

The 37th Annual General Meeting was held on Tuesday, August 10, 2010 at 5:00 p.m. at ICAP House, Karachi.

The President of the Fund, **Mr. Khaliq-ur-Rahman** chaired the meeting on confirmation of quorum and welcomed the members to the AGM. The list of members who signed the attendance sheet is attached as Annexure "A".

The proceedings of the meeting commenced with recitation from the Holy Quran.

1. ***Fateha for deceased members:***

The President read out the names of the honourable late members who passed away during the year, mentioned in the annual report. Fateha was recited for all departed souls.

2. ***Confirmation of the minutes of the 36th AGM held on Thursday, December 03, 2009 at ICAP House, Karachi:***

The minutes of 36th AGM were circulated through email to members for comments. As there were no comments, the minutes were approved as proposed by Mr. Usman Ghani Akbani and seconded by Mr. Abdul Rahim Suriya.

3. ***Consideration and adoption of Report of the Management Committee and Financial Statements of the Fund with Auditors Report thereon for the year ended June 30, 2010:***

The President thanked his colleagues at the Management Committee for working devotedly and putting efforts positively and enthusiastically for the cause of the membership and especially mobilizing members for the success of group benefit schemes.

Group Health insurance scheme:

A large number of members is generally unable to get an insurance coverage due to age factor or because they are not working with large organizations not providing any health insurance coverage. Major losses occur in case of an unforeseen event and life-long savings of such members get exhausted. The scheme was introduced for the benefit of such members.

The scheme was envisaged with an expected participation of around 1,000 members. However, the Committee was able to persuade the insurer to start with 120 members. During the year, the Committee members vigorously pursued its objective to seek participation of a large numbers of members as committed to the insurers. By virtue of these efforts two of the leading firms switched from existing insurance arrangement to the scheme. Furthermore, the insurer was persuaded to include the employees of CA firms along with their dependents within the ambit of the scheme. This gave quite a boost to the overall participation which increased to 521 participants including 165 members of the Institute.

Settlement of health insurance claims:

Out of 22 claims for Rs.1.2 million lodged during the year, 18 claims were settled while 4 claims having a value of Rs.133,000 were under process as at June 30, 2010.

Group insurance on Takaful concept:

The concept of group life insurance was transformed into Takaful since last year with a hope that with conversion from conventional insurance to Islamic concept of Takaful, participation in the scheme would increase. However, the scheme could attract only 164 members as against 161 members in the preceding year.

Vigorous efforts were made by the members of the Managing Committee of the Fund to seek participation of more and more members in the scheme and also to render it viable for the insurer. These efforts included contacting members personally and through email, paying visits to C.A. firms and requesting their partners to switch over to these schemes, distribution of scheme brochures at different

seminars and other get-to-gather occasions. Personal contacts to the members in individual capacity were also made to convince them of usefulness of the scheme.

An informal meeting of selected members was conducted at ICAP offices at Karachi, Lahore and Islamabad on video conferencing. This was purported to seek their support in promoting the schemes among the members, and seek their participation in large numbers.

Last but not the least, at the request of the Committee, a premium for insurance cover of Rs.500,000 was included, as an option, in the notices issued to the members for payment of annual membership fee to ICAP. This cover could be increased to larger amounts at the discretion of the members. Sufficient details in this respect were provided in the notices.

The President requested the members present in the house to further propagate the schemes and encouraged them to join the schemes and invite other members also.

Free seminar on Eye-Care:

At the initiative of a Committee member, a seminar on “Eye-Care” was arranged at ICAP House, Karachi to create awareness among members about eye related health and problems arising at an elder age. The program was conducted by a renowned eye specialist voluntarily. Although attended by a small audience, the feedback about usefulness of the seminar has been very encouraging.

Review of Benevolent Fund’s Rules:

It was long felt that the rules of the Fund be reviewed and rationalized so that they truly reflect the state of affairs and also serve as an effective tool for the Committee in its decision making process.

A sub-committee was formed for this purpose, redrafted the rules after meticulous examination. These have been considered and approved by the Managing Committee of the Fund. The revised rules are being presented for your approval at this AGM and thereafter these will be submitted to the Council of the Institute for final approval.

Financial Assistance:

The Fund continued to provide financial assistance to its members, families of the deceased members as well as students. This covers day to day essential maintenance, medical, educational, marriage and other expenses. During the year, the Fund provided financial assistance to Eighteen (18) families, aggregating to Rs.4.9 million against Rs. 3.8 million provided to Eighteen (18) families including four living members.

The Committee members have kept a close contact with these families to ensure they are well taken care of apart from the financial assistance, such as counseling of their children to provide career guidance, marriage of their daughters, and to provide any other help they may require.

The Committee, during the year, enhanced the amount of financial assistance to enable the families of the deceased members to meet ongoing inflation and rising cost of living. The assistance per family comes to Rs. 22,950 [2009: Rs.17,500] per month per family.

Changes in presentation of the financial statements:

The financial statements for the year ended June 30, 2010 have been prepared on a different format. The statement of financial performance has been omitted as all the expenses of the Fund other than financial assistance have been paid by the Institute. The Committee is thankful to the Council and the President of the Institute for their support. The Committee is also thankful to the Council and the President for providing a grant of Rs.1 million to the Fund and hopes that this will be provided on annual basis.

Finally, the President invited comments from the member on the report of the Management Committee, the accounts for the year under report and revised rules of the Fund.

The members made following comments:

- 3.1 Statistics of the meeting show that 50% of the Committee members have not attended to 50% of the meetings. What is the purpose of having such members at the Committee who are not attending the meetings?

Response:

To discourage the practice, the Committee has proposed in the revised rules that:

“A member of the Committee not attending two consecutive meetings of the Committee shall cease to be the member of the Committee, unless prior leave of absence is sought and granted by the Committee.”

We are quite hopeful that attendance will definitely improve with the implementation of this rule. However, it should also be noted and realized that there is a lot of work and activities other than “around-the-table” where Committee members render their services apart from the meetings, which cannot be ignored.

- 3.2 Rule 9(d) of the Fund says, “Any investment of the Fund shall be held in its own name or in the name of the Institute as may be required”. Is the income of Benevolent Fund exempt from withholding tax?

Response:

The ICAP Benevolent Fund does not have the exemption from withholding tax. Whereas the Institute is an approved NPO and tax exempt entity. The Fund is not a separate legal entity and it is a part and parcel rather a function of the Institute. The Council is the trustee of the Fund and the Committee is the executor. This is the reason; the Committee has proposed to keep the investments of the Fund in the name of the Institute so that there are no issues of deduction of withholding tax from return on investments.

- 3.3 The investment sub-committee should follow an approved investment policy as a guideline while making investment decisions. The policy should be amended and updated from time to time. The sub-committee should also look into the avenues of Islamic investments to the extent possible.

Response:

The suggestion is taken.

- 3.4 Rule 13(a) of the Fund regarding the appointment of the auditor says, “the Committee at its discretion may appoint another auditor after completion of three years as it deems fit”. Who would be appointing the auditor, the Committee or the AGM?

Response:

The method of appointment and change of auditor has been proposed following the code of corporate governance. However, the Committee would recommend for the change of auditor to the AGM. Hence the rule should be rephrased and read as follows:

“the Committee at its discretion may recommend the appointment of another auditor after completion of three years as it deems fit”.

The report of the Management Committee and financial statements for the year ended June 30, 2010 were finally approved as proposed by Mr. Pervez Muslim and seconded by Mr. Adnan Mufti.

The revised rules of the Fund were also adopted as proposed by Mr. Mr. Khalilullah Sheikh and seconded by Mr. Zahid Iqbal Bhatti.

Secretariat was authorized to forward the revised rules (after making the corrections) to the Council for formal approval.

4. ***Appointment of Auditor for the year 2010-11:***

The President informed the meeting that present auditor Mr. Taher H. Moochhala, FCA has consented for being the Auditor of the Fund for the year 2010-11.

Since there was no other proposal, Mr. Taher H. Moochhala, FCA was re-appointed as auditor of the Fund for the year 2010-2011 as proposed by Mr. Usman Ghani Akbani and seconded by Mr. Pervez Muslim.

5. ***Other business:***

5.1 Suggestion of establishing a Zakat Fund at the ICAP Benevolent Fund:

The President informed the members attending the AGM that during a conversation at senior members' get-together, two members had suggested that a Zakat fund should be established by the Benevolent Committee for the benefit of families of deceased members. "The suggestion will definitely be discussed in the Committee meetings, however since we will not be having an opportunity to meet you until next AGM, we would be glad to have your comments on the suggestion", he said.

The majority of the members present were not convinced with the idea due to the following reasons:

- ICAP Benevolent Fund would not be a proper forum for Collection of Zakat
- It may also hurt the feelings of the beneficiaries.
- Even if the proposal is considered by the Committee for providing help to people other than current beneficiaries (willing to get assistance from the proposed Zakat Fund), the scope of activities will have to be redefined; also the rules will have to be amended for the Committee to have the mandate for carrying out such activity.
- It would be impractical and very difficult while disbursing the funds according to Sharia's requirement. It would be difficult to establish who is sahib-e-nisab and who is not; and this would make the administration of the proposed Zakat Fund very cumbersome.

After some debate, the house was of the view that there is no need to establish the Zakat Fund within the ambit of Benevolent Fund. It was also pointed out that members should contribute through donations and most importantly the annual subscription should be increased further. Increase of just Rs. 250 in subscription i.e. from Rs.500 to as Rs.750 per annum is very nominal especially when the Fund is offering life-long commitment to the families who are in distress.

5.2 Suggestion for ICAP to give a substantial contribution to the Benevolent Fund:

The amount of financial assistance is increasing at a rapid rate. On the other hand the inflows from subscription and return on investments are not increasing with the same proportion. The return on investments has decreased as compared to previous year as reflected in the statement of cash flows. With rising inflation and membership aging, the requirements in the future could be difficult to meet with the current level of subscription and investment income that the Fund is able to generate. The

members appreciated the position and showed a lot of interest in the activities of the Fund and especially its efforts to provide maximum support and benefits to the members and their families in distress. They also appreciated Councils decision to increase the annual contribution from Rs.0.50 million to Rs.1.0 million. One of the members Mr. Fuad Azim Hashimi, taking note of the increasing requirements of the Fund, suggested that it was high time that ICAP should give at least 10 to 20% of its General Fund as a kick-start money or at least Rs. 20 to 30 million to augment the financial position of the Fund to enable it to carry out its objectives adequately. The members applauded the suggestion and endorsed it unanimously. The President informed that the matter will be taken up with the Council.

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

Shakeel Ahmad
Secretary

Khaliq-ur-Rahman, FCA
President

ATTENDANCE LIST
37TH. AGM OF THE INSTITUTE OF CHARTERED
ACCOUNTANTS OF PAKISTAN BENEVOLENT FUND
HELD ON AUGUST 10, 2010 AT ICAP HOUSE, KARACHI

S.#	NAME	REG.#
1	Mr. Abdul Wahid	0101
2	Mr. Majeed Uddin Khan	0221
3	Mr. Taher H. Moochhala	0137
4	Mr. Fuad Azim Hashimi	0328
5	Mr. Usman Ghani Akbani	0750
6	Mr. Ahmad Saeed	1023
7	Mr. Muhammad Haroon Mansuri	1026
8	Mr. Abdul Ghaffar Habib Katiya	1057
9	Mr. Zahid Iqbal Bhatti	1370
10	Mr. Abdul Rahim Suriya	1531
11	Mr. Khaliq-ur-Rahman	1585
12	Syed Muhammad Rehan	1592
13	Shaikh Saqib Masood	1779
14	Mrs. Khursheed Kotwal	1928
15	Mr. Khalid Rahman	1963
16	Mr. Riaz A. Rahman Chamdia	2074
17	Mr. Altaf Noor Ali	2208
18	Mr. Pervez Muslim	2543
19	Mr. Zulfiqar Sheikh	2624
20	Mr. Zafar Abbas Badami	2799
21	Mr. Shahid Hussain	2895
22	Mr. Nadeem Yousuf Adil	2969
23	Mr. Adnan Ahmad Mufti	3262
24	Mr. Haroon Tabraze	3154
25	Mr. Shoaib Ahmed	3474
26	Mr. Khalilullah Shaikh	4456