	MINUTES OF 213TH MEETING OF	THE BOARD OF DIRECTORS	
IRECTORS	HELD AT	ON	TIME
NUTE BOOK	KARACHI	22 ND JULY, 2010	
,	The 213 th Meeting of the Board of Corporation of Pakistan was held on Thurso the Board Room, State Life Building No.9, Dr	Directors of State Life Insurance lay, 22 nd July, 2010 at 11.00 a.m. in	
	PRESENT: 1. Mr. Shahid Aziz Siddiqi 2. Mr. Shahid Rahim Shaikh 3. Mr. Aslam Faruque 4. Mr. Amin Qasim Dada 5. Mr. Rasheed Y. Chinoy 6. Syed A. Wahab Mehdi 7. Mr. Akbarali Hussain	Chairman Director Director Director Director Director Director Secretary Board	ï
	LEAVE OF ABSENCE: 1. Mrs. Spenta Kandawalla 2. Syed Hur Riahi Gardezi	Director Director	
	2. The meeting started with recitation of Chairman.	verses from the Holy Quran by the	
	ITEM (1) CONFIRMATION OF MINUTES MEETINGS OF THE BOARD OF		
¥ 91	3. The minutes of the 211 th and 212 th me on 19 th April, 2010 and 18 th May, 2010 toge placed before the Board.	etings of the Board of Directors held ther with implementation report were	
	4. Implementation report of 212 th meeti noted.	ng of the Board of Directors were	
Action: DH(Inv)	5. The Chairman State Life informed the 2010 has been received from Mr. Ali Jame Centre Point Project informing State Life longer interested in pursuing this joint value therefore decided that no further action was as closed. Decisions taken on the project many contractions.	that M/s. A&A Associates with regard to that M/s. A&A Associates were no enture with State Life. The Board required and the project be treated	
	6. The Members of the Board mentione minutes of 211 th meeting of the Board be re	d that para-14 on page-3064 of the placed with the following:-	
Action: DH(Inv)	"M/s. TPL Properties (Pvt) Ltd had in Centre Point Project with saleable of Rs.19,000 per sq.ft. Subsequently a notice its Sub Committees were held with regular matters and negotiation were held with Members of the Board after eval Committees and the Investment Division Rs.2.75 billion but M/s. A&A Association of the deadlock by suggives agreed to by all the members of the control of the sale of the control of the sale of the control of the sale of the control of the	area (office area) 161,722 sq.ft. at number of meetings of the Board and ards to its valuation and other related with the owners of the project. The uation of recommendations of its sion decided price of the project at ociates insisted on Rs.2.95 billion. esting a figure of Rs.2.8 billion, which	CHAIRMAN'S INITIALS

was agreed to by all the members of the Board, subject to exit clauses, joint

venture agreement ,powers of the Chairman and C.E.O. of the joint venture and other set of relevant terms and conditions as recorded in the previous Board meetings. State Life and M/s. TPL Properties (Pvt) Ltd were to have

50:50 equity in the joint venture.

Action: DH(Inv)



×	MINUTES OF 213TH MEETING OF	THE BOARD OF DIRECTORS	
RECTORS	HELD AT	ON	TIME
UTE BOOK	KARACHI	22 ND JULY, 2010	
Action: DH(Inv)	Item No.8, para-34, page-3124 – Operatio 7. The Board of Directors at its 212 th m approved the following resolutions:- a) "that as proposed by Divisional Head(I Khizar Hayat Aamir and Mr. Attaullah transferred to Alpha Insurance Comp Company's Participant Account main Company of Pakistan Limited be Director(Investment), Divisional Head(I DGM(Investment)) and till such time DGM(F&A) as authorized signatories for Account maintained with the Central approved." b) "that Executive Director(Investric DGM(Investment)) and till such time DGM(F&A) be and are hereby authoric	nvestment), the names of Late Mr. A. Rasheed, DGM(Investment) (now eany), as authorized signatories for tained with the Central Depository deleted and instead Executive (Investment), Divisional Head(F&A), that a DGM(Investment) is posted, or operation of Company's Participant Depository of Pakistan Limited, is ment), Divisional Head(F&A), that a DGM(Investment) is posted, zed and empowered jointly with the	,
	existing authorized signatories Mead(Investment) and Waseem Corporation/Company to CDC on implementation and performance of liaise and correspond with CDC ar obligations of the Corporation/Company 1997 and the Central Depository Compfrom time to time, and to do all other and deeds, is approved." 8. Divisional Head(Investment) has inform Central Depository Company, the names of given instead of their designations only, as resolutions have to be passed and confirmesolutions in para-7 above, which was agre	M/s. Ansar Hussain, Divisional Khan Rao to represent the all matters pertaining to the the Participant Agreement, to deal, and to fulfill all responsibilities and y under the Central Depositories Act, pany of Pakistan Limited Regulations incidental and ancillary acts, things need that, to meet the requirements of the authorized signatories have to be such the under mentioned amended med by the Board instead of the	
	a) "that as proposed by Divisional H Mr. Khizar Hayat Aamir and Mr. Atta (now transferred to Alpha Insi signatories for Corporation's Parti Central Depository Company of Pal the names of Mr. Muhammad Izqar Mohammad Rashid DGM(F&A) be operation of Corporation's Partic Central Depository of Pakistan Limi b) "that Mr. Muhammad Izqar Kl Mohammad Rashid, DGM(F&A) empowered jointly with the existin Hussain, Divisional Head(Investor represent the Corporation to CD implementation and performance of liaise and correspond with CDC obligations of the Corporation under and the Central Depository Comp	ead(Investment), the names of Late aullah A. Rasheed, DGM(Investment) urance Company), as authorized cipant Account maintained with the kistan Limited be deleted and instead Khan, Divisional Head(F&A) and Mr. e added as authorized signatories for ipant Account maintained with the ted, is approved."	CHAIRMAN'S INITIALS

and deeds, is approved."

		MINU	JTES OF 213 ^{1H} MEETING OF	THE BOARD OF DIRECTORS	
DIRE	CTORS		HELD AT	ON	TIME
мінит	Е ВООК		KARACHI	22 ND JULY, 2010	
	Action: Secretary (Board)	Directors by 10. Acco	oe confirmed subject to the above a rdingly, it was resolved as under:- ED: e Minutes of 211 th and 212 th mee oril, 2010 and 18 th May, 2010	osed and Syed A. Wahab Mehdi, and 212 th meetings of the Board of mendments. ting of Board of Directors held on are confirmed with the above	
	· .	ITEM (2)	MINUTES OF 11 TH AND 12 TH N	OVAL OF RECOMMENDATIONS IN IEETINGS OF REAL ESTATE AND IITTEE HELD ON 18 TH MAY, 2010	
		Division C	ommittee held on 18 th May, 2010 e Board of Directors for co	ings of Real Estate and Investment and 2 nd June, 2010 were presented nsideration and approval of its	
	Action: ED(RE) DH(RE)		to paucity of time, the confirmation ng of the Board.	of the minutes was deferred to the	
f	¥	ITEM (3)	POSITION PAPER ON CURREN AND SHORT TERM STRATEGY STATE LIFE.		
	Action: ED(IT) DH(IT)	13. Due	e to paucity of time, the matter was	deferred to the next meeting	*
2)	ITEM (4)	POSITION PAPER ON LAST THE EXPENSES.	REE YEARS REINSURANCE	
	Action: ED(Act) DH(Act)	14. Due the Board.		was deferred to the next meeting of	1941
		ITEM (5)	UNIT LINKED INSURANCE STA	TUTORY FUND	
	Action: ED(Act) DH(Act)	15. Due Board.	e to paucity of time, the matter was	deferred to the next meeting of the	y.
U	e i	ITEM (6)	PRESENTATION ON OBJECTIVE ADOPTED BY GM(BANCASSUI		
		GM(Banca		that meetings are being held by Pakistan and the Board will be	CHAIRMAN'S INITIALS
	Action: ED(Mkt) DH(Banc)	17. Due the Board.		on was deferred to next meeting of	And the second s

MINUTES OF 213TH MEETING OF THE BOARD OF DIRECTORS

	WINTER OF 213 MILETING OF	THE BOARD OF DIRECTORS	Ü
DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	22 ND JULY, 2010	
	ITEM (7) EXTENSION OF CONTRACT OF ASSISTANT GENERAL MANAGEMENT 18. Divisional Head(P&GS) presented bef extension of contract of Engr. Anwar Ali Balafurther six months.	F ENGR. ANWAR ALI BALOCH, ER.	,
	19. Engr. Anwar Ali Baloch was appointed contract basis vide letter dated 27 th May, 20 Board authorized Chairman for contractual further six months. His contract after compextension of six months is expiring. Real Estate extension of six months which Chairman has approval by Board of Directors.	009 for a period of 6-months. The appointments and extension for pletion of six months and further to Division has requested for further	
	20. RE Division has stated that Engr. An following jobs in Projects & Maintenance Divis	nwar Ali Baloch was assigned the ion:	
	A. Projects: 1. State Life Building, Gujranwa 2. State Life Tower, Islamabad 3. State Life Building, Rahim Ya 4. State Life Building, Sialkot. B. Renovation of Buildings:		
	Nenovation of Buildings: State Life Building, Hyderaba State Life Building, Larkana	ıd	K
	21. Engr. Anwar Ali Baloch is senior, well a worked with Pak PWD & well versed wit engineering to carry out the same under gove PC-1, PPRA & PEC rules etc. He is handling assignments with complete responsibility & pro	th the technical requirements of ernment procedures/practices, e.g.	
	22. Real Estate Division has also stress Corporation is in acute shortage of se suggested/recommended the services of E extended for further 2-years so that the work en	nior engineers. It is therefore	
	23. DH(P&GS) recommended to the Boat further extension of six months in contract of E	ard for ex post facto approval of ngr. Anwar Ali Baloch.	
	24. Accordingly, the Board resolved as unde	er:-	-
Action:	RESOLVED "that the proposal of Divisional He Memorandum, for ex-post facto approval of	ead(P&GS) contained in the	CHAIRMAN'S INITIALS

Action: ED(P&GS) DH(P&GS) "that the proposal of Divisional Head(P&GS) contained in the Memorandum, for ex-post facto approval of Board of Directors for further extension of six months in contract of Engr. Anwar Ali Baloch, be referred to HR Committee for review and recommendations if any."



STATE LIFE INSURANCE CORPORATION OF PAKISTAN

RECTORS	*	HELD AT	ON	TIME
NUTE BOOK		KARACHI	22 ND JULY, 2010	
į.	ITEM (8)		TERPRISE RESOURCE PLANNING AND INFORMATION TECHNOLOGY	
Action: ED(IT) DH(IT)	25. Due of the Boar		er was deferred to the next meeting	
	ITEM (9)	POSITION PAPER ON IN PROGRAMME.	TERNAL AUDIT/ANTI-FRAUD	7
Action: DH(IA&C)	26. Due		er was deferred to the next meeting	
	ITEM (10)		ED ASSETS REGISTER AND N - DEVELOPMENT OF COMPUTER	ez.
Action: ED(P&GS) DH(P&GS)	27. Due		er was deferred to the next meeting	
	ITEM (11)	POSITION PAPER ON UNRECORDS.	I-RECONCILED SUBSIDIARY	
Action: • ED(PHS) DH(PHS)	28. Due		er was deferred to the next meeting	
	ITEM 12(a) APPROVAL FOR PURCH MULTAN ZONE.	IASE OF 53 SPLIT UNITS FOR	
			Director(P&GS) was presented before the of 53 split units for Multan Zone.	*
	is housed centrally atmospher air conditi stands obs	in State Life Building, Chowlair conditioned. During sure window type and split unitioners have completed their solete. For replacement of the got administrative approva	andum that State Life Zonal Office, Multan Nawan Shahr, Multan. The building is not ummer season to provide the working ts were installed. Out of these most of the r lives and remained out of order which he obsolete air conditioners. Zonal Office, al in 2009 but could not install the units by	
	quotations the websi installation three veno Lahore ha and also o	through tender No. P&GS/tes of PPRA and SLIC at of 53 split type air condition dors have quoted their rates been rejected, as the verteemanded payment in advarted units and installation of	n of capital budget, Multan Zone has called 004/2010 dated 22-04-2010 advertised on and in the newspapers for supply and ners of 1.5 ton and 2.0 ton capacity. Only s. The quotation of M/s. Mia Corporation dor has submitted cheque in lieu of CDF nce. A comparative statement showing the charges is placed at Annexure-A to the	CHAIRMAN INITIALS

material Rs.8,88,300/-.

MINUTES OF 213TH MEETING OF THE BOARD OF DIRECTORS

The matter was placed before the members of the Board of Directors for

soliciting financial approval for purchase of 53 split units and their installation for Multan Zone from the lowest vendor M/s. Pak Electron Limited(PEL) for Rs.31,92,550/-(cost of split units Rs.23,04,250/- and installation charges with

	WIND LES OF 215 WI	ELTING O	FIRE BOARD OF DIRECTORS	0
IRECTORS	HELD AT		ОИ	TIME
NUTE BOOK	KARACHI		22 ND JULY, 2010	
	Rs.35,600/- each and 2.0 ton @	Rs.48,250/-	quoted the lowest rates of 1.5 ton @ - capacity split units (brand PEL). The rges (including other material) comes	

Action: ED(P&GS) DH(P&GS) DGM(GS) 34. The Board of Directors felt that approval of the above matter was within the powers of the Chairman, as such the matter be submitted and got approved from the Chairman and need not have been referred to the Board. Approval of all expenditure upto Rs. 5 Million was within the inherent powers of the Chairman as recommended by the Executive Committee at its 276th meeting and confirmed by the Board.

ITEM 12(b) APPROVAL OF PURCHASE OF ONE 60KVA DIESEL GENERATOR FOR G&P PESHAWAR ZONE FOR RS.1,996,450/-

- 35. A memorandum of Executive Director(RE) was presented before the Board, regarding approval of purchase of one 60KVA Diesel Generator for G&P Peshawar Zone for Rs.1,996,450/-.
- 36. It was mentioned in the Memorandum that State Life, G&P Peshawar Zone is housed in State Life Building, Peshawar. Since long there is shortage of electricity power resulting in heavy load shedding for long intervals by PEPCO daily. Due to frequent power failure and load shedding, the work of the Zone is badly suffering and very difficult to sit in the office without electricity.
- 37. State Life had allowed the Regions/Zones to purchase the generators of different capacity and allocated the budget for purchase of capital items. G&P Peshawar Zone has called quotations vide Tender Notice No.SLC/G&P/P&GS/001/2010 dated 6th April, 2009 through PPRA for supply of one 60 KVA Diesel Generator and installation charges along with required equipments. Two vendors have quoted the rates. M/s. New Electro Care, Peshawar has quoted lowest rates of Rs.1,996,450/- inclusive of all taxes. Details of the generator and other required items are as under:-

S.No.	Name of Items	Particulars	Rates quoted
1	Diesel GenSet of 60 KVA, 1500RPM,220/440 Volts, 0.8 PF	Engine: Perkins/Cummins (UK/USA) Alternator:Stanford/Leroy (USA/France/Italy)	Rs 1,265,000
		×	



MINUTES OF 213TH MEETING OF THE BOARD OF DIRECTORS

IRECTORS	HELD AT		ON		TIME
NUTE BOOK	KARACH	11	22 ND JULY,	2010	
	2 Canopy	With special filling to rewater proof and heat ab	sorbing base coat,	Rs.179,250	
	3 ATS/AMF Automatic Transfer System	Complete with Steel E battery charger.		Rs.77,675	
AC	4 Cable	35mm 4 case Cop (Pakistan Cable).	per Full Gauge	Rs.197,175	
	5 Cable (From Genset to UPS Main Board)	16mm 4 case Copper For Cable)	ul Gauge (Pakistan	Rs.53,775	
	6 Installation Charges	Complete, Civil Electric work on turnkey basis.	cal & Mechanical	Rs.53,000	
	7 Silencer Work Charges	Work on turney sasie.		Rs.21,200	
		Total		Rs.1,996,450	
DH(P&GS) DGM(GS)	expenditure upto Rs. 5 Milli recommended by the Exec the Board. ITEM 12(c) CONFIRMATION	ion was within the inhoutive Committee at its	erent powers of t 276 th meeting a	he Chairman as nd confirmed by	
	meetings of the Executive November, 2008 before the recommendations made the	ne Board of Directors erein.	n 8 th November for confirmation	2007 and 20 th and approval of	
	41. The Executive Cor 2008 had also resolved the all expenditures should be the Chairman exceeding F facto approval of the Boar referred to the Executive C	at the inherent powers e raised to Rs.5 millio Rs. 5 million and upto d. Approval of amou	s of the Chairma n and expenditul Rs.10 million b unts exceeding f	n for approval of res approved by e subject to post Rs. 10 million be	CHAIRMA

42. The Board decided that the minutes of the 275th and 276th meetings of the Executive Committee held on 8th November, 2007 and 20th November, 2008 and recommendations made therein be confirmed.

the delegation of the financial powers finally approved by the Board.



	<u> </u>	MINUTES OF 213 TH MEETING OF	THE BOARD OF DIRECTORS	
	CTORS	HELD AT	ON	TIME
МІМИТ	TE BOOK	KARACHI	22 ND JULY, 2010	
	*	43. Accordingly, it was resolved as under:	* * * * * * * * * * * * * * * * * * *	
\cup	Action: Secretary Board	RESOLVED: "that the minutes of the 275 th and 2" Committee held on 8 th November, 2007 recommendations made therein be and are	and 20 th November, 2008 and	
	Action: ED(F&A) ED(P&GS) DH(F&A) DH(P&GS)	"that as recommended by the Executive held on 20 th November, 2008, the raise in for approval of all expenditures upto approval of the Board, and approval of exand upto Rs.10 million, subject to post hereby approved."	inherent powers of the Chairman Rs.5 million without seeking penditure exceeding Rs. 5 million	
U i	Action: ED(F&A) ED(P&GS) DH(F&A) DH(P&GS)	"that as recommended by the Executive held on 20 th November, 2008, approval of million be referred to the Executive Commay be, based on the delegation of the by the Board, is hereby approved."	of expenditure exceeding Rs. 10 mittee or the Board as the case	-
		ITEM (13) CONSIDERATION AND APPRO IN MINUTES OF 34 TH MEETING HELD ON 8 TH JULY, 2010.	VAL OF RECOMMENDATIONS OF BOARD AUDIT COMMITTEE	
		44. The minutes of the 34 rd meeting of Boa 2010 was presented before the Board of Dire of decisions/recommendations made by the 0	ectors for consideration and approval	
		45. The minutes also contained the following relating to the 33 rd meeting of the Board Audi	g implementation/compliance reports t Committee:-	
	Action: ED(PHS) DH(PHS)	Un-reconciled balances: Executive Director (PHS) gave a concauses of un-reconciled balances and reducing the magnificent amount of appreciated by BAC and it was desired the end of year would be further reduce	efforts made by the PHS division in un-reconciled balances, which was that the non-reconciled balances at	
U		Tangible Fixed Assets- Coding and F	hysical Verification:	
	Action: DH(P&GS) DGM(GS)	DGM (GS) informed the committee to "Primary and Secondary" in line with have been completed. Their physical required to be made every five years.	the suggestion of External Auditors	CHAIRMAN'S INITIALS
	Action: ED(I.T) DH(I.T)	BAC was further informed that in or Companies Ordinance 1984 and TR-6 Software Module has been initiated. IT letter from M/s Sidat Hyder Morshid & coding system on I.T would be different	of ICAP; the work on Fixed Assets Division was instructed to obtain a Company to explain as to how the	The second secon

MINUTES OF 213TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	22 ND JULY, 2010	
	BAC directed that a certificate of Zo completion of fixed assets registers and BAC also directed for drafting of a policy their acquisition and disposal, which ma 2010 in next BAC meeting.	their physical verification. paper for governing of fixed assets,	-
9	Winding Up Of SAMCO		
,	The committee was informed about t fulfilling the prescribed formalities of the		
	DH(Investment) informed the Commit completed and the assets have been dis		
	Application of IFRS-4		
	The committee desired for an update t status of draft rules of IFRS-4 in the 109-07-2010.		51
	Examination of Budget Proposals f Revised Budget Estimates for the year		
	BAC was informed that Marketing diving cadre of Sales Officers which would restored to the policies. The Chairman SLIC Convener ship of ED (Marketing) comparished Representatives for achieving the	ult in significant saving in acquisition C has formed a committee under the rising of officers of Management and	
	BAC desired for presentation of lates meeting.	progress in the matter in its next	
	Amount Due To Life Insurance Of Inc	<u>lia</u>	
	The committee was informed that first written to Ministry of Commerce on reminders. The latest was sent on response from Ministry of Commerce.	18-04-2005 with twelve subsequent	A)
	Board Audit Committee desired for withree months to the MOC till the achiev		
	Assets not held in the Name of Statu	tory Funds	
		La contrator de la contrator d	CHAIRMA

The committee was informed about the practical difficulties because the statutory fund is not a legal entity as such the property can not be kept and transferred in the name of Pakistan Life Fund.

Board Audit Committee instructed that a letter be written to External Auditors to provide a viable solution in order to remove their observation over the Accounts of the 2009.



DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	22 ND JULY, 2010	
	Ŧ		
	Enterprise Resource Planning (I	ERP) information System.	
	data was due to operation of hetero Principal Office. Therefore, the solu	ause of delay in processing and errors in ogeneous software systems at zones and ation lies in homogenous and technologyation & Communication Technology)	
-	On this project, the vendors have swould be completed by June, 2012.	started work since February, 2010 and it	
	BAC directed that the mater be refe	rred to I.T committee.	
	Contingencies	÷	
	The Board Audit Committee was in provided a list of Advocates liabilities were payable.	informed that Legal Affairs Division has to F&A Division, whose contingent	
	BAC desired that the F&A Division removal of this observation from Au	on may address this issue to get the ditors.	
	Investment Portfolio		
K		t the minutes of meetings of Investment vestment) with the officials of ABN Bank folio be put up to the BAC.	
<u>h</u>	Observations of Government Aug	ditors	
	never put up in their meeting. Th	ons of the Government Auditors were the Board Audit Committee desired that auditors Audit Report and draft paras be tion.	He
, ,	Presentation by the Divisional He the Scope of Internal Audit in Sta		
	engaging the Consultants ha	informed that Terms of Reference for ave been approved by the Chairman ander preparation in the P&GS division. Index the PPRA rules.	
		of Consultant should be expedited since ady been finalized and approved. An iest.	
Action: DH(IA&C)	Examination/ Consideration of Pr Group & Pension about;	ogress Report of Divisional Head	CHAIRMA
DIMOU	*		termination of the

DH(IA&C)

(a) G&P Premium Receivable from the Punjab Government.

The Board Audit Committee was informed that a proposal for write off an amount of Rs.736.769 million has been forwarded to the F&A Division.



DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	22 ND JULY, 2010	
	BAC desired that F&A division m BOD meeting. The Board of Directors at its 211 th meeting recommendation of ED(F&A) on the required off of the following premium amounts w G&P Division:-	uest of DH(G&P) approved the write	
	 G&P, Lahore Zone G&P, Karachi Zone G&P, Peshawar Zone Total 	Rs.555.131 million Rs. 22.118 million Rs.159.520 million Rs.736.769 million	-
	(b) To Manage the Fund of Bu Overseas Employment.	areau of Immigration and	
J	been refunded to the Bureau	ount of Rs. 206.482 million has and rest of funds would be ctions of the Ministry of Overseas.	
	BAC desired for informing then	n about the latest progress.	
	Revised Chart of Delegations of Fina	ncial Powers.	
Action: ED(F&A) DH(F&A) DH(IA&C)	BAC directed that the IA&C Consultants Board was also informed that F&A Director Chairman to hold a meeting of the Exe Divisional Heads to examine minutely delegation of financial powers of all office final version for approval of the Board the Executive Committee held on 20 given against suggested amendment delegation of financial powers and guand Compliance Consultant may also be	vision have been instructed by the ecutive Directors and all concerned the revised guidelines and chart to ters of the Corporation and put up a as resolved in the 276 th meeting of November, 2008. Comments be if any in the existing chart of idelines thereto. The Internal Audit	3
	Information Technology (I.T.) Security	Policy	
	DH (IT) made a presentation on IT secontract of the project has been award Company in February, 2010 and its compodules would be prepared covering a	ed to the M/s Sidat Morshid Hyder npletion period is 28 months. Seven	
	It was also told that in the new se introduced, wherein the observations of		
	BAC directed for referring the matter to	.T Committee.	CHAIRMAN



MINUTES OF 213TH MEETING OF THE BOARD OF DIRECTORS.

DIRECTORS	HELD AT	ОИ	TIME
MINUTE BOOK	KARACHI	22 ND JULY, 2010	
Α.	Actuarial valuation of policies	į	
	The Board Audit Committee was inform of Actuary, this item would be discussed		
	BAC directed that HR committee to matter of the Actuary.	look into the premature retirement	
	Mr. Shahrukh Subzwari, DH(Actuarial and as such opted for voluntary retirer of Rule-20 of State Life Employees approved by the Board at its 97 th meet	ment which is allowed as per clause-1 s (Service) Regulations, 1973 duly	
	Occupied Properties of the Corpora	ation	
	BAC observed that it is a lengthy pro- referred to Real Estate Committee.	ocess and desired that the matter be	
	Investment Properties		
	BAC directed that Real Estate Divisi F&A Division and write to the Extern position with regard to their advice removed.		
	Enhancement of Retention Limit of	Reinsurance.	
		rmed that Addendum to Reinsurance creasing the retention limit to Rs.5.0 gned on 28.06.2010.	
0	Discussion on Anti Fraud Program		
	The second secon	formed that proposals on Anti-Fraud e Corporate Affairs Division for the D.	
	BAC directed for issuing of a memor proposals in their next meeting.	andum for the BOD to discuss these	>
Action: ED(F&A) DH(F&A) DH(IA&C)		airman has directed the DH(IA&C) to submit a position paper to the Board red from the Chairman.	
	47. Accordingly, the Board resolved as un	der:	CHAIRMAN'S
Action: DH(IA&C)	RESOLVED: "that the minutes of 34 th meeting of Boar 2010 together with observations/recomm	rd Audit Committee held on 8 th July nendations are approved."	,

	MINUTES OF 213TH MEETING OF	THE BOARD OF DIRECTORS	
DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	22 ND JULY, 2010	
	ITEM (14) APPROVAL OF ADVANCE INCREMENTS TO LT. COL. ® MOHSIN ALI SHAH, GENERAL MANAGER(RE). 48. A memorandum of Executive Director(P&GS) for approval of advance increments to Lt. Col. ® Mohsin Ali Shah, General Manager(RE) was presented before the Board.		
	49. It was mentioned in the memoral Corporation of Pakistan felt a dire need experienced person as a General Manager(I property worth billions of rupees owner advertisement was released in leading new proper procedure and laid down criterial appointed as GM(RE) with emoluments of equivalent to GM of State Life of initial stage.	to appoint a highly qualified and RE) to look after mega projects and d by State Life efficiently. The ewspapers and after following the Lt. Col. ® Mohsin Ali Shah was Rs.52,000/- per month and perks	
	50. The jobs assigned to newly GM(RE) is required to perform the following functions	•	
	(i) Real Estate Management		
* ***	(a) Tenancy(b) Rentals(c) Recoveries(d) Legal issues and etc.		
ſ.	(ii) Maintenance of existing SLIC k (iii) Project Management (matters buildings of SLIC)	ouildings all over Pakistan. related to construction of high rise	
	51. Lt. Col. ® Mohsin Ali Shah, GM(RE almost 35 years of experience of associationational stature and handling of gigantic control.	on with reputable organizations of	
	52. The experience of 15 years was req experience is much more than the required his remuneration is required to be fixed at State Life, which was the basic requirement experience of the officer is much more than the state of the officer is much more than the state of the officer is much more than the state of the officer is much more than the state of the officer is much more than the state of the officer is much more than the state of the state of the officer is much more than the state of th	one. The officer is of the view that 15 th stage of General Manager of onts for the qualification; though the	
	53. P&GS Division informed that apparent legitimate and as per his claim, it is required increments @ Rs1660/- per month in orde State Life drawing emoluments at stage 15 allowing the 15 increments, the emolument pay, house rent and utility will become Rs.9 he is drawing presently. In addition other act Manager are drawn by him including permedical expanses.	to fix his salary by allowing him 15 r to make him equivalent to the GM, 5. It is pertinent to mention that by its of the officer in respect of basic 1,000/- instead of Rs. 52,000/ which impossible perks allowable to General	CHAIRMAN'

54. The matter was placed before Board of Directors for approval to allow 15 increments to the officer to make his emoluments equivalent to GM, State Life drawing emoluments of 15th stage.

medical expenses.

CHAIRMAN'S INITIALS



STATE LIFE INSURANCE CORPORATION OF PAKISTAN

55. Clause-11, part-III of the State Life 1973, regarding appointments, probation promotions is reproduced below:- "Appointments to be made on minimur post shall normally be made at the minimus But, if the qualifications and experience warrant, appointment may be made at smay be deemed fit by the appointing aut	m of pay scales: Appointment to a imum of the pay scale of that post	
"Appointments to be made on minimur post shall normally be made at the minimum, if the qualifications and experience warrant, appointment may be made at s	m of pay scales: Appointment to a imum of the pay scale of that post	
But, if the qualifications and experience warrant, appointment may be made at s	imum of the pay scale of that post	
may be decined in by the appointing aut	such higher level in a pay scale as	,,
fit by the appointing authority. Therefore the r Chairman who can decide in the matter which	election committee, the appointing of in a pay scale as may be deemed matter was within the purview of the named not be referred to the Board.	
AND PROJECT & MAINTENANC	E DIVISIONS INTO REAL	
approval of merger of Real Estate Manage	ement and Project & Maintenance	
apprised of the gigantic portfolio of Real Estate two departments i.e. Engineering & Real Estate Department of the Division was dealing with Mechanical Engineering including elevators, Management Department with the	te Division which was composed of ate Management. The Engineering vith projects of Civil, Electrical & generation etc., while Real Estate matters related to tenancy	·
in order to better manage the Real Estate Dibifurcated into two i.e. Engineering Division Division headed by two officers of the rank of	2 nd meeting held on 7-4-2009 that vision, the Real Estate Division be on and Real Estate Management of DGM. Copy of the minutes of the	
achieved due to the relatively junior level of ED(Real Estate), who could have guided then and matters were diversifying. It was felt that person of General Manager stature to look aft projects and property of worth billions of rupeed The advertisement was released in leading to	f the official concerned. Secondly, in, is also keeping indifferent health a highly qualified and experienced ter efficiently the mega engineering es owned by State Life be selected. The expapers and after following the	CHAIRMAN'S INITIALS
	the recommendation of the appropriate seauthority can appoint him as such higher leve fit by the appointing authority. Therefore the rechairman who can decide in the matter which DH(P&GS) was advised to submit the proposition of the proposit	the recommendation of the appropriate selection committee, the appointing authority can appoint him as such higher level in a pay scale as may be deemed fit by the appointing authority. Therefore the matter was within the purview of the Chairman who can decide in the matter which need not be referred to the Board. DH(P&GS) was advised to submit the proposal to the Chairman for approval. ITEM 15(a) APPROVAL OF MERGER OF REAL ESTATE MANAGEMENT AND PROJECT & MAINTENANCE DIVISIONS INTO REAL ESTATE DIVISION AND APPOINTMENT OF GM(RE) AS DIVISIONAL HEAD. 57. Divisional Head(P&GS) presented before the Board, a Memorandum for approval of merger of Real Estate Management and Project & Maintenance Divisions into Real Estate Division and appointment of General Manager(Real Estate) as Divisional Head. 58. The Board of Directors at its 200 th meeting held on 28 th April, 2009 was apprised of the gigantic portfolio of Real Estate Division which was composed of two departments i.e. Engineering & Real Estate Management. The Engineering Department of the Division was dealing with projects of Civil, Electrical & Mechanical Engineering including elevators, generation etc., while Real Estate Management Department with the matters related to tenancy, renovations/maintenance of the SLIC buildings all over Pakistan etc. 59. It was decided in 200 th Board meeting to accept the recommendations of the HR Committee given in the minutes of its 2 nd meeting held on 7-4-2009 that in order to better manage the Real Estate Division, the Real Estate Division be bifurcated into two i.e. Engineering Division and Real Estate Division be bifurcated into two i.e. Engineering Division and Real Estate Division be decleved due to the relatively junior level of the official concerned. Secondly, ED(Real Estate), who could have guided them, is also keeping indifferent health and matters were diversifying. It was felt that a highly qualified and experienced person of General Manager stature to look after efficiently the mega engineering projects an

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ย์IRECTORS	HELD AT	ON	TIME
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	61. Lt. Col. ® Moshin Ali Shah, GM(RE almost 35 years of experience and assoc organizations and handled huge construction GM(RE) was attached as Annexure-B to the	iation with renowned public sector on and real estate projects. C.V. of	
	62. The Board was informed that the pupersons as GM(Real Estate Division) can obvisions i.e. Engineering and Real Estate Real Estate Division headed by GM(RI Departments i.e. Engineering & Real Estate DGM, who will report to Divisional Head in the	Management report to a composite E) as Divisional Head with two Management headed by respective	
	63. It was submitted that the merger will rof Real Estate Division professionally and technical, financial and administrative contr. Powers.	d efficiently, but will also facilitate	
	64. The matter was placed before Board composite Real Estate Division, comprisin Departments, to be headed by GM(RE) a existing DGMs in the capacity of Department	g of Engineering and Real Estate s Divisional Head and assisted by	A
Action: ED(P&GS) DH(P&GS	65. The Board felt that since the creation financial impact or change of policy, the machine Chairman, therefore the Chairman can also two Divisions within the Real Estate Division Division and the matter need not have appointment of Divisional Head also was wis such Lt. Col. ® Mohsin Ali Shah, GM(RI Head(Real Estate) and Mr. Nabil Ghafoor Haque, DH(REM) revert back to their previous DH(P&GS) is advised to submit the proposal Shah, GM(RE) as Divisional Head(RE) DH(P&M) and Mr. Nasim ul Haque, DH(P position of Departmental Heads to the Chairman."	ratter was within the powers of the reverse the decision of creation of on into one composite Real Estate been referred to the Board. The thin the powers of the Chairman as E) can be appointed as Divisional zada, DH(P&M) and Mr. Nasim ul ous position of Departmental Heads. al of posting of Lt. Col. ® Mohsin Ali and that Mr. Nabil Ghafoorzada, REM) revert back to their previous	
Action: ED(P&GS) DH(P&GS	66. The Board desired that HR Consultar rules and assigned the task of development view the on-going automation of State Life each Division and individual employees organizational clarity. The terms of reference finalized by HR Committee and advertised in	of organizational structure keeping in and job descriptions be written for posted therein so that there is of employment of HR Consultant be the newspaper.	
,	67. Divisional Head(P&GS) presented be approval of creation of two Supernumerary process.	fore the Board, a Memorandum for	CHAIRMAN

68. State Life Insurance Corporation of Pakistan is a Public Sector Organization under the administrative control of Ministry of Commerce. Like other Public Sector Organization, some Civil Servants have been serving this organization on deputation basis on various positions deemed appropriate by the Government of Pakistan.



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<i>-</i> -	MINUTES OF 213 TH MEETING OF	THE BOARD OF DIRECTORS	
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	69. It was submitted that in order to imple policies, specially viz a viz financial and admi of Pakistan have deputed two Civil Servants of i.e. Commerce and one from the Office of serving as General Manager(P&GS) and General	inistrative matters, the Government of BPS-19, one from parent Ministry the Auditor General of Pakistan,	
	70. The Board was informed that recent Promotion Committee(DPC) was held for the Managers to General Managers, wherein the number of State Life Officers be promoted. A was made and it was decided by the Commit against the seats occupied by the two deputation Departmental Promotion Committee are a Memorandum.	e promotion from Deputy General Committee realized that maximum detailed deliberation in this regard ttee that promotions be also made ationists. Minutes of the meeting of	
	71. It was informed by DH(P&GS) that keep of the presence of these two officers and to for decided to create two supernumerary posts for	ollow the government policy, it was	
	72. In pursuance of the Committee decise Chairman who was kind enough to endors instructed to take it to the Board of Direct approval is attached as Annexure-B to the Medical Committee C	se the decision of the DPC and ors for confirmation. Copy of the	
-	73. The matter was placed before the Bocreation of two supernumerary posts of Geserving as GM(P&GS) and GM(IA&C).		
Action: ED(P&GS) DH(P&GS)	74. The members of the Board deliberated two General Managers were deputed by the Gof three years as such they would be allowed deputation on completion of which or Government of Pakistan, they would return Board had no role in the matter.	Government of Pakistan for a period d to continue for the period of their earlier recall/repatriation by the	ě
	ITEM 16(a) BUSINESS REVIEW OF MARKE REAL ESTATE DIVISIONS FOR		
	75. The business review of Marketing, Groundstate Divisions for and upto the period end before the Board.		æ
	76. A memorandum of DH(Marketing) was p Review of Individual Life for and upto the mosecured 1 st year premium of Rs.3,812 million 2010 as against Rs.2,820 million during the showing an increase of 35%. The Corporation of Rs.1,729 million for and upto the month persistency of 61% as against collection of precorresponding period of last year with second year and over persistency for the period Jagainst 88% for the corresponding period of lafter and upto the month of June 2010 was 27%	onth of June' 2010. The Corporation of for the period ended on 30 th June, a corresponding period of last year has collected second year premium of June, 2010 with second year emium of Rs.1,290 million during the diversity of 62%. The third anuary to June' 2010 was 94% as east year. The number of policies sold 2,770 as against 220,410 during the	CHAIRMAN'S INITIALS
	of Rs.1,729 million for and upto the month persistency of 61% as against collection of pro- corresponding period of last year with second year and over persistency for the period Ja against 88% for the corresponding period of la	of June, 2010 with second year emium of Rs.1,290 million during the dyear persistency of 62%. The third anuary to June' 2010 was 94% as ast year. The number of policies sold 2,770 as against 220,410 during the	

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	MINUTES OF 213" MEETING OF	THE BOARD OF DIRECTORS	
DIRECTORS	HELD AT	ON	TIME
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Action:	 77. The forecast upto the month of June, Corporation achieved 93% of the forecast. Al month of June, 2010, but Marketing Division be wiped out in the coming months with the efforts and motivational activities. 78. The Board desired that issuance of Sta and palm printing of each field worker be I 	though, there was a shortfall upto the are hopeful that this shortfall would help of more concentrated/targeted to Life identity cards to field workers	,
ED(Mkt) DH(Mkt)	process of automation at an appropriate stag 79. DH(Marketing) also placed before the E for and upto the month of June, 2010. The G US\$:1,436,117 for the period ended on 30 th J during the corresponding period of last year Second Year Persistency of Gulf Zone for an 53% as against 49% achieved during the sar and over persistency for the period January 85% for the corresponding period of last year upto the month of June, 2010 was 879 as a period of last year showing an increase of 42	oard, Business Review of Gulf Zone ulf Zone secured 1 st year premium of une, 2010 as against US\$:1,038,523 r resulting in increase of 38%. The d upto the month of June, 2010 was ne period of last year. The third year to June' 2010 was 89% as against . The number of policies sold for and gainst 695 during the corresponding	
	80. A memorandum of ED(G&P) was pre- business review for and upto the month of Ju collected a total premium of Rs.1,604.212 m for the corresponding period of last year show	ne, 2010 during which G&P Division llion as against Rs.1,437.651 million	·
	81. During the period for and upto the n collected a total premium of Rs.569.857 mill last year showing an increase of 109.71%. I Rs.566.357 million as against Rs.752.561 mi of 24.74%. Rawalpindi Zone collected a prem Rs.227.192 million last year showing an in collected a total premium of Rs.212.850 million last year showing an increase of 14.34%.	ion as against Rs.271.741 million of ahore Zone collected a premium of lion of last year showing a decrease ium of Rs.255.148 million as against crease of 12.31%. Peshawar Zone	
	82. The Board was informed that the reas and upto the month of June, 2010 as compare	ons for the variance in premium for ed to 2009 was as follows:	
	Rs.87 million in 2010. • A premium of Rs.103 million a be received from Government Baluchistan respectively.	es resulted into a negative impact of nd premium of Rs.24 million is yet to ent of Sindh and Government of is yet to be received from Nuclear	CHAIRMAN'S INITIALS
	83. A memorandum of DH(Investment) was business review of Investment Division for an book value of investment portfolio which was	d upto the month of June, 2010. The	A STATE OF THE STA

31, 2009 was estimated to have increased to Rs.214,868 million as on June 30,

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	22 ND JULY, 2010	111112
	2010 showing an increase of Rs.9,063 mil 4.40% during the six months ended Jur Government securities, corporate debts, e property and loans to policyholders on June Rs.4,417 million, Rs.24,971 million, Rs.13 Rs.17,203 million respectively and their Rs.148.229 million, Rs.4.417 million, Rs.4 Rs.21.681 million and Rs. 17.203 million resp	lion and a percentage increase of ne 30, 2010. The investments in equities, bank deposits, investment e 30, 2010 were Rs.152,314 million, 4,433 million, Rs.2,530 million and corresponding market value was 43.1691 million, Rs.13.433 million	¥
	84. State Life earned Rs.12,131 million of unrealized gain on Investment for and up compared to Rs.9,760 million earned during to The book value of quoted equity portfolio storagon while its market value was Rs.42,097 Rs.18,719 million as on June 30, 2010. State value in the amount of Rs.766.983 million during the period capital gain of Rs.216 million during the period	to the month of June, 2010 as he same period of the previous year. od at Rs.23,378 million at 30 th June, million showing an appreciation of E Life purchased shares with a book wring the period under review. State million for Rs.306 million realizing	
	85. The Board was informed that the total Pakistan Investment Bonds(PIBs) floated in December 2000 including accrued interest as million. This constituted 66.42% of the total investments in Government Securities and dewhich constituted 70.89% of the total portfoliof the Corporation, the Corporation purchast duration with a face value of Rs.6.9 billion at a	s at June 30, 2010 was Rs.142,722 tal investment portfolio. The total ebts amounted to Rs.152.314 million of As advised by Appointed Actuary sed PIBs of 10, 20 and 30 years	ar A
	86. The corporate debts included investment such as Pakistan Mobile Communication Ltd Arab Fertilizer Ltd, etc. This also includes Found Enterprise Fund guaranteed by GOP a First Dawood Investment Bank. The total in Rs.4,417 million as on June 30, 2010.	I., Engro Chemicals Ltd., and Pak Rs.2,100 million paid to NITL under and Rs.100 million placed in COL of	
,	87 A memorandum of DH(RE) was presen review of Real Estate Division for and upto which was given below:-	ted before the Board on business the period ended June 30, 2010	
	ended on June 30, 2010 was R the same period of the previ- 13%. Expenses for and upto the p Rs.123 million as against Rs. previous year showing a decrea Net Income for and upto the Rs.226 million as against Rs. previous year showing an incre Expense/Income Ratio for and	period ended June 30, 2010 was 170 million for the same period of	CHAIRMAN'S INITIALS

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MINUTE BOOK	KARACHI 22 ND JULY, 201	0
	 The renting position as on June 30, 2010 is as follows: Rentable area 2,644,646 sq.ft. Rented area 2,173,624 sq.ft. Vacant area 471,022 sq.ft. Occupancy % 82.19% Vacancy % 17.81% 	
,	88. GM(RE) also presented before the Board, the present status of of lifts as follows:-	installation
	a) Rawalpindi b) Islamabad - 2 lifts installed/functional whereas re 2 lifts are under installation process would be completed by end of July, c) Karachi i) Building No.1: 2 new lifts are functional, one lift under and remaining three are under install ii) Building No.2: Equipment have been brought at site iii) Building No.3&4: Letter of award issued.	which 2010. er testing ation.
Action: ED(RE) DH(RE)	89. The Board desired that GM(RE) should look into the refurbishm all State Life Buildings. A spread sheet be prepared in respect of owned buildings detailing therein the a) cost of the building, b) rentable rented area, d) rent per sq.ft. e) vacant area, f) expenses incurred on the and g) percentage of yield.	State Life ole area, c)
Action: ED(RE) DH(RE)	90. The Board also desired that a detailed advertisement be given newspapers for renting of vacant spaces.	en in the
Action: ED(RE) DH(RE)	91. The Board also advised that Resident Engineer be posted to loo internal and external maintenance of the building. The role of the lncharges should be clearly designed.	k after the e Building
Action: ED(RE) DH(RE)	92. The Board further suggested that Real Estate Division should op business unit and have a business plan which should be placed before within the next three months. However in the short term an orgastructure be prepared within one month and submitted to Committee/Board for review.	the Board
Action: DH(Mkt) DH(G&P) DH(Inv)	93. The Board noted the business figures of Marketing, Group & Investment and Real Estate Divisions for and upto the period ended on 2010.	Rension, 30 th June, ————
DH(RE)	ITEM 16(b) APPROVAL OF BONE MARROW TRANSPLANT	CHAIRMAN'S INITIALS
	94. A memorandum of General Manager(Medical) was presented Board, to decide upon the request of Mr. Muhammad Aquil, Manager(Nahore Central Zone for his treatment of Bone Marrow Transplant a Rawalpindi with approximate cost of Rs.1.0 to 1.2 million.	Marketing).



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- 95. The Board was informed that Mr. Muhammad Aquil, Manager(Marketing), Lahore Central Zone, CS No.21198-3 is a known case of Hepatitis 'C' and Hodgkin's disease. This disease is a type of cancer of lymph nodes with a particular cell proliferation and is staged and classified as A&B according to symptoms. It is treated according to staging and the best modality is chosen accordingly, prognosis of this disease however, is gloomy. The request of Mr. Muhammad Aquil, Manager(Marketing) was placed at Annexure-A to the Memorandum.
- 96. The said Manager is 59 years old and being already a case of Hepatitis-C with Hodgkin's disease, consulted Armed Forces Bone Marrow Transplant Centre, Rawalpindi who have advised Autologous Stem Cell Transplant, provided he is found fit in pre-transplant assessment, at approximate cost of Rs.1.0 to 1.2 million. The certificate of Armed Force Bone Marrow Transplant Centre, Rawalpindi is placed as Annexure-B to the Memorandum.
- 97. The Autologous Stem Cell Transplant is a standard form of treatment for Hodgkin's disease, in patients who do not achieve remission after chemotherapy. In an Autologous BMT, the patient is both the donor and the recipient of the bone marrow. In cases where patients have not achieved a remission with chemotherapy/radiation and have relapsed after chemotherapy or have experience progression of the disease while undergoing chemotherapy, an Autologous BMT is considered to be the best option to save their life.
- 98. As per State Life Employees medical attendance Rules and Regulation 1973 para 8(f) cosmetic surgery, plastic surgery, organ transplant as Annexure-C to the Memorandum is not allowed to our employees and as such the request was regretted through letter dated 24-05-2010.
- 99. The competent authority has allowed kidney transplantation in the past in following two cases after taking due approval of Executive Committee and Board of Directors respectively:-
 - (1) Mr. Shahabuddin, Jr. Office Asstt. (NB) of Karachi Central Zone in the year 1996 from Executive Committee as Annexure-D to the Memorandum.
 - (2) Mr. Benjamin Nathaniel, Naib Quasid(G&P), Lahore Zone Central, in the year 2002 from Board of Directors as Annexure-E to the Memorandum.
- 100. The Board was informed that similarly Mr. Aquil would undergo Autologous BMT for his disease perhaps may result in 25%-50% chance of long term survival then patients without BMT, whose chances for long term survival are 5-10%. However, there is no guarantee that Autologous BMT (or any BMT for that matter) will cure the disease.
- 101. Considering the above circumstances, GM(Medical) presented before the Board, the request of Mr. Muhammad Aquil, Manager, Marketing, Lahore Central Zone for his treatment of Bone Marrow Transplant at AFBMT, Rawalpindi with approximate cost of Rs.1.0 to 1.2 million for consideration and necessary decision.



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DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	22 ND JULY, 2010	×
Action: ED(P&GS) GM(P&GS) GM(Med)	102. Accordingly, the Board resolved as un- RESOLVED: "that as proposed by GM(Medical) the r Manager, Marketing, Lahore Central Zone Transplant at AFBMT, Rawalpindi at an ap million, is approved."	request of Mr. Muhammad Aqui for his treatment of Bone Marrov	W
Action: ED(P&GS) GM(P&GS) GM(Med)	"that a medical policy be developed by G Medical Officer of the Corporation, for eachospitalization, medicines, consultation before the HR Committee of the Board for be developed in such a way that the employees keeping their financial position insurance coverage of the employees sl Board be informed of the criteria consultants/doctors and chemists in the a	th grade of employee in respect of and investigation and presented r review and decision. The polici- expenses are shared with the in in view. The possibility of health hould also be looked into. The for enlistment of hospitals	of d y e h
	ITEM 16(c) TRAINEE EXECUTIVE SCHEME OF IN-SERVICE OFFICERS.	FOR THE SONS/DAUGHTERS	
	103. Divisional Head(P&GS) presented before Trainee Executive Scheme for the sons/daught	fore the Board, a Memorandum fo hters of in-service officers.	or
	104. In pursuance of CBA agreement, Boaheld on 22 nd December, 2009 had approve Scheme for the sons/daughters of In-Services	ed 10 seats for "Trainee Executive	g e
	105. The officers of SLIC also approa incentive/opportunity for their sons/daughter approve 10 seats for sons/daughters of in-ser by the Board of Directors.	s. The Chairman was pleased to	o
	106. GM(P&GS) mentioned that the finance approved in case of "Trainee Executive Schestaff". The financial impact of employing 10 Traines placed at Annexure-B to the Memorand service officer. GM(P&GS) further submitted sons/daughters of in-service officers, F&A Dialready allocated for Trainee Executive Scheutilized for payment of three months stipend (twenty (20 seats of Trainee Executive Schenand officers as under:-	eme of sons/daughters of in-service rainee Executives for in service staff um which would be the same for in that in case of 10 extra post for vision has agreed that the amounteme of sons/daughters of staff be i.e. October to December 2010) for	e f n r t
	Payment of Monthly Stipend to one TE(already approved for payment of stipend of TE scheme of sons/daughters of staff(6 months { 10 x Rs.6,000/- =Rs.60,000/- x 6 months =Rs.3,	for 10 seats Rs,360,000	CHAIRMAN'S INITIALS

Payment of Monthly Stipend to one TE(already approved)

Budget already approved for payment of stipend for 10 seats
of TE scheme of sons/daughters of staff(6 months)
{ 10 x Rs.6,000/- =Rs.60,000/- x 6 months =Rs.3,60,000/-}

Budget utilization towards payment of stipend for 20 seats of
TE scheme of sons/daughters of staff and officers(3 months)
{20 x Rs.6,000/- =Rs.120,000/- x 3 months =Rs.3,60,000/-}



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	107. F&A Division has also agreed that any already approved Rs.2,311,510/- for sons/date by P&GS Division for inclusion in budget properthat F&A Division has also suggested that son/daughters in service of the above scher training.	ughters of staff) should be proposed bosal 2011. P&GS Division informed the expenses of written test for	
e	108. Accordingly, the Board resolved as un	der:-	
Action: ED(P&GS) GM(P&GS)	RESOLVED: "that the proposal of DH(P&GS) conta approval of Trainee Executives Schemeservice officers be referred to HR recommendations."	e for the sons/daughters of in	×
	ITEM 16(d) POSITION PAPER – WITHHOLE PAYMENTS MADE TO POLICY AND 2009 (INCOME YEAR 2007)	HOLDERS IN TAX YEAR 2008	*
	109.) A Position Paper on withholding ta policyholders in tax year 2008 and 2009(inco F&A Division was presented before the Boa the position paper was as follows:-	ome year 2007 & 2008) prepared by	
	 The Large Taxpayers Unit (LTU), Karad Life Insurance Corporation of Pakistan January 14, 2010 related to tax year 2 regarding tax withheld u/s 151 (1) (d) of rate of 10% as specified in Division I of Income Tax Ordinance, 2001 with evide Federal Treasury. Copies of the notices position paper". 	ref. U8/EC-II/LTU/KHI/2010 dated 008 and 2009 requiring information the Income Tax Ordinance, 2001 at Part III of the First Schedule to the ence of payment of the same to the	i.
	2. Since 1972, such type of information was Life by the Income Tax Department. In assuming Corporation under legal obligation (1) (d) from the payment made on ac policyholders. In fact, Income Tax Department proceeds which is paid over a number of premiums received by Corporation to all kinds' of indicate the relevant section of Income the possible action is proposed, hence notice. State Life Insurance Corporation that maturity proceeds a under the provision of prevailing income was made at the time of payment of mat exposure of risk and far reaching leg Corporation hired immediately the service control of the composition of the service of the control of the composition of the composition of the service of the control of the composition of the	view of the above notices, LTU was ation to deduct and pay tax u/s 151 count of maturity of policies to its rement intends to tax that amount of and above the amount of the total ration, till maturity date under policy bonuses. The said notice does not Tax Ordinance, 2001 under which there is clear lacuna in the formal pration of Pakistan has a clear are not subject to withholding tax tax law, therefore no tax deduction turity proceeds. Keeping in view the all and administrative implications, rices of M/s A.F. Ferguson & Co.,	CHAIRMAN'S INITIALS

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	3. M/s Ferguson & Co. prepared and subthe LTU; Karachi on behalf of State Litton March 9, 2010.Copy of reply is placed Our tax consultant also agrees with Corproceeds payable on life insurance potax u/s 151 (1) (d) of the Income Tax reference i.e. 151 is clearly containing the "Profit on Debt". In our view and according to the maturity payments.	The Insurance Corporation of Pakistan sed as flag "C to the position paper". Description point of view that maturity elicies are not subject to withholding Ordinance, 2001. The section under the provision of law addressing to the	
	4. In this respect, our tax consultant Commissioner Inland Revenue and C explain our point of view in the light of plncome Tax Ordinance. When it was amenable and has limited understandi approached the Member Policy (Direct Revenue through our tax consultant to any adverse action and look into the Insurance Corporation of Pakistan all Policy, Direct Taxes, on the subject issue.	ommissioner Inland Revenue etc to provision of section 151 (1) (d) of the observed that tax department is not any of our point of view, Corporation ect Taxes), the Federal Board of a stop the LTU Karachi from taking the matter at his level. State Life so filed representation to Member	
	5. In a recent meeting with Chief Corkarachi, it was highlighted that Corpturned down by Federal Board of Revetake action against State Life Insurance to the subject notices. Copy of the repressition paper". However, Corporation FBR till to date against the said represe provided such decision.	mmissioner Inland Revenue, LTU, poration's representation has been nue and they have been directed to a Corporation of Pakistan according esentation is placed a flag "D to the has not received any reply from the	,
	6. In the above meeting, the Commissione Collection Division proposed that Corporathe FBR with a request to sign a 'Memore treat the tax payments involved as close undertake to start recovery of withhold date, probably from July 1, 2010 (i.e. pro	pration should once again approach brandum of Understanding' (MoU) to ed and past transactions and it may ding tax from the mutually agreed	
	7. In view of such proposal, we have sough and Gabriel, advocates, copy placed regarding singing of MoU with the Inclinations. Legal adviser has advised	as flag "E to the position paper" ome Tax Department and its legal	
U	"The memorandum of understanding, is between the parties; however, if such a third parties, the same can be challenged eventuality the decision of the court will the same can be court will the decision of the court will be decision.	memorandum affects the rights of d before the court of law. In such an	
	8. It was further opined that in case the arthe ordinance, it can be challenged in the Sind High Court at Karachi as the said also without jurisdiction as it would tant the provision of section 151 (1) (d) of Alternatively, State Life may resort to see once the order u/s 161 of the Ordinance	ne Constitutional Petition before the notice would not only be illegal but amount the illegal interpretation of the Income Tax Ordinance, 2001.	CHAIRMAN'S INITIALS

once the order u/s 161 of the Ordinance has been issued.



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- According to the facts and figures as per audited financial statements of Corporation for the tax year 2008 and 2009, the amount of the withholding tax, if the Income Tax Department takes action, can range up to Rs. 480 million.
- 10. Further, Corporation has applied third time for adjournment against the required information to LTU, Karachi. The last adjournment, if allowed, would be till July 31, 2010.

110. The information contained in the above position paper was noted by the Board who also agreed to the view point of the Chairman that the notices of the Income Tax Department for withholding tax on maturity payments be challenged in the court of law.

ITEM 16(e) ENHANCEMENT OF AREA MANAGERS' STRENGTH

- 111. Divisional Head(Marketing) presented before the Board, a Memorandum for enhancement of Area Managers' strength.
- 112. The Area Managers though permanent employees of the Corporation as governed under State Life Employees' (Service) Regulations, 1973, but their performance is distinct from that of other permanent employees, as the post of Area Manager is purely business related being run under the cadre of Deputy Manager. They are not appointed directly, rather existing Sales Managers after completion of predefined business criteria are promoted and appointed as Area Managers. The strength of Area Managers was last approved as 550.
- 113. Their responsibilities include, supervision of an organization of a large marketing team consisting of several Sales Managers, several Sales Officers under each Sales Manager and several Sales Representatives under each Sales Officer. The Area Manager closely monitors its Organization with a view to maximize the business performance through increase in number of new policyholders, services to existing policyholders and induction of new insurance agents as well. They are also responsible for managing conservancy of business through handsome second year and renewal persistency ratios each year.
- 114. DH(Marketing) informed the Board that for the services mentioned above and meeting other responsibilities, the Area Managers are paid few perks in addition to fixed salary under pay scale equivalent to that of a Deputy Manager. As per rules, all payments including salary are included in their operating cost and they are required to perform in a manner that their operating cost (arising out by all payments) does not exceed 10% of the first year premium collected through their organization. The cost over and above 10% attributed towards adjustment by ratio of second year persistency achieved and renewal income collected through the organization of Area Manager to arrive at recovery of excess cost from his, which is recovered in full by close of the relevant year. In other words, they do not cause any financial impact other than 10% of what has been produced by them and written by the Corporation, in advance.
- 115. DH(Marketing) further informed the Board that in the approved budget proposal 2010, an additional provision of 99 new Area Managers is available, besides budget provision of existing strength of 581 Area Managers as well,

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	which includes last year's promotes and those Courts' order. Based on the business figu Managers have completed promotion criteri Managers is with-held owing to limited number	who have been reappointed under res as at 31-12-2009, 130 Sales a, but their appointment as Area	
	116. Marketing Division feels that in order keep most of the market segments in tact by locations in the country, the additional stren approved as already provided for in the budge strength from 550 to 649. Last year, due to f promotions, the Corporation was able to reging Rs.4.97 billion in 2008) First Year Premi Persistency. It is expected that the Corporation register over Rs.10.00 billion FYP in 2010 by the	spreading area offices to more new gth of 99 Area Managers may be et-2010, revising thus the approved ield motivation enhanced by timely ster almost Rs.7.00 billion (against um Income with 84% 2 nd Year tion will again be in a position to	
	117. To a query from the members of the R that negotiations are going on with the rep abolition of Sales Officers tier so that the exp the level approved by the SECP. DH(Marketi was working on a proposal to reduce the conforce rather than abolishing the tier of Sa unemployed. The reduction in commission was 15% in the year 2011 which is within the allowant	resentatives of the field force for ense ratio can be brought down to ng) mentioned that the Committee mmission level of each tier of field ales Officers who would become yould reduce the expense ratio to	
	118. Accordingly, the Board resolved as und	er:-	
Action: ED(Mkt) ED(P&GS) DH(Mkt) DH(P&GS)	RESOLVED: "that as proposed by DH(Marketing) in his log of Area Managers' Strength from 550 to 68 Managers for which budget provision exist have been reinstated as per court orders."	0 is approved including 99 Area	
	ITEM 16(f) ILLEGAL OCCUPATION OF ENT	RANCE ROAD OF SLIC PLOTS TRUST.	i
	119. General Manager(Real Estate) pre Memorandum in respect of illegal occupation o FTC by Army Welfare Trust.	sented before the Board, a f entrance road of SLIC Plots near	
	120. The Board was informed that SLIC ow AWT plots area hear FTC:-	ns following two plots adjacent to	
	a) Plot No. 3 & 4(amalgamated) - b) Plot No. 5 - Total -	9468.33 sq.yds. 4292.4 sq.yds. 13760.73 sq.yds.	
	 c) The above plots are bifurcated to (as per details at Annexure-A to 	hrough entrance road the Memorandum)	CHAIRMAN'S INITIALS

121. AWT occupied main entrance of both the plots which was leased to them by MEO. Consequently, AWT constructed its boundary wall; thereby depriving SLIC of the corner plot status of both plots. The case is subjudice in the High

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	122. To address the issue, GM(RE) held series of meetings with DG (ML & C) and AWT authorities at Rawalpindi and also approached MEO Karachi, contesting SLIC's interest being compromised due to the ground situation. 123. Realizing the situation, MEO Karachi has now issued a letter (attached) accepting that the said entrance area has been erroneously leased to AWT.		•	
	 124. GM(RE) submitted before the Board that as a result of meetings held by him, the new development being highly favourable to SLIC entails the following:- a) Withdrawal of legal case against AWT through amicable settlement. b) Offer alternative access route to AWT (next to NIC building) which would amalgamate our all the three plots with present frontage of 230 ft. + 196 ft. (with approach road in between) to 426 ft. at a prime land by amalgamation of 3 plots measuring 13760 sq.yds and annex value addition to our costly land. Thereafter, we can proceed with our construction plan at the said plots. c) Details of the proposal are shown at site plan placed as Annexure-B to the Memorandum. 125. The case is placed before the Board of Directors for approval of out of the 			
Action:	court settlement with AWT and offer separate the three plots without their affecting overall s 126. Accordingly, the Board resolved as uncertainty and the proposal of GM(RE) for out of contraction.	ze. der:- ourt settlement with Army Welfare	141	
ED(RE) GM(RE)	Trust and offer to AWT for separate acc amalgamate our all the three plots near F size, is approved."		1	
	ITEM 16(g) EFFICIENT MANAGEMENT OF	REAL ESTATE DIVISION		
	127. General Manager(Real Estate) p Memorandum for efficient Management of Re			
	128. Real Estate Management regime mostly	comprises the following entities :-		
	 a. Maintenance of buildings b. Tenancy and recovery management c. Projects and contract management d. Security, vigilance and fire-fighting e. Legal and land oriented issues 	t		
	129. GM(RE) submitted before the Board sor have been identified as follows:-	ne of the visible weaker spots which	CHAIRMAN'S	
	 a. Huge rental recoveries are piling up and non-pursuance. b. Scores of weaknesses exist in on-g management. Upcoming projects w Additionally, related formalities of Plollowed properly. 	oing projects and contract ould add to the difficulties.	13	

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	 c. Monitoring of on-going works in the context of quality assurance, specifications and contractual stipulations is non-existent. d. Recent fire incident adjacent to SLIC Principal Office, that had almost reached the main building, exposed scores of weaknesses in the fire-fighting regime. e. Lack of security, Vigilance and handling of Private Security Companies by un-trained Staff. 		1
	130. GM(RE) mentioned that the above weaknest through induction of two qualified Officers (AGI manage the following: a. Security, Vigilance, Fire-fighting and retired Major. b. Qualified Civil Engineer with enriched	M Level) on contract basis to Recovery Officer, preferably a	2
¥	management and inspections/monito- contractual stipulations and PPRA/P 131. The selection to be done on proper m press.	EC Rules.	
Action: ED(RE) ED(P&GS) DH(P&GS) GM(RE)	132. Accordingly, the Board resolved as und RESOLVED: "that the proposal of GM(RE) in his Memori identified in the efficient management Rea a qualified officer of AGM level on contract vigilance and (b) management and inspect works as per contractual stipulations and However his request for induction of officer.	andum to address the weakness is Estate Division by induction of it basis to manage (a) security, ition/monitoring of construction PPRA/PEC Rules is approved.	
	post available in RE. GM(RE) is advised Chairman for approval." 133. The meeting ended with vote of thanks	·	ø
	v v	(CHAIRMAN)	
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