

MINUTES OF THE 118th MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	ISLAMABAD	7TH AUGUST 1994	11.00 a.m.

The One hundred and Eighteenth (118th) meeting of the Board of Directors of State Life Insurance Corporation of Pakistan was held on 7th August 1994 at the State Life's Camp Office Islamabad.

PRESENT

1. Mr. M. Zaheer Khan, Chairman
2. Mr. Nazier A. Jajvi, Executive Director
3. Mr. M. Javed Ashraf Hussain, Executive Director
4. Mr. S.Z.H. Jafri, Executive Director
5. Mr. M. Hafeez Malik, Executive Director
6. Mr. M. Jaffer H. Siddiqui, Acting Secretary Board

LEAVE OF ABSENCE

2. Mr. Javed Masud, Additional Secretary, Ministry of Commerce/Director of the Corporation being out of country, was granted leave of absence.

3. The Minutes of 117th meeting of the Board of Directors were discussed and confirmed.

ITEM NO. 1: CONFIRMATION OF DECISIONS APPROVED BY CIRCULATION:

- i) GRANT OF GENERAL POWER OF ATTORNEY TO MR. M. ZAHEER KHAN, CHAIRMAN, STATE LIFE.
- ii) INCREASE IN AUTHORISED, SUBSCRIBED AND PAID-UP CAPITAL OF THE CORPORATION.

4. The Board Confirmed the above two decisions.

ITEM NO. 2: DESIGN CONCEPTS AND FEASIBILITY OF PROPOSED STATE LIFE CULTURAL COMPLEX PROJECT AT KARACHI - PRESENTATION BY M/S PEPAC AND WASIF ALI KHAN, ARCHITECTS.

5. M/s. PEPAC and Wasif Ali Khan, Architects presented the design concept of the proposed State Life Cultural Complex project at Karachi and explained various salient features of the design. The Board inquired about various aspects of the project and constituted a Sub-Committee consisting of Mr. Nazier Ahmed Jajvi, Executive Director and Mr. Muhammad Javed Ashraf Hussain, Executive Director to examine the cost effectiveness and financial feasibility of the project.

Action: GM (RE)

ITEM NO. 3: CONSIDERATION OF VARIOUS DESIGN FOR THE CONSTRUCTION OF 2ND PHASE OF THE HIGH RISE BUILDING ON PLOT NO.7, BLUE AREA, ISLAMABAD - PRESENTATION BY MR. ALVI OF M/S NAQVI A. SIDDIQUI, ARCHITECTS.

6. M/s. Nagvi A. Siddiqui, Architects presented various designs of the 2nd Phase of the High Rise Building on Plot No.7, Blue Area, Islamabad. The Board was not satisfied with the designs and asked the

CHAIRMAN'S
INITIALS



MINUTES OF THE 118TH MEETING OF THE BOARD OF DIRECTORS

HELD AT	ON	TIME
ISLAMABAD	7TH AUGUST 1994	11.00 a.m.

Architects to submit another 3 or 4 designs in one month's time having characteristics compatible with the surroundings and environment of the region.

Action: GM (RE)

ITEM NO. 4: CONSTRUCTION OF PARKING LOT ADJACENT TO PLOT NO.7, BLUE AREA, ISLAMABAD.
General Manager(RE)'s Memorandum dated 4.8.1994.

7. The Board considered the Memorandum of General Manager (RE) for purchase of additional land measuring 888 Sq.Yds adjacent to Plot No.7, Blue Area Islamabad at the reserve price of Rs.16,000/- per Sq.Yd. ED. (RE) explained that CDA has offered this land at the said price with the condition that the State Life will build an under ground parking lot on the remaining parking area measuring 46x160 sq.ft.

8. The Board approved the purchase of the said land and construction of the parking lot. The Board recorded its appreciation of the efforts made by Mr. Mohammad Javed Ashraf Hussain E.D. (RE) in negotiating and finalising the deal with the CDA whereby valuable additional land has been obtained at the reserve price as against the market price which is much higher than the reserve price.

Action: GM (RE)

ITEM NO. 5: PROPOSAL FOR PURCHASE OF SHARES OF AL-ABID SILK MILLS (LIMITED).
Executive Director(Inv)'s Memorandum dt. 4.8.1994

9. The E.D.(Inv) Memorandum for purchase of shares of Al-Abid Silk Mills (Ltd) was considered. The ED (Inv) explained to the Board that 2 of the sponsors of Al-Abid Silk Mills proposed to sell and offered their holdings of 6,50,000 shares. These shares constituted 14.8% of the paid up capital of the company which is Rs.44 million. It was further informed that the share price closed at Rs.151.50 on 3.8.1994. The Board decided to purchase the shares at a price upto Rs.130/- per share subject to the condition that M/s. Al-Abid gives a seat to State Life on their Board of Directors.

Action: GM (RE)

ITEM NO. 6: BUSINESS PROGRESS REPORT UPTO JUNE, 1994.
Executive Director(S&D)'s Memorandum Dated 4.8.1994

10. E.D (S&D) Memorandum regarding business progress report upto June 1994 was discussed by the Board and commended Mr. Hafiz Malik, ED(S&D) on his achievement and recorded its satisfaction over the result and appreciated the efforts put up by him. The Board however reminded the ED(S&D) of the short fall in the FYP last year, which had not until June been wiped as well as the falling ratios of second year persistency and renewal persistency.

Action: DGM (S&D)

CHAIRMAN'S INITIALS



MINUTES OF THE 118TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	ISLAMABAD	7TH AUGUST 1994	11.00 a.m.

ITEM NO. 7: RAPID DEVELOPMENT OF INDIVIDUAL LIFE BUSINESS.
General Manager(S&D)'s Memorandum dated 4.8.1994

11. DGM (S&D) memorandum regarding rapid development of individual life business was considered by the Board. ED (S&D) proposed the Board that for better functioning and better control 3 regional offices be created as follows:

- (1) Regional Office (North) to be located at Islamabad
- (2) Regional Office (Central) to be located at Lahore
- (3) Regional Office (South) to be located at Karachi.

12. The Board approved the creation of the said regional offices and decided that Head of the region will be called Regional Chief and will be provided requisite staff and other facilities.

13. The Board also discussed and approved the Administrative set up and financial powers of the Regional Chief alongwith other matters as contained in note placed herewith as Annexure "A".

Action: DGM (S&D)

ITEM NO. 8: ENCOURAGING STATE LIFE EMPLOYEES FOR OBTAINING DIPLOMA IN COMPUTER SCIENCE.
Executive Director(CD)'s Memorandum dt. 4.8.1994.

14. The Board discussed the Memorandum of ED (CD) regarding State Life employees for obtaining Diploma in Computer Science and approved the following.

15. State Life will pay 50% cost of admission & Tution Fee upon enrollment of the employee and on completion of the course and acquiring the diploma, the employee will be reimbursed the balance 50% admission and tuition fees paid by him. He shall also become entitled to a technical allowance in the following scale.

- | | | |
|-----|------------------------------|--|
| (1) | After one year experience | Rs.600/- p.m. (& accelerated promotion on meritorious performance) |
| (2) | After two years experience | Rs.700/- p.m. |
| (3) | After three years experience | Rs.800/- p.m. |
| (4) | After four years experience | Rs.900/- p.m. |

16. The Board further decided that grant of the allowance will be subject to good ACR of the relevant year of the trainee.

Action: DGM (CD)

CHAIRMAN'S
INITIALS



MINUTES OF THE 118TH MEETING OF THE BOARD OF DIRECTORS

HELD AT	ON	TIME
ISLAMABAD	7TH AUGUST 1994	11.00 a.m.

ANY OTHER MATTER

17. It was decided that proper Secretariat at Chairman's Camp office at Islamabad be established and maintained accordingly.

18. The Board considered the proposal of traveling of EDs by Club/Executive Class instead of Economy class. It was decided that the EDs of State Life may be allowed to travel by Club/Executive Class in keeping with the facility provided by other organizations like NIT, PIA, CAA, and NDFC.

Action: GM (P&GS)

19. The Board examined the Memorandum of GM (B&A) regarding allocation of additional budget for purchase of Cars and the Prime Minister Computer Literacy Programme. After thorough deliberations the additional Budget allocation was approved as under:

i) CAPITAL BUDGET

a) For 5 Cars and One Jeep	Rs. 6.0 million
b) For Computer Training Centers at Kasur, Jhang, Shikarpur @ Rs.6.0 million each	Rs.18.0 million
Total	Rs.24.0 million =====

ii) REVENUE BUDGET

a) For Computer Training Centres at Kasur, Jhang, Shikarpur for 1994 @ Rs.0.5 million each	Rs. 1.5 million
b) For payment to M/s. Domestic Research Bureau for conducting "Life Insurance Survey"	Rs. 0.4 million
Total	Rs. 1.9 million =====

20. However, it was decided that a letter be written to the Government that expenses incurred on establishment of Computer Training Centers under the directives of the Prime Minister should be met out of the Federal Government equity and the share of surplus accruing to it instead of the life fund.

Action: GM (B&A)

CHAIRMAN'S
INITIALS



MINUTES OF THE 118TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	ISLAMABAD	7TH AUGUST 1994	11.00 a.m.

21. ED (Inv) informed the Board that a meeting was called by the Deputy Chairman, Planning Commission on 04 August, 1994 in Islamabad to direct financial institutions including State Life to invest Rs.4 billion in 10-year 19% WAPDA Bonds. At the meeting the Deputy Chairman, Planning Commission, Qazi Alimullah informed the participants that the Prime Minister had directed that the financial institutions should make immediate arrangements for subscription to WAPDA Bonds in the amount of Rs.4 billion of which State Life's share will be Rs.1 billion. He said that the Government will issue a letter of comfort to the subscribers of WAPDA Bonds to indicate that they will see to it that the loan is repaid by WAPDA. At this ED (Inv) informed him that quite a few debenture loans advanced by State Life to public sector companies/corporations against Federal and Provincial Governments guarantees had not been honoured by the units as also respective governments. Qazi Alimullah said that State Life should have got Government Bonds in lieu of the defaulted government guaranteed debentures. It was decided by the meeting that the Finance Ministry may consider issuing to State Life Government Bonds equal to the outstanding amounts against the government guaranteed debentures in default. It was explained to the Deputy Chairman, PC, that State Life's liquidity position allowed Rs.100 to Rs.120 million investment in WAPDA Bonds and the State Life Board had approved under-writing/subscription of Rs.100 million to WAPDA Bonds. Qazi Alimullah however, insisted that it was the direction of the Prime Minister which has to be complied with. At this, ED (Inv) suggested that:

- a) Discounting facility of WAPDA Bonds like in the previous issue may be provided in this issue also.
- b) The WAPDA Bonds may be issued for two periods, i.e. 5 and 10 years durations.
- c) Conversion option may be allowed to the Bond holders to convert their bonds into the shares of the Thermal Power Generating Units which are proposed to be privatised.
- d) WAPDA Bonds be made approved security for the Banks.

22. The above points were agreed. It was also decided to issue new 5-year convertible WAPDA Bonds. The Chairman, Corporate Law Authority proposed the rate of 14% on the 5-year convertible WAPDA Bonds. On persuasion by the ED (Inv), the rate was agreed to be raised to first to 15% and then finally to 15.5%, payable half-yearly. After 3 years, the Bonds will be convertible 100% into equity of Thermal Power Generating Units of WAPDA proposed to be privatised at 10 times the price earning ratio based on the average earning per share for the 3 years period.

23. The Board decided that in case a written direction was received from the Prime Minister to invest in WAPDA Bonds in the amount of Rs.1 billion, State Life may make that investment. The mix between 5 year 15.5% convertible Bonds and 10 year 19% non-convertible Bonds may be decided by the Executive Committee of the Board.

Action: GM (Inv)

CHAIRMAN'S
INITIALS



MINUTES OF THE 118TH MEETING OF THE BOARD OF DIRECTORS

HELD AT	ON	TIME
ISLAMABD	7TH AUGUST 1994	11.00 a.m.

CREATION OF ADDITIONAL POSTS OF MANAGERS (DEVELOPMENT)
AND AREA MANAGERS IN VARIOUS ZONES

24. DGM (S&D)'s Memorandum dated Nil for creation of additional post of Managers (Development) and Area Managers in various Zones was discussed and 16 additional post of Managers (Development) and 23 additional post of Area Managers as shown in the statement marked as Annexure "B" were approved.

Action: DGM (S&D)

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

M. Iqbal
CHAIRMAN

CHAIRMAN'S
INITIALS