

12TH MEETING OF THE BOARD OF DIRECTORS

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|-------------|---------|------------------------------|---------|
| MINUTE BOOK | Karachi | Saturday the 24th March 1973 | 10 A.M. |

The 12th meeting of the Board of Directors of State Life Insurance Corporation of Pakistan was held on Saturday, the 24th March, 1973 at 10.00 A.M. in the Board Room of the Corporation at Karachi, in pursuance of notice dated 15th March, 1973.

The following were present:-

- | | |
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| 1. Mr. H.U. Beg, SQA, PTS. | Chairman |
| 2. Mr. S.F. Alam | Member |
| 3. Mr. Samee-ul-Hasan | Member |
| 4. Mr. M.S. Janjua | Member |
| 5. Mr. D.M. Quraishi, TQA. | Member |
| 6. Mr. P. Sequeira | Member |
| 7. Mr. A.A. Toor, PA&AS. | Member |
| 8. Mr. S.A. Walajahi | Member |
| 9. Mr. M. Zulqarnain | Member |

Mr. S.S. Akhtar and Mr. S.A. Zahid also attended the meeting by special invitation.

Mr. Nisar Hussain and Mr. M. Sadiq Khan were present.

The following business was transacted:-

ITEM NO. I: CONFIRMATION OF THE MINUTES OF THE 11TH BOARD MEETING HELD ON 24TH FEBRUARY 1973 AT KARACHI

The minutes of the 11th Board meeting were confirmed subject to minor changes, as follows:-

Item I - Para 2: The second sentence was amended to read as follows:-

"He mentioned that policy documents and contracts had already been sent; about 60% and 80% of letters regarding reduction in premium rates had been issued in 'B' & 'C' Beema Units respectively and it would take another fortnight for 'A' Beema Unit to despatch the rest of the letters."

Item VII - In the heading, the words "posted to East Pakistan" were changed to read as "Posted in East Pakistan."

In para 2, the words "and their families" were added, after the words "salaried employees."

The Chairman then enquired about the progress on various decisions taken in the last Board Meeting, which was as follows:-

1. Mr. Walajahi informed that the letter to Mr. Javed Jabbar had gone (Item I).
2. Mr. Samee-ul-Hasan informed that the 'Application for registration of State Life in U.K.' which had to be filed by 31st March, 1973 was almost ready and would be out in a day or two. He was awaiting cables from Mercantile & General and the Bank of England. (Item II).
3. Mr. D.M. Quraishi said that he had sent an interim reply to PIC about placing of State Life General business with NCS, and the letter to Government was being prepared (Item IV).

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"Appraisal of Corporation's activities:

The Chairman then initiated discussion to review the progress of work done so far. He said that since a number of jobs essential in the formative stages of the Corporation were being undertaken, there could be cases of overlapping in certain spheres where the areas of jurisdiction were not clear. It was necessary, therefore, to undertake an assessment of the activities of the Corporation from time to time so that mistakes, imbalances or weaknesses, if any, could be detected and removed. For this a scientific method should be evolved to evaluate and analyse the results.

He said that particular attention should be paid by all concerned to the expenses and effective control should be exercised on expenditure and business operations. In this connection, he referred to the instructions already issued by him for the preparation of Trial Balances as at 31st March 1973. These trial balances, he said, would give a fair indication of the results achieved so far. He observed that the Corporation, as a whole, was going to be judged by its performance and he expected all to think about it and work as a team.

In this context it was felt that the appointment of remaining Area Managers should be finalised expeditiously. Similarly the grading and appointment of other senior officials who had not been approved as Dy. General Manager/Asstt: General Manager or Chief Manager should also be completed without delay. It was decided that the placing of Sales Officers and Sales Managers on the basis of production upto 31st March 1973 should be completed by the 24th April 1973.

It was pointed out that the 'B' Beema Unit was still maintaining some Agency Offices which might not be in accordance with the announced field structure and might cause repercussions in other Units. The General Manager 'B' Beema Unit informed that these Offices had been allowed by him only upto 31st December 1973 after which there would be a uniform system of Agency Offices in all the three Units. This much of transitional period was necessary for switching over to the new system. At the beginning of the year 1974 he would also submit a report regarding the maintenance cost of these Agency Offices.

It was also pointed out that some additional facilities had been provided to the members of the Million Dollar Round Table. The General Managers concerned were requested to provide the following information to the Board:-

- (i) Total premium income of each Member
- (ii) Total commission earnings of each Member
- (iii) Cost of maintenance of offices already provided.

Mr. Janjua enquired about the action to be taken in the cases of those persons who were already on salary basis but who did not qualify for salary under the new agency structure. It was decided that such cases should be referred to Mr. Samee-ul-Hasan alongwith their appointment letters, production figures and expense ratio for scrutiny and decision.

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ITEM NO. II: TO NOTE AND CONFIRM THE FOLLOWING ALREADY APPROVED BY CIRCULATION:

"COMMON SEAL OF THE STATE LIFE INSURANCE CORPORATION."

The Board noted and confirmed the following Memorandum dated 26.2.73 already approved by circulation in respect of the "Common Seal of the State Life Insurance Corporation".

"In terms of Article 33(1) of Life Insurance (Nationalisation) Order, 1972, the Corporation is empowered to have a Common Seal. The Board of Directors in its meeting held on 2nd November, 1972 had decided to have Common Seal made of appropriate size and description. The Common Seal now finalised is circular in shape having its outer diameter of 2" (two inches). The inner circle has a diameter of 1.10" inches. Within the two circles the name of STATE LIFE INSURANCE CORPORATION OF PAKISTAN is engraved in capital letters. The inner circle comprises of three leaves linked with each other on the corners forming a triangle with a six leaf star in the centre of the Triangle. The specimen of the Common Seal is embossed hereunder.

The Board is requested to adopt the Common Seal and pass the following resolution:

"That the Common Seal of State Life Insurance Corporation of Pakistan as described in the memorandum above to the Board be and is hereby adopted."

ITEM NO. III: TO CONSIDER AND APPROVE THE GRADING OF ACTUARIES EMPLOYED IN STATE LIFE:

The Board considered the recommendations of the Grading and Pay Fixation Committee for Actuaries regarding the grant of -

- (i) a Special Professional Allowance of Rs.500/- p.m. each to M/s C.M. Anwer, I. A. Pasha and Aftab Ahmad under Regulation 8, 'Incentive and Awards' of the State Life Employees (Service) Regulations 1973, and
- (ii) a Special pay of Rs.350/- p.m. to Mr. Munir Ahmad under Regulation 7 'Special Pay' of the Regulations.

The Board approved an allowance of Rs.500/- p.m. each to M/s C.M. Anwer, I. A. Pasha and Aftab Ahmad. It was, however,

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observed that the point whether the allowance should be sanctioned under Regulation 8 or any other Regulation should be decided after consulting the Legal Adviser.

In the case of Mr. Munir Ahmad the Board approved the proposed Special Pay of Rs.350/- p.m., as Mr. Munir Ahmad was working with a Consulting Actuary and performing higher duties than those of a Deputy Manager.

ITEM NO. IV: TO CONSIDER AND APPROVE THE SETTING UP OF A LIAISON/CAMP OFFICE OF STATE LIFE AT RAWALPINDI:

The Board approved the establishment of a Liaison Office at Rawalpindi on a trial basis in the first instance upto 31st Dec. 1973. It was desired that the position should be reviewed in due course of time.

The following staff was sanctioned for the Liaison Office:-

| | | |
|-----------------|---|---|
| Liaison Officer | - | 1 |
| Steno-typist | - | 1 |
| Peon | - | 1 |

A Staff Car with driver was also sanctioned for use by the Liaison Office and the visiting officials of the Principal Office. It was desired that the staff car should be procured from within the system.

It was further decided that the Liaison Officer would function directly under the Principal Office and would be responsible to the Executive Director (Administration) for his day-to-day working.

ITEM NO. V: ANNOUNCEMENT OF BONUSES TO THE POLICY-HOLDERS:

The Board considered the question of announcement of Bonuses to the Policy-holders by the Corporation. It was generally felt that the announcement including that for the withdrawal of Terminal Bonus, had already been delayed and should not be postponed any further. It was decided that the announcement should be made, if possible, by the 1st week of April 1973.

The Chairman observed that a Press Note should be released explaining the withdrawal of Terminal Bonuses, the quantum of Bonuses for the year 1971 and the payment of Interim Bonuses by the Corporation. It was ultimately decided that the Press Note and a suitable advertisement should be prepared. For this purpose a Committee consisting of Mr. S. A. Walajahi, Mr. P. Sequeira, Mr. Samee-ul-Hasan and Mr. Zulqarnain was constituted.

ITEM NO. VI: TO CONSIDER AND APPROVE THE DESIGN OF UNIFORM FOR (CATEGORY 'A') SUBORDINATE STAFF OF STATE LIFE:

The three General Managers informed the Board that they had already made some arrangements in regard to the provision of Uniforms for the summer season in their Units. The Board, therefore, decided to leave the question for the time being to the discretion of the General Managers within the scale laid down in the Regulations. However, to achieve uniformity and standardisation the General Managers were requested to formulate their proposals in regard to winter Uniforms and to bring them up to the Board in due course of time.

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ITEM NO. VII: TO CONSIDER PROPOSED BYE-LAWS RE: THE FORMATION OF STATE LIFE INSURANCE EMPLOYEES COOPERATIVE SOCIETY LTD.

The Board considered the draft bye-laws. Mr. S.F. Alam stated that the draft-bye-laws had been got vetted by him from the Legal Adviser. The following observations were made:

1. The bye-laws did not provide for any interval between two loans of the same tupe. It was agreed that there should be a gap of at least three months between the repayment of the old and the grant of a new loan.
2. For security, in addition to personal surety of two permanent employees, a provision was also suggested to be made for a lien on the Provident Fund of the employee. It was pointed out that it had to be seen if this was legally permissible. It was agreed that legal opinion should be obtained on whether or not a lien could be created for this purpose on the Provident Fund.
3. In the case of field staff, it was agreed that a provision should be made for keeping a lien on commission money.

It was finally decided that the bye-laws should be examined further, inter alia, in light of the above observations by a Committee consisting of:

Mr. S.F. Alam - Convener
Mr. Samee-ul-Hasan
Mr. D.M. Quraishi
Mr. P. Sequeira
Mr. A. A. Toor.

ITEM NO. VIII: STATE LIFE PUBLICITY CAMPAIGN FOR 1973:

The Board considered the draft publicity campaign prepared by Mr. S.A. Walajahi. The following observations were made:

(1) Media of publicity:

It was observed that the publicity in the past had been mostly through newspapers which were more expensive but had lesser impact than certain other media of mass communication like television etc. It was, therefore, necessary to reorientate the State Life publicity policy to provide for greater concentration on such media which had a wider impact. It was agreed that the media should be selected in the following order:

- (1) Television
- (2) Radio
- (3) Newspapers and hoardings.

(2) Areas of demarcation between Principal Office and the Units:

The Chairman agreed with Mr. Walajahi that it was important to project the image of the Corporation. He, however, added that while the Principal Office could

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concentrate on matters of overall interest and policy like the building-up of the image of the Corporation, introducing new plans of Insurance and other publicity necessary to introduce Life Insurance to the public; the Units should concentrate on the recruitment of field staff, the recognition of performance of individual producers and conservation of business etc.

(3) Budget:

The Board then took up the proposed budget for the State Life publicity for the year 1973. It was noted that the proposed allocation of Rs.24 lacs amounted to 4.52% of the expected First Year Premium for the year 1973. Mr. Samee-ul-Hasan pointed out that this was on high-side comparing with the international standards. He said that in the USA, Life Insurance companies were spending on the average an amount 1½% of their FYP on publicity. In U.K. this percentage was around 1% and in India it was even less than 1%. It was felt that an allocation of Rs.15 lacs for the 14 months from 1st November 1972 to 31st December 1973 would be adequate.

In the light of the above observations, it was decided that a Committee comprising the following should consider and make recommendations, inter alia, for demarcation of areas of operation and the allocation of the budget between the Principal Office and the Units:

1. Mr. S.F. Alam
2. Mr. Samee-ul-Hasan
3. Mr. M.S. Janjua
4. Mr. P. Sequeira
5. Mr. S. A. Walajahi

1. M NO. IX: TO CONSIDER AND APPROVE THE NOTES FROM MR. SAMEE-UL-HASAN REGARDING
(i) SYSTEMS AND PROCEDURES (ii) PROFESSIONAL SUBSCRIPTION OF STATE LIFE EMPLOYEES AND
(iii) PROVISION OF MOTOR CARS

(i) Systems and procedures:

The Board approved in principle the adoption of uniform systems and procedures for the State Life as proposed by Mr. Samee-ul-Hasan. A System and Computerising Committee was constituted as follows:

1. Mr. Samee-ul-Hasan (Convener)
2. Mr. S.S. Akhtar
3. Mr. S. A. Zahid
4. Mr. Ch.M. Anwer of Unit 'A'
5. Mr. Jafferi of Unit 'B'
6. Mr. Sibghatullah of Unit 'C'
7. Mr. Azmatullah Khan of Unit 'A'
8. Mr. M. Hanif (New Jubilee) of Unit 'A'.

The Board also authorised the Committee to negotiate the outstanding bill of Rs.1 lac of Habib Bank Ltd. for preparing a system for the Habib (Life) Insurance. It was further agreed that since the system devised by Habib Bank Ltd. would be used by all the 3 Units, the cost of the bill should be borne equally by the 3 Units.

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(ii) Professional Subscription of State Life Employees:

The Board agreed that in the case of the State Life employees who are members of professional bodies like the Institute of Actuaries, the Institute of Actuaries Students Society, International Actuarial Association, Chartered Life Underwriters of America, Chartered Insurance Institute and such other professional bodies as may be approved by the Executive Director (Administration), the Corporation may pay for the cost of the professional subscriptions.

(iii) Provision of Motor Cars:

The Board approved the proposal to hire cars for Area Managers at a rent of approximately 2% of the value of the car when new, subject to a maximum of Rs.800/- p.m. This rental will only exclude the cost of petrol, which will be paid by the Corporation separately.

It was further decided that the valuation of the cars so acquired should be got done from the ALPHA Insurance Co.

The Board further decided that the driver of the car to be provided to the Area Manager would be an employee of the Area Manager himself and not that of the Corporation.

ITEM NO. X: STIPEND SCHEME FOR INSURANCE SALES REPRESENTATIVES:

The Board approved the Stipend Scheme for Sales Representatives, presented by Mr. S. A. Walajahi, on the following terms and conditions:

1. **ELIGIBILITY OF CANDIDATE:**
 - (a) Candidate must be a matriculate but preference will be given to higher qualifications.
 - (b) Candidate must give in writing to work as a whole time Sales Representative for the State Life.
 - (c) A candidate who is a near relative of the Sales Officer/Sales Manager, cannot be attached to the Unit of his near relative.
 - (d) Candidate's minimum age at entry should not be less than 27 years.
 - (e) While preference will be given to new entrants existing Sales Representatives who fulfil the above qualifications are also eligible to apply.
2. **RECRUITMENT:** Candidates under the Stipend Scheme will be considered only if they are recommended by Sales Officers and Sales Managers who have fulfilled the conditions of minimum FYAC as laid down in para 9 below.
3. **SELECTION:**
 - (a) Preliminary screening will be done by the Sales Officer/Sales Manager who will ensure that only those candidates who fulfil the required qualifications are recommended for consideration under the scheme.
 - (b) After thorough scrutiny of the application forms, selected candidates will be called for an interview by a Committee consisting of the Area Manager, Officer Incharge Training and Chief Manager concerned.

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4. TRAINING: Selected candidates will have to complete the prescribed Training Course of 6 days duration and also pass a test.
5. DURATION OF STIPEND: Subject to the conditions laid down in para 7 & 10 below, the stipend will be paid for a maximum period of 3 months.
6. QUANTUM OF STIPEND PAYMENT: Stipend will be paid at the following rates:
- | | | |
|-----|-----------|-----------|
| (a) | 1st month | Rs. 350/- |
| (b) | 2nd month | Rs. 250/- |
| (c) | 3rd month | Rs. 150/- |
- (d) No stipend will be paid during the training period. The stipend will be paid on completion of each calendar month from the date of appointment after training.
7. CONDITIONS OF STIPEND PAYMENT:
- | | | |
|-----|------------------|--|
| (a) | <u>1st Month</u> | earn Rs.200/- as FYAC and conform to 'Work programme'. |
| (b) | <u>2nd Month</u> | earn Rs.300/- as FYAC and conform to 'Work programme'. |
| (c) | <u>3rd Month</u> | earn Rs.400/- as FYAC and conform to 'Work programme'. |
8. WHO CAN RECRUIT AND HOW MANY:
- | | |
|-----|---|
| (a) | Sales Officers who in their own Units have earned at least Rs.8000/- and above FYAC between 1.1.1972 and 31.3.1973 will be eligible to recommend prospective candidates for recruitment. A Sales Officer will be allowed only one Sales Representative under the Stipend Scheme. |
| (b) | Sales Managers who have earned at least Rs.8000/- and above as FYAC in their direct Unit will be eligible to recommend prospective candidates for recruitment. A Sales Manager will be allowed only one Sales Representative under the Stipend Scheme on the basis of premium income of his direct Unit. Sales Managers who have earned Rs.20,000/- and above as FYAC between 1.1.72 and 31.3.73 (direct Unit plus sub-Units) will be eligible to have two Sales Representatives (in all) under the Stipend Scheme. |
9. WORK PROGRAMME: A Sales Representative is required to make at least six new calls every day and keep a complete record of such calls in the work sheet proforma. Failure to make the

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required number of calls and to submit the daily reports in the prescribed work sheet forms will result in non-payment of the stipend even if the requirement of FYAC is complied with. The work sheet must be submitted in triplicate, one copy to be sent to the Sales Officer, the second to the Area Manager and the third to the Chief Manager or Assistant General Manager concerned.

10. NO. OF STI-
PENDIARY AGENTS: Each Unit may appoint not more than 100 Sales Representatives under the Scheme in the first batch.

ITEM NO. XI: TO CONSIDER AND APPROVE THE SETTING UP OF FIELD ADVISORY COUNCIL:

The Board deferred the consideration of this item.

ITEM NO. XII: TO CONSIDER AND APPROVE THE EXTENSION OF MEDICAL BENEFITS TO THE FIELD STAFF:

The Board deferred the consideration of this item.

ITEM NO. XIII: ANY OTHER ITEM WITH THE PERMISSION OF THE CHAIR:

- (1) Appointment of Chairman's Inspection Team

The Board deferred the consideration of this item.

- (2) Accounting Code

- (3) Location Code

The Board approved the Accounting Code and the Location Code as presented by Mr. A. A. Toor.

- (4) Amendment of Board Resolution granting General Power of Attorney to Mr. D.M. Quraishi, Executive Director (Investment)

The Board passed the following resolution, in place of its earlier resolution passed in its meeting held on 17th/18th November, 1972:

"RESOLVED that the powers vested in Mr. D.M. QURAIISHI Executive Director, in terms of the General Power of Attorney duly approved under Resolution No. (6) dated 24.2.1973 be and is exercisable by him with the prior approval of the Chairman in relation to Clauses (5), (9), (10), (11), (16) and (23) therein.

- (5) The Board then took up for consideration the Memoranda presented by Mr. D.M. Quraishi, Executive Director regarding investments and the following decisions were taken:-

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(i) Request from the Punjab Road Transport Board, Government of Punjab, for financial assistance:

The Board approved the tentative commitment made by the Chairman to take up debentures of the Punjab Road Transport Board (PRTB), subject to the establishment of the fact that the Punjab Road Transport Board had the authority to borrow funds under its charter and subject to the debentures being issued on the following terms and conditions:-

- (a) Rate of interest will be 2% above the bank rate with a minimum of 8% per annum. Interest will be payable six-monthly on 30th June and 30th December of each year.
- (b) The repayment will start after a grace period of two years in ten equal six-monthly instalments.
- (c) Of the total issue of Rs.6 crore, the Punjab Road Transport Board will mobilise Rs.4 crore from banks and the balance of Rs.2 crore from ICP, NIT and State Life on a mutually agreed basis. Half of this amount will be raised by June 30, 1973, and the balance of Rs.3 crores in the next financial year. In other words, ICP, NIT and State Life will lend Rs.1 crore upto June 30, 1973 and another Rs.1 crore in the next financial year.
- (d) The debentures will be guaranteed by the Government of Punjab. In case of default of payment of principal and interest on the due date, PRTB will be liable to pay penal interest at the rate of 2% per annum on the amount in default.
- (e) The debenture will be secured by a first charge or a pari passu charge if the assets are already mortgaged to existing creditors to PRTB.

The Board also noted that the details of the issue will be worked out at a meeting of financial institutions to be arranged by the ICP.

(ii) Application of Fauji Foundation to organise a Consortium for financing of their 3 Textile Projects - proposed State Life commitment for financial assistance amounting to Rs.50 lacs.

The Board agreed in principle to State Life's loan commitment to the extent of Rs.50 lacs to the Fauji Foundation for its various projects, on the following terms and conditions:-

- (a) Rate of interest will be 4 $\frac{1}{2}$ % above Bank Rate subject to a minimum of 10 $\frac{1}{2}$ % per annum.
- (b) The loan would be secured by a first charge ranking pari passu with any other charge on all the other assets and properties of the project(s).
- (c) The loan would be repayable in 6 years in equal half-yearly instalments after a grace period of 2 years.

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(d) Such other terms and conditions as may be considered necessary.

(iii) Proposal to provide 7-year term-loan of Rs.30 lacs to Sind Alkalies Limited (formerly Indus Chemical & Alkalies Ltd.) by State Life against Bank Guarantee:

The Board noted that Sind Alkalies Limited had requested IDBP to defer repayment of the outstanding loan of Rs.30 lacs. The Board decided that in the event of IDBP declining to defer the repayment, State Life may instead provide a loan of Rs.30 lacs to the Company for 7-year carrying interest at $3\frac{1}{2}\%$ above the bank rate subject to minimum $9\frac{1}{2}\%$ per annum secured against a bank guarantee to be provided by the IDBP or 2% above the bank rate subject to minimum of 8% per annum if the loan is guaranteed by the Government.

(iv) Request from Northern Foundry & Engineering Works Ltd. for re-scheduling of existing debt and additional financial assistance:

1. The Board approved the rescheduling of the existing debenture loan of Rs.10 lacs outstanding against Northern Foundry & Engineering Works Ltd. tentatively committed by the Chairman, on the following terms and conditions:-

- (a) The loan should be repaid in 16 equal semi-annual instalments commencing from 31st December, 1974.
- (b) The interest on the re-scheduled amount should be charged at 4% above the bank rate (against the current $3\frac{1}{2}\%$) for the period exceeding the existing period of repayment, i.e. beyond 30th June, 1978.
- (c) The interest and penal interest outstanding be cleared and the loan regularised by issue of debenture certificates before the re-scheduling is made effective.

2. The Board further agreed to purchase additional debentures of Rs.25 lacs of Northern Foundry & Engineering Works Ltd., subject to the following terms and conditions:-

- (a) Interest to be $4\frac{1}{2}\%$ above the bank rate subject to a minimum of 10% per annum, payable on 30th June and 31st December each year.
- (b) Security to be a first charge on the fixed assets of the Company ranking pari passu with the charges created in favour of senior creditors.
- (c) Repayment to commence after a grace period of 3 years and be completed in 18 equal half-yearly instalments.

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- (v) Proposal to reschedule the debts including debenture loan outstanding against Metropolitan Steel Corporation Ltd., (formerly Steel Corporation of Pakistan Ltd.) - State Life's total debenture holding of Rs.28.3 lacs and overdue interest thereon Rs.5.63 lacs:

The Board approved the tentative commitment made by the Chairman for the re-scheduling of the debenture loan outstanding against Metropolitan Steel Corporation Limited (formerly Steel Corporation of Pakistan Limited) on the following terms and conditions:

- (a) All dues of interest including penal interest should be cleared immediately.
 - (b) The rate of interest on the amount of debenture loan proposed to be re-scheduled should be raised from the current $9\frac{1}{2}\%$ to $4\frac{1}{2}\%$ above the bank rate subject to a minimum of $10\frac{1}{2}\%$ per annum. The interest should be payable semi-annually.
 - (c) The debentures should be redeemed in equal half-yearly instalments commencing from 1st January, 1974 through 1st January, 1982.
- (vi) Proposal for salvaging Pakistan Paper Corporation Ltd. by buying-out Hotis by the creditors of the Company and inducting professional Management instead - State Life's present involvement Rs.77.86 lacs (ordinary share capital Rs.24.56 lacs (245644 shares) and debenture loan Rs.53.30 lacs):

The Board approved that State Life may participate in the purchase of share holdings of HOTIS on pro rata basis (additional equity participation should not exceed Rs.8 lacs) alongwith other institutional investors and creditors on the following conditions:

- (a) Other local lending and investment institutions, that is, I.C.P., P.I.C.I.C., Habib Bank, etc., should also participate in the salvage operation.
 - (b) There should be a change of management to the satisfaction of State Life Insurance Corporation of Pakistan. It will be preferable if the new management also participates in the equity capital.
- (vii) Shares sold and purchased:

The Board noted the purchase of ordinary shares of Pakistan Tobacco Company Ltd. (4500 shares @ Rs.11.03), State Bank of Pakistan (550 shares @ Rs.90.15) and Gul Ahmed Textile Mills Ltd. (75000 shares @ Rs.18.78 cum-dividend and further 25000 shares @ Rs.18.63 cum-dividend). The Board also noted the sale of 12000 shares of Thal Jute Mills Ltd.,

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at an average rate of Rs.8.83 and 15600 shares of Amin Fabrics at an average rate of Rs.15.47 on various dates.

(viii) Re-naming of Commercial buildings of State Life Insurance Corporation of Pakistan.

The Board deferred the consideration of re-naming the commercial buildings of State Life Insurance Corporation of Pakistan, all over the Country.

(6) RECONSTITUTION OF THE EXECUTIVE COMMITTEE OF THE BOARD:

The Board reconstituted the Executive Committee and passed the following resolution to this effect:

"Resolved that in pursuance of Regulation 5 of the State Life Insurance Corporation (General) Regulations 1972, the Executive Committee of the Board of Directors of the Corporation be and is hereby reconstituted of the following:-

- 1. Mr. H.U. Beg Chairman
- 2. Mr. M.S. Janjua
General Manager
Incharge 'A' Beema Unit Member
- 3. Mr. Samee-ul-Hasan Member
- 4. Mr. D.M. Quraishi Member
- 5. Mr. A. A. Toor Member"

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

[Handwritten signature]
Chairman

Confirmed.
[Handwritten signature]
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SUPPLEMENTARY SESSION 12TH BOARD MEETING

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A supplementary session of the Board was held after its 12th meeting at 9 P.M. on 24th March, 1973.

The following were present:-

1. Mr. H.U. Beg, SQA., PTS. Chairman
2. Mr. S.F. Alan
3. Mr. Samee-ul-Hasan
4. Mr. M.S. Janjua
5. Mr. D.M. Quraishi
6. Mr. P. Sequeira
7. Mr. A.A. Toor
8. Mr. S.A. Walajahi
9. Mr. M. Zulqarnain

Mr. Nisar Hussain was in attendance.

The following business was transacted:

I. STANDARDISATION OF TERRITORIES:

The question of standardising the territories of Chief Managers of different Units was considered and it was decided that the territories of Chief Managers, Rawalpindi, Multan and Lahore would be as follows:-

1. Chief Manager, Rawalpindi:-

- (a) Rawalpindi Division consisting of four districts of Rawalpindi, Campbellpur, Jhelum and Gujrat.
- (b) Azad Kashmir
- (c) Sargodha District
- (d) Mianwali District

2. Chief Manager, Multan:-

- (a) Multan Division consisting of districts of Multan, Sahiwal, Muzaffargarh and Dera Ghazi Khan.
- (b) Bhawalpur Division consisting of districts of Rahim Yar Khan, Bhawalpur and Bhawalnagar.
- (c) Lyallpur and Jhung Districts.

3. Chief Manager, Lahore:-

Lahore Division.

II. FORMULA FOR INCENTIVE PAYMENTS TO CHIEF MANAGERS:

It was decided that a Chief Manager would be entitled to incentive payment subject to the following conditions.

Qualification

Incentive payment will be given when the FYAC reaches the target for 1973, which is First Year Agency Commission of 1972 plus 10% there-of plus Rs.1,50,000. This formula will apply for the year 1973 only and will be reviewed in 1974.

SUPPLEMENTARY SESSION 12TH BOARD MEETING

| | | | |
|----------|---------------|------------------------------|---------|
| RECTORS | H E L D A T | O N | T I M E |
| UTE BOOK | Karachi | Saturday the 24th March 1973 | 9 P. M. |

Quantum of incentive payment

- (a) On reaching the target Rs.1500 per lakh of FYAC on difference between target and 1972 figure.
- (b) On exceeding the target Rs.3000 per lakh of FYAC on excess over target.

III. LESS DEVELOPED AREAS

The report of the Committee for the less developed areas, dated 16th March 1973 was considered.

It was agreed that each Unit may appoint up to 5 Area Managers for the less developed areas in addition to its quota for the developed areas. It was felt that it may not be necessary to fill in all these posts immediately. It was decided to leave the matter to the General Managers who may fill in these posts as and when necessary.

The following were designated to be the less developed areas for this purpose.

1. Bhawalpur Division
2. Muzaffargarh and Dera Ghazi Khan Districts.
3. Mianwali and Sargodha Districts.
4. Campbellpur District
5. Jhelum District
6. Azad Kashmir, other than Mirpur District
7. Peshawar, Kohat, Bannu and Dera Ismail Khan Distts.
8. Mardan, Malakhand and Abbottabad Districts.
9. The whole province of Baluchistan.

It was further decided that the qualifying standard for appointment as Area Managers in the less developed areas may be relaxed to be as follows:-

| A R E A | Qualifying standard-Minimum production during any one of the last three years |
|---|---|
| Bahawalpur Division | Rs. 1,60,000 F Y P |
| Muzaffargarh & D.G. Khan Distts: | Rs. 1,50,000 F Y P |
| Mianwali and Sargodha Distts: | Rs. 1,70,000 F Y P |
| Campbellpur District | Rs. 1,25,000 F Y P |
| Jhelum District | Rs. 1,50,000 F Y P |
| Azad Kashmir other than Mirpur Distt: | Rs. 1,00,000 F Y P |
| Peshawar, Kohat, Bannu & D.I.Khan Distts: | Rs. 1,40,000 F Y P |
| Mardan, Malakhand and Abbottabad Distts: | Rs. 1,50,000 F Y P |
| Baluchistan | Rs. 1,00,000 F Y P |

Confidential
14/4/73

[Signature]
Chairman

CHAIRMAN'S INITIALS