

MINUTES OF 151ST MEETING OF THE BOARD OF DIRECTORS

MEETING PLACE	Held at	ON	TIME
MEETING ROOM	KARACHI	22-01-2000	

CONFIDENTIAL AND RESTRICTED

MINUTES OF 151ST MEETING OF THE BOARD OF DIRECTORS

The one hundred and fifty first (151st) meeting of the Board of Directors of State Life Insurance Corporation of Pakistan was held on 22nd January, 2000 at 10:30 a.m., at Board Room, 3rd Floor, State Life Building No.9, Principal Office, Karachi.

PRESENT

- | | |
|-----------------------------|--|
| 1. Dr. Najeeb Samic | Chairman |
| 2. Mr. Mohammad Sulaiman | Director/Additional Secretary (Commerce) |
| 3. Mr. Rasool Bakhsh Baloch | Executive Director |
| 4. Mr. Imtiaz Rasool | Executive Director |
| 5. Mr. Umair Khan | Executive Director |
| 6. Mr. Mohammad Latif | Executive Director |
| 7. Mr. J.M. Pereira | Executive Director |
| 8. Mr. Akbar Ali Hussain | Secretary Board |

2. The meeting was also attended by Mr. Akram Hussain, Incharge S&D, at the request of the Board.

3. The meeting commenced with recitation of verses from the Glorious Quran by Mr. Akram Hussain.

ITEM 1. CONFIRMATION OF MINUTES OF 150TH MEETING OF THE BOARD OF DIRECTORS.

4. The minutes of 150th meeting of Board of Directors held on 25th December 1999 were placed before the Board. ED(Inv) proposed and ED(P&GS) seconded, that the same be confirmed.

5. Accordingly, it was resolved as under:

RESOLVED

“that the minutes of 150th meeting of Board of Directors held on 25th December, 1999 be and were hereby confirmed, with the following amendment:-”

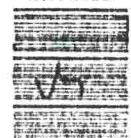
Resolution in para 14(i) of item 5 of 150th meeting of the Board to read as follows:

(i) “that post-facto approval of acceptance of personal cheques of field workers as premium, if attached with proposal forms was allowed, subject to their encashment within thirty one days.”

Resolution in para 46 of item 8 of 150th meeting of the Board to read as follows:

(ii) “that ED(G&P), ED(Int'l) and ED(B&A) be and were hereby authorized to review the demands of M/s. GCI, Chief Agent of State Life for Saudi Arabia, negotiate and finalize reasonable demands and execute agreement.”

CHAIRMAN'S INITIALS



Action (G&P)

Action (P&GS)

Action (Int'l)

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**ITEM (2) POSITION PAPER ON DEFALCATIONS.
ED(PHS) MEMORANDUM DATED 21-1-2000.**

6. ED(PHS) informed the Board that it had at its 145th meeting given guidelines to minimize possibility of defalcation and for taking necessary action against the defalcating worker with unwavering determination. In light of the above, some guidelines were set for combating defalcations and a detailed circular was accordingly issued by the Chairman, with the instructions to settle the cases within seven days.

7. ED(PHS) submitted to the Board a list of all defalcation complaints received in Principal Office and cases reported in the Zones. It was informed that cases reported at PO were referred to the concerned Zonal Heads for taking speedy action and settling the cases as per directives of the Chairman, but no positive response was received inspite of continuous follow up. Similarly every Zonal Head had to send a statement to the Principal Office on prescribed format indicating position of the defalcation cases, however, the Zones neither settled the cases nor applied to the repeated reminders.

8. ED(PHS) informed that 103 cases out of a total of 253 reported cases had been settled and recovery made whereas actions had been taken in 110 cases while in rest of the cases, the defalcators had been spared and gone un-reprimanded. A sum of Rs.426,400 had been recovered against total defalcated amount of Rs.3.983 million.

9. It was felt by the Board that the defalcations arose, mainly because of rebating and lapsation. The SRs should be given adequate training and apprised of his rights and responsibilities and the importance of retention of policies. Similarly the Zonal Heads should emphasize more on quality business and better productivity rather than just relying on FYP.

10. After deliberation, the Board resolved as under:

RESOLVED

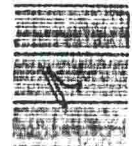
(i) "that ED(PHS) would take necessary steps to ensure that all the reported cases to-date were finalized by end of February and action taken against those found guilty. S&D Division, Regional Chiefs and Zonal Heads would be responsible for implementation of various instructions issued by the Principal Office and for taking necessary action against those found guilty".

(ii) "that in future PHS would serve notices to the concerned Zonal Head after every seven days from the date of filing of complaints to settle the cases and take necessary action, however, the maximum period to be allowed for finalization of the case should not exceed 30 days."

**ITEM (4) REVIEW OF STAFF STRENGTH APPROVED PREVIOUSLY BY THE BOARD OF DIRECTORS AT ITS 129TH MEETING HELD ON 19TH MAY, 1996 AND APPROVAL OF REVISED OVERALL STRENGTH & GRADEWISE STRENGTH OF THE CORPORATION.
ED(P&GS) MEMORANDUM DATED 21-1-2000.**

11. ED(PG&S) presented before the Board a memorandum regarding review of staff strength approved previously by the Board of Directors at its 129th meeting held on 19th May, 1996 and approval of revised overall strength and gradewise strength of the Corporation.

CHAIRMAN'S
INITIALS



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12. The Board at its 129th meeting held on 19th May, 1996 approved the staff strength of State Life to be 6102 based on the following criteria:-

Individual Life

a) two persons per thousand policies in force subject to a minimum of 39 persons for a newly created zone and 29 persons for a Regional Office.

b) For large zones, in order to keep increase in the staff strength within reasonable limits, the ratio is kept at 1.50 persons per 1000 policies.

Group Life

In respect of Group Life, the basis would be the ratio of staff to total premium income from G&P operation i.e. one person per Rs.5 million average premium for the last three years. An additional 120 posts were recommended to cater to the increased requirements of the G&P Division due to the new structure for G&P wherein minimum staff strength had to be provided to each new sector/zone.

Principal Office

For Principal Office the ratio for determining the staff strength has been kept the same as last year, i.e., 0.5 employees per thousand policies in force.

13. On the basis of the above criteria, the total staff strength for Zonal and Regional offices of individual life worked out to 4559 on 22,74,000 policies which were expected to be in force by the end of 1996.

14. The Board after discussing the staff requirements then, had approved the total staff strength of the Corporation as follows:-

a) Regional & Zonal Offices	4559
b) Principal Office (all station)	1073
c) Group & Pension	470

Total	6102
	=====

15. The Board had also authorized the Executive Committee to allocate these additional posts to different departments, in different grades in different Zones and Regions after detailed analysis of premium income, number of policies in force, extent of computerization, budget, minimum staff requirements of newly established Zones etc.

16. Later on, additional 39 posts were included in the above strength with the creation of Kohat Zone. In addition to this, additional 55 posts were created/approved by the E.C. on 22-8-1996, to bring the total to 6196. In 1997, 6 posts were abolished due to abolition of Regional Directorates. Thus the total strength as on 30-6-1997 stood 6190, the breakup of which was as under:-

Officers (in various cadres)	=	1977
Staff (in various cadres)	=	4231

Total		6190
		=====

CHAIRMAN'S
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RESOLVED

Action: ED(P&GS)

"that the existing 7 tiers, in the officers category should be brought down to 4 and similarly the number of tiers in the staff category should also be reduced such that in the presence of a GM, for instance, in a Division, the next-in-command would be an AGM not a DGM. A fresh exercise be carried out and revised staff strength, based on reduced tiers be submitted for consideration of Board at its next meeting."

ITEM (5) POSITION PAPER ON PROGRESS OF CASES OF FINANCIAL IRREGULARITIES REPORTED BY CHAIRMAN INSPECTION TEAM. ED(P&GS) MEMORANDUM DATED 21-1-2000.

22. ED(P&GS) presented before the Board a position paper regarding action taken and current status of cases of irregularities submitted by the Chairman's Inspection Team. The Team was constituted to enquire into complaints/reports of financial embezzlement and other irregularities.

23. The Chairman's Inspection Team had submitted several cases of irregularities to the Chairman which was marked for detailed investigations and necessary actions against alleged individuals to various divisions and P&GS Division. P&GS Division had submitted current position of 12 cases for perusal of the Board.

24. The Board appreciated the work undertaken by the Chairman's Inspection Team and desired that the team be strengthened to weed out corruption in the Corporation.

25. ED(P&GS) also informed the Board that a training seminar was organized by the HRD Division for the officers who were assigned the task of conducting enquiries.

26. After deliberation, the Board resolved as under:

RESOLVED

Action: ED(P&GS)

(i) "that post facto approval of the establishment of the Chairman's Inspection Team be and was hereby given by the Board and ED(P&GS) be and was hereby requested to provide all necessary staff/officers/office equipments and office space to enable the team to perform its functions effectively."

Action: ED(P&GS)

(ii) "that the Chairman's Inspection Team be and was hereby authorized to conduct preliminary inquiry for which it could call for necessary records from any official/employee of the Corporation through the respective Zonal Head/Regional Chief/Divisional Head."

Action: ED(PHS)


(iii) "that a Committee be constituted consisting of ED(PHS) as Convenor with ED(P&GS) and AGM(Law) as members to define the administrative and financial powers and functions of the Inspection Team and streamline its work procedure."

Action: ED(P&GS)

(iv) "that ED(P&GS) and Incharge Chairman's Inspection Team would submit separate reports on status of cases reported to, by the Chairman's Inspection Team and details of action taken in enquiries that had been finalized."

CHAIRMAN'S INITIALS


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FACTORS	HELD AT	ON	TIME	
DATE BOOK	KARACHI	22-01-2000		
<p>Action: ED(G&P)</p>	<p>33. The Board noted the same and requested ED(G&P) to keep the Board apprised of the latest position of FIA and State Life's departmental enquiry.</p> <p>ITEM (7) <u>CLOSURE/MERGER OF REGIONS/ZONES OF INDIVIDUAL LIFE AND GROUP LIFE.</u> INCHARGE(S&D)/ED(G&P) MEMORANDUM DATED 21-1-2000.</p> <p>34. ED(G&P) presented before the Board a position paper in respect of a) merger of the two Karachi G&P Zones into one Zone, to be named as South Zone, b) down grading of Hyderabad Zone to Sector Office and its attachment with the proposed South Zone and c) attachment of the Quetta Sector with the proposed South Zone approved by the Board at its 150th meeting.</p> <p>35. ED(G&P) informed that the matter had been discussed by the Chairman with the Minister of Commerce who had directed to close/merge certain non productive zones to bring about reduction in the management expense ratio. The Chairman had confirmed that State Life would implement the above directive in his letter to the Minister dated January 11,2000.</p> <p>36. ED(G&P) further informed that the merger was expected to result into annual saving of Rs.10 million approximately and space presently occupied by the Central Zone on 9th floor of State Life Building No.2 measuring 5000 Sq.Ft would fall vacant and rented out to outside tenants.</p> <p>37. After deliberation, the Board resolved as under:</p> <p><u>RESOLVED.</u></p> <p>"that a Committee be constituted consisting of ED(G&P) as Convenor with ED(P&GS), ED(PHS) and Incharge(S&D) as members to review the viability of various zones of Individual Life and Group Life and take all necessary steps that may be considered necessary for merger/closure of the existing zones so as to cut down expenses and bring about better management in the larger interest of State Life."</p> <p>ITEM (8) <u>APPROVAL OF AGREEMENT OF PAKISTAN EMERGING VENTURE LIMITED.</u> ED (INV) MEMORANDUM DATED 21-1-2000.</p> <p>38. ED(Inv) presented before the Board a memorandum for approval of revised agreement in respect of Pakistan Emerging Venture Limited.</p> <p>39. ED(Inv) informed that State Life Insurance Corporation of Pakistan was formally requested by MCB vide letter dated 25th January 1996, to participate as co-sponsor of Pakistan Emerging Venture Limited. The basic mission of the company was to seek venture in growth oriented market thereby providing high returns to investors with their expectations based on risk reward profit of the target investors.</p> <p>40. The Authorized Capital of the venture company was Rs.2,500 million while the paid up capital was Rs.500 million, out of which 26% each was to be subscribed by State Life, MCB and NBP and remaining 22% was to be offered to the general public. The Company was to be registered as quoted company on Karachi Stock Exchange. The Energy, Electrical machinery and Chemicals sectors were targeted for funds allocation.</p>			<p>CHAIRMAN'S INITIALS</p> 

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MINUTE BOOK	KARACHI	22-01-2000	
<p>41. The Executive Committee at its 208th meeting held on 14th February, 1996 approved the above proposal.</p>			
<p>42. On 10th May 1996, State Life received a letter from PEAT Marwick, Financial Consultant of Pakistan Emerging Venture Limited, where in they had requested to pay Rs.130 million as its share capital contribution in Pakistan Emerging Venture Limited. The then ED(Inv) directed to pay Rs.30 million immediately and deferred remaining Rs.100 million for payment in July 1996. Accordingly the payment of Rs.30 million was released on 30th May, 1996.</p>			
<p>43. Later the stake of each sponsor was reduced by Pakistan Emerging Venture Limited to 25% instead of 26%. Therefore State Life had to pay only Rs.95 million which was paid on 7th August, 1996.</p>			
<p>44. ED(Inv) further informed that on 28th July 1996, State Life also invested Rs.0.33 million in Venture Capital Fund Management Company (Pvt) Ltd. which was formed to manage the funds of Pakistan Emerging Venture Limited.</p>			
<p>45. The Fund Management Company i.e. Venture Capital Fund Management Company (Pvt) Ltd. subsequently entered into a Technical Advisory Agreement with KPMG.</p>			
<p>46. Pakistan Emerging Venture Limited had so far declared a dividend of only 5% of the total paid up capital. The profit and loss account of the company showed that the income of the company was basically received from TFCs and REPO transactions.</p>			
<p>47. ED(Inv) informed that State Life had received a letter from MCB which suggested voluntary winding up of Pakistan Emerging Venture Limited, however, later on MCB was able to convince UBL buy its shares.</p>			
<p>48. The Board was further informed that the existing technical advisory agreement was one sided in favour of the technical advisor and as such for the sake of equity required revision. Meetings were held with Mr. Zafar Siddiqui, representative of KPMG in this regard and the revised terms of the agreement was being presented to the Board for approval.</p>			
<p>49. ED(Inv) presented before the Board a comparison of main terms and condition of the previous agreement and the proposed agreement which was as follows:-</p>			
<p><u>Old Agreement</u></p>		<p><u>New Agreement</u></p>	
<p><u>Article-4</u></p>			
<p>a. All investment/dis-investment were to be made on the advice of Technical Advisor.</p>	<p>a. Technical Advisor would only advice about investments/dis-investments. However, the Board of PEVL would approve all Investments/dis-investments.</p>	<p>CHAIRMAN'S INITIALS</p> 	
<p>b. Technical Advisor was responsible to recruit Human resources. Fund Manager had to go by his advice.</p>	<p>b. Technical Advisor would be responsible for Recruitment. However, all appointments Would be made with the approval of the Board.</p>		

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c. In case of termination of agreement, Between PEVL and Fund Manager, the Technical Advisor was automatically to Assume temporary powers and receive Such compensation as was specified in Fund Manager agreement.

c. This Clause would be deleted.

Article 12.

a. The rights and obligations under agreement could freely be assigned or transferred by Technical Advisor.

a. The rights could be assigned, if present management of Technical Advisor held 50% shares in the company, to whom Technical Advisor was assigned this agreement

50. After deliberation, the Board resolved as under:

RESOLVED

(i) "that the Board agreed in principle to the above revised agreement subject to similar approval of the revised agreement by the Board of Directors of NBP and MCB."

(ii) "that ED(Inv) be and was hereby authorized to finalize and execute the agreement for and on behalf of State Life."

Action: ED(Inv)

Action: ED(Inv)

ITEM (9) DECISION TAKEN IN THE MEETING HELD WITH MR. M. ISHAQ KHAN, MANAGING DIRECTOR, G.C.I. ED (INT'L) MEMORANDUM DATED 17-01-2000.

51. ED(Int'l) presented before the Board a position paper on the decision taken in the meeting held with Mr. M. Ishaq Khan, MD, GCI and the in-House Committee constituted by the Board of Directors at its 150th meeting for settlement on various issues raised by M/s. GCI, State Life's sponsor at Saudi Arabia. GM(Act.), DGM(B&A), DGM(Int'l) & AGM(Law) assisted the in-House Committee in the negotiations.

52. ED(Int'l) informed that the following matters were discussed at length and decisions taken were as follows:-

a) One time compensation on business prior to agreement

53. M/s. GCI had asked for sponsorship fee and compensation on FYP on policies issued prior to the signing of the agreement i.e. from August 1992 to June 1, 1994. However, it was agreed that compensation would be paid by State Life on the business transacted after 25th May 1993 till the date of signing of the agreement as it was observed from the record that Mr. Nazir Ahmed Jajvi, the then ED(Int'l) had visited Kuwait and Saudi Arabia from 19-5-1993 to 25-5-1993 for holding of negotiation with M/s. MCA(GCI). The agreed rate of compensation would be 10% instead of 16% as GCI had not provided full services during the period. Sponsorship fee on pre agreement business would not be paid to M/s. MCA as they were not State Life's sponsor at that time.

CHAIRMAN'S INITIALS



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DIRECTORS	HELD AT	ON	TIME
STATE BOOK	KARACHI	22-01-2000	
<p>b) <u>Deduction made by State Life on Non-completion of targets in accordance with the terms of agreement.</u></p> <p>54. M/s. GCI did not agree to deduction made by State Life in terms of various clauses of the agreement as it was their plea that State Life also had not fulfilled some of its commitments. It was now decided that calculations for deduction of compensation on FYP would be made according to existing clauses of the agreement. However, State Life would charge/deduct only 25% of the amount so calculated.</p> <p>55. Calculations for deduction of compensation on renewal premium would be made accordingly to existing clauses of the agreement. However, State Life would charge/deduct only 75% of the amount so calculated.</p> <p>c) <u>Demand of M/s. GCI claiming higher rate of compensation:</u></p> <p>56. M/s. GCI had demanded that the rate of compensation be increased to 20% of FYP and 3% of renewal premium as against the terms of agreement rates of compensation were to be reduced to 10% of FYP and 1% of renewal premium. It was now agreed to extend the agreement for a further period of 7 months i.e. upto 31st December 2000.</p> <p>57. The rate applicable for compensation for the 4th and 5th years i.e. 15% on FYP and 3% on Renewal would continue to be applied from 1st June, 1999 to 31st December, 2000.</p> <p>58. As the agreement was effective from June 1994 all calculations such as targets, achievement, persistency, and/or compensation would be made with reference to a year from May to June and calculations made earlier would be revised accordingly.</p> <p>d) <u>Payment of Medical Facilities to State Life Sales staff:</u></p> <p>59. M/s. GCI had further demanded that payment be made to them for medical facilities as allowed by State Life to its sales staff according to Saudi Laws. This was not considered as it was not provided in the agreement.</p> <p>e) <u>Reimbursement of Medical Fee in respect of New Business:</u></p> <p>60. Medical fee bills submitted by M/s. GCI to State Life on monthly basis would be reimbursed within 7 working days from the date of receipt as per approved rates or actual which ever was less.</p> <p>61. Reimbursement would also be made for those cases which were not finalized but for which the initial amount was deposited by the policyholders (New Business Suspense) was higher than the medical fees.</p> <p>62. The Board felt that the financial impact of the above decision should have been presented, however the same be furnished at Board's next meeting.</p> <p>63. After deliberation, it was resolved as under:</p> <p>RESOLVED</p> <p>"that decisions made by the Committee constituted by the Board at its 150th meeting and agreed to by M/s. GCI in respect of a) One time compensation on business prior to agreement b) Deduction made by State Life on Non-completion of targets in accordance with the terms of agreement c) Demand of M/s. GCI claiming higher rate of compensation d) Payment of Medical Facilities to State Life Sales staff and e) Reimbursement of Medical Fee in respect of New Business be and was hereby approved."</p>			

Action: ED(Int'l)

(7)

CHAIRMAN'S INITIALS

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TOPICS	HELD AT	ON	TIME
LIFE BOOK	KARACHI	22-01-2000	

Action: ED(HRD)

69. The Board did not agree to the above recommendations as it was part of the duties of the officers and staff of HRD to impart training. ED(HRD) was requested to arrange for preparation of cassettes for training purposes on various functions of life insurance.

ITEM (12) POST-FACTO APPROVAL OF THE BOARD FOR SELLING AND DELIVERY OF SHARES OF BURMAH OIL MILLS LTD. TO GHEE CORPORATION OF PAKISTAN AT A PRICE TO BE INTIMATED TO STATE LIFE LATER ON.
ED(INV) MEMORANDUM DATED 21-1-2000.

70. ED(Inv) presented before the Board a memorandum for post-facto approval of selling and delivery of shares of Burmah Oil Mills Ltd. to Ghee Corporation of Pakistan at a price which would be advised to State Life later on.

71. ED(Inv) informed that State Life had received a letter from Joint Secretary (Ind) Privatization Commission dated 19-8-1997 asking State Life to intimate its holding in Burmah Oil Mills along with two other units of GCP. A reply was sent to member Secretary, Privatization Commission, Government of Pakistan, on October 21, 1997 informing them that State Life would refrain from selling its holding of equity of the under mentioned Ghee units except through Privatization Commission. The consent to unload the shares of the three companies to the Privatization Commission at a price agreed by them was given by the then ED(Inv) on 22-8-1997 since it was felt that the companies were in loss for the past several years and their break-up value was negative. State Life's holding of 19,878 shares in Universal Oil and Vegetable Ghee Company Ltd., held under buy-back agreement, was inherited from EFU at the time of Nationalization of Life Insurance business. A case was pending in the Sindh High Court against the previous owners of Universal Oil and Vegetable Ghee Company Ltd..


	No. of Shares	Under Buy-Back & Litigation	Total
- Burmah Oil Company Ltd.	372,152	-	372,152
- Universal Oil & Vegetable	29,818	19,878	49,696
- Ghee Company Ltd.			
- Morafco Industries Ltd.	25,325	-	25,325

72. ED(Inv) further informed that a letter was received from Privatization Commission on Jan 6, 2000 to deliver the shares of Burmah Oil before 18-1-2000 followed by a letter dated 18-1-2000 of GCP to deliver the share on 19-1-2000.

73. ED(Inv) mentioned that in view of earlier approval and commitment of the Corporation to disinvest its holdings through Privatization Commission, the shares of Burmah Oil Mills had been delivered by State Life and the Board was requested to give post-facto approval of selling shares of Burmah Oil Mills Ltd. through Privatization Commission and delivery of shares to GCP at a price which would be advised later on.

CHAIRMAN'S INITIALS

MINUTES OF 151ST MEETING OF THE BOARD OF DIRECTORS

DAYS	HELD AT	ON	TIME	
BOOK	KARACHI	22-01-2000		
<p>Action: ED(Inv)</p>	<p>74. The Board requested ED(Inv) to write a letter to the Ministry of Commerce stating the above facts and to inform that the sale proceeds of shares previously handed over on the instructions of Privatization Commission was yet to be received. ED(Inv) was also requested to inform the Board as to under which law, the Privatization Commission was entitled to ask for the shares of the Nationalized companies held by State Life on behalf of the policyholders life fund.</p> <p>ITEM (13) <u>MORTGAGE LOAN ACCOUNT OF MR. ABDULLAH HAJI MUHAMMAD - REQUEST FOR RELIEF FROM THE ACCUMULATED INTEREST.</u> ED(INV) MEMORANDUM DATED 21-1-2000.</p> <p>75. ED(Inv) presented before the Board a memorandum for relief in payment of accumulated interest on mortgage loan account of Mr. Abdullah Haji Muhammad. Life Department of EFU had allowed mortgage loan of Rs.100,000/- and Rs.20,000/- at an interest rate of 8% and 9.5% respectively under two separate mortgage deeds dated 28-6-1965 and 14-2-1970. The loan was secured against mortgage charge on his property bearing Plot No.C-133, KDA measuring 1181 Sq.Yds situated at Drigh Road, Karachi.</p> <p>76. All the assets and liabilities of EFU were transferred and vested in State Life Insurance Corporation of Pakistan through Nationalization Order, 1972. In view of the poor debt servicing record, a suit of recovery was filed against the mortgage in 1973. Preliminary decree was passed in favour of State Life on 4-4-1974. The decretal amount Rs.169,967/- together with a interest of 9% till the date of payment and cost of suit of Rs.16,665/- was awarded to State Life.</p> <p>77. Mr. Abdullah Haji Muhammad went into the appeal against the decision in the High Court of Sindh, however, the appeal was dismissed. The decree was maintained in favour of State Life.</p> <p>78. In January 1990 Mr. Abdullah Haji Muhammad approached State Life with a request for relief in payment of dues. The Board of Directors of the Corporation at its 99th meeting held on 3-3-1990 had approved a 25% waiver of accumulated interest but the opportunity was not availed by the applicant.</p> <p>79. The applicant had subsequently approached the Corporation from time to time and insisted for settlement of the Corporation's due at Rs.300,000/- to Rs.325,000/- respectively. In May 1992, the then Chairman of the Corporation had approved, settlement at Rs.340,000/- against a total outstanding of Rs.469,598/- but the applicant failed to avail the opportunity.</p> <p>80. On November 11, 1999, the Assistant Commissioner South, Karachi issued a notice U/S 81 to Mr. Abdullah Haji Muhammad where in he was directed to pay State Life dues of Rs.584,805.05 within 15 days from the date of the notice.</p> <p>81. Mr. Abdullah Haji Muhammad had once again approached the Corporation, with a request for relief in payment of the accumulated interest. In his letter dated 17-11-1999, supported by documentary evidence, that he was blind and ailing Pakistani citizen, it was requested that he could not afford to pay a huge amount of State Life, therefore, his case be considered sympathetically. The above letter was followed by another letter dated 1-12-1999 wherein he again requested the Corporation for relief in payment of Corporation's due. and offered to pay Rs.300,000/- in full settlement of State Life's due.</p>			<p>CHAIRMAN'S INITIALS</p> 

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ITEM (15) ANY OTHER ITEM WITH THE PERMISSION OF THE CHAIR

(i) WITHDRAWAL OF PERKS AND PRIVILEGES

89. ED(P&GS) informed the Board that an office memorandum No.5(4)/98-Admn-VII dated 24th December 1999, had been received from the Ministry of Commerce requesting that the membership facility of one club for GM down to AGM, two clubs for EDs and three clubs for the Chairman be withdrawn immediately.

90. ED(P&GS) informed that no life time benefits were allowed to officers, except normal pensionary benefits as admissible under the rules. State Life had to confirm to the Ministry of Commerce before 04-01-2000 that the perks and facilities had been withdrawn as directed by Finance Division vide their OM No.1725-DS (CF-I/99) dated 23-6-1999.

91. After deliberation, it was resolved as under:

RESOLVED

(i) "that a representation be made to the Ministry of Commerce that the issue of withdrawal of facilities of club membership be resubmitted by the Ministry of Commerce to the Competent Authority for review, as it was felt that State Life was a commercial organization. The club membership was provided to the senior Executives of the Corporation as it provides opportunity to them to develop business contacts which was beneficial for business promotion. ED(P&GS) was requested to write a letter to the Ministry for necessary permission in this respect if the facility was to be restored."

Action: ED P&GS

(ii) "that furthermore, Ministry of Commerce be also apprised that club entrance/membership fee was non-refundable and as such withdrawal of club membership would not result in any recovery of the amount already disbursed. Furthermore, once the club membership was obtained it was a fait accompli, and the membership being once obtained, the member was bound to comply with the terms and conditions of the club regulation regarding payment of monthly fees etc. Non payment would result in club either canceling the membership."

Action: ED P&GS

(iii) "that until the Ministry of Commerce's decision was obtained otherwise, no new membership would be allowed. With regard to existing membership of Corporation's Executives, State Life should continue to pay the monthly subscription bill so long as the Executive is with State Life."

Action: ED P&GS

92. The consideration of Item No.3 was deferred by the Board until its next meeting.

ITEM (3) POSITION PAPER ON IRREGULAR APPOINTMENTS.

ED(P&GS) MEMORANDUM DATED 21-1-2000.

93. The meeting ended with vote of thanks to the Chair.

[Signature]
CHAIRMAN

CHAIRMAN'S INITIALS

