

## MINUTES OF THE 126TH MEETING OF THE BOARD OF DIRECTORS

DRS	HELD AT	ON	TIME
BOOK	KARACHI	11-10-1995	

The One hundred and twenty Sixth (126th) meeting of the Board of Directors of State Life Insurance Corporation of Pakistan was held on 11th October, 1995 at the Corporation's Principal Office at Karachi.

**PRESENT**

1. Mr. M. Zaheer Khan, Chairman
2. Mr. M. Javed Ashraf Hussain, Executive Director
3. Mr. M. Hafiz Malik, Executive Director
4. Mr. S. Gulrez Yazdani, Executive Director
5. Mr. Mehmood Ali Bhatti, Director
6. Mr. M. Rauf Malik, Director
7. Mr. Shah Nawaz Khan, G.M. (PHS) by invitation
8. Mr. A. Q. Raashid, Secretary Board

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

3. The Chairman and Board of Directors welcomed Mr. M. Rauf Malik as the new nominee Director, Ministry of Commerce to the Board of State Life and hoped that his presence would contribute positively to the Board's deliberations. The Chairman and the Board also welcomed Mr. S. Gulrez Yazdani as the new Executive Director and agreed to delegate all powers of Executive Director to him, and decided to issue General Power of Attorney to Mr. Yazdani to perform his duties as Executive Director.

Action: AGM(Law)

ITEM NO.1 Confirmation of the Minutes of 125th Meeting  
of the Board of Directors.

4. The minutes of the 125th meeting of the Board of Directors were placed before the Board for confirmation and the Board accordingly resolved as under:-

RESOLVED

"that the minutes of 125th meeting of the Board of Directors be and are hereby confirmed".

ITEM NO.2. Ratification of the decisions taken in 201st,  
202nd and 203rd Meetings of the Executive Committee.

5. The Board took note and ratified the minutes of 201st, 202nd and 203rd meetings of the Executive Committee. The Board accordingly resolved:

RESOLVED


"that the minutes of 201st, 202nd and 203rd meetings of the Executive Committee be and are hereby ratified."

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<p>ITEM NO.3. <u>Additional Capital Budget - 1995</u> ED(F&amp;A) Memorandum dated 9-10-1995.</p> <p>6. The Board of Directors discussed the memorandum for additional capital budget for 1995 in detail. The Board considered the need for procurement of security items for Building Nos.1, 2, 3 and 9 at Karachi in view of the current situation in Karachi. It was noted that the Corporation was required to make strict security arrangements specially for building No.9 which was just in front of the Chief Minister's House.</p> <p>7. The Board was informed by GM(PHS) that the PCs were required for different Zones. The Chairman however directed GM(PHS) to submit a list of recipients of personal computers before him for approval and that the No. of printers could possibly be reduced by linking several PCs with a printer.</p> <p>8. The Board accordingly resolved that:</p> <p><u>RESOLVED</u></p> <p>"the additional capital budget of Rs.25.2 million be and is hereby approved".</p> <p style="text-align: right;">Action: GM(B&amp;A) GM(PHS)</p> <p>Item No.4. <u>Additional Budget 1995</u> ED(F&amp;A) Memorandum dated 10-10-95.</p> <p>9. The need for additional budget for 1995 was placed before the Board. It was pointed out that the Corporation had set the revised targets of FYP and Group Premium each of Rs.2 billion and that the additional expenses were mostly related to the increase in business.</p> <p>10. The Board accordingly resolved as under:</p> <p><u>RESOLVED</u></p> <p>"that the additional budget of Rs.418.695 million be and is hereby approved."</p> <p style="text-align: right;">Action: GM(B&amp;A)</p> <p>Item No.5. <u>Perquisites &amp; Fringe Benefits to officers</u> ED(F&amp;A) Memorandum dated 10-10-1995.</p> <p>11. The Board of Directors were informed that the emoluments and benefits to the unionised staff of the Corporation are revised after every two years by way of Agreements with the CBA under IRO 1969. On the other hand for the officers the revision in pay scales and some benefits are being announced by the Pay Committee formed by the Government after a duration of 3 to 4 years. However, some allowances and fringe benefits to officers are being revised by the Board of Directors in order to provide them some relief against inflation.</p>		

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12. Under the recent agreement with the CBA effective 1st January 1995 a considerable increase in salaries, allowances and other benefits equivalent to bi-annual inflation has been allowed to the unionised employees.

13. The management were receiving requests from every corner for appropriate action for providing relief to the officers. Accordingly a committee was constituted to examine and suggest some welfare measures by taking into account the rate of inflation on various items since 1993 to-date.

14. The Board after deliberating upon the memorandum alongwith the recommendations of the Committee constituted to examine the issues Resolved as under: *(as per original Minutes).*

RESOLVEDi) Utilities (Gas, water & electricity charges)

"that the rate of reimbursement of utilities to officers be enhanced by 40% or by the rate of increase in tariff whichever be less with effect from 1-7-1995."

ii) Reimbursement of Entertainment & Newspapers

"that the existing limits of reimbursement of newspaper expense be enhanced by 25% and that for reimbursement of entertainment expenses be enhanced by 30% with effect from 1-7-1995."

iii) House Rent Allowance/Rental Ceiling

"that the house rent allowance to officers be increased from 70% to 75% of Basic Pay with effect from 1-7-1995. Also that rental ceiling to the extent of house rent allowance, may be allowed to the officers who are not residing in their own houses."

iv) Leave Encashment

"that the officers be encouraged to avail of their due leave and no encashment be allowed."

v) Short Term Loan/Advances

a(i) "that motor cycle loan upto a maximum of Rs.40,000, as was being allowed to staff, be allowed to officers. Also that a schedule of valuation guidelines be prepared for old scooters and motor cycles model wise and make wise."

(ii) "that two months salary advance, as was being allowed to staff be allowed to the officers."

b) "that payment of loans and advances as in a(i) and a(ii) be made effective in 1996 after determination of the Life Fund on 31-12-1995."

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c) "that separate limits be allocated by adjusting the budget allocation made for staff."

d) "that the limits of deductions as was being observed for staff, be followed for officers as well."

vi) Reimbursement of Refreshment/Meal charges for sitting late.

"that the following revision be made with effect from the date of circulation of the decision:

	Existing	Revised Approved
a) For late sitting of at least 2 hours.	Rs.40	Rs.50
b) For late sitting of at least 4 hours.	Rs.80	Rs.100

vii) Option for Retirement on completion of 25 years of Service.

"that the present practice, to refer individual cases to the Board for consideration be continued."

viii) Gratuity

"that the officers of the Corporation who have opted for gratuity, be allowed gratuity at the rate of at least one month's pay for each completed year of service by removing the existing maximum limit of Rs.50,000."

ix) Cash Handling Allowance

"that officers upto the rank of Deputy Managers, dealing with the job of cash handling at the collection/disbursement sections, be allowed cash handling allowance @ Rs.500/- per month as allowed to Superintendents."

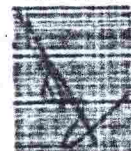
x) Petrol Consumption limits/Car Rental and Drivers Subsidy.

(a) Car Rental

"that the car rental be revised as under:-

	Existing	Revised Approved
General Managers	Rs.2,200	Rs.3,300
Dy.Gen.Managers	Rs.2,000	Rs.3,000
Asstt.Gen.Managers	Rs.1,900	Rs.2,850
Managers(Dev.)	Rs.1,800	Rs.2,700
Dy.Managers(Dev.)	Rs. 750	Rs.1,200

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(b) Petrol consumption limits

"that the petrol limits of the Executives be revised as under:-

<u>Designation</u>	<u>Litres per month</u>
General Managers(Dev.)	300
General Managers(Non-Dev)	280
Zonal Heads	260
Dy.General Managers(Dev.)	240
Dy.General Managers(Non-Dev.)	200
Asstt.Gen.Managers(Dev.)	220
Managers(Dev.)	200
Asstt.Gen.Managers(Non-Dev.)	120

However, if the car is State Life maintained and is of 1300 cc and above, the monthly limit be as under:-

G.M.(Dev.)/Regional Chief	400
G.M.(Non-Dev.)	360
Zonal Heads	300

"that to extend this facility to those officers of the rank of Managers (non-dev.) who are maintaining cars and receiving car maintenance allowance. Their limit be fixed at 80 litres per month.

The revised petrol limits be effective from the date of circulation of the decision."

c) Driver's Subsidy

"that the past practice of providing subsidy toward drivers to the entitled officers be continued at the existing rates of Rs.1,500/- per month."

xi) Residential Telephone Facilities

"that the limit of reimbursement of residential telephone expenses being allowed to officers to remain the same. Also that this facility be extended to the following cadre of officers with effect from 1-7-1995:-

i) Dy.Managers	150 Calls
ii) Assistant Managers	120 Calls
iii) Executive Officers	100 Calls

xii) House Maintenance Subsidy

"that the officers be allowed house maintenance subsidy @ 5% of basic pay with effect from 1-7-1995."

xiii) Subsidy for domestic servant

Not allowed.

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xiv) Medical facility after retirement

"that the medical facility after retirement be extended to all the officers who have retired on superannuation after attaining the age of 60 years, after 31-12-1993 irrespective of their option under 'gratuity' or 'pension' scheme."

"that the total financial impact of the proposals contained in paras 14(i) to 14(xiv) above not to exceed Rs.29 million per annum."

Action: GM(B&A)  
GM/DGM(P&GS)

Item No.6. Appointment of Statutory Auditors  
ED(F&A) Memorandum dated 10-10-95.

15. The Board of Directors were informed that the annual accounts of State Life Insurance Corporation of Pakistan for the year 1994 were audited by the following firms of Chartered Accountants:-

- (1) M/s. Khalid Majeed Hussain Rehman, Chartered Accountants, Karachi.
- (2) M/s. Riaz Ahmad & Company, Chartered Accountants, Lahore.
- (3) M/s. Ilyas Saleem & Company, Chartered Accountants, Rawalpindi.

16. Audit fee of Rs.150,000/- for each of the auditors with a maximum of Rs.450,000/- for the three auditors plus out of pocket expenses @ Rs.65,000/- for each for 1994 were approved.

17. State Life established 5 new Zones by 1994 year-end and 9 more Zones in the beginning of 1995, raising the number of Zones from 10 to 24 divided into 3 Regions. This will now involve more audit work in 1995.

18. The above panel of auditors was initially appointed for one year. Normally a panel of auditors once appointed continues for a period of 5 years.

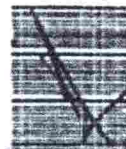
19. The Board accordingly resolved:-

RESOLVED

"that the panel of auditors, listed in para-15 above are hereby appointed for audit of accounts of the Corporation for the year 1995."

"that an amount of Rs.1,50,000/- for each of the three Regions as well as for Principal Office (including G&P, International, Real Estate and Investment Divisions) making a total of Rs.6,00,000/- as audit fee and an amount of Rs.75,000/- as out of pocket expenses for each of the three Regions as well for as Principal Office making a total of Rs.3,00,000/- are hereby approved for the year 1995."

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"that the allocation of portfolio among the three auditors and fees to be paid to them within the above approved limits be made by General Manager(B&A) in consultation with Executive Director(Finance)."

20. The accounts of UAE for the period ended 31-12-1994 were audited by M/s. Sajjad Haider & Company, Chartered Accountants, Dubai for DH: 12000/- and out of pocket expenses of DH: 2,000/-. It was noted that the workload of UAE auditors had also increased considerably and the rates had not been revised since 1991. The Board approved and resolved as under:-

RESOLVED

"that the same auditors be retained for 1995 and their fee be revised to DH:15,000/- and out of pocket expenses to DH: 3,000 for the year 1995."

Action: GM(B&A)

Item No.7. Renovation, refurbishing of false ceiling  
SLB No.2, Wallace Road, Karachi.  
ED(RE) Memorandum dated 10-10-95.

21. The Board was informed that State Life Building No.2, Karachi houses State Life Karachi Zone Offices from 7th to 14th floors comprising more than 40% of building area. The building is about 25 years old and most of its services systems had outlived useful life. The electrical works for main distribution system had already been renovated and the replacement of airconditioning plants and equipments was in hand.

22. The replacement of electrical fixtures, replacement of false ceiling and renovation/refurbishing of water supply and sewerage system was to be done and a diesel generating set is to be provided for airconditioning system. In view of already done renovation and refurbishing jobs, the proposed jobs if completed would give entirely new look to the building and would enhance its useful life. The Board was informed that the total cost for these works was estimated as Rs.25 million as under:-

i)	Electrical, lighting fixtures including distribution wiring, switching etc.	Rs.5.5 million
ii)	False ceiling including installation and fixing of light fixtures.	Rs.8.0 million
iii)	Generator and electrical distribution, cabling D.Bs, change over switches etc. (AC and water supply system).	Rs.9.0 million
iv)	Water supply system, plumbing and sewerage system.	Rs.2.5 million
	Total	Rs.25.0 million

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That the jobs will be executed through open tenders for each work.

23. The Board of Directors felt that the matter could be considered by the Executive Committee. However, it approved the estimated cost of Rs.25 million for proposed work and resolved as under:-

RESOLVED

"that the estimated cost of Rs.25 million for proposed works be and is hereby approved."

Action: GM(RE)

Item No.8. // Ratification of the approval for additional budget of Rs.20 million for A&SP Division.

24. The Board took note and ratified the approval given earlier through circulation for additional budget for advertisement expenses for 1995 amounting to Rs. 20 million. The Board accordingly resolved:

// RESOLVED

"that the decision of the Executive Committee for additional budget of Rs.20 million for A&SP Division is hereby ratified."

Action: GM(B&A)

Item No.9. // Grant of General Power of Attorney  
ED(F&A) Memorandum dated 20/8/95.

25. The Board approved the granting of General Power of attorney to M/s. S.U.Khan, Tahawar Ali Khan and Syed Zafar Abbas Shah and resolved as under:-

RESOLVED

// "that a General Power of Attorney be granted to M/s. S.U.Khan, Tahawar Ali Khan and Syed Zafar Abbas Shah, Regional Chiefs separately as per Annexure-A."

"further resolved that the said power of attorney be executed under the Corporation's seal affixed in the presence of any two Directors of the Corporation and be notarized in due form of law."

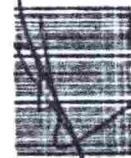
Action: AGM(Law)

Item No.10. Any other matter

(i) Air travel of Sr.Executives on official business

26. The Board approved air travel on official business of Chairman by first class and that of Executive Directors by executive class/business class but did not approve

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executive/business class for General Managers who will continue to travel in economy class. Accordingly the Board resolved as under:-

RESOLVED

"that the Chairman and Executive Directors are hereby authorised for air travel on official business in first class and executive class/business class respectively."

Action: GM/DGM(P&GS)

(ii) SLIC New Building projects at Gujranwala, Sahiwal, Sargodha, Rahimyar Khan & Sialkot

27. The Board of Directors were informed that the Corporation had decided to construct new buildings in cities like Sahiwal, Gujranwala, Sargodha, Rahimyar Khan and at Sialkot, where new plots had been purchased in the recent past.

28. It was also decided that the design of State Life building at Gujrat shall be adopted in all the abovementioned cities for construction of new buildings. The building elevation shall remain the same. The number of storeys may be as per requirements of the area. Provision shall be kept for future construction upto six floors.

29. The estimated cost of each building was given alongwith the covered area as under:-

City	Area required by the Zone (5 years) requirements	covered area (excluding basement)	Estimated cost Rs.
1. Gujranwala	60,000	90,700	220 million
2. Sahiwal	65,000	90,700	220 million
3. Sargodha	22,000	50,000	120 million
4. Rahimyar Khan	15,000	50,000	120 million
5. Sialkot	15,000	50,000	120 million

30. The Board of Directors approved in principle to proceed for design and construction of these buildings on the basis of repetition of design of SLIC building at Gujrat. It was also felt that the decision on designs will be taken on case to case basis and resolved as under:-

RESOLVED

"that the design and construction of the five buildings as per given measurement were considered appropriate on the basis of repetition of design of State Life building at Gujrat."

Action: GM(RE)

iii) Creation of posts for G&P Division

31. The Board discussed in detail the memorandum of ED(F&A) and noted that about 15,000 industrial and commercial units in the country were required to be approached and that there was a large business potential for obtaining handsome Group Insurance Premium. To achieve the

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target of Rs. 2 billion Group Insurance Premium in the coming months the need for restructuring of G&P Division was felt. It was also felt necessary to open 2 Circle Offices, 9 Zonal Offices and 21 Sector Offices throughout the country. Additional qualified personnel were required for maximising the G&P activity which will include handling the incoming business and creating a marketing force for obtaining and retaining new business.

32. After a thorough discussion the Board approved and resolved as under:-

RESOLVED

"that additional 63 posts of Marketing Officers having qualification of MBA or equivalent in the grade of Dy.Manager/Assistant Manager and 20 posts of Chartered Accountants/ACMAs for the post of AGM/Manager/Dy.Manager in the Accounts and Audit Departments of G&P be and are hereby approved."

Action: GM/DGM(P&GS)

✓ iv) Creation of 10 posts of Doctors for G&P Division.

33. The Board had earlier approved 63 posts of Doctors for Underwriting of Life Insurance. They were to be appointed in Zonal, Sub Zonal and Underwriting centres. The Board was informed that 20 posts were still vacant.

34. G&P Division is now expanding its operation and creating new Circles, Zones and Sector Offices. For Underwriting the new group & health business and assessment of claims (injury, hospitalisation etc.), the group & Pensions Division requires at least 10 Medical Graduates to handle the technical portfolios.

35. The Board approved the creation of 10 additional posts of Deputy Managers for appointment of Doctors to be filled through the prescribed recruitment process. On creation of the 10 posts, 30 vacancies will be advertised through the press. Accordingly the Board resolved as under:-

RESOLVED

"that additional 10 posts of Deputy Managers for appointment of Doctors to be filled through the prescribed recruitment process, be and are hereby created."

Action: GM/DGM(P&GS)

36. It was decided to hold the next Board meeting at Lahore.

With no other matter to discuss, the meeting ended with a vote of thanks to the Chair.

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*[Handwritten Signature]*  
CHAIRMAN



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Annexure-A

Item No.9. Grant of General Power of Attorney  
ED(F&A) Memorandum dated 20/8/95.

GENERAL POWER OF ATTORNEY

This General Power of Attorney is executed at Karachi this \_\_\_\_\_ day of \_\_\_\_\_ by the State Life Insurance Corporation of Pakistan, constituted under the Life Insurance (Nationalisation) Order 1972, having its Principal Office at State Life Building No.9, Dr. Ziauddin Ahmed Road, Karachi, hereinafter referred to as the 'Corporation' (which expression shall unless excluded by or repugnant to the context be deemed to mean and include its successors-in-interest and assigns) in favour of \_\_\_\_\_ S/o \_\_\_\_\_, appointed as a Regional Chief of the Corporation hereinafter referred to as the "Attorney".

WHEREAS for the purpose of facilitating transactions of the business of the Corporation and ensuring speedy and efficient conduct of its affairs, it is expedient to appoint the said Mr. \_\_\_\_\_ the attorney abovenamed as the Corporation's General Attorney;

AND WHEREAS the Board has resolved that the Chairman and a Director of the Corporation are authorised to execute these presents in favour of the Attorney;

KNOW ALL MEN BY THESE PRESENTS that State Life Insurance Corporation of Pakistan, Principal abovenamed, do hereby nominate, constitute and appoint Mr. \_\_\_\_\_ the attorney abovenamed to be the Corporation's true and lawful Attorney, and for its name and on its behalf to do the following acts, deeds and things that is to say;

1. To open, close current account in the name of the Corporation, to issue operating instruction for the said current account and to add, delete signatures for operating the said account.

2. To institute, conduct and defend on behalf of the Corporation all suits, appeals, petitions, applications and execution proceedings by or against the Corporation or to which the Corporation is or may become a Party in any court or Tribunal and to do all acts ancillary or incidental to such conduct, institution or defence.

3. For all and any of the abovesaid purposes or relating thereto or arising therefrom and in matters and things it may be deemed expedient or be of interest to the Corporation, to appoint vakils, advocates, attorneys, solicitors, pleaders and other lawyers or advisors and to sign all vakalatnamas, warrants of attorneys and other papers or documents required in their behalf.

4. To take on rent any premises in their "Region" for establishing offices of the "Corporation" and to execute rent agreements in this regards.

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5. From time to time substitute and appoint one or more attorney or attorneys under him for all or any of the aforesaid purposes, matters or things and at his pleasure to displace, revoke or remove such substitute or substitutes as the attorney shall see occasion or think fit.

6. That all the acts, deeds and things as enumerated in paras 1 to 5 above done by the said attorney from \_\_\_\_\_ till the execution of these presents shall be construed as acts, deeds and things done by the Corporation and are hereby confirmed and ratified.

And all and whatever the said attorney shall and may lawfully do or cause to be done in or about the premises, the Corporation for itself its successors-in-interest and assigns do hereby covenant to ratify and confirm.

IN WITNESS WHEREOF the Chairman of the Corporation and a Director thereof have set and subscribed their hands on the day, month and year first above written.

The common seal of State Life Insurance Corporation of Pakistan has hereunto been affixed in the presence of

For and on behalf of  
State Life Insurance  
Corporation of Pakistan

Chairman

Director

WITNESSES:

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
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