



**The Institute of
Chartered Accountants
of Pakistan
Benevolent Fund**

DRAFT MINUTES OF 35TH ANNUAL GENERAL MEETING

The 35th Annual General Meeting was held on Thursday, October 16, 2008 at 6:45 p.m. at ICAP House, Karachi. The President of the Fund, **Mr. Khaliq-ur-Rahman** chaired the meeting.

The President welcomed the members of the Fund to the Annual General Meeting.

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

1. Fateha recitation and a minute of silence for deceased members

The President read out the names of the honourable late members who passed away during the year as mentioned in the annual report. Fateha was recited for all departed souls and a minute of silence was observed for late Minoos Rustomjee Patel.

2. Confirmation of the minutes of the 34th Annual General Meeting held on Wednesday, November 28, 2007 at 4:00 p.m at ICAP House, Karachi:

The President informed the members that the minutes of 34th Annual General Meeting were circulated on March 05, 2008 and no comments were received on the same.

Since there were no observations on the minutes from the members present in the meeting also, the same were approved as proposed by Mr. Abdul Husain A. Basrai and seconded by Mr. Afzal Munif.

Condolences:

We regret the loss of following honorable members of the Institute who left us for heavenly abode:

Name	(Reg. #)	Date of demise
1. Ch. Zulfiqar Ahmed Cheema, FCA (1951)		10-10-07
2. Syed Amjad Hussain, FCA (148)		05-12-07
3. Mr. M. Younus Khan, FCA (1900)		22-12-07
4. Mr. Irtiza Hussain, FCA (67)		10-01-08
5. Mr. Nasim Akhter Zuberi, FCA (719)		24-01-08
6. Mr. Minoos Rustomji Patel, FCA (245)		31-01-08
7. Syed Masood Hussain, FCA (390)		31-01-08
8. Mr. Ibrahim Ahmed, FCA (215)		07-02-08
9. Mr. Abdul Hameed Kasbati, FCA (1222)		18-03-08
10. Mr. Yaqub Ali, FCA (280)		10-04-08
11. Mr. Ghulam Haider, FCA (1511)		22-05-08
12. Mr. Shakil Akhtar Qureshi (1562)		21-07-08
13. Mr. Rashad Irfan Malik, (1572)		21-07-08

* Information received during the year.

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, 2008.

The President briefed the members on the Report of the Management Committee.

He informed that the Fund had a reduced surplus of around Rs.1.2 million this year as compared to the previous financial year which was primarily due to the impact of increase in financial assistance by Rs.1 million and secondly due to decline in rate of return on investments which had been 11% on average this year as compared to 12.6% last year and more particularly Defence Saving certificates are near to completion on which we get higher rate of return as compared to term deposits.

He was optimistic that situation in coming years will improve the surplus of the Fund because:

- Rate of annual subscription has been increased from Rs. 300 to Rs. 500 per annum which will yield additional funds of around Rs. 900,000/- per annum;
- Interest rates indicate a rising trend which will definitely improve the average rate of return on investments of the Fund. The Committee remains constantly diligent about the safety of the principal while making its placements;
- Disbursements to beneficiaries have been enhanced significantly last year to cope with the inflationary pressures. The impact of further enhancements will not adversely affect the surplus in the coming year.

The President also conveyed the desire of the Management Committee to keep constantly work on strengthening the financial position of the fund for future needs. He called upon the members for their support for an increase in their annual subscription and also appealed for the voluntary contributions from the Members and the Institute.

Major activities during the year:

3a >> Financial assistance: The core focus of the Committee during the year has been its beneficiaries – members of the Institute, their spouses and children, and their dependents. Average assistance per month per family has been Rs. 18,155 this year against Rs. 6,700 in year 2006. This has been done by evaluating the needs of the families, education of the children, especially under the current rising cost in the country. He requested members to bring into Committee’s knowledge of any member or a family who is in financial distress or not adequately been compensated or looked after.

3b >> Enhancement in group insurance sums: The President appreciated 'insurance sub-committee' consisting of Mr. Majeed Uddin Khan and Mr. Altaf Noor Ali for a commendable job after hectic negotiations with insurer to bring up the sum insured to Rs. 2.00 million from previous Rs.1 m at a reduced premium of Rs. 3.80 against Rs. 4.00 per thousand rupees sum insured in previous year.

Other major milestone the sub-committee achieved was obtaining insurance cover for senior members of 65 year upto 70 years of age. The insurer was willing to give cover of Rs. 500,000 only at a higher rate of premium.

Insurance cover for the students has also been obtained by this forum at a very low cost that is Rs.1.45 per thousand rupees (life expectancy of the group is much higher) providing coverage of Rs. 500,000 and Rs. 200,000.

3c >> Health insurance scheme: The Committee had nearly finalized the health insurance scheme for the members. Overall premium for a family of four (husband, wife and 2 children) will be around Rs.16,100 per annum. The facilities which the Committee is going to obtain will be good hospitals on panel where members will walk in with their cards to have the treatment done to be in-patient not the out-patient facility.

Finally, the President invited comments from the member on the annual report.

The members made following comments:

3.1>> Why the number of insured members is very low and what efforts have been made to increase the population which will eventually reduce the premium and increase benefits to the members, additionally is there any exercise done to find out the causes of low participation in the insurance scheme?

3.1>> Response: Participation in the scheme is optional and the Committee can't force or bind members to come forward unless the Institute makes the participation compulsory. The Committee can only market the benefits of insurance scheme to increase the population.

Though a formal study has not been done to ascertain the causes of low level of participation in the scheme, the Committee agrees that it is a good suggestion to follow. The Committee however has studied the population insured and understands there are several possible reasons to that. Members employed in industry or other institutions; normally have an insurance cover available to them by their employer. Others simply don't bother to come forward due to religious reasons.

The Committee believes however, that there is a need to create more awareness among new members and those in sole proprietorship that an insurance scheme is available for them which is managed by the Benevolent Committee and word of mouth could be an effective source to increase the population along with use of communication of the Institute i.e. Pakistan Accountant and Newsletter for the benefit of members.

3.2>> Value of the investments in shares and mutual funds have has declined due to recent turmoil in the stock market. What steps the Committee has taken to safeguard the investments under this situation?

3.2>> Response: As far as investments in stock market and mutual funds are concerned, the Committee believes that value has gone down roughly by 10% to 15%. However, the Committee is taking long term view and looking at the dividends which are almost same as last year. The situation at stock market will hopefully get better hence there are no serious concerns on long term basis.

3.3>> Investments could be pre-matured and placed in other modes offering higher rate of return.

3.3>> Response: The suggestion is taken and will be considered by the 'Investment Sub-committee'.

The report of the Management Committee and financial statements for the year ended June 30, 2008 were approved as proposed by Mr. Basrai and seconded by Mr. Afzal Munif.

4. Following resolutions were passed at the annual general meeting:

Profit commission rider on group insurance premium:

The profit commission rider on group insurance premium is given by the insurance company. This had been treated as a liability in past years and returned to the members. Each member would get a share of Rs. 800/- or so. The Committee proposes that being a meagre amount to an individual member, commission rider should be taken as income of the Fund. The proposal was unanimously approved by the house.

“Resolved that the profit commission rider on the group insurance premium is applied for the collective benefit of members by including it as part of the Fund”.

Circulation of annual reports and minutes of the annual general meeting through email:

Every year, the Fund incurs a considerable sum on printing of its annual reports and minutes of the AGM for circulation among the members of the Fund. This year, the cost is estimated around Rs. 90,000. This resolution proposes to save this expense by circulating annual reports and minutes

through emails and posting at the web for members' reference. The Committee therefore, proposes to pass following resolution:

“Resolved that in order to mitigate the costs and cutting down un-necessary expenses of the Fund, annual reports and minutes of the annual general meeting will not be printed and a soft copy will be circulated by email”.

The resolution was unanimously approved.

5. Appointment of Auditor for the year 2008-09:

The President informed the meeting that retiring Auditor Mr. Hyder Ali Bhimji offer their professional services 2008-09.

The meeting unanimously approved the appointment of Mr. Hyder Ali Bhimji as auditor for the year to end June 30, 2009.

6. Other business:

List of Members present in the 35th AGM

1. Mr. Hyder Ali Bhimji	0056
2. Mr. Afzal Munif	0096
3. Mr. Abdulwahid	0101
4. Mr. Gul Mohamed Bawa	0368
5. Mr. M. Rafiuddin Hyder	0757
6. Mr. Ahmad Saeed	1023
7. Mr. Abdul Husain A. Basrai	1089
8. Mr. Khaliq-Ur-Rahman	1585
9. Mr. Adnan Zaman	1586
10. Syed Mohammad Rehan	1592
11. Syed Najuml Hussain	1958
12. Mr. Altaf Noor Ali	2208
13. Mr. Mohammad Moin Khan	2372
14. Mr. Iqbal Ahmad Abdan	2676
15. Mr. M. Tanveer Alam	2803
16. Mr. Pervez Ismail	2828
17. Mr. Imran Ahmed Zaki	2912
18. Mr. Muhammad Asif Iqbal	3052
19. Mr. Mustafa Chagla	4553
20. Mrs. Nadia Azhar	4545

Enhancement in annual subscription from Rs. 500 to Rs. 1,000:

The President informed the members that from year 2008-09, annual subscription of Benevolent Fund has been increased from Rs. 300 to Rs. 500. However, a further increase of Rs. 500 from year 2009-10 would be appropriate since it would make a Fund base of Rs. 4.5 Million and create more room for increase in financial assistance.

The members attending the annual general meeting were convinced with proposed increase, yet, could not resolve the matter due to low attendance. The house suggested, it would be more appropriate to publicise the proposed increase to have a larger view from general membership since attendance at the annual general meeting was very low.

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

Shakeel Ahmad
Secretary

Khaliq-ur-Rahman, FCA
President