

17TH MEETING OF THE BOARD OF DIRECTORS

HELD AT	ON	TIME
Karachi	Tuesday, the 12th June 1973	10 A.M.

The 17th meeting of the Board of Directors of the State Life Insurance Corporation of Pakistan was held on Tuesday, the 12th June 1973 at 10 A.M. in the Board Room of the Corporation at Karachi, in pursuance of notice dated 7th June 1973. The following were present:

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

Mr. S.S. Akhtar attended by invitation.

Mr. M. Sadiq Khan was also present.

The following business was transacted:

ITEM NO. I: CONFIRMATION OF THE MINUTES OF THE 16TH MEETING OF THE BOARD OF DIRECTORS HELD ON MONDAY, THE 4TH JUNE 1973.

The Minutes of the 16th meeting of the Board of Directors of State Life Insurance Corporation held on 4th June 1973 were confirmed subject to the following amendments:

Under item III(4) regarding debenture financing of Avari Hotels, in condition No.1, the figure "10%" occurring in first sentence should be replaced by "10½%".

Under item IV(1) - "Building Bonus" in the first sentence in between the words "certain components" and "on the basis of", the words "of 'B' Beema Unit" should be inserted.

ITEM NO. II: TO CONSIDER AND APPROVE THE STATE LIFE EMPLOYEES (PROVIDENT FUND) REGULATIONS, 1973.

The Directors observed that they had not had sufficient time to study the Draft Regulations. It was, therefore, decided that the Draft Regulations should be studied further by the Directors and considered in a subsequent meeting.

ITEM NO. III: TO CONSIDER AND APPROVE BUDGET FOR PRINCIPAL OFFICE FOR THE YEAR 1973.

The recommendations of the Budget Committee for the Principal Office were considered and approved as follows:-

- (1) The total expenditure on the Principal Office, excluding that on investment, overseas business and publicity media should not exceed 1% of the total premium income of the Corporation.
- (2) Within the above global limit, the expenses on the various departments of the Principal Office during the year 1973 should be within the following ceilings:

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Department	Amount per year	Percentage of total assumed premium of Rs. 25 crores
Accounts	4,39,572	.18
Research & Systems	98,532	.04
Training	2,54,844	.10
Public Relation	2,69,340	.11 plus .36 for publicity media.
Sales & Development	3,78,576	.15
Chairman & Board Secretariat	2,91,192	.12
Actuarial	1,96,848	.08
Administration	5,90,016	.22
	<u>25,18,920</u>	<u>1.00</u> plus .36 for publicity media.

(3) The expenses on the Investment Department excluding those on the maintenance of real estate which would be charged directly to the income from Real Estate, should aim at being 0.1% but they should not in any case exceed 1/8% of the total book value of the investments. For the year 1973 the total expenditure approved was Rs.15,98,820 per annum which worked out to .122% of the total investment portfolio at book value.

(4) The expenses on Overseas business Deptt. of the Principal Office should aim at being within 15% of the total premium income from the overseas business. For the year 1973, the expenditure approved was Rs.3,05,892 which worked out to 17% of the premium income.

(5) The expenses on publicity media should be Rs.6 lacs for the 9 months from 1st April to 31st Dec.1973.

It was, however, observed that this was only a provisional budget as a number of unforeseeable items might arise during the course of the year. In view of this, for such items the budget could be revised at a later stage, if necessary.

ITEM NO. IV: APPOINTMENT OF AUDITORS FOR THE PERIOD 1ST NOVEMBER 1972 TO 31ST DECEMBER 1973.

It was decided that the names of the following Auditors be recommended to the Government for appointment for the audit of the accounts of the Office/Units mentioned against each for the year 1973 in terms of Article 28(1) of the Life Insurance (Nationalisation) Orders 1972.

- (1) M/s A.F. Ferguson & Co. } For Principal
(2) M/s Ford Rhodes Robson Morrow } Office.

M/s A.F. Ferguson & Co. will also help in the establishment of the internal audit system in the Corporation.

- (1) M/s A.F. Ferguson & Co., at Karachi } For 'A' Beema
(2) M/s Masud Qayum at Lahore } Unit.
(1) M/s Ford Rhodes Robson Morrow } For 'B' Beema
(2) M/s Rahim Jan & Co., at Lahore } Unit.
(1) M/s Taseer Hadi Rehman & Co., } For 'C' Beema
(2) M/s Hameed Choudhary & Co., at Lahore } Unit.

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The following Committees were constituted to negotiate with the Auditors the remuneration to be recommended to the Government.

For Principal Office

Mr. D.M. Quraishi
Mr. A.A. Toor
Mr. S.A. Zahid

For 'A' Beema Unit:

Mr. D.M. Quraishi
General Manager concerned

For 'B' Beema Unit:

Mr. D.M. Quraishi
General Manager concerned

For 'C' Beema Unit:

Mr. A.A. Toor
General Manager concerned.

ITEM NO. V: ELECTION OF MR. SAMEE-UL-HASAN TO THE BOARD OF INVESTMENT CORPORATION OF PAKISTAN.

The Board approved the nomination of Mr. Samee-ul-Hasan to represent State Life on the Board of Directors of ICP and passed the following resolution in this behalf:

RESOLVED: "That Mr. Samee-ul-Hasan, Executive Director of State Life Insurance Corporation of Pakistan be and is hereby nominated by the Board for election as a Director of Investment Corporation of Pakistan representing State Life Insurance Corporation of Pakistan.

Resolved further that a true copy of this resolution be sent to the Investment Corporation of Pakistan duly certified by an Executive Director of State Life".

(At this stage Mr. S.S. Akhtar withdrew from the meeting).

ITEM NO. VI: TO APPROVE REMUNERATIONS FOR M/S S.S. AKHTAR AND S.A. ZAHID

The Board approved the following terms for the remunerations of Mr. S.S. Akhtar and Mr. S.A. Zahid, as Consulting Actuaries to the Corporation.

a) -Retaining Fee	Rs.2000/- p.m.
-House Rent	Rs.1000/- p.m.
-Conveyance Allowance	Rs. 750/- p.m.
-Entertainment Allowance	Rs. 500/- p.m.
-Residential Telephone & Postage Allowance	Rs. 250/- p.m.
Total	Rs.4500/- p.m.

b) Medical Attendance and Group Insurance facilities as admissible to the Directors of the Corporation.

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2. In the case of Mr. S.A. Zahid, the Board was informed that he had been provided with a driver by the erstwhile EFU. He had desired to retain this driver and offered to have a suitable deduction made from his conveyance allowance in lieu thereof. The Board approved the retention of the driver by Mr. Zahid and authorised the Executive Director (Admin.) Mr. A.A. Toor to determine the amount of the deduction to be made from the Conveyance Allowance of Mr. Zahid on this account.

The Board further decided that in case the Consulting Actuaries were asked by any outside Organisation to undertake any actuarial work in which there could be any clash of interest between the organisation and the Corporation, they would bring the matter to the notice of the Corporation before undertaking the work.

In the context of Pension business the Board placed on record its appreciation of the efforts made by Mr. M.S. Janjua and Mr. S.K. Dehlavi towards getting "Employees Old Age Pension" business from the Governments of Punjab, NWFP, and Baluchistan. It was desired that these efforts should continue and the matter should also be pursued with the Government of Sind. For this purpose, the Board appointed a Committee comprising the following:

Mr. M.S. Janjua (Convenor)
Mr. S.A. Walajahi
Mr. S.K. Dehlavi
Mr. S.A. Zahid.

The Board desired that the Committee should continuously report to the Board about the progress made in respect of negotiations with the Provincial Governments.

It was also decided that the Principal Office of the Corporation should prepare a scheme in the light of these negotiations for presenting it to the Board.

Thereafter Mr. S. S. Akhtar rejoined the meeting.

- ITEM NO. VII: COMMITTEE REPORT ON -
- (i) AGENCY OFFICES OF 'B' BEEMA UNIT
 - (ii) MILLION DOLLAR PRODUCERS
 - (iii) SALARIED FIELD OFFICIALS
 - (iv) PRODUCTION BONUSES
 - (v) RELEASES TO FIELD STAFF OF 'C' BEEMA UNIT
 - (vi) ENTERTAINMENT ALLOWANCE TO AREA MANAGERS.

Mr. P. Sequeira presented a verbal report of the deliberations of the Committee appointed by the Board to go into the above questions, which was as follows:

- (i) Agency Offices of American Life Components of 'B' Beema Unit.

It was decided that such offices may be continued until 31st December 1973 provided the cost did not exceed 3½% of First Year Premium income. In respect of other components of 'B' Beema Unit and in respect of 'A' and 'C' Beema Units it was decided that the cost of providing office accommodation to field workers up to and including Area Managers should not, in the aggregate, exceed 2½% of First Year Premium income. In each case the cost would mean expenses on rent, electricity, telephone, postage, stationery, sweeper, peon etc.

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(ii) Million Dollar producers:

Mr. S.F. Alam, General Manager 'B' Beema Unit stated that no facility of any kind was being provided to members of the Million Dollar Round Table, other than the commissions they were entitled to. This was noted by the Board.

(iii) Salaried Field Officers:

The Legal Adviser's opinion was noted, namely that salaried field officials whose emoluments were dependent on the procuration of business formed a class of employees of the Corporation not governed by the Service Regulations. They would be governed by Article 19 of the Life Insurance (Nationalisation) Order, 1972. As a result we could take such action as might be justified by the Appointment letters or contracts they were holding. Further, we could reduce their remuneration under the power given to us by Article 19, sub-article(2) of the Life Insurance (Nationalisation) Order 1972 in the interest of the Corporation or its policyholders. Having regard to this legal position the General Managers of 'A' and 'B' Beema Units would, in consultation with their Legal Advisers, act in relation to the salaried officials according to his contract and performance, so as to conform to the decisions of the 7th meeting of the Board held on 21/22nd December 1972 under Item No. II para (6)(b) and (c).

It was noted that the writ petition filed by Gulzar Ahmed and others in Lahore High Court against Chief Manager of 'A' Beema Unit would be defended on the above lines.

(iv) Provisional payment of Production Bonuses:

To even out the flow of business and to avoid hardship to Sales Officers and Sales Managers considering that they were uncertain about their position until 1st April, 1973, the Board decided to permit provisional payment of production bonuses in 1973 according to the following scheme:

A - Sales Officers, and Sales Managers on Business of Direct Unit:

(a) If his direct unit completes Rs.8,000 FYAC from 1st January, 1973 to 30th June, 1973, pay him production bonus of 12½% on direct unit FYAC from 1st January 1973 to 30th June 1973, and pay him running 50% of FYAC of direct unit in third quarter (basic 37½% + Production bonus 12½%).

(b) If his direct Unit completes Rs.5,200 FYAC or more from 1st January 1973 to 30th June 1973, but less than Rs.8,000/- pay him Production bonus of 7½% on direct Unit FYAC from 1st January 1973 to 30th June, 1973; and pay him running 45% of direct Unit FYAC in third quarter (basic 37½% + Production bonus 7½%).

(c) If his direct Unit completes less than Rs.5,200 from 1st January, 1973 to 30th June, 1973, he gets no production bonus and continues drawing 37½% on direct Unit FYAC in third quarter (basic only).

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(d) If his direct Unit completes Rs.13,000 FYAC from 1st January, 1973 to 30th September, 1973 pay him difference between 20% Production bonus and that already drawn on direct Unit FYAC from 1st January, 1973 to 30th September, 1973, and pay him running 50% of direct Unit FYAC in fourth quarter (basic 37½% + Production bonus 12½%).
Note the running payment in the fourth quarter will be 50%, NOT 57½%.

(e) If his direct Unit completes Rs.8,450 FYAC or more from 1st January, 1973 to 30th September, 1973, but less than Rs.13,000, pay him difference between 12½% Production bonus and that already drawn on direct Unit FYAC from 1st January, 1973 to 30th September, 1973, and pay him running 45% of direct Unit FYAC in fourth quarter (basic 37½% + Production bonus 7½%).
Note the running payment in the fourth quarter will be 45% NOT 50%.

(f) If his direct Unit completes Rs.8,000 FYAC or more from 1st January, 1973 to 30th September, 1973, but less than Rs.8,450, then (i) if Production bonus @ 7½% on direct Unit FYAC from 1st January, 1973 to 30th September, 1973 is more than Production bonus already drawn during that period, pay him the difference and (ii) if Production bonus @ 7½% on direct Unit FYAC from 1st January, 1973 to 30th September, 1973 is less than Production bonus already drawn during that period, the difference must immediately be recovered from him.

In case (f), pay him running 45% of direct Unit FYAC in fourth quarter (basic 37½% + Production bonus 7½%).

(g) If his direct Unit completes less than Rs.8,000 FYAC from 1st January, 1973 to 30th September, 1973, then any Production bonus already drawn during that period on direct Unit must be recovered from him immediately, and he will be paid running only 37½% of direct Unit FYAC during the fourth quarter (basic rate only).

(h) If he reaches Rs.20,000 direct Unit FYAC at any point during the calendar year, then he is entitled to the difference between 20% Production bonus and that actually drawn for the direct Unit FYAC from 1st January, 1973 to date of reaching Rs.20,000. For the rest of 1973 he will be paid running 57½% of FYAC on direct Unit (37½% basic plus 20% Production bonus).

B - Sales Managers on Business of Indirect Unit:

(a) If his entire Unit completes Rs.32,000 FYAC from 1st January, 1973 to 30th June, 1973, pay him Production Bonus of 10% on indirect Unit FYAC from 1st January, 1973 to 30th June, 1973, and pay him running 22½% of FYAC of indirect Unit in third quarter (basic 12½% + Production bonus 10%).

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<p>(b) If his entire Unit completes Rs.16,000 FYAC or more from 1st January, 1973 to 30th June, 1973, but less than Rs.32,000 pay him Production bonus of 5% on indirect Unit FYAC from 1st January, 1973 to 30th June, 1973; and pay him running 17½% of indirect Unit FYAC in third quarter (basic 12½% + Production bonus 5%).</p> <p>(c) If his entire Unit completes less than Rs.16,000 from 1st January, 1973 to 30th June, 1973 he gets no Production bonus and continues drawing 12½% of indirect Unit FYAC in third quarter (basic rate only).</p> <p>(d) If his entire Unit completes Rs.52,000 FYAC from 1st January, 1973 to 30th September, 1973 pay him difference between 15% Production bonus and that already drawn on indirect Unit FYAC from 1st January, 1973 to 30th September, 1973, and pay him running 22½% of indirect Unit FYAC in fourth quarter (basic 12½% + Production bonus 10%). <u>Note</u> the running payment in the fourth quarter will be 22½%, <u>NOT</u> 27½%.</p> <p>(e) If his entire Unit completes Rs.26,000 or more from 1st January, 1973 to 30th September, 1973, but less than Rs.52,000, pay him difference between 10% Production bonus and that already drawn on indirect Unit FYAC from 1st January, 1973 to 30th September, 1973, and pay him running 17½% of indirect Unit FYAC in fourth quarter (basic 12½% + Production bonus 5%). <u>Note</u> the running payment in the fourth quarter will be 17½% <u>NOT</u> 22½%.</p> <p>(f) If his entire Unit completes Rs.25,000 FYAC or more from 1st January, 1973 to 30th September, 1973, but less than Rs.26,000, then (i) if production bonus @ 5% on indirect Unit FYAC from 1st January, 1973 to 30th September 1973 is more than production bonus already drawn during that period, pay him the difference and (ii) if Production bonus @ 5% on indirect Unit FYAC from 1st January, 1973 to 30th September, 1973 is less than Production bonus already drawn during that period, the difference must immediately be recovered from him. In case (f), pay him running 17½% of direct Unit FYAC in fourth quarter (basic 12½% + Production bonus 5%).</p> <p>(g) If his entire Unit completes less than Rs.25,000 FYAC from 1st January, 1973 to 30th September, 1973, then any production bonus already drawn during that period on indirect Unit must be recovered from him immediately, and he will be paid running only 12½% of indirect FYAC during the fourth quarter (basic rate only).</p> <p>(h) If he reaches Rs.80,000 entire Unit FYAC at any point during the calendar year, then he is entitled to difference between 15% production bonus and that actually drawn for the indirect Unit FYAC from 1st January, 1973 to date of reaching Rs.80,000, and for the rest of 1973 he will be paid running 27½% of FYAC on direct Unit (12½% basic plus 15% Production bonus).</p> <p><u>NOTES:</u></p> <p>(1) Apart from the circumstances described above, in no circumstances will Production bonus be paid provisionally.</p>		

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(2) At 31st December, 1973, a pukka account will be made strictly according to the Insurance Rules of his entitlement of Production bonus for 1973. If he has provisionally drawn more, the excess must be recovered from him immediately in a lump sum. If he has provisionally drawn less, the difference must, of course, be paid to him immediately in a lump sum.

(3) When the word "pay" or "paid" is used above, it does not necessarily mean cash payment. It may have to be adjusted against any money he owes depending on the arrangements made for recovery or repayment. In all cases, group insurance is of course excluded.

(4) The working of this system will be reviewed at 31st December, 1973, and the 1974 pattern will be determined if it is decided to continue with the system of provisional payment of production bonus.

v) Releases:

In respect of 'C' Beema Unit, the Board felt that it was important to bring to an end the release system particularly having regard to the provisional payment of production bonuses agreed to above. The General Manager 'C' Beema Unit would proceed in this matter with all deliberate speed and the position would be reviewed at 30th September 1973.

vi) Entertainment Allowance to Area Managers:

It was agreed that the General Managers may, at their discretion, in accordance with the Service Regulations, pay Entertainment Allowance to selected cases of Area Managers having regard to the individual circumstances.

ITEM NO. VIII: INTRODUCTION OF NEW PLANS OF INSURANCE:

Mr. S.S. Akhtar informed the Board that he was planning to prepare two new insurance plans, namely 'Mortgage Protection Plan' and 'Pension Plan'. If the Board approved the proposal, he could go ahead with the necessary preparatory work so that the plans could be introduced as early as possible.

The Board approved the above proposal and constituted a Committee consisting of Mr. S.S. Akhtar, Mr. S.A. Zahid and Mr. Aftab Ahmad to prepare the plans.

ITEM NO. IX: Mr. M.S. Janjua raised the following issues which were considered and decided upon by the Board as under:-

1) Appointment of Area Managers:

All the posts of Area Managers in the Units had not been filled in. Some of them were required to be filled in urgently. The matter, therefore, deserved the consideration of the Board.

The Board constituted a Committee consisting of Mr. A.A. Toor, Mr. Samee-ul-Hasan and the three General Managers to examine the requirement and to make selections for the appointments.

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<p>2) <u>Provision of Cars to Area Managers:</u></p> <p>As per decision of the Board, Area Managers had to be provided with cars. On the other hand, there were certain other senior Officers who were in possession of official cars but were not entitled to them. The cars in possession of such officers could be sold out to them at reasonable prices.</p> <p>It was decided that so far as the question of providing cars to Area Managers was concerned, the matter needed proper examination for which a paper should be prepared, giving full facts of the case, and put up to the Board for consideration.</p> <p>As for the question of disposal of cars in possession of officials who were not authorised to keep them, the matter may be examined by the Committee as in (1) above.</p> <p>3) <u>Staff for Group Insurance:</u></p> <p>There was need for appointment of field and office staff for the Group Insurance Deptt. of the 'A' Beema Unit.</p> <p>The Board desired that concrete proposal indicating number/category of posts required and the financial incidence involved should be prepared and put up to the Board for consideration.</p> <p><u>ITEM NO. X:</u> Mr. S.A. Walajahi raised some points which were decided as follows:</p> <p>1) <u>Training of Employers of Agents:</u></p> <p>In the blue booklet on "New Employer of Agents System" issued in the first week of January 1973, it was stated that all Employers of Agents would be required to undergo a course of training and pass the prescribed test by 30th June 1973. Since the text of the course has been just completed and sent to General Managers and Directors for comments, it would not be possible to start the training programme before 1st July 1973. It was, therefore, proposed that the last date for passing the required test may be extended upto 31st December 1973 and that no Agent be promoted as Employer of Agent on or after 1st July 1973 unless he had passed the required course.</p> <p>The Board approved the above proposal.</p> <p>2) <u>Subscription to LOMA publications:</u></p> <p>It was stated that under the rules and regulations of LOMA, State Life did not qualify for membership of the Association. However, State Life could get all its printed material and research reports by paying full subscription of \$200. This would cost State Life \$800 for subscription of 4 sets, one each for the three Units and the Principal Office, which the Board may sanction.</p> <p>The Board approved the above proposal and sanctioned the payment of \$800 to LOMA at the rate of \$200 each for the three Units and \$200 for the Principal Office.</p>		

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ITEM NO. XI: (1) Mr. A.A. Toor invited the attention of the Board to an earlier decision of the Board whereby it had declined a proposal to grant Personal Accident Cover to the Directors. In this connection, the Board was informed that it had since been ascertained from the Government that the benefits of compensation on death by accident during travel on official duty was available even in the Government whereby if an official died travelling on duty by air, his family was entitled to compensation equal to 30 times his monthly salary. It was also stated that such cover was available to the members of the Boards of Directors of some other organisations also, including the Pakistan Insurance Corporation.

In view of the above position, the Board agreed that it would be justifiable to give such cover to the Directors. It was, however, decided that a reference be made to the Government suggesting a round the year personal accident cover of Rs.1 lac in each case before deciding to give such cover.

(2) Budget for the Units:

Mr. A.A. Toor invited the attention of the Board to the fact that the draft budget of the Units, although requested for long ago, had not been received so far, with the result that the overall budget of the Corporation had been inordinately delayed. The General Managers were requested to look into the matter and have the budget sent by 30th June 1973.

(3) Club Subscriptions:

It was brought to the notice of the Board that various categories of Officers were allowed Club subscriptions as they were entitled to this privilege prior to nationalisation. It was decided that payment of club subscriptions should not be allowed as it was not permissible under State Life Regulations.

(4) Telephone at Residence:

The Board was requested to approve the categories of Officers who would be entitled to have telephone at their residence at Office expense. It was desired that a paper be prepared on the subject, giving the list of all such officers who were already having telephones at their residences and brought up to the Board for consideration.

(5) Sanction of Expenditure for shifting of Principal Office:

The Board was informed that the Principal Office of the Corporation was to be shifted to 3rd floor of State Life Building. This would entail some expenditure on construction and furnishing of the Principal Office. It was estimated that it may involve an expenditure of about Rs.2 lacs.

The Board approved an ad-hoc allocation of Rs.2 lacs for the shifting and furnishing of the Principal Office, subject to submission of detailed expenditure on various items, in due course.

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ITEM NO. XII: INVESTMENT:

The Board then took up for consideration the memoranda presented by the Executive Director (Investment) regarding the investments. The following decisions were taken:

- 1) Application of Synthetic Chemicals Co. Ltd., for a debenture loan of Rs.20 lacs.

The Board was informed that Synthetic Chemicals Co. (formerly Valika Chemical Industries Ltd.) whose management had been taken over by the Government under the Economic Reforms Order was in urgent need of a debenture loan of Rs.20 lacs to meet the acute shortage of working capital. Unless these funds were made available immediately, the plant would be forced to shut down. Although the operating performance of the Company is highly unsatisfactory as reflected in accumulated losses of Rs.7.39 crore, the complete erosion of equity of Rs.2.82 crore and unfavourable current ratio 0.09:1, the company was likely to become viable in the near future. This was indicated by an increase in operating efficiency from 50% of plant capacity to over 100%. Moreover, the cost of raw material, namely molasses, was expected to go down with the imposition of export duty and bumper output of sugar next year. The debenture loan would be guaranteed by the Central Government, both for the principal amount and the interest and would carry a rate of interest of 3% above the bank rate subject to a minimum of 9%. The investment would qualify as "approved security" under the Insurance Act.

Keeping in view the fact that the debentures would be guaranteed by the Central Government, the Board approved the grant of the debenture loan to Synthetic Chemical for an amount of Rs.20 lacs on the following terms and conditions:

- 1) Interest to be 3% above the bank rate subject to a minimum of 9% per annum. Interest would be payable semi-annually on June 30 and December 31 of each year.
- 2) Repayment to be in six semi-annual instalments, commencing from 1st January, 1974 and ending on 1st January, 1977.
- 3) Penal interest on all dues remaining unpaid on due dates at the rate of 2% above the normal interest rate at (1) above.
- 4) Security to be a full-time repayment guarantee issued by the Federal Government in form and substance as per draft attached with the Memorandum presented to the Board by Executive Director (Investment).
- 5) The loan to be evidenced by debenture certificates to be issued in favour of State Life.
- 2) Amendment of Resolution dated 24.3.1973 regarding Purchase of Debentures of Northern Foundry and Engineering Works Limited.

The Board was informed that the additional debentures loan of Rs.25,00,000 approved by the Board on March 24, 1973 for Northern Foundry and Engineering Works Limited was to carry a rate of interest of 4½% above the bank rate subject to a minimum of 10% per annum. Subsequently the Controller of Capital Issues

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gave his consent fixing the interest at a maximum rate of 10½% per annum without linking it with the bank rate. In order to bring the rate of interest in line with the consent order, the Board amended its resolution dated 24.3.1973 and passed the following resolution:

RESOLVED "That Clause 2(a) of Item No.XIII(5)(iv) be amended to read as under:-

"Debentures to carry interest @ 10½% per annum payable on June 30 and December 31, each year."

- 3) Purchase of Land lying between plots owned by State Life at The Mall, Rawalpindi.

The Board was informed that the State Life had three plots at The Mall, Rawalpindi situated in the same row belonging to the former ILACO, EFU and ALICO. A plot of land measuring 6,725 Sq.ft. had been lying vacant between EFU and ALICO plots. In addition, there was an extra land at the back of the plots owned by the former ILACO, EFU and ALICO measuring 4,650 Sq.ft. Together, these various pieces of land measure 11,375 Sq.ft. The Rawalpindi Cantonment Board was agreeable to sell the above mentioned pieces of land for an amount of Rs.3,93,567.00. As a part of this transaction, the Cantonment Board would construct a metalled road in front of all the plots now owned by the State Life, at its expense and the State Life would have to reserve the open plot of former ILACO for car parking. The Board approved.

- 4) Grant of General Power of Attorney to the General Managers for delegating their powers in respect of litigations and lease of property for Office space etc. to other Officers of their respective Units.

The Executive Director (Investment) informed the Board of the difficulties experienced by General Managers in delegating powers to their officers on above matters. He stated that the Legal Advisor to the Corporation had been requested to draft the General Power of Attorney authorising the General Managers to delegate their powers to their officers in this regard. He requested the Board to approve, in principle, the delegation of such powers to the General Managers. He also stated that the draft of the General Power of Attorney would be circulated to the Directors for approval before execution. The Board approved.

ITEM NO. XIII: ANY OTHER MATTER:

The Chairman informed the Board that as he was leaving for abroad on the 15th June, he was requesting Mr. P. Sequeira, General Manager 'C' Beema Unit to look after the work of the Chairman in addition to his (Mr. Sequeira's) duties as General Manager 'C' Beema Unit. This was an informal arrangement.

The Board endorsed and welcomed the above arrangement. All the members assured the Chairman of their wholehearted cooperation to Mr. P. Sequeira.

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