

MINUTES OF 221ST MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25 TH JULY, 2011	

CONFIDENTIAL AND RESTRICTED

The 221st Meeting of the Board of Directors of State Life Insurance Corporation of Pakistan was held on Monday, 25th July, 2011 at 11.00 a.m. and in the Board Room, State Life Building No.9, Dr. Ziauddin Ahmed Road, Karachi.

PRESENT:

- | | |
|----------------------------|-----------------|
| 1. Mr. Shahid Aziz Siddiqi | Chairman |
| 2. Mr. Shahid Rahim Shaikh | Director |
| 3. Mr. Aslam Faruque | Director |
| 4. Mr. Rasheed Y. Chinoy | Director |
| 5. Syed A. Wahab Mehdi | Director |
| 6. Mr. Akbarali Hussain | Secretary Board |

ABSENT:

- | | |
|---------------------------|----------|
| 1. Mrs. Spenta Kandawalla | Director |
| 2. Mr. Amin Qasim Dada | Director |
| 3. Syed Hur Riahi Gardezi | Director |

2. The meeting started with recitation of verses from the Holy Quran by the Chairman.

3. The Board noted with utmost grief, the sad demise of the beloved mother of Mr. Shahid Aziz Siddiqi, Chairman State Life and offered Fatcha for the departed pious soul and prayed to Almighty Allah to rest her pious soul in eternal peace of the Heaven and give strength and fortitude to the bereaved family to bear this irreparable loss with courage.

ITEM (1) CONFIRMATION OF MINUTES OF 220TH
MEETING OF THE BOARD OF DIRECTORS.

4. The minutes of the 220th meeting of the Board of Directors held on 30th May, 2011 together with implementation report were placed before the Board.

5. Implementation report of 220th meeting of the Board of Directors was noted.

6. Syed A. Wahab Mehdi, Director proposed and Mr. Aslam Faruque, Director seconded that the minutes of 220th meeting of the Board of Directors be confirmed.

7. Accordingly, it was resolved as under:-

RESOLVED:

"that the Minutes of 220th meeting of Board of Directors held on 30th May, 2011 are confirmed."

ITEM 2(a) CONSIDERATION AND APPROVAL OF RECOMMENDATIONS
IN MINUTES OF 40TH MEETING OF BOARD AUDIT COMMITTEE
HELD ON 30-05-2011.

8. The minutes of the 40th meeting of Board Audit Committee held on 30th May, 2011 was presented before the Board of Directors for consideration and approval

Action:
Secretary
(Board)



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Action: Secretary (BAC)	<p>of decisions/recommendations made by the Committee were placed before the Board. A copy of the minutes duly signed by the Chairman (BAC) is placed at Annexure-A to the Minutes.</p> <p>9. Accordingly, the Board resolved as under:</p> <p>RESOLVED: "that the minutes of 40th meeting of Board Audit Committee held on 30th May, 2011 together with observations/recommendations are approved subject to the following amendments:-</p> <p><u>Para-8 of the minutes to include the following:-</u></p> <p>(a) Coordination Committee for implementation of BAC decision to also discuss i) Management letter of External Auditors in respect of Pakistan Business and Overseas Business and obtain compliance on the observations and ii) The audit paras of Government Auditors and ensure that the audit paras are addressed."</p> <p>ITEM 2(b) IA&C DIVISION WOULD COORDINATE WITH GOVT. AUDITORS & EXTERNAL AUDITORS FOR AUDIT OF THE SLIC IN FUTURE.</p> <p>10. Secretary, Board Audit Committee presented before the Board, a Memorandum dated July 12, 2011 mentioning therein that the Chairman, SLIC has shown his reservation on the decision of the Board Audit Committee taken at its 40th meeting held on 30th May, 2011 that henceforth IA&C Division would coordinate with Government Auditors & External Auditors for audit of the State Life.</p> <p>11. The reservation of the Chairman on the above decision of the Board Audit Committee is as follows:-</p> <p>"It changes a settled practice in vogue and we see no valid reason for changing it. This point has to be placed before the full Board. Views of F&A Division should also be placed for the Board."</p> <p>12. The Divisional Head (F&A) has expressed his views at Annexure-A to the Memorandum as follows:-</p> <p>a) The task of liaison and coordination with Commercial Auditors and External Auditors during the conduct of both audits of the Corporation (including zonal offices) has remained with F&A Division since inception.</p> <p>b) F&A Division has been extending its full cooperation and coordination to Commercial Auditors and External Auditors since 1972. During past 38 years, thousands of Commercial/External Audit Observation Memos, Management Letters (MLs), audit paras and draft paras relating to PO and zonal offices have been dealt through F&A Division. A large number of audit paras has been got verified/settled by the Commercial Audit in coordination with F&A Division of the Corporation. Working papers of hundreds of Board, BAC, DAC, SDAC and PAC meetings have been consolidated and attended by F&A Division.</p>		
	<p>CHAIRMAN'S INITIALS</p> <p><i>[Signature]</i></p>		

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<p>c) Our submission regarding coordination of IA&C Division with Government Auditors and External Auditors in future are as follows:</p> <ul style="list-style-type: none"> All the relevant records comprising of original vouchers, invoices, cash memos, journal vouchers and all accounting books i.e. cash books, cheque registers, ledgers, accounting schedules and trial balances of PO and zones are kept by F&A Division/Accounting Centres. Traditionally, all cash receipts and payments are dealt by F&A Divisions and as well as all related accounting transactions are posted by F&A, therefore, we think that F&A is in a better position to explain queries and observations of external and government auditors. Further, external audit and finalization of accounts go hand in hand and often on the spot explanation to external auditors is given by F&A. Presently, only one AGM is simultaneously dealing and coordinating with external and government auditors in addition to his main 3 (three) port folios i.e. (1) Finalization of Quarterly & Annual Accounts (2) Day to day MIS Reporting of F&A (3) Pak Rupee Business Accounting. <p>d) Keeping in view the afore-said circumstances it is suggested that the task of coordination with external auditors should remain with F&A Division as per prevailing practice as this type of audit is done by the external auditors on the spot. However, with regards to government audit the management may decide whether or not the task of coordination with government auditors to be transferred to IA&C Division. It is worth mentioning here that in case the task of coordination with government auditors is given to IA&C Division then following two points also to be kept in mind as well:</p> <ul style="list-style-type: none"> F&A Division would not be in a position to transfer any staff/officer to IA&C Division as they are already doing this job in addition to their basic/main portfolios. As per prevailing practice all correspondence relating to government audit will be directly made to concerned division and no such communication will be routed through F&A Division in future as it will consume the time of both divisions which will result in duplication of work. <p>13. The matter is placed before the Board of Directors to take decision.</p> <p>14. After deliberation and taking into account the reservation of the Chairman and the views of the F&A Division, Board resolved as under:</p> <p>RESOLVED: "that the existing practice of F&A Division coordinating with the Government Auditors and External Auditors for audit of State Life Insurance Corporation of Pakistan be continued."</p>			

Action:
Secretary
(BAC)
ED(F&A)
DH(F&A)

CHAIRMAN'S
INITIALS

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<p>ITEM (3) APPOINTMENT OF ADMINISTRATOR/TRUSTEE AND CHAIRMAN OF:</p> <p>I) STATE LIFE EMPLOYEES CONTRIBUTORY PROVIDENT FUND</p> <p>II) STATE LIFE EMPLOYEES PENSION FUND</p> <p>III) STATE LIFE OFFICERS GRATUITY FUND</p> <p>15. General Manager (F&A) presented before the Board, a Memorandum dated 4th July, 2011 for appointment of Administrator/Trustee and Chairman of i) State Life Employees Contributory Provident Fund, ii) State Life Employees Pension Fund and iii) State Life Officers Gratuity Fund.</p> <p>16. The Board of Directors of State Life Insurance Corporation of Pakistan in its 212th meeting held on 18th May, 2010 approved the appointment of Syed Arshad Ali, Executive Director (Marketing) as Chairman of State Life Insurance Employees' Contributory Provident Fund, Pension Fund and Officers Gratuity Fund in place of Mr. Allah Rakha Aasi, Executive Director (F&A), who had been transferred from State Life.</p> <p>17. Recently Mrs. Yasmin Saud has joined as Executive Director (F&A) of the Corporation on deputation basis vide notification No.1/66/2006-E-6 dated 7th June, 2011. Syed Arshad Ali, Executive Director (Marketing), existing Chairman of Funds, has already advised that as per previous practice, Executive Director (F&A) should hold the position of the Chairman of the employees related funds.</p> <p>18. The matter is, therefore, placed before the Board of Directors for consideration and approval of appointment of Mrs. Yasmin Saud, Executive Director (F&A) as an Administrator, State Life Employees' Contributory Provident Fund, Trustee Employees' Pension Fund, Trustee Officers Gratuity Fund and Chairman of all employees related funds, as mentioned above, in place of Syed Arshad Ali, Executive Director (Marketing).</p> <p>19. Accordingly, the Board resolved as under:</p> <p>RESOLVED:</p> <p>"that as proposed by General Manager (F&A) in his Memorandum dated 4th July, 2011, the appointment of Mrs. Yasmin Saud, Executive Director (F&A) as Trustee and Administrator/Chairman of State Life Employees' Contributory Provident Fund, Employees' Pension Fund and Officers Gratuity Fund, in place of Syed Arshad Ali, Executive Director (Marketing), is approved."</p> <p>ITEM (4) APPOINTMENT OF STATUTORY AUDITORS FOR AUDIT OF ACCOUNTS FOR THE YEAR ENDING 31-12-2011.</p> <p>20. General Manager (F&A) presented before the Board, a Memorandum regarding appointment of statutory auditors for audit of accounts for the year ending 31-12-2011.</p> <p>21. The panel of statutory auditors has retired after completion of audit of accounts for the year 2010. The panel comprised of the following firms of Chartered Accountants:</p>			

Action:
ED(F&A)
DH(F&A)

CHAIRMAN'S
INITIALS

Signature of Chairman

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Pakistan Business:

M/s. Riaz Ahmad & Co., Chartered Accountant, Lahore.

M/s. Anjum Asim Shahid Rahman, Chartered Accountants, Karachi

Gulf Zone:

M/s. Sajjad Haider & Co., Dubai.

22. The Board was informed that State Life was required to appoint two firms of Chartered Accountants for audit of accounts of Pakistan Business and a firm of Chartered Accountants for Gulf Zone for the year 2011. As per standing instructions of Auditor General of Pakistan, Ministry of Finance and SECP, an audit firm once appointed cannot normally be changed before it completes its 5 years' cycle. None of the two firms appointed for Pakistan Business has completed its five years tenure. M/s. Riaz Ahmad & Co., have been engaged since 2009 (for conduct of audit for 2008) while M/s. Anjum Asim Shahid Rehman conducted audit for 2009 and 2010.

23. GM(F&A) informed that both the audit firms for Pakistan Business (M/s. Riaz Ahmad & Co., and M/s. Anjum Asim Shahid Rahman) have consented to continue for the audit of accounts for 2011 on the same terms and conditions. However, they have requested members of Board Audit Committee for increase in their audit fee (Copy of their letters are attached as Annex "A" and "B" to the Memorandum). The audit firm for Gulf Zone (M/s. Sajjad Haider & Co.) has agreed to audit the accounts for 2011 on the same terms and conditions as were for last year (Annex "C" to the Memorandum).

24. It is submitted that the audit fee and out of pocket expenses for all the three audit firms were increased last year to Rs.900,000/- and Rs.500,000/- from Rs.690,000/- and Rs.400,000/- respectively by the Board of Directors at their 215th meeting held on 19th October, 2010.

25. The following table show the audit fee and out of pocket expenses paid to auditors for previous six years:-

Year	Name of firm	Fees (Rs)		
		Audit Fee	Out of pocket expenses	Total
2005	M/s. Anjum Asim Shahid Rehman	600,000	360,000	960,000
" "	M/s. Avals Hyder Nauman Rizwani	600,000	350,000	950,000
2006	M/s. Anjum Asim Shahid Rehman	690,000	414,000	1,104,000
" "	M/s. Avals Hyder Nauman Rizwani	690,000	402,500	1,092,500
2007	M/s. Anjum Asim Shahid Rehman	690,000	414,000	1,104,000
" "	M/s. Avals Hyder Nauman Rizwani	690,000	402,500	1,092,500
2008	M/s. Avals Hyder Nauman Rizwani	690,000	402,500	1,092,500
" "	M/s. Riaz Ahmad & Co.	690,000	400,000	1,090,000
2009	M/s. Anjum Asim Shahid Rehman	690,000	402,500	1,092,500
" "	M/s. Riaz Ahmad & Co.	690,000	400,000	1,090,000
2010	M/s. Anjum Asim Shahid Rehman	900,000	500,000	1,400,000
" "	M/s. Riaz Ahmad & Co.	900,000	500,000	1,400,000

26. The Audit Fee/Out of Pocket Expenses in respect of M/s. Sajjad Haider & Co., Auditors for Gulf Zone were also increased from Dh.25,300 and Dh.8,050 to Dh.40,000/- and Dh.10,000 respectively, totaling Dh.50,0000/-. The increase in fee/out of pocket expenses approved by the Board at its 215th meeting held on 19th October, 2010 is as under:

CHAIRMAN'S INITIALS

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Name of Firm	Existing Fee		
	Audit fee	Out of pocket exp	Total
Riaz Ahmad & Co.	900,000	500,000	1,400,000
Anjum Asim Shahid Rahman	900,000	500,000	1,400,000
Sajjad Haider & Co.	Dh. 40,000	Dh. 10,000	Dh. 50,000

27. Matter is submitted for consideration and a decision for appointment of joint auditors for Pakistan Business and another firm for Gulf Zone as well as their fee/out of pocket expenses.

28. It is pertinent to mention that as per advice of Auditor General of Pakistan, prior concurrence is required from his office before the matter is moved to the Board of Directors for their approval.

29. After deliberations, the Board resolved as under:

RESOLVED:

- a) "that the recommendation of Board Audit Committee for appointment of M/s. Riaz Ahmad & Co. and M/s. Anjum Asim Shahid Rahman as Statutory Auditors for audit of accounts of State Life Pakistan Business for the year ended 31st December, 2011 at a fee of Rs.900,000 and out of pocket expenses of Rs.500,000 each is hereby approved. The concurrence for their appointment be obtained from the Auditor General of Pakistan through Ministry of Commerce."
- b) "that the recommendation of Board Audit Committee for appointment of M/s. Sajjad Haider & Co. as Statutory Auditor for audit of accounts of State Life Gulf Zone Business for the year ended 31st December, 2011 at a fee of Dh.40,000 and out of pocket expenses of Dh.10,000 is hereby approved. The concurrence for their appointment be obtained from the Auditor General of Pakistan through Ministry of Commerce."
- c) "that in future, fee for each year of the term be clearly specified in the bid and no subsequent escalation be allowed."
- d) "that at the time of appointment of auditors for the year 2012 and onwards, one of the auditors be appointed from amongst the top-five auditors in category-A of the approved list of Auditors of State Bank of Pakistan."
- e) "that F&A Division may check with PPRA as to whether fees of the existing appointed auditors can be reviewed without floating a fresh tender."
- f) "that guidance be sought from Ministry of Commerce as to whether concurrence of Auditor General of Pakistan is required to be obtained after approval of the auditors by the Board."


Action:
ED(F&A)
DII(F&A)
Secretary
(BAC)

CHAIRMAN'S
INITIALS

[Signature]

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<p>ITEM (5) FIXATION OF PAY ON REVISION OF PAY SCALES OF OFFICERS OF STATE LIFE W.E.F. 01-01-1998 IN THE LIGHT OF SUPREME COURT'S DECISION.</p> <p>30. Executive Director (P&GS) presented before the Board, a Memorandum dated May 24, 2011 regarding fixation of pay on revision of pay scales of officers of State Life with effect from 01-01-1998.</p> <p>31. The pay scales from Executive Officers to General Managers were revised on the recommendations of Board of Directors of State Life and with the approval of Federal Government as conveyed through Ministry of Commerce letter No. 7(8)/99-Ins-I dated 03.07.1999, effective from 01.01.1998. Notification No.: P&GS/PO/203/99 dated: 28.07.1999 is placed at Annexure-A to the Memorandum.</p> <p>32. Brief history about the anomaly in fixation of salary of officers in the revised pay scales of 1998 and decisions taken from time to time as a result of the representations/litigations, is placed at Annexure-B to the Memorandum.</p> <p>33. As a result of decision of Supreme Court in criminal appeal No.74-L/2009 dated 09.02.2011 (Annexure-C to the Memorandum), the matter was again placed before the 217th meeting of the Board held on 03.03.2011. There were at least 739 officers having dispute in fixation of their pay effective from 01.01.1998 out of which 273 officers approached to the court and got remedy from the Supreme Court. The Board resolved as under:-</p> <p>"that the recommendation of Mr. Jehanzeb Khan Bhavrana, Advocate of State Life, as per his legal opinion at para-13 of the ED(P&GS)'s Memorandum with reference to the Criminal Appeal bearing No.74(L) of 2009 and recent development whereby the court has allowed finality as per Supreme Court judgment dated 9th February, 2011 wherein it has upheld the decision of Federal Service Tribunal dated 27-04-2004 and directed State Life to make payment within a period of one month i.e. by 9th March, 2011, the grant of additional increment in lieu of revised pay scales vide P&GS Circular No.P&GS/PO/154/2006 dated 14-11-2006 and 15-06-2005 (already approved by the Board of Directors earlier), to all the affected officers of the Corporation either in the service or retired/resigned/expired etc (who have gone into litigation and relief has been granted by the court), to enable expeditious conclusion of the proceedings before the Honorable Court is hereby approved."</p> <p>"that the financial impact of the above decision of the court for grant of additional increment w.e.f. 1st January, 1998, for 273 officers (in service as well as retired, resigned, expired etc.) approval by the Board would be Rs.50 to 60 million approximately including impact of Corporation's contribution to PF, Gratuity, Leave Encashment and Pension Funds."</p> <p>"that the case of the remaining officers who have not gone in the litigation (about 466) will be considered at a later stage as and when they file an appeal and relief is allowed to them by the court."</p>			

CHAIRMAN'S
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	<p>34. ED(P&GS) submitted that the position to be considered is that P&GS Division have already exercised re-fixation of pay of certain (273) officers in the original pay scales announced in 1999 from 1.1.1998 for the purpose of releasing the arrears thereof, without rescinding the orders dated 14-11-2006, which reflects that it would be de-facto and would also be termed as partial, as without rescinding the Officer Order No. P&GS/PO/154/2006 dated 14-11-2006 (Annexure-D to the Memorandum) the pay scales of certain officers grades in State Life effective from 1.1.1998 would be different.</p> <p>35. On the other hand after rescinding the referred order, the position of remaining officers/non litigant officers would automatically fall in the old scales of 1.1.1998 as applied in the case of 273 officers who approached and got remedy from Supreme Court.</p> <p>36. ED(P&GS) further submitted that under the circumstances, it is proposed for cancellation/reassignment of Order No.P&GS/PO/154/2006 dated 14-11-2006 for reversion back the pay scales of officers as was announced through Notification No.P&GS/PO/203/99 dated 28th July 1999 effective from 1.1.1998 may be approved as already allowed to the re-fixation of pay of 273 litigant officers and release of arrears thereof.</p> <p>37. It is further proposed that in the second step the re-fixation of remaining 466 affected officers may be allowed to be made in the old pay scales effective from 1.1.1998 for release of arrears to the non-litigants in order to avoid expected administrative/legal issues in the matter.</p> <p>38. In the meantime 11 affected officers have approached to the Federal Services Tribunal, Islamabad. The Tribunal decided the matter in their favor and re-fixation of their pay in original pay scales of 1998 has been ordered by the Court (Annexure-E to the Memorandum).</p> <p>39. The matter is therefore placed before the Board of Directors for consideration and approval as proposed at para 6-8 of the Memorandum. The approximate financial impact for the decision will be Rs.86.207 million for which appropriate budget provisions has been made in the year 2011.</p> <p>40. After deliberation, the Board resolved as under:</p> <p>RESOLVED:</p> <p>a) "that the proposal of ED(P&GS) in his Memorandum for cancellation/reassignment of Order No.P&GS/PO/154/2006 dated 14-11-2006 for reversion back the pay scales of officers as was announced through Notification No.P&GS/PO/203/99 dated 28th July 1999 effective from 1.1.1998 as already allowed to the re-fixation of pay of 273 litigant officers and release of arrears thereof is hereby approved."</p> <p>b) "that the proposal of ED(P&GS) in his Memorandum, that in the second step, the re-fixation of remaining 466 affected officers who have not gone into litigation may be allowed to be made in the old pay scales effective from 1.1.1998 for release of arrears to the non-litigants in order to avoid expected administrative/legal issues in the matter is hereby approved."</p>		

Action:
ED(P&GS)
ED(F&A)
DH(P&GS)
DH(F&A)
DH(IA&C)

CHAIRMAN'S
INITIALS

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	<p>c) "that the re-fixation of the pay in original pay scales of 1998 as per decision of the Tribunal in favour of the 11 affected officers who had approached to the Federal Services Tribunal, Islamabad is approved."</p> <p>d) "that the approximate financial impact for the decision will be Rs.86.207 million including impact of Corporation's contribution to provident fund, gratuity, pension fund, bonus and leave encashment for which appropriate budget provisions has been made in the year 2011."</p> <p>e) "that the earlier decision of the Board at its 217th meeting held on 3rd March, 2011 in the case of remaining officers who have not gone into litigation (about 466) that their case will be considered at a later stage as and when they file an appeal and relief is allowed to them by the court stands modified in view of the criteria laid down in the decision of the Supreme Court."</p> <p>f) "that the above payments will be made after due scrutiny by a Committee in P&GS Division, review by IA&C Division and final review by F&A Division."</p> <p>g) "that the Board has however noted with serious concern that cases of such nature are not adequately followed up by Legal Affairs Division."</p> <p>ITEM (6) CONSIDERATION AND APPROVAL OF RECOMMENDATIONS IN MINUTES OF 7TH MEETING OF HUMAN RESOURCES COMMITTEE HELD ON 27-06-2011</p> <p>41. The minutes of the 7th meeting of Human Resources Committee held on 27-06-2011 was presented before the Board of Directors for consideration and approval of decisions/recommendations made by the Committee for which respective memorandums were placed before the Board. A copy of the minutes duly signed by the Chairman is placed at Annexure-B to the Minutes.</p> <p>42. Accordingly, the Board resolved as under:</p> <p>RESOLVED:</p> <p>"that the minutes of 7th meeting of Human Resources Committee held on 27th June, 2011 together with observations/recommendations are approved subject to the following:</p> <p>a) The matter relating to amendment in Rule-32 of the revised leave rule 1989 for officers of State Life would be submitted to the Board alongwith the recommendations of the HRC for consideration and approval. The Memorandum was submitted to the Board at Item-6(a) of the agenda of 221st meeting.</p> <p>b) The proposal relating to Workshop/Training of AGMs and DGMs for making them eligible for promotion would be submitted to the Board alongwith the recommendations of the HRC for consideration and approval.</p> <p>The Memorandum to the above will be submitted by P&GS Division at the next meeting of the Board alongwith recommendation of HR Committee.</p>		

Action:
ED(P&GS)
DH(P&GS)
SCY(HRC)

CHAIRMAN'S
INITIALS



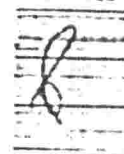
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	<p>c) The proposal relating to Compensatory Allowance in lieu of extraordinary allowance/overtime to the regular employees of State Life attached with the Hon'ble Commerce Minister or Ministry of Commerce would be submitted to the Board alongwith the recommendations of the HRC for consideration and approval. The Memorandum was submitted to the Board at Item-6(b) of the agenda of 221st meeting.</p> <p>d) The Memorandums relating to provision of services of one Security Guard henceforth to Chairman of State Life who left the Corporation after rendering service with the Corporation for at least two years would be submitted to the Board alongwith the recommendations of the HRC for consideration and approval. The Memorandum was submitted to the Board at Item-6(c) of the agenda of 221st meeting.</p> <p>e) The Memorandums relating to revision of amount of utility allowance from Rs.25,000 pm to Rs.35,000 pm to the Chairman, Rs.15,000 pm to Rs.25,000 pm to Executive Directors would be submitted to the Board alongwith the recommendations of the HRC for consideration and approval. The Memorandum was submitted to the Board at Item-6(d) of the agenda of 221st meeting.</p> <p>f) The Memorandums relating to regularization of services of contractual employees who have completed one year of their service with the Corporation would be submitted to the Board alongwith the recommendations of the HRC for consideration and approval. The Memorandum was submitted to the Board at Item-6(e) of the agenda of 221st meeting.</p> <p>g) The Memorandums relating to revision in perquisites to the Executive Directors of State Life would be submitted to the Board alongwith the recommendations of the HRC for consideration and approval. The Memorandum was submitted to the Board at Item-6(f) of the agenda of 221st meeting.</p> <p>h) The Memorandums relating to restructuring of Legal Affairs Division would be submitted to the Board alongwith the recommendations of the HRC for consideration and approval. The Memorandum was submitted to the Board at Item-6(g) of the agenda of 221st meeting.</p> <p>i) The HR Committee while reviewing the implementation report of its 6th meeting has approved amendments in the Office Order No.P&GS/PO/125/2011 dated May 11, 2011 regarding mobile phone policy for Executives and PROs as follows:-</p> <p>"that the Order regarding mobile phone policy for executives be re-issued with the amendments (i) second column of order containing heading 'Mobile Brand' be deleted, (ii) the period for use of mobile be extended from 2.5 years to 3 years and (iii) the officers who intend to keep the mobile on their transfer/ retirement/ may be allowed to pay an amount equal to depreciated value or 20% of cost of mobile, whichever is higher."</p>		

CHAIRMAN'S
INITIALS


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<p>Action: ED(P&GS) DH(P&GS) SCY(HRC)</p>	<p>After deliberations, the Board resolved as under:</p> <p>RESOLVED: "that P&GS Division should prepare a complete documentation of compensation and benefits allowed to each cadre of employee within the organization and put up the same to the Board of Directors through HR Committee for information where additional facilities are requested."</p> <p>j) Informatory note about the status of court cases regarding i) Voluntary Retirement and Separation Scheme(VRSS), ii) Pay Fixation 1998 and iii) Retirement Pension Scheme.</p> <p>The Board was informed that during the year 2010 five VRSS optees of Hyderabad Zone have been reinstated with all consequential benefits in pursuance of three concurrent judgments in which the appeal were allowed, however leave of appeal was allowed to the Corporation by the Supreme Court of Pakistan. Presently there are about 100 petitioners in court of law at various cities.</p> <p>The Supreme Court of Pakistan has set aside the administrative orders of the Management and dismissed the appeal of the Corporation on 9th February, 2011. Lahore High Court had directed the Corporation to grant the pensionary benefits to the petitioners in accordance with law i.e. Regulation 1986 as amended in 1988 within a period of two months. As per directives of Supreme Court, the cases of 21 petitioners have been settled by the Corporation in accordance with the said Pension Regulations on the basis of last drawn pay. This position entitles approximately 502 other officers, retired during that period for revision of the pensionary benefits on the basis of last drawn pay. Along-with these retired officers, all other officers of the Corporation who opted for pension and who are in service are also eligible for pensionary benefits in accordance with said pension regulation.</p> <p>In light of above, the competent authority is required to decide the modus operandi i.e. either a fresh pension scheme for the officers of the Corporation be re-launched, with the approval of Government of Pakistan from a prospective date or to continue the pension regulation 1986 as amended in 1988 in future.</p> <p>The above information was noted by the Board.</p> <p>ITEM 6(a) AMENDMENT IN RULE-32 OF THE REVISED LEAVE RULES 1989 FOR OFFICERS OF STATE LIFE.</p> <p>43. The Executive Director (P&GS) presented before the Board, a Memorandum dated 6th July, 2011 regarding amendment in Rule-32 of the Revised Leave Rules 1989 for officers of State Life.</p> <p>44. The subject Memorandum was submitted in 7th meeting of HR Committee of Board of Directors held on 27-06-2011 for its review and recommendation (Annexure-A to the Memorandum).</p>		

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DIRECTORS MINUTE BOOK	HELD AT KARACHI	ON 25 TH JULY, 2011	TIME
	<p>45. Accordingly, the matter was resolved as under:</p> <p>"that the Committee expressed satisfaction on calculation of financial impact by F&A Division. Further, after due deliberation the Committee resolved and recommended the matter regarding amendment in Rule-32 of the Revised Leave Rules 1989 for officers of SLIC to the BoD for approval of the following:</p> <ol style="list-style-type: none"> The limit of Retained leave may be increased from 60 days to 180 days. The availed leave from Leave Account Balance of 180 days can be replenished from the leaves earned of subsequent years. If, leaves are not utilized, the encashment will be made of 180 days at the time of death or on retirement at basic pay. The officers will accumulated 180 days leave account. The over and above leave can be encashed with 12 days mandatory leave as per existing leave policy. Those officers who could not avail the mandatory leave 12 days due to their engagement in official duties may be allowed to carry forward the same in the retained leave now extended to 180 days. This should be supported with the specific recommendations of the competent authorities. This will be one time option for an officer, once opted cannot be revoked." <p>46. The HR Committee of the Board recommended that the proposal of DH (P&GS) contained in the Memorandum of "Amendment in Rule-32 of the Revised Leave Rules 1989 for officers of State Life" be referred to the Board of Directors for approval.</p> <p>47. Accordingly, the Board resolved as under:-</p> <p>RESOLVED:</p> <p>"that the recommendation of HR Committee for approval of the proposal of DH(P&GS) for Amendments in Rule-32 of the Revised Leave Rules 1989 for officers of State Life was not approved, however P&GS Division was advised to submit a Memorandum in the next Board meeting for approval of Medical Leave with and without pay on the lines prevalent in the government departments with some modifications."</p> <p>ITEM 6(b) COMPENSATORY ALLOWANCE IN LIEU OF EXTRAORDINARY ALLOWANCE/OVERTIME TO THE REGULAR EMPLOYEES OF STATE LIFE ATTACHED WITH THE HON'ABLE COMMERCE MINISTER OR MINISTRY OF COMMERCE.</p> <p>48. The Executive Director (P&GS) presented before the Board, a Memorandum dated 7th July, 2011 regarding Compensatory Allowance in lieu of Extraordinary Allowance/Overtime to the regular employees of State Life attached with the Hon'ble Commerce Minister or Ministry of Commerce.</p> <p>49. The subject Memorandum was submitted in 7th meeting of HR Committee of Board of Directors held on 27-06-2011 for its review and recommendation (Annexure-A to the Memorandum).</p>		

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50. Accordingly, the matter was resolved as under:

"that actual data of salaries and allowances of State Life regular staff/officers attached with the Ministry of Commerce/Commerce Minister for protocol duties or as personal staff of Commerce Minister be gathered for submission the matter of compensatory allowance in lieu of extraordinary allowance/overtime be submitted before the HR Committee."

51. In compliance of the resolution of the HR Committee the salary slips reflecting salaries and allowances of following regular staff/officers attached with the Ministry of Commerce/Commerce Minister for protocol duties or as personal staff of Commerce Minister. Salary slips are placed at Annexure-B to the Memorandum.

Name	Salary Advice Month	Total payable as per Salary Advice	O. T. Payment
Mr. Salamat Ali Jogi	Dec'2010	Rs.23,029/-	Nil
CS # 3-0612-7	June'2011	Rs.73,347/-	Rs.19,100/-
Mr. Muzaffar Khan	Dec'2010	Rs.27,170/-	Nil
CS # 0-2063-3	June'2011	Rs.108,543/-	Rs.44,310/-
Mr. Khalid Iqbal	Dec'2010	Rs.30,476/-	Nil
CS # 3-0417-6	June'2011	Rs.80,174/-	Nil

52. The HR Committee of the Board recommended that the proposal of DH (P&GS) contained in the Memorandum of Compensatory Allowance in lieu of Extraordinary Allowance/Overtime to the regular employees of State Life attached with the Hon'ble Commerce Minister or Ministry of Commerce" be submitted before the HR Committee.

53. ED(P&GS) however submitted the Memorandum directly before the Board for approval.

54. Accordingly, the Board resolved as under:-

RESOLVED:

"that the recommendation of ED(P&GS) in the Board meeting to compensate with immediate effect the regular staff/officers attached with the Ministry of Commerce/Commerce Minister for protocol duties or as personal staff of Commerce Minister namely Mr. Khalid Iqbal(Superintendent), Mr. Muzaffar Iqbal(Driver) and Mr. Salamat Ali(PC Operator) by payment of Compensatory Allowance of Rs.3,000 per month in lieu of overtime/late sitting was approved. The above allowance would be automatically discontinued as and when any of the above regular employees are detached or cease to perform duties with Ministry of Commerce or protocol duties with Commerce Minister."

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<p>ITEM 6(c) PROVISION OF SERVICES OF ONE SECURITY GUARD HENCEFORTH TO CHAIRMAN STATE LIFE WHO RENDERED THE SERVICE IN THE CORPORATION FOR ATLEAST TWO YEARS.</p> <p>55. The Executive Director (P&GS) presented before the Board, a Memorandum dated 6th July, 2011 regarding provision of services of one security guard henceforth to Chairman of State Life who rendered the service in the Corporation for at least two years.</p> <p>56. The subject Memorandum was submitted in 7th meeting of HR Committee of Board of Directors held on 27-06-2011 for its review and recommendation (Annexure-A to the Memorandum).</p> <p>57. Accordingly, the matter was resolved as under:</p> <p>"that the provision of services of one security guard henceforth to Chairman State Life who rendered the service in the Corporation for at least two years. It was further resolved that P&GS Division may also call for and review the existing scheme as operative since 2006 for Government employees of BS-21 & 22 and suggest additional facilities where feasible to former Chairman with prospective effect. The Committee recommended the matter to the Board of Directors for its approval."</p> <p>58. The HR Committee of the Board recommended that the proposal of DH (P&GS) contained in the Memorandum of "provision of services of one security guard henceforth to Chairman State Life who rendered the service in the Corporation for at least two years" be referred to the Board of Directors for approval.</p> <p>59. Accordingly, the Board resolved as under:-</p> <p>RESOLVED:</p> <p>"that the recommendation of HR Committee at its 7th meeting held on 27th June, 2011 on the proposal of ED(P&GS) in his memorandum to provide the services of one Security Guard with salary adjusted for inflation as per State Bank index to former Chairman of State Life only henceforth, who have completed tenure of at least two years as Chairman is hereby approved in principle as operative since 2006 for Government employees of BS-21 and BS-22. This facility can only be availed if not already provided to him by the Federal/Provincial Government or its subordinate organization.</p> <p>ITEM 6(d) REVISION OF AMOUNT OF UTILITY ALLOWANCE FROM RS.25,000 PM TO RS.35,000 PM TO THE CHAIRMAN, RS.15,000 PM TO RS.25,000 PM TO EXECUTIVE DIRECTORS.</p> <p>60. The Executive Director (P&GS) presented before the Board, a Memorandum dated 7th July, 2011 regarding revision of amount of utility allowance from Rs 25,000 pm to Rs.35,000 pm to the Chairman, Rs.15,000 pm to Rs 25,000 pm to Executive Directors.</p> <p>61. The subject Memorandum was submitted in 7th meeting of HR Committee of Board of Directors held on 27-06-2011 for its review and recommendation (Annexure-A to the Memorandum).</p>			

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	<p>62. Accordingly, the matter was resolved as under:</p> <p>"that the amount of utility allowance for the Chairman and Executive Directors may be increased from Rs.25,000 pm to Rs.35,000 pm for the Chairman and Rs.15,000 pm to Rs.25,000 pm for the Executive Directors respectively and recommended to the Board of Directors for its approval."</p> <p>63. The HR Committee of the Board recommended that the proposal of DH (P&GS) contained in the Memorandum of "Revision of amount of Utility Allowance from Rs.25,000 pm to Rs.35,000 pm to the Chairman, Rs.15,000 pm to Rs.25,000 pm to Executive Directors" be referred to the Board of Directors for approval.</p> <p>64. Chairman stated that he will not accept any increase in the Utility Allowance.</p> <p>65. Accordingly, the Board resolved as under:-</p> <p>RESOLVED:</p> <p>"that P&GS Division should prepare a complete documentation of compensation and benefits allowed to each cadre of employee within the organization and put up the same to the Board of Directors through HR Committee for information where additional facilities are requested."</p> <p>ITEM 6(e) REGULARIZATION OF SERVICES OF CONTRACTUAL EMPLOYEES WHO HAVE COMPLETED ONE YEAR OF THEIR SERVICE WITH THE CORPORATION (Directives of the Cabinet Committee regarding regularization of contract basis/daily wages employees in the Ministries/Divisions/Attached Departments/Autonomous Bodies/Organizations). EXTENSION IN CONTRACTUAL APPOINTMENT OF MR. JAMSHED MUJIB AS PRINTING/PUBLISHING CONSULTANT AND EXTENSION OF CONTRACT OF ENGINEER ANWER ALI BALOCH, AGM(RE).</p> <p>(A) REGULARIZATION OF SERVICES OF CONTRACTUAL EMPLOYEES WHO HAVE COMPLETED ONE YEAR OF THEIR SERVICE WITH THE CORPORATION</p> <p>66. Executive Director (P&GS) presented before the Board, a Memorandum on the above subject.</p> <p>67. The subject Memorandum was submitted in 7th meeting of HR Committee of Board of Directors held on 27-06-2011 for its review and recommendation (Annexure-A to the Memorandum).</p> <p>68. Accordingly, the matter was resolved as under:</p>		

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<p>"in view of the recommendation of Ministry of Commerce based on the minutes of Cabinet Committee, the HR Committee recommended to submit the matter to the Board of Directors after examining the accuracy of list of 40 contract/temporary employees, who completed one year period of services with State Life upto 31-12-2010 with financial impact of Rs.8.184 million per annum as per list provided to the Ministry of Commerce(refer Annexure-Cto the minutes). It was further directed by the Committee that before processing the matter, the Regularization Committee of State Life must certify the authenticity of the said list."</p> <p>69. The HR Committee of the Board recommended that the proposal of DH (P&GS) contained in the Memorandum of "Regularization of Services of contractual employees who have completed one year of their service with the Corporation" be referred to the Board of Directors for approval.</p> <p>70. The Board of Directors had the view that the above matter fell within the purview of the Management who had to carry out the directives of the Government. The matter was however noted by the Board.</p> <p style="text-align: center;">(B) EXTENSION IN CONTRACTUAL APPOINTMENT OF MR. JAMSHED MUJIB AS "PRINTING/PUBLISHING CONSULTANT.</p> <p>71. State Life Insurance Corporation of Pakistan has a large volume of documents and stationery items being printed processed in a centralized mechanism to ensure quality and specifications. Mr. Jamshed Mujib having professional experience in this field was hired at a monthly remuneration of Rs.60,000/- for the period of six months w.e.f. 18-05-2009 further extended for six months upto 17-05-2010 by the Chairman on the recommendations of Human Resource Committee in its 2nd meeting held on 07-04-2009 and approved by the Board in its 200th meeting held on 28-04-2009.</p> <p>72. The last extension of the contractual appointment was approved by the Board of Directors in its 210th meeting held on 07-04-2010 for further period of one year w.e.f. 18-05-2010 at remuneration of Rs.75,000/- per month which was ended on 17-05-2011(A.N.).</p> <p>73. His presence as Consultant with the Corporation is also helping in capacity building of officers/staff dealing with Printing/Publication, quality, standards and procurement process. It is in the interest of the Corporation that his services may further be utilized till a suitable arrangement according to the standard requirements is made. Therefore, it is proposed that the services of Mr. Jamshed Mujib may further be hired for a period of one year effective from 18-05-2011 at a remuneration of Rs.75,000/- per month for continuation of his consultancy in "Printing and Publication" Section of General Services Department, Principal office.</p> <p>74. Chairman, State Life Insurance Corporation of Pakistan has very kindly approved the extension in contract period of Mr. Jamshed Mujib as Printing/ Publication Consultant for further period of one year effective from 18-05-2011 at a monthly remuneration of Rs.75,000/- subject to ex-post facto approval of the Board.</p>			

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DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25 TH JULY, 2011	
<p>Action: ED(P&GS) DII(P&GS)</p>	<p>75. Accordingly, the Board resolved as under:</p> <p>RESOLVED: "that the proposal of ED(P&GS) contained in the Memorandum dated May 24, 2011 for ex-post facto approval in respect of extension in contract period of Mr. Jamshed Mujib as Printing/Publication Consultant for further period of one year effective from 18-05-2011 at a monthly remuneration of Rs.75,000/- is approved on the existing terms and conditions."</p> <p>(C) EXTENSION OF CONTRACT OF ENGR. ANWER ALI BALOCH, AGM(RE)</p> <p>76. Mr. Anwar Ali Baloch, a retired officer/Executive Engineer Central Civil Division Pak PWD Quetta was engaged on contract basis in State Life, Real Estate Division, Principal Office, Karachi as Assistant General Manager, Real Estate, P.O. He was offered contractual appointment initially for a period of six months w.e.f. 01-06-2009 which was further extended for six months upto 31-05-2010. The Board of Directors in its 214th meeting held on 07-09-2010 approved extension in his contractual employment for a period of one year, which is now due to be expired on 31-05-2011.</p> <p>77. The Real Estate Division informed that being a senior and well groomed engineer with past service experience of Pak PWD, Mr. Anwar Ali Baloch has displayed far satisfactory performance in project management and handling of civil engineering works including Gujranwala and Islamabad projects in accordance with PPRA/PEC Rules. He has also been instrumental in preparation of PC-1, processing of all the projects through DWP and project related follow up actions including environmental studies etc.</p> <p>78. Being a critical requirement of PMU, services of Mr. Anwar Ali Baloch are essentially required at Real Estate Division, Principal Office. Present contract of Engr. Anwar Ali Baloch shall expire on 31-05-2011. For the sake of continuity and being well acquainted with outgoing works, Mr. Anwar Ali is handling the assignment of PMU with efficiency and adequacy.</p> <p>79. Real Estate Division has recommended that the services of Engr. Anwar Ali Baloch (AGM) be extended for further two years in the best interest of State Life and Project Management Unit.</p> <p>80. The matter was placed before the Board of Directors in its 220th meeting and extension in contract of Engr. Anwar Ali Baloch for further one year period was approved subject to re-submission of matter in its next meeting for confirmation. Accordingly, a letter for "Extension of Contractual Appointment of Engr. Anwar Ali Baloch" dated 31st May, 2011 was issued. (Annexure-A to the Memorandum).</p> <p>81. Accordingly, the Board resolved as under:</p>		

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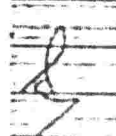

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DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25 TH JULY, 2011	
<p>Action: ED(P&GS) DH(P&GS)</p>	<p>RESOLVED: "that as proposed by ED(P&GS) in his Memorandum, the services of Engr. Anwar Ali Baloch as AGM(RE) extended in his contractual employment for further period of one year w.e.f. 01-06-2011 is approved on the existing terms and conditions."</p> <p>ITEM 6(f) REVISION IN PERQUISITES TO THE EXECUTIVE DIRECTORS OF STATE LIFE.</p> <p>82. The Executive Director (P&GS) presented before the Board, a Memorandum dated 7th July, 2011 regarding revision in perquisites to the Executive Directors of State Life.</p> <p>83. The subject Memorandum was submitted in 7th meeting of HR Committee of Board of Directors held on 27-06-2011 for its review and recommendation (Annexure-A to the Memorandum).</p> <p>84. Accordingly, the matter was resolved as under:</p> <p>"that the existing cash perquisites in lieu of appliances i.e. Rs.500/- per item per month should remain unchanged. The entitlement of either one AC, one fridge or one AC, one TV of identical amount at residence be allowed henceforth to all Executive Directors. The proposed revised entitlement in lieu of charging of depreciation @ 20% be consulted with External Auditors and obtained their views. The matter than be submitted to the Board of Directors for its approval."</p> <p>85. In compliance of the resolution of the HR Committee an IOC has been sent to F&A Division in order to seek the views of External Auditors(Annexure-B to the Memorandum).</p> <p>86. The HR Committee of the Board recommended that the proposal of DH (P&GS) contained in the Memorandum of "Revision in Perquisites to the Executive Directors of State Life Insurance Corporation of Pakistan" be referred to the Board of Directors for approval.</p> <p>87. Accordingly, the Board resolved as under:-</p> <p>RESOLVED: "that P&GS Division should prepare a complete documentation of compensation and benefits allowed to each cadre of employee within the organization and put up the same to the Board of Directors through HR Committee for approval after examining legal, financial aspects and terms of entitlement."</p> <p>ITEM 6(g) RESTRUCTURING OF LEGAL AFFAIRS DIVISION.</p> <p>88. The Executive Director (P&GS) presented before the Board, a Memorandum dated 7th July, 2011 regarding re-structuring of Legal Affairs Division.</p>		
<p>Action: ED(P&GS) DH(P&GS)</p>	<p>CHAIRMAN'S INITIALS</p> <p><i>[Signature]</i></p>		

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DIRECTORS	HELD AT	ON	TIME
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<p>Action: ED(P&GS) DII(P&GS)</p>	<p>89. The subject Memorandum was submitted in 7th meeting of HR Committee of Board of Directors held on 27-06-2011 for its review and recommendation (Annexure-A to the Memorandum).</p> <p>90. Accordingly, the matter was resolved as under:</p> <p>"that the Committee agreed with the proposal of Legal Affairs Division i.e. to appoint five Managers after fulfilling all codal formalities: one at PO and one at each of the four Regions with annual financial impact of Rs.3.9 million. Committee recommended to submit the matter to the Board in its next meeting for approval."</p> <p>91. The HR Committee of the Board recommended that the proposal of DH (P&GS) contained in the Memorandum of "Re-Structuring of Legal Affairs Division" be referred to the Board of Directors for approval.</p> <p>92. The Board advised that Managers can be hired specializing in Real Estate matters, service matters, policyholder service, Group & Pension so that better follow up of cases of above nature can be followed up and pursued in the interest of the Corporation.</p> <p>93. Accordingly, the Board resolved as under:-</p> <p>RESOLVED:</p> <p>"that the recommendation of HR Committee based on the proposal of ED(P&GS) for appointment of 5(five) Managers, one each at PO, Karachi Southern Region, Central Region, Multan Region and Northern Region at a salary not exceeding Rs.65,000 p.m. was approved."</p> <p>ITEM 6(h) NON-IMPLEMENTATION OF BOD DECISION ABOUT THE CLUB MEMBERSHIP OF OFFICERS HELD IN 219TH BOD MEETING.</p> <p>94. Executive Director (P&GS) presented before the Board, a Position Paper for non-implementation of Board decision about the Club Membership of officers held in 219th Board meeting.</p> <p>95. The Board of Directors in the 210th meeting Board meeting held on 22-04-201, approved the agenda item of Club Membership for the Chairman, Executive Directors and General Managers. Subsequently, in the 7th HR Committee's meeting held on 27-06-2011, it was resolved to have the views of ED (LAD) on the observations raised by GM (F&A) regarding Audit Para and Amortization Schedule. ED (LAD) has forwarded detailed observations on the instant issue specifying that the BOD of SLIC is fully competent to allow any facility keeping in view of the business of the Corporation. In support of his arguments, he observed:</p> <p>(a) That, with a view to achieve business targets and desired level of standard, it is felt that the Chairman, Executive Directors, General Managers and other Senior Officers of the Corporation would utilize the club membership facility in the best interest of the business of the Corporation. Five Star Hotels and exclusive restaurants, besides being expensive, do not provide the required atmosphere conducive to conduct business meetings. Thus it was considered appropriate as well as economical to entertain guest in private clubs.</p>		
	<p>CHAIRMAN INITIALS</p> <p><i>[Signature]</i></p>		

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DIRECTORS	HELD AT	ON	TIME
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<p>(b) That, SLIC's first year premium prior to the enforcement of Insurance Ordinance, 2000 was Rs.992 million. Whereas, currently SLIC is endeavoring to collect Rs. 13 billion by December, 2011. It appears paradoxical that during 1990s and earlier, we have been allowing club membership to its executives upto AGM level, but now when we have increased business manifold and are eyeing at ambitious targets, we are denying this facility.</p> <p>(c) That, DAC in its meeting held on 6th August, 2008, presided over by Senior Joint Secretary, Ministry of Commerce, Islamabad, also recommended the para, related to previous club memberships, for settlement.</p> <p>(d) That, since SLIC is independent in generating revenues and meeting its management expenses from its own resources and does not depend on Federal Budget, Finance Divisions directives will, therefore, not be applicable to SLIC. If we are disallowing club membership on the pretext of Finance Division's O.M. dated 23-06-1999, than this will tantamount to fact that we will have to follow each and every instruction of the Finance Division, starting from approval of budget expenses, perks and privilege (medical etc.) procurements etc.</p> <p>96. The opinion of ED (LAD) was subsequently also fully endorsed by ED (P&GS) and ED (F&A) and the observations of GM (F&A) were negated. The Chairman has also been pleased to accord approval twice on 10-06-2011 and 11-07-2011. However, the decision of the BOD made in April, 2011, could not be implemented due to intransigence of GM (F&A) on one pretext or other. GM (F&A)'s stubbornness is primarily based on Audit Para of 2006 and want of Amortization Schedule.</p> <p>97. Audit Para was framed in 2006, which was subsequently settled in the DAC meeting held on 06-08-2008. As regards the Amortization Schedule, it is submitted that the same is not applicable to SLIC, as the officers are posted on deputation from other departments and the benefits of this facility to the Corporation are higher and far reaching vis-à-vis wrong-headedness on the Amortization.</p> <p>98. Moreover, the condition of the "2nd year stay with Corporation" for officers on deputation may be considered for relaxation as the officers are normally transferred and posted for a three year period, extendable for another two years. The instant condition will, therefore, air discrimination between officers on deputation and SLIC employees.</p> <p>99. ED(P&GS) mentioned that since HR Committee meeting is not scheduled in near future and implementation of BOD's decision is being unjustifiably delayed on one pretext or other, therefore, as desired by HR Committee, ED (LAD) has forwarded detailed observations/ recommendations on the instant issue, which has been fully endorsed by ED (P&GS) and ED (F&A) and the same has been approved by the Chairman. It is therefore proposed that directives be issued for implementation of decision taken in 219th BOD meeting held on 22-04-2011 and the condition of "2nd year stay with Corporation" for officers on deputation may be considered for relaxation.</p>			
<div style="text-align: right;"> CHAIRMAN'S INITIALS  </div>			

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DIRECTORS	HELD AT	ON	TIME
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<p>Action: ED(P&GS) DH(P&GS)</p>	<p>100. Accordingly, the Board resolved as under:</p> <p>RESOLVED: "that P&GS Division should prepare a complete documentation of compensation and benefits allowed to each cadre of employee within the organization and put up the same to the Board of Directors through HR Committee after examining all relevant aspects in respect of Club Membership facilities to officers of the Corporation earlier approved by the Board at its 219th meeting held on 22-04-2011, so that necessary directives can be issued for implementation of the Board decision and for review of relaxation in condition of second year stay with Corporation for officers on deputation as proposed by ED(P&GS) in his Position Paper of 22-07-2011."</p> <p>ITEM (7) POSITION PAPER ON SUGGESTED SETTLEMENT WITH FIRST DAWOOD INVESTMENT BANK LTD.</p> <p>101. Divisional Head (Investment) presented before the Board, a Position Paper dated July 4, 2011 regarding settlement with First Dawood Investment Bank Limited.</p> <p>102. The Board at its 220th meeting held on 30th May, 2011, while deliberating on out of court settlement with First Dawood Investment Bank Limited did not approve Strategic Alliance with Dawood Family Takaful and decided as under:-</p> <p>"that DH(Investment) arrange to prepare a valuation report assessing the share value of Dawood Family Takaful if it were to be listed on the Stock Exchange and if it was not listed and submit the same to the Board at its next meeting for review and decision."</p> <p>"that a legal opinion be obtained as to the expected outcome and time frame if the case for settlement of COI of Rs. 100 million plus accrued interest thereon at 17.5% per annum outstanding against FDIBL was pursued in the court of law."</p> <p>103. DH(Investment) informed the Board that the matter of valuation of shares in case the company is listed or remains unlisted was referred to M/s. Riaz Ahmad & Company, Chartered Accountants. They are of the opinion that the discounted cash flow value of the share whether the company is listed or remains unlisted be considered for decision making purpose. The audit firm has also informed that since there is no listed Family Takaful Company in Pakistan therefore relevant multiples are not available and they had to solely rely on DCF valuation method. The auditors have also informed that as share value under DCF depends upon the financial position, economic conditions and other factors; therefore, change in any of the parameter will cause variation in value of share at time of listing. Letter from M/s. Riaz & Co. is placed as Annexure-A to the Memorandum.</p> <p>104. The Board was also informed that legal opinion on the subject also was sought from our counsel Mr. Sultan A. Allana through Legal Affairs Division. The opinion of the Advocate is placed at Annexure-B to the Memorandum and is summarized as under:</p> <p>a) State Life has a good/strong case in its favour.</p> <p>b) After vacation the case will come up for arguments in August or September.</p>		


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DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25 TH JULY, 2011	
	<p>c) State Life can recover the amount through Execution Application in case of decision in its favour. For that purpose assets of the bank are to be supplied to the court.</p> <p>105. The Lawyer has not mentioned the legal recourse available for the parties in case they lose the case at the level of High Court. The losing party can file a case in the Supreme Court of Pakistan.</p> <p>106. DH(Investment) further submitted that State Life had again requested the Bank to provide us with the details of their assets and liabilities to enable us to provide the same to the court in case court case is decided in our favour. The reason for asking the said details was not discussed with the Bank. The details provided by the Bank are placed at Annexure-C to the Memorandum. The breakup value of shares of Dawood Family Takaful as on 31st December, 2010 is Rs. 8.57 as compared to Rs.9.44 as on 31st December, 2009. State Life has been offered eleven million shares of the company whose value will be Rs. 94.270 million.</p> <p>107. First Dawood Investment Bank has paid interest @ 17.5% upto 9th January, 2009. The interest from 10th January, 2009 to 20th July, 2011 @ 17.5% comes to Rs.44.236 million. However as a matter of policy of the Corporation, the outstanding interest has not been recorded in the books of the Corporation.</p> <p>108. The Bank has also offered to settle the dues of the Corporation through unlisted shares and TFCs as mentioned in their letter dated June 20, 2011 placed at Annexure-D to the Memorandum. It may be noted that in case the court case is decided in our favour we can only get whatever is available with the bank.</p> <p>109. The DH (Investment) therefore requested the Board to consider either to:</p> <ul style="list-style-type: none"> i) Continue with the court case with the company or to ii) Accept out of court settlement either by accepting: <ul style="list-style-type: none"> a) Shares of Dawood Family Takaful or b) Various unlisted shares and TFCs as offered by the Bank. <p>110. The case can also be settled by appointing an arbitrator acceptable to both the parties.</p> <p>111. After deliberations and detailed discussions, the Board resolved as under:</p> <p>RESOLVED:</p> <p>"that the proposal of DH(Investment) in his Memorandum to continue with the case in the High Court was approved since First Dawood Investment Bank had not offered any substantial assets for settlement of their dues which would reflect the seriousness on the part of the party. DH(Investment) to keep the Board informed of the progress on the issue from time to time."</p>		

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CHAIRMAN'S
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MINUTES OF 221ST MEETING OF THE BOARD OF DIRECTORS

DIRECTORS MINUTE BOOK	HELD AT KARACHI	ON 25 TH JULY, 2011	TIME
<p>ITEM (8) <u>POSITION PAPER ON INTERNATIONAL CREDIT RATING OF STATE LIFE.</u></p> <p>112. General Manager (Investment) presented before the Board, a Position Paper on international credit rating of State Life informing that State Life has recently opened two offices one in Sharjah and another in Al-Ain in UAE in November 2010. Under the UAE Laws State Life is required to get an international rating for opening branch offices in the Emirates. State Life agreed to get international rating within one year. Based on this undertaking two branch offices were allowed to be opened. The rating is to be obtained by November 30th 2011.</p> <p>113. GM(Investment) informed the Board that the Insurance Authority at UAE has approved A.M. Best and S&P as the agencies for international rating. State Life is AAA rated by PACRA in Pakistan. Investment Division expect a similar international rating. The issue was discussed with PARCA, who advised that State Life should go with Fitch with which they were previously affiliated. Further State Life subsidiary Alpha Insurance is rated by JCR-VIS. State Life is therefore more comfortable with PACRA and JCR. The Insurance Authorities at UAE were requested to allow State Life to get rating either by JCR Japan or Fitch. They agreed with Fitch. An email was sent to Fitch requesting them to let us know their fee etc. They replied that since they do not rate Pakistan, they cannot rate State Life.</p> <p>114. The only option left with State Life is to go either for A.M. Best or S&P. It is proposed to acquire services of PACRA for advising us in selecting a rating agency and also to coordinate with the rating agency so as to get a best possible rating.</p> <p>115. After deliberation, the Board resolved as under:</p> <p><u>RESOLVED:</u> "that the proposal of DH(Investment) in his Memorandum to get international credit rating of State Life from A.M. Best or S&P and for the purpose to acquire the services of PACRA for advising State Life in selecting a rating agency and also to coordinate with the rating agency and to assist State Life in completing all formalities and requirements in this regard is approved so that a best possible rating is obtained for State Life."</p> <p>ITEM (9) <u>POSITION PAPER ON CURRENT STATUS OF IMPLEMENTATION OF PRE-PACKAGED SOFTWARE SOLUTION.</u></p> <p>116. Executive Director (IT) presented before the Board, a Position Paper on current status of implementation of pre-packaged software solution.</p> <p>117. The Board of Directors desired to present updated project progress report in every Board Meeting. In its 220th meeting held on May 30, 2011 Board of Directors directed to convene a meeting of IT Steering Committee for review of project progress. In compliance of the board directives, subject position is furnished as under:</p> <p>A. A meeting of IT steering Committee has been scheduled for July 19, 2011.</p>			

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MINUTES OF 221ST MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25 TH JULY, 2011	
<p>B. Module-wise progress status of implementation of Pre-Packaged Software Solution is as under:</p> <p><u>Group Life Administration System Module - (GLAS)</u></p> <ul style="list-style-type: none"> Gap Analysis Document for this module got signed-off from relevant G&P Zonal Heads, PHS & Claims in-charges and subsequently from Divisional Head (G&P) and Divisional Head (IT) on 10th February 2011. As per process said document was forwarded to SHMA for subsequent activities. SHMA has almost completed working on customization of this module and ready to deploy the customized module by July 14th 2011. This will lead to carryout following activities: <ul style="list-style-type: none"> Pre-implementation Preparation Pre-implementation sessions with Technical Users Entry of parameters & printing of reports Data Migration Preparation & verification of Data Mapping Documents Development of Migration Scripts Cleaning, rectification & verification of converted policy data The expected date for the completion of this implementation phase is 25th November 2011. <p><u>HRM & Payroll Module – (HRM)</u></p> <ul style="list-style-type: none"> Based on detailed walk-through sessions, product demonstrations and Gap documentation sessions; draft Gap Document for HRM & Payroll Modules have been prepared. The draft Gap Document has been circulated for review of respective User Divisions and other stakeholders. Implementation Committee for this module has conducted various sessions with relevant users for comprehensive user review & validation of said Gap Document. The final set of changes identified during these sessions has been communicated to SHMA. Sign-off process for this Gap Document will commence once SHMA provides final Gap Document with incorporation of identified changes which was expected by end May 2011. SHMA has not yet submitted final Gap Document, the matter was high-lighted during last weekly review meeting and response is awaited. 			

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DIRECTORS MINUTE BOOK	HELD AT KARACHI	ON 25 TH JULY, 2011	TIME
	<p><u>Fixed Assets Module – (FA)</u></p> <ul style="list-style-type: none"> Detailed walk through & Gap Analysis sessions were scheduled for users - GS Division PO, Karachi South Zone & Real Estate PO. This resulted in preparation of draft Gap Analysis Document. The above document has been reviewed by the concerned stakeholders and signed-off on 14th April 2011. As per process said document has been forwarded to SHMA for further process. SHMA is working on customization of this module. As per initial plan SHMA has to deploy the customized module in the end of July 2011. <p><u>GL Module</u></p> <ul style="list-style-type: none"> The related resources of the User Division (i.e F&A) remained fully occupied with their routine work, annual closing activities and finalization of annual accounts. That's why; Gap Analysis activity, which was expected to be completed by the end of December 2010, could not be accomplished within stipulated time. On the basis of gaps identified by F&A Division, 1st draft Gap Document was prepared and reviewed by IT Division. Subject specialists were called by F&A Division from various zones/regions and sessions for comprehensive user review & validation of said Gap Document were held on 17 – 20 May 2011. IT Project Office has completed the compilation of identified gaps were forwarded to SHMA for preparation of final Gap. The SHMA has submitted the Gap Document on July 7, 2011. IT Project Office is in process to get it signed-off from user F & A Division which is expected to be completed by the end of July 2011. <p><u>Individual Life Administration System Module - (ILAS)</u></p> <ul style="list-style-type: none"> The Individual Life Administration System Module (ILAS) covers almost 80% of the core functions of State Life which includes following sub modules: <ul style="list-style-type: none"> New Business Policy Conservation & Alterations Reinsurance Claim Management Agency Admn./Commissions 		

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DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25 TH JULY, 2011	
<ul style="list-style-type: none"> The draft Gap Analysis Document for New Business, Policy Alterations, Reinsurance and Claims Management has been prepared/reviewed and signed-off on June 3, 2011 and the same was provided to SHMA to initiate customization. It is worth mentioning here that reviewed Gap Document has been provided to SHMA with an understanding that any improvement suggested by the stakeholders during customization process will be accommodated accordingly. Presently, IT Project Office in collaboration with subject matter specialists from PHS Division reviewing and elevating the products to further improve. <p><u>Investment Module</u></p> <ul style="list-style-type: none"> In the last weekly progress review meeting, Mr. Omer Morshad, GM Investment & Divisional Head (IT) along with relevant resources reviewed progress of this module. During the discussion, GM Investment acknowledged that most of the functions available in the pre-packaged software are almost compliant with user requirements. Therefore, he suggested that rather than conducting Gap Analysis through discussion/demonstration sessions; SHMA should to deploy available application and enable implementation committee (comprising Investment & IT Division resources) to run application and identify gaps, if any, in parallel with the customization process. This approach will expedite the implementation process and minimize time required for UAT phase. SHMA agreed to the suggestion. In light of above, IT Division and SHMA had initiated working on said methodology. During the process Investment Division required some new reports in view of their accounting requirements. These reports will facilitate Investment Division users to reconcile results but Investment Software deployment team from SHMA are reluctant to go for development of new reports prior to completion of Gap Analysis process; which is in contrast with decision already taken for changed methodology. The matter has been taken up with senior management of SHMA during last weekly review meeting held on 7th July 2011. Response from SHMA is awaited. <p><u>Real Estate Module</u></p> <ul style="list-style-type: none"> Functional Specification Document for this module has been reviewed by the IT implementation Committee and subsequently forwarded to Real Estate Division for domain specific review. IT implementation committee in consultation with SHMA is in process to arrange detailed discussion & walk-through sessions with user (Real Estate) for better understanding of the said document. Successful completion of this document will lead to initiate the designing and development of this module which was expected to be initiate in mid June 2011. Progress on this module from SHMA side still waited. 			

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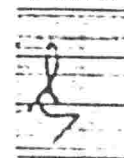
MINUTES OF 221ST MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25 TH JULY, 2011	
<p>C. Regarding Establishment of Data Centre:</p> <ul style="list-style-type: none"> RFP for Establishment of Data Centre has been prepared and is in process for approval to float in local press by the end of July 2011. <p>Action: ED(IT) DH(IT) DH(Inv) DH(F&A)</p> <p>118. During the course of discussion on GAP analysis, GM(F&A) was of the view that the supporting documents of the transactions should be scanned and a digital file may be attached with the general vouchers while moving for approval of audit, etc. so that ERP is implemented in true sense which was agreed to by the Board with directions to analysis the suggestion and putting up recommendation.</p> <p>119. The Board of Directors expressed their satisfaction over the pace and methodology of implementation of the pre-packaged software solution and noted that they were no cost over runs so far as informed by IT Division. The Board recommended that change in implementation methodology specifically for investment module require vigilant monitoring. The Board suggested that an inclusive Board meeting be held on 22nd August, 2011 to take detailed walk through demonstration of investment module in the light of the draft investment policy to be submitted by DH (Investment) in the presence of Mr. Omar Morshed of SHMA. DH(Investment) should also take care of the Unit Linked Policy, Bancassurance and other investment operational issues during the suggested walk through exercise. DH(Investment) should also take care of valuation of portfolio on scrip to scrip basis rather than aggregate basis.</p> <p>Action: ED(IT) DH(IT) DH(Inv)</p> <p>120. DH(Investment), while drafting investment policy for submission to the Board should also suggest benchmarks against which the performance of State Life Investment Division can be measured. DH (Investment) should also suggest in coordination with the Consultant SHMA, restructuring of the Division including requirements and employment of additional people suggesting their qualification and job description keeping in mind the automation currently in progress in State Life. Emphasis be also laid on research work while making suggestion on restructuring.</p> <p>Action: ED(IT) DH(IT) DH(Inv)</p> <p>121. The Board at 215th meeting held on 19th October, 2010 directed preparation of investment manual which should contain copies of Government circulars and directives, investment policy, directives of the Board, requirements of Insurance Ordinance and Rules, criteria of selection of brokers, recommendations of ADB etc.</p> <p>ITEM (10) <u>PRESENTATION OF BUSINESS REVIEW OF MARKETING, GROUP & PENSION, INVESTMENT AND REAL ESTATE DIVISIONS FOR THE PERIOD ENDED 30TH JUNE, 2011.</u></p> <p>Action: ED(G&P) ED(RE) DH(G&P) DH(Inv) DH(RE)</p> <p>122. The business review of Group & Pension, Investment and Real Estate Divisions for and upto the period ended on 30th June, 2011 were placed before the Board which was noted.</p> <p>123. The highlight of Group & Pension, Investment and Real Estate Division for the period ended 30th June, 2011 is placed at Annexure-D, E and F to the Minutes.</p>			

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MINUTES OF 221ST MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25 TH JULY, 2011	
<p>Action: ED(RE) DH(RE)</p>	<p>ITEM (11) <u>CONSIDERATION AND APPROVAL OF RECOMMENDATIONS IN MINUTES OF 18TH AND 19TH MEETINGS OF REAL ESTATE AND INVESTMENT COMMITTEE HELD ON 27-5-2011 AND 06-7-2011.</u></p> <p>124. The minutes of the 18th and 19th meetings of Real Estate and Investment Committee held on 27th May, 2011 and 6th July, 2011 respectively were presented before the Board of Directors for consideration and approval of decisions/recommendations made by the Committee for which respective memorandums were placed before the Board. A copy of the minutes duly signed by the Chairman is placed at Annexure-G and H to the Minutes.</p> <p>125. Accordingly, the Board resolved as under:</p> <p><u>RESOLVED:</u> "that the minutes of 18th and 19th meetings of Real Estate and Investment Committee held on 27th May, 2011 and 6th July, 2011 respectively together with observations/recommendations are approved."</p>		
	<p>ITEM (12) <u>APPROVAL OF STRATEGIC PLAN OF REAL ESTATE DIVISION</u></p> <p>126. Strategic Plan in respect of Real Estate Division was submitted by ED(RE) and circulated to the Members of the Board. The Board decided that the Strategic Plan would be deliberated upon at the next meeting of the Board to be held on 22nd August, 2011. Till such time that the Strategic Plan for RE Division was approved by the Board, no new project for which ground breaking has not taken place would be initiated. However, the existing projects under construction would be completed.</p> <p>ITEM (13) <u>PRESENTATION BY CONSULTANTS ON FUTURE EXPANSION PLANS OF GUJRANWALA BUILDING AND JUSTIFICATION FOR AREA USAGE, PLANS AND PAY BACK PERIOD OF SIALKOT, SARGODHA AND RAHIKMYAR KHAN BUILDINGS.</u></p> <p>127. The representatives of M/s. International Design Group presented before the Board, the design and plans of Gujranwala, Sargodha, Sialkot and Rahimyar Building projects which were earlier approved by the Board in 2008.</p> <p>128. The presentation gave therein, the area of plot, compulsory open spaces, allowable floor area ratio, allowable covered area, covered area of each floor, area utilized, balance area, contracted cost and anticipated cost per sq.ft. The presentation also mentioned therein the meeting and the date on which the project was approved by the Board of Directors. The period of recovery of construction cost, covered area and rentable area was also mentioned. The total cost of the project giving therein break down of cost of land and cost of construction was also submitted together with expected rentable income per annum.</p> <p>129. The marketing perspective in respect of each of the project was also presented before the Board together with justification of initiating the project.</p> <p>130. The Board was also informed that the above projects have already been cleared by Development Working Party(DWP).</p>		

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MINUTES OF 221ST MEETING OF THE BOARD OF DIRECTORS


DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25 TH JULY, 2011	
<p>131. The Chairman informed the Board that all efforts are in hand to rent out some of chronic vacant buildings. We are at advanced stage of renting out building No.10, Abdullah Haroon Properties at Karachi at a rent of Rs. 1.1 million per month with Rs.5 million as upfront payment. This would help address draft audit paras in respect of the above building. Similarly Hashoo Centre at Karachi with nearly 121,000 sq.ft. of rentable space is expected to be rented out soon. There are difficulties being faced due to shortage of parking spaces in the buildings including Building No.11 whose tenancy is being affected. Recently State Life has received a notice from Cantt Board Karachi to stop parking the cars in front of the building being their land. This aspect needs to be mitigated through suitable alternate parking places to enhance the tenancy and attract future tenants.</p> <p>132. After deliberation, the Board resolved as under:</p> <p>RESOLVED:</p> <ul style="list-style-type: none"> a) "that Real Estate Division should ensure that the total rentable area is rented out within a period of two months from the date of completion of construction." b) "that market rent should be charged for office space to be utilized by State Life for its own use." c) "that corporate colours/brand should be associated with each building so that it could be identified as State Life Project irrespective of place of location." d) "that Real Estate Division should submit a floor plan for each of the project at the next meeting of the Board to be held on 22nd August, 2011 to deliberate upon the strategic plan submitted by RE." <p>ITEM (14) <u>ANY OTHER ITEM WITH THE PERMISSION OF THE CHAIR.</u></p> <p>(I) <u>ENHANCEMENT IN AREA MANAGERS' APPROVED STRENGTH</u></p> <p>133. Executive Director (Marketing) presented before the Board, a Memorandum regarding enhancement in Area Managers' approved strength.</p> <p>134. ED(Marketing) submitted that the Area Managers are, though, treated as employees of the Corporation as governed under State Life Employees' (Service) Regulations, 1973, but their performance is distinct from that of other employees, as the post of Area Manager is purely business related being run under the cadre of Deputy Manager. They are not directly appointed, rather existing Sales Managers after completion of predefined business criteria are promoted and appointed as Area Managers.</p> <p>135. The Board was informed that each year, a good number of Sales Managers do qualify for promotion and appointment as Area Manager by fulfilling laid down business criteria. These promotions always result into corporate increase in new business besides ensuring conservancy of old business. Since the year 2009, the Corporation's business is gradually increasing due to timely field promotions playing a vital role of spreading good gesture of corporate image of excellence in commitments.</p>			

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MINUTES OF 221ST MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25 TH JULY, 2011	
<p>136. The present approved strength of Area Managers is 710. As per usual practice based on anticipated qualifiers, and on the request of Marketing Division, provision for 187 new Area Managers has been approved by the Board of Directors in the Budget Proposals 2011 from the month of August onwards, (Annexure-A to the Memorandum).</p> <p>137. This year, on the basis of performance as at 31-12-2010, 185 candidates have been cleared by the Selection Committee, pending announcement after revision of approved strength by the Board.</p> <p>138. It is, therefore, proposed that the approved strength of Area Managers may be enhanced from 710 to 897, enabling Marketing Division to announce promotion and appointment of all the candidates who have been cleared by the Selection Committee after interviews, recently held on Regional-basis. The Marketing Division is fully confident that this arrangement will certainly open new geographical avenues for State Life to help achieve its assigned business targets.</p> <p>139. After deliberations, the Board resolved as under:</p> <p>RESOLVED:</p> <p>"that the proposal of ED(Marketing) in his Memorandum to enhance the approved strength of Area Managers from 710 to 897 is hereby approved. This would enable Marketing Division to announce promotion and appointment of all the candidates who have been cleared by the Selection Committee after interviews held recently on Regional basis."</p> <p>140. The meeting ended with vote of thanks to the chair.</p> <div style="text-align: right;">  (CHAIRMAN) </div>			
<div style="display: flex; justify-content: space-between;"> <div> <p>Action:</p> <p>ED(Mkt)</p> <p>DII(Mkt)</p> </div> <div style="border: 1px solid black; padding: 5px;"> <p>CHAIRMAN'S INITIALS</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> </div> </div>			

MINUTES OF 221ST MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25 TH JULY, 2011	

Annexure-A

**MINUTES OF THE 40TH MEETING OF BOARD AUDIT COMMITTEE
HELD ON MONDAY, 30TH MAY, 2011.**

The 40th meeting of the Board Audit Committee of State Life Insurance Corporation of Pakistan held on 30th May, 2011 (Monday) at 10:0 A.M. in the Board Room, 3rd Floor, State Life Building No. 9, Dr. Zia-ud-din Ahmed Road, Karachi.

The following members attended the meeting:

Mr. Rasheed Y. Chinoy	Member/Chairman
Mr. Aslam Faruque	Member
Syed A. Wahab Mehdi	Member
Abdul Hafiez Shaikh	Secretary

2. The Board Audit Committee deliberated up on the following items:

Item .1: To Approve Minutes of the 39th B.A.C.:

The minutes of the 39th BAC meeting held on 22nd & 25th April, 2011 were placed before the Committee, which were unanimously approved.

Item No.2. Examination of Final Audited Accounts For The Year Ended 2010.

3. B.A.C. inquired why the Accounts of Alpha Insurance and other subsidiary companies of the SLIC were not being depicted in to the Annual Accounts. D.H. (F&A) explained that Section 4(3) of SECP Insurance Rules, 2002 read as "where an insurer controls other entities as a result of investments made through Statutory Funds, consolidated Published Financial Statements in respect of such entities are not required to be presented. To this extent, the treatment prescribed in IAS 27 stands modified". However, the figure of investment in subsidiaries has already been shown in the Annual Final Accounts of the SLIC.
4. BAC desired that DH (F&A) and DH (Investment) may explain their point of view jointly in the next BAC.
5. BAC members expressed their concern for submission of 1st Quarter Accounts 2011 to the SECP without their perusal and approval and directed that in future this practice of ignoring the BAC may be stopped.
6. On receipt of the approval of deferment of provision for impairment by the SECP and removal of qualification of the External Auditors, the BAC approved the Annual Accounts of the year 2010

Item No.3. Review of Draft Paras of Government Audit on the Accounts of the year 2009.

7. It was apprised the BAC that, out of 20 Audit Paras of the Government Audit, 13 have been settled and efforts were in progress to get the remaining paras settled.
8. BAC directed that a meeting of a Coordination Committee for Implementation of BAC Decisions may be called by the mid-of the June, 2011 to sort out the pending issues of the BAC and submit the report in the next BAC meeting.
9. BAC also enquired about the liaison of the F&A Division with the Government Auditors and External Auditors for Audit of the SLIC instead of the IA&C Division. It was informed about the practice in vogue since the establishment of the State Life.
10. BAC directed that in future IA&C division would coordinate with Government Auditors and External Auditors for Audit of the SLIC.
11. The meeting ended with the vote of thanks to the Chairman.

CHAIRMAN'S
INITIALS

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MINUTES OF 221ST MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	25 TH JULY, 2011	

Annexure-B

**MINUTES OF 7TH MEETING OF HUMAN RESOURCES COMMITTEE
HELD ON 27TH JUNE, 2011 AT KARACHI.**

The 7th meeting of the Human Resources Committee of the Board of Directors of State Life Insurance Corporation of Pakistan was held on 27th June 2011 at 1.00 p.m. in Board Room, State Life Building No. 9, Principal Office, Karachi.

2. The following attended the meeting:

Mr. Shahid Aziz Siddiqi	Chairman
Mr. Rasheed Y. Chinoy	Director
Mr. Shahid Rahim Shaikh	Director
Mr. Hafeez Shaikh	ED (P&GS) / Member
Mr. Attaullah A. Rasheed	DH (P&GS) / Secretary

ITEM (01) CONFIRMATION OF MINUTES OF 6TH MEETING OF HUMAN RESOURCES COMMITTEE HELD ON 21ST MARCH 2011

3. The minutes of 6th meeting held on 21st March 2011 were placed before the Committee.
4. The Committee unanimously confirmed the minutes.

ITEM (02) IMPLEMENTATION REPORT OF 6TH MEETING OF HUMAN RESOURCES COMMITTEE HELD ON 21ST March 2011.

5. While examining the progress of compliance and action taken with regard to implementation of 6th meeting, members expressed their satisfaction on the issuance of following circulars/orders:

- i. Order No. P&GS/PO/128/2011 dated May 11, 2011 has been issued regarding incentive on acquiring Ph.D degree.
- ii. Order No. P&GS/PO/107/2011 dated April 11, 2011 regarding up-gradation of Mr. Fakeer M. Balouch has been issued.
- iii. Circular No: PL-24(104)/PBB-10 dated May 20, 2011 has been issued regarding approval of performance based bonus for the year 2010.


6. While reviewing the implementation report of 6th meeting, amendments were approved on the issuance of following circulars/orders:

- i. Order No. P&GS/PO/125/2011 dated May 11, 2011 was issued regarding mobile phone policy for executives.

RESOLVED:

"that the Order regarding mobile phone policy for executives be re-issued with the amendments (i) second column of order containing heading 'Mobile Brand' be deleted, (ii) the period for use of mobile be extended from 2.5 years to 3 years and (iii) the officers who intend to keep the mobile on their transfer/ retirement/ may be allowed to pay an amount equal to depreciated value or 20% of cost of mobile whichever is higher."

CHAIRMAN'S
INITIALS



MINUTES OF 221ST MEETING OF THE BOARD OF DIRECTORS

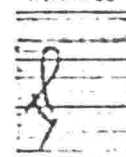
DIRECTORS	HELD AT	ON	TIME																				
MINUTE BOOK	KARACHI	25 TH JULY, 2011																					
<p>ii. Order No. P&GS/PO/127/2011 dated May 11, 2011 was issued regarding executive development program "club facilities for officers of SLIC".</p> <p><u>RESOLVED:</u></p> <p>"that the Committee recommended to refer the matter to Executive Director (LAD) and after his recommendation place the matter in the next meeting of HR Committee. A corrigendum of Order regarding executive development program 'club facilities for officers of State Life' be issued after approval by BoD."</p> <p>ITEM (03) <u>AMENDMENT IN RULE-32 OF THE REVISED LEAVE RULES 1989 FOR OFFICERS OF STATE LIFE</u></p> <p>7. The Board in its 219th meeting held on 22.04.2011 & 25.04.2011 resolved in the matter as under:-</p> <p>"a) The matter relating to amendment in Rule-32 of the revised leave rule 1989 for officers of State Life would be re-examined in the financial impact if any in the next H.R. Committee and recommendation submitted to the Board for review and decision."</p> <p>8. The following financial impact was calculated by F&A Division and re-submitted to the HR Committee:</p> <p style="text-align: center;">Rupees in million</p> <table border="1"><thead><tr><th>Amount of Leave Encashment</th><th>Payment in 2012</th><th>Payment in 2013</th><th>Payment in 2014</th><th>TOTAL</th></tr></thead><tbody><tr><td>Yearly payment</td><td>115,151</td><td>119,441</td><td>123,730</td><td>408,780</td></tr><tr><td>Mark up @ 13.8%</td><td>15,891</td><td>34,567</td><td>56,412</td><td>106,869</td></tr><tr><td>TOTAL</td><td>131,042</td><td>154,008</td><td>180,142</td><td>515,649</td></tr></tbody></table> <p>9. The matter was placed for consideration of the Members of the H. R. Committee for its recommendations to the Board for approval of the proposal, please.</p> <p>10. Accordingly, it was resolved as under:</p> <p><u>RESOLVED:</u></p> <p>"that the committee expressed satisfaction on calculation of financial impact by F&A Division. Further, after due deliberation the Committee resolved and recommended the matter regarding amendment in rule-32 of the revised leave rules 1989 for officers of SLIC to the BoD for approval of the following:</p> <ol style="list-style-type: none">The limit of Retained leave may be increased from 60 days to 180 days.The availed leave can be replenished from the leaves of subsequent years.If, leaves are not utilized, the encashment will be made of 180 days at the time of death and or retirement.The officers will accumulate their leave account up-to a maximum of 180 days by deferring the encashment of 24 days and mandatory leave of 12 days total 36 days addition of leave every year.Those officers who could not avail the mandatory leave 12 days due to augment in official duties may be				Amount of Leave Encashment	Payment in 2012	Payment in 2013	Payment in 2014	TOTAL	Yearly payment	115,151	119,441	123,730	408,780	Mark up @ 13.8%	15,891	34,567	56,412	106,869	TOTAL	131,042	154,008	180,142	515,649
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	<p>allowed to carry forward the same in the retained leave now extended to 180 days. This should be supported with the specific recommendations of the competent authorities."</p> <p>ITEM (04) <u>WORKSHOP/ TRAINING OF AGMs AND DGMs FOR MAKING THEM ELIGIBLE FOR PROMOTION</u></p> <p>11. Criteria for promotions from AGM to DGM and DGM to GM was submitted in 3rd and 4th meeting of Human Resources Committee of the Board of Directors held on December 4, 2010 and March 1st, 2010 respectively. The matter was again discussed in 5th meeting of Human Resources Committee of the Board of Directors dated March 1st, 2010. The Committee resolved that training with respect to (a) Public Management, (b) Business promotion, (c) Marketing, (d) Insurance Management, (e) Policy Holder's Services, (f) Business Communication Skills & Report Writing, and (g) Officers Management be imparted through appropriate in-house recourses i.e. in-service employees and ex-officers of SLIC.</p> <p>12. Regarding training in the below mentioned fields the Executive Director (P&GS) is authorized to negotiate with Pakistan Institute of Management (PIM) or any other reputable institution to organize a 3 – 5 days seminar / workshop encompassing (a) Financial Planning & Policy (b) Advanced Financial Management and (c) Corporate & Business Law.</p> <p>13. In order to comply with Human Resources Committee of the Board of Directors, working has been developed and submitted in the 6th meeting of HR Committee held on 21st March 2011 and the committee instructed to re-examine the working paper and re-submit in next meeting of HR Committee.</p> <p>14. Accordingly the working paper was resubmitted in the 7th meeting of HR Committee with two different proposals and Report regarding HR Development Manager are as follows</p> <p>(i) In case of conducting training on the same lines decided in the 5th meeting of HR Committee total expenses are Rs.9,054,000/-.</p> <p>(ii) In case of conducting all the training(s) in-house, total expenses may be Rs.5,991,000/-</p> <p>(iii) An Assistant General Manager at Principal Office is heading Staff Training activities and acting as HR Development Manager. He is entrusted the duties to co-ordinate all training programs and facilitates such activities for Human Resources Development of the Corporation.</p> <p>15. Accordingly, it was resolved as under:</p> <p><u>RESOLVED:</u></p> <p>"that the Committee resolved that one month training in all the specified areas be out-sourced after negotiation with any reputable institute as National Institute of Management (NIM), College of Business Management (CBM), Institute of Business Management (IBM) and Pakistan Institute of Management (PIM). The selected institute must design course in accordance with needs of Investment, Audit, Policy Holder Services (PHS), Marketing, Finance and P&GS Divisions of State Life. It was further resolved that the State Life ex-officers may also be invited for giving lectures with a mutual consent of out-sourced institute and State Life. The Committee desired that in the next Board meeting a working paper be submitted".</p> <p>ITEM (05) <u>COMPENSATORY ALLOWANCE IN LIEU OF EXTRAORDINARY ALLOWANCE/ OVERTIME TO THE REGULAR EMPLOYEES OF STATE LIFE ATTACHED WITH THE HON'BLE COMMERCE MINISTER OR MINISTRY OF COMMERCE</u></p>		

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<p>16. Regular employees of State Life who are attached with the Administrative Ministry i.e. Ministry of Commerce/ Commerce Minister for official / protocol duties are required to pay actual overtime/ conveyance charges through RC (North) or Chairman's Camp Office Islamabad.</p> <p>17. Time and again requests for enhancement of budget are entertained by Principal Office. In the year 2010, the F&A Division while allowing additional budget under this head emphasized control/ limitation and had suggested for alternative measures.</p> <p>18. Further the following are claiming unlimited overtime every month which has badly affected the budgetary position:</p> <ol style="list-style-type: none"> I. Mr. Khalid Iqbal (Superintendent) II. Mr. Muzaffar Iqbal (Driver) III. Mr. Salamat Ali (P.C Operator) <p>19. In order to maintain stability in the expenses under the head, it is proposed that w e f 01-01-2011 the regular staff/ officers attached with the Ministry of Commerce/ Commerce Minister for protocol duties or as personal staff of Commerce Minister may be compensated in a manner of compensatory allowance of Rs.3000/- per month in lieu of over time/ late sitting</p> <p>20. This would be a performance based allowance and arrangement should automatically be discontinued as and when such regular employees are detached or ceased to perform duties with Ministry of Commerce or for protocol duties with Commerce Minister.</p> <p>21. Submitted for kind perusal of members of Human Resources Committee for its consideration and submission of its recommendations to the Board of Directors for approval, please.</p> <p>22. Accordingly, it was resolved as under:</p> <p>RESOLVED:</p> <p>"the Committee resolved that actual data of salaries and allowances of State Life regular staff/ officers attached with the Ministry of Commerce/ Commerce Minister for protocol duties or as personal staff of Commerce Minister be gathered for submission the matter of compensatory allowance in lieu of extraordinary allowance/ overtime before HR Committee in its next meeting for its recommendation to the BoD."</p> <p>ITEM (06) <u>PROVISION OF SERVICES OF ONE SECURITY GUARD HENCEFORTH TO CHAIRMEN OF STATE LIFE WHO LEFT THE CORPORATION AFTER RENDERING SERVICE WITH THE CORPORATION FOR ATLEAST TWO YEARS.</u></p> <p>23. A memorandum was submitted and approved in the 218th meeting Board of Directors dated 21-03-2011 as following:</p> <p>"that the P&GS Division may also call for and review the existing scheme as operative since 2006 for Government employees and suggest additional facilities where feasible to former Chairman only henceforth."</p> <p>24. Accordingly the scheme was reviewed and it is proposed that in order to protect and safeguard the worthy life of Chairman against the emerging terrorist activities in the country the facility of Security Guard on monthly remuneration up-to maximum of Rs.10,000/- may be provided to the Chairman State Life who left Corporation after rendering at least two years of service with the Corporation.</p> <p>25. The facility will prevail lifetime with prospective effect and will be subjected to discontinuation on the desire of Chairman.</p>			

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<p>26. Sindh Government has allowed the same facility to the Chief Secretary vide Notification No: CTC (SGA&CD)-8(2)/2005 Karachi dated February 28TH 2005. This facility is permissible only from one organization, either from State Life or Sindh Government.</p> <p>27. One year financial impact of remuneration of Security Guard is estimated to be Rs.120,000/-.</p> <p>28. Submitted for kind perusal of members of Human Resources Committee for its consideration and submission of its recommendations to Board of Directors</p> <p>29. Accordingly, it was resolved as under:</p> <p>RESOLVED:</p> <p>"that the provision of services of one security guard henceforth to the Chairman of State Life who left the Corporation after rendering service with the Corporation for at least two years. It was further resolved that the P&GS Division may also call for and review the existing scheme as operative since 2006 for Government employees and suggest additional facilities where feasible to former Chairman only henceforth. The Committee recommended the matter to the Board of Directors for its approval."</p> <p>ITEM (07) <u>REVISION OF AMOUNT OF UTILITY ALLOWANCE FROM</u> <u>RS. 25,000/- TO RS. 35,000/- TO THE CHAIRMAN, RS.</u> <u>15,000/- TO RS. 25,000/- TO EXECUTIVE DIRECTORS</u></p> <p>30. The Government of Sindh Finance Department has issued a policy No FD-(SR-III) 5/1-2008 for the provision of utilities on Government expenses dated Karachi, 4TH January, 2008 According to which, the monthly expenditure involved at the residence of all the Administrative Secretaries as well as Special Secretaries of the Administrative Department at Government residence is upto of Rs.30,000/- per month.</p> <p>31. According to the State Life terms and conditions of deputation duly approved by BOD in its 197th meeting held on 03-11-2008 in respect of Government Officers who remained associated with State Life Insurance Corporation of Pakistan as Chairman, the amount of utility allowance is Rs. 25,000/- and who remained associated as Executive Director, the amount of utility allowance is Rs.15,000/-.</p> <p>32. Recent alarming hike in tariffs has badly affected the utility budget of the officers.</p> <p>33. In the light of above, it is proposed that the amount of utility allowance for the Chairman and Executive Directors may be increased from Rs.25,000/- to Rs.35,000/- for the Chairman and Rs.15,000/- to Rs.25,000/- for the Executive Directors respectively.</p> <p>34. Financial implication for the amount of utility allowance for the Chairman is Rs.100,000/- per annum and Rs.480,000/- per annum for Executive Directors.</p> <p>35. Submitted for kind perusal of members of Human Resources Committee for its consideration and submission of its recommendations to Board of Directors.</p> <p>36. Accordingly, it was resolved as under:</p> <p>RESOLVED:</p> <p>"that the amount of utility allowance for the Chairman and Executive Directors may be increased from Rs.25,000/- to Rs.35,000/- for the Chairman and Rs.15,000/- to Rs.25,000/- for the Executive Directors respectively and recommended to the Board of directors for its approval".</p> <p>ITEM (08) <u>REGULARIZATION OF SERVICES OF CONTRACTUAL</u> <u>EMPLOYEES WHO HAVE COMPLETED ONE YEAR OF</u> <u>THEIR SERVICE WITH THE CORPORATION (Directives of</u> <u>The Cabinet Committee Regarding Regularization Of</u></p>			

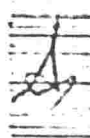
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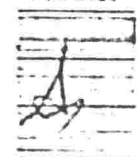
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<p><u>Contract Basis/ Daily Wages Employees in the Ministries/ Divisions/Attached Departments/ Autonomous Bodies/ Organizations)</u></p> <p>37. A meeting of Cabinet Sub – Committee was held on 26-04-2011 under the Chairmanship of Syed Khurshid Ahmed Shah, Federal Minister for Labor & Manpower and Religious Affairs to regularize the services of contract / daily wages employees, who have completed one year service on 30-04-2011.</p> <p>38. However, the minutes of the meeting dated 20-05-2011 directed to regularize the services of 40 contract employees, because a list containing names of 40 employees who matched the aforementioned period of services with SLIC up to 31-12-2010 was sent to Ministry of Labor and Manpower as required vide MOC letter No. 6(28)/09-Ins dated 19-04-2011.</p> <p>39. It is imperative that the regularization of these temporary employees may be considered by a Committee strictly in accordance with following procedure as laid down in SLIC employees (Service) Regulations 1973 and rules / policies framed from time to time:</p> <p>a) Regularization Committee</p> <table border="1"><tr><td>Divisional Head (P&GS)</td><td>Convener</td></tr><tr><td>Divisional Head (F&A)</td><td>Member</td></tr><tr><td>Divisional Head (PHS)</td><td>Member</td></tr><tr><td>Divisional Head (Marketing)</td><td>Member</td></tr><tr><td>Deputy General Manager (P&GS)</td><td>Secretary</td></tr></table> <p>b) Criteria for Regularization</p> <p>i. Minimum qualification as approved by Board of Directors</p> <p>The BOD in 1995 had approved minimum qualification for each grade summarized as under.</p> <table border="1"><tr><td>Post</td><td>Grade</td><td>Minimum Qualification</td></tr><tr><td>Assistant Manager</td><td>09</td><td>Post Graduate</td></tr><tr><td>Executive Officer</td><td>08</td><td>Graduate</td></tr><tr><td>Office Assistant</td><td>04</td><td>Graduate</td></tr><tr><td>Record Sorter</td><td>03</td><td>Intermediate</td></tr><tr><td>Driver, MN-II</td><td>02</td><td>Matric</td></tr><tr><td>NaibQuasid, MN-I</td><td>01</td><td>Matric</td></tr></table> <p>ii. Maximum Age Limit as envisaged in SLIC Employees (Service) Regulations 1973</p> <p>As specified in SLIC Employees (Service) Regulations 1973, minimum age for entry into Corporation's services shall be 18 years with following summary of maximum age limit</p> <table border="1"><tr><td>Post / Designation</td><td>Maximum Age</td></tr><tr><td>For appointments in pay scale 1 to 4 & MN – I</td><td>25 years</td></tr><tr><td>For appointments in pay scale 5 to 8 (a), MN – II to MN – III</td><td>35 years</td></tr><tr><td>For appointments in other pay scales</td><td>45 years</td></tr></table>				Divisional Head (P&GS)	Convener	Divisional Head (F&A)	Member	Divisional Head (PHS)	Member	Divisional Head (Marketing)	Member	Deputy General Manager (P&GS)	Secretary	Post	Grade	Minimum Qualification	Assistant Manager	09	Post Graduate	Executive Officer	08	Graduate	Office Assistant	04	Graduate	Record Sorter	03	Intermediate	Driver, MN-II	02	Matric	NaibQuasid, MN-I	01	Matric	Post / Designation	Maximum Age	For appointments in pay scale 1 to 4 & MN – I	25 years	For appointments in pay scale 5 to 8 (a), MN – II to MN – III	35 years	For appointments in other pay scales	45 years
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<p>The Chairman may relax the maximum age limit in suitable cases for reasons to be recorded in writing.</p> <p>iii. Regularization of Services should be strictly against approved vacant post</p> <p>As per regularization exercises carried out in past, such exercise be considered strictly against approved vacant posts. In case of an employee being posted in a department, division, zone over & above the approved strength; he may only be considered for regularization after transfer and posting to an approved vacant position in another department, division or zone</p> <p>iv. Placement in Seniority List after regularization</p> <p>After regularization of services, such employees may be placed in the seniority list of their respective grades in the bottom of lists and junior to any promotees. The seniority among regularized employees may be decided according to entry in the grade as contractual employee and age.</p> <p>v. Verification of Degrees / Certificates after regularization of Services</p> <p>As per standing instructions of Federal Government the degrees / certificates of such regularized employees shall be got verified from their respective Boards / Universities / Institutes. In case of fake / bogus certificate / degree action will be taken in terms of SLIC Employees (Service) regulations 1973.</p> <p>vi. Creation of seats of Assistant Managers / Executive Officers in case of regularization of services of officers appointed on contract basis</p> <p>In the regularization exercise of the contractual officers, if the vacant posts are not available, new vacancies are to be created in accordance with the Regulation 6 (2) of SLIC Employees (Service) Regulations 1973 with the prior approval of Board of Directors.</p> <p>40. The annual financial impact of 40 contractual employees, specified in the list as referred in para - 2 above, has been calculated with the concurrence of F&A Division, which works out to be approximately Rs.8,184,120/-.</p> <p>41. Submitted for kind perusal of members of Human Resources Committee for its consideration and submission of its recommendations to the Board of Directors for approval, please.</p> <p>42. Accordingly, it was resolved as under:</p> <p>RESOLVED:</p> <p>"In view of the recommendation of Ministry of Commerce based on the minutes of Cabinet Committee, the HR Committee recommended to submit the matter to the Board of directors after examining the accuracy of list 40 contract/ temporary employees, who covered the one year period of services with State Life up to 31-12-2010 with financial impact of Rs.8.184 million/ annum. It was further directed by the Committee that before processing the matter, the Regularization committee of State Life must be certify the integrity of the list."</p>			
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<p>ITEM (09) <u>REVISION IN PERQUISITES TO THE EXECUTIVE DIRECTORS OF STATE LIFE INSURANCE CORPORATION OF PAKISTAN</u></p> <p>43. Civil Servants in BS-20 and 21 are normally posted in State Life as Executive Directors on Deputation for a period of three years extendable for further 2 years with the consent of Federal Government. Executive Directors of State Life are being treated equivalent to Management Grade-II since 1978.</p> <p>44. Civil Servants in BS.20/21 being posted in State Life as Executive Director are entitled for the following facilities:</p> <p>I. Their pay and allowances as shown in their L.P.C. are taking into account for determination of terms and conditions of deputation in accordance with the standard terms and conditions prescribed by the Federal Government since 1990, as provided in the O.M. Booklet "ESTACODE".</p> <p>II. They are also allowed additional facilities as being allowed to other regular officers of the Corporation like Performance Based Bonuses, One Time Lump-sum furnishing allowance of Rs. 40,000/- on production of certificate that the same has not been availed by the Government Servant on deputation in the past.</p> <p>III. Further, the Board of Directors of State Life are considering from time to time revision of certain facilities to Executive Directors and Chairman, State Life, which is implemented by the Corporation.</p> <p>45. According to Management Grade-II facility, the Executive Directors are allowed the following perquisites:</p> <table border="1"><tr><th>ITEM</th><th>QUANTITY</th></tr><tr><td>Air Conditioner</td><td>one</td></tr><tr><td>Fridge</td><td>one</td></tr></table> <p>46. In lieu of the above facilities they are paid cash perquisites @ Rs. 500/- p.m. for each item.</p> <p>47. Depreciation is charged at the rate of 10% on straight line basis. As such, the assets are treated as fully depreciated at end of 10th year of its life. Any officer repatriated from State Life is allowed either to return the said items or he may retain them by paying the depreciated value.</p> <p>48. It is proposed that the following amendment in the perquisites admissible to the Executive Directors:</p>				ITEM	QUANTITY	Air Conditioner	one	Fridge	one
ITEM	QUANTITY								
Air Conditioner	one								
Fridge	one								
<div style="text-align: right;">CHAIRMAN'S INITIALS </div>									

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Sr. #	EXISTING ENTITLEMENT PERQUISITES	PROPOSED REVISED ENTITLEMENT
1.	ONE AC ,ONE FRIDGE at Residence	EITHER ONE AC , ONE FRIDGE OR ONE AC, ONE TV OF IDENTICAL AMOUNT at Residence
2.	Cash perquisites in lieu of appliances @ Rs.500/- per item	@ Rs. 1000/- per item
3.	Depreciation charged @ 10%	Depreciation to be charged @ 20%.

49. If cash option is availed, there will be financial implication of Rs.12,000/- per annum per Executive Director. In case, the home appliances option is availed, no financial implication is involved.

50. For item No: 48(3) the financial implication is Rs.50,000/- per annum.

51. Submitted for kind perusal of members of Human Resources Committee for its consideration and submission of its recommendations to Board of Directors.

52. Accordingly, it was resolved as under:

RESOLVED:

"the Committee resolved that the existing cash perquisites in lieu of appliances i.e. Rs.500/- per item should remain unchanged. The entitlement of either one AC , one fridge or one AC, one TV of identical amount at residence be allowed henceforth to all executive directors. The proposed revised entitlement in lieu of charging of depreciation @ 20% be consulted with External Auditors and obtained their views. The matter than be submitted to the Board of directors for its approval".

ITEM (10) INFORMATORY NOTE ABOUT THE STATUS OF COURT

CASES :

- (i) VRSS
- (ii) PAY FIXATION 1998
- (iii) RETIREMENT PENSION SCHEME

(i) Voluntarily Retirement & Separation Scheme (VRSS)

53. A Voluntarily Retirement & Separation Scheme (VRSS) was introduced in the year 2000 and option was sought by the employees. 1307 (inclusive officer's and staff) had been adopted the scheme while exercising their free will in view of incentives offered in the referred scheme with extensive consultations with CBA and Officer's Federation.

54. P&GS Division is overwhelmed by surge of litigation from VRSS Optees, belonging from Various Zones of all Regions. A good number of VRSS Optees have been indulged into litigation, seeking their reinstatement into service by terming the VRSS as coercive act of retrenchment by the Management.

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55. In the year 2010, Five (05) VRSS Optees of Hyderabad Zone have been reinstated into their services with all consequential benefits in pursuance of three concurrent judgments in which their appeals were allowed.

56. Albeit leave to appeal have been granted to the Corporation by the Supreme Court of Pakistan, Islamabad in CPLAs filed against the reinstatement of the said VRSS Optees and is likely to be decided in coming months.

57. At the moment around 100 petitioners are in Court of law at Hyderabad, Karachi, Sukkur, Multan, Sahiwal, Faisalabad, Rawalpindi etc. In order to vitiate the looming threat of the pending adjudication, P&GS Division is working extensively in close liaison with Legal Affairs Division & as well as engaged lawyers with collaboration of relevant Zonal Managements.

(ii) Fixation of Pay on Revision of Pay Scale of Officers of State Life w.e.f. 01.01.1998

58. The pay scales from Executive Officers to General Managers were revised on the recommendations of Board of SLIC and with the approval of Federal Government as conveyed through Ministry of Commerce letter No: 7(8)/99-Ins-I dated: 03.07.1999, effective from 01.01.1998. Notification No: P&GS/PO/203/99 dated: 28.07.1999.

59. The para 7(IV) of the above notification reads as follows:

"7(IV) The pay fixation for all existing officers who have been in service, since or before 01.01.1998 shall be made in accordance with the laid down procedure prescribed by the Pay & Pension Committee in the past i.e. at the stage equal to or if there is no stage at the stage next above the amount arrived at by allowing the relevant % increase in their existing basic pay as applicable to their designation/grade."

60. Ignoring the above formula the pays of the officers were fixed on point to point basis.

61. Three of the retired officer of State life approached various forums and got their salary re-fixed in accordance with above formula. Similarly, 273 other officers have approached Supreme Court and get their salaries re-fixed in lien with above.

62. On the other hand after rescinding the referred order, the position of remaining officers who has not went into the court would automatically fall in the old scales 01.01.1998 as applied in the case of 273 officers who approached and got remedy from Supreme Court, which would also not justifiable in the eyes of Law of the Land.

63. Under the circumstances it is proposed that in the second step the remaining 466 affected officers may be allowed for re-fixation of their salaries in accordance with above formula w.e.f. 01.01.1998 and for release of arrears to the non-litigants in order to avoid expected administrative / legal issues in the matter which may arise after the release

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<p>of payment to 273 Officers in compliance of the Supreme Court Decision. The financial impact would be approx Rs.86,207,000/-.</p> <p>64. In the meantime 11 affected officers approached to the Federal Services Tribunal, Islamabad. The Tribunal decided the matter in their favor and re-fixation of their pay in original pay scales of 1998 has been processed for approval.</p> <p>(iii) <u>Retirement Pension Scheme</u></p> <p>65. The BOD in their 156th Meeting has decided to revise the Pay Structure and fringe benefits for the Officers of the corporation w.e.f 01.01.2000.</p> <p>66. Unfortunately, the same was implemented without obtaining the concurrence of Federal Government, which is the competent authority for interpretation or to amend or change the regulation under article 49 of Life insurance Nationalization order 1972.</p> <p>67. Later, in the year 2006, various retired officers have approached the Lahore high court and filed petition for revision of their pension in accordance with the State Life Employees (pension) Regulation, 1986 as amended by the State Life Employees (Pension) Regulation, 1988. Lahore High Court has disposed off the petition and directed the corporation to grant the pensionary benefits to the petitioners in accordance with Law i.e Regulation 1986 as amended in 1988 within a period of two months.</p> <p>68. The Corporation has decided to file civil appeal in apex court. The Supreme Court has set aside the administrative orders of the management and dismissed the appeal on 9th February, 2011.</p> <p>69. The Ministry of Commerce vide letter No. 7(8)/2009-Ins dated 19th April 2011 has conveyed the Finance division's OM No. 4(14) R.4 / 08/ Vol-II dated 12th March, 2011 in which it was refused to approve the proposed amendment in State Life Employees (pension) Regulation 1986 as amended by the State Life Employees (pension) Regulation 1988.</p> <p>70. As per directives of the Supreme Court, the cases of 21 petitioners have been settled by the Corporation in accordance with the said Pension Regulation i.e on the basis of last drawn pay.</p> <p>71. The denoted position entitles approximately 502 other officers, retired during that period, for the revision of their pensionary benefits in accordance with pension regulation 1986 as amended in 1988 i.e on the basis of last drawn pay.</p> <p>72. The estimated liability of the corporation will increase as follows:</p> <ul style="list-style-type: none"> • Estimated amount payable on account of commutation of pension to 502 pensioners would be around 200 millions • Estimated Monthly increase in pension would be around 2 million per month <p>73. Along-with these retired officers, all other officers of the Corporation who opted for pension and who are in service are also eligible for pensionary benefits in accordance with said pension regulation.</p> <p>74. In light of above, the competent authority is required to decide the modus operandi either a fresh pension scheme for the officers of the Corporation be re-launched, with the approval of Government of Pakistan from a prospective date or to continue the pension regulation 1986 as amended 1988 in future?</p> <p>75. Accordingly, it was resolved as under:</p>			

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<p><u>RESOLVED:</u></p> <p>"that the Committee noted the information submitted about Court cases of State Life employees matters."</p> <p>ITEM (11) <u>CLUB MEMBERSHIP FOR OFFICERS APPROVED IN 219TH BOARD OF DIRECTORS MEETING</u></p> <p>76. It is to inform that Board of Directors approved the agenda item of Club Membership of the Chairman, Executive Directors and General Managers in the 219TH BOD meeting held on 22.04.2011.</p> <p>77. This decision has not yet been implemented due to the observation from the GM(F&A) for approval of the Ministry of Commerce and non-submission of the Amortization Schedule</p> <p>78. In this context, it is to inform that an Audit Para was framed in 2006 on the basis of Instructions of Finance Division vide O.M No. 1725-DS (CF-1/99) dated 23rd June 1999 followed by the instructions of Ministry of Commerce dated 24TH December, 1999 for withdrawal of policy of Club Membership.</p> <p>79. It is to clarify that the basis of above referred OM of Finance Division was budget speech of then Finance Minister that; Corporations which were getting funds/grants from the Federal Government and offering the prerequisites of Club Membership, free plots, residential telephones to their Board Directors. As a result, the Club Membership policy was withdrawn in the State Life.</p> <p>80. Again the Finance Division has issued instructions vide letter No F-8(1) Exp-IV/2004 dated 27.03.2007, that, the Boards of Government-owned organizations are full authority to take the decisions about their operations provided their decisions do not implicate the Federal Budget in any way.</p> <p>81. In the light of these instructions, there is no need to involve the Ministry of Commerce for the Board decisions of the SLIC and Audit Para will be got settled in the subsequent DAC meeting, because no funding from the Federal Government budget was involved in the Club Membership Scheme of the SLIC.</p> <p>82. As for as Amortization Schedule is concerned, it is clarified that, the appointment of the Chairman is usually for a period of two to three years and deputation period of Executive Directors is also for three years and General Managers are mostly promoted among the departmental officers having 15 to 20 years service at their credit.</p> <p>83. It is proposed that, the Amortization Schedule of Club Membership should be for the period of two and half years, if someone is transferred from the State Life before the completion of that period, he has to refund the remaining amount of Club Membership Fee in proportionate to lesser period of service.</p> <p>84. It was submitted that HR Committee may issue instruction for the implementation of the BOD decision.</p> <p>85. Accordingly, it was resolved as under:</p> <p><u>RESOLVED:</u></p> <p>"that the Committee advised to refer the matter to Executive Director Legal Affairs Division and with his views recommendations be placed before the next HR Committee."</p>			
			<p>CHAIRMAN'S INITIALS</p> 

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ITEM (12) RE-STRUCTURING OF LEGAL AFFAIRS DIVISION

86. A memo with regard to re-structuring of the Legal Affairs Division was placed before the HR Committee of the Board in its 6th Meeting held on 21.3.2011.

87. The following proposal was made to the HR Committee:-

PROPOSED STAFF STRENGTH

P.O/Zones	AGM	Manager	Dy. Mgr	Asst. Mgr	P.C.O	Total
P.O.	01	01	02	02	02	8
Southern Region	01	01	01	01	02	6
Central Region	01	01	02	02	02	8
Multan Region	01	01	01	01	02	6
Northern Region	01	01	01	01	02	6
TOTAL	05	05	07	07	10	34

88. The HR Committee on the said Memorandum resolved as under:-

- i. Law Division be re-organized/re-structured.
- ii. 05 posts for Executive Officers and 05 posts for Assistant Managers with the title of Law Officer and Sr. Law Officer respectively be advertised. Terms of Reference to be defined by Legal Affairs Division."


89. We take to this opportunity to manifest through the following table; the quantum of the litigation pending under different categories at Principal Office and Regions:

P.O./ REGIONS	RED	Service Matter	PHS	G&P	Others	Total
PO	181	33	02	08	24	248
South Region	10	26	17	0	0	53
Multan Reg	08	133	82	21	04	248
Central Reg	13	300	302	50	14	679
Northern Reg	29	69	40	01	06	145
Total	241	561	443	80	48	1373

90. It is to be noted that there is huge quantum of work with major portion relating to Regions/ zones, hence it is not possible to monitor it from PO single handedly through centralized control without any representation on Regional level.

91. The cadre approved by the HR Committee may not attract the lawyers of good repute in view of the remuneration being offered to Executive Officer and Assistant Managers. Moreover, in Regional Offices PHS and F&A have DGM level officers and P&GS has AGM. Since the Regional In charge LAD will have to handle AGM/Manager level officers of P&GS and PHS Divisions in the zones

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under his jurisdiction, therefore to have junior cadre officer (Asstt. Manager/EO) on senior level/Administrative position at Region will be an embarrassing situation for both which otherwise too will not be a practical and pragmatic option.

- i. It is to be noted that we had requested for 14 officers but due to financial impact, budgetary constraints and expense ratio, the F&A recommended four Managers. Keeping in view the recommendation of F&A, we request that one additional manager for PO may also be included thus increasing the strength from 4 to 5 so that to handle the litigations as well as advisory work effectively, efficiently and professionally. It is reiterated that the following strength may be provided in lieu of the 10 posts of Asstt Manager/Executive Officer approved by HR Committee in the 6th meeting. We hope that our proposal may be considered on merit and need basis.

RE-PROPOSED STAFF STRENGTH

P.O./Region	Designation	No of Post
P.O.	Manager	01
Southern Reg.	Manager	01
Central Reg.	Manager	01
Multan Reg.	Manager	01
Northern Reg.	Manager	01
TOTAL		05

92. The financial impact per annum will be about as under:-

Posts	No of Posts	Salary pm.	Total Impact
Manager	05	65,000	Rs.3,900,000


93. State Life has to face the cost in view of the large pendency of legal cases particularly pertaining to Property issues, huge policy claims and services matters which involves financial implication in billions of rupees. The quick disposal and avoiding adverse decisions require effective pursuit; which may be made possible by restructuring and by recruiting professional personnel in Legal Affairs Division as proposed.

94. Accordingly, it was resolved as under:

RESOLVED:

"that the Committee agreed with the proposal of Law Affairs Division i.e. to appoint five Managers after fulfilling all codal formalities: one at P.O and one at each of the four Regions with a monthly remuneration of Rs.65,000 per person per month and recommended to submit the matter to the Board in its next meeting for approval."

96. The meeting ended with a vote of thanks to the chair.

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ANNEXURE-C

**LIST OF EMPLOYEES APPOINTED ON CONTRACT BASIS
COMPLETING ONE YEAR AS ON 31-12-2010.**

Sr. No.	Name	Designation	Place of posting	Date of appointment
1	Mr. Attaullah Chana	Office Assistant	Hyderabad	02-10-2009
2	Mr. Iqbal Ahmed Shah	Office Assistant	Hyderabad	06-10-2009
3	Mr. Qamaruddin	Office Assistant	Sukkur Zone	19-10-2009
4	Mr. Muhamad Safdar	Office Assistant	Rahimyar Khan	19-10-2009
5	Mr. Muhammad Ali Hashmi	Office Assistant	Islamabad	17-09-2009
6	Mr. Naveed Akhtar	Record Sorter	Peshawar	26-10-2009
7	Ms. Shamim Ara	Record Sorter	Peshawar	30-09-2009
8	Mr. Muhammad Ehsan Khan	Record Sorter	Gujranwala	27-07-2009
9	Ms. Saira Iqbal	Record Sorter	Rawalpindi	18-09-2009
10	Mr. Aslam	Record Sorter	P.O.	27-07-2009
11	Mr. Ghulam Fareed	Record Sorter	Hyderabad	17-08-2009
12	Mr. Saeed Ullah Khan	Record Sorter	P.O.	18-09-2009
13	Syed Hassan Ali Shah	Record Sorter	Hyderabad	06-10-2009
14	Mr. Nadeem Hussain	Record Sorter	Larkana	08-10-2009
15	Mr. Majid Abbas	Record Sorter	Hyderabad	06-10-2009
16	Mr. Muhammad Sarfraz	Record Sorter	P.O.	04-11-2009
17	Mr. Vikram Kumar	Record Sorter	Hyderabad	07-09-2009
18	Mr. Sohail	Record Sorter	Hyderabad	13-10-2009
19	Mr. Mumtaz Ali	Record Sorter	Sukkur Zone	29-10-2009
20	Mr. Abdul Shakoor	Record Sorter	Mirpur Khas	23-10-2009
21	Mr. Fazal Karim	Record Sorter	Rahimyar Khan	12-10-2009
22	Rana Umer Mehmood	Record Sorter	P.O.(RE)	22-10-2009
23	Mr. Juma Khan	Driver	P.O.	08-10-2009
24	Mr. Muhammad Akram	Driver	P.O.	17-09-2009
25	Mr. Shahid	Driver	P.O.	02-11-2009
26	Mr. Akmal Sardar	Quasid	P.O.(RE)	06-10-2009
27	Mr. Imran Iqbal	Naib Quasid	Rawalpindi	01-10-2009
28	Mr. Liaquat Ali	Naib Quasid	Hyderabad	27-07-2009
29	Mr. Ahmed Gul	Naib Quasid	Multan	01-10-2009
30	Mr. Shah Faisal	Naib Quasid	P.O.	12-10-2009
31	Mr. Muhammad Soomar	Naib Quasid	Islamabad	24-07-2009
32	Mr. Muhammad Irfan	Naib Quasid	Islamabad	24-07-2009
33	Mr. Mukhtar Hussain	Naib Quasid	P.O.	30-09-2009
34	Mr. Abdul Hameed	Naib Quasid	P.O.	04-11-2009
35	Syed Aamir Ali	Naib Quasid	P.O.	22-10-2009
36	Mr. Tajammul Hussain	Naib Quasid	Multan	06-10-2009
37	Mr. Azhar Ali Mirani	Naib Quasid	Larkana	12-10-2009
38	Mr. Muhammad Hassan	Naib Quasid	P.O.	18-09-2009
39	Mr. Shoalb Muhammad	Naib Quasid	P.O.	07-10-2009
40	Mr. Waqas Mahmood	Naib Quasid	P.O.	27-10-2009

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Annexure-D

**BUSINESS REVIEW OF GROUP & PENSION DIVISION
FOR THE PERIOD ENDED ON 30TH JUNE, 2011**

(Rupees in million)

Zone	Karachi Zone	Lahore Zone	Rawalpindi Zone	Peshawar Zone	Division's Total
New Policies					
2011	22	58	16	2	93
2010	24	63	18	4	109
Forecast for the year 2011	110	131	55	20	316
% of Forecast achieved	20.00	44.27	29.09	10.00	31.01
New Premium					
2011	9 563	196 197	4 550	2 319	212 629
2010	35 765	9 245	11 487	1 505	58 002
Inc/Dec % over base	(73.26)	2022.00	(60.39)	54.09	266.59
Forecast for the year 2011	60.291	212.464	259.000	6 000	537 755
% of forecast achieved	15.86	92.34	1.76	39.65	39.54
Total Premium					
2011	884 202	806 988	358 137	419 033	2,468 410
2010	569 857	550 243	256 346	212 851	1,589 297
Inc/Dec % over base	55.16	46.66	37.71	93.89	55.31
Forecast for the year 2011	1,549.887	1,686.262	1,052.000	793 789	5,081 938
% of forecast achieved	57.05	47.86	34.04	52.80	48.57
Persistency					
Actual %	99.86	98.67	96.01	100.00	99.18

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Annexure-E

**Review of Investment Portfolio of the Corporation
as at June 30th, 2011**

The book value of investment portfolio, which was Rs.235,936 million as on December 31, 2010 is estimated to have increased to Rs.245,012 million as on June 30th, 2011. This reflects an increase of Rs.9,076 million and a percentage increase of 3.85% during the period ended June 30th, 2011 over the year ended December 31st, 2010.

2. The distribution of Investment Portfolio as on December 31st, 2010 and June 30th, 2011 is given below:

<u>Type of Investment</u>	(Rs. in millions)		(Rs. in millions)	
	Investment Portfolio 31.12.2010	%	Investment Portfolio (Estimated) 30.06.2011	%
a) Investments				
i) Govt. Securities	164,138	69.57	178,551	72.87
ii) Corporate debts (Net of Provision)	4,007	1.70	3,593	1.47
iii) Equities (Net of Provision)	24,395	10.34	24,743	10.10
iv) Bank Deposits *	21,605	9.16	15,457	6.31
Sub Total	214,145	90.76	222,344	90.75
b) Investment Property	2,734	1.16	2,868	1.17
c) Loans to Policy holders	19,057	8.08	19,800	8.08
Total	235,936	100.00	245,012	100.00

*Bank balances in zones as at 30.06.2011 not included

3. Government Securities

The total investment of the Corporation in Pakistan Investment Bonds (PIBs) floated by Government of Pakistan since December 2000 including accrued interest as at June 30th, 2011 was Rs.154,160 million. This constitutes 62.92% of the total portfolio. The total investments in Government Securities and debts amounted to Rs.178,551 million which constitutes 72.87% of the total portfolio. State Bank held auction of PIBs in from February 2011 to June 2011. As advised by Appointed Actuary of the Corporation, the Corporation purchased PIBs of 3 & 10 years duration with a face value of Rs.26,140 billion at a cost of Rs.23,496 billion till June 2011. State Life has also purchased Treasury Bills worth Rs. 14,000 billion at a cost of Rs.13.112 billion from January 2011 to June 2011 to invest available surplus funds.


4. Corporate Debts

Corporate debts include investments in TFCs of different companies as Pakistan Mobile Communication Ltd., Engro Chemicals Ltd. and Pak Arab Fertilizer Ltd etc. This also includes Rs.2,100 million paid to NTIL under State Enterprise Fund guaranteed by GOP and Rs.100 million placed in COI of First Dawood Investment Bank. The total investment in Corporate Debt (net of provision) was Rs.3.593 million as on June 30th, 2011.


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	<p>5. <u>Equities</u></p> <p>a. State Life purchased shares with a book value of Rs.584.956 million during the period under review. State Life sold shares with a book value of Rs.7.216 million for Rs.14.841 million realizing capital gain of Rs.7.624million during this period.</p> <p>b. The book value of quoted equity portfolio stood at Rs. 23,601 million while its market value was Rs. 50,954 million showing an appreciation of Rs.27,353 million as on June 30th,2011. Sector wise details of appreciation / depreciation in portfolio are shown in Annexure "A".</p> <p>6. <u>Total Investment Portfolio/Investment Income</u></p> <p>Details of total investment portfolio as well as investment income as at December 31, 2009 and December31st, 2010 as well as Investment Income for the respective periods is shown in Annexure B.</p> <p>a. State Life earned Rs.14,746 million on its investment portfolio excluding unrealized on investment for the period ended June 30th, 2011 as compared to Rs.12,053 million earned during the same period of the previous year.</p>		
			<p>CHAIRMAN'S INITIALS</p> <p></p>

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<p style="text-align: right;"><u>Annexure-F</u></p> <p style="text-align: center;"><u>REVIEW OF REAL ESTATE PORTFOLIO OF THE CORPORATION AS AT JUNE 30, 2011.</u></p> <p>1. Gross Income of Real Estate Portfolio as at June 30, 2011 of Rs. 358 million as against Rs. 308 million for the same period of the previous year, which shows increase of 16%.</p> <p>2. Expenses upto June 30, 2011 are Rs. 150 million as against Rs. 138 million for the same period of previous year. It shows a increase of 9%.</p> <p>3. Net Income upto June 30, 2011 is Rs. 208 million as against Rs. 170 million for the same period of previous year. It shows a raise of 22%.</p> <p>4. Expense/Income ratio upto June 30, 2011 is 42% as compared to 45% for the same period of preceding year.</p> <p>5. As on June 30, 2011 statements Financial Progress is at (annexure-A to the Memorandum).</p> <p style="text-align: center;">=====</p>			
<div style="text-align: right;"> CHAIRMAN'S INITIALS  </div>			

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Annexure-G

Minutes of 18th REIC Meeting

1. 18th REIC Meeting was held on 27th May 2011 at PO, SLIC Karachi, attended by the following:-

a. Mr. Shahid Aziz Siddiqi.	Chairman
b. Mr. Rasheed Y. Chinoy.	Director
d. Mr. Mohammad Yahya.	Executive Director/Member (away on duty)
c. Mr. Ansar Hussain.	Sr. GM (Investment) / Member
f. Lt. Col. (R) Mohsin Ali Shah.	DH (RED) / Secretary / Member

2. After recitation of the Holy Quran, the Chairman welcomed the participants and commenced the proceedings.

Discussion on Quorum

3. The aspect of quorum was discussed. After advice of Law Division (in the light of Regulation-5 of SLIC Regulations of 1972) it was clarified that REIC quorum was complete. Thereafter, the proceedings of REIC were commenced.

Action by

DH (RED)

Discussion on Agenda PointsAgenda Points # 1.

Implementation Report of 17th Meeting of REIC dated: 18th March 2011.

4. REIC was satisfied with compliance report on the Minutes of 17th Meeting.

DH (RED)

Agenda Points # 2

Confirmation of Minutes of 16th Meeting of REIC

5. Mr. Rasheed Y. Chinoy proposed confirmation of Minutes of 16th Meeting of REIC and Mr. Ansar Hussain seconded the proposal.

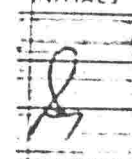
DH (RED)

Agenda Point # 3


Progress of Ongoing Works.

6.

- a. Renovation of State Life Building Larkana.
7 out of 10 wings are ready. Zone is process of shifting.
- b. Construction of State Life Building
Gujranwala.
Substantially completed. Electrical

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	<p>connection from WAPDA in pursuance.</p> <p>c. Construction of State Life Building Rahimyar Khan. Post qualification of contractors for Civil Electric and Plumbing work in process.</p> <p>d. Lifts to be replaced in Building # 3, 4, & 5. 70% work completed.</p> <p><u>Resolved</u></p> <p>7. REIC was satisfied with the progress of ongoing works and resolved that:-</p> <p>a. Renovation of complete building to be done by mid July 2011. Building to be rented out ASAP.</p> <p>b. Electric connection to be expedited from GESCO Gujranwala.</p> <p>c. After approval of the board, tenders be opened. Otherwise, be scrapped.</p> <p>d. Lifts works at Buildings # 3 & 4 to be completed ASAP.</p> <p><u>Agenda Point # 4</u> <u>Strategic Plan RED – Upcoming Projects</u></p> <p>8. M/s. NESPAK and M/s. International Design Group presented before the REIC, the plans of Gujranwala, Sargodha, Sialkot and Rahimyar Khan Building projects giving detailed justifications of building plan, area usage and approved plans by Board of Directors in 2008.</p> <p>9. M/s. IDG presented area usage plans of Gujranwala building with future extension proposals.</p> <p><u>Resolved</u></p> <p>10. REIC resolved that:-</p> <p>a. All data to be worked out in details with possibility of future expansions.</p> <p>b. Requirement of Marketing Division be incorporated for respective Buildings for their use at respective cities.</p> <p>c. After modifications, the proposals be presented before next REIC meeting.</p> <p><u>Agenda Point # 5</u> <u>Strategic Plan – (RED)</u></p> <p><u>Backdrop</u></p>	<p>DH (RED)</p> <p>DH (RED)</p>	<p>CHAIRMAN'S INITIALS</p> <p></p>

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11. Strategic Plan of RED has already been presented/discussed in Board in 216th and 217th Meetings of the Board respectively; encompassing the following :-

ci. Business Plan (attached)

- Premise
- Vacant Spaces.
- Gray Areas of RED
- Revenue enhancement Plan.
- Short Term measures (1-2) years.
- Mid Term Measures (3-5) years.
- Long Term Measures (6-10) years.
- Summary of Income and spaces
- Restructuring of RED.

b. Financial Impact (attached)

- Short Term (1-2) years.
- Mid Term (3-5) years.
- Long Term (6-10) years.

12. Sequel to presentations vide para 1 above, BOD desired that RED should compile Business Plan for all individual buildings of SLIC. Accordingly, the plan is being evaluated in proceeding paras.

Real Estate Assets

13. SLIC owns the following assets :-

a. Commercial Buildings	-	52
b. Plots	-	18
c. Residential Units	-	17

14. 52 Commercial buildings, are being evaluated with following status:-


a. Inherited as per LINO	-	30	Comparatively in good to average condition.
b. Constructed by SLIC	-	13	
c. Purchased	-	09	} good condition.
Total:	-	52	

Tenancy

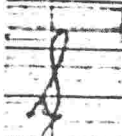
15. Based upon the rental data of Islamabad, Peshawar, Lahore, Interior Sindh and Karachi, the rented/vacant areas are summarized as follows :-

<u>Vacant Spaces</u>	<u>Rented</u>	<u>Vacant</u>	<u>(%)</u>
a. Islamabad	343,979	60,487	18%
b. Peshawar	168,423	38,414	23%
c. Lahore	450,218	34,913	08%
d. Interior Sindh	209,808	90,093	43%
e. Karachi	1,507,674	310,988	21%
Total:	2,680,102	534,895	20%

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DIRECTORS MINUTE BOOK	HELD AT KARACHI		ON 25 TH JULY, 2011		TIME																																																																																																																																																																																																											
<p style="text-align: center;"><u>Identification of vacant spaces</u></p> <p>16. Building-wise Status is as follows:-</p> <p>a. <u>Islamabad</u></p> <table><tr><td>(1)</td><td>State Life Building #1</td><td>35,202</td><td>-</td><td>0%</td><td></td></tr><tr><td>(2)</td><td>State Life Building #2</td><td>1,516</td><td>-</td><td>0%</td><td></td></tr><tr><td>(3)</td><td>State Life Building #5</td><td>104,636</td><td>3,754</td><td>3%</td><td></td></tr><tr><td>(4)</td><td>State Life Building #6</td><td>20,732</td><td>511</td><td>2%</td><td></td></tr><tr><td>(5)</td><td>State Life Building #7</td><td>41,356</td><td>-</td><td>0%</td><td></td></tr><tr><td>(6)</td><td>State Life Building #8</td><td>22,615</td><td>-</td><td>0%</td><td></td></tr><tr><td>(7)</td><td>State Life Building #9</td><td>29,747</td><td>1,166</td><td>4%</td><td></td></tr><tr><td>(8)</td><td>G-8 Markaz-PMF Complex</td><td>13,000</td><td>-</td><td>0%</td><td></td></tr><tr><td colspan="2">Total:</td><td>268,804</td><td>5,431</td><td>2%</td><td>Satisfactory</td></tr><tr><td>(9)</td><td>Gujrat Building</td><td>75,175</td><td>55,056</td><td>73%</td><td>Critical Building</td></tr><tr><td colspan="2">Grand Total:</td><td>343,979</td><td>60,487</td><td>18%</td><td>inflated due to Gujrat Building</td></tr><p>b. <u>Peshawar</u></p><table><tr><td>(1)</td><td>SLB # 1 (Peshawar)</td><td>145,423</td><td>26,565</td><td>18%</td><td>Low & Order</td></tr><tr><td>(2)</td><td>D. 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MINUTES OF 221ST MEETING OF THE BOARD OF DIRECTORS

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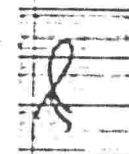
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	<p>i. Through Model Zone concept, we would not only save nearly 40% of the area occupied by zone (nearly) 2,50,000 sq ft area but also give corporate out look to zones. It would also curtail electricity, water, standby generator and services experience.</p> <p>j. Buildings purely occupied by zones need to be reviewed, squeezed and rationalized in sharing of O&M expenses with RED.</p> <p>k. Qualified engineers to be deputed as Building Incharges instead of present unqualified lot.</p> <p>l. Service of Tenancy Consultants and Field Force to be utilized for renting of spaces (already in hand).</p> <p>m. Present buildings need to be reviewed in following perspectives:-</p> <p>(1) General improvement and maintenance. (2) Expansion of spaces where allowed by FAR. (3) Disposal of problematic buildings; to be identified by Board of officers.</p> <p>(4) Construction of new buildings at vacant plots for value addition, accommodate zones for SLIC business and guard against encroachments.</p> <p>(5) Curtail unnecessary regal cases.</p> <p>(6) Purchase of properties in posh localities at Lahore, Karachi and Islamabad (i.e. Defence, Clifton and liberty) due to market dynamics.</p> <p>Resolved</p> <p>22. REIC resolved to incorporate the observations as discussed and present in the next meeting.</p> <p>Agenda Point # 6 Rehabilitation of Gujrat Building</p> <p>23. Due to design limitations, Gujrat Building has fixed glass windows. Owing to prevailing electricity crisis, the fixed glass building becomes unbearable. Local consultants were approached to give solution of cross-ventilation of the building. Most of the solutions were costly due to replacement of glass for (G+5) 77' feet high building, entailing scaffolding arrangements and risk factor. Finally, RED approached original architect who agreed to give free of cost solution (less his visit charges to the site). Both the architect and ALCOP (original manufacturer) have given the cheapest / easiest technical solution.</p> <p>a. Replacement work to be done from interior of buildings (without expenditure of scaffolding).</p> <p>b. Double frame sliding frames to be used.</p> <p>c. There are chances that present glass (10 glasses /</p>	<p>DH (RED)</p> <p>DH (RED) GM (Investment)</p> <p>DH (RED)</p>	<p>CHAIRMAN'S INITIALS</p> <p><i>[Signature]</i></p>

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<p>floor) are most likely to be damaged.</p> <p>d. New glass/window frame and labour shall cost nearly Rs.1.5 million.</p> <p>e. Due to new arrangement all the floors shall have cross ventilation.</p> <p>f. Work to be completed in two months.</p> <p>g. Work to be done by M/s. ALCOP on Turn-key arrangements being the original manufacturer.</p> <p>h. Façade and optics of the building would not be affected.</p> <p><u>Resolved</u></p> <p>26. REIC resolved to proceed with the proposal towards timely completion.</p> <p><u>Agenda Point # 7</u></p> <p><u>Valuation of properties</u></p> <p>25. As resolved in 216th Meeting of BOD, valuation of Multan and Abdullah Haroon Road, properties has been got completed in response to EOIs received from the parties. The valuation report compiled by Mr. Iqbal Nanji has been evaluated in technical perspective as per TOR. It is recommended that the Report be reviewed for value engineering by M/s. NESPAK to proceed further.</p> <p><u>Resolved</u></p> <p>26. REIC resolved to get technical evaluation from NESPAK.</p> <p><u>Agenda Point # 8</u></p> <p><u>Status of Mutation of Lahore Properties</u></p> <p>27. Mutation status of 9 properties as Lahore is as follow:-</p> <p>a. 4x properties have been mutated (2 at LDA, 1x at Lytton Road and Moti Mansion).</p> <p>b. Title of Building # 7 is also mutated to SLIC duly endorsed by Chief Settlement Commissioner.</p> <p>c. So far 5 properties have been mutated.</p> <p>d. Buildings # 4 and 5 are being proactively pursued with Settlement Commissioner Lahore for hearing / endorsement.</p> <p>e. All documents and related formalities have been completed to take up the case with LDA for mutation of Gulberg Property (133-J).</p> <p>f. Davis Road plot is under pursuance.</p>			
			RED
			<p>CHAIRMAN'S INITIALS</p> 

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Resolved

28. REIC appreciated the progress and directed to complete left over buildings.

Agenda Point # 9Review of Real Estate Portfolio of the Corporation as at 31/03/2011

29. As follows:-

- a. Gross Income of Real Estate Portfolio as at March 31, 2011 of Rs.186 million as against Rs.152 million for the same period of the previous year, which shows Increase of 22%.
- b. Expenses upto March 31, 2011 are Rs.68 million as against Rs.72 million for the same period of previous year. It shows a decrease of 6%.
- c. Net Income upto March 31, 2011 is Rs.118 million as against Rs.80 million for the same period of previous year. It shows a raise of 48%.
- d. Expense / Income ratio upto march 31, 2011 is 37% as compared to 47% for the same period of preceding year.
- e. As on March 31, 2011 statement Financial progress is at (annexure "A").

	31-Mar-10 (Actual)	Budget (Target)	31-Mar-11 (Actual)	% Change (2010/2011)
Investment-At Cost	3,860		4,143	
Acc depreciation	1,330		1,416	
Investment-WDV	2,530	-	2,727	
Gross Income	152	210	186	22%
Expenses	72	141	68	-6%
Net Income	80	69	118	48%
Expenses/Income ratio	47%	67%	37%	

Resolved

REIC was satisfied with the progress.

29. On conclusion of the meeting all the members thanked the Chair.

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<div>Annexure-H</div> <div>Minutes of 19th REIC Meeting</div> <div>1. 19th REIC Meeting was held on 6th July 2011 at PO, SLIC Karachi, attended by the following -<div><div>a. Mr. Shahid Aziz Siddiqi.</div><div>- Chairman</div><div>b. Mr. Rasheed Y. Chinoy.</div><div>- Director</div><div>d. Mr. Mohammad Yahya.</div><div>- Executive Director/Member (away on duty)</div><div>e. Mr. Ansar Hussain.</div><div>- Sr. GM (Investment) / Member</div><div>f. Lt. Col. (R) Mohsin Ali Shah, TI (M).</div><div>- DH (RED) / Secretary / Member</div></div><div>Attendance<div><div>g. Syed Arshad Ali</div><div>- ED (Marketing (on special invitation)</div></div></div><div>2. After recitation of the Holy Quran, the Chairman welcomed the participants and commenced the proceedings.</div></div>			
<div>Discussion on Agenda Points</div> <div>Agenda Points # 1, Implementation Report of 18th Meeting of REIC dated: 27th May 2011.</div> <div>3. REIC was satisfied with compliance report on the Minutes of 18th Meeting.</div> <div>Agenda Points # 2 Confirmation of Minutes of 18th Meeting of REIC</div> <div>4. Mr. Rasheed .Y. Chinoy proposed confirmation of Minutes of 18th Meeting of REIC and Mr. Ansar Hussain seconded the proposal.</div> <div>Agenda Point # 3 Progress of Ongoing Works.</div> <div>5. Progress all ongoing works was discussed.</div>		<div>Actions by</div> <div>DH (RED)</div> <div>DH (RED)</div> <div>CHAIRMAN INITIALS</div>	

MINUTES OF 221ST MEETING OF THE BOARD OF DIRECTORS

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<p><u>Resolved</u></p> <p>6. REIC resolved the following:-</p> <ol style="list-style-type: none"> REIC was satisfied with the progress of ongoing works. Renting formalities of Gujranwala building should be expedited and completed ASAP. Proposal of Mr. Muhammad Yahya, E.D. (RE) for renting out ground and upper floors @ Rs.60 – 65 sft and Rs. 30 – 35 sft respectively was agreed by REIC with the advice to negotiate for further increase, if possible. Installation of 400 KVA transformer at Gujranwala be expedited. Zone to be shifted at 1st and 4th / 5th floor. ED (RE) and ED (Marketing) should mutually work out the rental rate for the zone in a way that overall income / expense ratio should not be effected. Mitigation measures for cross ventilation of all floors of Gujrat building must be expedited. Tenancy Consultant(s) should be put in place ASAP. Condition of lifts for left over SLIC Buildings should be reviewed towards their refurbishment / replacement. MOUs should be signed with potential tenants of Rahimyar Khan, Sargodha and Sialkot building to facilitate their timely renting in case the construction of building is approved by BOD. Left over vacant buildings i.e. Hashoo Centre Building No.10 (Karachi), Larkana, Mirpurkhas and D.I. Khan Building should be rented alongwith other buildings out by 31/12/2011. <p><u>Agenda Point # 4</u> <u>Presentation by M/s. NESPAK & IDG</u></p> <p>7. M/s. IDG and M/s. NESPAK gave detailed presentations on design, land usage, architectural renderings and payback schedules of Sialkot, Sargodha and Rahimyar Khan Projects further expansion up Gujranwala Building to utilize left over (front) space was also presented to REIC.</p>			
		DH (RED)	
			CHAIRMAN'S INITIALS

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DIRECTORS MINUTE BOOK	HELD AT KARACHI	ON 25TH JULY, 2011	TIME
<p><u>Resolved</u></p> <p>8. REIC Resolved that:-</p> <ul style="list-style-type: none"> a. Working paper should be submitted to the BOD giving status of these projects. b. DWP meeting to be convened to discuss further on PC-1s of these buildings and permission already granted to SLIC to tender the works. c. Requirement of Marketing Division for requirement of buildings at Rahimyar Khan, Sargodha and Sialkot be incorporated in the presentation to BOD. <p><u>Agenda Point # 5</u> <u>Strategic Plan - (RED)</u></p> <p>9. Business Plan submitted by RED was discussed in details by REIC.</p> <p><u>Resolved</u></p> <p>10. Separate position paper be submitted to B.O.D. encompassing all requirements in a way that left over buildings should be rented out by at least / all time tenancy of 90%.</p>		<p>OH (RED)</p>	
		<p>CHAIRMAN'S INITIALS</p> <p><i>[Signature]</i></p>	