

The 36th Annual General Meeting was held on Thursday, December 03, 2009 at 4:15 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 29 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 35th AGM held on Thursday, Oct 16, 2008 at ICAP House, Karachi:***

The minutes of 35th AGM were circulated on March 9, 2009 for comments. As there were no comments, the minutes were approved as proposed by Mr. Tameez ul Haque and seconded by Syed Najmul Hussain.

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, 2009:***

The President thanked his colleagues at the Management Committee for putting in their efforts positively and enthusiastically for the cause of the membership. He also expressed the Commitment of the Benevolent Committee to reach out to the members in far flung areas, particularly in KP region for which a member from Peshawar has been nominated to the Committee for the first time.

Introduction of Group Health insurance scheme:

Group health insurance scheme has been introduced for the first time from the Benevolent Fund's forum. However, much to our disappointment, only 139 members have participated so far against an expected number of 1,000 members.

The insurers were requested to start with these numbers with a promise that with the efforts of the Committee, numbers will increase with the passage of time which they accepted very generously. The scheme will be functional by July 2009.

Group insurance on Takaful concept:

The concept of group life insurance has been transformed into Takaful for the first time this 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 161 members which is far less than the Committee's expectations.

He said that in past we have witnessed a participation of over 700 members to 1000 members in the group insurance scheme.

The President informed the house that as part of their follow-up exercise, he and the Committee members had come across members who were aware of the schemes and the benefits also but somehow could not join the schemes.

The President requested the members present in the house to further propagate the schemes and encouraged them to join the schemes and invite members also. He was quite hopeful that with little persuasion, members would join in good numbers.

Financial Assistance:

The Fund continued to provide financial assistance to its members, families of the deceased members as well as students. This covered 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.3.8 million against Rs. 2.9 million provided to Sixteen (16) families including one student.

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.17,500 per month per family.

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. The Committee would like the support of members to make the Fund stronger.

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

The members made following comments:

- 3.1 Is there any policy for making investments and what are its considerations while making investment decisions? Has the Committee ever considered investing in real estate or Islamic mode of investments?

Response:

The Fund has an investment sub-committee that monitors the investments portfolio. Investment decisions are taken after considering safety of the investment and good rate of return. Banks and Financial Institutions having sound ratings only are considered for short term investments, normally for 3 to 6 months period. Most of the investment is being made on long term basis in government securities ensuring good rate of return as well as safety of the principal.

The issue of making investments in Islamic mode have been discussed in past also. The sub-committee will consider investing in Islamic Banks / Islamic Financial Institutions if the rates are competitive or even if they are a little lower than competitive. However, it is the responsibility of the Committee to make sure that the Trust money is invested cautiously.

Real Estate investments require huge funds and with 34 million fund size, the Committee can not consider this option. Also real estate market has not been very promising in the recent past. The Committee will consider if investment in real estate would be appropriate.

- 3.2 The gap between Fund's income and financial assistance is narrowing down through the last couple of years. What measures have been taken to make the Fund stronger to take care of financial assistance in future?

Response:

The Committee has sent a proposal to the Council of the Institute for increasing annual subscription of Benevolent Fund from Rs. 500 to Rs. 1,000 for the next year and further increase it up to Rs 2,000 to Rs. 3,000 over a period of next 4 to 5 years. This will certainly strengthen the Fund and also create a room for increase in financial assistance in future.

The Committee is also thankful to the Council for reviving special contribution of Rs.500,000 to the Benevolent Fund. We hope this would be continued in future also.

- 3.3 What is "Interim insurance coverage for members" Rs.73,331 shown as expense in the Statement of Financial Performance?

Response:

Group Life insurance premium becomes due on July 01 every year. However, members pay their subscription and group insurance contributions later on by September as in the case of members working in the industry. In order to facilitate members and to continue their insurance cover, the Committee pays prorated premium for 3 months (July-September) on behalf of the members who had participated in the scheme last year to extend their cover for further three months. Members who continue their participation by sending in their group insurance contributions later on are covered and their premium is recovered. However, those who do not come forward and leave the scheme, their premium becomes an expense to the Fund and same has been mentioned as "Interim Insurance Premium".

3.4 On which framework the accounts have been prepared and on which format the audit report has been issued?

Response:

Framework has been mentioned in the Auditor's Report in para (3) whereas basis of preparation have been explained under Note II sub note (i) to the accounts.

Despite that fact that there is no standard accounting framework available for a fund like us, we always strive for adhering to the international accounting standards as well as the applicable accounting standards as far as possible while preparing the accounts. The disclosures and details of the accounts are very closely or exactly aligned to the International Accounting Standards or the applicable standards.

3.5 Auditor's report should state "Generally Accepted Accounting Standards" rather than "Generally Accepted International Standards on Auditing" There is no such thing as "Generally Accepted International Standards on Auditing". Either there are "International Standards of Auditing" or "Generally Accepted Auditing Standards as applicable in Pakistan".

Response:

The point is taken and the Auditors will be notified to make the required correction in the audit report.

The report of the Management Committee and financial statements for the year ended June 30, 2009 were finally approved as proposed by Syed Najmul Hussain and seconded by Mr. Pervez Muslim.

4. ***Appointment of Auditor for the year 2009-10:***

The President recorded his appreciation for the services of Mr. Hyder Ali Bhimji, FCA for past many years.

He informed the house that in line with the need for rotation of the auditor, the Committee recommended to appoint Mr. Taher H. Moochhala, FCA as the auditor of the Fund for the year 2009-10.

It was unanimously approved to appoint Mr. Taher H. Moochhala, FCA as auditor for the year ending June 30, 2010.

5. ***Other business:***

Proposal for arranging Video Conferencing at ICAP Lahore and Islamabad for the next Annual General Meeting:

Mr. Altaf Noor Ali proposed that from next year, video conferencing should be arranged at Lahore and Islamabad stations so that members in northern region also have an opportunity to attend the annual general meeting.

The members attending the annual general meeting were convinced with proposal and Secretariat was advised to make the arrangements accordingly.

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

Shakeel Ahmad

Secretary

Khaliq-ur-Rahman, FCA

President

ATTENDANCE LIST

36TH. AGM OF THE INSTITUTE OF CHARTERED
ACCOUNTANTS OF PAKISTAN BENEVOLENT FUND (THE FUND)
HELD ON DECEMBER 03, 2009 AT ICAP HOUSE, KARACHI

S.#	NAME	REG.#
1	Mr. Abdulwahid	0101
2	Mr. Majeed Uddin Khan	0221
3	Mr. Gul Mohamed M.A. Bawa	0368
4	Mr. Mohammed Rafiuddin Hyder	0757
5	Mr. Tameez-Ul-Haque	0973
6	Mr. Muhammad Aslam	1051
7	Mr. Mahmood Akhtar	1180
8	Mr. Abdul Rahim Suriya	1531
9	Mr. Khaliq-ur-Rahman	1585
10	Syed Najmul Hussain	1958
11	Mr. Altaf Noor Ali	2208
12	Mr. Mohammad Ali	2275
13	Mr. Mohammad Saleem	2366
14	Mr. Saad Kaliya	2503
15	Mr. Pervez Muslim	2543
16	Mr. Shahid Hussain	2895
17	Mr. Muhammad Asif Iqbal	3052
18	Mr. Adnan Ahmad Mufti	3262
19	Mr. Rashid Masood Alam	3370
20	Mr. Shoaib Ahmed	3474
21	Mr. Kamran Ahmed	3629
22	Mr. Muhammad Shahzad Hussain	4140
23	Mr. Khalilullah Shaikh	4456
24	Mr. Muhammad Aamir	5043
25	Mr. Muhammad Tufail	5139
26	Mr. Muhammad Kamran Amin	5205
27	Ms. Saima Shahzad	5209
28	Mr. Azeem Sarwar	5375
29	Mr. Zeeshan Rashid	5584