

MINUTES OF THE 116TH MEETING OF THE BOARD OF DIRECTORS

RECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	18th April, 1994	11.00 a.m

The One hundred and sixteenth (116th) meeting of the Board of Directors of State Life Insurance Corporation of Pakistan was held on 18th April, 1994 at the Corporation's Principal Office, Karachi.

PRESENT

1. Mr. A.R. Siddiqi, Chairman
2. Mr. Javed Masud, Director
3. Mr. S.Z.H. Jafri, Executive Director
4. Mr. M. Hafeez Malik, Executive Director
5. Mr. Nazier A. Jajvi, Executive Director
6. Mr. M. Javed Ashraf Hussain, Executive Director
7. Mr. S. Gulrez Yazdani, Secretary Board

2. The meeting commenced with the recitation from the Holy Quran.

ITEM NO. 1: CONFIRMATION OF MINUTES OF 115TH MEETING OF THE BOARD OF DIRECTORS - HELD ON 17TH MARCH, 1994 AT ISLAMABAD.

3. Minutes of the 115th meeting of the Board of Directors held on 17th March 1994 at Islamabad were placed before the Board for confirmation. While confirming the minutes, it was felt that resolution pertaining to the UK operations of State Life discussed under "other matters" may be reworded as follows:

"That Mr. S.A. Sabri (Actuary) be appointed on retainership initially for 4 months at a fee of 1000 Pound per month to coordinate the preparation of a feasibility report for relaunching of State Life's operations in the U.K.

Action: GM (Ovs)

4. With the above observation the Directors confirmed the minutes of the 115th meeting of the Board.

ITEM NO. 2: PROMOTION OF MR. YAHYA ADNAN AHMED, MANAGER(ACTUARIAL).
GM (P&GS) Memorandum's dated 2.2.1994.

5. Mr. Yahya Adnan Ahmed, Manager (Actuarial) has completed all the written requirements of the Society of Actuaries USA leading to the fellowship of the Society of Actuaries. Mr. Adnan is eligible for consideration of promotion as Assistant General Manager in terms of Circular No.P&GS/PO/12/92 dated 21.6.1992, under the Accelerated Promotion Scheme. The Board considered the memo from P&GS in this regard and recognized the hard work put in by Mr. Yahya Adnan Ahmed. In agreeing with the proposal of the P&GS Division for promotion of Mr. Yahya Adnan Ahmed as Assistant General Manager the Board resolved as under:

RESOLVED

"Mr. Yahya Adnan Ahmed be promoted as Assistant General manager w.e.f. 1.4.1994."

Action: G.M.(P&GS)

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ITEM NO. 3: REVIEW OF STATE LIFE EQUITY INVESTMENT PORTFOLIO.
ED(Investment)'s Memorandum dated

6. The Executive Director (Investment) introduced the Memorandum in detail. The rationale and capital gains made from the share swapping undertaken with NIT was also explained. The Board of Directors noted the position with satisfaction but felt that in future, such operations may be made a regular feature with its modalities clearly defined rather than being an occasional transaction.

Action: G.M.(Inv)

ITEM NO. 4: MONEY MARKET OPERATIONS UNDER REPOS AND REVERSE REPOS ARRANGEMENTS AND PLACEMENT OF FUNDS WITH BANK/OR OTHER INSTITUTIONS FOR SHORT DURATION.
ED(Investment)'s Memorandum dated 17.04.1994.

7. State Life undertakes money market operations from time to time through the mechanism of REPO and also by way of reverse REPOS. Under these arrangements, the Corporation can borrow funds secured against Federal Investment Bonds (FIBs) at lower rates and in turn, place these funds at higher rates with other institutions either under Parking Finance, deposits, lending against purchase/resale of corporate shares or other mutually gainful arrangements.

8. Since money markets are volatile, the rates, availability and demand for funds keep changing from moment to moment and therefore, it is impractical to seek clearance of the Board for each such transaction. After discussing the matter in detail the Board accorded its approval in principle to that Corporation undertaking such operations and resolved as follows:

RESOLVED

(i) "The decisions on transactions upto Rs.250 million may be taken after approval of the Chairman.

(ii) For transactions involving higher amounts Executive Committee may decide.

Action: G.M.(Inv)

ITEM NO. 5: CAPITAL BUDGET 1994.
ED(Finance)'s Memorandum's dated 16.03.1994.

9. Executive Director (Finance) presented the memorandum and explained the proposals. The Board discussed in depth the two broad items covered in the memorandum and agreed to the carry forward to 1994 of the provision for improvement/installation of cash counters and reception areas at Rs.15.00 million already approved by the Board in 1993. It was also noted that the Executive Committee had decided to incur such expenditure only in premises owned by State Life.


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10. The Board had earlier approved a capital budget of Rs.20.00 million for procurement of mini and micro computers. Of this, a sum of Rs.18.200 million has been carried forward to 1994. It was pointed out that an additional amount of Rs.16.5 million is required in view of the change in scope, whereby the computers are now to be installed in the head offices of 5 (five) major zones while the initial proposal was confined to 2 (two) Zones (Karachi & Lahore) with one branch office each (Malir and Sheikhpura).

11. The Board after discussion resolved as under:

RESOLVED

(i) "Carrying forward to 1994 of Capital Budget of Rs.15.0 million for the installation/improvement of cash counters and reception areas is hereby allowed.

(ii) Capital expenditure budget of Rs.36.0 million is approved for procurement of computers, site preparation and ancillary expenses to install computers at Zonal Offices at Karachi, Lahore, Rawalpindi, Multan and Faisalabad."

Action: G.M.(B&A)

ITEM NO. 6: REVISION IN 1993 BUDGET DUE TO INCREASE IN PAY AND ALLOWANCES OF OFFICERS.
ED(Finance)'s Memorandum dated 14.04.1994.

12. The decisions of the Pay & Pensions Committee communicated by the Ministry of Commerce vide letter No.1(21)/88-Ins.I dated 29th January 1994 have increased the Officers' pay and allowances w.e.f. 1.1.1993 for which no provision existed in the budget. This requires an additional budget allocation. Considering this requirement and the obligatory nature of payments, the Board resolved as under:

RESOLVED

"That an additional provision of Rs.43.089 million in the budget for 1993 is hereby approved."

Action: G.M.(B&A)

ITEM NO. 7: BUSINESS PROGRESS REPORT FOR AND UPTO THE MONTH OF DECEMBER, 1993.
ED(Overseas)'s Memorandum dated 1.3.1994.

13. The ED (Overseas) presented the memorandum regarding business progress report of the Overseas operation of State Life for the year 1993. The Board noted its contents.

Action: G.M.(OVS)

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ITEM NO. 8: PROPOSAL FOR COMMENCING STATE LIFE OPERATIONS IN SAUDI ARABIA - SPONSORSHIP AGREEMENT.
GM(Overseas) Memorandum's dated 14.04.1994.

14. Launching of State Life's operations in Saudi Arabia was considered and approved in the 169th meeting of the Executive Committee held on 6th July 1993 and subsequently ratified, in the 112th Meeting of the Board of Directors of the State Life Insurance Corporation held on 2nd September 1993. In the meeting, the Board had decided to relaunch State Life's operations in Saudi Arabia and finalize the Agreement of Collaboration with M/s. MCA Ltd. as the Saudi Sponsors and Chief Agent of State Life in Saudi Arabia. It was also decided to inform Ministry of Commerce (MOC) regarding the decision of the Board.

15. The Ministry has given its "No Objection" to the State Life for launching its operations in Saudi Arabia subject to the proviso that; (i) If the Board feels the launching of operations viable and (ii) the new Chairman takes a second look at the decision.

16. Since the modalities have now been finalised the matter was placed before the present meeting and the Board resolved as under:

RESOLVED

(1) "The proposal for commencing State Life's operation in Saudi Arabia through a sponsorship arrangement is hereby approved.

(2) "E.D.(Overseas) is authorised to act in this behalf."

Action: G.M.(OVS)

OTHER MATTERS

17. The communication from WAPDA addressed to Chairman NDFC regarding "WAPDA Bonds (Sixth Issue) 1994 - Appointment of Bankers" was discussed. The returns being offered on WAPDA Bonds are 19% per annum and are very attractive. If the State Life decides to act as a banker to the issue another 1.15% is gained. Considering that WAPDA is a public sector utility company and the rates of returns are fairly attractive, the Board resolved as under:

RESOLVED

"That the State Life may underwrite subscription to WAPDA Bonds for Rs.100 million. The unsold proportionate share if any may be picked up by the State Life."

Action: GM (Inv)

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18. The Board also discussed the possibility of lending by State Life of some more funds to M/s. Sui Southern Gas Company and decided that Sui Southern may be offered another Rs.100 million by way of Term Finance for 5 years at the best possible rates say around 20% or above.

Action: G.M.(Inv)

19. The meeting ended with a vote of thanks to the Chair.


(CHAIRMAN)

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