

MINUTES OF 132ND MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25th February, 1997	

The one hundred and thirty second (132nd) meeting of the Board of Directors of State Life Insurance Corporation of Pakistan, was held on 25th February, 1997, at Karachi.

PRESENT:

- | | |
|----------------------------|----------------------------|
| 1) Mr. Muizzuddin Ahmed, | Chairman |
| 2) Mr. Mehmood Ali Bhatti, | Director |
| 3) Mr. M. Amjad Virk, | Joint Secretary(Adm./Ins.) |
| 4) Mr. Zafar Mahmood, | Executive Director |
| 5) Mr. S. Gulrez Yazdani, | Executive Director |
| 6) Mr. A. Rauf Malik, | Executive Director |
| 7) Mr. A.Q. Raashid, | Secretary Board |

2. The meeting commenced with recitation from Holy Quran. The members of the Board also offered Fateha for the son of Mr. A. Rauf Malik, Executive Director who had met a tragic accidental death.

ITEM NO. 1 CONFIRMATION OF THE MINUTES OF 131ST MEETING OF THE BOARD OF DIRECTORS.

3(a). The minutes of the 131st meeting of the Board of Directors were placed before the Board for confirmation. The Board appreciated the contribution of Mr. S. Farogh Naweed in the previous meeting of the Board. It was proposed to send a copy of the minutes of 131st meeting to Mr. Farogh Naweed who had attended the same. It was also proposed that the minutes of future meetings of the Board would be sent to the participants as soon as the same are signed by the Chairman. The Board welcomed Mr. M. Amjad Virk as the new Director of State Life. With these proposals, the minutes were confirmed.

AGENDA ONE WEEK BEFORE MEETING

3(b). Mr. M. Amjad Virk and Mr. Mehmood Ali Bhatti complained that the agenda of the meeting and working papers were sent very late to them. They proposed that in future the same be sent to them at least one week before the meeting.

Action :GM(BS)

ITEM NO. 2. NOMINATION OF REPRESENTATIVE OF STATE LIFE ON THE BOARD OF PIC.

ED(INV.) Memorandum dated January 23, 1997.

4. The Board of Directors was informed that Pakistan Insurance Corporation required Resolution of Board of Directors approving nomination of Mr. Zafar Mahmood, Executive Director on the PIC Board of Directors, replacing Mr. M. Javed Ashraf Hussain.

5. The Board approved the nomination of Mr. Zafar Mahmood

CHAIRMAN'S
INITIALS



MINUTES OF 132ND MEETING OF BOARD OF DIRECTORS

HELD AT

ON

TIME

KARACHI

25th February, 1997

on the PIC Board of Directors replacing Mr. M. Javed Ashraf Hussain. Accordingly it was resolved as under:

RESOLVED

"that Mr. Zafar Mahmoud, Executive Director, State Life Insurance Corporation of Pakistan be and is hereby nominated as a Director on the Board of Directors of Pakistan Insurance Corporation in place of Mr. M. Javed Ashraf Hussain."

"FURTHER RESOLVED that true copy of the resolution with the State Life common seal affixed thereon be sent to the Pakistan Insurance Corporation."

Action:DGM(Inv)

ITEM NO. 3. GRANT OF GENERAL POWER OF ATTORNEY TO MR. ZAFAR MAHMOUD, EXECUTIVE DIRECTOR, STATE LIFE INSURANCE CORPORATION OF PAKISTAN.

ED(Inv.) Memorandum dated January 7, 1997.

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

7. It was proposed that a General Power of Attorney be granted to Mr. Zafar Mahmoud, Executive Director of State Life effective from the date of assumption of charge by him.

8. The Board approved the proposal and resolved as under:

RESOLVED:

"that a General Power of Attorney be granted to Mr. Zafar Mahmoud, Executive Director State Life from 8.12.1996 the date when he took over 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 be presented for admission of execution and registration by Mr. Latif A. Choudhri, AGM(Law) who is duly authorised in this behalf vide General power of Attorney granted to him by the Board."

Action:AGM(Law)

ITEM NO. 4. 1995 ANNUAL ACCOUNTS.

ED(F&A) Memorandum dated February 23, 1997.

9. ED(F&A) placed before the Board of Directors the Annual Accounts for the year 1995 audited by a panel of four firms of Chartered Accountants as were approved by the Board in

CHAIRMAN'S INITIALS



MINUTES OF 132ND MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25th February, 1997	
<p>its 131st meeting held on 30th December, 1996. Directors' Report on these Accounts to be printed alongwith 1995 Annual Accounts, was submitted to the Board for information/confirmation as per details given in the annexures to the memorandum dated February 23, 1997.</p>			
<p>10. Mr. M. Amjad Virk, Joint Secretary (Admn./Ins.), observed that there was an unusual increase in business during 1995, being an increase of 69.7% in sum insured of individual life business and so on. He said that a perusal of the past Annual Reports of State Life revealed an average growth of 16-20% in First Year Premium per year between 1973-1994. He expressed the view that an abnormal growth in business in one year (1995) was not healthy. It was observed that owing to excessive pressure for First Year Premium and announcement of incentives for accelerated promotions, the quality of business had badly suffered.</p>			
<p>11. The Chairman informed the Board that soon after taking over charge of State Life in November, 1996, he had taken a number of steps to rectify the situation.</p>			
<p>12. The First Year Premium of a Life Company was normally a drain on its funds as the expenses of procuring the First Year Premium exceeded the income from FYP. The excessive expenses in the first year were recovered in subsequent years provided the second year and renewal premiums were received by the company.</p>			
<p>13. As a result of special directive given by the present Chairman, the persistency ratio which had dropped to 42.97% at the end of November, 1996 increased to 50.60% by the end of December, 1996. It was, however, felt that it would take a couple of years to improve the wrong done to the organization by bringing in low quality of business through malpractices, for which necessary steps were already in hand.</p>			
<p>14. In reply to a question from Joint Secretary (Admn./Ins.), a spread of investment portfolio was given by ED(Inv.).</p>			
<p>15. After detailed discussions, the Board approved the Directors' Report for 1995 Annual Accounts and resolved as under:</p>			
<p>RESOLVED: ----- "that the Directors' Report on 1995 Annual Accounts be adopted and printed." Action:GM(B&A)</p>			
<p>ITEM NO. 5. PERFORMANCE REVIEW OF STATE LIFE INSURANCE CORPORATION OF PAKISTAN FOR THE YEAR 1996. ----- ED(P&GS/F&A) Memorandum dated February 23, 1997.</p>			
<p>16. The Chairman informed the Board that the performance</p>			

CHAIRMAN'S INITIALS


MINUTES OF 132ND MEETING OF BOARD OF DIRECTORS

HELD AT	ON	TIME
KARACHI	25th February, 1997	

review for the year 1996 as given in the memorandum was only provisional.

FIRST YEAR PREMIUM INCOME

17. During the year 1995, State Life Insurance Corporation of Pakistan achieved First Year Premium Income of Rs.1980.92 million, as compared to Rs. 1164.06 million of 1994. The number of Zones during 1995 increased from 10 to 24 and in addition three (3) Regional Offices were opened to monitor the decentralized operation of these Zones. During the year 1995, all-round emphasis was on rapid growth of First Year Premium Income, increase in number of Zones, Sectors and Area offices.

18. More or less the same strategy continued for the year 1996 and a target of Rs. 2.5 Billion of First Year Premium Income was planned. It was the First time the emphasis was given to achieve the very progressive persistency ratio of 90%. During the year under review four (4) new Zones and one Regional Office were added as under:

Sl. No.	Name of the Zone	Date of its Operation
1.	Islamabad Zone	31-3-1996
2.	Dera Ghazi Khan	31-3-1996
3.	Kohat Zone	31-3-1996
4.	Bahawalpur Zone	01-7-1996

Sl. No.	Name of the Region	Date of its Operation
1.	Multan Region	May 1996

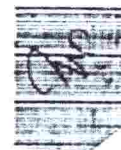
19. Till the end of November, 1996, the Corporation achieved First Year Premium Income of Rs. 1069.53 million with 2nd year Persistency 42.97%.

20. During the month of December, 1996, State Life achieved First Year Premium Income of Rs. 567.60 million as compared to Rs. 881.18 million of 1995; thus resulting in a deficit of 35.59%. On year to date basis, the achievement in terms of First Year Premium was Rs. 1637.13 million as compared to Rs. 1980.92 million of 1995 and thus there was a deficit of 17.36%.

2ND YEAR PERSISTENCY

21. As per Business Progress Report for the month of November, 1996, the Corporation had only achieved 42.97% 2nd year Persistency on year to date basis whereas during the month of December, the Corporation achieved 60.12% and thus year to date achievement was 50.60%. The Year to date comparison with 1995 reflected a deficit of 15.11% i.e. 50.60% as compared to 65.71% of 1995.

CHAIRMAN'S
INITIALS



MINUTES OF 132ND MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25th February, 1997	

RENEWAL PREMIUM INCOME

22. During the year 1996, the Corporation achieved Renewal Premium Income of Rs. 3668.32 million as compared to Rs.3503.86 million and thus registered an increase of 4.69%. Among all the 28 Zones, only four (4) Zones and one Region had shown deficit in Renewal Premium Income and those were :

Sl. No.	Name of Zone/Region	Deficit
1.	Karachi (S)	14.01%
2.	Sukkur	4.80%
3.	Rawalpindi	3.81%
4.	Gujranwala	1.83%
5.	South Region	2.92%

NUMBER OF POLICIES

23. During the year 1996, the Corporation secured 3,36,220 policies as compared to 4,39,510 policies and thus registered a deficit of 23.51%. The result in securing number of Policies had been quite poor.

SUM ASSURED

24. During 1996, the Corporation had underwritten the total sum assured of Rs.26713.16 million as compared to Rs.32181.80 million of 1995 and thus registered a deficit of 17%.

3RD YEAR AND OVERALL PERSISTENCY

25. The 3rd year and overall Renewal Persistency showed that during 1996, the total renewal premium income of the Corporation was Rs. 2665.85 million whereas the sum total of 2nd year plus renewal of 1995 was Rs. 3503.86 million and thus the ratio was 76.08.

RENEWAL PREMIUM TARGETS

26. For the year 1996, the Corporation planned a Renewal Premium Income of 90% and all the Zones and Regions had assured to achieve that target at all cost. The Corporation achieved total Renewal Premium Income of Rs.3668.32 million as compared to quota/target of Rs. 4709.23 million and thus achieved only 77.89% of the target. Although the accounts of the Corporation had not been finalized by then, the expense ratio of last five years i.e. from the 1991 to 1995 was given as under:

RENEWAL EXPENSE RATIO				
1991	1992	1993	1994	1995
21.8	22.5	26.1	27.5	30.23

27. As a result of rapid growth of First Year Premium, unplanned increase of number of Zones/Regions and recruitment/appointment of a large number of man-power, the Corporation had suffered heavily during 1996.

CHAIRMAN'S INITIALS

W.S.

MINUTES OF 132ND MEETING OF BOARD OF DIRECTORS

HELD AT	ON	TIME
KARACHI	25th February, 1997	

28. The Board was informed that the following corrective measures were being taken:

- i) Review and rationalise the number of Regions, Zones, Sub Zones, Sectors and Area Offices without affecting the service and efficiency of State Life.
- ii) Review and rationalise the staff strength of all the Zones/Regions and Divisions at Principal Office and to effect adjustments to cope with shortage or surplus staff.
- iii) Effectively address matters of policyholders' complaints, administrative and financial irregularities.
- iv) Devise ways and means to reduce administrative expenses at Zonal or Regional levels and also at the Principal Office.
- v) Planning of targets for the year 1997, in terms of First Year Premium, 2nd year persistency, renewal premium and number of policies.
- vi) Devise ways and means to ensure that Zones and Regions operate within reasonable expense ratio.

29. PRIORITIES FOR THE YEAR 1997


- i) To reduce the overall expense ratio of the Corporation.
- ii) To improve 2nd year and renewal persistency and fix a reasonable target for procurement of First Year Premium Income.
- iii) To arrange and undertake training courses for different levels of officers and staff.

30. The Chairman and ED(S&D) informed the Board that the business of the Corporation was uneven and that there was a great rush of business at the year end specially on 31st December. The rush upset all mechanism of the Corporation.

31. Joint Secretary (Admn./Ins.) observed that business performance of State Life in 1996 was not bad as the growth during 1995 was abnormal. He proposed that the report be redrafted and that monthly break down of First Year Premium and number of policies for the last ten years be put up for the information of the Board. The Chairman directed that a full review of performance of the Corporation for 1996 be presented to the Board at the next meeting along with the monthly break up as proposed by Joint Secretary (Admn./Ins.). Accordingly, it was resolved as under:

CHAIRMAN'S
INITIALS

MINUTES OF 132ND MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME																
MINUTE BOOK	KARACHI	25th February, 1997																	
RESOLVED																			
<p>"that the Annual Report for 1996 be redrafted and that monthly break down of First Year Premium and number of policies for the last ten years be put up for the information of the Board."</p>																			
<p>"FURTHER RESOLVED that a full review of performance of the Corporation for 1996 be presented to the Board at the next meeting of the Board."</p>																			
<p style="text-align: center;">Action:GM(B&A)/GM(SYS/HRD)/DGM(S&D)</p>																			
<p>ITEM NO. 6. PLACEMENT OF FUNDS WITH M/S DAWOOD LEASING CO. LTD.</p>																			
<p style="text-align: center;">----- ED(INV.) Memorandum dated February 20, 1997.</p>																			
<p>32. The Board of Directors was informed that Dawood Leasing was sponsored by Dawood Group in 1994 with objective of providing lease finance facilities to industrial and commercial enterprises undertaking new projects and balancing, modernization, replacement (BMR) and expansion programme. The company was sponsored by Mr. Rafique Dawood, a graduate of Harvard Business School, USA along with other family members of Dawood family.</p>																			
<p>33. The other prominent equity partners in the company at the time of incorporation were:</p>																			
<table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 80%;">Samah Trading Company (UK) Ltd.</td> <td style="text-align: right;">12%</td> </tr> <tr> <td>State Life</td> <td style="text-align: right;">8%</td> </tr> <tr> <td>Crescent Investment Bank Ltd.</td> <td style="text-align: right;">4%</td> </tr> <tr> <td>Investment Corporation of Pakistan</td> <td style="text-align: right;">4%</td> </tr> <tr> <td>Al Faysal Investment Bank</td> <td style="text-align: right;">4%</td> </tr> <tr> <td>Fidelity Investment Bank Ltd.</td> <td style="text-align: right;">2%</td> </tr> <tr> <td>Saudi Pak Industrial & Agricultural Inv. Co.</td> <td style="text-align: right;">2%</td> </tr> <tr> <td>Financial Link Modaraba</td> <td style="text-align: right;">2%</td> </tr> </tbody> </table>				Samah Trading Company (UK) Ltd.	12%	State Life	8%	Crescent Investment Bank Ltd.	4%	Investment Corporation of Pakistan	4%	Al Faysal Investment Bank	4%	Fidelity Investment Bank Ltd.	2%	Saudi Pak Industrial & Agricultural Inv. Co.	2%	Financial Link Modaraba	2%
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<p>34. This issue was underwritten by Al Faysal Bank Ltd., Saudi Pak Investment Company Ltd. with other financial Institutions.</p>																			
<p>FINANCIAL</p>																			
<p>35. The company with one of the largest initial paid up capital of Rs.250 million in the leasing industry had recently announced its results for the year ending December 31, 1996 and had reported a net after tax income of Rs.24.751 million showing an increase of 17.5% over the corresponding period of last year and the Earning per share (EPS) had improved to Rs.0.99 in the half year December, 1996 as compared to Rs.0.84 reported in the corresponding period of last year. Though the company had also improved its operating margin from 82.9% to 85.98% in the year ended December 31, 1996, the net profit margins had declined from 51.5% to 41.32% respectively, in the half year period ending December 31, 1996. The reason for decline in net profit</p>																			
			<p style="text-align: center;">CHAIRMAN'S INITIALS</p> <div style="border: 1px solid black; padding: 5px; text-align: center;">  </div>																

MINUTES OF 132ND MEETING OF BOARD OF DIRECTORS

HELD AT	ON	TIME
KARACHI	25th February, 1997	
<p>margins was increase in financial expenses which had also created some pressure on Times Interest Earned Ratio showing decline from 3.08 to 2.13. However, it was more than sufficient to pay off their liabilities. According to the half yearly report the company had satisfactory level of current ratio at 1.1:1 and Debt/Equity ratio 45:55 (Total Debt : Total Equity). The company had also made provisioning for potential lease losses to the extent of Rs. 9.2 million in the half year to December 31, 1996 as compared to Rs. 2.5 million made in the previous corresponding period.</p> <p><u>FACILITY ALREADY PROVIDED</u></p> <p>36. State Life had already provided a fund facility of Rs.100 million to M/s Dawood Leasing Ltd. through the mechanism of private Term Finance Certificates (TFCs). These funds were disbursed in two equal tranches of Rs.50 million each on 07-06-1995 and 03-09-1995 respectively. The rate of return being received by the State Life on these TFCs of three (3) years maturity was 17.50% p.a.</p> <p>37. At present, the Corporation holds 16.85% equity of Dawood Leasing Company (DLC) and the total outstanding amount on the two tranches of private TFCs as on 2.2.1997 was Rs.77,441,289 out of which Rs.64,167,775 was principal and Rs.13,273,514 was interest. The company had not defaulted or delayed any repayment falling due as of date.</p> <p><u>PROPOSAL</u></p> <p>38. The company had requested for funding of another Rs.150 million on similar pattern as previously provided with a draw down in 3 or 4 tranches of equivalent amounts with three (3) months intervals. Presently State Life has invested in only three TFCs i.e. M/s. Dawood Leasing and M/s Bhanero Textile and public TFCs issued by M/s ICI.</p> <p>39. It was felt that acceding to the request of M/s. Dawood Leasing Company for another funding facility of Rs.150 million would increase the exposure of the Corporation disproportionately on a single leasing company. It was recommended that while State Life replenish the amount paid back by Dawood Leasing under the existing TFC facility, it may ensure that further exposure is taken after thorough deliberation, i.e. State Life could provide the financing facility to Dawood Leasing for Rs.25 million against the private TFCs for three (3) years @ 20% p.a. The funding provided would be secured through pari passu charge on assets and receiveables of existing leases of the company of 150% of funding provided as was done in the past.</p> <p>40. The Board was informed that the Executive Committee of the State Life in its 222nd meeting held on 18th February, 1997 had agreed to recommend the proposal to the Board of Directors for approval.</p> <p>41. After detailed discussion, the Board of Directors approved to invest Rs. 25 million in TFCs of M/s. Dawood Leasing Company Ltd. On the suggestion of Mr. M. Amjad Virk,</p>		

CHAIRMAN'S
INITIALS

MINUTES OF 132ND MEETING OF BOARD OF DIRECTORS

DIRECTORS MINUTE BOOK	HELD AT	ON	TIME
	KARACHI	25th February, 1997	

it was agreed that exposure in this case as in other portfolios, may be kept within reasonable limits. Accordingly, it was resolved as under:

RESOLVED

"that State Life may invest Rs. 25 million in TFCs of M/s. Dawood Leasing Company Ltd."

"FURTHER RESOLVED that exposure in this case as in other portfolios, may be kept within reasonable limits."

Action: DGM(Inv)

ITEM NO. 7. STATE LIFE TOWERS PROJECT KARACHI. CLAIM LODGED BY THE CHINESE CONTRACTOR AS A CONSEQUENCE TO THE TERMINATION OF CONTRACT.

ED(RE) Memorandum dated February 19, 1997.

42. The Board of Directors was informed that the tenders for the captioned project were invited from pre-qualified international contractors on 20-11-1995 and were opened on 31st January, 1996. Among the bidders M/s. China National Complete Plant was the lowest bidder at Rs.1463.259 million for Civil and Public Health Engineering Works (excluding electrical, airconditioning and lifts), the work was awarded to M/s. China National Complete Plant. An agreement was signed on 02-4-1996 in compliance with the decision of the 128th Board Meeting held on 10-3-1996 (Item No.3).

43. The work was stopped on 20-05-1996, on verbal orders received from the Ministry of Commerce, reportedly on the direction of CDWP which wanted to see different aspects of the Project including the cost estimates. The Cantonment Board had also earlier raised an objection on non submission of final approval of drawings. A letter dated 20-5-1996 was issued to the contractor for stoppage of work and copy was endorsed to the Ministry of Commerce in confirmation. The project has remained held up since 20-5-1996.

44. As per contract agreement with the contractor, the maximum suspension period was 84 days, on expiry of which the contractor had the option for termination of this contract. The contractor opted for termination w.e.f. 02-9-1996. Consequently, the contractor lodged his claim with the consultant amounting to Rs.173.843 million (Rs.104.762 million plus US\$ 1.727 million) on 25-9-1996 alongwith a letter from Chinese Consulate General in Karachi asking to settle the claim amicably. The consultants M/s PEPAC held a series of meetings with the contractor for clarification, verification and assessment of their claim and after detailed scrutiny of the claim, M/s PEPAC submitted their report vide letter No. S-336/PE(CA)/4560 dated 06-02-1997 to State Life, recommending therein an amount of Rs. 57.476 million in full and final settlement of the contractors' claim.

CHAIRMAN'S
INITIALS



MINUTES OF 132ND MEETING OF BOARD OF DIRECTORS

	HELD AT	ON	TIME	
	KARACHI	25th February, 1997		
	<p>45. A Committee comprising Engineers and Accountants of State Life held detailed meetings with the consultant M/s. PEPAC, in order to discuss the basis of working of the recommendations by the consultant and to examine the supporting documents regarding eleven items of the claim. During review process by the Committee, M/s PEPAC confirmed the validity, authenticity and legitimacy of the documents, to the extent of the amount of claim recommended for acceptance, pertaining to financial transactions, payments made by the contractors, etc. which were submitted by the contractors in Chinese language alongwith the certification of English translation by the Chinese Consulate in Karachi. The Committee held detailed discussions with the consultant on each and every item of the claim as worked out by the consultant. The Committee agreed with the working of the Consultant, especially, keeping in view the contract clause 69.3 which entitled the contractor to claim consequential damages including loss of profit from the Employer, in addition to the amount that was recommended by the consultants M/s PEPAC.</p> <p>46. A meeting was held on 12-02-1997 with the consultant in the office of the Chairman State Life. The meeting was attended by Mr. Muizuddin Ahmed, Chairman, Mr. Zafar Mahmoud, Executive Director (Real Estate), Mr. Abdul Majid Khan, GM(RE), Mr. Mohammad Latif, GM(B&A), Mr. Syed Manzar Hussain, AGM(Civil) and Mr. Manzoor Ahmed, AGM(B&A) from State Life side, and Mr. Sajid Nomani, DMD(PEPAC) along with Mr. Hasan Abedi and Mr. Babar. In this meeting DMD (PEPAC) clarified item-wise working of the recommendations and said that the entire issue should be looked into as a package deal and that M/s. PEPAC had tried their level best to consider the actual loss incurred by the contractors. Since the contract was terminated by the contractors as per provisions of the Contract Agreement and for reasons beyond their control, the contractors faced losses on that account and were entitled to compensation of their genuine losses. DMD (PEPAC) also indicated that the Chinese Embassy in Pakistan, on various occasions, had also shown its concern over the issue. PEPAC had, therefore, tried its level best to consider actual loss to the contractors and had rejected claims which were unsubstantiated or were considered as doubtful. He further confirmed that the contractors had the right to claim consequential damages including loss of profit from the Employer as per terms and conditions of the Contract Agreement. He was of the view that in case of non-settlement of the claim at that stage, the contractors would seek arbitration, and in all probability, would add loss of profit and consequential damages/losses to his claims, as provided in the contract, which they had not done so far. In such an event, the possibility of payment of a higher amount through an arbitration award could not be ruled out.</p> <p>47. The Chairman directed that another meeting should be held by the Consultants and the Engineers and Accountants of the Corporation with the contractors in order to see if further reduction in the Chinese claim could be effected. Accordingly a meeting was held on 13-02-1997 with the contractors by a joint team comprising M/s PEPAC and State</p>			

CHAIRMAN'S INITIALS

MINUTES OF 132ND MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25th February, 1997	

Life's Engineers to negotiate each and every item of the claim, as a result of which the team succeeded in convincing the contractors to accept an amount of Rs.55.00 million in full and final settlement of their claim as against their originally lodged claim of Rs. 173.843 million. Accordingly, the contractors had submitted a letter of acceptance of Rs.55.00 million in full and final settlement of their claim against State Life, confirming therein that after the settlement there would be no claim of whatsoever nature by them or by their sub-contractors against State Life, provided payment was made by State Life before the end of February 1997.

48. The Chairman apprised the Board of the position as stated above. At this point Mr. A. Majid Khan, GM(RE) was invited to the meeting. In reply to a question by Mr. Amjad Virk, Mr. A. Majid Khan informed that it was the first case of cancellation of a major contract, although smaller claims on changes in contracts with different parties on various projects of State Life were often settled through negotiations.

49. The Board was informed that the above matter was earlier placed before the Executive Committee. The Executive Committee at its 222nd meeting held on 18-02-1997 had considered the issue and had recommended that the Board may approve the settlement of claim in terms of the amount and conditions as stated in the foregoing paragraphs.

50. Mr. M. Amjad Virk appreciated the efforts made by the Corporation in reducing the claim of Chinese Contractors from Rs. 173.843 million to Rs. 55.00 million and paid compliments to the management of State Life and the consultants for the very good deal obtained by them. His feelings were endorsed by Mr. Mehmood Ali Bhatti, Director from the private sector.

51. After detailed discussion, the Board unanimously approved payment of Rs.55.00 million to M/s. China National Complete Plant in full and final settlement of their claim. Accordingly it was resolved:

RESOLVED

"that Rs.55.00 million be paid to M/s. China National Complete Plant in full and final settlement of their claim in terms of the letter given by the contractors in that regard."

Action:GM(B&A)/GM(RE)

ITEM NO. 8. ANY OTHER ITEM

MEDICAL FACILITIES AT A PLACE OTHER THAN THE PLACE OF POSTING.

ED(F&A) Memorandum dated February 25, 1997.

52. As the memorandum was meant for the consideration of

CHAIRMAN'S INITIALS

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MINUTES OF 132ND MEETING OF BOARD OF DIRECTORS

HELD AT	ON	TIME
KARACHI	25th February, 1997	

the Executive Committee, the same was not considered by the Board.

VOTE OF THANKS

53. In the end, the Chairman thanked the Directors, specially Mr. M. Amjad Virk and Mr. Mehmood Ali Bhatti for their most meaningful contribution to the decisions taken by the Board.

[Signature]
CHAIRMAN

CHAIRMAN'S INITIALS
