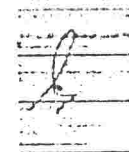


MINUTES OF 198TH MEETING OF THE BOARD OF DIRECTORS


BOOK	HELD AT	ON	TIME																
	KARACHI	4 TH DECEMBER' 2008																	
<u>CONFIDENTIAL AND RESTRICTED</u>																			
<p>The 198th Meeting of the Board of Directors of State Life Insurance Corporation of Pakistan was held on Thursday, 4th December' 2008 at 10.00 a.m. in the Board Room, State Life Building No.9, Dr. Ziauddin Ahmed Road, Karachi.</p>																			
<p><u>PRESENT:</u></p>																			
<table border="0"> <tr> <td>1. Mr. Shahid Aziz Siddiqi</td> <td>Chairman</td> </tr> <tr> <td>2. Mrs. Spenta Kandawalla</td> <td>Director</td> </tr> <tr> <td>3. Mr. Aslam Faruque</td> <td>Director</td> </tr> <tr> <td>4. Mr. Amin Qasim Dada</td> <td>Director</td> </tr> <tr> <td>5. Mr. Rasheed Y. Chinoy</td> <td>Director</td> </tr> <tr> <td>6. Syed A. Wahab Mehdi</td> <td>Director</td> </tr> <tr> <td>7. Syed Hur Riahi Gardezi</td> <td>Director</td> </tr> <tr> <td>8. Mr. Akbarali Hussain</td> <td>Board Secretary</td> </tr> </table>				1. Mr. Shahid Aziz Siddiqi	Chairman	2. Mrs. Spenta Kandawalla	Director	3. Mr. Aslam Faruque	Director	4. Mr. Amin Qasim Dada	Director	5. Mr. Rasheed Y. Chinoy	Director	6. Syed A. Wahab Mehdi	Director	7. Syed Hur Riahi Gardezi	Director	8. Mr. Akbarali Hussain	Board Secretary
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6. Syed A. Wahab Mehdi	Director																		
7. Syed Hur Riahi Gardezi	Director																		
8. Mr. Akbarali Hussain	Board Secretary																		
<p><u>LEAVE OF ABSENCE:</u></p>																			
<p>1. Mr. Qamar Zaman Chaudhry Director</p>																			
<p>2. The meeting started with recitation of verses from the Holy Quran by the Chairman.</p>																			
<p>3. Ms, Nargis Ghaloo, Executive Director(Mkt/G&P), Mr. Mohammad Yahya, Executive Director((PHS/RE/P&GS/Law) and Mr. Allah Rakha Aasi, Executive Director(B&A/Act/Inv/CD/R&A) attended the meeting by invitation.</p>																			
<p>ITEM (1) CONFIRMATION OF MINUTES OF 197TH MEETING OF THE BOARD OF DIRECTORS.</p>																			
<p>4. The minutes of the 197th meeting of the Board of Directors held on 3rd November, 2008 were placed before the Board.</p>																			
<p>5. Mrs. Spenta Kandawalla pointed out that in para-58 on page-2712 of the above minutes, the word "employees" be replaced with the words "officers and staff". It was also pointed out that instead of "Mrs. Spenta Kandawalla" proposed and Syed Hur Riahi Gardezi seconded" the words "the Board members proposed" be substituted in para-111 on page-2722.</p>																			
<p>6. Syed Hur Riahi Gardezi pointed out that the word "consonance" in para-19 on page-2704 of the above minutes be replaced with the word "cognizance".</p>																			
<p>7. Syed A. Wahab Mehdi observed that he would in pursuance of his earlier decision mentioned at para-118 of page -2723 of the above minutes appreciate if he is allowed that the Director's Fee allowed to him be passed on by State Life to a charitable institution named by him.</p>																			
<p>8. Subject to the above amendments, Syed Hur Riahi Gardezi proposed and Mrs. Spenta Kandawalla seconded that the minutes of 197th meeting of the Board of Directors be confirmed.</p>																			

Action:
ED(Law)
ED(B&A)
DI(I&E)


CHAIRMAN'S
INITIALS



MINUTES OF 198TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME	
MINUTE BOOK	KARACHI	4 TH DECEMBER' 2008		
<p>Action: DGM(BS)</p> <p>Action: (RE)</p> <p>Action: ED(B&A) ED(P&GS) ED(Mkt)</p> <p>Action: ED(P&GS) ED(CD)</p> <p>Action: ED(RE)</p> <p>Action: ED(RE)</p> <p>Action: ED(Mkt)</p>	<p>9. Accordingly, it was resolved as under"-</p> <p>RESOLVED: "that the Minutes of 197th meeting of Board of Directors held on 3rd November' 2008, are confirmed."</p> <p>ITEM (2) ACTION ARISING OUT OF DECISIONS TAKEN IN 197TH MEETING OF THE BOARD OF DIRECTORS.</p> <p>10. The Secretary Board presented before the Board of Directors, report on action arising out of decisions taken in 197th meeting of the Board of Directors held on 3rd November' 2008.</p> <p>11. The implementation report of actions arising out of decision taken in the 197th meeting of the Board of Directors relating to Real Estate Division was put up in the Real Estate Committee, minutes of which are put up to the Board as Item No.5 for confirmation and approval of recommendations of the Committee.</p> <p>12. Mr. Aslam Faruque and Syed A. Wahab Mehdi requested the Executive Directors to prepare a five year business and financial plan to the Board at its next meeting to be held exclusively to review the plan. The plan would highlight the strategy and vision of the Corporation vis a vis marketing of its business products, introduction of new products, banc assurance, retention of market share, review of overseas business, steps to be taken to address the issue of brain drain, training of staff and field force, new recruitment through lateral appointment, fresh recruitment, systems, empowerment of employees at various levels, investment strategies including that of purchase and development of real estate, development and implementation of IT strategy, protection of permanent records of the Corporation and development of back up of the same, development of disaster recovery plan. A statement of age grouping of existing officers and staff of State Life be also prepared and included in the five year plan.</p> <p>13. The Board instructed the Management to have a back up arrangement of all records of PHS, Real Estate, P&GS, Investment, Marketing, Group & Pension, B&A and Computer Divisions. The Board directed that an open tender be advertised in the newspaper for developing a back up arrangement of all records and companies like IBM, HP be also consulted in the matter.</p> <p>14. The Board reviewed the existing fire fighting arrangements and emphasized that the efforts be taken in hand to train the existing manpower to utilize the present available facility. Further wherever necessary, adequate arrangements be made to protect the assets and properties of the Corporation.</p> <p>15. A review of past incidents of fire be placed for the information of the Board in the next meeting.</p> <p>16. The Board approved the proposal for write off of the amount to be recovered from 14 Zonal Heads in respect of promotion materials supplied to them for selling it to field workers and marketing executives but which remains outstanding to date. The Board directed that a memorandum be put up to the Executive Committee in this regard.</p>			<p>CHAIRMAN'S INITIALS</p> 

MINUTES OF 198TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME	
MINUTE BOOK	KARACHI	4 TH DECEMBER' 2008		
<p>Action: ED(Act)</p> <p>Action: DGM(BS)</p> <p>Action: D(P&GS) ED(B&A) DH(IA&E)</p>	<p>17. The Board was informed that an advertisement is being given in the newspaper inviting technical proposals for interested third parties in respect of banc assurance.</p> <p>18. Implementation report of 197th meeting of the Board of Directors is noted</p> <p>ITEM (3) CONFIRMATION OF MINUTES OF 275TH AND 276TH MEETINGS OF THE EXECUTIVE COMMITTEE AND APPROVAL OF ITS RECOMMENDATIONS IN RESPECT OF THE FOLLOWING:</p> <p>(I) PAYMENT OF QUALIFICATION ALLOWANCE TO QUALIFIED ACCOUNTANTS. (II) ADHOC RELIEF TO STAFF. (III) REVISION OF PAY SCALES AND FRINGE BENEFITS FOR OFFICERS. (IV) PETROL LIMITS FOR OFFICERS.</p> <p>19. The Secretary Board presented before the Board, the minutes of the 275th and 276th meetings of the Executive Committee held on 8th November, 2007 and 20th November, 2008 for confirmation and approval of recommendations of the Executive Committee to the Board.</p> <p>20. The Board was informed that all the employees of the Corporation would be benefited from the revision in allowances allowed by the Board.</p> <p>21. After deliberation, the Board resolved as under:-</p> <p>RESOLVED:</p> <p>(I) <u>PAYMENT OF QUALIFICATION ALLOWANCE TO QUALIFIED ACCOUNTANTS.</u> "that the recommendations of the Executive Committee in its 276th meeting held on 20th November, 2008, for raise in enhancement in qualification allowance to FCA and FCMA's from Rs.10,000/- to Rs.20,000/- per month and to ACA and ACMA's from Rs.8,000/- to Rs.16,000/- per month w.e.f. 1st November, 2008, is approved." "that Qualified Accountants entitled for qualification allowance should be from the following professional accountancy institutions:</p> <p>i) ICAP: Institute of Chartered Accountants of Pakistan. ii) ICMAP: Institute of Cost & Management Accountants of Pakistan. iii) ICAE & W (UK): Institute of Chartered Accountants England & Wales UK. iv) CIMA (UK): Chartered Institute of Management Accountants UK. v) ACCA (UK): Association of Certified Chartered Accountants UK. vi) AICPA (USA): Association of Institute of Certified Public Accountants USA."</p> <p>(II) <u>ADHOC RELIEF TO STAFF</u> "that the recommendations of the Executive Committee in its 276th meeting held on 20th November, 2008, allowing following adhoc relief w.e.f. 1st July, 2008 to unionized staff, to be adjusted in the next CBA agreement for the year 2009-2010, is approved."</p>			<p>CHAIRMAN'S INITIALS</p> 

MINUTES OF 198TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME																																					
MINUTE BOOK	KARACHI	4 TH DECEMBER' 2008																																						
<p>(i) Conveyance Allowance from Rs.850 to Rs.1,275 per month.</p> <p>(ii) Motor Cycle/Car Maintenance Allowance from Rs.1,000 to Rs.1,500 per month.</p> <p>(iii) Utilities Allowance from Rs.850 to Rs.1,350 per month.</p> <p>(III) REVISION OF PAY SCALES AND FRINGE BENEFITS FOR OFFICERS.</p> <p>a. Pay Scales</p> <p>(i) "that the recommendations of the Executive Committee in its 276th meeting held on 20th November, 2008, for increase in Pay Scales of officers @ 15% of basic pay and merger of adhoc relief allowance earlier allowed @ 15 of the basic pay from 1st January, 2008 into basic pay w.e.f. 1st July, 2008, is approved."</p> <p>(ii) "that the following revised pay scales on a point to point basis worked out by P&GS Division to give effect to the approval of the Board to the recommendations of the Executive Committee for increase in basic pay w.e.f. 1st July, 2008, is approved.</p> <table border="1"> <thead> <tr> <th>Designation</th> <th>Existing Pay Scales</th> <th>Revised Pay Scales</th> </tr> </thead> <tbody> <tr> <td>Executive Director</td> <td>29866-1464-65002</td> <td>39498-1937-85986</td> </tr> <tr> <td>General Manager</td> <td>25595-1257-55763</td> <td>33850-1663-73762</td> </tr> <tr> <td>Deputy General Manager</td> <td>22190-0992-45998</td> <td>29347-1312-60835</td> </tr> <tr> <td>Assistant General Manager</td> <td>18981-0950-41781</td> <td>25103-1257-55271</td> </tr> <tr> <td>Manager</td> <td>17553-0897-39081</td> <td>23214-1187-51702</td> </tr> <tr> <td>Deputy Manager</td> <td>12467-0850-32867</td> <td>16488-1125-43488</td> </tr> <tr> <td>Assistant Manager</td> <td>10007-0685-26447</td> <td>13235-0906-34979</td> </tr> <tr> <td>Executive Officer</td> <td>6939-0496-18843</td> <td>9177-0656-24921</td> </tr> </tbody> </table> <p>(iii) "that the revised pay scales be referred to the Ministry of Commerce by the Corporation for approval."</p> <p>b. Conveyance Allowance</p> <p>"that increase in Conveyance Allowance from Rs.1,250/- to Rs.2,000/- per month w.e.f. 1st July, 2008, as recommended by the Executive Committee in 276th meeting, is approved."</p> <p>c. Driver's Wages Subsidy</p> <p>"that the increase in Driver's subsidy of the following officers as recommended by the Executive Committee in its 276th meeting be re-fixed w.e.f. 1st July, 2008, is approved."</p> <table border="1"> <tbody> <tr> <td>Sr. General Managers/General Managers/Divisional Heads</td> <td>Rs.8,000 p.m.</td> </tr> <tr> <td>Regional Chiefs/Zonal Heads</td> <td>Rs.8,500 p.m.</td> </tr> <tr> <td>DGMs(Marketing)</td> <td>Rs.5,000 p.m.</td> </tr> <tr> <td>DGMs(Office)</td> <td>Rs.4,500 p.m.</td> </tr> <tr> <td>AGMs/Managers(Marketing)</td> <td>Rs.3,000 p.m.</td> </tr> </tbody> </table> <p>d. Petrol Limit</p> <p>"that the recommendations of the Executive Committee in its 276th meeting, allowing only 50% of their petrol facility next year i.e. 60 liters per month, for Sector Heads(Group & Pension) who do not achieve minimum growth rate of 10% as compared to previous year, is approved."</p>				Designation	Existing Pay Scales	Revised Pay Scales	Executive Director	29866-1464-65002	39498-1937-85986	General Manager	25595-1257-55763	33850-1663-73762	Deputy General Manager	22190-0992-45998	29347-1312-60835	Assistant General Manager	18981-0950-41781	25103-1257-55271	Manager	17553-0897-39081	23214-1187-51702	Deputy Manager	12467-0850-32867	16488-1125-43488	Assistant Manager	10007-0685-26447	13235-0906-34979	Executive Officer	6939-0496-18843	9177-0656-24921	Sr. General Managers/General Managers/Divisional Heads	Rs.8,000 p.m.	Regional Chiefs/Zonal Heads	Rs.8,500 p.m.	DGMs(Marketing)	Rs.5,000 p.m.	DGMs(Office)	Rs.4,500 p.m.	AGMs/Managers(Marketing)	Rs.3,000 p.m.
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CHAIRMAN'S
INITIALS


MINUTES OF 198TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 TH DECEMBER' 2008	

- e. Submission of certificates for consumption of petrol, Car rental and Driver's Subsidy.

"that the recommendation of the Executive Committee in its 276th meeting, for abolishing the practice of submission of certificates for consumption of Petrol, Car Rental and Driver's Subsidy and payment of these perquisites as per entitlement (Petrol in litres) as part of Pay and Allowances for all tiers of State Life including Executive Directors and Chairman for whom payments are against bills to various Petrol Pumps, is approved."

- f. Utilities Charges

"that as recommended by the Executive Committee in its 276th meeting, increase in Utility Charges from 10% to 15% of basic pay per month w.e.f. 1st July, 2008, is approved."

- g. Up-gradation of Executive Officers

"that as recommended by Executive Committee in its 276th meeting, for upgrading of existing posts of Executive Officers to Assistant Managers and elevation of all Executive Officers (Excluding recruited under Actuarial Training Scheme as they have their own scheme of accelerated promotion), who have good record as Assistant Managers, is approved."

- h. Compulsory Group Insurance

"that as recommended by Executive Committee in its 276th meeting, enhancement of Compulsory Group Insurance Limits, is approved."

<u>Designation</u>	<u>Proposed Coverage</u>
Chairman	Rs.5,000,000
Executive Directors	Rs.3,000,000
General Managers	Rs.3,000,000
Deputy General Managers	Rs.2,500,000
Assistant General Managers	Rs.2,500,000
Managers	Rs.1,500,000
Deputy Managers	Rs.1,500,000
Assistant Managers	Rs.1,500,000
Executive Officers	Rs.1,500,000

- (IV) Petrol Limits for Officers


"that as recommended by Executive Committee in its 276th meeting, the continuation of petrol limits of the Chairman at actuals and that of the other cadre from Executive Directors to Managers be increased by 50 liters per month w.e.f. 1st November, 2008, is approved."

22. ED(P&GS) submitted a clarification to the Board of Directors that there were two categories of employees in State Life, one who maintained their own car and secondly those who used public transport. The Executive Committee recommended increase in conveyance allowance for officers who used public transport whereas the car maintenance allowance previously allowed to Managers, DMs and AMs were not put up to the Executive Committee for revision. The Managers who are maintaining their

CHAIRMAN'S
INITIALS



MINUTES OF 198TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME	
MINUTE BOOK	KARACHI	4 TH DECEMBER' 2008		
	<p>own car were allowed 80 liters petrol in addition to car maintenance allowance of Rs.1650/- p.m., however ED(P&GS) requested the Board to consider a revision in the car maintenance allowance of DMs and AMs from Rs.1425 to Rs.2280 and from Rs.1300 to Rs.2080. After deliberation, the Board resolved as under:-</p> <p>RESOLVED: "that increase in Car Maintenance Allowance to Deputy Managers from Rs.1425 p.m. to Rs.2000 p.m. and to Assistant Managers from Rs.1300 p.m. to Rs.2000 p.m. is approved."</p> <p>23. The total impact of all revisions in pay scales and fringe benefits for officers was Rs.140 million per annum and adhoc relief for staff was Rs.30 million per annum.</p> <p>ITEM (4) CONFIRMATION OF MINUTES OF 6TH MEETING OF THE SOCIAL RESPONSIBILITY COMMITTEE AND APPROVAL OF ITS RECOMMENDATIONS.</p> <p>24. The Secretary Board presented before the Board, the Minutes of 6th meeting of the Social Responsibility Committee held on 13th November, 2008 for confirmation and for approval of its recommendations to the Board.</p> <p>25. The Management of Sindh Madressah Board and Shaheed Zulfiqar Ali Bhutto Institute of Science & Technology had requested State Life to donate a 64 seater and 24 seater Hino Pak bus respectively for students activities but the members of the Social Responsibility Committee felt that it was not a policy of State Life to commit donation in the form of capital expenditure to educational institutions as such the Committee recommended to the Board for approval of donation to the above institutions towards scholarship fund for the poor and needy students.</p> <p>26. After deliberation, the Board resolved as under:</p> <p>RESOLVED: "that the Minutes of 6th meeting of the Social Responsibility Committee held on 13th November, 2008 is confirmed and the following recommendations to the Board, is approved:-</p> <p>(a) "that a budget equivalent to one percent of the pre tax profit or such amount as may be recommended by the Social Responsibility Committee and the Board considered appropriate be allocated each year for corporate philanthropy – particularly in the field of advancement of education, health, cultural heritage, sports and other areas of corporate social responsibility from time to time and that the benefit should accrue to the poor, needy and under privileged cross section of people."</p> <p>(b) "that post facto approval for payment of Rs.100,000/- to Poor Patients Aid Society, Civil Hospital, Karachi for supply of free medicines and quality treatment to desperate poor patients, is approved."</p> <p>(c) "that a payment of Rs.100,000/- to Kids Blood Diseases Organization, Mansehra, is approved."</p>			<p>CHAIRMAN'S INITIALS</p> 

Action:
ED(B&A)
DH(IA&E)

Action:
ED(B&A)
DH(IA&E)

Action:
ED(B&A)
DH(IA&E)

Action:
ED(B&A)
DH(IA&E)


MINUTES OF 198TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 TH DECEMBER' 2008	
Action: ED(B&A) DH(IA&E)	(d)"that purchase of one Suzuki Bolan Van for Chhipa Welfare Association, Karachi costing Rs.515,000/- and conversion cost into ambulance of Rs.100,000/- , is approved."		
Action: ED(B&A) DH(IA&E)	(e)"that purchase of one Suzuki Bolan Van for Al-Mustafa Welfare Society, Karachi costing Rs.515,000/- and conversion cost into ambulance of Rs.100,000/- is approved."		
Action: ED(B&A) DH(IA&E)	(f)"that a donation of Rs.500,000/- towards scholarship fund for the poor and needy students of the Education Institutions under Sindh Madressah Board, Karachi, is approved as a bus cannot be donated being capital expenditure."		
Action: ED(B&A) DH(IA&E)	(g)"that a donation to Amputee Rehabilitation Programme(C-ARP) Fund of Chal Network (Mursheed Hospital Health care Centre), Karachi for supporting five children at Rs.150,000/- per child (totalling Rs.750,000/-), is approved."		
Action: ED(B&A) DH(IA&E)	(h)"that a donation of Rs.15 lakhs to the scholarship fund of SZABIST for first and second year tuition fee of five poor and needy students leading to a bachelor degree is approved as a bus cannot be donated being capital expenditure."		
Action: ED(B&A) DH(IA&E)	(i)"that instead of purchase of 1000 blankets by not exceeding Rs.1200/- each and its distribution to the victims of the earthquake of Balochistan, a sum of Rs. one million be given to the President Relief Fund for Balochistan Earthquake victims."		
Action: ED(B&A) DH(IA&E)	(j)"that a donation of Rs.150,000/- for organizing annual fund raiser by Friends of the Kidney Centre, Karachi, is approved."		
Action: AGM(A&SP)	(k)"that AGM(A&SP) is hereby authorized to coordinate with the Kidney Centre and provide necessary material for a full page complimentary four colour advertisement in the souvenir to be issued on the occasion."		
Action: ED(B&A) DH(IA&E)	(l)"that ED(B&A) is hereby authorized to allocate budget for the donations approved at (a) to (j) above and take all steps for making payment of the same."		
Action: ED(B&A) DH(IA&E)	(m) "that the Corporation monitor the proper utilization of the funds donated by State Life and ensure that the amounts donated are State Life specific and bear State Life logo and information of students availing the benefits from the scholarship fund be provided to the Board periodically."		
<p>ITEM (5) CONFIRMATION OF MINUTES OF REAL ESTATE COMMITTEE AND APPROVAL OF ITS RECOMMENDATIONS.</p>			
<p>27. The Secretary Board presented before the Board, the Minutes of 1st meeting of the Real Estate Committee held on 26th November, 2008 for confirmation and approval of recommendations made by the Committee to the Board.</p>			


CHAIRMAN'S INITIALS

[Handwritten Signature]


MINUTES OF 198TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME	
MINUTE BOOK	KARACHI	4 TH DECEMBER' 2008		
<p>Action: ED(RE)</p> <p>Action: ED(RE)</p>	<p>28. Syed Hur Riahi Gardozi pointed out that in the second last para on page-8 of the minutes of 1st meeting of the Real Estate Committee, the word "atleast" be incorporated before the word "once in two months". It was also pointed out by him that in the chart to delegation of financial powers of Real Estate Division approved by the Real Estate Committee and put up to the Board, certain typographical errors in the financial powers of ED and DH/GM and DGM/Departmental Head, AGM and Manager on page-9 to 14 in annexure-A to the memorandum needs to be corrected for figures appearing therein. The corrected version be incorporated in the working papers of the Board meeting.</p> <p>29. After deliberation, the Board resolved as under:</p> <p>RESOLVED:</p> <p>"that subject to the above, the Minutes of 1st meeting of the Real Estate Committee held on 26th November, 2008 is confirmed and following recommendations to the Board, is approved."</p> <p>(a) "that the endorsement of the Real Estate Committee of the decision of the Chairman to file a civil suit for possession of Plot No.720-A at Mall, Rawalpindi, is approved."</p> <p>(b) "that the progress report of State Life Building, Gujranwala, State Life Building, Hyderabad Phase-II, lift for State Life Building No.1 & 2, Karachi, State Life Building, on going building projects at Sargodha and Sialkot and renovation works being carried out by M/s. NESPAK and renovation of four buildings damaged in violence on 27-12-2007 is noted.</p> <p>(c) "that as recommended by the RE Committee the construction of State Life Building, Sargodha at a budgeted cost of Rs.151 million as worked out by the Consultant is hereby approved. Real Estate Division is instructed to take prompt action and to ensure that there is no delay in the work. Real Estate Division is further directed to advise the Architect to check that the building has sufficient car parking space as per standards."</p> <p>(d) "that as recommended by Real Estate Committee, Chairman State Life is requested to visit Quetta and discuss matter of purchase of any available government owned plot with Chief Secretary, Balochistan and also visit the three short listed plots or any other plot deem feasible for purchase."</p> <p>(e) i) "that as recommended by the Real Estate Committee on the recommendation of NESPAK to Real Estate Division, renovation of the property at 106-F, Clifton is approved."</p> <p>ii) "that since the budgeted cost of Rs.56 million for the above work given by NESPAK was on the higher side, the recommendation of the Real Estate Committee for renovation of the property within a budgeted cost of Rs.30 million to be carried out departmentally is approved."</p>			<p>CHAIRMAN'S INITIALS</p> 

MINUTES OF 198TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 TH DECEMBER' 2008	
<p>iii) "that as recommended by the Real Estate Committee consequent upon the completion of the renovation of the building, the flats be rented out at market rate."</p> <p>(f) "that as recommended by the Real Estate Committee, the construction of State Life Building, Sialkot at a budgeted cost of Rs.175 million as worked out by the Consultant is hereby approved. Real Estate Division is hereby directed to take prompt action and to ensure that there is no delay in the work. The Real Estate Division is further instructed to advise the Architect to check that the building has sufficient car parking space as per standards. The building will comprise of basement plus ground plus four floors with covered area 48,880 sq.ft. and the completion period would be 24 months from the date of issue of letter of award."</p> <p>(g) "that subject to correction of typographical errors, the recommendation of the Real Estate Committee for revision of the Financial Powers of Board of Directors, Executive Committee, Chairman and Executive Director and other officers of the Real Estate Division as given in the chart of Delegation of Financial Powers and Guideline thereto in the minutes of the Real Estate Committee is hereby approved. It was also recommended by the Real Estate Committee and agreed to by the Board that the financial powers of officers below grade of Executive Director remain unchanged. Suggested final chart of delegation of financial powers relating to Real Estate Division was enclosed as Annexure-A at page 9 to 14 of the minutes of the RE Committee."</p> <p>(h) "that the recommendation of the Real Estate Committee that the plot owned by State Life is of prime value and in case Real Estate Division plans to develop the same, they should submit an independent project instead of entering into MOU for joint partnership with any other entity is approved."</p> <p>(i) "that the recommendation of the Real Estate Committee of the method devised by the Real Estate Division to put up for approval the revised estimated cost of the project whenever the project cost reaches 80% of its approved budget cost or when there is any abnormal inflation in the market is approved."</p> <p>(j) "that as recommended by the Real Estate Committee the total project cost of State Life Building Hyderabad Phase-II at its completion of Rs.175 million is approved."</p>			
			<p>CHAIRMAN'S INITIALS</p> 


MINUTES OF 198TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME	
MINUTE BOOK	KARACHI	4 TH DECEMBER' 2008		
	<p>ITEM (6) PRESENTATION OF BUSINESS REVIEW OF MARKETING, GROUP & PENSIONS, INVESTMENT AND REAL ESTATE DIVISIONS FOR THE PERIOD ENDED ON 31-10-2008.</p> <p>30. ED(Marketing) placed before the Board, Business Review of individual life for and upto the Month of October' 2008. The Corporation secured 1st year premium of Rs.3240 million as against Rs.2468 million during the corresponding period of 2007 showing an increase of 31%. The Corporation has collected second year premium of Rs.1737 million as against Rs.1444 million during the corresponding period of 2007 with second year persistency of 70%. The third year and over persistency for the period January to October' 2008 was 98% as against 100% in October 2007. The number of policies sold for the period 2008 was 261,151 as against 211,313 in the same period 2007.</p> <p>31. The Board complimented the officers and staff of Marketing Division for increase of 31% growth in first year premium, however the Board desired that improvement be brought about in second year persistency which was 70.38% upto October, 2008.</p> <p>Action: ED(Mkt)</p> <p>32. The Board advised to keep a constant watch on the second year persistency and take necessary action to halt the declining second year persistency and look into the possibility of bringing about a balance in the first year and second year commission so that equal attention is given by the agents in procurement of new business and for retention of the same.</p> <p>Action: ED(Mkt)</p> <p>33. To a query, DH(P&GS), who was previously the DH(PHS) informed the Board that a check was effective on the computer whereby no lapsed policies could be reissued in the same name with the same NIC number for a period of six months. The Board desired that the matter of reissue of lapsed policies be examined in detail by PHS Division and the time period of computer check be increased to one year.</p> <p>Action: ED(PHS)</p> <p>34. ED(Marketing) then presented the business review of Gulf Zone of individual life for and upto the Month of October' 2008. The Corporation secured 1st year premium of US\$ 1,999,367 as against US\$ 1,753,637 during the corresponding period of 2007 showing an increase of 14%. The second year persistency of the Gulf Zone upto October' 2008 was 65% as against 57% achieved during the same period of last year. The third year and over persistency upto October' 2008 was 95% which was the same as last year. The number of policies sold for the period 2008 was 1243 as against 1204 in the same period of 2007.</p> <p>35. The Board enquired from ED(Marketing) as to why the persistency level of Gulf business was low as compared to Pakistan. ED(Marketing) informed the Board that the major business accruing in the Gulf is from expatriate Pakistanis who return back to Pakistan after completing their contract periods which affects the persistency. The Chairman informed the Board that he would be visiting Saudi Arabia in the second week of January, 2009.</p> <p>Action: ED(Mkt)</p>			<p>CHAIRMAN'S INITIALS</p> 

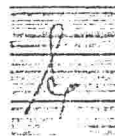
MINUTES OF 198TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 TH DECEMBER' 2008	
	<p>36. ED(G&P) presented before the Board the business review for and upto the month of October' 2008. G&P Division collected a total premium of Rs.2,770.257 million as against Rs.1,997.400 million for the corresponding period of last year showing an increase of 38.69%. During the period G&P Division procured 159 new policies totaling Rs.23.041 million and lost 117 policies totaling Rs.89.776 million. The persistency of G&P Division upto 31st October' 2008 worked out to 95.51%. ED(G&P) also submitted before the Board, Zone wise business position of G&P Division. ED(G&P) informed that the major business loss was of Allied Bank Limited who opted for business with other insurance company because of rate difference.</p>		
Action: ED(G&P)	<p>37. The Board desired that the Corporation arrange to obtain credit rating for State Life from one of the credit rating companies.</p>		
Action: ED(Inv)	<p>38. ED(Investment) presented before the Board review of Investment portfolio as at 31st October' 2008 which was Rs.162,135 million as compared to Rs.176,354 million showing a percentage increase of 8.77% during the ten months ended October' 31st 2008, over the year ended December' 31st 2007. State Life earned Rs.15,492 million on its Investment portfolio excluding unrealized gain on Investment for the period ended 31st October, 2008. The book value of quoted equity portfolio stood at Rs.21.852 million while its marketing value was Rs.42.002 million showing an appreciation of Rs.21.5 million. The Board was informed on a query that the investment portfolio was as per the parameters laid by the Board for investment in various avenues. The Board was also informed that the return on bank deposits of State Life varied from 14 to 17% whereas dividend yield was about 12%. ED(Investment) informed that cash with bank would be invested as when the PIBs auction take place.</p>		
Action: ED(Inv) ED(RE)	<p>39. The Board advised that necessary steps be taken for new investment in plots of Government sponsored schemes such as that of CDA, LDA, MDA, DHA etc. with due care to protection of property so acquired.</p>		
Action: ED(Inv) LD(RL)	<p>40. The Board expressed the view that the quantum of funds in bank should be reduced and placed in long term investments. After due scrutiny, investment in stocks should also be considered after the freeze on stock market is removed.</p>		
	<p>41. ED(RE) presented before the Board review of Real Estate portfolio. Gross income of Real Estate portfolio for and upto October 31st 2008 was Rs. 647 million as against Rs. 461 million for the same period of the previous year showing an increase of 40%. The increase is attributed to concerted efforts and team work in connection with renewal of lease, occupancy rate and rental recoveries.</p>		
	<p>42. Expenses up to October 31st 2008 were Rs. 289 million as against Rs. 303 million for the same period of last year showing a decrease of 5%. Net Income upto October' 31st 2008 was Rs. 358 million against Rs.158 million for the same period of previous year showing an increase of 127%. Expense/Income ratio upto October 31st 2008 was 45% as compared to 66% for the same period of last year.</p>		
	<p>ITEM (7) <u>ENDOWED CHAIR IN THE NAME OF STATE LIFE IN ONE OF THE FIELDS OF FINANCE AT IBA, KARACHI.</u></p>		
	<p>43. The Secretary Board presented before the Board, a memorandum dated 16th</p>		

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DIRECTORS	HELD AT	ON	TIME	
MINUTE BOOK	KARACHI	4 TH DECEMBER' 2008		
<p>Action: DGM(BS)</p>	<p>November, 2008 regarding endowed chair in the name of State Life in one of the fields of finance at IBA, Karachi.</p> <p>44. A letter dated 11th November, 2008 addressed to the Chairman, State Life Insurance Corporation of Pakistan written by Mr. Ishrat Hussain, Director, IBA has been received requesting for setting up a Endowed Chair in the name of State Life Insurance Corporation of Pakistan in one of the fields of Business.</p> <p>45. For the endowment to generate an annual income of Rs. 4 to 5 million to pay the selected Chair Holder, the institute would require an endowment of Rs.40 to 50 million. This amount can be disbursed in two to three installments with a full commitment upfront for the total amount. The institute would be prepared to provide bridge financing for the intervening period till the endowment is fully funded by State Life and starts generating the requisite amount of income.</p> <p>46. The Board resolved as under:</p> <p><u>RESOLVED:</u></p> <p>“that the above memorandum be referred to Social Responsibility Committee of the Board for detailed scrutiny and submission of recommendations to the Board for decision.”</p> <p><u>ITEM (8) CHANGE IN RE-INSURERS OF GULF BUSINESS.</u></p> <p>47. The Executive Director(Actuarial) presented before the Board, a memorandum dated 24th November, 2008 for replacement of Re-insurer of Gulf Business.</p> <p>48. State Life has a reinsurance treaty with Swiss Re for its Gulf Business. The premium rates under this treaty have not been revised ever since 1996 but when a request to consider reviewing its rates due to improvements in mortality, Swiss Re responded with a significant reduction in the rates but this was accompanied with much stricter terms and conditions of the coverage and it is felt that new restrictions proposed by Swiss Re to State Life more than defeated any benefits reaped from reduction in the rates.</p> <p>49. It was then decided to invite competitive proposals from leading reinsurers of the world to obtain a better offer. Among those who responded, only Munich Re showed a serious interest in submitting a bid for State Life Gulf business. Meanwhile Swiss Re was also requested for possible improvements in their proposal new treaty. After detailed negotiations with both the Swiss Re and the Munich Re, they have now agreed to some further reduction in their rates.</p> <p>50. Under the latest offers received from both of these companies, the rates being offered by Munich Re are lower than Swiss Re. Other terms and conditions of the Munich Re are also more favourable.</p>			<p>CHAIRMAN'S INITIALS</p> 

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51. A sample of rates offered by both of these reinsurers at selected ages for male lives was as follows:-

Age	Swiss Re rates Per 1000 sum at risk	Munich Re rates Per 1000 sum at risk
20	0.78	0.50
30	0.89	0.50
40	1.38	1.03
50	3.29	3.43
ADB	0.53	0.70
AIB	1.05	1.10

52. It was felt by Actuarial Division that Swiss Re offer of administering the treaty for State Life does not outweigh the lower rates being offered by the Munich Re along with more liberal terms and conditions of the coverage because:

- a) State Life can easily takeover this function without much hassle.
- b) Administration by Swiss Re would make the Gulf Zone dependent upon them which is not very desirable. The Appointed Actuary of State Life concurs with this view.

53. The terms and conditions offered by Swiss Re and Munich Re regarding accuracy of information, issue limit, automatic acceptance limit, claim settlement, settlement of treaty dues, profit sharing and administration of the treaty was given in detail in the memorandum presented to the Board.

54. The premium rates of Munich Re are on average 13.5% lower than the Swiss Re for basic cover and for coverage inclusive of ADB and AIB are 7% lower. The terms and conditions of Munich Re are generally more favourable with the exception that Swiss Re has offered to administer the treaty for State Life while in case of Munich Re the administration of the treaty has to be carried out by State Life. It was therefore, proposed that the Munich Re offer of reinsurance of Gulf business be accepted.

55. Divisional Head(Actuarial) informed the Board that the treaty can be cancelled at the end of the calendar year with six months notice and the expected saving from change of re-insurer would be Rs.30 million.

56. After deliberation, the Board resolved as under:

RESOLVED:

"that the proposal of ED(Actuarial) contained in the memorandum dated 24th November, 2008, for accepting the offer of the Munich Re for reinsurance of Gulf Business be accepted, is hereby approved and ED(Actuarial) is authorized to take all necessary steps in this regard."

ITEM (9) CRITERIA FOR PROMOTION OF AREA MANAGER TO MANAGER.

57. Executive Director(Marketing) presented before the Board, a memorandum for revision in criteria for promotion from Area Manager to Manager (Marketing) for

Action:
ED(Act)

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approval to make it effective from the year 2009 on the basis of performance as at 31st December, 2008.

58. After doliberation, the Board resolved as under:

RESOLVED:

"that the above memorandum be referred to the Human Resources Committee of the Board for detailed examination and submission of recommendations to the Board for decision."

Action:
ED(Mkt)

ITEM (10) PRESENTATION ON STATE LIFE SUBSIDIARIES I.E. ALPHA INSURANCE COMPANY, PAKISTAN EMERGING VENTURE CAPITAL MANAGEMENT FUND, STATE LIFE ASSET MANAGEMENT COMPANY & STATE LIFE ABDULLAH HAROON ROAD PROPERTIES (PVT) LIMITED.

Action:
ED(Inv)

59. The presentation on State Life subsidiaries was deferred to the next meeting of the Board due to paucity of time.

ITEM (11) PRESENTATION ON GROUP LIFE BUSINESS.

Action:
ED(G&P)

60. The presentation on Group Life Business of State Life was deferred to the next meeting of the Board due to paucity of time.

ITEM (12) PRESENTATION ON TAKAFUL VIS A VIS CONVENTIONAL INSURANCE.

Action:
ED(Inv)

61. The presentation on Takaful vis a vis Conventional Insurance was deferred to the next meeting of the Board due to paucity of time.

ITEM (13) PRESENTATION IN RESPECT OF AMOUNT PAID TO THE GOVERNMENT OF PAKISTAN FOR THE YEAR 2001 TO 2007 FOR POLICY STAMPS, DIVIDENDS AND TAX ON DIVIDENDS.

Action:
ED(B&A)

62. The presentation in respect of amount paid by State Life to the Government of Pakistan for the year 2001 to 2007 for policy stamps, dividends and tax on dividends was deferred to the next meeting of the Board due to paucity of time.

ITEM 14(I) ANY OTHER ITEM WITH THE PERMISSION OF THE CHAIR.


- (a) TIME LINE FOR IMPLEMENTATION OF IT STRATEGY.
- (b) REQUEST FOR HIRING OF IT PROFESSIONALS ON CONTRACT BASIS FOR IMPLEMENTATION OF IT STRATEGY.
- (c) PROGRESS REPORT OF IMPLEMENTATION OF IT STRATEGY (AS APPROVED BY THE BOARD) ON A REGULAR BASIS AT THE BOARD MEETING.
- (d) CONSTITUTION OF THE TASK FORCE TO MONITOR THE IMPLEMENTATION OF THE SHORT TERM AND LONG TERM STRATEGY.

63. Executive Director(Computer) presonted before the Board, a memorandum dated 1st December, 2008 on the above subject.

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	<p>64. The Board was informed that a Steering Committee has been constituted by the Chairman State Life to monitor the implementation of the short term and long term IT strategy as approved by the Board at its 192nd meeting. The Committee comprises of all Executive Directors, Divisional Head(P&GS), Divisional Head(Computer), Divisional Head(Actuarial), Project Manager State Life and Project Manager, M/s Bearing Point.</p> <p>65. The time line for implementation of IT Strategy was given as Annexure-C to the memorandum and upto date progress report of implementation of the strategy was placed as Annexure-E to the memorandum.</p> <p>66. ED(Computer) placed before the Board, a request to consider recruitment of 15 IT professionals on contract basis for implementation of IT Strategy. Details of position, number of posts, qualification, desired experience, age and salary range of additional manpower was also submitted to the Board.</p> <p>67. Syed A. Wahab Mehdi pointed out that since the parent company of State Life consultant M/s. Bearing Point had gone insolvent, it should be enquired from M/s. Bearing Point and due diligence done as to the status of M/s. Bearing Point in Pakistan and its parent company abroad and <u>a letter in this regard be obtained from M/s. Bearing Point as to its bonafide and credentials.</u></p> <p>68. The Board decided to approve in principle the hiring of IT Professionals asked for by the IT Department of State Life for implementation of IT Strategy and a letter in this regard be written to the Government for lifting on ban on recruitment. The Board also desired to look into the possibility of implementing of IT Strategy of State Life as a turn key project and outsourcing of the same.</p> <p>(II) PROVISION IN RESPECT OF ORDINARY SHARES APPEARING ON DEFAULT COUNTER.</p> <p>69. Executive Director(Investment) presented before the Board, a memorandum dated 28-11-2008 for approval of provision in respect of ordinary shares appearing on default counter.</p> <p>70. The Board was informed that during audit of accounts of the Corporation as at 31st December, 2007, the Statutory Auditors had raised observation on the share portfolio of Investment Division as under:-</p> <p style="padding-left: 40px;">"it is the accounting policy of the Corporation to recognize impairment loss in equities if the decline in the value is of permanent nature. Our examination highlighted that various companies are appearing in the defaulters list on daily ready board quotations circularized by the Karachi Stock Exchange as at 31st December, 2007 against which no provision was created in the books. The overall financial impact of this policy is approximately Rs.10 million which may not be significant on overall basis in the context of audit materially."</p> <p>71. The Board Audit Committee at its 25th meeting agreed with the suggestion of the Statutory Auditors and advised that the management should consider making a provision in respect of ordinary shares appearing on default counter.</p>			<p>Action: ED(CD)</p> <p style="text-align: right;">CHAIRMAN'S INITIALS</p> 

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DIRECTORS	HELD AT	ON	TIME						
MINUTE BOOK	KARACHI	4 TH DECEMBER' 2008							
	<p>72. A list of companies on the default counter as at 31st December, 2007 was prepared by the Investment Division in consultation with the Statutory Auditors and submitted to the Board as Annexure-A to the memorandum. The factual position was summarized as under:-</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td>Book Value of defaulter companies as at 31-12-2007</td> <td style="text-align: right;">Rs.29,775,474</td> </tr> <tr> <td>Market Value of defaulter companies as at 31-12-2007</td> <td style="text-align: right;"><u>Rs.19,707,974</u></td> </tr> <tr> <td>Suggested Provision</td> <td style="text-align: right;"><u>Rs.10,067,500</u></td> </tr> </table> <p>73. As per delegation of financial powers, provision for diminution in value of investments can be made with the prior approval of the Board.</p> <p>74. After deliberation, the Board resolved as under:</p> <p><u>RESOLVED:</u></p> <p>“that the proposal of ED(Investment) for making provision of Rs.10,067,500/- for diminution in value of investments in respect of ordinary shares appearing on default counter, which is of permanent nature, is approved.”</p> <p>(III) <u>STATE LIFE TOWER PROJECT, ISLAMABAD, CONTRACT FOR CIVIL AND PLUMBING WORKS.</u></p> <p>75. Executive Director(Real Estate) presented before the Board, a memorandum in respect of award of civil and plumbing works of State Life Tower Phase-II, Islamabad.</p> <p>76. The Board of Directors at its 179th meeting held on 7th August, 2004 decided that the project should be undertaken in one go whereas the Board at its 190th meeting held on 8-6-2007 decided that the contract for Phase-I will be concluded when the structure of three basement, ground plus four floors is complete and the finishing items of these floors will be included in Phase-II of the project.</p> <p>77. The tender for the above was floated through press on 4th August, 2008. 14 contractors purchased the tender out of which only the following four contractors submitted their tenders:-</p> <ol style="list-style-type: none"> 1. M/s. Nishan Engineering Lahore 2. M/s. Maqbool Associates, Karachi 3. M/s. Moinsons, Rawalpindi 4. M/s. Zoom Engineers, Islamabad <p>78. The tender were opened on 28-10-2008 at Islamabad in presence of members of the Tender Committee. The tender of M/s. Zoom Engineers, Islamabad was returned unopened because it was received after the specified time and the same could not be accepted as per the article of the tender document, whereas M/s. Nishan Engineering, Lahore were not post qualified as they did not show experience in high rise buildings as per the recommendation of the consultant M/s. Suhail & Pasha. The financial bid of the two post qualified contractors i.e. M/s.</p>			Book Value of defaulter companies as at 31-12-2007	Rs.29,775,474	Market Value of defaulter companies as at 31-12-2007	<u>Rs.19,707,974</u>	Suggested Provision	<u>Rs.10,067,500</u>
Book Value of defaulter companies as at 31-12-2007	Rs.29,775,474								
Market Value of defaulter companies as at 31-12-2007	<u>Rs.19,707,974</u>								
Suggested Provision	<u>Rs.10,067,500</u>								

Action:
ED(Inv)

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DIRECTORS	HELD AT	ON	TIME				
MINUTE BOOK	KARACHI	4 TH DECEMBER' 2008					
<p>Moinsons, Rawalpindi and M/s. Maqbool Associates, Karachi were opened on 5-11-2008 and the result was as follows:-</p>							
<table border="0"> <tr> <td>M/s. Moinsons, Rawalpindi</td> <td>Rs.562,341,504.48</td> </tr> <tr> <td>M/s. Maqbool Associates, Karachi</td> <td>Rs.580,449,000.00</td> </tr> </table>				M/s. Moinsons, Rawalpindi	Rs.562,341,504.48	M/s. Maqbool Associates, Karachi	Rs.580,449,000.00
M/s. Moinsons, Rawalpindi	Rs.562,341,504.48						
M/s. Maqbool Associates, Karachi	Rs.580,449,000.00						
<p>79. M/s. Suhail & Pasha, Consultant checked the tender arithmetically and the corrected figures were as follows:-</p>							
<table border="0"> <tr> <td>M/s. Moinsons, Rawalpindi</td> <td>Rs.555,668,243</td> </tr> <tr> <td>M/s. Maqbool Associates, Karachi</td> <td>Rs.573,858,066</td> </tr> </table>				M/s. Moinsons, Rawalpindi	Rs.555,668,243	M/s. Maqbool Associates, Karachi	Rs.573,858,066
M/s. Moinsons, Rawalpindi	Rs.555,668,243						
M/s. Maqbool Associates, Karachi	Rs.573,858,066						
<p>80. The Consultant mentioned in his report that the engineering estimate was based at steel cost to be Rs.87,500 per tone and cement at Rs.380 per bag, however the rate of steel and cement had to be ascertained on the day of the opening of the tender which had decreased to Rs.77,500 per ton and at Rs.357 per bag respectively. The Consultant therefore suggested that State Life should seek rebate/discount in sealed cover for the above which was approved by the competent authority and the bidders were informed of the same. The revised financial bid were opened on 1-12-2008 and the result was as follows:-</p>							
<table border="0"> <tr> <td>M/s. Moinsons, Rawalpindi</td> <td>Rs.543,999,209</td> </tr> <tr> <td>M/s. Maqbool Associates, Karachi</td> <td>Rs.495,422,631</td> </tr> </table>				M/s. Moinsons, Rawalpindi	Rs.543,999,209	M/s. Maqbool Associates, Karachi	Rs.495,422,631
M/s. Moinsons, Rawalpindi	Rs.543,999,209						
M/s. Maqbool Associates, Karachi	Rs.495,422,631						
<p>81. The Board was informed that the bids were sent to the Consultant M/s. Suhail & Pasha for their review who in their letter No.SP/SLIC/516 dated 2-12-2008 has recommended award of work to the lowest bidder M/s. Maqbool Associates, Karachi at Rs.495,422,631.</p>							
<p>82. After deliberation, the Board resolved as under:</p>							
<p><u>RESOLVED:</u></p>							
<p>(a) "that as recommended by the Consultant M/s. Suhail & Pasha, the award of civil and plumbing works of State Life Tower, Phase-II, Islamabad to M/s. Maqbool Associates, Karachi for Rs.495,422,631/- is hereby approved. Real Estate Division should ensure that there should be no litigation arising out of award of contract."</p>							
<p>(b) "that the construction period would be 36 months from the date of issue of the letter of award to the successful bidder."</p>							
<p>(c) "that M/s. Suhail & Pasha be asked to give a presentation on the above project to the Real Estate Committee of the Board of State Life at its next meeting."</p>							
<p><u>(IV) REPLACEMENT OF VEHICLES.</u></p>							
<p>83. Executive Director(P&GS) presented before the Board, a memorandum dated 03-12-2008 for replacement of the following three Corporation's vehicles which</p>							

Action:
ED(RE)

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were purchased during 1994-1996 and which had book value of Re.1 each.

S.No.	Registration No.	Description	Model
1.	GA-0305	Toyota Corolla 1300CC	1994
2.	LOW-630	Suzuki Margalla 1300CC	1995
3.	LOZ-7059	Suzuki Margalla 1300CC	1996

84. The Board was informed that the above referred cars have completed useful life and giving trouble often. The vehicles were examined by EME Workshop who have declared the vehicles as condemned.

85. As per laid down procedure an advertisement was published in the newspapers for disposal of the cars. On 10-11-2008 bids were opened in the presence of bidders. The details of bids were as under:-

S.No.	Name of Bidder	Car No.	Price quoted	Remarks
1.	Mr.Muhammad Arif	LOW-630	Rs.1,96,999	Highest quoted
2.	Mr. Muhammad Arif	LOZ-7059	Rs.2,08,999	Highest quoted
3.	Mr.Shafiq-ur-Reman	GA-0305	Rs.3,58,202	Highest quoted

86. As per PPRA Rule 42(c) (vii) purchase of motor cars from local original manufacturers or their authorized agents at manufacturer's price was allowed. In accordance with the directives of Cabinet Division, (Implementation Cell) letter No.1/2/2000, ban on purchase of vehicles would continue, however, in exceptional cases, where relaxation was given, only locally manufactured/assembled vehicles will be purchased.

87. On the request of P&GS Division M/s. Indus Motors have quoted rates Rs.13,89,900/- each for Toyota Corolla 1300CC car. The total estimated cost of three cars comes Rs.4.2 million and the existing vehicles will be disposed off through bids. The book value of the old cars is Rs.1/- each.

88. The matter was submitted for consideration and approval of the members of the Board for replacement of three Corporation's vehicles by purchase from local manufacturer/assembled vehicles

89. After deliberation, the Board resolved as under:

RESOLVED:

"that the proposal of ED(P&GS) for disposal of three Corporation's vehicles mentioned above to the highest bidder and its replacement by purchase of three Toyota Corolla 1300CC cars from M/s. Indus Motors at quoted rates of Rs.13,89,900/- each with total estimated cost of Rs.4.2 million, as per laid down purchasing procedure, is approved. The approval of the Government if required be obtained."

Action:
ED(P&GS)



(V) REVISION OF DAILY ALLOWANCE TO THE OFFICER OF THE CORPORATION.

90. Executive Director(P&GS) presented before the Board, a memorandum for revision of daily allowance to the officers of the Corporation.

CHAIRMAN'S INITIALS



MINUTES OF 198TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME																
MINUTE BOOK	KARACHI	4 TH DECEMBER' 2008																	
<p>91. The Management had last revised the daily allowance for the officers of State Life Insurance Corporation of Pakistan as follows w.o.f. 13th July, 2002 vide circular No.P&GS/PO/14/2002</p> <table border="1"> <thead> <tr> <th>S.No.</th> <th>Designation</th> <th>Special Rates</th> <th>Ordinary Rates</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Assistant General Managers and above.</td> <td>Rs.600/-</td> <td>Rs.520/-</td> </tr> <tr> <td>2.</td> <td>Deputy Managers/ Managers</td> <td>Rs.520/-</td> <td>Rs.440/-</td> </tr> <tr> <td>3.</td> <td>Executive Officers/ Assistant Managers.</td> <td>Rs.440/-</td> <td>Rs.380/-</td> </tr> </tbody> </table>				S.No.	Designation	Special Rates	Ordinary Rates	1.	Assistant General Managers and above.	Rs.600/-	Rs.520/-	2.	Deputy Managers/ Managers	Rs.520/-	Rs.440/-	3.	Executive Officers/ Assistant Managers.	Rs.440/-	Rs.380/-
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<p>92. The Government of Pakistan, Ministry of Commerce has revised the daily allowance vide circular No.3(1)/2005-Admn.VI dated July 23, 2005 for Civil Employees of Federal Government (2005). It was proposed that State Life may also revise the daily allowance as follows:-</p> <table border="1"> <thead> <tr> <th>S.No.</th> <th>Designation</th> <th>Special Rates</th> <th>Ordinary Rates</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Assistant General Managers and above.</td> <td>Rs.1000/-</td> <td>Rs.700/-</td> </tr> <tr> <td>2.</td> <td>Deputy Managers/ Managers.</td> <td>Rs.825/-</td> <td>Rs.625/-</td> </tr> <tr> <td>3.</td> <td>Executive Officers/ Assistant Managers.</td> <td>Rs.640/-</td> <td>Rs.500/-</td> </tr> </tbody> </table>				S.No.	Designation	Special Rates	Ordinary Rates	1.	Assistant General Managers and above.	Rs.1000/-	Rs.700/-	2.	Deputy Managers/ Managers.	Rs.825/-	Rs.625/-	3.	Executive Officers/ Assistant Managers.	Rs.640/-	Rs.500/-
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<p>93. The Board was also informed that the above proposed rates were in line with that approved for Civil Employees of Federal Government Officers staying in the hotel or guest house. The officers will also be entitled for reimbursement of room rent in addition to Daily Allowance on the following limits:</p> <table border="1"> <tbody> <tr> <td>(i)</td> <td>For Chairman and Executive Directors</td> <td>Actual Room Rent</td> </tr> <tr> <td>(ii)</td> <td>For other Officers</td> <td>4 times of admissible daily allowance.</td> </tr> </tbody> </table>				(i)	For Chairman and Executive Directors	Actual Room Rent	(ii)	For other Officers	4 times of admissible daily allowance.										
(i)	For Chairman and Executive Directors	Actual Room Rent																	
(ii)	For other Officers	4 times of admissible daily allowance.																	
<p>94. In case if the officer has arranged private residence, such officer would be paid one day daily allowance as out of pocket expense.</p>																			
<p>95. Accordingly, it was resolved as under:</p>																			
<p>RESOLVED:</p> <p>"that the above memorandum be referred to the Human Resources Committee of the Board for detailed examination and submission of recommendations to the Board for decision."</p>																			
<p>96. The meeting ended with vote of thanks to the chair.</p>																			
<p>Action: ED(P&GS)</p>			<p>CHAIRMAN'S INITIALS</p>  <p>(CHAIRMAN)</p> 																

HELD AT	ON	TIME
KARACHI	26 TH NOVEMBER 2008	10:00 A.M.

PROPOSED AMENDMENTS IN CHARTS TO DELEGATION OF FINANCIAL POWERS

REAL ESTATE DIVISION

1. APPROVAL IN PRINCIPLE

1.2 For capital expenditures in connection with maintenance of State Life owned Commercial / Residential buildings within budget

	Board of Directors	Executive Committee	Chairman	Executive Director	DH/ GM	DGM/ DEPT.HEAD	AGM	MGR	DM
Ext:	Above 50,000,001	From 1,000,001 To 50,000,000	From 500,001 To 1,000,000	From 25,001 To 500,000	Upto 25,000				
Prop.	Above 50,000,001	From 20,000,001 To 50,000,000	From 10,000,001 To 20,000,000	From 25,001 To 10,000,000	Upto 25,000				

1.3 For Revenue expense and purchase of store items within budget

For Revenue expense and purchase of store items within budget - P.O.

	Board of Directors	Executive Committee	Chairman	Executive Director	DH/ GM	DGM/ DEPT.HEAD	AGM	MGR	DM
Ext:			Above 1,000,001	From 500,001 To 1,000,000	From 50,001 To 500,000	From 25,001 To 50,000	Upto 25,000		
Prop.			Above 3,000,001	From 500,000 To 3,000,000	From 50,001 To 500,000	From 25,001 To 50,000	Upto 25,000		

For Revenue expense and purchase of store items within budget - RE locations

	Board of Directors	Executive Committee	Chairman	Executive Director	DH/ GM	DGM/ DEPT.HEAD	AGM	MGR	DM
Ext:			Above 1,000,001	From 500,001 To 1,000,000	From 50,001 To 500,000	From 25,001 To 50,000	Upto 25,000		
Prop.			Above 3,000,001	From 500,001 To 3,000,000	From 50,001 To 500,000	From 25,001 To 50,000	Upto 25,000		

STATE LIFE
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For Fixed Operation & Maintenance Contracts

	Board of Directors	Executive Committee	Chairman	Executive Director	DH/ GM	DGM/ DEPT.HEAD	AGM	MGR	DM
Ext:			Above 1,000,001	From 500,001 To 1,000,000	From 50,001 To 500,000	From 25,001 To 50,000	Upto 25,000		
Prop.			Above 3,000,001	From 500,001 To 3,000,000	From 50,001 To 500,000	From 25,001 To 50,000	Upto 25,000		

3. AWARD OF CONTRACTS / AGREEMENTS

- ii) For New & Existing Buildings Construction Contracts of Civil, Electric and Mechanical Works etc. as approved by BOD/EC.

	Board of Directors	Executive Committee	Chairman	Executive Director	DH/ GM	DGM / DEPT HEAD	AGM	MGR	DM
Ext:	Above 50,000,001	From 30,000,001 To 50,000,000	From 20,000,001 To 30,000,000	From 10,000,001 To 20,000,000	From 5,000,001 To 10,000,000	Upto 5,000,000			
Prop	Above 100,000,001	From 50,000,001 To 100,000,000	From 30,000,001 To 50,000,000	From 10,000,001 To 30,000,000	From 5,000,001 To 10,000,000	Upto 5,000,000			

- iii) For capital expenditures in connection with maintenance of State Life owned commercial / residential buildings

Individual authority without processing through REFC by inviting quotations:

	Board of Directors	Executive Committee	Chairman	Executive Director	DH/ GM	DGM/ DEPT.HEAD	AGM	MGR	DM
Ext:					From 10,001 To 50,000	Upto 10,000			
Prop.					From 10,001 To 50,000	Upto 10,000			

- b) Individuals authority after processing through REFC

	Board of Directors	Executive Committee	Chairman	Executive Director	DH/ GM	DGM/ DEPT.HEAD	AGM	MGR	DM
Ext:			Above 500,001	From 100,001 To 500,000	Upto 100,000				
Prop.			Above 5,000,001	From 100,001 To 5,000,000	Upto 100,000				

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3.2 REVENUE EXPENSES

For repair & maintenance operation/ services contracts of existing buildings comprising of Civil, Electrical & Maintenance works etc. Janitorial, Fumigation, water supply, buildings insurance, valuation fee and security services etc. contracts as well as for purchase of store items required for maintenance of State Life owned commercial/residential buildings (cost per month)

i) Individual's authority without processing by REFC

	Board of Directors	Executive Committee	Chairman	Executive Director	DH/ GM	DGM/ DEPT.HEAD	AGM	MGR	DM
Ext:					From 10,001 To 50,000	From 5,001 To 10,000	Upto 5,000		
Prop.					From 10,001 To 50,000	From 5,001 To 10,000	Upto 5,000		

ii) Individual's authority after processing by REFC- PO

	Board of Directors	Executive Committee	Chairman	Executive Director	DH/ GM	DGM/ DEPT.HEAD	AGM	MGR	DM
Ext:				Above 1,000,001	Upto 1,000,000				
Prop.				Above 2,000,001	Upto 2,000,000				

iii) Individual's authority after processing by REFC - Zone

	Board of Directors	Executive Committee	Chairman	Executive Director	DH/ GM	DGM/ DEPT. HEAD	AGM	MGR	DM
Ext:				Above 1,000,001	From 100,001 To 1,000,000		Upto 100,000		
Prop.				Above 1,000,001	From 100,001 To 1,000,000		Upto 100,000		

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4. PAYMENT TO CONTRACTORS AGAINST CONTRACTS / AGREEMENT

- a) Advance payment subject to adjustment against payment of running bills:
- iv) For repair & maintenance/operation service contracts of existing building comprising of civil, electrical & mechanical works, etc., janitorial fumigation, water supply, building insurance, valuation fee and security services etc. contract as well for purchase of store items required for maintenance of State Life owned commercial/residential building

	Board of Directors	Executive Committee	Chairman	Executive Director	DH/GM	DGM/DEPT. HEAD	AGM	MGR	DM
Ext:				Above 1,000,001	From 200,001 To 1,000,000	From 100,001 To 200,000	Upto 100,000		
Prop.				Above 1,000,001	From 200,001 To 1,000,000	From 100,001 To 200,000	Upto 100,000		

- c) Payment against running bills subject to maximum of 95% of the contract value including variation orders
- ii) For capital expenditures in connection with maintenance of State Life owned Commercial / Residential buildings

	Board of Directors	Executive Committee	Chairman	Executive Director	DH/GM	DGM/DEPT. HEAD	AGM	MGR	DM
Ext:			Above 10,000,001	From 1,000,001 To 10,000,000	From 200,001 To 1,000,000	From 100,001 To 200,000	Upto 100,000		
Prop.			Above 2,500,001	From 1,000,001 To 2,500,000	From 200,001 To 1,000,000	From 100,001 To 200,000	Upto 100,000		

- iii) For Repair & Maintenance contracts of existing buildings comprising of Civil, electrical & Mechanical works etc., Janitorial, Fumigation, water supply, buildings insurance, valuation fee & security services etc., contracts as well as for purchase of store items required for maintenance of State Life owned Commercial / Residential buildings (cost per month)

	Board of Directors	Executive Committee	Chairman	Executive Director	DH/GM	DGM/DEPT. HEAD	AGM	MGR	DM
Ext:				Above 1,000,001	From 200,001 To 1,000,000	From 100,001 To 200,000	From 50,001 To 100,000	From 10,001 To 50,000	Upto 10,000
Prop.				Above 1,000,001	From 200,001 To 1,000,000	From 100,001 To 200,000	From 50,001 To 100,000	From 10,001 To 50,000	Upto 10,000

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- d) Final payments of minimum 5% under contract as approved and certified by consultants
- i). For new & existing buildings construction contracts of Civil, Electrical and Mechanical work etc.

	Board of Directors	Executive Committee	Chairman	Executive Director	DH/ GM	DGM/ DEPT. HEAD	AGM	MGR	DM
Ext:				Above 1,000,001	From 500,001 To 1,000,000	Upto 500,000			
Prop.				Above 1,000,001	From 500,001 To 1,000,000	Upto 500,000			

- iii) For Repair & Maintenance contracts of existing buildings comprising of Civil, Electrical & Mechanical works etc., Janitorial, Fumigation, water supply, valuation fee & security services etc. contracts as well as for purchase of store items required for maintenance of State Life owned Commercial/ Residential buildings.

	Board of Directors	Executive Committee	Chairman	Executive Director	DH/ GM	DGM/ DEPT. HEAD	AGM	MGR	DM
Ext:				Above 1,000,000	From 500,001 To 1,000,000	Upto 500,000			
Prop.				Above 1,000,000	From 500,001 To 1,000,000	Upto 500,000			

5. MISCELLANEOUS ITEMS

- iii) Brokerage for renting out vacant space of State Life owned buildings to outside brokers upto monthly rent of:

	Board of Directors	Executive Committee	Chairman	Executive Director	DH/ GM	DGM/ DEPT. HEAD	AGM	MGR	DM
Ext:		Yes							
Prop.				Yes					