

MINUTES OF 131TH MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	30th December, 1996	

The one hundred and thirty first (131st) meeting of the Board of Directors of State Life Insurance Corporation of Pakistan, was held on 30th December, 1996, at Karachi.

PRESENT:

-
- | | |
|---|-----------------------|
| 1) Mr. Muizuddin Ahmed, | Chairman |
| 2) Mr. Zafar Mahmoud, | Executive Director |
| 3) Mr. S. Gulrez Yazdani, | Executive Director |
| 4) Mr. S. Farogh Naweed, | Joint Secretary(Ins.) |
| (later reported in the press to have been promoted as Additional Secretary) | |
| 5) Mr. A.Q. Raashid, | Secretary Board |

2. Mr. A. Rauf Malik, Executive Director, had gone abroad and Mr. Mehmood Ali Bhatti, Director, could not attend the meeting owing to his other pre-occupations. Therefore, leave of absence was granted to both of them.

3. The meeting commenced with recitation from Holy Quran.

4. Mr. M. Latif, GM(B&A), was invited for presentation of budget.

ITEM NO. 1 CONFIRMATION OF THE MINUTES OF 130TH MEETING OF THE BOARD OF DIRECTORS.

5. The minutes of the 130th meeting of the Board of Directors were placed before the Board for confirmation. Referring to para 33 of the minutes relating to National Publicity Goals, Mr. S. Farogh Naweed, enquired whether US\$ 100,000(Rs.40 lacs) had been paid by State Life. GM(B&A) replied that the amount had not been paid. With this clarification, the Board confirmed the minutes. Accordingly it was resolved as under:

RESOLVED

6. "that the minutes of 130th meeting of the Board of Directors be and are hereby confirmed".

Item No. 2. STATE LIFE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1995.

ED(F&A) Memorandum dated December 24, 1996.

7. ED(F&A) placed before the Board of Directors the 23rd Annual Report on the operations of State Life Insurance Corporation of Pakistan alongwith audited accounts as at 31st December, 1995 and Revenue Accounts for the year ended 31st December, 1995, as required under Article 30 of the Life Insurance (Nationalization) Order, 1972. The accounts of the Corporation were audited by a panel of auditors namely:

CHAIRMAN'S
INITIALS

As
Ns

MINUTES OF 131TH MEETING OF BOARD OF DIRECTORS

HELD AT

ON

TIME

KARACHI

30th December, 1996

- (i) M/s. Khalid Majeed Hussain Rehman,
Chartered Accountants, Karachi.
- (ii) M/s. Riaz Ahmad & Company,
Chartered Accountants, Lahore.
- (iii) M/s. Ilyas Saleem & Company,
Chartered Accountants, Islamabad.
- (iv) M/s. S. M. Masood & Co.,
Chartered Accountants, Lahore.

8. The said panel of auditors were appointed on the recommendations of the Board of Directors of the Corporation, by the Federal Government pursuant to Article 28 of the Life Insurance (Nationalization) Order, 1972.

9. The Board reviewed the progress of the Corporation and observed that the First Year Premium (including annuities/single premium) under Individual Life increased from Rs.1,196.8 million to Rs.2,026.3 million in 1995 recording an impressive growth of 69.3%.

10. Renewal Premium (2nd year plus 3rd year and above) under Individual Life stood at Rs.3,935.1 million as compared to Rs.3,308.3 million during the corresponding period of 1994, showing an increase of 18.9%.

11. Group Premium Income enhanced from Rs.1,110.6 million during 1994 to Rs.1,177.5 million during 1995 recording a growth of 6.0%.

12. Gross Investment Income including Capital Gains but excluding income from Real Estate rose from Rs.4,380.0 million during 1994 to Rs.4,964.1 million during 1995 showing an increase of 13.3%. Investment expenses for the year 1995 were Rs.7.7 million as against Rs.4.6 million during 1994, up by 67.4%. Net Investment Income during 1995 rose to Rs.4,956.4 million as compared to Rs.4,375.4 million in 1994.

13. The yield on average Life Fund in 1995 was 14.9% as against 15.5% in 1994.

14. Real Estate Income before deduction of expenses was Rs.216.2 million during 1995 as compared to Rs.168.1 million during the previous year recording an increase of 28.6%. Real Estate expenses during the year were Rs.107.1 million as against Rs.91.4 million during 1994, up by 17.2%.

15. Miscellaneous Income including adjustments pertaining to previous years stood at Rs.26.9 million in contrast to Rs.13.2 million during 1994, up by 103.8%.

16. The total income of the Corporation increased from Rs.10,081.0 million during the year 1994 to Rs.12,231.3 million during 1995, recording an increase of 21.3%.


CHAIRMAN'S
INITIALS

MINUTES OF 131TH MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	30th December, 1996	
<p>17. The Corporation invested major part of its Life Fund in gilt edged securities. Book value of State Life's investment portfolio increased to Rs.37,968.7 million in 1995 as compared to Rs.32,578.4 million in 1994, up by 16.5%.</p> <p>18. After a review of the State Life Annual Accounts for the year ended 31-12-1995, it was resolved as under:</p> <p>RESOLVED</p> <p>19. "that the Annual Amounts of the Corporation for the year ended Dec 31, 1995 alongwith annexed notes be and are hereby approved.</p> <p>"Further resolved that the Chairman, ED(F&A) and ED(Inv.) are authorised to sign the audited accounts of the Corporation for the year 1995."</p> <p style="text-align: right;">Action: GM(B&A)</p> <p>Item No. 3. APPOINTMENT OF STATUTORY AUDITORS FOR AUDIT OF ACCOUNTS OF STATE LIFE FOR THE YEAR 1996.</p> <p style="text-align: center;">----- ED(F&A) Memorandum dated December 23, 1996.</p> <p>20. The Board of Directors was informed that the accounts of State Life for the year 1995 had been audited by the following firms of Chartered Accountants :</p> <p>(i) M/s. Khalid Majid Hussain Rehman, Chartered Accountants, Karachi.</p> <p>(ii) M/s. Riaz Ahmad & Company, Chartered Accountants, Lahore,</p> <p>(iii) M/s. Ilyas Saleem & Company, Chartered Accountants, Islamabad.</p> <p>(iv) M/s. S. M. Masood & Co., Chartered Accountants, Lahore.</p> <p>21. The Accounts of UAE Office for the period ended 31-12-1995 were audited by M/s. Sajjad Haider & Co., Chartered Accountants, Dubai.</p> <p>22. It was pointed out that the new panel of auditors initially consisting of M/s. Khalid Majid Husain Rehman, Riaz Ahmad & Company and Ilyas Saleem & Company was appointed as auditors of the Corporation for the year 1994. Due to expansion of the Corporation by way of formation of Regional Offices and new Zonal Offices in 1995, M/s. S.M. Masood & Company were subsequently added to the panel of auditors for the year 1995.</p> <p>23. The Board at its 127th meeting held on 28-12-1995 (Para No. 21) had approved the payment of audit fee amounting to</p>			

CHAIRMAN'S
INITIALS

MINUTES OF 131TH MEETING OF BOARD OF DIRECTORS


HELD AT KARACHI	ON 30th December, 1996	TIME	
<p>Rs.600,000/- and Rs.300,000/- as out of pocket expenses for the panel of auditors auditing the accounts of State Life in Pakistan. The Board had also approved, at its 126th meeting held on 11-10-1995 (Para No.20) audit fee of DH: 15,000/- and out of pocket expenses of DH:3,000/- for audit of UAE Offices accounts.</p> <p>24. The Board was informed that the number of Zones on life side earlier increased from 15 in 1994 to 24 in 1995 had been further increased to 28 in 1996 for expansion of business. Further, accounts of three zones in Karachi were combined with Karachi South Zone for audit purposes in 1995. Similarly the accounts of Swat Zone were combined with Peshawar Zone in 1995 for audit purposes. The accounts of the Zones combined in 1995 will be audited separately in 1996. It was felt that with the addition of Regional and Zonal Offices, the work load of statutory auditors relating to audit for the year 1996 had also increased.</p> <p>25. It was proposed to include M/s. S.P. Amjad & Co., Chartered Accountants, Lahore, in place of M/s. Riaz Ahmad & Co., Chartered Accountants, Lahore. M/s. Riaz Ahmad & Co. had been working since 1994 in Lahore.</p> <p>26. The Board was informed that the Federal Government has levied Excise Duty @ 10% on services provided by auditors. Again, the Provincial Government of Sindh has levied Provincial Excise Duty @ 0.5% on the services provided by the auditors in Province of Sindh. The cost of petroleum had increased twice during 1996 due to devaluation of Pak Rupee. All these factors had necessitated a revision in audit fee and out of pocket expenses.</p> <p>27. The Board was requested to consider appointment of panel of auditors in Pakistan and UAE, as mentioned above. The Board was also requested to consider revision in audit fee from Rs.600,000/- to Rs.800,000/- and out of pocket expenses from Rs.300,000/- to Rs.400,000/- for 1996 keeping in view the reasons stated above. For the audit of UAE and Kuwait Offices for 1996 by M/s. Sajjad Haider & Company, Chartered Accountants, the amount as allowed in 1995 i.e. audit fee of DH:15,000/- and out of pocket expenses of DH:3,000/- was proposed to continue for the year 1996 as well.</p> <p>28. After due deliberations, the Board approved the proposals. Accordingly it was resolved.</p> <p>RESOLVED</p> <p>(i) "that the following firms of auditors be appointed as auditors of the Corporation for auditing State Life's accounts 1996.</p> <p>(a) M/s. Khalid Majeed Hussain Rehman, Chartered Accountants, Karachi.</p>			<p>CHAIRMAN'S INITIALS</p> 

MINUTES OF 131TH MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	30th December, 1996	
<p>(b) M/s. Ilyas Saleem & Company, Chartered Accountants, Islamabad.</p> <p>(c) M/s. S. M. Masood & Co., Chartered Accountants, Lahore.</p> <p>(d) M/s. S.P. Amjad & Company, Chartered Accountants, Lahore,</p> <p>(ii) "that the audit fee of Rs.800,000/- and out of pocket of Rs. 400,000/- be paid to the auditors of the Corporation for 1996 for the reasons mentioned above.</p> <p>(iii) "Further that M/s. Sajjad Haider & Co. , Chartered Accountants, be appointed as auditors of State Life, U.A.E. for 1996 at a fee of DH:15000/- and out of pocket expenses of DH:3000/-." Action: GM(B&A)</p> <p>Item No. 4. BUDGET ESTIMATES FOR THE YEAR 1997 AND REVISED BUDGET ESTIMATES FOR THE YEAR 1996. ----- ED(F&A) Memorandum dated December 23, 1996.</p> <p>29. Executive Director (F&A) presented the budget estimates for the year 1997 and revised budget estimates for the year 1996. The Board of Directors was informed that the revised budget for the years 1996 and budget for 1997 had been prepared on historic cost convention, i.e. on the basis of past experience and estimates keeping in view the future trends.</p> <p>30. REVENUE BUDGET (ANNEXURE-A) -----</p> <p>(i) FIRST YEAR PREMIUM -----</p> <p>(a) The Board of Directors was informed that first year premium in Pakistan for 1996 was expected to be around Rs.1600 million, while the FYP for 1997 was estimated to grow at the rate of 31.25% and reach Rs.2100.000 million.</p> <p>(b) The FYP in respect of International Business was expected to be Rs.70 million in 1996, while it is expected to reach Rs.110.000 million by 31st December, 1997 showing a growth of 57.1% over 1996.</p> <p>(ii) RENEWAL PREMIUM -----</p> <p>The renewal premium from Pakistan and International business, which was expected to be Rs.5055 million in 1996, would go up to Rs.5834 million in 1997 giving an increase of 15.4% over 1996.</p> <p>iii) GROUP PREMIUM -----</p> <p>G&P Division had estimated a group premium of</p>			

CHAIRMAN'S
INITIALS


MINUTES OF 131TH MEETING OF BOARD OF DIRECTORS

HELD AT KARACHI	ON 30th December, 1996	TIME
<p>Rs.1300.000 million in 1996. It was estimated to grow to Rs.1820.000 million in 1997 giving an increase of 40.0% over 1996.</p>		
<p>iv) INVESTMENT INCOME</p>		
<p>Gross investment income including income from Real Estate operations was anticipated to be Rs.5432.000 million in 1996. It was expected to rise to Rs.6392.000 million in 1997 i.e. up by 17.7% over 1996.</p>		
<p>POLICY PAYMENTS (ANNEXURE-B)</p>		
<p>31. The Board of Directors was informed that policy payments had been budgeted on the basis of estimates provided by Actuarial, International and G&P Divisions. While preparing these estimates, the past experience had also been kept in view.</p>		
<p>32. ADMINISTRATIVE EXPENSES</p>		
<p>(i) ADVERTISEMENT</p>		
<p>These expenses were Rs.57.102 million in 1995 and would be Rs.67.600 million in 1996, up by 18.4%. The steep rise was due to advertisement in World Cup Cricket matches under the instructions of Government and increase in business publicity campaign. The advertisement expenses have been budgeted at Rs.60.000 million in 1997.</p>		
<p>(ii) PENSION, GRATUITY AND PROVIDENT FUND</p>		
<p>20% of pay of Employees had been provided to cater for Pension, Gratuity and Provident Fund expenses in accordance with provisions of Income Tax Ordinance, 1979. The basis for the provision of this cost remained the same as was in the past. No provision had been made for deficit of the past as making of this provision attracted income tax. The Board desired that a case be made to the Income Tax authorities to allow for making a proper provision.</p>		
<p>33. SUMMARY OF CAPITAL BUDGET</p>		
<p>(a) The requirements of capital budget for 1997 were summarized as under :</p>		
<p style="text-align: right;">(Rupees in million)</p>		
<p>(i) For Zones/S.A.F. etc. (ii) Group & Pension (iii) Human Resource Development Div (iv) P&GS (v) Computer (vi) Real Estate</p>	<p>45.000 10.000 10.000 8.000 30.000 5.000</p>	
<p style="text-align: right;">----- 108.000 -----</p>		
<p style="text-align: right;">CHAIRMAN'S INITIALS </p>		

MINUTES OF 131TH MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	30th December, 1996	

(b) The Board was also requested to carry forward following capital budget unutilized in 1996:

(Rupees in million)

(i) Human Resource Development Div	5.000
(ii) Computer	25.700
(iii) Cash Counters	10.530

	41.230

GENERAL REVIEW

34. The Board was informed that during 1995-96, a high business target was given, a large number of new Zones were opened, additional staff was hired and Area Managers were appointed on accelerated basis. Owing to excessive pressure for first year premium, the quality of business suffered and expenses increased abnormally.

35. It was pointed out to the Board that the first year premium was in fact a drain on corporate resources, as the expenses of procurement of business including administrative cost, were conventionally more than the income from first year premium. The loss of first year premium was recovered in the second year provided the persistency for payment of second year premium was good.

COMPETITION FROM PRIVATE SECTOR

36. Replying to a question from Mr. S. Farogh Naweed about competition from the private sector, it was pointed out that in selling Group Insurance business the private sector had indulged in cut-throat competition. By offering Group Insurance at uneconomical rates, at least one company had eroded a large part of its Life Capital. State Life had also to lower its Group Premium rates in some cases but owing to its financial strength, had withstood the competition.

DOWN-SIZING OF 1997 BUDGET.

37. The Chairman expressed the desire to revise 1997 budget downwards after the end of first quarter as certain steps to curtail expenses had already been taken while more steps were being contemplated to reduce expenses, including reverting of uneconomical zones to sectors and so on.

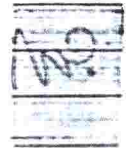
38. The Board approved the revised budget estimates for 1996 and budget estimates for 1997 as also the capital budget for 1997. Accordingly it was resolved as under:

RESOLVED

39. "that the revised budget estimates for 1996 and budget estimates for 1997 as presented vide annexures A, B, C and D of the memorandum, as also the capital budget for 1997 as proposed above, be and are hereby approved."

Action: GM(B&A)

CHAIRMAN'S INITIALS



MINUTES OF 131TH MEETING OF BOARD OF DIRECTORS

HELD AT

ON

TIME

KARACHI

30th December, 1996

ITEM NO.5

GRANT OF GENERAL POWER OF ATTORNEY TO MR. MUIZUDDIN AHMED, CHAIRMAN, STATE LIFE INSURANCE CORPORATION OF PAKISTAN.

ED(F&A) Memorandum dated December 24, 1996.

40. The Board of Directors was informed that in order to ensure efficient conduct of business and to facilitate transactions, the Chairman of State Life Insurance Corporation, on assumption of charge was granted a General Power of Attorney by the Board of Directors.

41. As Mr. Muizuddin Ahmed had assumed the charge of Chairman of State Life on 13.10.1996, the Board decided to grant General Power of Attorney to him as per annexure "A" effective from the date of assumption of charge by him.

42. Accordingly the Board passed the following resolution:

RESOLVED.

43. "That a General Power of Attorney be granted to Mr. Muizuddin Ahmed, Chairman of State Life as per annexure "A" from 13.10.1996 the date when he took over the charge.

"FURTHER RESOLVED that the said Power of Attorney be executed under the State Life seal affixed in the presence of any two Directors of State Life and is presented for admission of execution and registration by Mr. Latif Ahmed Choudhri, AGM(Law) who is duly authorized in this behalf vide General Power of Attorney granted to him by the Board."

Action: AGM(Law)

ITEM NO. 6.

JOINT-VENTURE OF ARCHITECTS/CONSULTANTS FOR STATE LIFE TOWERS, KARACHI.

ED(F&A) Memorandum dated December 28, 1996.

44. The Board of Directors was informed that for preparation of designs/drawings and supervision of the proposed State Life Towers at Karachi, the Board of Directors of the State Life Insurance Corporation in its meeting held on 28th December, 1994 approved the appointment of a consortium of Architects/Consultants (designated as "Joint Venture"), comprising M/s. PEPAC, a Public Sector Agency (designated as lead consultants), M/s. Wasif Ali & Associates and M/s. Shakeel Hyder & Associates, at a fee of 4% of the cost of construction. The estimated cost of civil works alone is in the neighbourhood of Rs.1.5 billion. The estimated expenditure on other works like airconditioning, electrical work etc. is estimated around another Rs.1.20 billion. The percentage share of fees of the three consultants is as under:

CHAIRMAN'S
INITIALS



MINUTES OF 131TH MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	30th December, 1996	
<p>1. M/s. PEPAC - 40%</p> <p>2. M/s. Wasif Ali Associates - 35%</p> <p>3. M/s. Shakeel Hyder & Associates - 25%</p>			
<p>45. Thus, the Private Sector consultants together are to receive 60% share of fees.</p>			
<p>46. Since M/s. PEPAC are old established Architect Consultants in the Public Sector and have had extensive experience of designing and supervising high rise buildings in the past, the present management of State Life Insurance Corporation found it somewhat unusual that two private sector consultants had been involved in this project, with majority share of fees going to them. M/s. PEPAC being the lead consultants were, therefore, asked to submit a note as to the formation of this joint venture.</p>			
<p>47. It was evident that from this note that M/s. Wasif Ali & Associates were appointed at the instance of the Minister for Commerce and M/s. Shakeel Hyder & Associates were brought in by the former Chairman, Mr. M. Zaheer Khan. To quote M/s. PEPAC in this regard, "PEPAC was told in very clear terms that the project will only progress once the above arrangement (inclusion of M/s. Shakeel Hyder & Associates) is accommodated."</p>			
<p>48. It was obvious that the appointment of both of those private sector consultants was not done on merit, but for reasons other than merit: M/s. PEPAC in their note clearly state " it may not have been possible for M/s. Wasif Ali & Associates to procure a large project on its own due to their limited experience."</p>			
<p>49. It is to be noted that the proposed building consists of 27 storeys with the covered area of 700,000 sft. At the time of their appointment, and indeed upto-date, neither of the two private consultants have done any project, either in terms of designing, or in terms of supervision, which even gets anywhere close to the building of this size.</p>			
<p>50. In view of the above facts, it was considered that the formation of this Joint Venture was for reasons other than on merit. The two private consultants, with totally inadequate experience for the assignment in hand, were inducted for political/extraneous reasons. As a matter of fact, M/s. Shakeel Hyder & Associates are a very recent firm, having commenced their business in 1991.</p>			
<p>51. The Board noted that the Executive Committee in its 219th meeting held on 30-12-1996 had earlier approved the above proposals.</p>			
<p>52. Taking into account the above facts, the Board resolved as under:</p>			

CHAIRMAN'S INITIALS



MINUTES OF 131TH MEETING OF BOARD OF DIRECTORS

HELD AT	ON	TIME
KARACHI	30th December, 1996	

RESOLVED

"(i) that the present contract with the Joint Venture may be terminated with the direction that no further work may be undertaken during the notice period. The payment due to the Joint Venture may be disbursed to the Joint Venture within ten days of the cessation of the contract, subject to furnishing of a full and final settlement certificate.

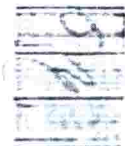
(ii) that a separate contract with M/s. PEPAC may be executed for updating the feasibility study, reducing the cost of the building significantly and reassessing the potential of income. If, as a consequence of this exercise, any redesigning or any other technical work is to be undertaken, no extra payment is to be made to M/s. PEPAC. In other words, M/s. PEPAC will render free service upto such stage(s) of work as the Joint Venture has already completed, under the existing contract.

"(iii) that rates & scope of consultancy services, after incorporating cost reduction in the building, may be negotiated with M/s. PEPAC."

Action: GM(RE)

J. W. Khan
CHAIRMAN

CHAIRMAN'S
INITIALS



MINUTES OF 131TH MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
NOTE BOOK	KARACHI	30th December, 1996	
Annexure "A"			
STATE LIFE INSURANCE CORPORATION OF PAKISTAN BUDGET ESTIMATES FOR THE YEAR 1996 (REVISED) AND 1997			
I N C O M E			
Rs. in million			
WORKING CODE	TITLE OF ACCOUNTS	REVISED ESTIMATES 1996	BUDGET ESTIMATES 1997
A. PREMIUM INCOME:			
650 TO 672	First year Premium		
	PAKISTAN	1600.000	2100.000
	OVERSEAS	70.000	110.000
	TOTAL	1670.000	2210.000
676 TO 677	Renewal Premium Second Year		
	PAKISTAN	1400.000	1152.000
	OVERSEAS	34.000	44.000
	Third Year & Above		
	PAKISTAN	3557.000	4560.000
	OVERSEAS	64.000	78.000
	Total Renewal Premium	5055.000	5834.000
683 TO 686	Group Premium		
	PAKISTAN	1300.000	1820.000
	OVERSEAS	-	-
	TOTAL	1300.000	1820.000
690	Annuity & Single Premium	10.000	13.000
	TOTAL PREMIUM INCOME:-	8035.000	9877.000
B. INVESTMENT & OTHER INCOME			
693 TO 697	Interest on Policy Loans	280.000	310.000
	Dividend & Interest of other Investment Income (Gross)	4900.000	5800.000
	Rental Income (Gross)	250.000	280.000
	Misc./Other Income and	2.000	2.000
	TOTAL OTHER INCOME:-	5432.000	6392.000
	TOTAL GROSS INCOME:-	13467.000	16269.000

CHAIRMAN'S INITIALS

No.

MINUTES OF 131TH MEETING OF BOARD OF DIRECTORS

HELD AT KARACHI	ON 30th December, 1996	TIME
--------------------	---------------------------	------

Annexure "B"

STATE LIFE INSURANCE CORPORATION OF PAKISTAN
BUDGET ESTIMATES
FOR THE YEAR 1996 (REVISED) AND 1997

PAYMENTS TO POLICYHOLDERS

Rs. in million

WORKING CODE	TITLE OF ACCOUNTS	REVISED ESTIMATES 1996	BUDGET ESTIMATES 1997
755 TO 763	Death Claims		
	PAKISTAN	440.000	500.000
	OVERSEAS	4.000	4.000
	TOTAL	444.000	504.000
676 TO 677	Claim Investigation Expenses		
	PAKISTAN	2.400	4.000
	OVERSEAS	-	-
	TOTAL	2.400	4.000
765 TO 769	Maturity Claims		
	PAKISTAN	960.000	1180.000
	OVERSEAS	35.000	36.000
	TOTAL	995.000	1216.000
770 -A G	Group Claims		
	PAKISTAN	1092.000	1529.000
	OVERSEAS	-	-
	TOTAL	1092.000	1529.000
771	Group Profit Commission		
	PAKISTAN	104.000	146.000
	OVERSEAS	-	-
	TOTAL	104.000	146.000
	Annuities	3.000	4.000
	Surrenders		
	PAKISTAN	1030.000	1250.000
	OVERSEAS	16.000	18.000
	TOTAL	1046.000	1268.000
738 to 786	Bonus to Policyholders	0.200	0.200
	TOTAL POLICY PAYMENTS:-	3686.600	4671.200

CHAIRMAN'S INITIALS

MINUTES OF 131TH MEETING OF BOARD OF DIRECTORS

MEMBERS	HELD AT	ON			TIME
DATE BOOK	KARACHI	30th December, 1996			
Annexure "C"					
STATE LIFE INSURANCE CORPORATION OF PAKISTAN BUDGET ESTIMATES FOR THE YEAR 1996 (REVISED) AND 1997					
PAYMENTS TO FIELDWORKERS Rs. in million					
WORKING CODE	TITLE OF ACCOUNTS	REVISED ESTIMATES 1996	BUDGET ESTIMATES 1997	BASIS FOR ESTIMATES	
790 TO 792	Agency Commission First Year	644.620	853.060	AROUND 38.60% OF CURRENT YEAR FYP	
808 TO 811	Overriding Commission First Year	601.200	795.600	AROUND 36% OF CURRENT YEAR FYP	
804	Agency Commission Annuity	0.784	0.975	AROUND 7.50% OF ANN+SIN. PREM.	
823 TO 824	Overriding Commission Annuity	0.157	0.195	AROUND 1.5% OF ANN+SIN. PREM.	
812	Production Bonus to Area Managers	33.400	44.200	AROUND 2% OF CURRENT YEAR FYP	
805	FIELD PRIZES & AWARDS				
(i)	Field Contests(FYP/Renewal Premium)	18.200	23.850	AROUND 1% OF CURRENT YEAR FYP	
(ii)	Field Convention	12.500	7.000		
796 815 & 816	Field Group Insurance	14.152	12.740	AROUND 0.70% OF LAST YEAR FYP	
825	Field Medical Expenses	40.434	33.400	AROUND 2% OF LAST YEAR FYP	
826	Field Office Expenses/ Allied Facilities	131.410	108.550	AROUND 6.5% OF LAST YEAR FYP	
TOTAL FIRST YEAR & OTHER COST:-		1496.857	1879.570		
799 TO 801	Agency Commission Renewal	325.000	352.000	AROUND 10% OF SYP+5% OF 3RD & ABOVE.	
817 TO 821	Overriding Commission Renewal	94.278	108.775	AROUND 1.9% OF TOTAL RENEWAL	
TOTAL RENEWAL COST:-		419.278	460.775		
793	Agency Commission Group	5.000	7.000		
822	Overriding Commission Group	1.500	2.000		
805	Prizes & Awards Group	1.000	1.000		
TOTAL GROUP COST:-		7.500	10.000		
GRAND TOTAL:-		1923.635	2350.345		

CHAIRMAN'S INITIALS

[Handwritten initials]

MINUTES OF 131TH MEETING OF BOARD OF DIRECTORS

HELD AT	ON	TIME
KARACHI	30th December, 1996	

Annexure "D"

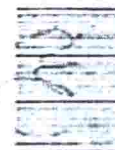
STATE LIFE INSURANCE CORPORATION OF PAKISTAN
BUDGET ESTIMATES
FOR THE YEAR 1996 (REVISED) AND 1997

ADMINISTRATIVE EXPENSES

Rs. in million

WORKING CODE	TITLE OF ACCOUNTS	REVISED ESTIMATES 1996	BUDGET ESTIMATES 1997	% INCREASE (DECREASE) OVER REVISED ESTIMATE
809	Salaries	809.000	904.000	12.0 D-I
810	Travelling Expenses	108.000	126.000	17.0 D-II
811	Auditors Fees	2.260	2.260	0.0
812	Medical Fees	17.000	17.000	0.0 D-III
813	Law & Professional Charges	9.000	9.000	0.0 D-IV
814	Advertisement	67.600	60.000	-11.0
815	Printing & Stationary	40.000	45.000	13.0
816	Policy Stamps	17.000	18.000	6.0
817	Staff Welfare	153.000	192.000	25.0 D-V
818	Postage, Telegram & Telephones	68.000	87.000	28.0 D-VI
819	Utilities	68.500	83.000	21.0
820	Entertainment	13.000	15.000	15.0
822	Bank Charges	8.500	11.000	29.0
823	Conference & Meeting	22.000	26.000	18.0
324	Prizes & Awards	2.000	2.000	0.0
825	Training Expenses	20.000	20.000	0.0 D-VII
826	Computer Expenses	10.000	12.000	20.0
828	Miscellaneous Expenses	64.000	89.000	39.0 D-VIII
829	Rents (State Life Buildings)	44.500	50.000	12.0
830	Rents (Other Buildings)	46.000	56.000	22.0
831	Bad Debts	-	-	-
834	Depreciation	43.000	60.000	40.0
835	Gratuity, Pensions, Provident Fund Contribution	66.000	73.000	11.0
936	Donations	-	-	-
TOTAL ADMINIST. EXPENSES		1698.360	1957.260	15.0

CHAIRMAN'S INITIALS



MINUTES OF 131TH MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	30th December, 1996	

ANNEXURE "A" OF GENERAL POWER OF ATTORNEY

THIS GENERAL POWER OF ATTORNEY executed at Karachi this _____ of _____ in the year 1996 by State Life Insurance Corporation of Pakistan, a statutory corporation established under the Life Insurance (Nationalization) Order, 1972 (President's Order No.10 of 1972) having its Principal Office at State Life Building No.9, Dr. Ziauddin Ahmed Road, Karachi (hereinafter referred to as "the Corporation") in favour of Mr. Muizuddin Ahmed S/o Mr. Salahuddin Ahmad, the Chairman of the Corporation (hereinafter referred to as "the Attorney").

WHEREAS for the purposes of facilitating transaction of the business and ensuring efficient conduct of the business of the Corporation it is expedient to appoint a General Attorney and the Chairman of the Corporation (hereinafter called the "Board") by a Resolution dated 30-12-1996 duly resolved to appoint the above named Mr. Muizuddin Ahmed as the Corporation's General Attorney.

AND WHEREAS the Board has further resolved that this Power of Attorney may be duly executed under the Corporation's Seal affixed in the presence of the two Directors and registered in due form of law.

KNOW ALL PERSONS, THEREFORE, BY THESE PRESENTS THAT the Corporation does hereby nominate, constitute and appoint the said Mr. Muizuddin Ahmed, as the true and lawful General Attorney for the Corporation and on its behalf to manage the affairs and conduct the business of the Corporation and do and perform all the following acts, deeds and things, that is to say:

1. to open in the name of the Corporation any accounts including current accounts, cash credit account, fixed deposit account, time deposit account or any other account with any bank, corporation or firm and to pay money into it and to draw, overdraw, or withdraw money from any such account and to negotiate, endorse and sign jointly with another authorized signatory, all cheques of such accounts and give all directions relating to such accounts including the opening of Letters of Credit and to close any of the accounts;
2. to negotiate, sell, purchase, acquire, convey and transfer, give or take on lease or under license, any properties, movable or immovable, and/or exchange or otherwise charge, hypothecate, pledge, mortgage any properties of the Corporation, and to execute in that behalf any contract writings, letters, bonds, agreements, conveyances, deeds of exchange, lease, license, mortgage, transfer, hypothecate, pledge or charge any other documents or things as may be necessary for completing the transaction and to give and receive consideration or earnest money;

CHAIRMAN'S INITIALS

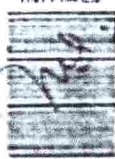
MINUTES OF 131TH MEETING OF BOARD OF DIRECTORS

	HELD AT KARACHI	ON 30th December, 1996	TIME
	<p>3. to accept and/or redeem any mortgage, amend or alter any mortgage registered or equitable, give or accept any charge, guarantee, counter guarantee, undertaking or similar security for or in favour of the Corporation and to have the charge registered under the Companies Act and to execute and get registered the deeds of mortgage and redemption with the Registrar/Sub-Registrar of Assurances and to take all appropriate measures to secure the interest of the Corporation;</p> <p>4. to secure the fulfillment of any contracts or engagements entered into by the Corporation by mortgage or charge of all or any of the property of the Corporation or in such other manner as the Attorney may think fit;</p> <p>5. to appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Corporation any property belonging to the Corporation or in which it is interested, or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees and to execute memorandum or deeds of trust;</p> <p>6. to invest any of the moneys of the Corporation, subject to the provisions of any relevant laws, in such movable or immovable properties, shares, debentures, securities or investments and in such manner as the Attorney may think fit and from time to time to vary or realize such investments and to enter into any underwriting buy-back or financing arrangement with any person, company or other institution and execute any agreement or other document in that behalf and to have the common seal of the Corporation affixed thereon;</p> <p>7. to purchase and pay for and sell, shares, NIT Units, ICP Mutual Fund Certificates, Participation Certificates, Debentures, bonds issued by a Government or a Semi Government institution or an autonomous statutory company or corporation and Government Securities including any Bonds and Saving Certificates and collect and realize any income, interest dividends and bonus and right shares relating thereto and execute any transfer deeds or purchase deeds, applications and other documents;</p> <p>8. The donee(s) has/have got express and unconditional authority to receive interest on and to hold, sell, purchase, transfer, negotiate or otherwise deal with the securities of the Government of Pakistan and those of the Provincial Government and any other statutory body or company or firm, and to sign and execute sale bonds, security bonds, indemnity bonds, guarantee bonds and other bonds as the case may be, and to sign and execute -</p>		

CHAIRMAN'S INITIALS

[Handwritten initials and signature]

MINUTES OF 131TH MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	30th December, 1996	
	<p>(a) any application for allotment of shares and issue of share certificate and debentures;</p> <p>(b) application for consolidation and splitting of Corporation's shareholdings;</p> <p>(c) deeds for transfer of shares and debentures in favour of or by the Corporation;</p> <p>(d) acceptance of allotment and renunciation of allotment of shares and debentures in favour of the Corporation; and have such transfer of shares and Debentures registered and take all other steps to complete any of these transactions;</p> <p>9. to arrange and order for custody of shares, securities and other security documents including any title deeds, and release any such shares and securities or deeds transferred to or otherwise disposed of by the Corporation;</p> <p>10. to look after, manage, superintend and supervise any company, firm or business belonging to the Corporation or in which the Corporation may for any reason be interested whether wholly or in part as well as all properties, whether urban or rural belonging to the Corporation absolutely or held by it as a lessee either alone or jointly with any other person or in which the Corporation is or hereafter may be interested and to collect rents, mesne profits, cesses, profits, and income thereof and pay all outgoings thereof and to accept and grant rent bills, receipts and full discharges on payment;</p> <p>11. to determine from time to time and by office instructions or order appoint employees of the Corporation who shall be entitled to sign on behalf of the Corporation bills, rent bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents;</p> <p>12. to sanction approve and incur revenue and capital expenditures of all description of the Corporation;</p> <p>13. to institute, conduct, defend, compound, compromise or abandon any legal proceedings by or against the Corporation or its officers, or otherwise concerning the affairs of the Corporation and also to compound and allow time for payment or satisfaction of any debts due or of any claims or demands by or against the Corporation and to and perform all acts, deeds and things incidental or consequential thereto;</p> <p>14. to appear and act in all courts of law, tribunals, civil or criminal, and before all judicial revenue and administrative authorities of the Government and to commence, institute, prosecute, defend or take part in</p>		<p>CHAIRMAN'S INITIALS</p> 

MINUTES OF 131TH MEETING OF BOARD OF DIRECTORS

	HELD AT	ON	TIME
	KARACHI	30th December, 1996	
	<p>any actions, applications, suits, appeals, or proceedings in which the Corporation may anyway be interested or concerned, and for that purpose to subscribe, sign and verify all plaints, written statements, petitions, applications, affidavits, tabular statements, complaints and memorandum of appeal and to do all acts and matters and things which may be necessary in relation thereto, and for which purpose to appoint vakils, attorneys, advocates, solicitors, pleaders, mukhtars, barristers and other lawyers and to sign all vakalatnamas, warrants of attorney and powers and to file and take back all or any documents, or papers from Courts or Government or public offices, and to do all acts or things in relation thereto which the Attorney may think proper under the circumstances;</p> <p>15. to apply for withdrawal, withdraw and receive all moneys that may be deposited in any court of Pakistan or in any other country in the world or with any officer thereof or with any other Government office to the credit of any suits or proceedings in which the Corporation is interested, or realised in execution of any decree or order of a Court or with any office of the Government revenue, judicial or executive and payable to the Corporation and to sign valid proper receipt and discharge for the same;</p> <p>16. to demand, withdraw sue to recover, realize and receive from the Government of Pakistan, or any Government or from all and from any company or other body politic or corporate, person or firm all monies, properties, movable or immovable, and all interest, dividend now or hereafter to become due, owing payable, deliverable or belonging to the Corporation, alone or jointly with any other person or persons, and on any account whatsoever and on receipt thereof to sign and give proper and effectual receipts and other discharges for the same;</p> <p>17. to appear before the Registrar or Sub-Registrar of Assurances or any other officer having authority to register deeds and/or documents in Pakistan and to present for registration, admit execution and complete registration in due form of law of all or any document or documents executed on behalf of the Corporation or by the Attorney under the authority of these presents and/or the authority of the resolution of the Board and to do all deeds matters and things for completing registration thereof in due form of law;</p> <p>18. to appear in any court in any insolvency or bankruptcy or winding-up of Company proceedings or in any other Court having jurisdiction in the matters of insolvency or bankruptcy or winding up and to apply for and to have any debtors adjudged insolvent, a company to be wound-up or oppose the petition of insolvency of any debtor or debtors or the winding-up of any company and</p>		

CHAIRMAN'S INITIALS



MINUTES OF 131TH MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	30th December, 1996	
<p>to do all acts, deeds and things necessary in that connection;</p> <p>19. to settle, adjust or submit to arbitration any accounts, debts, claims demands, disputes and matters whatsoever, wherein the Corporation now and/or at any time hereafter shall be in anywise interested or concerned with any persons, firms, bodies, companies or corporations, whatsoever and to pay or receive the balance thereof as the case may require, and on receipt of payment to grant the receipts and valid discharges and to have agreements of arbitration or awards filed in Court and to oppose such proceedings in any Court;</p> <p>20. to appear before Income Tax Officers, Assistant Commissioners of Income Tax, Commissioners of Income Tax, Income Tax Appellate Tribunal, Board of Revenue or other Income Tax or Revenue Authorities, and to prepare, sign and file returns, petitions, applications and appeals, to make payments, to withdraw and receive funds, and to do all acts and things which may be necessary and which the circumstances of the case may require, in connection with income-tax or revenue cases or matters in which the Corporation may be interested or concerned and to appoint pleaders, solicitors, advocates or income-tax practitioners for the purpose;</p> <p>21. to attend and represent the Corporation at any meetings of creditors or of any debtors and at the meetings of all joint stock companies, corporations and other statutory bodies in which the Corporation, jointly or severally, may be interested as a shareholder, debenture-holder or Director, to give vote on Corporation's behalf and to appoint proxy or letter or instrument of appointment and to do all other things and acts at such meetings on Corporation's behalf and to exercise for the Corporation and in its behalf all rights, and privileges and perform all duties which now or hereafter may pertain to the Corporation as holder of shares and/or stocks or debentures or as otherwise interested in any company or corporation;</p> <p>22. to appear and represent the Corporation before the Registrar of Companies, Controller of Capital Issues, Controller of Insurance, Board of Revenue, Monopoly Control Authority, Securities and Exchange Authority, Land Acquisition Collector, Official Assignee, Official Trustee, Official Receiver and any other judicial, Government or Semi-Government Authority;</p> <p>23. to appear before Municipal, Revenue and Urban Immovable Property Tax Authorities and any other Authority constituted by/under any law in connection with assessment cases, building cases, sanction of plan cases or in respect of mutation cases or application for transfer of leases and any other matter wherein the Corporation is or may in any manner or wise be</p>			

CHAIRMAN'S
INITIALS


MINUTES OF 131TH MEETING OF BOARD OF DIRECTORS

HELD AT

ON

TIME

KARACHI

30th December, 1996

interested and do all things in relation thereto and take all necessary proceedings for obtaining sanction of plans for erection of new buildings or for effecting additions and/or alterations in existing buildings belonging to the Corporation or in which the Corporation is or may in future be interested and sign and execute all plans, bonds and/or undertakings in connection with such plans and sanctions thereof in relation to such properties;

24. to negotiate and enter into any contract or agreement including a settlement or arranging such in relation to labour/personnel matters of the Corporation or to terminate, vary, rescind or relinquish any existing agreement concerning all or any of the matters in which the Corporation is now or may hereafter be interested or concerned specifically in matters of its business and things and matters appurtenant thereto or otherwise ancillary to its business;
25. to execute in the name and on behalf of the Corporation, in favour of any Director, Executive Director or other person who may incur or be about to incur any personal liability for the benefit of the Corporation such undertaking as may be deemed reasonable in the circumstances and to incur such expenditure as may be necessary in this behalf;
26. to witness the impressing of the common seal and official seal of the Corporation on any documents and to authorize a person or persons to apply and witness the impressing of the common seal and official seal on any documents where the Corporation is a party;
27. at any time and from time to time by power of attorney appoint any person or persons to be the attorney or attorneys of the Corporation for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Attorney under these presents) and for such period and subject to such conditions as the Attorney may from time to time think fit and any such appointment may be made in favour of any Corporation or Directors, Executive Directors or Managers or any other officer of the Corporation and may contain powers enabling any such delegate or attorneys to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them and to revoke and withdraw the powers from such attorney or attorneys at any time;
28. that all the acts, deeds and things as enumerated in paras 1 to 27 above, done by the said attorney from 10.03.1996 shall be construed as acts, deeds and things done by the Corporation and are hereby confirmed and ratified;
29. that all and whatsoever the said attorney shall and may

CHAIRMAN'S
INITIALS

MINUTES OF 131TH MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	30th December, 1996	

lawfully do or cause to be done in or about the premises, the Corporation for itself its successor-in-interest and assigns do hereby covenant to ratify and confirm;

IN WITNESS WHEREOF we, the State Life Insurance Corporation of Pakistan have caused these presents to be duly executed and the common seal of the Corporation affixed below on the day, month and year first above written and is presented for admission of execution and registration by Mr. Latif Ahmed Choudhri who is duly authorized in this behalf vide General Power of Attorney registered at No.95, Book No.IV Sub-Registrar T-Division II(B), Karachi dated 08.02.1996.

FOR STATE LIFE INSURANCE CORPORATION OF PAKISTAN

(DIRECTOR)

(DIRECTOR)

The common Seal of the State Life Insurance Corporation of Pakistan has hereunto been affixed by order of the Board of Directors vide resolution dated _____ in presence of:

DIRECTOR

CHAIRMAN'S INITIALS

