

MINUTES OF 139TH MEETING OF BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
NUTE BOOK	KARACHI	30th June, 1998	

The One hundred and thirty ninth (139th) meeting of the Board of Directors of State Life Insurance Corporation of Pakistan, was held on 30th June, 1998 at Karachi.

PRESENT

- | | |
|-----------------------------|--|
| 1) Sayed Muzafar Ali Shah | Chairman |
| 2) Mr. Mohammad Sulaiman | Acting Secretary(Commerce)/
Director |
| 3) Mr. Rasool Bakhsh Baloch | Executive Director |
| 4) Mr. Mohammad Latif | Executive Director |
| 5) Mr. J.M. Pereira | Executive Director |
| 6) Mr. M. Mazharuddin | General Manager(Actuarial) by
invitation. |
| 7) Mr. A. Q. Raashid | General Manager(HRDD) by
invitation. |
| 8) Mr. Akbar Ali Hussain | Secretary Board |

2. Mr. Abdul Rauf Malik, Executive Director, away on long leave.

3. The meeting commenced with recitation of verses from the Glorious Quran and its translation by Sayed Muzafar Ali Shah, Chairman.

4. The Chairman informed the Board that Mr. Akbar Ali Hussain, DGM, System Division, who is a Chartered Accountant, has also been assigned the additional job to look after the Board Secretariat in place of Mr. A.Q. Raashid, General Manager, transferred to HRDD.

Item 1. Confirmation of Minutes of 138th Meeting of the Board of Directors.

5. The Minutes of 138th meeting of Board of Directors held on 12th April, 1998 were placed before the Board. Mr. Rasool Bakhsh Baloch proposed and Mr. J.M. Pereira seconded that the same be confirmed. Accordingly it was resolved as under:

RESOLVED

6. "that the minutes of 138th meeting of Board of Directors held on 12th April, 1998 be and are hereby confirmed."

Item 2. Implementation/Compliance Reports on 138th Meeting of the Board of Directors.

7. Due to paucity of time, the item was deferred for consideration at the next Board Meeting.

Action: DGM(BS)

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Item 3. Latest and detailed Business Progress Reports with commentary - together with Complete Analysis, Targets to be indicated in addition to last years figures.

i) Individual Life Business

8. Mr. J.M. Pereira, ED(S&D), presented before the Board the review of individual life business upto June 23, 1998 and informed the Board that total individual life FYP was Rs.297.38 million as compared with Rs.327.21 million during the corresponding period of the preceding year, the deficit being 9.12% which is gradually reducing.

(Rs. in million)

	FYP upto 23-06-1998	FYP upto 23-06-1997	Variance (%age)
Southern Region	78.69	83.68	- 5.97
Central Region	102.25	104.58	- 2.23
Multan Region	42.45	51.32	- 17.28
Northern Region	73.99	87.63	- 15.57

9. ED(S&D) informed the Board that it is expected that the deficit would be wiped out by July 15, 1998 and the following steps are being taken for improving business in a financially and economically depressed climate with frequent closures in Karachi.

- Restructuring, rightsizing and merger of Regional Offices and Zones.
- Continued review of business performance of Area Managers/Sector Heads/Sub-Zonal Heads/Zonal Heads.
- Increase emphasis on business motivational meetings.
- Minimization of early surrenders/early death claims through better underwriting and quality recruitment of field force.

10. The Board desired that actual performance be closely monitored regularly and field force be motivated to achieve targets.

Action: ED(S&D)

ii) Group & Pension Business - Daily business statement 31-03-1998.

11. ED(G&P) presented before the Board review of performance of G&P business upto June 16, 1998. The Board was informed that on a year-to-date basis upto June 16, 1998, the group premium income was Rs.361.63 million as against

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Rs.371.47 million during the corresponding period of the preceding year indicating a small short fall of 2.56%. As against budgeted target for 1998 of Rs.1600 million, the achievement was 22.6% of its annual target and 80% of its up-to-date target.

12. The region-wise business figures upto June 16, 1998 are as follows:-

(Rs. in million)

	FYP upto 16-06-1998	FYP upto 16-06-1997	Variance (%age)
Southern Region	184.76	213.04	- 13.27
Northern Region	176.87	158.43	+ 11.64

13. In the Southern Region, Karachi Western Zone, Karachi Eastern Zone and Hyderabad Zone have registered an increase of 4.10%, 17.43% and 35.16% respectively over the corresponding period figures whereas Central Zone still shows a deficit of 36.06%. In the Northern Region, Corporate, Sialkot and Faisalabad Zones are showing positive results over last year, the increase being 146.36%, 31.74% and 0.16% respectively whereas Lahore and Rawalpindi Zones show a deficit of 10.63% and 9.24% respectively.

14. The ED(G&P) informed the Board that the following strategy would be adopted to catch up with the targeted figures:-

- ✓ a) Weekly review of all development executives by all Zonal Heads.
- b) Regular visits of ED(G&P) to every Zone to hold meetings with development executives.
- c) Revival of lapsed policies.
- d) Introduction of Health Insurance Schemes.
- e) Senior level changes. ✓

15. The Board desired that actual performance be closely monitored regularly and development executives be motivated to achieve targets. The Board desired that Mr. Samee-ul-Hasan, Consulting Actuary, should be consulted in pricing of various groups. The Board further instructed that profitability should not be sacrificed to secure business, however, performance of a particular group should be presented at the time of finalizing renewal of a policy and policyholder be requested that State Life being a commercial organization should be allowed a margin on its business. The Board also desired that in view of dwindling public sector more emphasis be laid on securing new private groups and on non traditional business and on health insurance/housing schemes.

Action: ED(G&P)

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iii) International Business

AGM(Int'l) Memorandum dated 06-04-1998

16. The item was deferred for consideration at the next Board meeting.

iv) Business Progress Report of Real Estate Division for the first half of 1998.

GM(RE) Report

17. GM(RE) presented before the Board the financial progress statement for the period January 1, 1998 to June 23, 1998. The Board was informed that the net income from Real Estate Division upto June 23, 1998 was Rs.59 million as against Rs.85 million for the corresponding period of the last year, depicting a decrease of 30.5% over last year. The gross income was Rs.130 million against a target of Rs.166 million and Rs.155 million for 1997. GM(RE) explained that gross income has declined because of the fact that credit has not been taken for some of the State Life offices where approval of the Board was asked for rationalization of rent for State Life offices in State Life buildings.

18. GM(RE) informed the Board the reasons for increase in administrative expenses, to which the Board expressed its displeasure and instructed GM(RE) that overtime expenses should be minimized and if possible done away with and shift duty be assigned to surplus staff. The Board instructed that warning/charge sheet be issued to employees who are absent without intimation. The Board also instructed that other administrative expenses relating to staff welfare should be re-classified and shown as part of salary and allowances.

19. GM(RE) also presented a statement of vacant space available on rent in various State Life buildings together with a statement of rented out office area during April to June 1998. Project information was presented in respect of State Life buildings under construction.

Action:GM(RE)

v) Investment Income.

GM(Inv.) Memorandum dated 06-04-1998

20. ED(Inv) presented before the Board review of investment portfolio as at May 31, 1998 together with comparative figure for 1997. The ED(Inv) informed the Board that the total portfolio of investment was estimated to be Rs.50.927 billion as of May 31, 1998 compared to Rs.48.43 billion on December 31, 1997 whereas its book value is Rs.50.9 billion. The total investment income for the year 1998 upto May 31, 1998 is estimated to be Rs.2.689 billion.

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21. ED(Inv) informed the Board that 74% of the total investment portfolio was in Government Securities. The Board was informed that existing SRO on encashment of special Government bonds was expiring on June 30, 1998 and that a new SRO is expected on July 1, 1998 when the rate of return on investment in special Government bonds would be reduced to 16%. The Board sought assistance from Mr. Mohammad Sulaiman, Acting Secretary, Ministry of Commerce, Government of Pakistan, to take up the matter with the Finance Ministry that the rate of return be maintained at 17.25% and not reduced and that the State Life be allowed to roll over its investment effective July 1, 1998.

22. ED(Inv) placed before the Board of Directors that State Life was holding 50,181,005 shares of KESC constituting 28.15% of its paid up capital, and though the Board of Directors in their 138th meeting held on April 12, 1998 had decided to gradually off load KESC shares, the decision could not be implemented because a letter dated May 16, 1998 was received from the Privatization Commission restraining public sector entities to sale their holdings in KESC until the process of its privatization is completed in all respects.

23. ✓ The Board desired that the letter of the Privatization Commission be put up to the Ministry of Commerce, Government of Pakistan, and instructions be taken. A study be carried out at State Life as to whether values of the shares have gone up or declined after privatization and whether shares have fetched better prices if decision to buy or sell is based on market forces. ✓

Action: ED(Inv)

Item 4. Revision in Pay and Allowances of Officers of State Life Insurance Corporation of Pakistan.

24. ED(P&GS) tabled before the Board memorandum on revision in pay and allowances of officers of State Life Insurance Corporation of Pakistan. After due deliberations, the Board desired that some additional information be put up before the Board in the next meeting to be held in the end of July 1998 and for that purpose, the committee comprising of ED(P&GS) as Convenor, ED(B&A) & DGM(B&A) as Members and DGM(P&GS) as its Secretary was requested to prepare a fresh memorandum. ✓

Action: ED(P&GS)

Item 5(i) Closing down of Regional Offices & to abolish the post of Regional Chiefs of Group Life.

25. ED(G&P) presented a memorandum that the Board in its 137th meeting held on February 5-6, 1998 had resolved as follows:-

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RESOLVED

26 ✓ "(a) that in the Group Life Business, the two Regions be and are hereby closed. The control would be exercised by the Divisional Head (G&P) at the Principal Office as was the case pre 1994. Karachi Eastern (Group) and Karachi Western (Group) Zones be and are hereby merged together to form one Zone. Karachi Central and Hyderabad Zones would continue to function as full-fledged Zones.

"(b) that Sialkot Zone is merged with original Lahore Zone. Likewise, Multan and Faisalabad Zones are merged together with headquarters at Faisalabad. Sialkot and Multan would continue to function as Sectors. Rawalpindi, Peshawar and Corporate Zones would continue to function as full-fledged Zones." ✓

27 In order to streamline the working of G&P Division and since the above decisions only involve restructuring and does not displace the existing staff who would be absorbed elsewhere and since the above decision will result in reduction of expenditure due to vacation of premises etc. and will enable placement of experienced Regional Chief in the Zones who were previously directly involved in business activities, and could result in enhancement of business premium, the Board decided to implement the above decision and accordingly it was resolved as under:

RESOLVED

28 ✓ "(a) that Regional Office (G&P) South and Regional Office (G&P) Office North be and are hereby closed and all zones with entire staff (officers/staff) will be directly controlled and managed by Group & Pension Division, Principal Office.

"(b) that Mr. Sardar Aminullah Khan, General Manager and Regional Chief (G&P) North be posted as General Manager (Co-ordination) with his Headquarters at Islamabad.

"(c) that Mr. M. Ilyas Mehdi Naqvi presently looking after Regional Office (G&P) South in addition to his present duties being the Zonal Head, Central Zone (G&P) be transferred and posted as Divisional Head (G&P) P.O., Karachi.

"(d) that Karachi Eastern (G&P) Zone be and is hereby merged into Karachi Western (G&P) Zone with immediate effect and shifted to Building No. 11-J, Maqboolabad, PECHS, Block-6, Karachi. The present Zonal Head Western Zone (G&P), Mr. M. Taufique Baig will continue as Zonal Head of the merged zone named as Western Zone.

"(e) that the present Zonal Head, Eastern Zone (G&P), Mr. Sultan Masood Naqi be transferred and posted as Zonal Head, Karachi Central Zone (G&P)." ✓

Action: ED (P&G S)

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Item 5(ii) Closing down of Regional Offices & to abolish the post of Regional Chief of Individual Life

29. ED(S&D) presented a memorandum that the Board in its 137th meeting held on February 5-6, 1998 had resolved:-

RESOLVED

30. (a) that the number of Regions be reduced from 4 to 3 that is Southern at Karachi, Central at Lahore and Northern at Islamabad and to abolish Multan Region.

(b) that Karachi Eastern and Karachi Central Zones be merged and named as Karachi Northern Zone.

(c) that Vehari Zone and D.G.Khan Zones be merged with the original Multan Zone.

(d) that Lahore Central and Lahore Western be merged and together to form the original Lahore Zone.

(e) ED(S&D) informed the Board that the entire set of recommendations based on above resolution was referred to Ministry of Commerce for clearance however before the clearance of the Ministry was obtained, due to steep decline in business in Vehari and Kohat Zones, these have been merged with their original parent Zones that is Multan and Peshawar respectively with simultaneous conversion of Vehari and Kohat Zones into Subzones.

(f) ED(S&D) presented that it is observed that the Regional Offices are manned by the experienced and professionally skilled officers of the Corporation both at the Regional Chief level and at the Departmental Heads level. On the other hand some junior, inexperienced and immature personnel were posted as Zonal Heads. Consequently, the experienced and professionally skilled executives working in Regional Offices have been found to be under utilized and the Corporation has not optimally benefited from their experience and skill.

(g) The Zones headed by less experienced Zonal Heads have also not done as well as expected and the negative impact of these measures has had a severe dampening affect on the sales of individual life business and on the renewal premium as well apart from an over-all increase in the management expenses and other administrative difficulties.

(h) ED(S&D) in order, therefore, to improve productivity and activate the less productive Zones, proposed that the decision of the Board of Directors with respect to the Regions be reviewed & amended as follows:

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✓ "All the individual life Regional Offices i.e. Southern, Multan, Central and Northern be abolished and the Regional Chiefs be posted as Zonal Heads in the larger/major Zones in the cities of Karachi, Lahore, Rawalpindi and Multan with the title of Senior Zonal Head.

"The implementation of resolutions on items 5(i) and 5(ii) will be effected after confirmation of the minutes in the next meeting."

Action: ED (P&GS)

Item 6. Re-engineering & re-structuring of employees of Principal Office and Real Estate Division.

31. The Chairman who is also holding the portfolio of ED(RED) and ED(P&GS) presented before the Board the recommendation of the committee set up to examine the surplus officers/staff of Real Estate Division and Principal Office respectively.

32. ✓ After considering the proposals submitted by ED(P&GS), the Board approved the same with minor modification and authorized the Chairman to send the recommendation to the Ministry of Commerce for early clearance. The Board decided that technical hands and professionals fully or partly qualified though newly appointed would be retained while finalizing the list of surplus staff.

33. The Board noted with concern that the number of employees in Real Estate Division had gone up from 242 in 1993 to 446 in 1995, thus creating a surplus of 204. The Board took serious note of indiscipline and absence from duty and instructed GM(RE) to take notice of it and issue warning and charge sheet for wilfull disobedience and misconduct and arrange for termination of such employees.

Action: ED(P&GS)

Item 7. Appointment of Chairman and a Trustee of State Life Insurance Corporation of Pakistan Employees' Pension Fund.

ED(B&A) Memorandum dated 17-06-1998.

34. The Chairman informed that due to transfer of Mr. Zafar Mahmoud, Former Executive Director and Chairman State Life Insurance Corporation of Pakistan Employees' Pension Fund, a vacancy has occurred in the Board of Trustees of the Fund, as such it was proposed that Mr. Mohammad Latif, Executive Director, who is presently a Trustee be appointed as

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Chairman of State Life Insurance Corporation of Pakistan Employees's Pension Fund in place of Mr. Zafar Mahmoud. It was further proposed that Mr. Sohail Hashmi, DGM(B&A)PO, be appointed as Trustee of State Life Insurance Corporation of Pakistan Employees's Pension Fund to fill in the vacancy so created. The Board approved the same and accordingly it was resolved as under:

RESOLVED

35. "(a) that Mr. Mohammad Latif, Executive Director, presently a Trustee be and is hereby appointed as the Chairman of State Life Insurance Corporation of Pakistan Employees's Pension Fund and

"(b) that Mr. Sohail Hashmi, DGM(B&A)PO, be and is hereby appointed as Trustee of State Life Insurance Corporation of Pakistan Employees's Pension Fund to fill in the vacancy so created."

Action: DGM(B&A)

Item 8. Appointment of Administrator of State Life Insurance Corporation of Pakistan Employees' Contributory Provident Fund.

ED(B&A) Memorandum dated 17-06-1998

36. Mr. Mohammad Latif, ED(B&A), proposed that Mr. Sohail Hashmi, DGM(B&A), be appointed as Administrator of State Life Insurance Corporation of Pakistan Employees' Contributory Provident Fund to fill in the vacancy created due to retirement of Mr. Usuf Bhai, GM(PHS). The Board approved the above proposal and it was resolved as under:

RESOLVED

37. "that Mr. Sohail Hashmi, DGM(B&A), be and is hereby appointed as Administrator of State Life Insurance Corporation of Pakistan Employees' Contributory Provident Fund to fill in the vacancy created due to retirement of Mr. Usuf Bhai, GM(PHS)."

Action: ED(B&A)

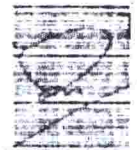
Item 9. Renting out of State Life Bungalows/Guest Houses.

GM(RE) Memorandum dated 22-06-1998

38. GM(RE) presented before the Board a memorandum indicating therein that terms and conditions of renting approved by the Board in their 138th meeting held on April 12, 1998 were too strict for commercial offices while schools were also reluctant to accept the same.

39. After discussions, the Board agreed to relax the rent by 25% only for commercial offices, however, there would be no relaxation for educational institutions. Real Estate

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functional committee alongwith GM(RE) was authorized to negotiate the rent and terms and condition with the prospective tenants and within a band fixed by the Board and submit their recommendation to the ED(RE) for approval.

40. ✓ The Board also instructed that assistance be taken from legal firm of M/s. Orr Dignam in drafting of agreements to make it foolproof and so that problems faced in the past are taken care of. New agreements entered into should also arrange that a confirmatory clause is inserted whereby the tenant confirms that he would not go to the court and that he would vacate the premises on receiving notice thereof. The agreement should also take care of increase in rent on expiry of the lease period. ✓

Action: GM(RE)

Item 10. Implementation of National Agenda announced by the Prime Minister - Disposal of State Assets.

GM(RE) Memorandum dated 22-06-1998

41. GM(RE) informed the Board that a letter has been received from Syed Sarfaraz, Section Officer, Ministry of Commerce, Government of Pakistan, on June 13, 1998 instructing all heads of the Corporation to take immediate necessary action for the disposal of the state land/assets owned by them through transparent mechanism in the light of national agenda of the Prime Minister and send implementation report to the Ministry.

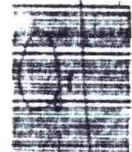
42. ✓ The Board felt that Real Estate is one of the prime businesses of the Life Insurance Companies in the world. Real Estate are the assets of the policyholders of State Life and not of the shareholders as such in its opinion the above instructions do not apply to State Life. Action: GM(RE). ✓

Item 11. Departmental Appeals of Area Managers.

ED(P&GS) Memorandum dated 23-06-1998

43. ED(P&GS) presented before the Board departmental appeals received from M/ Rao Aslam(2661), Mian Noorul Hassan (2601), M. Rafiq Shaheen (2620), Muzafar Hssain(2610), Iqbal Cheema (699), M. Aslam Nadeem (686), Masood Iqbal (689), Zafar Ali Javed (2616), Abdul Hafeez Zia (2622), Farooq Azam (683), Maqsood Ahmed (692), Khaliq Farooq (691), Abdul Qayyum (2614), Ashfaq Nadeem (2609), Afzal Mehmood (693), Muhammad Ishaque (2617), Jamil Anwar (2612), all Area Managers (under accelerated promotion scheme) Vehari Zone were demoted as Sales Manager by Sales & Development Division, P.O., vide Zonal Head letter No. ZHS/LOC-98, dated January 21, 1998 on the grounds that they got appointment as Area Managers through fraudulent means by manipulating business figures and having illegal credit of the business which was not procured either by them or by their agencies.

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44. Being aggrieved by and dissatisfied with the decision of S&D Division on the grounds that they were not issued show cause notices, they filed writ petition number 1359/98 to 1375/98 in the Lahore High Court Multan Bench which dismissed their appeals for want of jurisdiction due to insertion of article 2(a) in the Service Tribunal Act 1973.

✓45. The Board constituted a Standing Committee which would consist of the Chairman, ED(B&A) and ED(S&D) to consider the appeals that would be received within the time allowed under the terms of regulation 33(3)(C) and submit its recommendation to the Board for approval.

Action: ED(B&A).

Item 12. Budget Review of the Corporation as of 31st May 1998.

46. ED(B&A) presented before the Board the figures regarding approved budget, allocated budget and expenditure for five months period, upto May 1998, in comparison with prorata budget allocated for the said period for review and guidance if any.

47. ED(B&A) informed the Board that the actual expenditure under the heading of payment to policyholders was Rs.1,148.537 million against pro-rata allocated budget amounting to Rs.1,889.082 million, thus a saving of Rs.740.456 million was generated upto May 1998 which is 39.2% of the pro-rata allocated budget and 46.4% of the prorata approved budget. This was because of close supervision and monitoring of cash policy surrenders.

48. ED(B&A) further informed that actual expenses of payment to field force for the first five months of 1998 was Rs.258.386 million against pro-rata approved budget of Rs.844.617 million, thus resulting in saving of Rs.586.231 million which is 69.4%, however, payment on this account correlates with premium income.

49. ED(B&A) explained that as a result of strict control on administrative expenses, the amount of expenditure incurred under this head was Rs.542.836 million against pro-rata allocated budget of Rs.666.042 million resulting in a saving of Rs.123.206 million which is 18.5%. The saving would go up to 29.7% if compared with approved budget.

50. ED(B&A) further explained that efforts will continue to be made in the coming months as well to effect austerity and economy in the Corporation.

51. The Board expressed its satisfaction and hoped that efforts would continue to control expenses in future also.

Action: ED(B&A)

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Item 13. Proposal from Mr. Akbar Khan, a Malaysian Investor, pertaining to development of a major Finance and Trade Centre in Karachi on land belonging to State Life.

ED(Inv) Memorandum dated 23-6-1998

52. ED(Inv) informed the Board that State Life Insurance Corporation of Pakistan owns among others three plots of land adjacent to Finance and Trade Centre in Karachi which are as follows:

(i) Plot No.3, Survey No.183/1, Abbasi Shaheed Road, Karachi, admeasuring 4600 sq.yds., whose book value is Rs.29.54 million and estimate market value is Rs.208 million.

(ii) Plot No.4, Survey No.183/1, Abbasi Shaheed Road, Karachi, admeasuring 4868 sq.yds., whose book value is Rs.44.72 million and estimate market value is Rs.267 million and

(iii) Plot No.5, Survey No.183/1, Abbasi Shaheed Road, Karachi, admeasuring 4011 sq.yds., whose book value is Rs.33.81 million and estimate market value is Rs.220 million.

53. ED(Inv) further informed the Board that in December 1997, State Life received a reference from the Ministry of Commerce through its letter No.6(25)/Ins.I, dated December 12, 1997 enclosing a proposal from Mr. Akbar Khan, an ethnic Pakistani, now residing and carrying on business in Malaysia, regarding the possibility of development of a major business/trade centre in Karachi as a joint venture with State Life on land belonging to State Life.

54. ED(Inv) also informed the Board that a meeting was arranged with Mr. Khurshid Hadi of First Leasing Corporation on April 17, 1998 to consider a joint venture building project on one or two of the above plots where State Life has already construction drawings duly approved by Cantonment Board however Mr. Akbar Khan, the Malaysian investor, had a preference for outright purchase of the plots with an option to be kept with State Life as a joint venture partner.

55. The above matter was discussed by the Board and it was decided that sealed bids be called for appraisal of market value of the above plots. State Life could look into a joint venture proposal wherein State Life would be given an equity share to be paid for in local currency. The joint venture could take over the above plots at an agreed price with State Life for which 50% of the value would be paid for by the Malaysian Investor in foreign currency and the remainder 50% be paid for in local currency.

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<p>56. The Board felt that the Ministry could accept the above proposal since the above venture would bring in foreign exchange out of the sale of the plot and would create jobs to the local people.</p> <p style="text-align: right;">Action:ED(Inv)</p>			
<p>Item 14. Financial Impact of Economy and Austerity measures approved by the Executive Committee and already adopted and consideration of any other steps in this regard.</p> <p>-----</p>			
<p>57. ED(B&A) presented before the Board a memorandum highlighting the Financial Impact of Economy and Austerity measures approved by the Executive Committee and already adopted by State Life in response to the call of the Prime Minister in this regard for conservation of resources increase in productivity and improvement in economic strength of the Corporation. The financial impact arising from reduction in expenses on a yearly basis would amount to Rs.52.26 million which is almost 10% of the expenses of the Corporation other than salaries, allowances and other fixed expenses. This also includes an amount of Rs.4 million which would be earned annually by the Corporation out of surrendering and renting out of Chairman Camp Office at Islamabad, Chairman official residence at 70-A, Lalazar, Karachi, renting of 8th floor of State Life Building No.2, Karachi and vacating/renting out the present office premises of the Regional Chief(South), Karachi.</p>			
<p>58. The Board appreciated the above austerity measures adopted by State Life and hoped that additional steps wherever possible would be taken to curtail expenditure.</p> <p style="text-align: right;">Action:ED(B&A)</p>			
<p>Item 15. Rationalization of rent for State Life offices in State Life buildings.</p> <p>-----</p>			
<p>GM(RE) Memorandum dated 22-05-1998.</p>			
<p>59. GM(RE) presented before the Board the recommendations of the Real Estate Functional Committee which suggested uniform rates of rents to be charged for Life and Group offices of State Life. The rates were arrived at after keeping in view the following factors.</p>			
<p>a) Average commercial rent of the premises based on survey of rentals in the adjacent buildings of equal status and rents being received by the Corporation in the same building.</p>			
<p>b) A rebate of 25% has been considered for fixing rent of State Life offices.</p>			
<p>c) The rates will be subject to 10% increase every year.</p>			

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60. After discussions, the Board approved the revised rates of rents suggested for Life and Group offices of State Life with the modification that the rebate should be 40% for the first year which shall be reduced to 30% in second year and 20% in the third year.

Action: GM (RE)

Item 16. Proposal for sale/transfer of State Life property to Bureau of Immigration, Government of Pakistan.

GM(RE) Memorandum dated 28-05-1998.

61. GM(RE) presented before the Board that the Bureau of Immigration, Government of Pakistan through its Joint Secretary, Lahore, in the Ministry of Labour, has been in touch with the Corporation for transfer/purchase of one property from State Life at Shahrah-e-Faisal to Bureau of Immigration, the sale price of which was to be adjusted against an amount of Rs.327 million lying with State Life as unpaid/unadjusted portion of profit commission payable to the Bureau.

62. Three properties of State Life located at Shahrah-e-Faisal given below are under consideration:

(Rs.in million)

Property	Sq.yds.	Covered Area	Valuation
State Life Guest House, 11-J, PECHS, Karachi	1000	6000 sq.ft.	15
Building & Plot No.7 & 8, Maqboolabad, Shahrah-e-Faisal, Karachi.	1800	-----	150
Building and Plot bearing survey No.11 & 11-A, Maqboolabad, Shahrah-e-Faisal, Karachi.	1100	4500 sq.ft.	50

63. GM(RE) informed the Board that the valuation of the above property was carried out in October 1997 however the Board at its 136th meeting held on April 12, 1998 though has decided to dispose of some properties it felt that this is not an appropriate time to sale properties and that it would decide the modus operandi and time and procedures.

64. The Board decided that a Committee be formed comprising

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of ED(G&P), ED(Inv) and GM(RE) who would negotiate with the Bureau of Immigration and put up its recommendation to the Board for approval after finalization of the sale price. The Board suggested sale price to be Rs.20 million, Rs.175 million and Rs.90 million respectively for each of the above property to be sold collectively. ✓ *Action. GM(RE)*

Item 17. Selection and appointment of Consultant for Re-writing of Systems, Computerization of all functions of State Life, Replacement of existing hardware, Inter-connectivity and Removal of year 2000 Millennium Bug.

65. ED(CD) presented before the Board the details of quotations received from short listed prequalified firms for corporate software development with suggestions for requisite hardware and communication equipment and for solution of millennium year 2000 problem.

66. ED(CD) informed the Board that for rectification of millennium problem all vendors assume responsibility for code correction only, while data conversion a major requirement is made the responsibility of the State Life team, which is almost two third of the job entailing program writing and data file creation in revised data format.

67. ED(CD) informed that the cost quoted for solution to the millennium problem was as follows:

- | | |
|------------|---------------------------------|
| 1) CreSoft | Rs.30.00 per line of COBOL code |
| 2) IBM | Rs.15.00 per line of COBOL code |
| 3) PRAL | Rs.14.00 per line of COBOL code |
| 4) ICL | Rs.08.00 per line of COBOL code |

68. The Board felt that though ICL prices are the lowest, yet they seem to lack expertise to handle State Life volume of work whereas IBM leads the field in hardware however its performance in software related work is suspect. CreSoft has the desired expertise but the rate quoted is very high as compared to PRAL which also has the expertise to do the work of removal of millennium bug.

69. ✓ After discussions, the Board approved the award of work of removal of the millennium bug to PRAL after negotiations to bring its rate downward to the minimum possible extent without sacrificing quality of work. The total work involved is expected to be around 500000 lines of COBOL code.

70. ED(CD) informed that as regards software development project CreSoft has quoted Rs.226,928 as cost of study to be carried out by them before they submit a quotation whereas ICL and IBM have quoted Rs.550,000 and Rs.1 million for similar studies. However, IBM and ICL have given a tentative quotation of Rs.8,241,648 and Rs.10,740,000 respectively for the project whereas PRAL has quote Rs.76,557,545.

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✓ 71. After consideration, the Board decided that CreSoft and PRAL be assigned the work to carry out a study of the systems and business of State Life within one month for which a fee of Rs.200,000 would be paid to each of them and they would be asked to submit their quotations along with a presentation to the Board of Directors on or about end July/early August, 1998.

Action: ED(CD)

Item 18. Selection and appointment of Consultant for ISO 9000 Certification of State Life.

72. ED(Sys) presented before the Board for approval of the following points regarding appointment of a Consultant for performance of the jobs necessary to be carried out for obtaining certification under ISO 9000.

- a) Criteria for evaluation of technical bids
- b) Names of the firms short listed by the State Life Technical Committee.
- c) Scope of the work to be done by the ISO 9000 Consultant
- d) Appointment of management consultant for better coordination with ISO 9000 consultant and concerned officers/committee members of the Corporation.

✓ 73. Appointment of a Management Consultant as proposed was agreed in principle. However, Director/Acting Secretary Commerce, Mr. Mohammad Sulaiman, stated that he would request the Joint Advisor, Ministry of Science and Technology to send a Consultant from the Ministry having experience in ISO 9000 to State Life, Karachi, to assist the Technical Committee of State Life in laying down a effective criteria for evaluation of technical bids, and for finalization of scope of work of the ISO 9000 consultant and short listing of the consultants. The Consultant from the Ministry will be paid TA/DA expenses by State Life for his visit to Karachi.

✓ Action: ED(Sys)

Item 19. Ratification of the Memorandum to the Board of Directors of ED(S&D) regarding review of performance of Area Managers and approval of recommendations thereon - Submitted for approval by circulation.

ED(S&D) Memorandum dated 08-05-1998

74. The Secretary Board presented before the Board for ratification the memorandum of ED(S&D) regarding review of performance of Area Managers and approval of recommendations thereon which was approved by the Board through circulation.

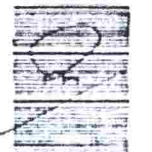
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<p>75. The Board listened to the representatives of the Area Managers that is Mr. M.A. Amjad, Mr. Dilawar Hussain Bhatti and Mr. Sohrab Qaisar who requested the Board to reconsider the decision of the Board to terminate non performing Area Managers. The representatives also requested the Board to sympathetically consider the case of Area Managers effected under accelerated scheme. The representatives explained that the Area Managers against whom action was taken should have been forewarned as no such action was taken in the past.</p> <p>76. Mr. Mohammad Sulaiman, Acting Secretary, Ministry of Commerce, Government of Pakistan, explained that the interest of State Life should be kept in mind by its employees who earn bread and butter from the Corporation and since it was a commercial organization one has to be competitive and produce result.</p> <p>77. After discussions, the Board ratified the approval of the above memorandum with a suggestion that performance of the Area Managers for the years 1994, 1996 and 1997 be taken into consideration at the time of decision making, in case of Area Managers promoted under regular scheme, however, no leverage would be given to Area Managers promoted under accelerated scheme. The review of performance should also take medical grounds and if any person is incapacitated into consideration, however, all aggrieved Area Managers will have to appeal within the prescribed period. Action: ED(S&D)</p> <p>Item 20. Ratification of the Memorandum of ED(Law) regarding approval of grant of General Power of Attorney to the Chairman and Executive Directors from the date of assumption of their charges and its execution by any two Directors of State Life under common seal of the Corporation - Submitted for approval by circulation.</p> <p>----- ED(Law). Memorandum dated 21-05-1998.</p> <p>78. The Board Secretary presented before the Board the above memorandum for ratification which has earlier been passed by the Board by circulation.</p> <p>79. Mr. Mohammad Sulaiman, Acting Secretary, Ministry of Commerce, Government of Pakistan, suggested that an all encompassing power of attorney be issued to the Chairman whereas the Executive Directors should be issued power of attorney based on functions allocated to them. In case of change of portfolios of Executive Directors the power of attorney could be amended accordingly. Another alternate could be that the powers of the Chairman and the Executive Directors could be incorporated in the State Life Insurance Corporation(General) Regulations 1972.</p> <p>80. After consideration the Board ratified the resolution</p>			

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for grant of general power of attorney to the Chairman and the Executive Directors from the date of assumption of office and for execution of power of attorney and affixation of common seal thereon, which was earlier passed by way of circulation. ✓ The Board also desired of the Law Division of State Life to make necessary arrangement for incorporation of powers of the Chairman and Executive Directors in State Life Insurance Corporation (General) Regulations 1972.

✓ Action: ED (Law)

Item 21. Ratification of Leave Preparatory to Retirement of Mr. A.Q. Raashid, General Manager (HRDD).

ED(P&GS) Memorandum dated 23-6-1998

81. ED(P&GS) was informed that the Board in his 136th meeting in order to control expenses had decided to make LPR compulsory. However, due to exigencies of business the Executive Committee in its 237th meeting held on June 4, 1998 had decided to cancel the LPR facility of Mr. A.Q. Raashid, General Manager (HRDD) and resolved that he may be allowed to perform his duties till the date of his retirement and in lieu of LPR he may be allowed encashment of 180 days leave as a very special case. ED(P&GS) requested the Board to ratify the decision of the Executive Committee in the case of Mr. A.Q. Raashid.

82. The Board ratified the decision of the Executive Committee and accordingly it was resolved as under:

RESOLVED

83. "that the cancellation of LPR facility of Mr. A.Q. Raashid, GM (HRDD), due to exigencies of business and permission to encash 180 days leave in lieu of LPR earlier approved by the Executive Committee be and is hereby ratified."

Action: ED(P&GS)

Item 22. Revision of Delegation of Financial Powers to various Officers and Authorities of the Corporation.

84. ED(B&A) presented before the Board the proposed revision of existing guidelines and chart of delegation of financial powers of various officers and authorities of the Corporation which was necessitated to consolidate issuance/ updating of various circulars by the concerned Divisions at Principal Office subsequent to 01-10-1987 when the chart was previously approved. Further more the inflationary trend in the country has also eliminated almost all the financial powers allowed to lower level thereby resulting in the accumulation of almost entire work load at the higher management level and at the level of Executive Directors.

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35. ED(B&A) explained that the financial powers have been revised with the objective to delegate the authority along with the responsibility to decentralize the work. Efforts have been made to keep in mind the practical problems faced while executing work and after affects of non availability of clear cut definition of the respective competent authority. One feature of the above proposal is establishment of Real Estate Functional Committees and Tender Committee for scrutiny of tenders valuing upto Rs.50 million and more than Rs.50 million for subsequent approval of Executive Committee and Board of Directors respectively. Accordingly the limit of financial approval of Executive Committee for Real Estate project/investments is increased to Rs.50 million from Rs.20 million previously. The above delegation of powers will ensure smooth flow of work and avoid unnecessary delay in payments resulting in delay in completion of work and loss of interest.

After discussions, the Board approved in principle the above guidelines and chart of delegation of financial powers with a note that the guidelines and chart be circulated to the other Directors and amendments if any proposed be incorporated with subsequent notification to the Board. Mr. Mohammad Sulaiman, Acting Secretary, Ministry of Commerce, Government of Pakistan, was also provided a copy of the guidelines and chart of delegation of financial powers with request to suggest improvement if any. **Action: ED(B&A)**

Item 23. Double Tier System of Administration in Saudi Arabia.

AGM(Int'l) Memorandum dated 06-04-1998.

The item was deferred for consideration after the visit of the Chairman, State Life, to Saudi Arabia. **Action: ED(INT'L)**

Item 24. Pre-IPO placement of Rs.150 million in equity of Al-Noor Fertilizer Industries Ltd (ANFIL).

ED(Inv) Memorandum dated 22-06-1998.

The Board was informed by ED(Inv) that in the 138th meeting of the Board of Directors held on April 12, 1998, it was decided that the proposal of pre-IPO placement of Rs.150 million in equity of Al-Noor Fertilizer Industries Limited (ANFIL) be declined/deferred. However, the management of ANFIL requested State Life to re-evaluate their proposal for which certain senior officers of the Investment Division of State Life visited the site and reported that only 10% to 15% of the civil work has been completed which constitute less than 5% of the whole project. Further constructions has been stopped for the last nine months.

ED(Inv) further informed that the fundamentals and

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documents provided to State Life and subsequently the plant visit confirms that the commissioning of the project would take a considerable time, as a result the project may not be profitable for some time. It was also informed that ANFIL wanted a symbolic participation of State Life to sell the project to the public at large and that they would be submitting an alternate proposal regarding bridge finance. After due deliberations, the Board decided that ED(Inv) may prepare a fresh memorandum after receipt of bridge financing proposal from ANFIL and put it up in the next Board meeting for consideration.

Action: ED(Inv)

Item 25. Detailed year-end review of Personnel Division highlighting targets and achievements for 1997, strengths, weakness and bottlenecks faced also to set targets, plans and strategy for 1998

GM(P&G) Memorandum.

90. The item was deferred for consideration at the next Board Meeting.

Action: ED(P&GS)

Item 26. Detailed year-end review of General Services highlighting how timely the services and supplies were provided, and how much was saved in creating healthy competition & how the quality of goods supplied was improved; also to set targets, plans and strategy for 1998.

GM(P&GS) Memorandum.

91. The item was deferred for consideration at the next Board Meeting.

Action: ED(P&GS)

Item 27. Critical analysis of Investment Portfolio.

GM(Inv.) Memorandum dated 03-02-1998

92. The item was deferred for consideration at the next Board Meeting whence an upto date analysis upto June 30, 1998 would be put up.

Action: ED(Inv.)

Item 28. Inferences and Recommendations on Historical Analysis of State Life's Business.

GM(Act) Report dated 22-6-1998.

93. The item was deferred for consideration at the next Board Meeting.

Action: ED(Act.)

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Item 29. Any other item with permission of the Chair

(i) Visits of Representatives of various Federation/
Bodies

ED(P&GS) Memorandum dated 19-6-1998

94. ED(P&GS) presented before the Board that representatives of the various Federations frequently visit Principal Office unscheduled for discussions on various problems and demands of their members. Such visit if not entertained by the Management create misunderstanding between the Management and Federations. Subsequently, request also put up to regularize these uncalled visits into an official tours in order to facilitate payment of TA/DA claims.

95. After deliberations, the Board approved the proposals put forward by Ed(P&GS) for streamlining the visits and the process of meetings with the representatives of the various Federations/Bodies so that such visits become meaningful, constructive and economical. Accordingly it was resolved as under:

RESOLVED

96. "(i) that the Federation/Bodies must submit agenda for a proposed meeting to the Management and in case issues raised in the agenda can be resolved without calling a meeting, it will be done by the Management on its own and concerned Federation/Body will be informed accordingly.

"(ii) that if the Management feels that the proposed agenda requires meeting with the concerned Federation/Body for mutual, understanding/benefit, then representatives of the Federation/Body will be invited by the Management.

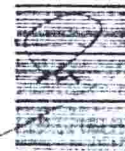
"(iii) that number of participants from the concerned Federation/Body will not exceed four (4), out of which two will be from the city where such meeting is being held and two could be from out station.

"(iv) that representatives of the concerned Federation/Body will be invited for one day and the agenda will be finished in a marathon session. However, if agenda can not be finished in one day, it will be finished by the next day.

"(v) that Corporation will pay for TA/DA and hotel accommodation for two persons attending such meeting from out station."

Action:ED(P&GS)

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(ii) Opening up Account with Central Depository Company - CDC

ED(Inv) Memorandum dated 23-6-1998.

97. ED(Inv) informed the Board that in view of increasing number of securities coming up on Central Depository System, it has become imperative for State Life to have an account with the Central Depository Company to remain operative in the Stock Market as sooner or later all the securities being traded on the stock exchange will become eligible for trading through Central Depository System and physical trading in such shares would be discontinued. The Board authorized State Life Insurance Corporation to enter into an agreement with Central Depository Company for opening of an account as per terms and conditions specified by CDC. The Board further authorized grant of power of attorney to designated authority for signing agreement/documents with CDC in this respect. Accordingly it was resolved as under:

RESOLVED

98. "that an application be made on behalf of State Life to the Central Depository Company of Pakistan Limited (CDC) for admission of the State Life to the Central Depository System (CDS) in the capacity of an Account Holder and for the aforesaid purpose the Account Holder admission form be executed on behalf of the State Life.

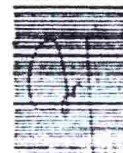
"further that if the CDC accepts the State Life's application for admission to the CDS in the capacity of an Account holder than an Account Holder Agreement (CDC Agreement) on the CDS's standard terms may be entered into between the State Life and the CDC.

"further also that any two of M/s. J.M. Pereira, Ansar Hussain and Abdul Karim be and are hereby authorized and empowered, to sign, execute and deliver the Admission Form, the CDC agreements and other documents in connection therewith, and to do any other act, deed or thing for and on behalf of the State Life as may from time to time be required by the CDC with respect to the State Life's application for admission to the CDS in the capacity of an Account Holder."

99. The Board also approved to authorize following personnel of Investment Division to carry out functions mentioned against their name with regard to CDC.

NAME	DESIGNATION	FUNCTIONS
M/s:		
1. J.M. Pereira	Executive Director	Deposit/Withdrawal
2. Ansar Hussain	Dy. General Manager	Deposit Withdrawal
3. Abdul Karim	Asst. General Manager	Deposit/Withdrawal
4. Kasim H. Moosa	Manager	Deposit

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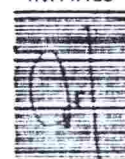
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	<p>5.M.Rashid Manager</p> <p>6.Burhanuddin Dy.Manager</p> <p>7.M.Asad Dy.Manager</p> <p>8.Imran Ali Bukhari Asst.Manager</p> <p>9.Abu Ahmed Asst.Manager</p>	<p>Deposit</p> <p>Deposit</p> <p>Deposit</p> <p>Deposit</p> <p>Deposit</p>	
	<p>100. The Board desired that State Life should negotiate the setting up cost and operating cost with CDC with special reference to custodian fees. The Board also instructed that State Life should take up with CDC the matter of State Life becoming a substantial share holder of CDC and requesting CDC to become a public limited company listed on the stock exchange.</p> <p style="text-align: right;">Action: ED (Inv.)</p> <p>(iii) Dawood Leasing Ltd Term Finance Certificate (TFC)</p> <p>-----</p> <p>ED(Inv) Memorandum dated 25-6-1998.</p> <p>101. ED(Inv) presented to the Board the request of Dawood Leasing to State Life for TFC funding facility amounting to Rs.100 million, draw down of which will be in four tranches of Rs.25 million each starting from July 1998 with intervals of three months. Similar request have been received from Askari Leasing, Saudi Pak Leasing, Sapphire Textiles, Gatron Industries Limited and Paramount Leasing.</p> <p>102. The rate of return on Dawood Leasing TFC's is 20% per annum (after tax 18%) whereas rates offered by others net of tax works out 15.25% to 16.25%. In view of the highest rate, directorship of State Life in Dawood Leasing Company, sound fundamentals and timely payments it was proposed that State Life may invest in their TFCs. (After due deliberation, the Board approved to release one tranche of Rs.25 million. Subsequent investment will be subject to performance of DLC.)</p> <p style="text-align: right;">Action: ED(Inv)</p> <p>(iv) Profitability Study of Major Groups for the period of 1992-96.</p> <p>-----</p> <p>DGM(G&P) Memorandum dated 10-04-1998</p> <p>103. Due to paucity of time, the item was deferred for consideration at the next Board Meeting.</p> <p style="text-align: right;">Action: ED(G&P)</p> <p>(v) Transfer of MCB shares in the name of Federal Government.</p> <p>-----</p> <p>ED(Inv) Memorandum dated 26-6-1998.</p> <p>104. ED(Inv) informed the Board that a letter has been received from Mr. Ahmed Waqar, Joint Secretary, Privatization Commission, Government of Pakistan, requesting State</p>		

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<p>Life to transfer all the holding of MCB in the name of Federal Government prior to March 1, 1998 so that the Privatization Commission would be able to sell the same through GDRs. However, the price at which the shares are to be transferred was not indicated.</p> <p>105. ED(Inv) further informed that State Life holds 3,462,743 shares in MCB having a total book value of Rs.31.7 million.</p> <p>106. ED(Inv) brought to the notice of the Board that a letter has been written to the Privatization Commission on March 2, 1998 requesting them to intimate at which the shares are proposed to be sold to the prospective buyer. Another letter was sent to the Ministry of Commerce seeking direction of the Ministry for compliance with the instructions of Privatization Commission. On March 26, 1998 a letter has also been received from Joint Secretary (Investment), Government of Pakistan, Finance Division, Investment Wing, where he has intimated that the disbursement of sale proceeds to State Life will be decided after the sale is finalized and money is received from the Privatization Commission.</p> <p>107. ED(Inv) also informed the Board that the above matter is brought to the notice of the Board of Directors in terms of office memorandum No.7(2)/98-Ins.I of Ministry of Commerce dated June 17, 1998 which indicate that the requisite information from the Finance Division is still awaited. After discussion, the Board desired to know under which law the shares were required to be transferred before determination of consideration since the shares of MCB were not the property of the share holders of State Life but of the policyholders. The Board instructed that a letter be written seeking clarification in this regard and a reply be sought by a particular date other wise State Life would be free to dispose of the shares in the best interest of the Corporation based on market play.)</p> <p style="text-align: right;">Action:ED(Inv)</p> <p>(vi) Constitution of Standing Committee for consideration of appeals of terminated Area Managers.</p> <p>----- ED(P&GS) Memorandum dated 29-06-1998.</p> <p>108. ED(P&GS) presented before the Board that as per the decision of the Board of Directors in their 137th meeting the performance of Area Managers promoted under accelerated promotion scheme and under regular promotion scheme was reviewed and action taken in terms of their indemnity bonds and targets set out in their letters of appointment. Out of the 699 Area Managers whose performance was reviewed, show causes notices were issued to 143 Area Managers who did not meet the revised minimum criteria approved by the Board by circulation on May 11, 1998.</p>		

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109. ED(P&GS) informed that after examining the replies to the show cause notices, services of 110 Area Managers were terminated in terms of regulation for (II)(C)(2) of State Life Employees Service) regulations 1973.

110. The Board noted that though there was no right of appeal under the aforesaid regulation yet for reasons of natural justice and equity the Board after deliberations, approved to grant the right of appeal to the terminated Area Managers and constituted a Standing Committee which would consist of the Chairman, ED(B&A) and ED(S&D) to consider the appeals that would be received within the time allowed under the terms of regulation 33(3)(C) and submit its recommendation to the Board for approval.

Action: ED(S&D)

(vii) Ratification of the memorandum of GM(Act.) to the Board of Directors regarding Approval of U.K. Business Balance Sheet and Revenue Account together with Actuarial Valuation as at 31-12-1997.

GM(Act.) Memorandum dated 24-06-1998.

111. The Secretary Board presented the memorandum of the Actuarial Division on the above subject for ratification earlier approved by the Board through circulation. (The Board ratified the approval and accordingly it was resolved as under:)

RESOLVED

112. "that Balance Sheet and Revenue Account of U.K. Business of State Life together with Actuarial Valuation as at 31-12-1997 earlier approved by the Board through circulation be and is hereby ratified." Action: ED(Act.)

(viii) Performance Criteria

GM(HRD) Memorandum dated 24-06-1998.

113. Due to paucity of time, the item was deferred for consideration at the next Board Meeting. Action: ED(S&D)

(ix) Increase in Authorized and Paid-up Capital of State Life Insurance Corporation of Pakistan.

ED(B&A) Memorandum dated 26-06-1998.

114. ED(B&A) presented before the Board that in terms of Federal Law No.13 for the year 1995 enacted by Government of Abu Dhabi, all insurance companies, operating in UAE, are required to raise their Paid-up Capital to DH:50.0 million within next six years i.e. by June, 2001. The Paid-up Capital of insurance companies should not be less than DH:25.0 million by the end of June 1998.

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115. The Board in its 130th meeting held on October 15, 1996 had resolved to request the Federal Government to increase authorized capital of State Life to Rs.1200 million and Paid-up Capital to Rs.600 million respectively and to allow State Life to retain Rs.70 million towards increasing Paidup Capital of State Life out of the valuation for the year 1994 and Rs.100 million on each subsequent valuation in 1996 and 1998 and that the remaining short fall in paid-up capital be adjusted out of the valuation for the year 2000.

116. ED(B&A) further informed that the Corporation has accordingly retained Rs.70 million out of dividend of Rs.143.352 million arising out of 1994 valuation. ED(B&A) further informed that the Board in its 138th meeting held on April 12, 1998 had decided to request the Federal Government to retain Rs.130 million out of dividend of Rs.206.205 million payable to the Government out of 1996 actuarial valuation, however, with the recent devaluation of Pak Rupee the rate of UAE Dirham has reached Rs.12.66 thus the mandatory capital of Dh. 25 million comes to Rs.316.5 million.

✓ 117. After discussion, the Board agreed to the proposal of ED(B&A) and resolved to retain Rs.180 million instead of Rs.130 million out of the 1996 Government share of dividend and to release the balance of payment of Rs.26.206 million to the Government instead of Rs.76.205 million decided earlier and to seek the permission of the Federal Government accordingly.

Action: ED(B&A)

(x) Mark-up on "Prime Minister's Flood Relief Fund 1992" and "Qarz Utaro Mulk Sanwaro Scheme 1997"

ED(B&A) Memorandum dated 26-06-1998.

118. ED(B&A) presented before the Board that deduction amounting to Rs.1,803,400 were made from the commission earnings of field workers in December, 1992 for payment to Prime Minister's Flood Relief Fund. In 1997, Qarz Utaro Mulk Sanwaro Scheme was announced by the Government of Pakistan towards which field workers contributed Rs.2,848,200 from their commission earning in May 1997. The deductions made from the earnings of the field workers on the above two occasions was to be handed over to the field workers federation for onward payment. However, the above amount remained with State Life as the ceremonies to hand over the cheques to some Government dignitaries on both the occasions could not be arranged by the Field Workers Federation.

119. ED(B&A) informed the Board that the above amounts were retained by State Life in collection accounts. The President, Field Workers Federation, stated that since State Life has earned on these amounts, mark-up should be paid on the above amounts.

120. The request of Field Workers Federation for a

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