


MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME																		
NOTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012																			
<b><u>CONFIDENTIAL AND RESTRICTED</u></b>																					
<p>The 223<sup>rd</sup> Meeting of the Board of Directors of State Life Insurance Corporation of Pakistan was held on Wednesday, 14<sup>th</sup> March, 2012 at 11.00 a.m. in the Board Room, State Life Building No.9, Dr. Ziauddin Ahmed Road, Karachi.</p>																					
<p><b><u>PRESENT:</u></b></p>																					
<table><tr><td>1. Mr. Shahid Aziz Siddiqi</td><td>Chairman</td></tr><tr><td>2. Mr. Kamran Ali Qureshi</td><td>Director</td></tr><tr><td>3. Mr. Husain Lawai</td><td>Director</td></tr><tr><td>4. Mr. Farooq Hadi</td><td>Director</td></tr><tr><td>5. Mr. Wazir Ali Khoja</td><td>Director</td></tr><tr><td>6. Mr. Nihal Anwar</td><td>Director</td></tr><tr><td>7. Mr. Tufail Shaikh</td><td>Director</td></tr><tr><td>8. Mr. Furqan A. Shaikh</td><td>Director</td></tr><tr><td>Mr. Akbarali Hussain</td><td>Secretary Board</td></tr></table>				1. Mr. Shahid Aziz Siddiqi	Chairman	2. Mr. Kamran Ali Qureshi	Director	3. Mr. Husain Lawai	Director	4. Mr. Farooq Hadi	Director	5. Mr. Wazir Ali Khoja	Director	6. Mr. Nihal Anwar	Director	7. Mr. Tufail Shaikh	Director	8. Mr. Furqan A. Shaikh	Director	Mr. Akbarali Hussain	Secretary Board
1. Mr. Shahid Aziz Siddiqi	Chairman																				
2. Mr. Kamran Ali Qureshi	Director																				
3. Mr. Husain Lawai	Director																				
4. Mr. Farooq Hadi	Director																				
5. Mr. Wazir Ali Khoja	Director																				
6. Mr. Nihal Anwar	Director																				
7. Mr. Tufail Shaikh	Director																				
8. Mr. Furqan A. Shaikh	Director																				
Mr. Akbarali Hussain	Secretary Board																				
<p>2. Ms. Yasmin Saud, ED(F&amp;A), Mr. Abdul Hafeez Shaikh, ED(P&amp;GS), Mr. Sher Ali Khan, DH(Legal Affairs), Mr. Mohsin Abbas, DH(P&amp;GS), Mr. Faisal Mumtaz, DH(Actuarial), Mr. Muhammad Rashid, DH(F&amp;A), Mr. Fazal-ur-Rehman, DGM(Legal Affairs), Mr. Faisal Tazeeb, AGM(P&amp;GS), Mr. Shujat ullah Siddiqui, Consultant Actuary and Mr. Justice (Retd) Haider Ali Peerzada attended the meeting by invitation in respect of Item – Restoration of Pension to officers of SLIC as per Supreme Court Orders.</p>																					
<p>3. The meeting started with recitation of verses from the Holy Quran by Mr. Husain Lawai, Director.</p>																					
<p>4. The Chairman welcomed Mr. Kamran Ali Qureshi and Mr. Nihal Anwar, Directors, the new members of the Board and thanked them for sparing their valuable time in agreeing to serve on the Board of State Life Insurance Corporation of Pakistan. He looked forward to a smooth and productive working relationship in the Board in the interest of the Corporation and the policyholders it serves. Mr. Kamran Ali Qureshi and Mr. Nihal Anwar extended their fullest cooperation to the Chairman and assured him of all support and assistance that will be required in the smooth running of the Corporation.</p>																					
<p><b>ITEM (1) CONFIRMATION OF MINUTES OF 221<sup>ST</sup> AND 222<sup>ND</sup> MEETINGS OF THE BOARD OF DIRECTORS.</b></p>																					
<p>5. The minutes of the 221<sup>st</sup> and 222<sup>nd</sup> meetings of the Board of Directors held on 25<sup>th</sup> July, 2011 and 23<sup>rd</sup> February, 2012 together with implementation reports were placed before the Board.</p>																					
<p>6. The minutes of the 221<sup>st</sup> meeting were presented before the Board duly signed by the Chairman who presided over the 221<sup>st</sup> meeting. Regulation 3(9) of the State Life Insurance Corporation (General) Regulations, 1972, regarding meetings of the Board, states that the</p>																					

CHAIRMAN'S INITIALS



CHAIRMAN'S INITIALS



MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
<p>Action: Secretary (Board)</p>	<p>minutes of a meeting when signed by the person presiding over that meeting or by the person presiding over the next succeeding meeting shall be prima facie evidence of the matters stated therein. The minutes of the 221<sup>st</sup> meeting be treated as confirmed on the basis of the signature of the Chairman who presided over the 221<sup>st</sup> meeting and continues to be the Chairman and the signature of the Secretary Board certifying the minutes so recorded.</p> <p>7. Mr. Husain Lawai, Director proposed and Mr. Wazir Ali Khoja, Director seconded that the minutes of 222<sup>nd</sup> meeting of the Board of Directors be confirmed.</p> <p>8. Implementation report of 221<sup>st</sup> and 222<sup>nd</sup> meetings of the Board of Directors were noted. The Board directed that in future the implementation report should be a separate item and a summary of decisions taken in the meeting together with action taken be submitted for review of the Board. Furthermore the decisions pending implementation should be continued as part of the implementation report till such time that the decision is implemented.</p> <p>9. Accordingly, it was resolved as under:-</p> <p><b>RESOLVED:</b> "that the Minutes of 221<sup>st</sup> and 222<sup>nd</sup> meetings of Board of Directors held on 25<sup>th</sup> July, 2011 and 23<sup>rd</sup> February, 2012 are confirmed."</p> <p><b>ITEM (2) CONSIDERATION AND APPROVAL OF RECOMMENDATIONS IN MINUTES OF 8<sup>TH</sup> AND 9<sup>TH</sup> MEETINGS OF HUMAN RESOURCES COMMITTEE HELD ON 24-10-2011 AND 13-03-2012.</b></p>		
	<p>10. The minutes of 8<sup>th</sup> meeting of HR Committee held on 24-10-2011 were placed before the Committee duly signed by the Chairman State Life and the present Secretary HR Committee Mr. Abdul Hafeez Shaikh. The minutes were treated as confirmed on the basis of signature of the Chairman who presided over the 8<sup>th</sup> meeting of HR Committee and the signature of the present Secretary (who was present in the 8<sup>th</sup> meeting) certifying that the minutes were correctly recorded, on the basis of which, the minutes were treated as confirmed.</p> <p>11. Accordingly, the Board resolved as under:</p> <p><b>RESOLVED:</b> "that the minutes of 8<sup>st</sup> meeting of Human Resources Committee held on 24<sup>th</sup> October, 2011 together with observations/ recommendations are approved. A copy of minutes of the 8<sup>th</sup> meeting duly signed by the Chairman, HR Committee is placed at Annexure-A to the Minutes."</p>		

CHAIRMAN'S INITIALS






MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
<p>Action: ED(P&amp;GS) DH(P&amp;GS)</p>	<p>12. The minutes of the 9<sup>th</sup> meeting of Human Resources Committee held on 13<sup>th</sup> March, 2012 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 minutes of the 9<sup>th</sup> meeting duly signed by the Chairman, HR Committee is placed at Annexure-B to the Minutes.</p>		
<p>Action: ED(P&amp;GS) DH(P&amp;GS)</p>	<p><u>9<sup>th</sup> Meeting of Human Resources Committee:</u></p> <p>13. The decisions/recommendations of the 9<sup>th</sup> meeting of the HR Committee which comprises of the Members of the present Board are as under</p> <p>a) <u>Club Membership for officers:</u></p> <p>That the recommendation of HR Committee to work out membership cost on corporate basis regarding Defence Golf Club, Karachi, Arabian Sea Club, Karachi or any other Club that seems reasonable and ready to offer membership on corporate basis was approved.</p> <p>b) <u>Amendment in Rule-32 of the Revised Leave Rules 1989 for officers of State Life.</u></p> <p>That the recommendations of HR Committee to P&amp;GS Division while framing proposals in the above matter (i) to avoid any litigation and complexity; any proposed policy that should be uniform for all employees instead of keeping provisions for option and (ii) to calculate financial impact of the proposals and survey and examine similar nature of policies &amp; practices prevalent in other Organizations was approved.</p> <p>c) <u>Restoration of old Pension Scheme for officers of SLIC in accordance with Supreme Court Orders.</u></p> <p>This item is being separately minuted.</p> <p>d) <u>Grant of 15% Adhoc Relief Allowance for the officers of State Life.</u></p> <p>That the recommendation of the HR Committee to give increase of 50% of basic pay as Adhoc Relief Allowance to the officers of State Life w.e.f. 1<sup>st</sup> July, 2010 as per MOC letter dated 25<sup>th</sup> August, 2010 conveying decision as per O.M.No.F.4(4)R-44/2010-360 dated 18<sup>th</sup> August, 2010 and 15% Adhoc Allowance for the Executives/Supervisory employees of the Corporation w.e.f. 01-07-2011 as per directives of Finance Division vide O.M.No.F.4(3)R-4/2011 dated 01-08-2011 in accordance with the Government policy is approved. The Finance Division vide</p>		

CHAIRMAN'S  
INITIALS


MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
<p>Action: ED(G&amp;P) DH(G&amp;P)</p>	<p>O.M.No.F.1(5)IMP/2011-419 dated 4-7-2011 has revised the pay scales of Government servants from 50% to 65% but did not merge the said Adhoc Allowance 2010 in pay scales of government servants which stands frozen as at 30-6-2011.</p> <p>e) <u>Group Health Insurance Business under (BISP) Project - creation of Health and Accidental Insurance Division.</u></p> <p>The Chairman informed the Board that provision exists in Insurance Ordinance 2000 for the life insurance companies to carry out Health Insurance business provided there is a separate fund to that effect. The Government of Pakistan has provided a fund of Rs.350 million for the purpose and due approval of the Regulator i.e. SECP has been obtained. Presently State Life is in the process of capacity building through various international agencies under the umbrella of BISP including World Bank and GIZ. Faisalabad District has been taken up as a pilot project. The premium would be Rs.2250 per family which has been approved by State Life Appointed Actuary and the health coverage would be Rs.25000 per family irrespective number of the family members. The Chairman further informed that BISP has decided that one District would be initially taken up as a pilot project from each province i.e. Badin from Sindh, Quetta from Baluchistan, Nowshera from Khyber Pakhtunkhwa and Faisalabad from Punjab. The Members of the Board desired that a project document be prepared and presented to the Board for review.</p> <p>That the recommendation of HR Committee for establishment of a separate Division for conducting Health Accidental Insurance Business based on the provision in the Insurance Ordinance 2000 as confirmed by Divisional Head (Actuarial) that Life Insurance Companies are allowed to carry out Health Insurance Business was approved. The functions of Health Insurance Division shall be as follows:-</p> <ol style="list-style-type: none"> <li>Marketing of Health Insurance Products</li> <li>Policy Administration</li> <li>Claims Administration</li> <li>Provide Network Management</li> </ol> <p>f) <u>Establishment of Special Project Office in State Life Regional Office (North) Islamabad under Benazir Income Support Program (BISP).</u></p> <p>That the recommendation of HR Committee authorizing Chairman, State Life to constitute a Project Committee and payment of all expenses of the Special Project Office established at Regional Office North, Islamabad which would work under the administrative control of G&amp;P Division, PO. Karachi, from the allocated BISP Project funds was approved.</p>		
<p>Action: ED(G&amp;P) DH(G&amp;P)</p>	<p>CHAIRMAN'S INITIALS</p> 		



MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
<p>Action: ED(P&amp;GS) DH(P&amp;GS) GM(Med)</p> <p>Action: ED(P&amp;GS) DH(P&amp;GS)</p>	<p>g) Medical Benefits to Mr. S.H.Kazmi, retired GM(Marketing) <u>CS#03322.</u></p> <p>That the recommendation of HR Committee to make payment as a special case for the post retirement medical expenses of Mr. S.H.Kazmi, suffering from cancer, who retired from the services of the Corporation on 7<sup>th</sup> August, 2011, upto the maximum of Rs.6,00,000 was approved.</p> <p>h) Extension in contractual appointment of Ms. Iris Johannes as <u>Executive Secretary to Chairman.</u></p> <p>That the recommendation of HR Committee to allow one year extension in the contract of Ms. Iris Johannes as Executive Secretary to the Chairman w.e.f. 15<sup>th</sup> April, 2012 with a 10% increase in the existing emoluments with other terms and conditions remaining same was approved.</p> <p>i) Promotion of Ms. Shazia Pervaiz (CS#562572) from Deputy <u>Manager to Manager.</u></p> <p>That the recommendation of HR Committee that all the cases of similar nature should be dealt through a special DPC meeting was approved.</p> <p>j) <u>Regularization of contractual employee – Rai Muhammad Atif.</u></p> <p>That the recommendation of HR Committee to refer the case of Rai Muhammad Atif S/o Rai Mansab Ali who joined the Corporation on 10-10-2011 on contract basis for one year to the Sub Committee of the Cabinet for regularization .</p> <p>k) Extension in contractual appointment of Syed Mohsin Ali Shah, <u>General Manager, Real Estate Division.</u></p> <p>That the recommendation of HR Committee to renew the contract of Col. Mohsin Ali Shah as GM(RED) for two years on the same terms and conditions was approved after the Chairman confirmed to the Board that Col Mohsin Ali Shah is a person of high calibre and qualification and extension in his contractual appointment is being recommended because of non availability of suitably qualified experienced employee within the Corporation and his appointment does not infringe upon the promotional prospects and rights of other officers.</p> <p>The Board whilst approving the proposal desired that a career path be laid out for officers within the Corporation through a scheme to be adopted by the Management and training be made compulsory from NIPA and relevant institutions before promotion .</p>		

CHAIRMAN'S  
INITIALS


MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
<p><b><u>Restoration of old Pension Scheme for officers of SLIC in accordance with Supreme Court Orders.</u></b></p> <p>14. Mr. Mohsin Abbas, DH(P&amp;GS) gave a detailed presentation on the above matter on multi media to the Board of Directors as follows:-</p> <p>15. The Board of Directors (BOD) in its 156<sup>th</sup> meeting held on 7th October 2000 had decided to revise the pay structure and fringe benefits for the officers of the Corporation as well as amended the Pension Regulation 1986 as amended in 1988 w.e.f 01.01.2000 as follows:</p> <p><b><u>PENSION</u></b></p> <p>"For past service upto 31<sup>st</sup> December 1999 pension entitlement would be determined according to service upto that date and according to pay in force at that date. It would not be affected by pay increased after 31<sup>st</sup> December, 1999 or by service after 31<sup>st</sup> December, 1999. However the pension calculated as above as at 31<sup>st</sup> December, 1999 would be increased each year upto the date of pension commencement by 1% less than the rate of investment return earned by the Pension Fund."</p> <p><b><u>Provident Fund</u></b></p> <p>"Officer's contribution at 8.33% of basic p.m plus a matching contribution by the Corporation shall apply to all officers governed by the new structure irrespective of whether they had earlier opted for pension scheme."</p> <p>16. The Board was informed that the above alterations in State Life Employees (Pension) Regulation, 1986 as amended in 1988 were 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 and therefore the same was not notified in official Gazette.</p> <p>17. The BOD in their 159<sup>th</sup> meeting held on 26<sup>th</sup> January, 2001 had decided to obtain ex-post facto approval of the revised pay structure from the Government of Pakistan. Therefore the Corporation had vigorously pursued the matter with the Ministry of Commerce / Finance and in this connection several meetings were held with the concerned Ministries.</p> <p>18. Since, the amendment in Pension Regulation 1986 and Provident Fund Regulations did not get legal sanctity of the Federal Government in terms of Article 49 of LINO, therefore, the same was assailed in the Court of Law in the year 2006, when various retired officers approached the Lahore High Court, Lahore against the said decision of Management and filed petition for revision of their pension in accordance with the State Life Employees (Pension) Regulation, 1986 as amended in 1988.</p> <p>19. The 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>			

CHAIRMAN'S  
INITIALS



MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
	<p>20. The Corporation filed civil appeal in the Supreme Court and the Supreme Court has also set aside the administrative orders of the management and dismissed the appeal on 9<sup>th</sup> February, 2011 with following Directives:-</p> <p><i>"we are surprised as to how the administrative order can override the regulations as per which the respondents are entitled to the pension on the last pay drawn; therefore no error have been pointed out by the appellants counsel in the impugned judgment of the High Court. We have noticed that instead of complying with the order of the High Court, a frivolous appeal has been filed which is hereby dismissed with a special cost of Rs. 5000/- (five thousand) which shall be paid / borne by such officer of the State Life Insurance Corporation of Pakistan from his pocket who is responsible for initiating the present appeal."</i></p> <p>21. Therefore, 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>22. State Life kept pursuing the case of approval of amendment in Pension and Provident Fund Regulation of State Life with the Regulation Wing of Finance Division in order to avail the opportunity of filing the Review Petition on said Order of Supreme Court. Nevertheless, the Regulation Wing declined approval vide Office Memorandum OM No. 4(14) R.4 / 08/ Vol-II dated 12<sup>th</sup> March, 2011 forwarded by the MoC vide letter No. 7(8)/2009-Ins dated 19<sup>th</sup> April 2011 which is reproduced below.</p> <p><i>The undersigned is directed to refer to the correspondence resting with Ministry of Commerce (Insurance Wing)'s O.M No 7(8)/2009-Ins dated: 14-07-2010 on subject noted above and to state that proposal of M/o Commerce for amendments in State Life Insurance Corporation Employees (Pension) Regulation, 1986 with retrospective effect have been considered in Finance Division and it has been observed that the matter has been settled by the Honourable Lahore High Court, Lahore vide its order dated 15-04-2009 in W.P No 9183/06 dated 15-04-2009 which was up held by the Honourable Supreme Court of Pakistan vide its orders dated 09-02-2011 in Civil Appeal No.528/L/2004 (copies enclosed), the Pension Regulation 1986, as amended in 1988, would hold the field for the settlement of pension claims of the employees of the Corporation. Any amendment required to be made in said Regulation would be prospective and not retrospective effect. As regard the applicability of CSRs, the same are not binding on Corporation though Corporation can elect to adopt them.</i></p> <p>23. Since the Supreme Court has set aside the Management's order for freezing of pension and concerned Ministries have also refused to approve the said amendments from retrospective effect therefore, the denoted position entitles approximately 555 other officers, retired upto 29<sup>th</sup> February, 2012 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>		

CHAIRMAN'S  
INITIALS


MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	

24. The estimated amount of difference payable on account of commutation and pension to the pensioners is as following:

- *Estimated amount payable on account of commutation of pension to 555 pensioners would be around Rs. 210 million.*
- *Estimated Monthly increase in pension would be around Rs. 2.5 million per month.*

25. Based on the figures provided by Contributory Provident Fund Department, the Corporation has already paid approximately Rs. 86 million on account of Gratuity and Rs. 155 million on account of Provident Fund (Corporation Contribution) to these 555 retirees. Therefore after the adjustment of Gratuity and PF (Corporation contribution) already paid to these retirees, the Corporation has to pay Rs. 53 million to 261 pensioners and on the other hand Rs. 83 million are recoverable from 294 pensioners approximately on account of Commutation of Pension.

26. Alongwith these retired officers, the decision of Supreme Court is also applicable to all other existing active officers of the Corporation who opted for pension and are in service.

27. The pension liability valuation (Annexure-A to the Memorandum) provided by the Appointed Actuary through Actuarial Division as on 31<sup>st</sup> December 2010 is as follows:

Total Revised Pension Liability	Rs.4,085,955,779/-
Less: Liability under Freezing Scheme of Pension	Rs.2,415,852,134/-
Additional Increase	
Rs.1,670,103,644/-	

28. The net Financial impact of pension liability provided by F&A Division, after adjustment of Provident Fund (Corporation Contribution) and Gratuity balance in respect of existing capacity as on 31-12-2010 comes to Rs.927.716 million (Annexure -B to the Memorandum).

29. The Lahore High Court has directed to resolve the matter within four week's time till 27-03-2012:-

- In light of above, the Board of Directors were requested for approval to settle the cases of approximately 555 officers' retired upto 29-02-2012 (21 already settled as per Court orders) in accordance with Supreme Court Orders and to retire the serving officers on attaining the age of Superannuation i.e 60 years in accordance with Supreme Court Directives i.e Pension Regulation 1986 as amended in 1988.
- The Board of Directors were further requested to approve the modus operandi of the pension scheme for the officers of the Corporation in the light of the Supreme Court's decision or to

CHAIRMAN'S INITIALS





MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
<p>constitute a high powered Committee to deliberate for framing a revised pension scheme in consultation with Appointed Actuary to BOD for the concurrence of Federal Government from a prospective date.</p> <p>30. As regards recovery of Rs. 83 million from 294 pensioners, the Board advised that the undertaking executed by them at the time of their retirement be examined by Legal Consultant and advice be obtained.</p> <p>Action: ED(P&amp;GS) ED(F&amp;A) DH(P&amp;GS) DH(F&amp;A) DH(Legal)</p> <p>31. The Board Members asked the Management to carry out a review of all the State Life cases currently in the court of law to work out the significant liability and its financial impact and necessary provisions be made in the books of accounts or shown as contingent liability.</p> <p>32. After deliberations, the Board resolved as under:</p> <p><b>RESOLVED:</b></p> <p>a) "That the Board directed the Management to implement the decision of the Lahore High Court which was upheld by the Hon'ble Supreme Court and to make payment of pension benefits to retired officers and permanent existing officers as per order passed by the Lahore High Court on 15-04-2009 in accordance with pension benefits which would be paid on the basis of last drawn pay as laid down in State Life Employees (Pension) Regulations, 1986 as amended in 1988."</p> <p>b) "That the recommendation of HR Committee to authorize the Chairman to constitute a Committee comprising of the representatives of Actuarial, F&amp;A, Legal Affairs and P&amp;GS Divisions in consultation with Appointed Actuary to draft a Pension Scheme with prospective effect for the existing officers to be submitted to the Board of Directors as well as Federal Government for approval is hereby approved."</p> <p>c) "That provision in respect of net financial impact of vested pension liability after adjustment of Provident Fund(Corporation contribution) and Gratuity balance in respect of existing capacity as on 31-12-2011 in the books of accounts of State Life is approved. The amount to be provisioned be further confirmed by the External Auditors."</p> <p>d) "That the Legal Affairs Division in coordination with the respective Divisions and the Advocates involved carry out a review of all the existing cases of State Life in the court of law and work out any significant liability that may arise from decisions in such cases and make necessary provision in the books of accounts or record as contingent liability."</p> <p>Action: ED(P&amp;GS) ED(F&amp;A) DH(P&amp;GS) DH(F&amp;A) DH(Legal)</p>			

CHAIRMAN'S  
INITIALS


MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
<p><b>ITEM (3) CONSIDERATION AND APPROVAL OF RECOMMENDATIONS IN MINUTES OF 41<sup>ST</sup> AND 42<sup>ND</sup> MEETINGS OF BOARD AUDIT COMMITTEE HELD ON 25-07-2011 AND 12-03-2012.</b></p> <p>33. The minutes of the 41<sup>st</sup> and 42<sup>nd</sup> meetings of Board Audit Committee held on 25<sup>th</sup> July, 2011 and 12<sup>th</sup> March, 2012 were presented before the Board of Directors for consideration and approval of decisions/recommendations made by the Committee were placed before the Board.</p> <p>34. A copy of the minutes of the 42<sup>nd</sup> meeting duly signed by the Chairman (BAC) and copy of the minutes of 41<sup>st</sup> meeting duly signed by the Chairman State Life and the then Secretary Board Audit Committee Mr. Abdul Hafeez Shaikh to confirm that the minutes were correctly recorded and counter signed by Mr. Husain Lawai present Chairman Board Audit Committee was placed at Annexures-C&amp; D to the Minutes.</p> <p>35. Accordingly, the Board resolved as under:</p> <p><b><u>RESOLVED:</u></b>  <b>"that the minutes of 41<sup>st</sup> and 42<sup>nd</sup> meetings of Board Audit Committee held on 25<sup>th</sup> July, 2011 and 12<sup>th</sup> March, 2012 together with the following observations/recommendations are approved:-"</b></p> <p><b><u>Minutes of the 41<sup>st</sup> meeting of Board Audit Committee:</u></b></p> <ol style="list-style-type: none"> <li>That the recommendation of the Board Audit Committee that the compliance committee set up to deal with pending items of BAC decisions should also sort out (i) Management Letter of External Auditors and address their observations under intimation to BAC and (ii) Audit Paras of the Government Auditors.</li> <li>That pending issues of BAC decisions must be kept in the folder of BAC working papers and the Division concerned must take measures to complete the remaining work on their targeted date under intimation to the BAC.</li> <li>That a calendar of events to watch the progress of compliance of BAC decisions must be prepared and strict vigilance be maintained to remind them on their committed dates.</li> <li>That the quarterly accounts must contain a column for depicting the proportionate budget position for the corresponding period in order to have a financial review of budget and expenditure and any major deviation from the approved budget must be properly explained. The quarterly accounts must be prepared in time and submitted before the BAC for onward transmission to SECP."</li> <li>That flaws pointed out in column f and j by BAC while reviewing the Technical Evaluation Criteria laid down for assessing the tenders for appointment of Consultant and for review and preparation of audit manual must be addressed and the</li> </ol>			

Action:  
DH(IA&C)  
DH(F&A)

CHAIRMAN'S  
INITIALS





MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
	<p>completed file be submitted along with the TORs. Advertisement and tender documents etc. in the next Board Audit Committee.</p> <p>f) The Board agreed with the concern shown by Board Audit Committee on the demand by the Statutory Auditors for increase in fees on renewal of their appointment as renewal is usually made on same rates and conditions.</p> <p>g) The Board agreed with the directives of the BAC to recall the tenders for appointment of auditors and to ensure that one Audit Firm among top audit five firms must be one of State Life Auditors keeping in view the size of business and reputation of the State Life subject to concurrence of Auditor General of Pakistan.</p> <p><u>Minutes of the 42<sup>nd</sup> meeting of Board Audit Committee:</u></p> <p>a) That suggestions for amendments in the existing terms of the reference of Board Audit Committee be presented to the Board of Directors in the next meeting.</p> <p>b) That in the accounts to be presented to the BAC (i) comparative actual figures of each quarter for the current year and that of last year be mentioned (ii) Similar presentation be given for comparing budgeted figures with that of actual performance from next quarter and a special meeting of Board Audit Committee be held with Finance and Accounts Division giving detailed presentation on various heads of accounts and issues, relating to compliance of prescribed regulations applicable to State Life.</p> <p><b>ITEM (4) APPROVAL OF BIDS FOR THE ESTABLISHMENT OF DATA CENTRE.</b></p> <p>36. Divisional Head(IT) presented before the Board, a Memorandum dated 5<sup>th</sup> March, 2012 regarding approval of bids for the establishment of Data Centre</p> <p>37. The Board was informed that the implementation of Pre-packaged software solution (core insurance and ERP) at State Life Insurance Corporation of Pakistan is underway. The Board of Directors (BoD) in its 205<sup>th</sup> meeting held on December 22, 2009 approved budget of Rs.689.87 million for procurement of Hardware, Software, Network Infrastructure and related expense (copy placed at Flag 'A' to the Memorandum). In the 7<sup>th</sup> meeting of IT Steering Committee which was attended by Syed Wahab Mehdi and Mr. Muhammad Aslam Faruque (members of the former Board of Directors) had approved in principle for the establishment of Data Centre in State Life (copy placed at Flag 'B' to the Memorandum). The Board of Directors in the 220<sup>th</sup> BOD meeting held on 30<sup>th</sup> May 2011 endorsed the same decision of IT Steering committee (copy placed at Flag 'C' to the Memorandum).</p>		

CHAIRMAN'S INITIALS



MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	

38. The Data Centre comprising of following components is to be established:

- a. Site Preparation including Civil works at Principal Office Building.
- b. Power Management System
- c. Thermal Management System
- d. Environment Monitoring and Control System
- e. Detection and Suppression System
- f. Mounting of Racks, Accessories and System Integration in Data Centre
- g. Preparation of Network Operation Centre (NOC) in the Data Centre including Access Control System.

39. The Board was informed that as per standard procedure, Tender Document was prepared which contains configuration and details of each component along with general terms & conditions. The criterion for technical and financial evaluation of the bids was set to 60% and 40% respectively by using weighted average formula. As per criterion, firms securing less than 50% points in the technical evaluation are disqualified and their financial bids are not opened. The firm securing highest points (technical and financial combined) is selected. The criterion is compliant with open bidding process of PPRA rules.

40. The advertisement for calling of tender was published in leading newspapers on August 28, 2011; it was also placed on PPRA and State Life websites as per PPRA rules. Tender Document was issued to all interested firms / vendors. A pre-bid session was held on 20<sup>th</sup> Sept. 2011 to discuss/clarify the requirements; it was attended by representatives of fourteen (14) firms. The Central Procurement Committee opened technical Bids on 04.10.2011. Six (6) firms submitted financial and technical bids. The technical evaluation was completed by IT Division on 04.11.2011. Four (4) firms qualified the technical evaluation. Subsequently financial bids of these firms were opened by CPC in the presence of potential bidders already invited on the same day. A comparative statement of the bids containing technical & financial scores on weighted average formula basis is stated below:-


	Name of Bidding Firm	Technical Score (Max.60)	Financial Bid (PKRS)	Financial Score (Max. 40)	Total Score (Out of 100)
1	M/s Innovative (Pvt.) Ltd	60.00	51,136,658	19.90	79.90
2	M/s New Horizon Computers	40.00	33,941,750	40.00	80.00
3	M/s Interactive Convergence (Pvt.) Ltd.	57.42	38,925,000	34.13	91.55
4	M/s CNS Engineering	58.71	43,187,006	29.10	87.81

CHAIRMAN'S  
INITIALS





MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
Action: ED(P&GS) ED(IT) DH(P&GS) DH(IT)	<p>41. The Central Procurement Committee has recommended the bid of M/s Interactive Convergence (Pvt.) Ltd. being lowest evaluated bid having highest score among the bids, for the establishment of Data Centre.</p> <p>42. The Board of Directors is requested to consider and approve the bid of M/s Interactive Convergence (Pvt.) Ltd. at the cost of Rs.38.925 million (Rupees thirty eight million nine hundred twenty five thousands only) for subject assignment.</p> <p>43. After deliberation, the Board resolved as under:</p> <p><b>RESOLVED:</b>            "That since there were certain observations as to cost involved, the Board decided that the financial bid in respect of various components of the Data Centre tendered by State Life be examined by an independent IT Expert and subsequent to which the Memorandum for approval of bid for the establishment of Data Centre be got approved by the Board through circulation."</p> <p><b>ITEM (5) POSITON PAPER ON CURRENT STATUS OF INCREASE IN AUTHORIZED AND PAID UP CAPITAL.</b></p> <p>44. Executive Director (F&amp;A) presented before the Board, a Position Paper dated 6<sup>th</sup> March, 2012 on current status of increase in authorized capital and paid up capital of State Life.</p> <p>45. The Board of Directors in its 215<sup>th</sup> meeting held on 19<sup>th</sup> October, 2010 had approved the proposal to increase the authorized and paid up capital to Rs.3,000 million and Rs.2,500 million respectively. The Board had further directed to refer the matter to the Ministry of Commerce for obtaining concurrence from Finance Division.</p> <p>46. The reason for increase in paid up capital is to comply with the legal requirement of UAE, where State Life operates through its Gulf Zone. Under UAE laws, the paid up capital of insurance companies operating in UAE, should not be less than the AED 100 million (equivalent to Rs.2500 million) vide Resolution No.42 of 2009. The present paid up capital of SLIC is Rs.1100 million which is less than the required amount. The last enhancement in paid up capital of SLIC was done in 2009 vide Notification No.SRO 749(1)2009 dated 22/08/2009 to the tune of Rs.1100 million with the concurrence of the Ministry of Finance.</p> <p>47. The matter was accordingly referred to the Ministry of Commerce vide letter dated 23<sup>rd</sup> November, 2010 with a request to take up the matter with appropriate forum and allow State Life to:</p> <p>a) Increase in authorized capital from Rs.1,500 million to Rs.3,000 million.</p> <p>b) Increase in paid up capital from Rs.1,100 million to Rs.2,500 million in three equal installments after utilizing dividend income for the year 2010 and 2011.</p>		
	<div style="text-align: right;">             CHAIRMAN'S INITIALS   </div>		

MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	

- c) Sanction of grant by Government of Pakistan to State Life to meet any shortfall if dividend income is not sufficient to meet the requirement of paid up capital under UAE laws.

48. The Board was further informed that the Ministry of Finance had advised Ministry of Commerce vide letter dated 19<sup>th</sup> January, 2011 (Annexure-A to the Memorandum) to seek enhancement in paid up capital through ECC of the Cabinet.

49. In the meantime, GoP sanctioned Rs.350 million to State Life to create Health Insurance Fund for providing health and accident insurance cover to people covered under BISP. Finance Division advised that State Life be instructed to release the dividend withheld for the year 2010 and use the amount of grant to raise the capital.

50. State Life desired to have a formal approval from Government of Pakistan to convert the grant into paid up capital. To resolve the issue, a meeting was called on 7<sup>th</sup> February, 2012 by Additional Secretary, Ministry of Commerce wherein representatives from Ministry of Finance, SECP and State Life were invited. The Ministry informed that it will take up the matter with ECC and called for some additional information, which was accordingly provided (Annexure-B to the Memorandum).

51. The present status of the case is that the Ministry of Finance is preparing draft summary for submission to Economic Coordination Committee and requested the Corporation through Ministry of Commerce for furnishing of certain information vide letter dated 6<sup>th</sup> March, 2011 (copy enclosed as Annexure-C to the Memorandum). The reply to the queries raised by Finance Division is under preparation and would be sent immediately after finalization.

52. The above information was noted by the Board.

**ITEM (6) APPOINTMENT OF ADMINISTRATORS/TRUSTEES OF:**

- I) STATE LIFE EMPLOYEES CONTRIBUTORY PROVIDENT FUND
- II) STATE LIFE EMPLOYEES PENSION FUND
- III) STATE LIFE OFFICERS GRATUITY FUND

53. Executive Director (F&A) presented before the Board, a Memorandum dated 6<sup>th</sup> March, 2012 for appointment of Administrators/Trustees of i) State Life Employees Contributory Provident Fund, ii) State Life Employees Pension Fund and iii) State Life Officers Gratuity Fund.

54. The statutory rules of CPF and provisions of Trust Deeds of Pension Fund and Officers' Gratuity Fund provide the number of Administrators and Trustees in all the above stated three employees related funds. The required numbers of administrators/trustees and the existing administrators/trustees are as under:

CHAIRMAN'S  
INITIALS



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



MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	

Details	CPF	Pension Fund	Officers Gratuity Fund
Required	12	5	8
Existing	8	3	5
Deficit	4	2	3

55. The deficit in the number of Administrators/Trustees has occurred due to retirement in the recent past of existing Administrators Mr. Ansar Hussain, Mr. Sohail Hashmi, Mr. M. Yahya Chamadia and Mr. Shahrukh Sabzwari.

56. As per Clause 4 of the State Life Insurance Corporation Employees Contributory Provident Fund Regulations, 1975, Clause 12(b) of the State Life Insurance Corporation Employees Pension Fund and Clause 17(b) of the State Life Officers Gratuity Fund, the power to appoint new Administrator/Trustee is vested in the Board of Directors. Presently, the Board appoints an Administrator or Trustee by name. Therefore, whenever an administrator/trustee retires, the position of administrator/trustee falls vacant and sometimes the funds have to face difficulties in maintaining required quorum.

57. This matter was discussed in meetings of administrators/trustees of all three funds held on 14<sup>th</sup> September, 2011, chaired by ED (F&A). It was recommended in the meetings that Divisional Head/officer at senior level may be appointed as administrators/trustees by designation rather than by name. In the proposed environment, new Divisional Head will become the administrator/trustee of the Fund ex-officio in case of retirement or transfer of an administrator or trustee (copy of minutes attached as Annexure-A to the Memorandum). The relevant fund will issue a notification for this change after obtaining approval from the Chairperson of the fund.

58. In view of the above recommendations of administrators/trustees of three employees related funds, ED(F&A) requested that the Board of Directors to consider and decide the principle of appointment of administrators/trustees as under:-

- i) The Divisional Heads/senior officers of various Divisions, as listed in para 5 (viii) of the Memorandum, may be appointed as administrators/trustees. The appointment may be by designation instead of by name.
- ii) Whenever an administrator/trustee retired or transferred from Principal Office, the succeeding Divisional Head may be allowed to become the administrator/trustee on joining his assignment.

CHAIRMAN'S INITIALS



MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME																																																																																												
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012																																																																																													
<p>iii) In case a Divisional Head, holding the position of administrator/trustee from his own Division, is assigned the dual charge of another Division, the 2nd number in hierarchy in the other Division, not below the grade of AGM, may be allowed to act as Administrator unless a new Divisional Head takes charge</p> <p>iv) Two administrators are nominated by Employees Union in CPF. It is proposed that Secretary of the Fund may be allowed to change the name of administrators representing the Union on the request of Union.</p> <p>v) Since the functions of these funds closely relate to P&amp;GS, F&amp;A and Actuarial Divisions, the Divisional Heads of these Division may compulsorily be the administrator/trustee of all funds.</p> <p>vi) In case an administrator/trustee, other than Divisional Head, retired or transferred from Principal Office, Karachi, the officer taking up his assignment in the same grade be replaced as an administrator/trustee of the funds.</p> <p>vii) In future, any change in the administrator/trustee of the funds may be affected through a notification issued by the Secretary of the relevant fund after obtaining approval from Chairperson of the fund.</p> <p>viii) Composition of administrators/trustees of funds may be as under:</p> <table border="1"> <thead> <tr> <th>Chairperson</th><th>CPF</th><th>Pension Fund</th><th>Officers' Gratuity Fund</th></tr> </thead> <tbody> <tr> <td>ED (F&amp;A)</td><td>1. ED (F&amp;A)</td><td>1. ED (F&amp;A)</td><td>1. ED (F&amp;A)</td></tr> <tr> <td>[by Designation]</td><td>2. DH (F&amp;A)</td><td>2. DH (F&amp;A)</td><td>2. DH (F&amp;A)</td></tr> <tr> <td>Conventionally ED</td><td>3. DH (P&amp;GS)</td><td>3. DH (P&amp;GS)</td><td>3. DH (P&amp;GS)</td></tr> <tr> <td>(F&amp;A) always holds</td><td>4. DH (Act)</td><td>4. DH (Act)</td><td>4. DH (Act)</td></tr> <tr> <td>the position of Chair-</td><td>5. DH (LAD)</td><td>5. DH (LAD)</td><td>5. DH (LAD)</td></tr> <tr> <td>person of all three</td><td>6. DH (Mktg)</td><td></td><td>6. DH (Mktg)</td></tr> <tr> <td>funds, except in rare</td><td>7. DH (PHS)</td><td></td><td>7. DH (PHS)</td></tr> <tr> <td>cases. It is therefore</td><td>8. DH (INV)</td><td></td><td>8. DGM (F&amp;A)</td></tr> <tr> <td>proposed that the</td><td>9. DH (IT)</td><td></td><td></td></tr> <tr> <td>position of Chair-</td><td>10. DGM (F&amp;A)</td><td></td><td></td></tr> <tr> <td>person of Funds may</td><td>11. Union's Rep</td><td></td><td></td></tr> <tr> <td>be assigned to ED</td><td>12. Union's Rep</td><td></td><td></td></tr> <tr> <td>(F&amp;A) by designation</td><td></td><td></td><td></td></tr> <tr> <td>and not by name.</td><td></td><td></td><td></td></tr> <tr> <td>Whenever a new ED is</td><td></td><td></td><td></td></tr> <tr> <td>assigned the portfolio</td><td></td><td></td><td></td></tr> <tr> <td>of F&amp;A, he may</td><td></td><td></td><td></td></tr> <tr> <td>become Chairperson of</td><td></td><td></td><td></td></tr> <tr> <td>all funds after taking</td><td></td><td></td><td></td></tr> <tr> <td>formal approval from</td><td></td><td></td><td></td></tr> <tr> <td>Chairman.</td><td></td><td></td><td></td></tr> <tr> <td>Secretary of the Fund</td><td>DGM (F&amp;A)</td><td>DGM (F&amp;A)</td><td>DGM (F&amp;A)</td></tr> </tbody> </table>				Chairperson	CPF	Pension Fund	Officers' Gratuity Fund	ED (F&A)	1. ED (F&A)	1. ED (F&A)	1. ED (F&A)	[by Designation]	2. DH (F&A)	2. DH (F&A)	2. DH (F&A)	Conventionally ED	3. DH (P&GS)	3. DH (P&GS)	3. DH (P&GS)	(F&A) always holds	4. DH (Act)	4. DH (Act)	4. DH (Act)	the position of Chair-	5. DH (LAD)	5. DH (LAD)	5. DH (LAD)	person of all three	6. DH (Mktg)		6. DH (Mktg)	funds, except in rare	7. DH (PHS)		7. DH (PHS)	cases. It is therefore	8. DH (INV)		8. DGM (F&A)	proposed that the	9. DH (IT)			position of Chair-	10. DGM (F&A)			person of Funds may	11. Union's Rep			be assigned to ED	12. Union's Rep			(F&A) by designation				and not by name.				Whenever a new ED is				assigned the portfolio				of F&A, he may				become Chairperson of				all funds after taking				formal approval from				Chairman.				Secretary of the Fund	DGM (F&A)	DGM (F&A)	DGM (F&A)
Chairperson	CPF	Pension Fund	Officers' Gratuity Fund																																																																																												
ED (F&A)	1. ED (F&A)	1. ED (F&A)	1. ED (F&A)																																																																																												
[by Designation]	2. DH (F&A)	2. DH (F&A)	2. DH (F&A)																																																																																												
Conventionally ED	3. DH (P&GS)	3. DH (P&GS)	3. DH (P&GS)																																																																																												
(F&A) always holds	4. DH (Act)	4. DH (Act)	4. DH (Act)																																																																																												
the position of Chair-	5. DH (LAD)	5. DH (LAD)	5. DH (LAD)																																																																																												
person of all three	6. DH (Mktg)		6. DH (Mktg)																																																																																												
funds, except in rare	7. DH (PHS)		7. DH (PHS)																																																																																												
cases. It is therefore	8. DH (INV)		8. DGM (F&A)																																																																																												
proposed that the	9. DH (IT)																																																																																														
position of Chair-	10. DGM (F&A)																																																																																														
person of Funds may	11. Union's Rep																																																																																														
be assigned to ED	12. Union's Rep																																																																																														
(F&A) by designation																																																																																															
and not by name.																																																																																															
Whenever a new ED is																																																																																															
assigned the portfolio																																																																																															
of F&A, he may																																																																																															
become Chairperson of																																																																																															
all funds after taking																																																																																															
formal approval from																																																																																															
Chairman.																																																																																															
Secretary of the Fund	DGM (F&A)	DGM (F&A)	DGM (F&A)																																																																																												

CHAIRMAN'S  
INITIALS




MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	

59. Accordingly, the Board resolved as under:

**RESOLVED:**

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

(a) "That as suggested by ED(F&A) on the recommendation of Administrators/Trustees of State Life Insurance Corporation Employees Contributory Provident Fund(CPF), Pension Fund and Officers Gratuity Fund, the composition of Administrators/Trustees of Funds as under is approved:-

Chairperson	CPF	Pension Fund	Officers' Gratuity Fund
ED (F&A)	13. ED (F&A)	6. ED (F&A)	9. ED (F&A)
[by Designation]	14. DH (F&A)	7. DH (F&A)	10. DH
Conventionally ED	15. DH (P&GS)	8. DH(P&GS)	(F&A)
(F&A) always holds	16. DH (Act)	9. DH (Act)	11. DH
the position of Chair-	17. DH (LAD)	10. DH	(P&GS)
person of all three	18. DH (Mktg)	(LAD)	12. DH (Act)
funds, except in rare	19. DH (PHS)		13. DH
cases. It is therefore	20. DH (INV)		(LAD)
proposed that the	21. DH (IT)		14. DH
position of Chair-	22. DGM (F&A)		(Mktg)
person of Funds may	23. Union's Rep		15. DH (PHS)
be assigned to ED	24. Union's Rep		16. DGM
(F&A) by designation			(F&A)
and not by name.			
Whenever a new ED			
is assigned the			
portfolio of F&A, he			
may become			
Chairperson of all			
funds after taking			
formal approval from			
Chairman.			
Secretary of the Fund	DGM (F&A)	DGM (F&A)	DGM (F&A)

(b) "That as suggested by ED(F&A) on the recommendation of Administrators/Trustees of State Life Insurance Corporation Employees Contributory Provident Fund(CPF), Pension Fund and Officers Gratuity Fund the following is approved:

- i) Whenever an administrator/trustee retires or is transferred from Principal Office, the succeeding Divisional Head would become the administrator/trustee on joining his assignment.
- ii) In case a Divisional Head, holding the position of administrator/trustee from his own Division, is assigned the dual charge of another Division, the 2nd number in hierarchy in the other Division, not below the grade of AGM, will act as Administrator unless a new Divisional Head takes charge
- iii) Two administrators are nominated by Employees Union in CPF. As proposed Secretary of the Fund is allowed to change the name of administrators representing the Union on the request of Union.

CHAIRMAN'S  
INITIALS




MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
<p>iv) Since the functions of these funds closely relate to P&amp;GS, F&amp;A and Actuarial Divisions, the Divisional Heads of these Division would compulsorily be the administrator/trustee of all funds.</p> <p>v) In case an administrator/trustee, other than Divisional Head, retires or is transferred from Principal Office, Karachi, the officer taking up his assignment in the same grade would replace him as an administrator/trustee of the funds.</p> <p>vi) In future, any change in the administrator/trustee of the funds would be effected through a notification issued by the Secretary of the relevant fund after obtaining approval from Chairperson of the fund.</p> <p>ITEM (7) POSITION PAPER ON APPOINTMENT OF STATUTORY AUDITORS FOR AUDIT OF ACCOUNTS FOR THE YEAR ENDING 31<sup>ST</sup> DECEMBER, 2011.</p> <p>60. A copy of the Position Paper dated 8<sup>th</sup> March, 2012 submitted by ED(F&amp;A) to the Board Audit Committee in its 42<sup>nd</sup> meeting held on 12<sup>th</sup> March, 2012 regarding appointment of Statutory Auditors for the year ending 31<sup>st</sup> December, 2011 was circulated also to the Members of the Board for their perusal. The paper contained latest position of matter as well as steps taken to implement the directives of Board Audit Committee and Board of Directors, given in their meetings held on 25<sup>th</sup> July, 2011.</p> <p>61. The Board had issued directives at its 221<sup>st</sup> meeting held on 25<sup>th</sup> July, 2011 as follows which has been complied with by the F&amp;A Division:-</p> <ul style="list-style-type: none"> <li>• Concurrence has been received from Auditor General of Pakistan through MOC regarding appointment of auditors for Pakistan business whereas the concurrence is not required for operation outside Pakistan.</li> <li>• A letter has been written to the Ministry of Commerce on 2<sup>nd</sup> March, 2012 seeking guidance as to whether the Auditor Fee can be revised at the time of renewal of each audit year though the appointment is for a period of five years. PPRA authorities have informed that since the auditors have been appointed under Government policy, the relevant department i.e. the Ministry of Commerce be approached.</li> <li>• SECP restricts all Insurance Companies to appoint auditors from its list of A-rated and B-rated firms of Chartered Accountants and to that effect a circular dated 23<sup>rd</sup> February, 2012 listing out the names of firms has been issued.</li> </ul>			

CHAIRMAN'S  
INITIALS




MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME																				
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012																					
Action: ED(F&A) DH(F&A) DH(IA&C)	<ul style="list-style-type: none"> <li>A letter dated 11<sup>th</sup> August, 2011 has been written to the Ministry of Commerce seeking guidance as to whether the concurrence of the Auditor General of Pakistan is required to be obtained after approval of the Auditors by the Board of State Life.</li> <li>The State Life auditors have been appointed for the year 2011 with the same fees as was allowed for the year 2010.</li> </ul>																						
	62. The above information has been noted by the Board.																						
	ITEM (8) <u>ANY OTHER ITEM WITH THE PERMISSION OF THE CHAIR.</u>																						
	(I) <u>DONATION OF VARIOUS ITEMS TO FLOOD AFFECTED PEOPLE</u>																						
	63. Executive Director (P&GS) presented before the Board, a Memorandum dated 13 <sup>th</sup> March, 2012 regarding donation of various items to flood affected people of Sindh.																						
	64. The flood and rains havoc occurred in the month of August 2011 had massively disturbed the lives of the people as well as made them shelter less and also resulted in loss of human lives. The affected people remained without any food stuff and other life sustaining items.																						
	65. In order to fulfill the duty of Social Responsibility, the State Life Insurance Corporation of Pakistan arranged donations for distribution of essential items amongst Flood Affected People of Sindh, by incurring a total expenditure of Rs.922,782/- as detailed below:																						
	<table> <tr> <th>S.No.</th><th>Item</th><th>Suppliers</th><th>Amount</th></tr> <tr> <td>1.</td><td>Food Bags</td><td>M/s. Imtiaz Super Store</td><td>Rs.452,782/-</td></tr> <tr> <td>2.</td><td>Tents(complete)</td><td>M/s. Ever Shine Canvas</td><td>Rs.440,000/-</td></tr> <tr> <td>3.</td><td>Mosquito Nets</td><td></td><td>Rs. 30,000/-</td></tr> <tr> <td></td><td></td><td>Total</td><td>Rs.922,782/-</td></tr> </table>			S.No.	Item	Suppliers	Amount	1.	Food Bags	M/s. Imtiaz Super Store	Rs.452,782/-	2.	Tents(complete)	M/s. Ever Shine Canvas	Rs.440,000/-	3.	Mosquito Nets		Rs. 30,000/-			Total	Rs.922,782/-
S.No.	Item	Suppliers	Amount																				
1.	Food Bags	M/s. Imtiaz Super Store	Rs.452,782/-																				
2.	Tents(complete)	M/s. Ever Shine Canvas	Rs.440,000/-																				
3.	Mosquito Nets		Rs. 30,000/-																				
		Total	Rs.922,782/-																				
	66. The procurement of items in question, had been arranged through prescribed procedures to ensure economy in expenditure as much as possible. The Chairman, State Life has accorded the approval subject to obtaining of ex-post facto approval by the Board of Directors.																						
	67. After deliberation, the Board resolved as under:-																						
	<b>RESOLVED:</b>																						
Action: ED(F&A) ED(P&GS) DH(F&A) DH(P&GS)	a) "That as mentioned in the Memorandum of ED(P&GS) and as directed by the Chairman at the time of incurring of expenditure, post facto approval of donation of various items mentioned in the Memorandum to the flood affected people of Sindh costing Rs.922,782/- is hereby given."																						
	<div style="text-align: right;">CHAIRMAN'S INITIALS</div> 																						

MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	

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

- b) "That F&A Division should submit chart and guidelines of delegation of financial powers to the Board for approval at its next meeting."

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

- c) "That P&GS Division should review the existing manual of administrative powers and submit a revised manual of administrative powers with suggested amendments to the Board for approval at its next meeting."

68. The meeting ended with vote of thanks to the chair.



(CHAIRMAN)

CHAIRMAN'S  
INITIALS





MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	

Annexure-A

**MINUTES OF 8<sup>TH</sup> MEETING OF THE  
HUMAN RESOURCES COMMITTEE  
HELD ON 24<sup>TH</sup> OCTOBER, 2011.**

The 8<sup>th</sup> meeting of the Human Resources Committee of the Board of Directors of State Life Insurance Corporation of Pakistan was held on 24<sup>th</sup> October 2011 at 11.30 a.m. in the Board Room, State Life Building No. 9, Principal Office, Karachi.

2. The following attended the meeting:

Mr. Shahid Aziz Siddiqi	Chairman (Audio Conference Call)
Mr. Rasheed Y. Chinoy	Director
Mr. Shahid Rahim Shaikh	Director
Mr. Abdul Hafeez Shaikh	ED (P&GS) / Member

Mrs. Yasmeen Saud      Executive Director (F&A) attended the meeting for presentation of item # (i) & (ii) of Other Items i.e. (i) Revision in Cash Handling Allowance and (ii) Introduction of Intern-ship Scheme for students of Accounting Professional Bodies.

Mr. Muhammad Rashid      Divisional Head (F&A) attended the meeting on special invitation.

Mr. Mohsin Abbas      DGM (P&GS) attended the meeting in absence of Mr. Attaullah A. Rasheed Secretary Human Resource Committee

Leave of absence

Mr. Attaullah A. Rasheed      DH (P&GS) / Secretary Human Resource Committee

3. Meeting started with the Recitation of Holy Quran at 11:30 am (the scheduled time of the meeting was changed with mutual consent of the members).

4. The members offered fatiha upon the said demise of late Nusrat Bhutto. The members also offered their heartfelt condolences to the Bhutto family. It was explained that since the meeting was scheduled and members were also arrived therefore keeping in view the public interest the meeting was not postponed.

**ITEM (01) CONFIRMATION OF MINUTES OF 7<sup>th</sup> MEETING OF HUMAN RESOURCES COMMITTEE HELD ON 21<sup>ST</sup> JUNE 2011.**

5. The minutes of 7<sup>th</sup> meeting held on 21<sup>st</sup> June 2011 were placed before the Committee.

6. The Committee unanimously confirmed the minutes.

CHAIRMAN'S  
INITIALS



**MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS**

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
<p>ITEM (02) <u>IMPLEMENTATION REPORT OF 7<sup>TH</sup> MEETING OF HUMAN RESOURCES COMMITTEE HELD ON 21<sup>ST</sup> JUNE 2011.</u></p> <p>7. While examining the progress of compliance and action taken with regard to implementation of 7<sup>th</sup> meeting, members expressed their satisfaction on the issuance of following orders:</p> <p>i. "Order No: P&amp;GS/PO/236/2011 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>ii. "Order No: P&amp;GS/PO/237/2011 regarding Pay Fixation 1998".</p> <p>8. While reviewing the implementation report the committee directed to enclose the extract of the BoD minutes or any other rule where ever referred in the memos / Reports.</p> <p>9. further the point no. 11 and 12 of implementation report were amended as follows:</p> <p style="text-align: center;"><b>(11) <u>Club Membership For officers Approved in 219<sup>th</sup> Meeting</u></b></p> <p>10. The Committee did not agree with the proposal and has not recommended the same to the Board. It was advised that Club Membership be obtained on Corporate Basis. Chairman may nominate the name of the respective officers and it shall continue until the respective officer hold the charge of that office or remains with the Corporation and It will be treated as part of his perks. Upon repatriation or on leaving the Corporation, the membership shall be withdrawn.</p> <p>11. The monthly subscription charges, wherever applicable to keep the membership intact shall also be borne by the Corporation. Other charges will be paid by the officer himself.</p> <p>12. The facility is by designation for General Managers and above extended for the officers on deputation of the same designation as well.</p> <p style="text-align: center;"><b>(12) <u>Re-Structuring of Legal Affair Division</u></b></p> <p>13. It was informed to the committee that Legal Affair Division is in the process of finalization of examination paper applications were received from interesting candidates for the advertised post of Manager Legal one at PO and one at each of the four Regional Offices that would be conducted by the Corporation. The committee directed to avoid any expected future litigation and to keep transparency in the hiring process, the job may be outsourced to some professional agency to conduct the exercise and recommend the candidates to the Corporation, ranking wise.</p> <p>ITEM (03) <u>AMENDMENT IN RULE-32 OF THE REVISED LEAVE RULES 1989 FOR OFFICERS OF STATE LIFE</u></p> <p>14. The HR Committee of the Board recommended that the proposal of D.H.(P&amp;GS) contained in the Memorandum "Amendment in Rule-32 of the Revised Leave Rules 1989 for officers of State Life" referred to the Board of Directors in its 221<sup>st</sup> meeting.</p> <p>15. The Board of Directors resolved as an under:-</p> <p style="text-align: center;"><i>"That the recommendation of HR Committee for approval of the proposal of DH (P&amp;GS) for Amendments in Rule-32 of the Revised Leave Rules 1989 for officers of State Life was not approved, however P&amp;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 modification."</i></p>			

CHAIRMAN'S  
INITIALS

*[Handwritten Signature]*



**MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS**

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
<p>16. As disability leave upto 720 days is already available in the State Life Revised Leave Rules for officer. However, it may be noted that the Disability Leave (SLIC Revised Leave Rule No.12 1989 for Officers) does not provide over all coverage of ailments to all the officers of the Corporation in normal conditions. Therefore, it is proposed that the relevant Rule 12 may further be improved so as to include all such situations in which the ailment due to chronic diseases like tuberculosis, cancer, heart diseases etc. may be covered in normal way for those officers who have no sufficient leave at their credit</p> <p>17. Accordingly, it was resolved as under</p> <p><b><u>RESOLVED:</u></b></p> <p>"that the proposal be resubmitted with detailed information about the Medical leave Rules of Federal Government which are too much liberal with comparison of existing Leave Rules of the Corporation and proposed amendments, if any".</p> <p><b>ITEM (04) <u>APPEAL FOR RELEASE OF WITHHELD INCREMENT(S) AND BONUS(ES) DUE TO DISCIPLINARY PROCEEDINGS - AMENDMENT IN SERVICE REGULATION</u></b></p> <p>18. As per State Life Employees (Service) Regulations, 1973 suspended employees who were awarded punishments for being misconduct are not allowed Annual Grade Increments after obtaining approval from the Competent Authority. Relevant Regulations are reproduced below:</p> <p>Regulation 18(2): <i>Increment is subject to an employee service being satisfactory, the increment shall be granted to him on the date of accrual as aforesaid under the orders of the officers designated in this behalf.....</i></p> <p>Regulation 32(3): <i>*The order of the suspension shall be in writing and shall take effect immediately on being sent to the employee by hand or by registered post at his last known address. During the period of suspension, the employee shall be paid a subsistence allowance equal to fifty per cent of his pay. <u>If the employee is found not guilty, he shall be deemed to have been on duty during the period of suspension and shall be entitled to the same pay as he would have received if he had not been suspended.</u></i></p> <p>*This portion of Service Regulation has been amended in 184<sup>th</sup> meeting of Board of Directors held on 15.03.2006 now full salaries are being paid during suspension vide Memorandum No. PL-1(26) dated 22.05.2006.</p> <p>19. Following Employees were prosecuted in Sukkur fraud case and awarded punishments and they were not allowed Annual Grade Increments and bonuses for the years 2006 to 2009:</p> <p>(i) * Mr. Abdul Ghaffar Shaikh the then Deputy Manager Sukkur now Manager</p> <p>(ii) ** Mr. Taimoor Ahmed the then Deputy Manager Sukkur now Assistant Manager</p> <p>(iii) ** Mr. Sikandar Ali Memon the then Deputy Manager Sukkur now Assistant Manager</p> <p>(iv) **Mr. Fazal Karim Shaikh the then Assistant Manager Sukkur Zone</p>			

CHAIRMAN'S  
INITIALS

*[Handwritten Signature]*

MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
<p>* He was awarded penalty of Reduction to a lower pay scale by the Competent Authority i.e Chairman, State Life. The Appellate Authority i.e Secretary Commerce reduced the punishment to withholding promotion for one year from the date of suspension.</p> <p>** They were awarded punishment of Demotion to lower posts by the then Competent Authority i.e. Chairman. Appeals are pending before the Appellate Authority i.e. Secretary Commerce. They have also filed appeals in the FST Karachi</p> <p>20. Officers mentioned above, filed petition in the Court of Law for redressal of their grievances i.e not allowing increments and bonuses during disciplinary proceedings. They are alleging for violation of Government instructions and Fundamental Rules. They have also pleaded in the court that after awarding punishment, not allowing increment(s) and bonuses are construed as double punishment, which is against the principal of natural justice.</p> <p>21. On the directives of Sindh High Court (Sukkur Bench) amount equal to increments and bonuses i.e. more than Rs.10 Lacs was deposited in Sindh High Court (Sukkur Bench) till the decision of the case. Adjudication is pending.</p> <p>22. Finance Division (Regulation wing)'s Notification dated 02.08.1993 states as under :</p> <p><i>"(b) In the case of a Government servant under suspension, other than that specified in clause (a), he shall be entitled to full amount of his salary and all other benefits and facilities provided to him under the contract of service, during the period of his suspension"</i></p> <p>Fundamental Rules states as under :</p> <p><i>"FR 53. (b) In the case of a Government servant, other than that specified in clause (a) he shall be entitled to subsistence grant comprising of full pay and allowances last drawn by him immediately before his suspension and all other benefits and facilities enjoyed by him as part of his service conditions prior to such suspension; and</i></p> <p><i>FR 55 leave may not be granted to a government servant under suspension."</i></p> <p>23. On Departmental appeal of Mr. Ghulam Rasool Shaikh against the decision of the then Competent Authority, who was also prosecuted in the Sukkur fraud case, the Appellate Authority passed the following observations.</p> <p><i>"However, denial of increments and disqualification for promotion of the appellant by SLIC for having been punished with 'Censure' are neither supported by relevant law nor by principle of natural justice. Under treated as leave nor a suspended official could be denied of the salary and all other benefits / facilities as were allowed to him under his contract of service. The appellant is therefore, legally entitled to increments accrued during the period of his suspension from 2005 to 2008.</i></p> <p>24. The honorable Supreme Court in its decision, Shariat Appeal No. 4 and 6 of 1991 decided on 15.2.1993, reported in PLD 1994, reproduced as under:-</p> <p><i>"The learned Federal Shariat Court has allowed the Government to deprive a suspended Government Servant from other facilities provided to him like residential orderly, telephone etc. but we do not find any reason to differentiate between the salary and the benefits he is entitled to under contract of Service. Once it is accepted that he is a Government servant must be allowed all the benefits he deserves under the contract of service like any other Government servant. Therefore we do not agree with the Federal Shariat Court in this respect and we hold that Rule 53 of the Fundamental Rules and the rule mentioned in St. No. 106 and all</i></p>			

CHAIRMAN'S  
INITIALS




**MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS**

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
<p><i>the parallel rules of the Provinces are repugnant to the Injunctions of Islam as laid down in the Holly Quran and the Sunnah of the Holy Prophet (p.b.u.h.) to the extent that the deprive Government servants of their fully salary and other benefits during the period of their suspension. A suspended Government servant should be allowed full amount of his salary and all other benefits and facilities provide to him under the contract of service. Necessary amendment in the rules should be carried out before 30<sup>th</sup> of june, 1993, on which date this Judgment shall direct. The rules declared in this Judgment as repugnant to the Injunctions shall cease to have effect on 30<sup>th</sup> june, 1993. With this modification in of the Federal Shariat Court these appeals are hereby dismissed.</i></p> <p>25. It was pertinent to mention that normally disciplinary proceeding cases are finalized within 5-6 months thus increments do not affect. Disciplinary proceedings against the officials prosecuted in Sukkur fraud could not be finalized as Special Audit for Sukkur Zone was being carried out on the directives of NAB Sindh. Their cases were decided after 5 years when Special Audit for the last 10 years was completed and quantum of embezzled amount was determined. Recovery suit was filed in the local court of Sukkur.</p> <p>26. In view of Finance Division's Notification, Fundamental Rules and decision of Apex Court it appears that Regulation 18(2) and 32(3) are not in conformity with the instructions of Finance Division, Fundamental Rules and decision of Apex Court. It is also discrimination that an employee punished in the same case has given increments and rest are deprived.</p> <p>27. The Members of the HR Committee of the Board were requested to consider the following for its recommendation to the Board of Directors.</p> <p>i. Amendment in Service Regulations No. 18(2) i.e. the following sentence may be added in the last line of Regulation 18(2).</p> <p style="padding-left: 40px;">No increment(s) shall be withheld or disallowed unless employee is awarded punishment by the Competent Authority after adopting laid down procedure. This will effect from 1.1.2006.</p> <p>ii. Reconsider the refusal of payment of bonuses, the then Executive Director (P&amp;GS) not allowed bonuses as it was a performance based bonus they were not the team performed during the period.</p> <p>iii. Or, wait for the court decision as mentioned above.</p> <p>28. Accordingly, it was resolved as under:</p> <p><b>RESOLVED:</b> "that the Committee did not agree with the proposal and referred back the proposal to the Management with the advice to re-examine the case and check that up to what extent the violation of the Court orders were committed and if any violation were happened then why it was not corrected through administrative orders?</p> <p>Moreover, the committee is also of the view that after reconsideration it may only be brought to the committee if any change in regulation is desired and the proposed change in regulation would be prospective not retrospective."</p> <p>ITEM (05) <u>DOCUMENTATION OF COMPENSATION AND BENEFITS ALLOWED TO EACH CADRE OF OFFICERS FOR CONSIDERATION OF REVISED ALLOWANCE AND PERKS FOR THE FOLLOWING:</u></p> <p>a) <u>REVISION OF AMOUNT OF UTILITY ALLOWANCE FROM RS. 25,000/- TO RS. 35,000/- TO THE CHAIRMAN, RS. 15,000/- TO RS. 25,000/- TO EXECUTIVE DIRECTORS</u></p>			

CHAIRMAN'S  
INITIALS

*[Handwritten Signature]*

**MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS**

DIRECTORS MINUTE BOOK	HELD AT KARACHI	ON 14 <sup>TH</sup> MARCH, 2012	TIME
<p>b) <u>REVISION IN PERQUISITES TO THE EXECUTIVE DIRECTORS OF STATE LIFE INSURANCE CORPORATION OF PAKISTAN</u></p> <p>c) <u>CLUB MEMBERSHIP FOR OFFICERS APPROVED IN 219<sup>TH</sup> BOARD OF DIRECTORS MEETING</u></p> <p>29. The HR Committee of the Board in its 7<sup>th</sup> meeting held on 27<sup>th</sup> June, 2011 recommended the proposals of DH (P&amp;GS) for approval of the Board contained in the Memorandums:</p> <p>(a) Revision of amount of Utility Allowance from Rs. 25,000/- to Rs. 35,000/- to the Chairman, Rs. 15,000/- to Rs. 25,000/- to Executive Directors,</p> <p>(b) Revision in Perquisites to the Executive Directors of State Life Insurance Corporation of Pakistan. Further both the matters discussed in 221<sup>st</sup> meeting of the Board held on 25-07-2011 and resolved that P&amp;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 the HR Committee for information where additional facilities are requested and</p> <p>(c) In 219<sup>th</sup> meeting of the Board of Directors held on 22-04-2011 the matter on "Club Membership for Officers" was approved. Further, the matter discussed in 221<sup>st</sup> meeting of the Board held on 25-07-2011 and resolved that P&amp;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 the HR Committee after examining all relevant aspects of Club Membership facilities to officers of the Corporation earlier approved by the Board at its 219<sup>th</sup> 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 the condition of second year stay with Corporation for officers on deputation as proposed by ED(P&amp;GS) in his position paper of 22-07-2011.</p> <p>30. In compliance with decision of the Board, complete documentation of compensation and benefits allowed to EDs, the Chairman and each cadre of employees within the Organization were prepared and submitted to the members of the HR Committee.</p> <p>31. The matter was placed before the HR Committee of the Board for consideration and placing the position to the Board.</p> <p>32. Accordingly, it was resolved as under:</p> <p><b><u>RESOLVED:</u></b></p> <p>"the Committee resolved that:</p> <p>(a) the revision of Utility Allowance from Rs. 25,000/- to Rs.35,000/- for the Chairman and from Rs.15,000/- to Rs.25,000/- to Executive Directors is hereby recommended to the Board for Approval".</p> <p>(b) the committee did not agree with the proposal and Mr. Rasheed Y. Chinoy recorded his reservations and explained that as per prevailing Income Tax regulations any change in accounting policy needs to be reflected in final accounts and proposed change in accounting policy cannot be made without the approval of concerned Ministry. Therefore, the proposal cannot be recommended to Board. Furthermore, the proposal for provision of one AC, one fridge or one AC, one TV of identical amount is recommended to the Board for approval."</p>			

CHAIRMAN  
INITIALS

*[Handwritten Signature]*



MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	

(c) the Issue was deliberated while considering the implementation report. It may be dealt as resolved in agenda item no 2."

ITEM (06) APPEAL OF MR. SIDDIQUE AKBER AGAINST THE DECISION OF COMPETENT AUTHORITY

33. The members of the Human Resource Committee were requested to consider the representation 24.08.2011 of Mr. Siddique Akbar in the light of the decision taken by the Competent Authority.

34. Accordingly, it was resolved as under:

RESOLVED:

"that the Committee deferred the matter due to time constraint till next meeting of the HR Committee of the Board."

ITEM (07) MODIFICATION IN PROMOTION CRITERIA WITH RESPECT OF QUALIFICATION MATTER

35. The Board of Directors in its 183<sup>rd</sup> meeting held on 15-11-2005 approved following criteria for promotion.

Promotion Criteria	Rating / Marks
ACRs	50
Seniority	35
Qualification	10
Interview / Suitability	10
Total Marks	100

36. Further bifurcation of ten (10) marks / rating allocated to Qualification is as under:

Details of Qualification	Marks / Rating
Graduation	1
Post-Graduation	3
FLMI, ACII	2
Total Marks	5

37. In the Promotion Exercise carried out in the year 2009 – 10 in respect of officers the qualification of MBBS / BE was inadvertently treated at par with Academic qualification of Graduation, thus all officers possessing such qualification were awarded with '1' mark, which caused them reduction in overall rating and some of the officers lost promotion opportunity.

38. It has been observed that above practice is in contravention with HEC notification No. 3-1/HECA&A/2006/75 dated 14-01-2006, according to which the HEC recognizes degree of MBBS / BE / B. Sc. Engg. / B. Sc. (Hons) / B. Pharm. / BS (IT) / BBA (Hons.) and LLB or equivalent held after 4 year / 8 semesters of studies.

39. It was, therefore, felt appropriate to bring the matter in the notice of the HR Committee of the Board of Directors for perusal and recommending modifications in the existing practice and treating above qualification at par with Post graduate qualification and awarding marks / rating, accordingly, while considering employees for promotions.

40. Accordingly, it was resolved as under:

CHAIRMAN'S  
INITIALS

*[Signature]*

MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	

RESOLVED:

"that the modification in Promotion Criteria was recommended to the Board of Directors for its approval because it is in line with the Higher Education Commission (HEC) directives as MBBS and B.E. are at par to Masters degree."

ITEM (08) EMPLOYMENT OF CHILDREN OF DECEASED EMPLOYEES (Under P.M's Assistance Package).

41. Upon recommendations given by HR Committee in its 6<sup>th</sup> meeting held on 21-03-2011, the Board of Directors in its 219<sup>th</sup> meeting held on 22-04-2011 & 25-04-2011, resolved as under:

*"The contractual employment under Prime Minister's Assistance Package for sons / daughters of the deceased employees would be attended to by the HR Committee on case to case basis as and when applied by son / daughter of deceased employees and recommendation submitted to the Board."*

42. In compliance with decision of Board of Directors a Committee comprising of following Officers was constituted to examine applications / cases of children of deceased employees received for employment under Prime Minister's Assistance Package announced vide Establishment Division O.M. No. 7/40/2005-E.2 dated 13-06-2006

Divisional Head (P&GS)	Convener
Divisional Head (F&A)	Member
Divisional Head (LAD)	Member
Divisional Head (PHS)	Member
Deputy General Manager (P&GS)	Secretary

43. The meeting of Committee was convened on 26-09-2011. The Committee was apprised as under:

- i. In the light of above referred BoD decision, eligibility criteria, procedure for applications as well as applications were called through Office Order No. P&GS/PO/211/2011 from children of deceased employees who died during service on 13<sup>th</sup> June 2006 or later.
- ii. Only one son / daughter will be provided employment opportunity commensurate with his qualification.
- iii. Out of total of twenty five (25) applications received so far, six (6) were ineligible because either the date of death of deceased employee was prior to 13<sup>th</sup> June 2006 or the applicant's brother / sister was already working in State Life.

44. The Committee examined the nineteen (19) eligible cases and observed following:

CHAIRMAN'S  
INITIALS





MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
<p>i. Out of total nineteen (19) eligible cases, two applicants were under-matric, thus they were also not eligible for employment as minimum qualification required for employment in State Life is Matric.</p> <p>ii. Authenticity of documents / information submitted by applicant was required to be verified jointly by In-charges (P&amp;GS) and (IA&amp;C) posted at concerned station.</p> <p>iii. Respective Zonal Head may be asked to submit a certificate that no brother / sister of applicant is working in State Life.</p> <p>iv. Medical Declaration Form, in original, submitted by deceased employee during his period of service may be called from his last place of posting.</p> <p>45. In the light of above, the HR Committee of the Board was requested to authorize Committee, referred above, to finalize the cases for employment after obtaining necessary information / verification.</p> <p>46. Accordingly, it was resolved as under:</p> <p><u>RESOLVED:</u></p> <p>"Since these are the Government Directives, therefore, the Committee is of the view that it does not require approval of the Board. The matter shall be decided in accordance with the Government policy. Therefore, P&amp;GS Division should deal accordingly."</p> <p>ITEM (09) <u>PAY PROTECTION CRITERIA FOR IN-HOUSE SELECTED CANDIDATES DURING 2010</u></p> <p>47. At the time of in-house selection for the post published / announced in officer cadre, the staff / officers selected for elevation were recruited at the initial pay of their respective grades due to which incumbents having long association with the Corporation suffers financially due to difference in pay structures of officers and staff cadre. Therefore keeping in view the above their basic pay was protected along with their past services vide Office Order No: P&amp;GS/PO/289/2011 dated 12-10-2011.</p> <p>48. Even after the protection of basic pay, some staff members who were selected during 2010 suffer with heavy monetary losses in salaries. It is also unjustified that if our staff who served the Corporation for such longer period be deprived and have to face such financial loss upon elevation. Moreover the motive behind the elevation has also lost its importance.</p> <p>49. Such issues were arose in the year 2000, the then management decided to revise the pay structure of officers and a handsome portion of house rent allowance i.e 35% of basic pay was merged in the pay scales of officers and the house rent allowance was reduced in the same proportion i.e from 75% to 40%.</p> <p>50. Due to the revision of pay structure of officers, this anomaly start arising and the staff elevated from other than superintendent cadre to officer cadre having long association with the Corporation face handsome financial loss due to reduction / withdrawal of various allowance and scale adjustment.</p> <p>51. It is pertinent to mention that the salary of staff promoted from Superintendent to Assistant Manager is protected under CBA Agreement 1995-96 but the staff other than</p>			

CHAIRMAN'S  
INITIALS


MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	

superintendent does not have that privilege at the time of their promotion / elevation to officer grade rather only their basic pay were protected.

52. It was therefore proposed that salaries of above referred staff members appointed during in-house selection process in 2010 may be allowed to be protected in line with superintendents i.e except Education and Medical allowances the remaining allowances be protected, along with their past services. Tentative financial impact is calculated as Rs.618,703/-.

53. The matter was placed before the members of the HR Committee of the Board for consideration and recommendation to the Board for approval.

54. Accordingly, it was resolved as under:

**RESOLVED:**

"the HR Committee of the Board was of the view that the matter is a financial anomaly. Therefore, the committee has directed to refer the matter to Ministry of Finance through concerned Ministry for clarification".

**ITEM (10) SPECIAL ALLOWANCE OF RS. 5000/- PER MONTH TO MR. IRFAN AHSAN BOKHARI (Manager IT ON ESTABLISHMENT OF SPECIAL PROJECT OFFICE (BISP))**

55. As per Memorandum of Understanding (MOU) signed between State Life and Benazir Income Support Program (BISP), a Special Project Office has been established at Regional Office North, Islamabad to work under the administrative control of Group & Pension Division, Principal Office till further orders, for administering Health Insurance Scheme of BISP and to perform the following functions:

- Co-ordination between State Life and BISP for BISP Scheme.
- Co-ordination between G&P Division, BISP and all stakeholders.
- Collection & compilation of data and MIS generation.
- Analysis and performance report generation, evaluation studies.
- Redressal of grievances of all stakeholders including BISP beneficiaries.
- Any other function/ job, assigned / directed by the Management of State Life.

56. In order to make the newly established cell functional, following transfers and postings were made with effect from 04-08-2011:

S#	Name	From	To
1.	Dr. Sajid Anwar, Cs No. 3-0718-6	Manager (Medical) Rawalpindi Zone	Additional Charge of Special Project Office Islamabad
2.	Mr. Irfan Ahsan Bokhari, Cs No. 5-6168-2	Manager (I.T) Multan Zone	Manager, Special Project Office Islamabad. He will be allowed special allowance of Rs. 5000/- pm till the time he remains on this project

CHAIRMAN'S  
INITIALS





MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	

57. He was allowed special allowance of Rs. 5000/- pm till the time Mr. Irfan Ahsan Bokhari would remain on this project, subject to post facto approval of the Board of Directors. Order No. P&GS/PO/222/2011 dated 04-08-2011 was issued.

58. The matter was placed before the members of the HR Committee of the Board for its approval and recommendation to the Board for post facto approval for special allowance stated above.

59. Accordingly, it was resolved as under:

**RESOLVED:**

"that the Committee has recommended the proposal to the Board for approval."

**ITEM (11) WORKSHOP / TRAINING OF AGMs AND DGMS FOR MAKING THEM ELIGIBLE FOR PROMOTION**

60. As per directives of HR Committee of the Board, National Institute of Management (NIM), College of Business Management (CBM), and Pakistan Institute of Management (PIM) have been contacted for providing profile of institutes along with schedule of training program and fees. Only CBM has submitted their profile along with fees.

61. Total cost of outsourcing the training program for 84 officers including the expenses will be borne by SLIC at two stations i.e. Lahore and Karachi is calculated Rs.16,930,000/-. Thus Rs.201,548/- will be the cost of per participant.

62. It may be noted that the SLIC being Insurance Organization has different dimensions of business, hence required specific trainings related to insurance. Moreover, the cost of training is at very higher side if arranged/imparted on the same lines as per directives of HR Committee.

63. Therefore, it was proposed that instead of out-sourcing the said training, in-house arrangements be made to enhance the effectiveness as per SLIC requirements. Moreover, the estimated cost of in-house training is comparatively less then cost of outsourcing.


64. As management personnel (i.e. AGMs and DGMS) will attend the training program and keeping in view their day to day sensitive and important official engagement, it is proposed that the said training may be split into four sessions. The proposed stations for trainings are Lahore and Karachi. Training will take total twenty days for completion.

65. A Career Promotion Course has been designed consisting of four weeks/session, each for five days in a month, completing in four months. It is further proposed that as a pilot project, first session of Career Promotion Course of about forty two officers, may be allowed to conduct only at Karachi station. Estimated cost of pilot project is calculated as Rs.368,500/- five days/ first week.

66. Following was a comparison of Outsource Training Cost and estimated Proposed In-House Training Cost, for ready reference:

	Outsource Training Cost	Proposed In-House Training Cost
Per Participant Cost	Rs. 201,548/-	Rs. 52,429/-
Total Cost	Rs. 16,930,000/-	Rs. 4,404,000/-

CHAIRMAN  
INITIALS



CHAIRMAN'S INITIALS



MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
<p>67. After recommendation of HR Committee and decision of the BoD regarding either of the scheme (i.e. Outsource Training or In-House Training), the financial impact to be taking into account and will be included in the Budget Proposal of year 2012.</p> <p>68. The matter was placed before the members of the HR Committee of the Board for consideration and its recommendation to the next meeting of the Board.</p> <p>69. Accordingly, it was resolved as under:</p> <p><u>RESOLVED:</u></p> <p>"that the Committee deferred the matter."</p> <p>ITEM (12) <u>03 ADVANCE GRADE INCREMENTS TO MR. SHER MUHAMMAD ABBASI, AGM (PHS) ON HIS TRANSFER TO QUETTA ZONE</u></p> <p>70. On recommendation of PHS Division, Mr. Sher Muhammad Abbasi, AGM/Regional Incharge (PHS), South Region was transferred to Quetta Zone as Functional Head (NB) with an additional charge of Functional Head (PHS) for a period of 02 years vide order No. P&amp;GS/PO/250/22011 dated 08.09.2011.</p> <p>71. It was also recommended to grant 03 advance grade increments to Mr. Sher Muhammad Abbasi, AGM as Hazard-Pay / Allowance for offering his services to work in an extremely hazardous environment.</p> <p>72. As the matter for grant of advance grade increments falls under the purview of Board of Directors, the matter is put-up for its consideration and recommendation to competent forum in order to motivate the incumbent for better intentional performance with satisfaction in the best interest of Corporation.</p> <p>73. Therefore, the matter was placed before the members of the HR Committee of the Board for its approval and recommendation to the Board for approval.</p> <p>74. Accordingly, it was resolved as under:</p> <p><u>RESOLVED:</u></p> <p>"that the Committee has informed that there is already a package announced by the Federal Government for their employees regarding posting in the province of Baluchistan. Therefore, it was recommended that Corporation may constitute a policy in line with Federal Government for posting of their officials in Baluchistan."</p> <p>ITEM (13) <u>APPEAL OF MR. ASLAM PERVAIZ AGAINST THE DECISION OF COMPETENT AUTHORITY</u></p> <p>75. Mr. Aslam Pervaiz, Deputy Manager, G&amp;P KZ was awarded punishment of Censure vide letter dated 02.03.2011 under Regulation No. 30, after adopting laid down procedure as mentioned in Regulation No. 31 of State Life Employees (Service) Regulations, 1973.</p> <p>76. An employee has right to file appeal against the decision of the Competent Authority under Regulation 33 of State Life Employees (Service) Regulations, 1973 within 30 days from the date of the receipt of impugned order.</p> <p>77. Mr. Aslam Pervaiz filed appeal dated 05.05.2011 against the punishment awarded by the Competent Authority communicated vide letter dated 02.03.2011. The appeal is slightly time barred as per Regulation 33. It is the prerogative of Appellate Authority i.e. HR Committee to condone the delay in filing appeal or reject the appeal being time barred and recommended to the Board as deem fit.</p>			

CHAIRMAN'S  
INITIALS



MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
<p>78. The members of the Human Resource Committee of the Board are further requested to consider the representation of Mr. Aslam Pervaiz in the light of the decision taken by the Competent Authority i.e. ED (P&amp;GS).</p> <p>79. Accordingly, it was resolved as under</p> <p><u>RESOLVED:</u></p> <p>"that the Committee deferred the matter due to time constraints till next meeting of the HR Committee of the Board"</p> <p>ITEM (14) <u>PROMOTION OF MR WAQAS BUTT (CS NO. 4-0211-9), FROM EXECUTIVE OFFICER TO ASSISTANT MANAGER AS A SPECIAL CASE</u></p> <p>80. Zonal Head vide his note dated 05-10-2011 submitted his following recommendations with suggestion to promote Mr. Waqas Butt from Executive Officer to Assistant Manager:</p> <p><i>"It is submitted that Mr. Muhammad Waqas, Executive Officer CS No. 4-0211-9), has been working in State Life since 23-04-2010. During his entire service we have found him diligent, devoted and hardworking. He has acquired a Bachelor's Degree in Commerce</i></p> <p><i>He has been allowed to officiate as Assistant Manager, twice, vide PO Office Order No. P&amp;GS/PO/139/2010 dated 31-05-2010 and Officer Order NO P&amp;GS/PO/253/2011 dated 16-09-2011, for a period of six months, respectively</i></p> <p><i>Presently he is performing his duty as Officiating Assistant Manager in F&amp;A Department, G&amp;P Lahore Zone and showing eminent performance. We found him most competent and dependable in discharging his duties assigned to him from time to time</i></p> <p><i>Therefore, keeping in view of extraordinary performance and competency, he may please be up-graded as Assistant Manager."</i></p> <p>81. In this regard, it is submitted that according to existing practice duly approved by Board of Directors, an employee is considered for promotion having three years ACRs, within 50% of seniority of his grade and unblemished service.</p> <p>82. Mr. Waqas has been appointed as Executive Officer in April 2010 and as of 30<sup>th</sup> September, 2011, only one and half years' service to his credit as a regular employee of the Corporation. Thus he does not meet the promotion criteria approved by Board of Directors.</p> <p>83. Therefore, Chairman has approved his promotion subject to post – facto approval by Board of Directors. P&amp;GS Division has, accordingly, issued his promotion order No. P&amp;GS/PO/279/2011 dated 05-10-2011. However, post – facto approval of Board of Directors is required to waive / relax Promotion Criteria in the case of Mr. Waqas.</p> <p>84. In the light of above, the matter was placed before the HR Committee of the Board for kind perusal and to submit its recommendations to the Board of Directors for post – facto approval.</p> <p>85. Accordingly, it was resolved as under:</p> <p><u>RESOLVED:</u></p> <p>"that the Committee has referred the matter to the Board without any recommendations."</p>			

CHAIRMAN'S INITIALS



MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	

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

(i) Revision in Cash Handling Allowance

86. In State Life, Cash Handling Allowance is paid to cashiers dealing in cash at cash counters, interest for expenses and interest for stamps. The allowance is paid depending upon volume of cash being dealt as per following slabs.

Pay-scale 1 to 3	Rs 500/- p. m.
Pay-Scale 4-7 handling cash upto 0.5 million	Rs.600/- p. m.
More than 0.5 million to 1 million	Rs.700/- p. m.
More than one million	Rs.850/- p. m.
More than one million at cash counter	Rs.1000/- p. m.
Dealing with revenue stamps and other stamps	Rs.500/- p. m.
Officers upto the rank of Deputy Manager	Rs.500/- p.m.

87. The cash handling allowance being paid to unionized staff was revised w.e.f. 1.1.2009 while no revision in this allowance in respect of officers was made for many years.

88. Presently, 247 cashiers work in the Corporation in staff grade while 31 cashiers/in-charges cash counters are in officer's grade upto Deputy Manager. The payment of cash handling allowance per month as per existing and proposed slabs is as under:

Description	No.	Existing		Proposed		Difference
		Per person per month	Total Amount per month	Per person per month	Total Amount per month	
Pay-scales 1-3 handling cash	14	500	7,000	2,000	28,000	21,000
Employees in Pay-scales 4-7 handling with cash:						
Cashiers Dealing with stamps	55	500	27,500	2,000	110,000	82,500
Upto 0.5 million	6	600	3,600	3,000	18,000	14,400
More than 0.5 million to 1 million	2	700	1,400	5,000	10,000	8,600
More than one million	3	850	2,550	6,000	18,000	15,450
More than one million at cash counters	167	1,000	167,000	8,000	1,336,000	1,169,000
Cashier/Officer In-charge Cash Counters Upto the grade of DM	31	500	15,500	8,000	248,000	232,500
Total:-	278		224,550		1,768,000	1,543,450
Additional annual financial impact					8,521,400	

89. It was proposed that the Cash Handling Allowance admissible to designated cashiers and their In-charges in officer's grade may be revised as proposed above.

CHAIRMAN'S  
INITIALS

*[Signature]*



MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	

90. The matter was placed before the members of the HR Committee of the Board for consideration and recommendation to the Board for approval

91. Accordingly, it was resolved as under:

RESOLVED:

"that the issue was deliberated in length and it was decided that since the negotiation with CBA regarding increase in salary and allowance for the year 2010-11 is expected to be started soon and it is also anticipated that said issue will be covered in CBA agreement, therefore increase in cash handling allowance for the officers, dealing with cash may be brought to the committee soon after the finalization of CBA agreement."

(ii) Introduction of Intern-ship Scheme for students of Accounting Professional Bodies

92. To overcome the shortage of qualified/skilled officers in Finance & Accounts, it is proposed that State Life may introduce a stipend based Intern-ship Scheme for fresh Commerce Graduate, who may be provided opportunity to get qualification of ICMA or ACCA/CIMA and on the job training in F&A/Commission functions. It is proposed that strength of eighty (80) students may be approved as per break up given hereunder:

Zone	Allocation of Students
Two students per region (4 Regional Offices)	8
Two students per zone of Individual Life (26 Zones)	52
Two students per zone of Group Life (4 Zones)	8
Two students in each office of Real Estate at Lahore and Islamabad	4
F&A Section of Investment Division	2
F&A Section of Real Estate (PO)	2
F&A Section of G&P (PO)	2
F&A Division, Principal Office	2
Total:	80

93. An Actuarial Students Scheme has already been in practice in Actuarial Division. The scheme of students of accounting professional bodies may be launched on similar lines. The main features of this Accounting Intern-ship Scheme are proposed as under:

- Fresh Commerce Graduates may be considered for the scheme. The prospective candidates with MS Office skill must have secured first division or "A" grade throughout their educational career and cleared their examination in first attempt.
- Candidates fulfilling the criteria will have to undergo a written test, the question paper for which shall be designed by F&A Division in collaboration with P&GS Division.
- The candidates, qualifying the test will be interviewed by the Interview Board to be constituted by the Management of State Life.
- The selected candidates will be required to pass the examinations of various courses of ICMAP or ACCA/CIMA.
- Cost of examination, books and annual subscription shall be borne by the Corporation.

CHAIRMAN'S  
INITIALS



**MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS**

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	

- f) The selected candidates shall be offered a stipend @ Rs 10,000/- per month till their absorption in regular service of State Life.
- g) The students may be absorbed in regular service of State Life on passing examinations of courses as under:

Placement/ promotion	ICMAP	ACCA	CIMA
Executive Officer	On passing: Stages 1 & 2 [8 papers]	On passing module: Knowledge [3 papers]	On passing Fundamental level: 5 papers
Assistant Manager	On passing: Stage-3 [4 papers]	On passing module: Skills [6 papers]	On passing Operational level: 3 papers
Deputy Manager	On passing: Stages 4 & 5 [6 papers]	On passing module: Essentials [3 papers]	On passing Managerial level: 3 papers
Manager	On acquiring full qualification: Stage 6 [3 papers]	After acquiring full qualification: Options Module [2 papers]	After acquiring full qualification: Strategic level: 3 papers and Top CIMA paper (T-4)

- h) The existing accounting students shall be required to execute a bond of serving State Life for a period of at least five years after full qualification. In case they leave State Life before completion of five years after qualification, they will have to pay to State Life the bond amount as per table given hereunder:

If he leaves before serving for 1 year or part of the year after qualifying	Rs 500,000
If he leaves before serving for 2 years after qualifying	Rs 400,000
If he leaves before serving for 3 years after qualifying	Rs 300,000
If he leaves before serving for 4 years after qualifying	Rs 200,000
If he leaves before serving for 5 years after qualifying	Rs 100,000

- i) The annual financial impact under this scheme will be as under:

Description	No. of Students	Amount per head	Total amount per month
Stipend	80	10,000	800,000
Average cost of exam fee and books	80	10,000	800,000
Total expenses per month			1,600,000
Annual financial impact			19,200,000

94. The proposed scheme would result in getting young skilled and trained officers for State Life.

95. The matter was placed before the members of the HR Committee of the Board for consideration and recommendation to the Board for approval.

96. Accordingly, it was resolved as under:

**RESOLVED:**

"that the Committee appreciated the proposal and principally agreed to recommend the proposal to the Board with the following:

- 50% recruitment of the proposal shall be made instead of 100% i.e 40 trainees.
- Selection process shall be outsourced and test exercise shall be conducted by some professional institutions i.e ICMAP / ICAP etc.

CHAIRMAN'S  
INITIALS





MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	

- The proposal should be within the approved strength and should be incorporated in manpower budget.
- The terms and conditions for hiring and firing shall be decided by the Management. F&A Division was advised to come up with their future requirements (if any) that will be placed before the Board."

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

( Chairman )

CHAIRMAN'S  
INITIALS



MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	

Annexure-B

**MINUTES OF 9<sup>TH</sup> MEETING OF THE  
HUMAN RESOURCES COMMITTEE  
HELD ON 13<sup>TH</sup> MARCH, 2012.**

The 9<sup>th</sup> meeting of the Human Resources Committee of the Board of Directors of State Life Insurance Corporation of Pakistan was held on 13<sup>th</sup> March 2012 at 02.30 p.m. in the Board Room, State Life Building No. 9, Principal Office, Karachi.

2. The following attended the meeting:

Mr. Shahid Aziz Siddiqi	Chairman
Mr. Kamran Ali Qureshi	Director
Dr. Farooq Hadi	Director
Mr. Wazir Ali Khoja	Director
Mr. Furqan A. Shaikh	Director
Mr. Abdul Hafeez Shaikh	ED (P&GS) / Secretary

Mr. Mohsin Abbas	Divisional Head (P&GS)
------------------	------------------------

Ms. Yasmeen Saud	ED (F&A) attended the meeting in respect of item # (1) Restoration of Pension to Officers of SLIC as per Supreme Court Orders.
------------------	--

Mr. Sher Ali Khan	D.H. (LAD) attended the meeting in respect of item # (1) Restoration of Pension to Officers of SLIC as per Supreme Court Orders.
-------------------	--

Mr. Muhammad Rashid	D.H. (F&A) attended the meeting in respect of item # (1) Restoration of Pension to Officers of SLIC as per Supreme Court Orders.
---------------------	--

Mr. Faisal Mumtaz	Divisional Head (Actuarial) attended the meeting in respect of item # (1) Restoration of Pension to Officers of SLIC as per Supreme Court Orders.
-------------------	---

Mr. Fazal ur Rehman	DGM (LAD) attended the meeting in respect of item # (1) Restoration of Pension to Officers of SLIC as per Supreme Court Orders.
---------------------	---

Mr. Shujat ullah Siddiqui	Consultant Actuary, attended the meeting on special invitation.
---------------------------	---

Justice (Rtd) Haider Ali Peerzada	attended the meeting on special invitation
-----------------------------------	--

3. Meeting started with the Recitation of Holy Quran at 02.30 p.m.

ITEM (01) RESTORATION OF OLD PENSION SCHEME FOR OFFICERS OF SLIC IN ACCORDANCE WITH SUPREME COURT ORDERS

CHAIRMAN'S  
INITIALS





MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

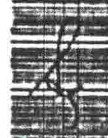
DIRECTORS MINUTE BOOK	HELD AT KARACHI	ON 14 <sup>TH</sup> MARCH, 2012	TIME
	<p>4. The Board of Directors (BOD) in its 156<sup>th</sup> meeting held on 7th October 2000 decided to revise the pay structure and fringe benefits for the officers of the Corporation as well as amended the Pension Regulation 1986 as amended in 1988 w.e.f 01.01.2000.</p> <p>5. Unfortunately, above alterations in State Life Employees (Pension) Regulation, 1986 as amended in 1988 were 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 and therefore the same was not notified in official gazette.</p> <p>6. The BOD in their 159<sup>th</sup> meeting held on 26<sup>th</sup> January, 2001 has decided to obtain ex-post facto approval of the revised pay structure from the Government of Pakistan. Therefore the Corporation had vigorously pursued the matter with the Ministry of Commerce / Finance and in this connection several meetings were held with the concerned Ministries.</p> <p>7. Since, the amendment in Pension Regulation 1986 and Provident Fund Regulations did not get legal sanctity of the Federal Government in terms of Article 49 of LINO, therefore, the same was assailed in the Court of Law in the year 2006, various retired officers approached the Lahore High Court, Lahore against the said decision of Management and filed petition for revision of their pension in accordance with the State Life Employees (Pension) Regulation, 1986 as amended in 1988.</p> <p>8. The 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>9. The Corporation filed civil appeal in the Supreme Court that set aside the administrative orders of the management and dismissed the appeal on 9<sup>th</sup> February, 2011.</p> <p>10. Therefore, 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>11. In spite of the Order passed by the Honorable Supreme Court of Pakistan, State Life kept pursuing the case of approval of amendment in Pension and Provident Fund Regulation of State Life with the Regulation Wing of Finance Division in order to avail the opportunity of filing the Review Petition on said Order of Supreme Court. Nevertheless, the Regulation Wing declined approval vides Office Memorandum OM No. 4(14) R.4 / 08/ Vol-II dated 12<sup>th</sup> March, 2011 forwarded by the MoC vide letter No. 7(8)/2009-Ins dated 19<sup>th</sup> April 2011.</p> <p>12. Since the Supreme Court has set aside the Management's order for freezing of pension and concerned Ministries have also refused to approve the said amendments from retrospective effect therefore, the denoted position entitles approximately 555 other officers, retired upto 29<sup>th</sup> February, 2012 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>13. The estimated amount of difference payable on account of commutation and pension to the pensioners is as following:</p> <ul style="list-style-type: none"> <li>• Estimated amount payable on account of commutation of pension to 555 pensioners would be around Rs. 210 million.</li> <li>• Estimated Monthly increase in pension would be around Rs. 2.5 million per month.</li> </ul> <p>14. Based on the figures provided by Contributory Provident Fund Department, the Corporation has already paid approximately Rs. 86 millions on account of Gratuity and Rs. 155 millions on account of Provident Fund (Corporation Contribution) to</p>		

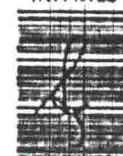
CHAIRMAN'S  
INITIALS


MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME						
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012							
<p>these 555 retirees. Therefore after the adjustment of Gratuity and PF (Corporation contribution) already paid to these retirees, <u>the Corporation has to pay Rs. 53 million to 261 pensioners and on the other hand Rs. 83 million are recoverable from 294 pensioners approximately on account of Commutation of Pension.</u></p> <p>15. Along-with these retired officers, the decision of Supreme Court is also applicable to all other existing active officers of the Corporation who opted for pension and are in service</p> <p>16. The pension liability valuation provided by the Appointed Actuary through Actuarial Division as on 31<sup>st</sup> December 2010 is as follows:</p> <table border="1"><tr><td>Total Revised Pension Liability</td><td>Rs.4,085,955,779/-</td></tr><tr><td>Less: Liability under Freezing Scheme of Pension</td><td>Rs. 2,415,852,134/-</td></tr><tr><td>Additional Increase</td><td>Rs.1,670,103,644/-</td></tr></table> <p>17. The net Financial impact of pension liability provided by F&amp;A Division, after adjustment of Provident Fund (Corporation Contribution) and Gratuity balance in respect of existing capacity as on 31-12-2010 comes to Rs.927.716 million.</p> <p>18. <i>It is pertinent to state that upon incorporation of pension liability in the year 2011 the renewal expense ratio of the Corporation will exceed by 3 percent, surging to 22 percent whereas the limit prescribed by the SECP for the year 2011 is 19 percent.</i></p> <p>19. After the settlement of the cases of 21 petitioners around 44 other retired officers have knocked the door of Lahore High Court and Supreme Court HR Cell, the Lahore High Court has passed the following remarks</p> <p style="padding-left: 40px;">"The Board Meeting can be arranged in his court room or Bar Counsel Room. He further told that many dates have been gone for the settlement of the above said matter. He has directed to resolve the matter within four week's time till 27-03-2012."</p> <p>20. In light of above, the Board of Directors are requested for approval to settle the cases of approximately 555 officers' retired upto 29-02-2012 (21 already settled as per Court orders) in accordance with Supreme Court Orders and to retire the serving officers on attaining the age of Superannuation i.e 60 years in accordance with Supreme Court Directives i.e Pension Regulation 1986 as amended in 1988.</p> <p>21. The Board of Directors were further requested to approve the modus operandi of the pension scheme for the officers of the Corporation in the light of the Supreme Court's decision or to constitute a High Profile Committee to deliberate for framing a revised pension scheme in consultation with Appointed Actuary to BOD for the concurrence of Federal Government from a prospective date.</p> <p>22. Accordingly, it was resolved as under:</p> <p><b>RESOLVED:</b></p> <p>"the committee was apprised that Corporation had already taken up the matter with concerned Ministries i.e. MoC and MoF but there is no possible remedy except to honor the directives of Lahore Court. Therefore It was decided that in the first stage, the directives of Lahore High Court should be complied with, by settling the cases of 44 petitioners in accordance with the directives of Supreme Court.</p> <p>In order to keep the financial viability of SLIC Intact the Issue of Pension to be settled for future policy were discussed and it is proposed to constitute a committee comprising of the representative of Actuarial, F&amp;A and P&amp;GS Divisions to devise a pension scheme with prospective effect for submission to the BoD as well as the Federal Government.</p> <p>The committee recommended that the financial impact of these 44 petitioners may also be approved by the BoD as per orders of Supreme Court.</p>				Total Revised Pension Liability	Rs.4,085,955,779/-	Less: Liability under Freezing Scheme of Pension	Rs. 2,415,852,134/-	Additional Increase	Rs.1,670,103,644/-
Total Revised Pension Liability	Rs.4,085,955,779/-								
Less: Liability under Freezing Scheme of Pension	Rs. 2,415,852,134/-								
Additional Increase	Rs.1,670,103,644/-								

CHAIRMAN  
INITIALS



CHAIRMAN'S  
INITIALS




MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
<p>ITEM (02) <u>CONFIRMATION OF MINUTES OF 8<sup>th</sup> MEETING OF HUMAN RESOURCES COMMITTEE HELD ON 24<sup>th</sup> OCTOBER 2011.</u></p> <p>23. The minutes of 8<sup>th</sup> meeting held on 24<sup>th</sup> October 2011 were placed before the Committee.</p> <p>24. While reviewing Item No. (02) (II) the committee advised workout Membership cost on Corporate basis regarding Defense Golf Club, Karachi, Arabian Sea clubs or any other Club that seems reasonable and ready to offer Membership on Corporate basis.</p> <p>25. While reviewing Item No. (03) the committee advised</p> <ol style="list-style-type: none"> <li>to avoid any litigation and complexity; any proposed policy that should be uniformed for all employees instead of keeping provisions for option.</li> <li>to calculate financial impact of the proposals and survey and examine similar nature of policies &amp; practices prevalent in other Organizations.</li> </ol> <p>26. As the minutes submitted pertain to the last meeting of HR committee these may be confirmed through certification of the Chairman and Secretary of the Committee who were present in the committee.</p> <p>ITEM (03) <u>IMPLEMENTATION REPORT OF 5<sup>th</sup> MEETING OF HUMAN RESOURCES COMMITTEE HELD ON 1<sup>st</sup> Marc 2010.</u></p> <p>27. While examining the progress of compliance and action taken with regard to implementation of 8<sup>th</sup> HRC meeting, the members expressed their satisfaction on the compliance.</p> <p>ITEM (04) <u>GRANT OF 15% ADHOC RELIEF ALLOWANCE FOR THE OFFICERS OF STATE LIFE</u></p> <p>28. The Ministry of Commerce while approving revision of pay scales of officers w.e.f. 01.01.1998 vide letter No. 7(8)/97-Ins.I dated 03.07.1999 also approved the proposals of BOD recommended in their 140<sup>th</sup> meeting contained in para 5(v) of the letter of ED (P&amp;GS) i.e. to allow all future increase allowed to lower grade staff under CBA agreement to the officers of the Corporation.</p> <p>29. Ministry of Commerce vide their letter dated 25<sup>th</sup> August 2010 has conveyed the OM No. F.4(4) R-44/2010-360, dated 18.08.2010 and has directed SLIC, NICL and PRCL to grant of Ad-hoc allowance @ 50% of the basic pay to the Executive / Supervisory staff of the Corporation.</p> <p>30. The Finance Division vide OM F.1(5) Imp/2011-419 dated 04.07.2011 has revised the pay scales of Government servants from 50% to 65% but did not merge the said ad-hoc allowance 2010 in pay scales of Government servants. Instead of merger, that said allowance stands frozen as at 30.06.2011 and all new entrants are allowed said allowance-2010 @ 50% of the minimum of relevant basic pay scales-2008 on notional basis w.e.f. 01.07.2011 and w.e.f. 01.07.2011 and w.e.f. 01.07.2011 an additional ad-hoc allowance of 15% of basic pay was granted. As per minutes of the Standing Committee held on 26.11.2010,</p>			

CHAIRMAN'S  
INITIALS


MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
<p>31. the same analogy is also applicable to the Corporation regarding 50% ad-hoc allowance-2010 and the same cannot be merged in pay scales of officers by the Corporation.</p> <p>32. Meanwhile, as per directives of Finance Division vide OM No. F.4(3) R-4/2011 dated 01.08.2011, the 15% ad-hoc allowance for the Executives/ Supervisory employees of the Corporation w.e.f. 01.07.2011 having financial impact of Rs. 55 million for six months i.e. July to December 2011 and Rs. 115 million for the year 2012 was recommended for the concurrence of Standing Committee of Finance Division through Ministry of Commerce on the same analogy adopted by Federal Government.</p> <p>33. The HR Committee was requested to recommend the proposal of 15% adhoc allowance to the Board of Directors for further recommendation to standing committee of Finance Division for approval.</p> <p>34. Accordingly, it was resolved as under:</p> <p><b>RESOLVED:</b> "The increase have been given in accordance with the Government policy therefore, the matter was recommended to the Board of Directors for approval."</p> <p><b>ITEM (05) <u>GROUP HEALTH INSURANCE BUSINESS UNDER (BISP)</u></b> <b><u>PROJECT - CREATION OF HEALTH AND ACCIDENTAL</u></b> <b><u>INSURANCE DIVISION</u></b></p> <p>35. The Board of Directors of State Life in the 202<sup>nd</sup> meeting held on 30.06.2009 resolved the issue.</p> <p>36. Further, steps for developing proper infrastructure for this business as directed by the BOD have been carried out.</p> <p>37. It was desired to establish a separate Division for conducting Health &amp; Accident Insurance Business, which has also taken up the assignment of Benazir Income Support Program Project Cell. Therefore, vide Order No. P&amp;GS/PO/303/2011 dated 25.10.2011 Health and Accident Insurance Division has been created in Principal Office. The functions of Health Insurance Division shall be as follows:</p> <ul style="list-style-type: none"> <li>I. Marketing of Health Insurance Products</li> <li>II. Policy Administration</li> <li>III. Claims Administration</li> <li>IV. Provide Network Management</li> </ul> <p>38. The matter was placed before to the HR Committee for consideration of Para 4 ante, for recommendation to Board of Directors for Ex-post facto approval of creation of Health and Accident Insurance Division at Principle Office.</p> <p>39. Accordingly, it was resolved as under:</p> <p><b>RESOLVED:</b> "It was apprised by the Divisional Head Actuarial that, the provision exists in Insurance Ordinance 2000 for the life insurance companies to carry out</p>			

CHAIRMAN'S  
INITIALS




MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
<p>Health Insurance business. Therefore the proposal was recommended to the BoD for approval"</p> <p>ITEM (06) <u>ESTABLISHMENT OF SPECIAL PROJECT OFFICE</u> <u>IN STATE LIFE REGIONAL OFFICE (NORTH) ISLAMABAD</u> <u>UNDER BENAZIR INCOME SUPPORT PROGRAM (BISP)</u></p> <p>40. As per the Memorandum of Understanding (MOU) signed between State Life and Benazir Income Support Program (BISP), a Special Project Office has been established at Regional Office North, Islamabad to work under the administrative control of Group &amp; Pension Division, Principal Office.</p> <p>41. In order to make the newly established cell functional, Mr. Irfan Ahsan Bokhari Manager Information Technology (I.T.) who was posted in the said project with effect from 04-08-2011, was allowed Special Allowance of Rs: 5,000/- per month till the time he would remain on this project, subject to ex-post facto approval of the Board..</p> <p>42. The matter was placed before the HR Committee for consideration and recommendation to the Board for ex-post facto approval.</p> <p>43. Accordingly, it was resolved as under:</p> <p><u>RESOLVED:</u> "That a Project Committee be constituted and expenses including the said allowance be paid from the allocated BISP Project funds."</p> <p>ITEM (07) <u>MEDICAL BENEFITS TO MR S. H. KAZMI, RETIRED GENERAL</u> <u>MANAGER (MARKETING) CS # 03322</u></p> <p>44. Mr. S. H. Kazmi, after serving for almost 35 years retired from the services of the Corporation on 7<sup>th</sup> August, 2011 on attaining the age of superannuation.</p> <p>45. Prior to his retirement, Mr. S. H. Kazmi undergone a major surgery which entailed various cycles of Chemotherapy as post surgery treatment of the disease. Although, at the time of surgery, he was covered for free unlimited medical benefits, but at the time the Chemotherapy he stood retired, his retirement took effect. Mr. Kazmi, afterwards continued to pay the expenses out of his own pocket.</p> <p>46. Mr. S. H. Kazmi is requesting (Annex-A) that around Rs: 6,00,000/- (Rupees Six Lac Only) is involved to complete the cycles of Chemotherapy, out of which he has paid an amount of Rs: 3,92,631/- till January 2012..</p> <p>47. This Division is of the candid view that Mr. Kazmi has rendered meritorious services for development of business of the Corporation, as is vivid from its progress charts emerged during his tenure.</p> <p>48. It is proposed that the request of Mr. Kazmi may be considered favorably as a special case and by treating the Chemotherapy an integral part of the treatment of disease for which the surgery was carried out, all relevant expenses against paid bills may be allowed to be reimbursed to him.</p> <p>49. subject to maximum of Rs: 6, 00,000/- it is out of the Post Retirement Medical Scheme of Officers of State Life.</p>			

CHAIRMAN'S  
INITIALS


**MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS**

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
<p>50. The matter was submitted before the Human Resource Committee for consideration of the proposal at Para – 5 and recommendation to Board for kind approval please.</p> <p>51. Accordingly, it was resolved as under:</p> <p><b>RESOLVED:</b></p> <p>"That the Committee agreed as a special case for the post-retirement medical expenses of Mr. S.H. Kazmi upto the maximum of Rs. 6,00,000 and recommended to the Board of Directors for approval".</p> <p><b>ITEM (08) OTHER ITEMS</b></p> <p><b>(i) EXTENSION IN CONTRACTUAL APPOINTMENT OF MS. IRIS JOHANNES AS EXECUTIVE SECRETARY TO CHAIRMAN</b></p> <p>52. Ms. Iris Johannes has a vast experience of over 10 years working in the insurance industry and over 20 years working experience in Pakistan and abroad and has completed Management Courses from the Institute of Business Administration.</p> <p>53. She has been working as Executive Secretary since 1986 to the Chief Executive Pakistan Services Limited, the owners and operators of the 5 Pearl Continental Hotel in Pakistan and also performed duty in the same capacity with the Chairman of National Insurance Company Limited from 2001 till September 2009.</p> <p>54. The Board of Directors in its 210<sup>th</sup> Meeting held on 7<sup>th</sup> April, 2010 had approved the contract appointment of Ms. Iris Johannes as Executive Secretary to the Chairman with effect from 15<sup>th</sup> April, 2010 at a lump sum remuneration of Rs.50,000/- per month. Later on, the Board of Directors in its 217<sup>th</sup> meeting held on 03-03-2011 extended her contract for a further period of one year with effect from 15-04-2011 at the same remuneration of Rs.50,000/- per month</p> <p>55. Her contractual appointment is due to expire on 14<sup>th</sup> April, 2012 and the Board is, therefore, requested to please renew her contract for another year with effect from 15<sup>th</sup> April, 2012 at lump sum remuneration of Rs.50,000/- per month as Executive Secretary to the Chairman.</p> <p>56. The proposal was placed before the Board for consideration and approval.</p> <p>57. Accordingly, it was resolved as under:</p> <p><b>RESOLVED:</b></p> <p>"That the one year extension in the contract of Ms. Iris Johannes on the same terms and conditions was recommended to the Board of Directors for approval".</p> <p><b>(ii) PROMOTION OF MS. SHAZIA PERVAIZ (CS # 562572) FROM DY. MANAGER TO MANAGER</b></p> <p>58. Ms. Shazia Pervez, Deputy Manager, had been requesting for her promotion as Manager / Assistant General Manager and approached through various channels including Prime Minister Secretariat. She contended that she passed FLMI in the year 2005 but she was not promoted under FLMI scheme. She requested for</p>			

CHAIRMAN'S  
INITIALS

*[Handwritten Signature]*




MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

RECTORS	HELD AT	ON	TIME
UTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
<p>promotion as was given to Dr. Akhtar Rehmani, another qualifier of FLMI. Later, she approached Lahore High Court Multan Bench, Multan, for redressal of her grievances vide Writ Petition No. 13801/2011.</p> <p>59. The FLMI Scheme was introduced in 1988, which promised various benefits on earning the qualification including accelerated promotions up to the grade of Deputy Manager. At that time, the promotion was not linked with marks / percentage obtained in the exam of FLMI. In 1996, all benefits including accelerated promotion were withdrawn. Later, in 1998, vide circular No. P&amp;GS/PO/177/98 dated 07-10-1998; some modifications were introduced in the scheme. It was specified that only top 33% of top qualifiers of all ten courses be promoted to the next cadre. Such promotion will be effected after a qualifier has served the Corporation for</p> <p>60. At least two years after completing FLMI. Further it was specified that Deputy Manager and Managers will be allowed one step up promotion, if they fall in 50% of strength in their respective category, have favorable ACRs and vacancy is available, otherwise, three special increments, will be allowed in their own grade.</p> <p>61. Ms. Shazia Pervaiz, Deputy Manager, had passed ten FLMI courses in November 2005 i.e. Autumn semester. It needs to be highlighted that FLMI examination is conducted twice in the year i.e. May (Spring) and November (Autumn). Whereas, Dr. Akhtar Rehmani passed in May 2005. Though both the candidates passed FLMI in separate semesters of 2005, yet both were wrongly compared for top 33% for considering them for promotion. It needs to be noted that the said circular does not speak of any joint consideration of the candidates passing FLMI examination in separate semesters of the same year for the consideration of promotion as envisaged in the relevant para titled as "Placement (Promotion) on completion of FLMI". Thus, she qualified for three special increments in the grade of Deputy Manager with effect from 1st January 2008.</p> <p>62. She had been subjected to discrimination and injustice by not awarding her three special increments. Nevertheless, granting three back dated special increments would result in significant financial impact; therefore, Chairman ordered for her promotion as Manager with immediate effect in lieu of a compensation to financial loss of three increments w.e.f. 01-01-2008 suffered by her, subject to ex-post facto approval of the Board of Directors.</p> <p>63. P&amp;GS Division has accordingly issued her promotion order No. P&amp;GS/PO/327/2011 dated 23-12-2011. However, ex-post facto approval of Board of Directors is required to waive / relax Promotion criteria in the case of Ms. Shazia Pervaiz.</p> <p>64. The matter was placed before HR Committee for kind perusal and submits its recommendations to Board of Directors for post-facto approval.</p> <p>65. Accordingly, it was resolved as under:</p> <p><b>RESOLVED:</b></p> <p style="padding-left: 40px;">"That all the cases of similar nature should be dealt through a special DPC meeting".</p> <p style="padding-left: 40px;">(iii) <u>REGULARIZATION OF CONTRACTUAL EMPLOYEE – RAI MUHAMMAD ATIF</u></p> <p>66. Rai Muhammad Atif s/o Rai Mansab Ali, though being a Graduate; was appointed as Assistant Manager on the directives of Prime Minister vide appointment letter 05-10-2011 for one year on contract basis. Rai Atif joined the Corporation on 10-10-2011.</p> <p>67. The Corporation received instructions for examination of regularization of services of Rai Muhammad Atif as per rules / policy. On pursuance of the case</p>			

CHAIRMAN'S  
INITIALS


MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
	<p>Prime Minister's Secretariat, Chairman approved regularization of services of Mr. Atif subject to ex-post facto approval of the Board of Directors. Accordingly, P&amp;GS Division issued office order No. P&amp;GS/PO/89/2012 dated 01-03-2012.</p> <p>68. As per minutes of the Federal Cabinet meeting held on 06-01-2011 signed on 28-01-2011 by Mr. Arif Azeem, Secretary, Federal Cabinet, received in SLIC along with MoC letter No. 6(28)/09-Ins dated 19-04-2011; the regularization of contractual employees has to be considered after completion of one year service. Accordingly, Mr. Atif will have been eligible for regularization of services on 09-10-2012, after completion of one year service.</p> <p>69. The matter was placed before HR Committee for kind perusal and its recommendations to Board of Directors for post-facto approval.</p> <p>70. Accordingly, it was resolved as under:</p> <p><b>RESOLVED:</b></p> <p>"That the matter should be referred to the sub committee of the cabinet for regularization".</p> <p>(iv) <u>EXTENSION IN CONTRACTUAL APPOINTMENT OF SYED MOHSIN ALI SHAH, GENERAL MANAGER (REAL ESTATE)</u></p> <p>71. Col (R) Syed Mohsin Ali Shah was appointed as General Manager (Real Estate) on contract basis for two years vide offer letter dated 07-04-2010 after observing codal formalities. He joined the Corporation on 16-04-2010. Accordingly, his contract is expiring on 15-04-2012.</p> <p>72. Syed Mohsin has been awarded with seven advance increments from the date of joining and three increments with effect from 01-10-2010. Thus he is getting Rs. 126,398/- salary with Corporation's maintained car.</p> <p>73. It is submitted that the Corporation still requires the services of Syed Mohsin Ali Shah, for a further period of two years, because, he has managed the Real Estate Division efficiently.</p> <p>74. In the light of above, the matter was placed before HR Committee to consider for extension of his contract for two years and its recommendations to the Board of Directors for approval.</p> <p>75. Accordingly, it was resolved as under:</p> <p><b>RESOLVED:</b></p> <p>"That the matter of renewal of contract of Col. Mohsin Ali Shah as GM (RED) for two years on the same terms and conditions recommended to the Board of Directors for approval".</p> <p>76. The meeting was ended with a vote of thanks to the chair.</p>		
		(Chairman)	<div>CHAIRMAN'S INITIALS</div> 



MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	

Annexure-C

**MINUTES OF THE 41<sup>ST</sup> MEETING OF BOARD AUDIT COMMITTEE HELD ON MONDAY, 25<sup>TH</sup> JULY, 2011.**

The 41<sup>st</sup> meeting of the Board Audit Committee of State Life Insurance Corporation of Pakistan held on 25<sup>th</sup> July, 2011 (Monday) at 11:00 A.M. in the Board Room, 3<sup>rd</sup> 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 Hafeez Shaikh	Secretary

The Board Audit Committee deliberated up on the following items:

**Item .1: To Approve Minutes of The 40<sup>th</sup> B.A.C.:**

The minutes of the 40<sup>th</sup> BAC meeting held on 30<sup>th</sup> May, 2011 were placed before the Committee, which were unanimously approved subject to the following additions;

**1. Compliance Committee of the Pending Items of BAC Decisions May also sort out;**

- (a) Management Letter of External Auditors and address their observations under intimation to BAC;
- (b) Audit Paras of the Government Auditors.

Further progress in this regard may be intimated to the BAC.

**2. Compliance Report of 40<sup>th</sup> BAC meetings decisions.**

B.A.C. directed that pending issues of BAC decisions must be kept in the folder of BAC working papers and desired the Divisions must take measures to complete the remaining work on their targeted dates under intimation to the BAC.

It was desired that a calendar of events to watch the progress of compliance of BAC decisions must be prepared and strict vigilance be maintained to remind them on their committed dates.

**Item No.2. Review of the Accounts for the 1<sup>st</sup> Quarter ending March, 2011.**

B.A.C. directed that all the Quarterly Accounts must be prepared in time and be submitted before the BAC for onward transmission to the SECP.

CHAIRMAN'S  
INITIALS

*[Signature]*

MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	

It was desired that the Quarterly Accounts must contain a column for depicting the proportionate budget position for the corresponding period in order to have a financial review of budget & expenditure and any major deviation from the approved budget must have been properly explained.

**Item No.3: Review of the Audit Report of IA&C Division for the 1<sup>st</sup> Quarter ending March, 2011.**

B.A.C. appreciated the efforts made by IA&C Division in pointing out the stoppage of over payments as a result of Pre-Audit and directed to take up the matter with the concerned Divisional Heads for minimizing the ratio of such types of mistakes in future.

**Item No.4: Appointment of Consultant for review & Preparation of Audit Manual.**

B.A.C. discussed the Technical Evaluation Criteria for assessing the tenders and pointed out some flaws in columns f and j, which must be addressed and submit the completed file along with the TORs, Advertisement and tender documents etc in the next BAC.

**Item No.5: Appointment of Statutory Auditors for the Audit of Accounts for the period ending 31<sup>st</sup> December, 2011.**

B.A.C. members showed their concern on the demand for increase in fees on renewal of tender because renewal is usually made on same rates and conditions. For the higher rates new tenders are required to be called.

B.A.C. directed to recall the tenders for appointment of Auditors and must ensure that one Audit Firm among top Audit five firms must be one of our Auditors keeping in view the size of business and reputation of the State Life.

The meeting ended with the vote of thanks to the Chairman.

(Shahid Aziz Siddiqi)  
Chairman  
State Life Ins. Corp. of Pakistan

(Abdul Hafeez Shaikh)  
Secretary  
Board Audit Committee

(Husain Lawai)  
Chairman  
Board Audit Committee

CHAIRMAN'S  
INITIALS





MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	

ANNEXURE-D

**MINUTES OF THE 42ND MEETING OF BOARD AUDIT COMMITTEE HELD ON MONDAY, 12<sup>TH</sup> MARCH, 2012.**

The 42<sup>nd</sup> meeting of the Board Audit Committee of State Life Insurance Corporation of Pakistan held on 12<sup>th</sup> March, 2012 (Monday) at 10:0 A.M. in the Board Room, 3<sup>rd</sup> Floor, State Life Building No. 9, Dr. Zia-ud-din Ahmed Road, Karachi.

*The following members attended the meeting:*

Mr. Hussain Lawai	Member/Chairman
Mr. Farooq Hadi	Member
Mr. Wazir Ali Khoja	Member
Mr. Altaf Ahmed Shaikh	Secretary

LEAVE OF ABSENCE:

Mr. Nihal Anwar	Member
-----------------	--------

*The following officers also attended the meeting:*

Mr. Abdul Hafeez Shaikh	ex- Secretary B.A.C. /E.D. (P&GS)
Mrs. Yasmeen Saud	Executive Director, (F&A)
Mr. Muhammad Rashid	Divisional Head, (F&A)

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

**Item .1: To Approve Minutes of The 41st B.A.C.:**

The minutes of the 41<sup>st</sup> B.A.C meeting held on 25<sup>th</sup> July, 2012 were placed before the Committee. As all members of Audit Committee were attending this meeting, for the first time, after their nomination as Board Members, Chairman of the Corporation was invited to the meeting to get his confirmation, that the minutes of 41<sup>st</sup> Meeting correctly reflects the proceedings of Audit Committee, as he had attended the subject meeting. The Chairman confirmed and duly seconded by the then Secretary of the Committee that the minutes of 41<sup>st</sup> meeting of BAC were correctly recorded and both signed the minutes to confirm their assertion. The committee then approved the minutes of 41<sup>st</sup> Meeting of BAC.

2. **Item No.3. To Review TOR of Board Audit Committee.**

B.A.C. reviewed the terms of reference of Audit Committee and observed that TOR needs to be revised. It was decided to present its recommendations to Board of Directors in the next meeting..

3. **Item No.4. To Review the Accounts for the 2<sup>nd</sup> & 3<sup>rd</sup> Quarter 2011 (Financial Review of Budget & Expenditure).**

Executive Director (F&A) and Divisional Head (F&A) briefed the Committee on 2<sup>nd</sup> & 3<sup>rd</sup> Quarterly accounts of 2011. Committee reviewed the accounts for 2<sup>nd</sup> and 3<sup>rd</sup> Quarter of the year 2011. The Committee members made the following observations on these accounts:

CHAIRMAN'S  
INITIALS

*[Handwritten Signature]*

MINUTES OF 223<sup>RD</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	14 <sup>TH</sup> MARCH, 2012	
	<p>i) Comparative Actual Figures of each quarter for the current year and that of last year were not presented. Rather actual cumulative figures of all the three quarters were presented, making it impossible to review the performance of current quarter, with that of last year.</p> <p>ii) Similar presentation may be given for comparing budgeted figures, with that of actual performance from next quarter.</p> <p>iii) Most of the photocopies of quarterly reports had small fonts, and are not readable.</p> <p>iv) In one case, the documents of quarterly accounts were not complete.</p> <p>It was decided to hold a special meeting of Board Audit Committee with Finance and Accounts Division, so that they can give detailed presentation on various heads of accounts and issues, relating to compliance of prescribed regulations applicable to State Life.</p> <p>4. Item No.8. <u>Introductory meeting with Statutory Auditors.</u></p> <p>B.A.C. members met separately with the Statutory Auditors M/S. Riaz Ahmed &amp; Company and Anjum Asim Shahid Rahman as per International Audit Practices.</p> <p>5. Item No.2. <u>To review the progress on the matters discussed in previous B.A.C. meetings.</u></p> <p>Item No.5. <u>To Review the Audit Reports of IA&amp;C Division for the 2<sup>nd</sup>, 3<sup>rd</sup> &amp; 4<sup>th</sup> Quarters, 2011.</u></p> <p>Item No.6. <u>To Review compliance of previous audit objections/reports.</u></p> <p>Item No.7. <u>To Review Audit plan for the year 2012.</u></p> <p>Item No.9. <u>Appointment of Consultant for Preparation of Audit Manual.</u></p> <p>Item No.10. <u>Any other Item with the permission of the Chair.</u></p> <p>Above agenda items were deferred till next meeting.</p> <p>6. The meeting ended with the vote of thanks to the Chairman.</p>		
	<p>Hussaln Lawai Chairman, Board Audit Committee</p>		
	<p>CHAIRMAN'S INITIALS</p> 