituted to visit the affected sites and steer the efforts to safeguard the stocks during continuously

heavy downpour spread over / above 5 days. Timely allocation for lifting of stocks were made from concerned zones but the recipient agencies were reluctant to lift because of stagnant water and poor road conditions in the inundated areas. The losses were initially reported on the estimates as the water had not receded then. The separation of damaged wheat from the fair quality wheat was completed in time in Khairpur and Hyderabad Zones. However, the same could not be done promptly in Dera Allah Yar Zone because of presence of 4 - 5 feet deep stagnant water, broken roads / bridges and lack of trained human resource / labor force.

12. While taking the agenda item, BOD desired the Management to handle the 2022 heavy rains hit stocks of Hyderabad, Khairpur and D.A. Yar Zones, with utmost care in the prescribed manner and very professionally by maintaining full transparency and if needed outsource expertise may also be utilized. The outcome of the effort be placed before Federal Government for doing needful and may also be put up to the BOD for information. The Board also directed the Management to take all possible measures to avoid human consumption of damaged wheat upon its disposal.

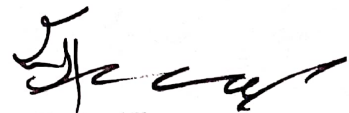
13. The Board considered the agenda item and resolved:

**“To allow the Management to dispose of the fully damaged wheat in the first phase (unfit for human consumption, as confirmed through Lab Tests), other than to flour mills/grain dealers. The sale / auction be done in phases as per recommendations of the Committee constituted by the M/o NFS&R, in a highly transparent manner through a committee of General Managers of PASSCO, who will monitor and supervise the entire process. The sorting of partially damaged wheat be completed at the earliest and process of its sale/auction be taken up on top priority. Approval of the Federal Cabinet may be obtained prior to sale/auction of the damaged stocks.**

**Loss (if any) on account of sale of fully damaged wheat in phase-I shall be placed before the Board separately for consideration. The Board further reiterates its previous decision that when business is carried out on the specific orders of the Federal Government then the losses (if any) will have to be borne by the Federal Government”.**

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

Approved



**Zafar Hasan**  
Chairman BOD PASSCO/  
Secretary, M/o NFS&R



**Emad Nazir Ahmed**  
Company Secretary