

MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

RECORDS	HELD AT	ON	TIME
UT BOOK	KARACHI	15 TH OCTOBER, 2012	

CONFIDENTIAL AND RESTRICTED

The 229th Meeting of the Board of Directors of State Life Insurance Corporation of Pakistan was held on Monday, 15th October, 2012 at 11.00 a.m. in the Board Room, State Life Building No.9, Dr. Ziauddin Ahmed Road, Karachi.

PRESENT:

- | | |
|----------------------------|-----------------|
| 1. Mr. Shahid Aziz Siddiqi | Chairman |
| 2. Mr. Fazal Abbas Maken | Director |
| 3. Mr. Hussain 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 |

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

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

**ITEM (1) CONFIRMATION OF MINUTES OF 228th
MEETING OF THE BOARD OF DIRECTORS.**

4. The minutes of the 228th meeting of the Board of Directors held on 19th September, 2012 were placed before the Board.

Item No.3 – Consideration and approval of minutes of 44th meeting of Board Audit Committee held on 30-04-2012.

5. Mr. Husain Lawai confirmed that there is a typographical error in para-12 of the minutes which should be reworded as follows:-

The Board authorized the Chairman State Life to assign the above task to M/s. Anjum Asim Shahid Rahman & Co. who are the current auditors of State Life.

6. Mr. Wazir Ali Khoja, Director proposed and Mr. Farooq Hadi, Director seconded that the minutes of 228th meeting of the Board of Directors be confirmed subject to the above amendments.

7. Accordingly, it was resolved as under:-

RESOLVED:

"that the Minutes of 228th meeting of Board of Directors held on 19th September, 2012 are confirmed subject to the above amendments."

Action:
Secretary
Boards

CHAIRMAN'S
INITIALS



MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTOR'S NOTE BOOK	HELD AT	ON	TIME
	KARACHI	15 TH OCTOBER, 2012	
	<p>ITEM (2) IMPLEMENTATION REPORTS ON DECISION TAKEN IN 228TH MEETING OF BOARD HELD ON 19TH SEPTEMBER, 2012.</p> <p>8. Implementation report of 228th meeting of Board of Directors held on 19th September, 2012 were placed before the Board which were noted subject to the following directives of the Board:-</p> <p><u>Draft Pension Scheme</u></p> <p>9. The Board desired that the draft pension scheme to be prepared in consultation with the Appointed Actuary for the existing officers of the Corporation should be submitted to the Board for review and consideration by 1st January, 2013.</p> <p><u>Manual of Delegation of Administrative Powers</u></p> <p>10. The Board also desired that the delegation of administrative powers be submitted to the HR Committee at its next meeting to be held in November, 2012.</p> <p><u>Manual of Delegation of Financial Powers</u></p> <p>11. The delegation of financial powers be submitted to the Board of Directors at its next meeting for review and consideration.</p> <p><u>Anti-Fraud and Controls including a Whistle Blowing Policy</u></p> <p>12. The Anti Fraud and Controls including a Whistle Blowing Policy for reporting of frauds and protection of whistle blower will be submitted for review and consideration to the Board Audit Committee at its next meeting.</p> <p><u>Outstanding dues in respect of investment in First Dawood Investment Bank</u></p> <p>13. The Board decided that the matter of First Dawood Investment Bank regarding full and final settlement of investment of Rs.100 million in COIs together with markup thereon be pursued in the court of law and efforts be made for attachment of assets for recovery of outstanding dues of State Life.</p> <p><u>Inquiry Report to fix responsibility of the executives and staff responsible for not making any provision of pension liability in the accounts of State Life.</u></p> <p>14. The Board at its 224th meeting held on 10th April 2012 had resolved that since no provision of pension liability was made in the accounts of State Life for the last six years after the judgment of the Lahore High Court and the Supreme Court on the pretext that SLIC would file an appeal in the Supreme Court of Pakistan against the judgment of Lahore High Court, it was considered to be a serious lapse on the part of the Finance & Accounts and Legal Department for ignoring such an important legal case and implication that it can have over the operations of the Corporation and had therefore suggested that an inquiry be carried out to fix responsibility of the executives and staff responsible for the above lapse.</p>		

Action:
DH(P&GS)
DH(LAD)
DH(F&A)

Action:
DH(P&GS)

Action:
DH(F&A)

Action:
DH(LA&C)

Action:
DH(Inv)

Action:
DH(P&GS)
DH(LAD)
DH(F&A)

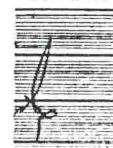
CHAIRMAN'S
INITIALS



MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	
<p>Action: DH(P&GS) DH(LAD) DH(F&A)</p>	<p>15. Accordingly, a Committee was constituted to investigate, bring the facts on record and fix responsibility on the officials for the lapse. The inquiry report was submitted to the Board alongwith the dissenting note of DH(Legal Affairs).</p>		
<p>Action: ED(PHS) DH(P&GS)</p>	<p>16. The Board desired that a formal inquiry be carried out by Ms. Talat Waseem, ED(PHS) and a report thereof be submitted to the Board at its next meeting so that such lapse do not recur in future.</p>		
	<p>ITEM (3) POSITION PAPER ON CURRENT STATUS OF AUTOMATION OF STATE LIFE.</p>		
	<p>17. ED(IT) presented before the Board, a Position Paper on current status of implementation of Pre-packaged Software Solution which is placed at Annexure-A to the Minutes.</p>		
<p>Action: DH(IT)</p>	<p>18. The information given in the Position Paper was noted by the Board with the directives that a time matrix for each activity for implementation of pre packaged software solution be prepared and work completed there against be submitted to the Steering Committee and to the Board of Directors on a monthly basis so that the progress can be monitored which was agreed to by ED(IT). The Board inquired about the plan and time frame for data entry for migration of data and its replication in all the Zones. There should be a team dedicated for this purpose.</p>		
	<p>ITEM (4) BUSINESS REVIEW OF MARKETING, G&P, INVESTMENT AND REAL ESTATE DIVISIONS FOR THE PERIOD UPTO 31ST AUGUST, 2012.</p>		
<p>Action: DH(Mkt) DH(G&P) DH(Inv)</p>	<p>19. The business review of Marketing, Group & Pension and Investment Divisions for and upto the period ended on 31st August, 2012 were placed before the Board which was noted.</p>		
	<p>20. ED(G&P) presented before the Board business review of G&P Division for and upto the month of August, 2012 during which G&P Division collected a total premium of Rs.5,285.346 million as against Rs.3,264.109 million for corresponding period of last year showing an increase of 61.92%. The number of new policies sold so far during the year 2012 is 132 as against 125 during the year 2011.</p>		
	<p>21. The Chairman informed the Board that State Life would be giving accident insurance cover for an amount of Rs.25,000 to the holder of smart cards to be issued by NADRA to every Pakistani at a premium of Rs.11.25 per thousand.</p>		
<p>Action: DH(G&P)</p>	<p>22. The Board directed DH(G&P) to look into the Charter of Postal Life Insurance and brief the Chairman in this regard. The Board also directed G&P Division to tap commercial market and compete with the private sector insurance companies who are now bidding in view of applicability of PPRA Rules. G&P Division was also advised to look into possibility of giving separate rates for armed forces personnel.</p>		
	<p>23. ED(Marketing) presented before the Board business review of Pakistan Business for and upto the month of August, 2012 during which State Life secured First Year Premium of Rs.6667 million as against Rs.5832 million collected during</p>		

CHAIRMAN'S INITIALS



MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	
	<p>the corresponding period of 2011 registering an increase of 14%. The second year persistency upto August, 2012 was 57.98% as against 61.75% during 2011. The third year and over persistency upto August, 2012 was 94.90% as against 95.42% during the corresponding period of last year. The number of new policies sold upto the month of August, 2012 was 383111 as against 375764 during the corresponding period of 2011.</p> <p>24. DH(Marketing) informed the Board that the increase in first year premium for the year 2012 is expected to be 25% over the last year but not less than 20% in any case in view of the increasing base.</p> <p>25. Gulf Zone has secured first year premium of US\$:2,649,151 for and upto the month of August, 2012 as against US\$:2,344,600 during the corresponding period of 2011. The second year persistency upto August, 2012 was 47.15% as against 50.54% during the corresponding period of last year. The third and later year persistency for and upto the month of August, 2012 was 88.21% as against 95.38% during the corresponding period of last year.</p> <p>26. DH(Investment) presented before the Board business review of investment portfolio of the Corporation for and upto the month of August, 2012. The book value of investment portfolio which was Rs.275,389 million as on 31-12-2011 was estimated to have increased to Rs.300,198 as on August, 2012 showing an increase of Rs.24,809 million and a percentage increase of 9.02%. The investment in Government securities, corporate debts, equities, bank deposits, investment property and loans to policyholders were Rs.220,507 million, Rs.3,713 million, Rs.28,361 million, Rs.21,190 million, Rs.2,926 million and Rs.23,501 million respectively. The investment in government securities constitutes 70.39% of the total portfolio of State Life.</p> <p>27. State Life earned investment income of Rs.23,685 million from Jan 2012 to August 2012 on its investment portfolio. State Life purchased shares with a book value of Rs.1,567.291 million for the period under review. State Life sold shares with a book value of Rs.343.882 million for Rs.635.180 million realizing capital gain of Rs.291.298 million during this period under review. The book value of quoted equity portfolio stood at Rs.27,007 million while its market value was Rs.60,982 million showing an appreciation of Rs.33,975 million as on August 31, 2012. From January to August, 2012, the Corporation has purchased PIBs worth Rs.44,700 million at a cost of Rs.43,025 million from auction announced by State Bank of Pakistan.</p> <p>28. DH(Investment) informed the Board that the dividend yield on investment portfolio in listed equities was 20.40%.</p> <p>29. The Board directed DH(Investment) to submit in future separate list of unquoted and delisted securities as part of the Memorandum of business review. The Board appreciated the excellent work being done by DH(Investment) in management of SLIC portfolio and maximization of yield.</p> <p>30. The Board also directed that State Life should look into the possibility of investment in Real Estate in the wake of falling discount rates which could be a hedge against fall in income as normally value of real estate appreciates over a period of time.</p>		
Action: DH(Inv)			
Action: DH(Inv)			

CHAIRMAN'S
INITIALS



MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	
	<p>ITEM (5) CONSIDERATION AND APPROVAL OF MINUTES OF 11TH MEETING OF HUMAN RESOURCES COMMITTEE HELD ON 1ST OCTOBER, 2012.</p> <p>31. The minutes of the 11th meeting of Human Resources Committee held on 1st October, 2012 were presented before the Board of Directors for confirmation and consideration and approval of decisions/recommendations made by the Committee. A copy of the minutes duly signed by the Chairman(HRC) is placed at Annexure-B to the Minutes.</p> <p>32. Accordingly, the Board resolved as under:</p> <p>RESOLVED:</p> <p>"that the minutes of 11th meeting of Human Resources Committee held on 1st October, 2012 together with observations/recommendations are approved as under subject to the following amendments in para-27(d) of page-140 of Item No.3 (a) of the HRC minutes in respect of revision of approved strength - 2012:-</p> <p>"A Committee comprising Regional Incharges of P&GS, PHS and F&A be constituted to frame terms of reference (TORs) for engaging HR Consultant whose role would be to revisit, the organizational hierarchy and business processes keeping in view the optimal utilization of manpower. The HR Consultant should visit Regions/Zones for his own understanding of SLIC business, policy and procedures and examine the judicious utilization of manpower for compiling the report."</p> <p>(a) <u>Approval of Revised Staff Strength</u></p> <p>33. Executive Director (P&GS) presented before the Board, a Memorandum regarding approval of revised staff strength of the Corporation.</p> <p>34. State Life Insurance Corporation of Pakistan is market leader in the insurance industry of the country. It is currently growing at an average of 16% (First Year Premium) per annum in line with industry growth.</p> <p>35. The Corporation is the only insurance organization that has been assigned the Insurer Financial Strength (IFS) 'AAA' rating by an independent rating agency Pakistan Credit Rating Agency (PACRA).</p> <p>36. It is evident that the Corporation in pursuance of its Growth Strategy needs to strengthen its manpower both in terms of quantity as well as quality. The corporation has also ventured into Health Insurance facility to personnel covered under Benazir Income Support Program (BISP). Additionally, with the aim of cost effectiveness, the corporation has also started employing 'Bancassurance' as an additional distribution channel.</p> <p>37. The Zonal Heads have been consistently reporting that the existing manpower is proving to be inadequate to process huge number of procured life insurance business. Often the employees have to remain in the office beyond normal office hours and have to come to office on weekly holidays to process the</p>		

Action:
DH(P&GS)

Action:
DH(P&GS)

CHAIRMAN'S
INITIALS



MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	

new business as well as provide service to its existing policy holders. Frequent delays have been reported in processing the customer requests / complaints, which may harm reputation of the corporation. Opening of office on weekly holidays and daily beyond normal office hours has resulted in the increased overtime, late sitting, conveyance, electricity and other allied expenses, substantially.

38. Current manpower strength was lastly revised in 2000-2001 and in view of the above it has become necessary to revise / review its current strength and revise it upwardly to minimal required level keeping in view financial constraints.

39. In this regard, Bahawalpur Zone has been taken as model zone and has been examined to visualize the situation at macro level.

Indicators	YEAR 2000	YEAR 2011	% Increase In Business from 2000 to 2012
First Year Premium	1.62 million	52.52 million	3242%
2 nd YEAR Premium	12.64 million	367.89 million	2910%
Renewal Premium	2.97 million	55.44 million	1867%
No. of in-force policies	14435	157080	988%
No of Officers	7	17	2.4%
No of Staff Members	42	29	(31)%
No of Sector Heads	3	8	166%
No of Area Managers	7	47	571%

Performance Indicators of the Corporation

Indicators	YEAR 2000	YEAR 2011	% Increase In Business from 2000 to 2012
First Year Premium	92.96 million	1160.24 million	1148.00%
2 nd YEAR Premium	73.64 million	774.02 million	951.00%
Renewal Premium	365.09 million	1704.87 million	365.00%
No. of in-force policies	1.871 million	3.76 million	101.00%
No. of Group Life covered	3.26 million	6.04 million	85.41%
No of Employees	4050	4108	1.43%
No of Sector Heads	115	145	26.08%
No of Area Managers	489	886	81.81%
No. of Sales Managers	1614	5116	216.97%
No. of Sales Officers	3981	13103	229.13%
No. of Sales Representatives	16103	124181	671.66%

Procurement of new Insurance Policies (last three years)	1905775
Surrender of Insurance Policies (last three years)	113184
Net addition of Insurance Policies	364331

40. Such huge number of surrender / lapse of policies is primarily due to the following factors:

- Delay in processing requests of the policy holders for alterations etc.
- Delay in processing of loan against cash value of the policy
- Delay in processing of Claims (SB / Maturity / Injury / Death)
- Delayed processing in revival requests
- Inactive follow-up by the respective field channel (after sales service)
- Inactive Field Channel and no follow-up by the Agency department

41. It is evident that if the Corporation aspires to retain its leading position in the insurance industry, pursue its growth strategy, minimize the number of surrender


CHAIRMAN'S INITIALS



MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS


DIRECTORS	HELD AT	ON	TIME																														
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012																															
<p>of policies, improve its quality of service and ensure provision of efficient service to its external as well as internal customers; it has to consider revising its manpower strength.</p> <p>42. The Board of Directors in its 162nd meeting held on 11th May 2001 approved the manpower and sanctioned the following staff strength:</p> <p><u>Approved Strength</u></p> <table> <tr> <td>a) Regional and Zonal Offices</td> <td>2887</td> </tr> <tr> <td>b) Principal Office</td> <td>439</td> </tr> <tr> <td>c) Group & Pension Division</td> <td>247</td> </tr> <tr> <td>d) Real Estate Division (All Stations)</td> <td>345</td> </tr> <tr> <td>e) Reserved Posts for Direct Recruitment</td> <td>123</td> </tr> <tr> <td>f) Floating Post of DGMs</td> <td>9</td> </tr> <tr> <td></td> <td><u>4050</u></td> </tr> </table> <p>43. The Board also directed the following:</p> <p>“that the staff strength would be reviewed on annual basis”</p> <p>44. As per directives of BoD, the Executive Committee in its 266th meeting held on 30.10.2001 approved the grade/designation wise bifurcation of strength.</p> <p><u>Later on Approved Additionally</u></p> <table> <tr> <td>• 194th BoD dated 15.04.2008 (Mgr-Mkt)</td> <td>35</td> </tr> <tr> <td>• 207th BoD dated 02.03.2010 (Officers)</td> <td>23</td> </tr> </table> <p>45. Accordingly the total approved strength as at 31.12.2011 is 4108.</p> <p>46. The above mentioned strength was approved in the year 2001 on the basis of inforce policies of Individual Life Zones, covered group lives of G&P Zones and covered area for Real Estate as follows:</p> <ul style="list-style-type: none"> Individual Life Zones having more than 55,000 inforce policies were considered as Large Zones and allocated strength @ 1.5 person per 1000 policies. Individual Life Zones having less than 55,000 inforce policies were considered as Small Zones and allocated strength @ 2 person per 1000 policies. Regional Offices allocated 18 employees for each Office. Group & Pension Offices were allocated @ 0.06 person per 1000 covered lives. Real Estate Offices were allocated @ 0.09 person per 1000 covered sq. Ft. Area. Bifurcation of Officers and Staff was made on the following ratio: <table> <tr> <td></td> <td><u>Ratio</u></td> <td></td> </tr> <tr> <td>For Large Zones</td> <td>30 : 70</td> <td>(Officers : Staff)</td> </tr> <tr> <td>For Small Zones</td> <td>35 : 65</td> <td>(Officers : Staff)</td> </tr> <tr> <td>For Regional Offices</td> <td>60 : 40</td> <td>(Officers : Staff)</td> </tr> </table>				a) Regional and Zonal Offices	2887	b) Principal Office	439	c) Group & Pension Division	247	d) Real Estate Division (All Stations)	345	e) Reserved Posts for Direct Recruitment	123	f) Floating Post of DGMs	9		<u>4050</u>	• 194 th BoD dated 15.04.2008 (Mgr-Mkt)	35	• 207 th BoD dated 02.03.2010 (Officers)	23		<u>Ratio</u>		For Large Zones	30 : 70	(Officers : Staff)	For Small Zones	35 : 65	(Officers : Staff)	For Regional Offices	60 : 40	(Officers : Staff)
a) Regional and Zonal Offices	2887																																
b) Principal Office	439																																
c) Group & Pension Division	247																																
d) Real Estate Division (All Stations)	345																																
e) Reserved Posts for Direct Recruitment	123																																
f) Floating Post of DGMs	9																																
	<u>4050</u>																																
• 194 th BoD dated 15.04.2008 (Mgr-Mkt)	35																																
• 207 th BoD dated 02.03.2010 (Officers)	23																																
	<u>Ratio</u>																																
For Large Zones	30 : 70	(Officers : Staff)																															
For Small Zones	35 : 65	(Officers : Staff)																															
For Regional Offices	60 : 40	(Officers : Staff)																															

CHAIRMAN'S INITIALS



CHAIRMAN'S
INITIALS


MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME																								
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012																									
	<p>For Principal Office 50 : 50 (Officers : Staff)</p> <p>For Group & Pension 45 : 55 (Officers : Staff)</p> <p>For Real Estate 20 : 80 (Officers : Staff)</p> <p>Overall on Corporate Basis 1/3 : 2/3 (Officers : Staff)</p>																										
	<p>47. In the year 2001, the revision of strength was made, total 1,871,245 policies were inforce. However, till the year 2011, the business of State Life had increased more than 100% and the present inforce policies are now appearing as 3,759,654.</p> <p>48. According to the existing formulas and criteria, estimated revised strength in accordance with the present inforce policies, would be 7272 employees with 2425 Officers and 4847 staff members (Annex-A to the Memorandum). The expected financial burden for additional 3164 employees would need a huge amount to cater the expenses.</p> <p>49. Taking into account tremendous expansion of business of the Corporation to cater the present need of manpower and to maintain the strict observance on expected financial burden, an exercise for revision with minimal increase has been done on the following basis:</p> <ul style="list-style-type: none"> Individual Life Zones having more than 55,000 inforce policies are considered as Large Zones and allocated strength @ 1 person per 1000 policies. Individual Life Zones having less than 55,000 inforce policies are considered as Small Zones and allocated strength @ 1.5 person per 1000 policies. Regional Offices allocated 20 employees for each Office. Group & Pension Offices are allocated @ 0.05 person per 1000 covered lives. Real Estate Offices are allocated @ 0.09 person per 1000 covered sq. Ft. Area. Ratio for bifurcation of officer and staff of revised approved is taken as under: <table border="0"> <tr> <td></td> <td><u>Ratio</u></td> <td></td> </tr> <tr> <td>For Large Zones</td> <td>30 : 70</td> <td>(Officers : Staff)</td> </tr> <tr> <td>For Small Zones</td> <td>35 : 65</td> <td>(Officers : Staff)</td> </tr> <tr> <td>For Regional Offices</td> <td>60 : 40</td> <td>(Officers : Staff)</td> </tr> <tr> <td>For Principal Office</td> <td>50 : 50</td> <td>(Officers : Staff)</td> </tr> <tr> <td>For Group & Pension</td> <td>45 : 55</td> <td>(Officers : Staff)</td> </tr> <tr> <td>For Real Estate</td> <td>20 : 80</td> <td>(Officers : Staff)</td> </tr> <tr> <td>Overall Corporate Basis</td> <td>33 : 67</td> <td>(Officers : Staff)</td> </tr> </table> <p>(Under the proposed revised criteria, those individual life Zones whose revised strength is coming less than the previous approved strength i.e. Karachi South, Lahore Central, Gujranwala, Peshawar and Abbottabad Zones, have been allocated the previous approved strength without any change keeping in view that they are responsible to render services for such policies which were sold earlier.)</p>				<u>Ratio</u>		For Large Zones	30 : 70	(Officers : Staff)	For Small Zones	35 : 65	(Officers : Staff)	For Regional Offices	60 : 40	(Officers : Staff)	For Principal Office	50 : 50	(Officers : Staff)	For Group & Pension	45 : 55	(Officers : Staff)	For Real Estate	20 : 80	(Officers : Staff)	Overall Corporate Basis	33 : 67	(Officers : Staff)
	<u>Ratio</u>																										
For Large Zones	30 : 70	(Officers : Staff)																									
For Small Zones	35 : 65	(Officers : Staff)																									
For Regional Offices	60 : 40	(Officers : Staff)																									
For Principal Office	50 : 50	(Officers : Staff)																									
For Group & Pension	45 : 55	(Officers : Staff)																									
For Real Estate	20 : 80	(Officers : Staff)																									
Overall Corporate Basis	33 : 67	(Officers : Staff)																									
			<p>CHAIRMAN'S INITIALS</p> 																								

CHAIRMAN'S
INITIALS


MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	

50. Under the circumstances mentioned above, the revised / proposed Station wise strength is calculated and placed at Annex-B to the Memorandum.

51. In view of the above submissions, following revised / proposed strength and proposals are submitted:

	Total	Offices	Staff
For Principal Office	444	222	222
For Group & Pension Offices	337	152	185
For Real Estate Offices	241	48	193
For Regional Offices	80	48	32
For I.L. Zonal Offices	4021	1218	2803
TOTAL PROPOSED STRENGTH	5123	1696	3427

For Gulf Zone (In addition to the above Proposal)	40	11	29
--	----	----	----

- (ii) Additionally, 15 seats may be reserved for the posts of Actuarial Trainee, Principal Office.
- (iii) Grade Wise / Designation Wise strength bifurcation will be prepared and submitted to the H.R. Committee for its approval.
- (iv) The Executive Director (P&GS) may be authorized to make adjustment between various Zones/Regions/P.O/G&P/R.E according to the changing requirements of the business.

52. It is pertinent to highlight that in-force policies have increased up to 100% from year 2000 to 2011, thus there is need of upward revision in manpower strength @ around 80% or more but keeping in view financial constraints and recommendations submitted by the Information Technology Division (Annex-C to the Memorandum), minimum required level i.e. 25% approx. has been proposed for approval.

53. The estimated additional annual financial impact, calculated by the F&A Division, taking into account the fresh induction of the proposed revision in strength 2012 would be Rs.270,973,500/-. (Annex-D to the Memorandum)


54. It is also imperative to emphasize that some of the existing designations / nomenclature of unionized employees have ceased to exist like Security Guards, Gestetner Operator etc. and the corporation has outsourced and hired services of private security agency. It is also added that recently the Federal Government has abolished the Secretarial Positions and have merged such employees in regular cadre, same is also proposed for the Secretarial employees of the Corporation. Revised strength has been worked out with new proposed designation-wise strength along with revised nomenclature. (Annex-E to the Memorandum)

55. Along with above proposal following is also proposed for consideration:

CHAIRMAN'S
INITIALS



MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	
	<p>a. That Executive Director (P&GS) may be authorized to make adjustments between various Zones/Regions/PO/G&P/RE according to the changing requirements of the business.</p> <p>b. That the staff strength may be allowed to be reviewed on an annual basis.</p> <p>56. The matter was submitted before the HR Committee of the Board of Directors for consideration of above proposal and its recommendations for approval of BoD.</p> <p>57. The matter was deliberated in the HR Committee meeting and it was resolved as under:</p> <p>"that the approved staff strength as at 31-12-2011 of 4108 employees including officers and staff be increased by 15% i.e. by 616 to 4724."</p> <p>"that bifurcation of the revised manpower (i.e. 15%) may be made on need basis in all cadres."</p> <p>"that after completion of the exercise of revision in manpower a report containing business performance and improvement in efficiency be submitted to the HR Committee after a period of three months."</p> <p>58. The matter was subsequently placed before the Board of Directors for approval.</p> <p>59. Accordingly, the Board resolved as under:</p> <p>RESOLVED:</p> <p>"that as recommended by HR Committee the approved staff strength as at 31-12-2011 of 4108 employees including officers and staff be increased by 15% i.e. by 616 to 4724."</p> <p>"that as recommended by HR Committee bifurcation of the revised manpower (i.e. 15%) may be made on need basis in all cadres."</p> <p>"that as recommended by HR Committee after completion of the exercise of revision in manpower a report containing business performance and improvement in efficiency be submitted to the HR Committee after a period of three months."</p> <p>"that the recommendation of HR Committee, to constitute a Committee comprising ED(P&GS), ED(PHS) and ED(F&A) is hereby approved to frame terms of reference (TORs) for engaging HR Consultant whose role would be to revisit, the organizational hierarchy and business processes keeping in view the optimal utilization of manpower. The HR Consultant should visit Regions/Zones for his own understanding of SLIC business, policy and procedures and examine the judicious utilization of manpower for compiling the report."</p>		
Action: DH(P&GS)			
Action: DH(P&GS)			
Action: DH(P&GS)			
	<p>CHAIRMAN'S INITIALS</p> 		

MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	

(b) Appointment of Financial/Accounting Professionals and upgradation Scheme.

60. ED(P&GS) presented before the Board, a Memorandum on appointment of Financial/Accounting Professionals and upgradation scheme which was submitted in HR Committee in its meeting held on 1st October, 2012 which had resolved as under:-

"The Committee realizing shortage of qualified professional in the field of Accounting / Finance recommended for appointment of professionals, subject to observance of codal formalities, and approval of additional posts, detailed as under:

Division	Manager		Deputy Manager	
	Number of Posts	Criteria	Number of Posts	Criteria
F&A	10	CA / ACMA / CIMA / ACCA 4-5 years experience Max. age 45 years	09	CA Inter / 3 parts of ACMA and equivalent for ACCA/CIMA Experience will be preferred Max. age 45 years
Investment	2	CA / ACMA / CIMA / ACCA 4-5 years experience (Those having relevant experience will be preferred) Max. age 45 years	Nil	Nil
IA&C	3	CA / ACMA / CIMA / ACCA 4-5 years experience Max. age 45 years	Nil	Nil

The Committee further advised to allow existing SLIC employees having compatible qualifications to apply through proper channel and compete with those applying in response to advertisement."

61. Accordingly, the matter was submitted before the Board which resolved as under:

RESOLVED:

"that the recommendation of HR Committee on the proposal of ED(P&GS) for appointment of professionals in the field of Accounting, Finance and Auditing subject to observance of codal formalities through approval of additional post detailed as under is hereby approved:-

Action:
DII(P&GS)

CHAIRMAN'S
INITIALS

MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	

Division	Manager		Deputy Manager	
	Number of Posts	Criteria	Number of Posts	Criteria
F&A	10	CA / ACMA / CIMA / ACCA 4-5 years experience Max. age 45 years	09	CA Inter / 3 parts of ACMA and equivalent for ACCA/CIMA Experience will be preferred Max. age 45 years
Investment	2	CA / ACMA / CIMA / ACCA 4-5 years experience (Those having relevant experience will be preferred) Max. age 45 years	Nil	Nil
IA&C	3	CA / ACMA / CIMA / ACCA 4-5 years experience Max. age 45 years	Nil	Nil

Action:
DH(P&GS)

"that the recommendation of HR Committee to allow existing SLIC employees having compatible qualifications to apply through proper channel and compete with those applying in response to advertisement is hereby approved."

(c) Departmental appeals against the punishment awarded by competent authority.

62. Executive Director (P&GS) presented before the Board, a Memorandum dated 26-09-2012 for ratification of recommendation of HR Committee on Departmental appeals against the punishment awarded by competent authority.

63. The officers awarded punishments on account of Misconduct after adopting laid down procedure by the Competent Authority have a right to file appeal / application for revision and review of the decisions under Regulation No.33 of State Life Employees (Service) Regulations, 1973. Their appeals were considered in the 11th meeting of the HR Committee held on 1st October, 2012.

64. The following accused officers filed appeal:

(i)	Dr. Mazhar Mughal	Area Manager	Larkana Zone
(ii)	Mr. Khalil A. Shaikh	Ex-Area Manager	Lahore Central
(iii)	Mr. Arshad Mehmood Butt	Area Manager	Gujranwala
(iv)	Dr. Zafarullah Khan	Manager (New Bus.)	Peshawar
(v)	Dr. Amir-ul-Azam	Manager (New Bus.)	Peshawar

CHAIRMAN'S
INITIALS



MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	
<p>65. Brief of the case of each appellant is given below:-</p> <p style="text-align: center;"><u>BRIEF OF THE CASE – DR. MAZHAR MUGHAL,</u> <u>AREA MANAGER, LARKANA ZONE</u></p> <p>On the report of Policyholder Services Division, Marketing Division recommended to initiate Departmental Enquiry against Dr. Mazhar Mughal, Area Manager Larkana Zone on the allegations of concealment of facts while giving confidential report for issuance of life policy(ies).</p> <p>Dr. Mazhar Mughal, Area Manager was issued Charges / Statement of Allegations on the allegations of concealment of facts i.e. pre-insurance ailment while submitting the Medical Proposal Nos. 127067 & 124266/09 and Policy Nos. 607216005-0, 607214914-7, 607214915-9, 607214916-0 & 607216925-3 of Larkana Zone. Later on it was revealed that the proponent was a patient of Hypertension, Diabetic and IHD and remained hospitalized in Agha Khan Hospital Karachi for treatment. On the basis of his confidential report, life policies were issued and liability created on the Corporation. Policies were cancelled.</p> <p>Allegations were scrutinized by an Enquiry Officer Mr. Nisar A. Shah, AGM (NB), Hyderabad and allegations were established. Final Show Cause Notice was issued with the copy of the Enquiry Report. He was heard personally by the Competent Authority i.e. ED (P&GS).</p> <p>After personal hearing the Competent Authority i.e. ED (P&GS) awarded the punishment of downgrade from A to B Category Area Manager for one year.</p> <p>In the appeal Dr. Mazhar Mughal (appellant) stated that all the medical test etc. was carried out by the Sales Representative / Sales officer, he was not aware of the facts.</p> <p style="text-align: center;"><u>BRIEF OF THE CASE – MR. KHALIL A. SHAIKH,</u> <u>AREA MANAGER, LAHORE CENTRAL ZONE</u></p> <p>Lahore Central Zone reported that Mr. Khalil Ahmed Shaikh, Ex-Area Manager (1019), LCZ defalcated of premiums of total Rs.1,125,715/- and unauthorizedly absent since 18.01.2011 without any intimation.</p> <p>Mr. Imtiaz Ali Khan, the then Manager (IA&C) PO was appointed as Enquiry Officer to scrutinize his conduct. Charges were sent on his last known address which was returned undelivered, the same was published in Daily 'Nation' and 'Nawa-e-Waqt' Lahore dated 16.08.2011 with the directives to resume duty and submit return defence.</p> <p>Mr. Khalil A. Shaikh did not respond to the charges / notice published in the Newspaper within the stipulated. Again final notice for appearing before the Enquiry Officer was published in the Newspapers 21.11.2011. Neither responded nor appeared before the Enquiry Officer. Enquiry Officer submitted ex-parte Enquiry Report wherein allegations of defalcation of premiums and</p>			

CHAIRMAN'S
INITIALS

MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	
<p>unauthorized absent were established on the basis of the available record and the evidences produced by the Management Representative.</p> <p>Mr. Khalil A. Shaikh was called for personal hearing before the Competent Authority i.e. ED (P&GS) at Lahore on 24.01.2012 but he did not appear. The Competent Authority i.e. ED (P&GS) decide the case ex-parte on the merit of the case as allegations were established by the Enquiry Officer i.e. Removal from service with effect from 18.01.2011.</p> <p>Previously Mr. Khalil A. Shaikh was removed from service, on allegations of defalcation of premium in 2002. He was reinstated on the Court orders for de novo proceedings. After de novo proceeding he was awarded punishment of Censure.</p> <p>It has been reported by the Lahore Central Zone that four (4) Criminal cases were registered against Mr. Khalil A. Shaikh in the different Police Stations. He was arrested on 01.10.2011.</p> <p>In the appeal stated that he was under arrest and release on bail on 09.08.2012. He could not defend his case due to arrest. He was punished unheard therefore, decision of the Competent Authority may be reviewed.</p> <p style="text-align: center;"><u>BRIEF OF THE CASE – MR. ARSHAD MEHMOOD BUTT,</u> <u>AREA MANAGER, GUJRANWALA ZONE</u></p> <p>Zonal Head, Gujranwala Zone forwarded the case of Mr. Arshad Mehmood Butt, Ex-Area Manager for initiating disciplinary proceeding on account of low business performance. Marketing Division recommended to initiate Departmental action.</p> <p>In terms of the appointment letter and State Life Employees (Service) Regulations, 1973 an Area Manager is required to meet the business performance fixed by the Board of Directors time to time for retention as Area Manager.</p> <p>Mr. Ejaz Hussain, the then Manager (F&A) Gujranwala Zone was appointed as Enquiry Officer, Mr. Arshad Mehmood Butt neither replied to the Charges / Statement of Allegations nor appeared for enquiry proceedings in spite of repeated reminders. Enquiry Officer submitted ex-parte Enquiry Report, allegations were established on the basis of available record and record produced by the Management Representative.</p> <p>Final Show Cause Notice along with Enquiry Report dated 10.03.2012 was issued to Mr. Arshad Mehmood Butt vide letter dated 12.03.2012, which was not replied. Mr. Arshad M. Butt intimated through his request that he preferred to reply to the Final Show Cause Notice during personal hearing. The Competent Authority i.e. ED (P&GS) provided him the opportunity of personal hearing at Lahore on 15.08.2012.</p> <p>The Competent Authority during the course of personal hearing found that Mr. Arshad Mahmood Butt failed to defence the allegations of not achieving the</p>			

CHAIRMAN'S
INITIALS


MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	
	<p>business target especially in terms of FYP and his performance was extremely unsatisfactory; which is mandatory for retention as Area Manager. Therefore, the Competent Authority awarded him punishment of downgrade from Area Manager to Sales Manager. The same was communicated vide letter dated 28.08.2012.</p> <p>Mr. Arshad Mehmood Butt filed appeal dated 14.09.2012 under Regulation 33 of State Life Employees (Service) Regulations, 1973 against the decision of the Competent Authority i.e. ED (P&GS).</p> <p>In the appeal appellant stated that he joined the State Life in 1993 as SR and promoted as Area Manager in 2002, now he is very near to the age of superannuation, the punishment of downgrade would deprive him from the retirement benefits.</p> <p>He has requested to review his decision taken by the Competent Authority.</p> <p>66. The HR Committee in its 11th meeting held on 1st October, 2012 has resolved as under in respect of the Departmental Appeals of Mr. Khalil A. Shaikh, Area Manager, Lahore Central Zone, Dr. Mazhar Mughal, Area Manager, Larkana Zone and Mr. Arshad Mahmood Butt, Area Manager, Gujranwala Zone:-</p> <p>"the Appellant were heard by the HR Committee and they failed to explain any valid reason for consideration to waive off the punishment. Therefore, the Committee unanimously agreed to uphold the decision taken by competent authority and maintain the punishment."</p> <p>67. The cases of Dr. Zafar ullah Khan, Manager(NB), Peshawar Zone and Dr. Amir-ul-Azam, Manager(NB), Peshawar Zone were also put up before the HR Committee which resolved as under:-</p> <p>"the Appellant was heard by the HR Committee. HR Committee advised that the ED(P&GS) and ED(Marketing) jointly examine the involvement of Area Manager in the light of inquiry report and lapse on the part of both appellants and resubmit reports in next HR Committee meeting."</p> <p>68. Members of the Board of Directors were requested to consider the recommendation of the HR Committee for ratification.</p> <p>69. Accordingly, the Board resolved as under:</p> <p>RESOLVED:</p> <p>"that the recommendation of the HR Committee to uphold the decision of the competent authority i.e. ED(P&GS) to decide the case ex-parte on the merit of the case as allegations were established by the Enquiry Officer i.e. removal from service with effect from 18-01-2011 of Mr. Khalil A. Shaikh, Area Manager, Lahore Central Zone is hereby ratified."</p> <p>"that the recommendation of HR Committee to uphold the decision of competent authority i.e. ED(P&GS) after personal hearing to down grade from A to B category Area Manager for one year of Dr. Mazhar Mughal, Area Manager, Larkana Zone is hereby ratified."</p>		

Action:
DII(P&GS)

Action:
DII(P&GS)

CHAIRMAN'S
INITIALS



MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	
Action: DH(P&GS)	<p>"that the recommendation of the HR Committee to uphold the decision of the competent authority i.e. ED(P&GS) after personal hearing to down grade from Area Manager to Sales Manager of Mr. Arshad Mahmood Butt, Area Manager, Gujranwala Zone is hereby ratified."</p> <p>(d) Performance Based Bonus Scheme for officers of G&P Division <u>for the year 2010.</u></p> <p>70. Executive Director(P&GS) presented before the Board, a Memorandum for performance based bonus scheme for officers of G&P Division for the year 2010.</p> <p>71. State Life has been announcing Performance Based Bonus Scheme for its officers. Under the existing PBBS for G&P Division, the criteria were built around 3 factors namely as Real Business Growth (35 Points), Persistency (20 Points) and Profitability (25 Points). The proposed criterion involves the same factors except an additional factor namely Expense Ratio which has been introduced considering the expense limits introduced by SECP.</p> <p>72. Owing to the reason that in case of group business, measuring performance against criteria built around inflation will not be depicting fair picture therefore a level growth rate criterion has now been proposed. According to this criterion, for each 1% growth 1 point shall be awarded subject to a maximum of 12.5 points each for Government as well as Commercial sector, which was not being done previously.</p> <p>73. Under the existing system, points are awarded for maintaining persistency above the minimum level of 90%. For each 1% persistency over the 90%, 2 points are given. The maximum points that can be earned under such portion are 20. It is proposed that the existing criteria may be continued to be used. However, in order to monitor the persistency effectively, it is proposed that persistency be calculated separately for Government sector as well as Commercial sector subject to a maximum of 10 points each.</p> <p>74. In 2006, a circular was issued by SECP under which the maximum management expenses that a company can incur were defined in terms of Premium. For example, in case of Group Life, this limit is 7.5% of Group Premium. Thus a new parameter based on the expense limit as defined by SECP is being introduced. Under this parameter, if the total expense of group life is under 7.5% then 10 points shall be awarded. In case the expenses are greater than 7.5%, no point shall be awarded. The expenses will include the total expenses related to G&P Division as well as a portion (based on ratio of total G&P Premium to the cumulative sum of the total G&P premium and Total New Business IL premium) of expenses of the offices of Executive Director (G&P) and Chairman.</p> <p>75. Under the existing system, 25 points are awarded in case the profitability is greater than 2.5%. Further, the profitability of zones is calculated separately. Due to factors such as aggressive price competition, profit commission clause, slow growth etc. it has been proposed that existing profitability factor be continued but there should not be any minimum qualifying criteria of 2.5%. Further, profitability be calculated separately for Commercial as well as Government sector on overall basis instead of zonal level. For example, for each 1%, 5 points may be awarded up to a maximum of 12.5 points each for both sectors.</p>		


CHAIRMAN'S
INITIALS


MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME														
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012															
	<p>76. Under the proposed Performance Based Bonus Scheme, the points on which Bonus is to be calculated will be determined on overall basis for the whole Division from 2009 onwards. Accordingly, all zones shall be given the same amount of bonus by considering the overall performance of the Division.</p> <p>77. The above scheme was submitted to the HR Committee at its meeting held on 1st October, 2012 which agreed with the proposal for the year 2010 without any retrospective effect of previous years and recommended the matter be submitted to the Board of Directors at its next meeting for approval.</p> <p>78. The matter was therefore placed before the Board for approval.</p> <p>79. After deliberations, the Board resolved as under:</p> <p>RESOLVED: "that as recommended by HR Committee on the proposal of ED(P&GS) revision of performance based bonus scheme 2010 for G&P Division as given as Annexure-C to the Minutes is hereby approved."</p> <p>(e) Revision of Pay Package of Col. ® Moshin Ali Shah, GM(RE)</p> <p>80. Executive Director(P&GS) presented before the Board, a Memorandum for revision of Pay Package of Col. ® Mohsin Ali Shah, GM(RE) on contract.</p> <p>81. Col (R) Mohsin Ali Shah was appointed on contractual basis for a period of two years as General Manager (Real Estate) in Scale 13(b) of SLIC Rs. 33850-1660-73690 vide offer later dated 07-04-2010 after observing codal formalities. Later, ten advance increments have been added in his basic Pay.</p> <p>82 One year extension w.e.f 14-03-2012 in his contract was granted by the Board of Directors in its 223th meeting on same terms and conditions. Accordingly, he is drawing the following pay package:</p> <table border="1"><tr><td>Basic pay (BS)</td><td>50,450</td></tr><tr><td>House Rent(40% of basic pay)</td><td>20,180</td></tr><tr><td>Conveyance Allowance</td><td>Corporation's maintained Car</td></tr><tr><td>Utilities</td><td>7,568</td></tr><tr><td>Reimb. Car Petrol (410 liters Petrol, if Corporation's Car is Provided @Rs. 98.05/-)</td><td>40,200</td></tr><tr><td>Driver Subsidy</td><td>8,000</td></tr><tr><td>TOTAL</td><td>126,398</td></tr></table> <p>83. Col (R) Mohsin has made a representation to the Chairman about the extension of his contract service on same terms and condition and requested to increase his pay package through alternative solutions as:-</p> <ol style="list-style-type: none">Lump Sum pay by delinking basic pay structure.Re-negotiation of pay package.Restoration of adhoc pay allowed in Federal Budget 2010 and 2011			Basic pay (BS)	50,450	House Rent(40% of basic pay)	20,180	Conveyance Allowance	Corporation's maintained Car	Utilities	7,568	Reimb. Car Petrol (410 liters Petrol, if Corporation's Car is Provided @Rs. 98.05/-)	40,200	Driver Subsidy	8,000	TOTAL	126,398
Basic pay (BS)	50,450																
House Rent(40% of basic pay)	20,180																
Conveyance Allowance	Corporation's maintained Car																
Utilities	7,568																
Reimb. Car Petrol (410 liters Petrol, if Corporation's Car is Provided @Rs. 98.05/-)	40,200																
Driver Subsidy	8,000																
TOTAL	126,398																

Action:
DH(P&GS)

CHAIRMAN'S
INITIALS



Action:
DH(P&GS)

CHAIRMAN'S
INITIALS



MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	
	<p>(ex-facto).</p> <p>d. Switch over to Govt. pay scales for senior officers or those working on development projects.</p> <p>84. Keeping the high living cost in view it is therefore proposed for 65% adhoc relief into his pay may be approved, as allowed by the Federal Government during the year 2010 and 2011 budget. Additional monthly Financial Impact will be Rs.32,792/- with prospective effect.</p> <p>85. The Memorandum was earlier presented before the HR Committee of the Board for consideration and recommendation to the Board which had resolved as under:-</p> <p>"that the Committee recommended the matter to the Board to revise the compensation package by adding 65% adhoc relief to pay of Col. ® Moshin Ali Shah, GM(RE) (on contract) as allowed by the Federal Government during the 2010 and 2011 budget. Additional monthly financial impact will be Rs.32,792/- with prospective effect."</p> <p>86. Accordingly, the Board resolved as under:</p> <p>RESOLVED:</p> <p>"that the recommendation of the HR Committee on the proposal of ED(P&GS) to revise the compensation package of Col. ® Moshin Ali Shah, GM(RE) on contract by adding 65% adhoc relief to pay as has been allowed by the Federal Government in the 2010 and 2011 budgets is hereby approved with immediate effect. The additional monthly financial impact will be Rs.32,792/- with prospective effect."</p> <p>(f) Regularization of contractual employees:</p> <p>(i) <u>Ammara Afroze</u></p> <p>(ii) <u>Rai Muhammad Atif</u></p> <p>87. Executive Director (P&GS) presented before the Board, a Memorandum dated 8th October, 2012 for regularization of contractual employees a) Ms. Ammara Afroz and b) Mr. Rai Muhammad Atif.</p> <p>88. Ms. Ammara Afroz D/o Muhammad Arif Malik, though being a Graduate, was appointed as Assistant Manager on the directives of Prime Minister vide appointment letter 07-03-2012 for one year contract basis. She joined the Corporation on 09-03-2012.</p> <p>89. The Corporation received instructions for examination of regularization of services of Ms. Ammara Afroz as per rules/policy. On pursuance of the case by Prime Minister's Secretariat, Chairman approved regularization of services of Ms. Ammara and Mr. Atif subject to ex-post facto approval of the Board of Directors. Accordingly P&GS Division issued office order No.P&GS/PO/275/2012 dated 13-07-2012 and P&GS/PO/89/2012 dated 01-03-2012 respectively.</p>		

Action:
DH(P&GS)

CHAIRMAN'S
INITIALS



MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS


DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	
<p>90. 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 6(28)/09-Ins dated 19-04-2011, the regularization of contractual employees is to be considered after completion of one year service. Accordingly, Ms. Ammara will become eligible for regularization of services on 08-03-2013, after completion of one year service whereas Mr. Atif will become eligible for regularization of services on 09-10-2012 after completion of one year service.</p> <p>91. The Memorandum on regularization of contractual employees was submitted to the HR Committee in its 11th meeting held on 1st October, 2012 which had resolved as under:</p> <p>a) That the Committee agreed and recommended the proposal to the Board for post-facto approval of regularization of Ms. Ammara Afroz.</p> <p>b) That the Committee agreed and recommended the proposal to the Board for post-facto approval of regularization of Mr. Rai Muhammad Atif.</p> <p>92. Accordingly, the Board resolved as under:</p> <p>RESOLVED: "that the recommendation of HR Committee at its meeting held on 1st October, 2012 on the proposal of ED(P&GS) post facto approval of regularization of contractual employees Ms. Ammara and Mr. Atif as per office order No.P&GS/PO/275/2012 dated 13-07-2012 and P&GS/PO/89/2012 dated 01-03-2012 respectively. is hereby given."</p> <p>(g) Award of Special Pay amounting to Rs.10,000 per month to Mr. Nadeem Bessy, GM(G&P).</p> <p>93. Executive Director (P&GS) presented before the Board, a Memorandum dated October 8, 2012 regarding award of Special Pay amounting to Rs.10,000/- per month to Mr. Nadeem Bessy, GM(G&P) in recognition of initiative taken by him in respect of business of Bureau of Emigration, whereby in the year 2011 a total number of 458,560 emigrants proceeded abroad on job visa. Mr. Nadeem Bessy using his negotiating/marketing skills was able to increase the premium on the emigrants certificates from Rs.1297 per certificate to Rs.2000 per certificate and increase in sum assured from Rs.300,000 to Rs.1,000,000 w.e.f. 1-1-2011. This resulted in earning by the Corporation of additional premium of Rs.322 million which would be recurring each year.</p> <p>94. The Memorandum on Award of Special Pay amounting to Rs.10,000 per month to Mr. Nadeem Bessy, General Manager(G&P) as per Annexure-A to the Memorandum was submitted to the HR Committee in its 11th meeting held on 1st October, 2012 which resolved as under:</p> <p>"that the Committee agreed with the proposal that Award of Special Pay amounting to Rs.10,000 per month be included into pay of Mr. Nadeem Bessy, General Manager(G&P) and recommended the matter to Board of Directors for approval."</p>			

Action:
DH(P&GS)

CHAIRMAN'S
INITIALS



MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME												
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012													
Action: DH(P&GS)	<p>95. Accordingly, the Board resolved as under:</p> <p>RESOLVED: "that the recommendation of HR Committee on the proposal of ED(P&GS) of award of Special Pay amounting to Rs.10,000 per month to be included into pay of Mr. Nadeem Bessy, GM(G&P) with immediate effect in recognition of initiative taken by him in respect of business of Bureau of Emigration was hereby approved."</p> <p>(h) <u>Revision of Pay Package of Mr. Anwer Baloch, AGM(RE) on contract</u></p> <p>96. Executive Director (P&GS) presented before the Board, a Memorandum regarding revision of Pay Package of Mr. Anwer Baloch, AGM(RE) who is employed in State Life on contract basis.</p> <p>97. Eng. Anwer Ali Baloch was appointed on contractual basis for a period of six months as Assistant General Manager RED vide offer letter dated 27-05-2010 after observing codal formalities.</p> <p>98. Further, his contract was extended twice for a period of one year each time by the approval of Board of Directors in its 221st meeting held on 25-07-2011 and 226th meeting held on 04-07-2012 accordingly on same terms and conditions on which he was appointed as AGM (RED) on contract. He is drawing the following pay package:</p> <table border="1"><tr><td>Basic pay (BS)</td><td>25,105</td></tr><tr><td>House Rent(40% of basic pay)</td><td>10,042</td></tr><tr><td>Utilities @15%</td><td>3,766</td></tr><tr><td>Remb. Car Petrol</td><td>15,963</td></tr><tr><td>Car Rental</td><td>3,400</td></tr><tr><td>TOTAL</td><td>58,276</td></tr></table> <p>99. ED(P&GS) recommended that keeping the high living cost in view, 65% adhoc relief as allowed by the Federal Government during the year 2010 and 2011 budget be included in his pay. Additional monthly Financial Impact will be Rs.16,318 with prospective effect.</p> <p>100. The matter was placed before the HR Committee of the Board in its meeting held on 1st October, 2012 which recommended that the proposal of ED(P&GS) be submitted to the Board for approval.</p> <p>101. Accordingly, the Board resolved as under:</p> <p>RESOLVED: "that the recommendation of HR Committee on the proposal of ED(P&GS) to increase 65% adhoc relief into pay of Mr. Anwer Baloch, AGM(RE) on contract as allowed by the Federal Government in 2010 and 2011 budget to its employees was hereby approved with immediate effect. The additional monthly financial impact will be Rs.16,318 with prospective effect."</p>			Basic pay (BS)	25,105	House Rent(40% of basic pay)	10,042	Utilities @15%	3,766	Remb. Car Petrol	15,963	Car Rental	3,400	TOTAL	58,276
Basic pay (BS)	25,105														
House Rent(40% of basic pay)	10,042														
Utilities @15%	3,766														
Remb. Car Petrol	15,963														
Car Rental	3,400														
TOTAL	58,276														
Action: DH(P&GS)	<p>CHAIRMAN'S INITIALS</p> 														

Action:
DH(P&GS)


MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME				
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012					
	<p>(i) Monthly Cash Award to Regional Chiefs and Zonal Heads (IL)</p> <p>102. Executive Director (P&GS) presented before the Board, a Memorandum dated 8th October, 2012 on Monthly Cash Award to Regional Chiefs and Zonal Head (IL) to compensate them for their untiring efforts.</p> <p>103. During course of their basic performance i.e. procurement of new business, conservancy of old business and induction of new insurance agents, the Zonal Heads and Regional Chiefs are required to carry out administrative responsibilities in their territories. Both the spheres of performance require these marketing executives to often operate beyond office hours and even remain busy during week-ends for betterment of Corporation's business. They work in tremendous pressure which includes documentation on administration and controls, examination of financial statement and other key performance indicators.</p> <p>104. The Memorandum on monthly cash award to Regional Chiefs and Zonal Heads (IL) was submitted to the HR Committee in its 11th meeting held on 1st October, 2012 which resolved as under:</p> <p style="padding-left: 40px;">That the Committee recommended the proposal to the Board for approval that Zonal Heads and Regional Chiefs irrespective of their designations be paid following allowances on monthly basis w.e.f. October, 2012:</p> <table style="margin-left: 100px;"><tr><td>For Regional Chiefs</td><td>Rs.25,000/- per month</td></tr><tr><td>For Zonal Heads(IL)</td><td>Rs.15,000/- per month</td></tr></table> <p style="padding-left: 40px;">A monthly financial impact of Rs.490,000 would be involved.</p> <p>105. Accordingly, the Board resolved as under:</p> <p>RESOLVED:</p> <p>"that the recommendation of the HR Committee on the proposal of ED(P&GS) to pay monthly cash award to Regional Chiefs and Zonal Heads(IL) at Rs.25,000 and Rs.15,000 respectively w.e.f. October, 2012 is hereby approved. The monthly financial impact would be Rs.490,000."</p> <p>j) <u>DIFFERENCE OF OVERSEAS ALLOWANCE PAYABLE TO THE OFFICERS POSTED IN GULF ZONE.</u></p> <p>106. ED(P&GS) had presented a Memorandum before the HR Committee at its 11th meeting held on 1st October, 2012 which after deliberations had resolved as under:</p> <p style="padding-left: 40px;">"Determination of rate of the Overseas Allowance for the officers posted abroad be delinked with any increase by Federal Government. Further, a committee comprising of ED(P&GS), ED(F&A) and ED(Marketing) would propose the rationalized rate of Overseas Allowance in line with the business indicators in Gulf Zone and its applicability from the date of 1st revision of Federal Government and submit the report to the HR Committee Members through circulation for recommendation to the Board."</p>			For Regional Chiefs	Rs.25,000/- per month	For Zonal Heads(IL)	Rs.15,000/- per month
For Regional Chiefs	Rs.25,000/- per month						
For Zonal Heads(IL)	Rs.15,000/- per month						

Action:
DH(P&GS)

Action:
DH(P&GS)

CHAIRMAN'S
INITIALS



Action:
DH(P&GS)

Action:
DH(P&GS)


CHAIRMAN'S
INITIALS



MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME															
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012																
Action: DH(P&GS)	<p>107. In the light of the recommendation of the Departmental Committee for review of Overseas Allowance and other perquisites of officers seconded to Gulf Zone, the Board decided to await the due recommendation of HR Committee before which the proposal of the Departmental Committee regarding rationalization of the rate of overseas allowance, the date of its applicability and its delinking with any increase by Federal Government would be put up.</p> <p>ITEM (6) DRAFT POLICY/SOPS FOR MAKING PROVISION AND IDENTIFICATION OF CONTINGENT LIABILITIES.</p> <p>108. Executive Director (F&A) presented before the Board, a Memorandum dated 10th October, 2012 regarding draft Policy/SOPs for making provision and identification of contingent liabilities.</p> <p>109. The Board of Directors, in the 225th meeting held on 30th April, 2012, observed that the Corporation has no policy for making provision against doubtful receivables, Investment having diminishing value, defalcation by employees/ field workers, etc. Continuous monitoring is not being done for aging of the amount involved to finally decide whether the full amount or a portion thereof is recoverable or has turned into bad debt being un-collectible. The Board directed to draft a Policy/SOPs for making provision and identification of Contingent Liabilities, which should be reflected in the annual accounts, and present the same in the Board's meeting.</p> <p>110. Accordingly, Chairman, State Life, constituted a committee, comprising of following members, vide P&GS Division's notification dated 29th May, 2012.</p> <table><tr><td>• Divisional Head (F&A)</td><td>-</td><td>Convenor</td></tr><tr><td>• Divisional Head (LAD)</td><td>-</td><td>Member</td></tr><tr><td>• Divisional Head (P&GS)</td><td>-</td><td>Member</td></tr><tr><td>• Concerned Divisional Head</td><td>-</td><td>Member</td></tr><tr><td>• AGM/Manager (F&A)</td><td>-</td><td>Secretary</td></tr></table> <p>111. The committee held various meetings and discussed issues relating to identification of bad debts, their provisioning, writing off, reinstatement, identification and reporting of contingent liabilities, writing back outstanding liabilities/credit balances, etc. Based on the recommendations and decisions made in the meetings of committee, the draft Policy/SOPs for subject matter was prepared and circulated to all members. After several meetings and continuous improvements on the basis of input received from members of the committee, the draft was approved by the committee on 13th September, 2012 and signed the same.</p> <p>112. The draft Policy/SOPs, submitted to the Management, was discussed by the Chairman, State Life in a meeting held on 3rd October, 2012 wherein all Executive Directors and Members of the Committee were present. The draft was reviewed in the meeting and some amendments were advised which have been incorporated and is being submitted for perusal and approval of the Board.</p> <p>113. The Board directed that the Draft Policy/SOPs for making provision and identification of contingent liabilities be submitted before the Board Audit Committee at its next meeting.</p>			• Divisional Head (F&A)	-	Convenor	• Divisional Head (LAD)	-	Member	• Divisional Head (P&GS)	-	Member	• Concerned Divisional Head	-	Member	• AGM/Manager (F&A)	-	Secretary
• Divisional Head (F&A)	-	Convenor																
• Divisional Head (LAD)	-	Member																
• Divisional Head (P&GS)	-	Member																
• Concerned Divisional Head	-	Member																
• AGM/Manager (F&A)	-	Secretary																
Action: DH(F&A)																		

CHAIRMAN'S INITIALS



CHAIRMAN'S
INITIALS


MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	
ITEM (7)	<p>CONSIDERATION AND APPROVAL OF MINUTES OF 23RD, 24TH AND 25TH MEETINGS OF REAL ESTATE AND INVESTMENT COMMITTEE HELD ON 24-08-12, 17-09-12 AND 29-09-12.</p> <p>114. The minutes of the 23rd, 24th and 25th meeting of Real Estate and Investment Committee held on 24-08-2012, 17-09-2012 and 29-09-2012 respectively were presented before the Board of Directors for consideration and confirmation of minutes and approval of decisions/recommendations made by the Committee. A copy of the above minutes duly signed by the Chairman(REIC) are placed at Annexure-D-1 to D3 to the Minutes.</p> <p>115. Accordingly, the Board resolved as under:</p> <p>RESOLVED:</p> <p>"that the minutes of 23rd, 24th and 25th meeting of Real Estate and Investment Committee held on 24-08-2012, 17-09-2012 and 29-09-2012 together with observations/recommendations are approved:-</p> <p>23rd meeting of REIC</p> <p>"that consultant should be hired on PPRA Rules for preparation of conceptual plans for utilization of vacant space in Building No.7 at Karachi(13400 sq.yds.), FTC Plots(13500 sq.yds), Davis Road, Lahore(12 canals) and 25 canals of corner plot at Lytton Road, Lahore."</p> <p>"that utilization and conceptual plans prepared in the past by M/s. PEPC and M/s. Surti be presented to REIC for disposal."</p> <p>"that Real Estate Division should present its case to SLIC Management to firm up the proposal in respect of a) reviewing and rationalizing present holding of management staff, b) posting of at least one qualified engineer to manage each or cluster of co-located buildings, c) restructuring RED to address its top heavy status, d) warding off dead wood, e) completely reviewing of Real Estate Management regime towards efficacious utilization of resources and f) decentralizing of working at Zonal levels."</p> <p>"that DH(REIC) should give presentation to REIC encompassing following parameters: a) details of expenditure incurred in the last maintenance package, b) balance of the budget and c) cost affect of future requirement with estimates with respect to maintenance for all SLIC buildings, replacement of left over lifts, upliftment of all buildings."</p> <p>"that State Life should revisit condition of its building to improve upon the rental inflows and services of renowned consultants be hired for revaluation of all SLIC properties towards efficacious utilization."</p> <p>"that valuation report already obtained in respect of M/s. Parthenon project adjacent to State Life Building No.11 encompassing sale of two office floors 100,000 sq.ft. and one parking floor (150000 sq.ft.) with capacity of 300 cars to be connected through pedestrian bridge by Karachi Cantt Board which</p>		

Action:
Secretary
(REIC)/
DH(RE)

Action:
Secretary
(REIC)/
DH(RE)

CHAIRMAN'S
INITIALS



MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	
<p>could be commercially viable to our building should be re-evaluated by a certified independent valutors to assess the changes and cost escalation if any due to time lapse of nearly 15 months and a proposal for outright acquisition be presented to the REIC."</p> <p>"that RED should present legal cases in respect of ejectment, fair rent, recovery and other cases to SLIC Management for disposal."</p> <p>"that the proposal recommended in principle by REIC in respect of writing off of Rs.2.883 million of outstanding dues from vacated tenants be put up to the Board."</p> <p>"that external auditors be appointed to carry out due diligence of Burj Bank as well as to have their opinion on size of likely provision of principal and waiving of interest income in the light of international accounting standard and State Life's internal policy and subsequently the Investment Division to present the settlement package containing findings and recommendations of auditors afresh before the Board for reconsideration in respect of outstanding dues of First Dawood Investment Bank Ltd."</p> <p><u>24th meeting of REIC</u></p> <p>"that valuation reports be finalized in respect of M/s. Parthenon project for which additional documents be provided to the valutors for preparation of realistic valuation report based on which a feasibility study should be presented at the next REIC meeting for acquisition of one parking and two office floors with cost appraisal and payment schedule."</p> <p>"that Real Estate Division put up detailed working paper on facility management of one building each in Karachi, Lahore Zone(preferably Gujranwala) and Islamabad for consideration of REIC which could be subsequently replicated for other State Life buildings."</p> <p>"that DH(Investment) is requested to place the matter before REIC for reconsideration of full and final settlement of outstanding dues of First Dawood Investment Bank Ltd once offer of additional assets as compensation of settlement of financial dispute is received from them."</p> <p>"that the offer of settlement of dues of Schon Refinery Ltd can be considered if a lump sum payment in one go is received and the settlement package is decreed by the court."</p> <p><u>25th meeting of REIC</u></p> <p>"that NESPAK be given the task to assess possibility of expansion of present building # 11 for creation of more car parking and office spaces from structural renderings."</p> <p>"that NESPAK should be directed to submit Final Value Engineering Report within the next 10 days. NESPAK should also carry out independent valuation of the Prethenon said building on the same basis as given to M/s. Iqbal Nanji and M/s. IDG."</p>			

Action:
Secretary
(REIC)/
DH(RE)

Action:
Secretary
(REIC)/
DH(RE)

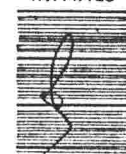
CHAIRMAN'S
INITIALS





MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	
	<p>"that NESPAK should incorporate all observations in their Final Report."</p> <p>"that Financial Evaluation done by DH (Investment) should be reviewed. Input from well-known Real Estate Consultant be incorporated to assess the rentable value of the two office floors. The financial feasibility of the proposal be worked out as per different assessed values by the valuers."</p> <p>"that the recommendation of REIC in principle to Board of Directors for acquiring of one parking floor and booking of two office floors (as per offer of M/s. Prethernon) pursuant to due diligence was hereby approved."</p> <p>"that plot at Abbasi Shaheed Road near FTC be used for construction of high rise building only."</p> <p>"that investment in real estate should be considered in view of the falling discount rates."</p> <p>"that diversification of investment within real estate should be looked into to improve yield on real estate income."</p> <p>"that the services of a Consultant be hired to look into the possibility of creation of a management company to look after the maintenance and renting of State Life properties."</p> <p>ITEM (8) <u>ANY OTHER ITEM WITH THE PERMISSION OF THE CHAIR.</u></p> <p>a) <u>ESTABLISHMENT OF FULL FLEDGED INDIVIDUAL LIFE ZONAL OFFICE AT KOHAT.</u></p> <p>116. Executive Director (Marketing) presented before the Board, a Memorandum dated October 11, 2012 for establishment of full fledged Individual Life Zonal Office at Kohat.</p> <p>117. On the request of Marketing Division, the Board of Directors in its 228th meeting held on 19-09-2012 has resolved to allow Marketing Division to carry out feasibility study and financial viability for establishment of Kohat and Dera Ismail Khan Zones in view of prospect of growth and statutory directives to encourage Islamic insurance. These areas are presently holding the status of Sector Office and Sub-Zonal Office, respectively, attached with Peshawar Zone within the territory of North Region.</p> <p>118. Marketing Division is of the view that the assignment of feasibility study and financial viability in the perspective of Islamic insurance may consume a considerable time, specially keeping in mind the recently promulgated Takaful Rules by the SECP. Hence, it would be a supportive decision, if the Board of Directors permits, in principle at the first phase, to declare the Sector of Kohat as full-fledged IL Zone with immediate effect. Initially, the business operations will be commenced at the area with skeleton staff, to be posted temporarily.</p>		

CHAIRMAN'S INITIALS


Action:
DH(Mkt)Action:
DH(Mkt)Action:
DH(Mkt)

MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	
<p>Action: DH(Mkt)</p> <p>Action: DH(Mkt)</p>	<p>119. Afterwards, all the required measures will be taken up with the concerned Divisions for provision of operational facilities and manpower, in a full fledged and compatible manner.</p> <p>120. The Board agreed that Kohat should be made part of the expansion plan of State Life within an overall plan of establishment of new Zones.</p> <p>121. The meeting ended with vote of thanks to the chair.</p> <p style="text-align: right;">  (CHAIRMAN) </p>		
			CHAIRMAN'S INITIALS 

MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	
<p style="text-align: center;"><u>Annexure-A</u></p> <p style="text-align: center;"><u>Position Paper for the Board of Directors</u></p> <p style="text-align: center;"><u>Implementation of Pre-Packaged Software Solution</u></p> <p>The Board of Directors in its 218th meeting held on March 21, 2011 desired to present updated project progress report on implementation of Pre-Packaged Software Solution in every Board Meeting. In compliance of the board directives, subject position is furnished as under:</p> <p>1. <u>Module-wise implementation status of Pre-packaged Software Solution:</u></p> <p>1.1. <u>Investment Module</u></p> <p><i>This modules is comprises over following five (05) sub-modules.</i></p> <ul style="list-style-type: none"> ▪ T – Bill – (Treasury Bills) ▪ TDR – (Terms Deposits Refinance) ▪ TFC – (Term Finance Certificates) ▪ PIB (Pakistan Investment Bonds) ▪ Equity (Money Market) <p><i>The implementation committee (comprising Investment & IT Division resources) and the team of SHMA are working since July 2011 to run application and identify gaps, in parallel with the customization.</i></p> <ul style="list-style-type: none"> • T – Bill & TDR sub-modules were singed-off and are now fully operational. • Implementation activities after customization & development of user required reports for PIB, Equity & TFC sub-modules have been completed. These sub-modules are also fully operational. Presently, User Division is using these applications in parallel and getting confidence by reconciling with manual system. • Formal sign-off for these sub-modules from Investment Division is expected in December 2012 upon reconciliation of quarterly/periodic reports. <p>1.2. <u>Group Life Administration System Module - (GLAS)</u></p> <ul style="list-style-type: none"> • After completion of Gap Analysis phase, the customized software was deployed on test server and implementation team completed testing of functions with real data & Pre-UAT with subject matter specialists. • The formal Users Trainings (to properly hand-over the GLAS module to functional users) for UAT and parallel Run are underway since 1st week of July 2012. For the purpose, Implementation teams along with designated resources from SHMA are deployed in G&P Karachi Zone. • Besides the parallel Run, implementation team in co-ordination with SHMA and users vigorously working on compilation & migration of previous data. <p>1.3. <u>Individual Life Administration System Module - (ILAS)</u></p> <p><i>The Individual Life Administration System Module (ILAS) covers almost 80% of the core functions of State Life which includes following sub modules:</i></p>			

CHAIRMAN'S
INITIALS




MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	
<ul style="list-style-type: none"> ▪ New Business ▪ Policy Conservation & Alterations ▪ Reinsurance ▪ Claim & Loan Management ▪ Agency Admn./Commissions <ul style="list-style-type: none"> • The Gap Analysis phase was completed and signed-off on June 3, 2011 and the same was provided to SHMA to initiate customization. Since diversification of functions in different life insurance products associated with various supplementary riders is very high; therefore Gap Document was provided to SHMA with an understanding that any improvement suggested by the stakeholders during customization process will be accommodated accordingly. • IT Project Office team in collaboration with subject matter specialists from PHS Division are reviewing and elevating the various products for further improvements and incorporation of new functionalities in the system. • After customization of identified Gaps, SHMA started following activities for New Business & Underwriting sub-modules from 26th December 2011. <ul style="list-style-type: none"> ▪ Pre-implementation Preparation ▪ Incorporation of additional features ▪ Generation of compliance Document ▪ Pre-implementation sessions with Technical Users/IT team ▪ Entry of parameters & validation of Reports ▪ Testing of functions with real data ▪ UAT with subject matter specialists ▪ Initiate user Training • Besides this, SHMA delivered Claims sub-module after customization of gaps on 22nd June 2012 for Pre-UAT activities. • Testing of functions with real data & Pre-UAT with subject matter specialists for New Business & Underwriting sub-modules was almost completed in August 2012. During the process users identified some changes; same were forwarded to SHMA for customization. In the mean time, activities to provide requisite infrastructure at Karachi South zone are underway. • During the process of Pre-UAT a few functional deficiencies were identified and resolution of which is pending with SHMA. Resolution of this issue will enable us to start implementation activities at pilot site Karachi (South) Zone. • User Acceptance & Testing (UAT), Parallel Run and User Training for pilot site (Karachi – South) zone has been initiated from October 2012. <p>1.4. GL Module</p> <ul style="list-style-type: none"> • Final Gap Document was reviewed by functional users of F&A Division and got signed-off on 20th July 2011. In light of identified gaps, SHMA completed customization of this module and 			

CHAIRMAN'S
INITIALS



MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	
	<p><i>delivered for its review and validation in March 2012.</i></p> <ul style="list-style-type: none"> During the pre-UAT process, some deficiencies in the newly developed Chart-of-Account were surfaced, the matter was discussed with SHMA and F&A Division and preparation of revised version of Chart-of-Account is in process and finalization was expected by the end of September 2012. Finalization of revised version of Chart-of-Account is still awaited from User Division. User Division is extensively working on the mapping of profit centers with revised version of Chart-of-Account. Completion of this activity will lead to upload cut-off balances and generate review reports. 		
	<p>2. <u>Deployment of New ICT Infrastructure:</u></p> <p>2.1. <u>Preparation of SLIC - Data Centre:</u></p> <ul style="list-style-type: none"> Dismantling of existing structure at proposed site was completed. Civil works are in progress. As per work plan submitted by the vendor, activity is expected to be completed by 15th December 2012. <p>2.2. <u>Procurement of Branded Servers, Storage Solution and License Software:</u></p> <ul style="list-style-type: none"> Tender was published in press, SLIC & PPRA's websites on 10th June 2012. Bids were collected and technical bids were opened on 19th July 2012. Technical evaluation of bids was completed. Financial bids were opened in the Central Procurement Committee (CPC) meeting held on 17th September 2012 in presence of representatives of participating bidders. Consolidated evaluation (Technical cum Financial) is completed. Process for approval to award contract to lowest evaluated bidders is in progress. 		
	<p>Dated: <u>October 5, 2012.</u></p>		
	<p>CHAIRMAN'S INITIALS</p> 		

MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME														
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012															
<p style="text-align: right;"><u>Annexure-B</u></p> <p style="text-align: center;">Minutes of 11th meeting of Human Resources Committee held on 1st October, 2012</p> <p>The 11th meeting of the Human Resources Committee of the Board of Directors of State Life Insurance Corporation of Pakistan was held on 01st October 2012 at 11.00 a.m. in the Board Room, State Life Building No. 9, Principal Office, Karachi.</p> <p>2. The following attended the meeting:</p> <table><tr><td>Mr. Shahid Aziz Siddiqi</td><td>Chairman</td></tr><tr><td>Mr. Farooq Hadi</td><td>Director</td></tr><tr><td>Mr. Wazir Ali Khoja</td><td>Director</td></tr><tr><td>Mr. Furqan A. Shaikh</td><td>Director</td></tr><tr><td>Mr. Fazal Abbas Maken</td><td>Director</td></tr><tr><td>Mr. Abdul Hafeez Shaikh</td><td>ED (P&GS) / Secretary</td></tr><tr><td>Mr. Mohsin Abbas</td><td>Divisional Head (P&GS)</td></tr></table> <p>3. Meeting started with the Recitation of Holy Quran at 11:00 a.m.</p> <p>ITEM (01) <u>CONFIRMATION OF MINUTES OF 10th MEETING OF HUMAN RESOURCES COMMITTEE HELD ON 08th June 2012.</u></p> <p>4. The minutes of 10th meeting held on 08th June 2012 were placed before the Committee.</p> <p><u>RESOLVED</u></p> <p>"The Committee unanimously confirmed the minutes of 10th HR Committee of the Board.</p> <p>Mr. Furqan Ali Shaikh advised that the minutes of meeting of HR Committee (both soft and hard copies) be circulated soon after approval in order to provide ample time to members to study them thoroughly".</p> <p>ITEM (02) <u>IMPLEMENTATION REPORTS OF 10th MEETING OF HUMAN RESOURCES COMMITTEE HELD ON 08th June 2012.</u></p> <p>5. The minutes of 10th meeting held on 08th June 2012 were placed before the Committee.</p> <p><u>RESOLVED</u></p> <p>"The committee showed its satisfaction on the implementation of decisions."</p> <p>ITEM (03) a) <u>Revision of Approved Strength - 2012</u></p> <p>6. State Life Insurance Corporation of Pakistan is market leader in the insurance industry of the country. It is currently growing at an average of 16% (First Year Premium) per annum in line with industry growth.</p> <p>7. The Corporation is the only insurance organization that has been assigned the Insurer Financial Strength (IFS) 'AAA' rating by an independent rating agency Pakistan Credit Rating Agency (PACRA). The rating denotes SLIC's exceptionally strong capacity to meet policyholder and contract obligations. At the same time, risk factors are considered minimal, and the impact of adverse business and economic factors is expected to be extremely small.</p> <p>8. It is evident that the Corporation in pursuance of its Growth Strategy needs to strengthen its manpower both in terms of quantity as well as quality. The corporation has also ventured into Health Insurance facility to personnel covered under Benazir Income Support Program (BISP).</p>				Mr. Shahid Aziz Siddiqi	Chairman	Mr. Farooq Hadi	Director	Mr. Wazir Ali Khoja	Director	Mr. Furqan A. Shaikh	Director	Mr. Fazal Abbas Maken	Director	Mr. Abdul Hafeez Shaikh	ED (P&GS) / Secretary	Mr. Mohsin Abbas	Divisional Head (P&GS)
Mr. Shahid Aziz Siddiqi	Chairman																
Mr. Farooq Hadi	Director																
Mr. Wazir Ali Khoja	Director																
Mr. Furqan A. Shaikh	Director																
Mr. Fazal Abbas Maken	Director																
Mr. Abdul Hafeez Shaikh	ED (P&GS) / Secretary																
Mr. Mohsin Abbas	Divisional Head (P&GS)																

CHAIRMAN'S INITIALS




CHAIRMAN'S
INITIALS


MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME																								
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012																									
<p>Additionally, with the aim of cost effectiveness, the corporation has also started employing 'Bancassurance' as an additional distribution channel.</p> <p>9. The Zonal Heads have been consistently reporting that the existing manpower is proving to be inadequate to process huge number of procured life insurance business. Often the employees have to remain in the office beyond normal office hours and have to come to office on weekly holidays to process the new business as well as provide service to its existing policy holders. Frequent delays have been reported in processing the customer requests / complaints, which may harm reputation of the corporation. Opening of office on weekly holidays and daily beyond normal office hours has resulted in the increased overtime, late sitting, conveyance, electricity and other allied expenses, substantially.</p> <p>10. Current manpower strength was lastly revised in 2000-2001 and in view of the above it has become necessary to revise / review its current strength and revise it upwardly to minimal required level keeping in view financial constraints.</p> <p>11. In this regard, Bahawalpur Zone has been taken as model zone and has been examined to visualize the situation at macro level.</p> <p>12. Huge number of surrender / lapse of policies is primarily due to the following factors:</p> <ul style="list-style-type: none">• Delay in processing requests of the policy holders for alterations etc.• Delay in processing of loan against cash value of the policy• Delay in processing of Claims (SB / Maturity / Injury / Death)• Delayed processing in revival requests• Inactive follow-up by the respective field channel (after sales service)• Inactive Field Channel and no follow-up by the Agency department <p>13. It is evident that if the Corporation aspires to retain its leading position in the insurance industry, pursue its growth strategy, minimize the number of surrender of policies, improve its quality of service and ensure provision of efficient service to its external as well as internal customers, it has to consider revising its manpower strength.</p> <p>14. The Board of Directors in its 162nd meeting held on 11th May 2001 approved the manpower and sanctioned the following staff strength:</p> <table><tr><td colspan="2"><u>Approved Strength</u></td></tr><tr><td>a) Regional and Zonal Offices</td><td>2887</td></tr><tr><td>b) Principal Office</td><td>439</td></tr><tr><td>c) Group & Pension Division</td><td>247</td></tr><tr><td>d) Real Estate Division (All Stations)</td><td>345</td></tr><tr><td>e) Reserved Posts for Direct Recruitment</td><td>123</td></tr><tr><td>f) Floating Post of DGMs</td><td>9</td></tr><tr><td></td><td>-----</td></tr><tr><td></td><td>4050</td></tr></table> <p>15. The Board also directed the following:</p> <p><i>"that the staff strength would be reviewed on annual basis"</i></p> <p>16. As per directives of BoD, the Executive Committee in its 266th meeting held on 30.10.2001 approved the grade/designation wise bifurcation of strength.</p> <table><tr><td colspan="2"><u>Later on Approved Additionally</u></td></tr><tr><td>• 194thBoD dated 15.04.2008 (Mgr-Mkt)</td><td>35</td></tr><tr><td>• 207thBoD dated 02.03.2010 (Officers)</td><td>23</td></tr></table> <p>Accordingly the total approved strength as at 31.12.2011 is 4108.</p> <p>17. The above mentioned strength was approved in the year 2001 on the basis of inforce policies of Individual Life Zones, covered group lives of G&P Zones and covered area for Real Estate as</p>				<u>Approved Strength</u>		a) Regional and Zonal Offices	2887	b) Principal Office	439	c) Group & Pension Division	247	d) Real Estate Division (All Stations)	345	e) Reserved Posts for Direct Recruitment	123	f) Floating Post of DGMs	9		-----		4050	<u>Later on Approved Additionally</u>		• 194 th BoD dated 15.04.2008 (Mgr-Mkt)	35	• 207 th BoD dated 02.03.2010 (Officers)	23
<u>Approved Strength</u>																											
a) Regional and Zonal Offices	2887																										
b) Principal Office	439																										
c) Group & Pension Division	247																										
d) Real Estate Division (All Stations)	345																										
e) Reserved Posts for Direct Recruitment	123																										
f) Floating Post of DGMs	9																										

	4050																										
<u>Later on Approved Additionally</u>																											
• 194 th BoD dated 15.04.2008 (Mgr-Mkt)	35																										
• 207 th BoD dated 02.03.2010 (Officers)	23																										

CHAIRMAN'S INITIALS




CHAIRMAN'S
INITIALS



MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME																																				
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012																																					
<p>follows:</p> <ul style="list-style-type: none">Individual Life Zones having more than 55,000 inforce policies were considered as Large Zones and allocated strength @ 1.5 person per 1000 policies.Individual Life Zones having less than 55,000 inforce policies were considered as Small Zones and allocated strength @ 2 person per 1000 policies.Regional Offices allocated 18 employees for each Office.Group & Pension Offices were allocated @ 0.06 person per 1000 covered lives.Real Estate Offices were allocated @ 0.09 person per 1000 covered sq. Ft. Area.Bifurcation of Officers and Staff was made on the following ratio: <table><tr><th></th><th>Ratio</th><th></th></tr><tr><td>For Large Zones</td><td>30 : 70</td><td>(Officers : Staff)</td></tr><tr><td>For Small Zones</td><td>35 : 65</td><td>(Officers : Staff)</td></tr><tr><td>For Regional Offices</td><td>60 : 40</td><td>(Officers : Staff)</td></tr><tr><td>For Principal Office</td><td>50 : 50</td><td>(Officers : Staff)</td></tr><tr><td>For Group & Pension</td><td>45 : 55</td><td>(Officers : Staff)</td></tr><tr><td>For Real Estate</td><td>20 : 80</td><td>(Officers : Staff)</td></tr><tr><td>Overall on Corporate Basis</td><td>1/3 : 2/</td><td>(Officers : Staff)</td></tr></table> <p>18. In the year 2001, the revision of strength was made, total 1,871,245 policies were inforced. However, till the year 2011, the business of State Life had increased more than 100% and the present inforce policies are appearing as 3,759,654.</p> <p>19. According to the existing formulas and criteria, estimated revised strength in accordance with the present inforce policies, would be 7272 employees with 2425 Officers and 4847 staff members. The expected financial burden for additional 3164 employees would need a huge amount to cater the expenses.</p> <p>20. Taking into account tremendous expansion of business of the Corporation to cater the present need of manpower and to maintain the strict observance on expected financial burden, an exercise for revision with minimal increase has been done on the following basis:</p> <ul style="list-style-type: none">Individual Life Zones having more than 55,000 inforce policies are considered as Large Zones and allocated strength @ 1 person per 1000 policies.Individual Life Zones having less than 55,000 inforce policies are considered as Small Zones and allocated strength @ 1.5 person per 1000 policies.Regional Offices allocated 20 employees for each Office.Group & Pension Offices are allocated @ 0.05 person per 1000 covered lives.Real Estate Offices are allocated @ 0.09 person per 1000 covered sq. Ft. Area.Ratio for bifurcation of officer and staff of revised approved is taken as under: <table><tr><th></th><th>Ratio</th><th></th></tr><tr><td>For Large Zones</td><td>30 : 70</td><td>(Officers : Staff)</td></tr><tr><td>For Small Zones</td><td>35 : 65</td><td>(Officers : Staff)</td></tr><tr><td>For Regional Offices</td><td>60 : 40</td><td>(Officers : Staff)</td></tr></table>					Ratio		For Large Zones	30 : 70	(Officers : Staff)	For Small Zones	35 : 65	(Officers : Staff)	For Regional Offices	60 : 40	(Officers : Staff)	For Principal Office	50 : 50	(Officers : Staff)	For Group & Pension	45 : 55	(Officers : Staff)	For Real Estate	20 : 80	(Officers : Staff)	Overall on Corporate Basis	1/3 : 2/	(Officers : Staff)		Ratio		For Large Zones	30 : 70	(Officers : Staff)	For Small Zones	35 : 65	(Officers : Staff)	For Regional Offices	60 : 40	(Officers : Staff)
	Ratio																																						
For Large Zones	30 : 70	(Officers : Staff)																																					
For Small Zones	35 : 65	(Officers : Staff)																																					
For Regional Offices	60 : 40	(Officers : Staff)																																					
For Principal Office	50 : 50	(Officers : Staff)																																					
For Group & Pension	45 : 55	(Officers : Staff)																																					
For Real Estate	20 : 80	(Officers : Staff)																																					
Overall on Corporate Basis	1/3 : 2/	(Officers : Staff)																																					
	Ratio																																						
For Large Zones	30 : 70	(Officers : Staff)																																					
For Small Zones	35 : 65	(Officers : Staff)																																					
For Regional Offices	60 : 40	(Officers : Staff)																																					

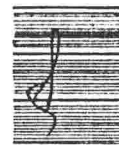
CHAIRMAN'S INITIALS



CHAIRMAN'S
INITIALS

MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME																																
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012																																	
<p>For Principal Office 50 : 50 (Officers : Staff)</p> <p>For Group & Pension 45 : 55 (Officers : Staff)</p> <p>For Real Estate 20 : 80 (Officers : Staff)</p> <p>Overall Corporate Basis 33 : 67 (Officers : Staff)</p> <p><i>(Under the proposed revised criteria, those individual life Zones whose revised strength is coming less than the previous approved strength i.e. Karachi South, Lahore Central, Gujranwala, Peshawar and Abbottabad Zones, have been allocated the previous approved strength without any change keeping in view that they are responsible to render services for such policies which were sold earlier.)</i></p> <p>21. Under the circumstances mentioned above, the revised / proposed Station wise strength is calculated.</p> <p>22. In view of the above submissions, following revised / proposed strength and proposals are submitted:</p> <table border="1"> <thead> <tr> <th></th><th>Total</th><th>Office s</th><th>Staff</th></tr> </thead> <tbody> <tr> <td>For Principal Office</td><td>444</td><td>222</td><td>222</td></tr> <tr> <td>For Group & Pension Offices</td><td>337</td><td>152</td><td>185</td></tr> <tr> <td>For Real Estate Offices</td><td>241</td><td>48</td><td>193</td></tr> <tr> <td>For Regional Offices</td><td>80</td><td>48</td><td>32</td></tr> <tr> <td>For I.L. Zonal Offices</td><td>4021</td><td>1218</td><td>2803</td></tr> <tr> <td>TOTAL PROPOSED STRENGTH</td><td>5123</td><td>1696</td><td>3427</td></tr> </tbody> </table> <table border="1"> <tbody> <tr> <td>For Gulf Zone (In addition to the above Proposal)</td><td>40</td><td>11</td><td>29</td></tr> </tbody> </table> <p>(ii) Additionally, 15 seats may be reserved for the posts of Actuarial Trainee, Principal Office.</p> <p>(iii) Grade Wise / Designation Wise strength bifurcation will be prepared and submitted to the H.R. Committee for its approval.</p> <p>(iv) The Executive Director (P&GS) may be authorized to make adjustment between various Zones/Regions/P.O/G&P/R.E according to the changing requirements of the business.</p> <p>23. It is pertinent to highlight that in-force policies have increased up to 100% from year 2000 to 2011, thus there is need of upward revision in manpower strength @ around 80% or more but keeping in view financial constraints and recommendations submitted by the Information Technology Division, minimum required level i.e. 25% approx. has been proposed for approval.</p> <p>24. The estimated additional annual financial impact, calculated by the Division, taking into account the fresh induction of the proposed revision in strength 2012 would be Rs. 270,973,500/-.</p> <p>25. It is also imperative to emphasize that some of the existing designations / nomenclature of unionized employees have ceased to exist like Security Guards, Gestetner Operator etc. and the corporation has outsourced and hired services of private security agency. It is also added that recently the Federal Government has abolished the Secretarial Positions and have merged such employees in regular cadre, same is also proposed for the Secretarial employees of the Corporation. Revised strength has been worked out with new proposed designation-wise strength along with revised nomenclature.</p> <p>26. Along with above proposal following is also proposed for consideration:</p>					Total	Office s	Staff	For Principal Office	444	222	222	For Group & Pension Offices	337	152	185	For Real Estate Offices	241	48	193	For Regional Offices	80	48	32	For I.L. Zonal Offices	4021	1218	2803	TOTAL PROPOSED STRENGTH	5123	1696	3427	For Gulf Zone (In addition to the above Proposal)	40	11	29
	Total	Office s	Staff																																
For Principal Office	444	222	222																																
For Group & Pension Offices	337	152	185																																
For Real Estate Offices	241	48	193																																
For Regional Offices	80	48	32																																
For I.L. Zonal Offices	4021	1218	2803																																
TOTAL PROPOSED STRENGTH	5123	1696	3427																																
For Gulf Zone (In addition to the above Proposal)	40	11	29																																

CHAIRMAN'S
INITIALS

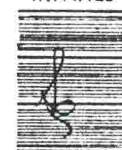
MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	
<p>c. That Executive Director (P&GS) may be authorized to make adjustments between various Zones/Regions/PO/G&P/RE according to the changing requirements of the business.</p> <p>d. That the staff strength may be allowed to be reviewed on an annual basis.</p> <p>27. The matter was submitted before the HR Committee of the Board of Directors for consideration of above proposal and its recommendations for approval of BoD.</p> <p>RESOLVED:</p> <p>"The matter was duly deliberated and resolved as under:</p> <p>a) The approved staff strength as at 31-12-2011 be increased @ 15%.</p> <p>b) Bifurcation of the revised manpower (i.e 15%) may be made on need basis in all cadres.</p> <p>c) After completion of the exercise of revision in manpower a report containing business performance and improvement in efficiency be submitted to the Human Resources Committee after a period of three months.</p> <p>d) A committee comprising Regional in-charges, (P&GS), (PHS), (F&A) be constituted to assess the increased workload, business accomplishments and requirement of manpower for each Zone and Region.</p> <p>Subsequently the Committee comprising of EDs would frame Terms of Reference (TORs) for engaging the HR Consultant in the light of above Committee. Besides, a Committee consisting of DHs of P&GS, Marketing, F&A and PHS would also carry out a parallel study on the above lines and submit their recommendations to The Management.</p> <p>The role of HR Consultant shall be revisiting / reengineering the organizational hierarchy and business processes keeping in view the optimal utilization of manpower. The HR Consultant, if deems appropriate may visit Zones/ Regions for his own understanding of SLIC business, policies and procedures and examine the judicious utilization of manpower for compiling the report.</p> <p>b) <u>REVISION OF APPROVED STRENGTH OF GENERAL MANAGERS</u></p> <p>28. Staff strength was approved by the Board of Directors in its 162nd meeting held on 11.08.2001 with the directives that the grade-wise/designation wise</p>			

CHAIRMAN'S
INITIALS


MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	
	<p>staff position to be rationalized by the Executive Committee. Subsequently the Executive Committee in its 266th meeting held on 30.10.2001 sanctioned allocation of staff strength as per grades/ designations. The EC also reserved some posts for direct recruitment.</p> <p>29. Since then, the staff strength has not been reviewed despite the fact that the business of the Corporation has increased at a considerable rate.</p> <p>30. According to the approved strength, 06 approved posts of General Managers were allocated at Principal Office, G&P and R.E.D. for Divisional Heads, 04 posts were allocated to Regional Offices for Regional Chiefs and 02 approved posts were kept reserved for direct appointment in General Manager grade. Following Divisions at Principal Office have the approved post of General Managers for Divisional Heads:</p> <ul style="list-style-type: none"> • Personnel Division • PHS Division • Investment Division • Marketing Division • Group & Pension Division • Real Estate Division <p>31. Following Divisions at Principal Office do not have any approved post of General Manager for Divisional Head:</p> <ul style="list-style-type: none"> • F&A Division • Actuarial Division • IA&C Division • I.T. Division • Health Insurance Division (<i>newly created</i>) <p>32. The increase in the business of the Corporation has necessitated up-gradation of posts for processing and according financial approvals in terms of limits specified by Chart of Delegation of Financial Powers in order to provide efficient service as well as effective internal controls. It is therefore proposed that the post of above five Divisional Heads may be designated as General Manager by increasing total number of General Managers from twelve to 17. It is pertinent to highlight that Regulation 6</p> <p>(2) of State Life Employees (Service) Regulations 1973 authorizes the</p> <p>Chairman for creation of permanent post with the prior approval of the Board.</p> <p>33. The matter was placed before the Human Resources Committee for its consideration and recommendations for the Board of Directors.</p>		

CHAIRMAN'S
INITIALS


MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	

RESOLVED

"that the committee recommended the matter to the Board of Directors for approval of 05 additional posts of General Managers for F&A Division, Actuarial Division, IA&C Division, I.T. Division and Health Insurance Division at Principal Office."

C) APPOINTMENT OF QUALIFIED FINANCIAL/ACCOUNTING PROFESSIONAL AND UPGRADATION SCHEME.

34. State Life is a financial and commercial organization heavily depending upon its skilled manpower especially professionals. In 1995-1996, the Corporation recruited a number of officers who were either fully or partly qualified Chartered Accountants / Cost and Management Accountants with a view to induct professionals in the organization in compliance with the International Accounting / Auditing Standards. Such personnel were posted in Finance & Accounts, IA&C and Investment Divisions. Their presence in the organization resulted in the betterment of processes, effective service, adherence to rules & regulations and strengthening of internal controls.

35. With the passage of time, some partly qualified Accountants passed their final examinations and became Associate Members of their respective Institutes i.e. ICMA or ICAP. These qualified Accountants could not be elevated to suitable position after qualifying their Professional Examinations due to non – availability of vacancies. Moreover, their counter – parts working in private sector are receiving higher & attractive salary packages along with lucrative perquisites. Resultantly, some of the qualified Accountants officer who qualified their CA examinations after recruitment and some of those who qualified ICMA examinations after the appointment left the service of State Life for better prospects due to wide gap in the salary package and allowance drawn by them in State Life in comparison to those organizations.

36. The dearth of Accounting professionals was being felt in the Corporation, the intensity of which has been multiplied many fold with the implementation of Insurance Ordinance, 2000. The new Insurance Ordinance 2000 requires insurance companies to submit the quarterly and audited annual accounts to the Securities & Exchange Commission of Pakistan (SECP). Further, some reports are to be submitted on quarterly basis and the Regulator's queries are also attended. The implementation of IFRS has further necessitated the need to have qualified Accounting personnel in the Corporation with a potential to accomplish the task efficiently, effectively and within the prescribed & accepted Accounting Standards.

37. Above issue can be addressed through following two strategies:

a) RECRUITMENT OF QUALIFIED / PARTLY QUALIFIED ACCOUNTING PROFESSIONALS

(1) The Accounting Professionals may be recruited against following vacancies worked out by F&A, Investment and IA&C Divisions on the basis of need worked out communicated by these divisions

Division	Manager		Deputy Manager	
	Number of Posts	Criteria	Number of Posts	Criteria
F&A	10	CA / ACMA / CIMA / ACCA 4-5 years experience Max. age 45 years	09	CA Inter / 3 parts of ACMA and equivalent for ACCA/CIMA Experience will be preferred Max. age 45 years

CHAIRMAN'S
INITIALS



MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT		ON		TIME
MINUTE BOOK	KARACHI		15 TH OCTOBER, 2012		
Investment	2	CA / ACMA / CIMA / ACCA 4-5 years experience (Those having relevant experience will be preferred) Max. age 45 years	Nil	Nil	
IA&C	3	CA / ACMA / CIMA / ACCA 4-5 years experience Max. age 45 years	Nil	Nil	

38. Above posts will be additional to already approved strength and needs approval of the Board of Directors. The recruitment will be subject to fulfillment of codal formalities i.e. placement of advertisement, short listing of the candidates, selection through test / interview or both, formation of Selection Committees, observance of provincial / regional / other quotas, Medical fitness and verification of antecedents/credentials.

b) Devising of career growth for those serving the Corporation and have earned / completed the Associate degree of Chartered Accountancy and Cost & Management Accountancy

39. The remaining qualified officers who are presently working in State Life, with the passage of time have acquired reasonable experience of State Life working and are discharging their responsibilities up to the mark but they are dissatisfied with their present position and emoluments as they have not been upgraded in position after qualifying the Accountancy examinations. In case they leave the service of the Corporation, it would be a great loss to the investment of the Corporation in training and grooming these officers for such a long period of time i.e. about 5 to 6 years. Therefore, it is imminent to think about the prospective brain drain and try to retain them in the best interest of the Corporation.

40. In view of the aforesaid facts, it is also recommended as under:


All officers who were appointed in the cadre of EO & AM and have improved their qualification and are now fully qualified Accountants possessing more than 3 years of experience in State Life may be upgraded as Deputy Manager upon qualification of ICMA/ACCA(UK)/CIMA(UK). It is added that those officers who qualify as per above criteria and presently hold the position of Deputy Manager, will be considered upgradation as Manager.

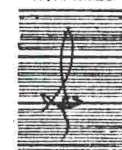
All those officer who were appointed in the cadre of DM and have improved their qualification and are now fully qualified Accountants possessing more than 3 years of experience in State Life may be upgraded as Manager upon qualification of ICMA/ACCA(UK)/CIMA(UK).

41. As a matter of policy, in future all officers who after their induction in State Life acquire the qualification of ICMA/ACA/CIMA/ACCA will be upgraded as under:

After qualification of ACMA/ACA/CIMA/ACCA and are Executive Officer Assistant Manager will be upgraded as Deputy Manager

CHAIRMAN'S INITIALS



CHAIRMAN'S
INITIALS


MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	

after three years of service.

After qualification of ACMA/ACA/CIMA/ACCA and are Executive

Officer / Assistant Manager / Deputy Manager will be upgraded as Manager after six years of service.

42. The P&GS Division will consider cases of these qualified Accountants for upgradation each case individually on the recommendations given by the respective Divisional Head i.e. F&A/Investment/IA&C. No case will be turned down or kept pending due to non-availability of vacancy. In such instances, the case will be processed without any delay and the post will stand upgraded.

43. The matter was placed before the HR Committee of the board and resolved as under.

RESOLVED

"The Committee realizing shortage of qualified professional in the field of Accounting / Finance/ Auditing recommended approval of appointment of professionals, subject to observance of codal formalities, and approval of additional posts, detailed as under:

Division	Manager		Deputy Manager	
	Number of Posts	Criteria	Number of Posts	Criteria
F&A	10	CA / ACMA / CIMA / ACCA 4-5 years experience Max. age 45 years	09	CA Inter / 3 parts of ACMA and equivalent for ACCA/CIMA Experience will be preferred Max. age 45 years
Investment	2	CA / ACMA / CIMA / ACCA 4-5 years experience (Those having relevant experience will be preferred) Max. age 45 years	Nil	Nil
IA&C	3	CA / ACMA / CIMA / ACCA 4-5 years experience Max. age 45 years	Nil	Nil

The Committee further advised to allow existing SLIC employees to apply through proper channel and compete with those applying in response to advertisement."

ITEM (4) DEPARTMENTAL APPEALS

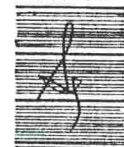
44. The officers awarded punishments on account of Misconduct after adopting laid down procedure by the Competent Authority have a right to file appeal / application for revision and review the decisions under Regulation No.33 of State Life Employees (Service) Regulations, 1973.

45. The following accused officers filed appeal:

- | | | |
|--------|-------------------------|---------------------------------|
| (vi) | Dr. Mazhar Mughal | Area Manager, Larkana Zone |
| (vii) | Mr. Khalil A. Shaikh | Ex-Area Manager, Lahore Central |
| (viii) | Mr. Arshad Mehmood Butt | Area Manager, Gujranwala |
| (ix) | Dr. Zafarullah Khan | Manager (NewBus.) Peshawar |
| (x) | Dr. Amir-ul-Azam | Manager (NewBus.) Peshawar |

46. Brief of the case of each appellant is enclosed.


CHAIRMAN'S
INITIALS



MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME										
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012											
<p>47. Members of the Human Resource Committee are requested to consider the application / appeals and submit its recommendations to the Board for such final order as the later may deem fit to make.</p> <p>RESOLVED: (i, ii & iii) "the Appellant were heard by the HR Committee and he they failed to explain any valid reason for consideration to waive off the punishment. Therefore, the Committee unanimously agreed to uphold the decision taken by competent authority and maintain the punishment."</p> <p>(iv & V) "the Appellant was heard by the HR Committee. HR Committee advised that the ED(P&GS) and ED(Marketing) jointly examine the involvement of Area Manager in the light of inquiry report and lapses on the part of both appellants and resubmit report in next HR Committee meeting."</p> <p>ITEM (5) PERFORMANCE BASED BONUS SCHEME-2010 FOR G&P DIVISION</p> <p>48. The subject memorandum was submitted before the 6th meeting of Human Resources Committee held on 21.03.2011 which resolved as below:</p> <p>"that the Committee agreed with the proposal for the year 2010 without any retrospective effect of previous years and recommended to submit the matter to the Board in its next meeting for approval"</p> <p>49. Further, the Board in its 228th meeting has directed to place the matter again before the HR Committee of the Board. Therefore, the matter was placed before the members of the HR Committee for consideration and recommendation to the Board for approval.</p> <p>RESOLVED: "that the Committee agreed with the proposal for the year 2010 without any retrospective effect of previous years and recommended to submit the matter to the Board in its next meeting for approval"</p> <p>Item (6) REVISION OF PAY PACKAGE OF COL (R) MOHSIN ALI SHAH GENERAL MANAGER (RE) (ON CONTRACT).</p> <p>50. Col (R) Mohsin Ali Shah was appointed on contractual basis for a period of two yearsas General Manager (Real Estate) in Scale 13(b) of SLIC Rs. 33850-1660-73690vide offer later dated 07-04-2010 after observing codal formalities. Later, ten advance increments have been added in his basic Pay.</p> <p>51. One year extensionw.e.f 14-03-2012in his contract was granted by the Board of Directors in its 223th meeting on same terms and conditions. Accordingly, he is drawing the following pay package:</p> <table border="1"><tr><td>Basic pay (BS)</td><td>50,450</td></tr><tr><td>House Rent(40% of basic pay)</td><td>20,180</td></tr><tr><td>Conveyance Allowance</td><td>Corporation's maintained Car</td></tr><tr><td>Utilities</td><td>7,568</td></tr><tr><td>Reimb. Car Petrol (410 liters Petrol, if</td><td></td></tr></table>				Basic pay (BS)	50,450	House Rent(40% of basic pay)	20,180	Conveyance Allowance	Corporation's maintained Car	Utilities	7,568	Reimb. Car Petrol (410 liters Petrol, if	
Basic pay (BS)	50,450												
House Rent(40% of basic pay)	20,180												
Conveyance Allowance	Corporation's maintained Car												
Utilities	7,568												
Reimb. Car Petrol (410 liters Petrol, if													

CHAIRMAN'S INITIALS



CHAIRMAN'S
INITIALS


MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	

Corporation's Car is Provided @Rs. 98.05/-)	40,200
Driver Subsidy	8,000
TOTAL	126,398

52. Col (R) Mohsin has made a representation to the Chairman about the extension of his contract service on same terms and condition and requested to increase his pay package through alternative solutions as:-

- e. Lump Sum pay by delinking basic pay structure.
- f. Re-negotiation of pay package.
- g. Restoration of adhoc pay allowed in Federal Budget 2010
- h. and 2011 (ex-facto).
- i. Switch over to Govt. pay scales for senior officers or those working on development projects.

53. Keeping the high living cost in view it is therefore proposed for 65% adhoc relief into his pay may be approved, as allowed by the Federal Government during the year 2010 and 2011 budget. Additional monthly Financial Impact will be Rs.32,792 with prospective effect.

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

RESOLVED:

"that the committee recommended the matter to the Board to revise the compensation package by adding 65% adhoc relief to pay of Col(R) Mohsin Ali Shah General Manager (RE) (On Contract), as allowed by the Federal Government during the year 2010 and 2011 budget, Additional monthly Financial Impact will be Rs.32,792 with prospective effect."

ITEM (7) REGULARIZATION OF CONTRACTUAL EMPLOYEES.

a) MS. AMMARA AFROZ

55. Ms. Ammara Afroz D/o Muhammad Arif Malik, though being a Graduate, was appointed as Assistant Manager on the directives of Prime Minister vide appointment letter 07-03-2012 for one year contract basis. She joined the Corporation on 09-03-2012.

56. The Corporation received instructions for examination of regularization of services of Ms. Ammara Afroz as per rules/policy. On pursuance of the case by Prime Minister's Secretariat, Chairman approved regularization of services of Ms. Ammara subject to ex-post facto approval of the Board of Directors. Accordingly, P&GS Division issued office order No. P&GS/PO/275/2012 dated 13-07-2012.

57. 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 6(28)/09-Ins dated 19-04-2011, the regularization of contractual employees is to be considered after completion of one year service. Accordingly, Ms. Ammara will become eligible for regularization of services on 08-03-2012, after completion of one year service.

58. The matter was placed before HR Committee for kind perusal and its recommendations to

CHAIRMAN'S
INITIALS



MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	
<p>Board of Directors for post-facto approval.</p> <p>RESOLVED:</p> <p>"that the committee agreed and recommended the proposal to the Board for post-facto approval of regularization of Ms. Ammara Afroz."</p> <p>b) RAI MUHAMMAD ATIF</p> <p>59. The subject memorandum was placed before HR Committee of the Board of Directors in its 9th meeting held on 13-03-2012 for ex-post facto approval. The HR Committee resolved as under:</p> <p><i>"that the matter should be referred to the Sub Committee of the Cabinet for regularization."</i></p> <p>60. In this regard it is highlighted that 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 6(28)/09-Ins dated 19-04-2011, the regularization of contractual employees is to be considered after completion of one year service. Accordingly, Mr. Atif will become eligible for regularization of services on 09-10-2012, after completion of one year service; whereas, upon pursuance of 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&GS Division issued office order No. P&GS/PO/89/2012 dated 01-03-2012.</p> <p>61. Therefore the matter was again placed before HR Committee for kind perusal and its recommendations to Board of Directors for post-facto approval.</p> <p>RESOLVED:</p> <p>"that the committee agreed and recommended the proposal to the Board for post-facto approval of regularization of Mr. Rai Muhammad Atif."</p> <p>ITEM (8) <u>AWARD OF SPECIAL PAY AMOUNTING TO RS. 10,000/- PER MONTH TO MR. NADEEM BESY, GENERAL MANAGER (GROUP & PENSION DIVISION)</u></p> <p>62. The subject memorandum was submitted in 224th meeting of the Board of Directors held on Tuesday 10th April 2012.</p> <p>63. The memorandum is being re-submitted as the same could not be discussed in the previous meeting of BoD.</p> <p>64. Therefore, the matter was placed before the members of HR Committee of the Board for their consideration and recommendation to the Board for its approval.</p> <p>RESOLVED:</p> <p>"that the committee agreed with the proposal that Award of Special Pay amounting To Rs. 10,000/- Per Month be included into pay of Mr. Nadeem Bessy, General Manager (Group & Pension Division) and recommended the matter to BoD for approval."</p> <p>OTHER ITEMS</p> <p>a) <u>REVISION OF PAY PACKAGE OF MR. ANWER BALOCH</u></p> <p>65. Eng. Anwer Ali Baloch was appointed on contractual basis for a period of six months as Assistant General Manager RED vide offer letter dated 27-05-2010 after observing codal formalities.</p> <p>66. Further, his contract was extended twice for a period of one year each time by the approval of Board of Directors in its 221st meeting held on 25-07-2011 and 226th</p>			

CHAIRMAN'S
INITIALS



MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	

meeting held on 04-07-2012 accordingly on same terms and conditions on which he was appointed as AGM (RED) on contract. He is drawing the following pay package:

Basic pay (BS)	25,105
House Rent(40% of basic pay)	10,042
Utilities @15%	3,766
Remb. Car Petrol	15,963
Car Rental	3,400
TOTAL	58,276

67. Keeping the high living cost in view it is therefore proposed for 65% adhoc relief into his pay may be approved, as allowed by the Federal Government during the year 2010 and 2011 budget. Additional monthly Financial Impact will be Rs.16,318 with prospective effect.

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

RESOLVED:

"that the committee recommended the matter to the Board to increase 65% adhoc relief into pay of Mr. Anwer Baloch ,as allowed by the Federal Government during the year 2010 and 2011 budget. Additional monthly Financial Impact will be Rs. 16,318 with prospective effect."

b) MONTHLY CASH AWARD TO REGIONAL CHIEFS AND ZONAL HEADS (IL)

69. The core business activity of the Corporation is procurement of life insurance business in the Country through its twenty six (26) individual life Zones grouped into four Regions, headed by Regional Chiefs.

70. This business activity is carried out by Regional Chiefs and Zonal Heads who are mainly selected amongst Assistant General Managers, Deputy General Managers and General Managers working on marketing side as Sector Heads. Deserving marketing personnel of the rank of Manager (Marketing) are also posted as Zonal Heads, in rear instances.

71. The career path of Regional Chiefs and Zonal Heads is mostly commenced from the cadre of Sales Representative. They produce gigantic volume of business for the Corporation right from inception of their career upto and including the position of Zonal Heads and then Regional Chiefs.

72. The prime responsibility of the Corporation is to secure fresh business every year which in turn constitutes foundation for future renewal income to strengthen the Corporation. The business responsibilities of Zonal Heads/Regional Chiefs, are described as under:

- Procurement of fresh business target every year to the extent set by Corporation, not only to compensate inflation, but to achieve increased new business each year
- Conservancy of old business to maximize renewal income
- Increase in clientele by new Policyholders
- Induction of new insurance agents into the marketing stream
- Administration

73. During course of their basic performance as above, the Zonal Heads and Regional Chiefs are further required to carry out administrative responsibilities in their territories. Both the spheres of performance grab these marketing executives in a way that they often tend to operate


CHAIRMAN'S
INITIALS



MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME		
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012			
<p>beyond office hours, and even remain busy during week-ends for betterment of Corporation's business. They work in tremendous pressure which includes documentation on administration and controls, examination of financial statement and other key performance indicators, (KPIs).</p> <p>74. To compensate their untiring efforts, Marketing Division requests to allow Zonal Heads and Regional Chiefs, irrespective of their designation, following allowances on monthly basis:</p> <p>a) For Regional Chiefs Rs 25,000/- per month b) For Zonal Heads (IL) Rs 15,000/- per month</p> <p>75. On the above arrangement, a monthly finance of Rs 390,000/- will be required. For the year 2012, however, a finance of Rs 1225,000/- will be sufficient from October 2012 till December 2012.</p> <p>76. The HR Committee of the Board was requested to kindly consider and recommend for approval by the Board of Directors.</p> <p>RESOLVED: "that the committee recommended the proposal to the Board for approval that Zonal Heads and Regional Chiefs, irrespective of their designations be paid following allowances on monthly basis w.e.f October 2012:</p> <p>a) For Regional Chiefs Rs 25,000/- per month b) For Zonal Heads (IL) Rs 15,000/- per month</p> <p>A monthly financial impact of Rs 490,000/- would be involved."</p> <p>c) <u>DIFFERENCE OF OVERSEAS ALLOWANCE PAYABLE TO THE OFFICERS POSTED IN GULF ZONE</u></p> <p>77. The Officers performing duties in Gulf Zone are remunerated as per terms and conditions decided by the Board in its 152nd meeting held on 4-5 March 2000 while rationalizing pay and allowances of overseas officers, Reproduced below is an extract of said decision of the Board with particular reference to Overseas Allowance as made permissible to Overseas Officers, as per rates variable with the post:</p> <table border="1"><tr><td>(ii) Overseas Allowance</td><td>US \$ 1502/- per month i.e. equal to the rates paid to the second Secretary of the respective foreign mission offices subject to revision as and when Government revises overseas allowance for their foreign offices.</td></tr></table> <p>78. The extract reproduced above is related with the Officers holding the post of "Assistant General Managers", descending as under with the lower posts:</p> <p>i) For Managers: US \$ 1136/- per month subject to revision along the Government</p> <p>ii) For Deputy Managers: US \$ 947/- per month subject to revision along the Government. The Federal Government revised the rate of overseas allowance twice in the year 2005, i) With effect from 01-01-2005 onwards,</p> <p>iii) and ii) with effect from 01-07-2005 onwards. Third revision was effective from 01-07-2007. The last revision was made in 2011; with effect from 01-10-2011.</p> <p>79. Said revisions were not promulgated by State Life to its overseas officers inspite of being part of their "Terms & Conditions" for posting abroad, The dues on account of unpaid difference have accumulated to US \$ 427,013/- till 30-04-2012, as worked out by Gulf Zone,</p>				(ii) Overseas Allowance	US \$ 1502/- per month i.e. equal to the rates paid to the second Secretary of the respective foreign mission offices subject to revision as and when Government revises overseas allowance for their foreign offices.
(ii) Overseas Allowance	US \$ 1502/- per month i.e. equal to the rates paid to the second Secretary of the respective foreign mission offices subject to revision as and when Government revises overseas allowance for their foreign offices.				


CHAIRMAN'S INITIALS



CHAIRMAN'S
INITIALS



MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	
<p>80. Later, the provision of "revision in overseas allowance" was discontinued for incorporating in the "Terms & Conditions" of the officers being posted abroad, in violation of the policy of the Board.</p> <p>81. One of the affected Officers, Dr. Bakht Jamal, ex-Manager (PHS) after expatriation to Pakistan submitted representation to State Life for payment of difference on account of revisions, but it was avoided by the management on the reasons incompatible with the status and legality of the Board's corresponding decision as taken in its 152nd meeting. Dr. Bakht Jamal, later, approached the Hon'ble Court of Law whereby his case was decided in his favour. The difference of overseas allowance as evolved due to enhancements thrice, was disbursed to him, accordingly. Remaining Officers have also filed appeals/ representations for payment of difference of overseas allowance.</p> <p>82. In order to analyze the Board's decision and subsequent terms and conditions for overseas officers, a Committee was formed consisting of officers of Principal Office, Karachi. The Committee held its meeting on 18th April 2012 and found itself incompetent for examination of Board's decision and further viewed the variance in terms & conditions inconsistent with the Board's decision. The Committee further viewed that the difference evolved as a result of revision by Government is payable to existing overseas officers including appellants and any amendment in the policy of overseas allowance, if required, should be effective from the day it is amended on, by the Board, instead of dating it back against the spirit of decision of the Board's 152nd meeting. Upholding the Board's decision taken in its 152nd meeting, the Committee has decided to invite indulgence of the Human Resource Committee of the Board for further deliberations and settlement of the issue.</p> <p>83. The HR committee was requested to consider the representations of the affected officers in the light of decision taken by Board in its 152nd meeting held on 04-03-2000 and forward its recommendations to the Board.</p> <p>RESOLVED:</p> <p>"Determination of rate of the Overseas Allowance for the officers posted abroad be delinked with any increase by Federal Government."</p> <p>Further, a committee comprising of ED (P&GS), ED (F&A) and ED (Marketing) would propose the rationalized rate of Overseas Allowance in line with the business indicators in Gulf Zone and its applicability from the date of 1st revision of Federal Government and submit the report to the HRC members through circulation for recommendation to the Board."</p> <p>84. The meeting ended with a vote of thanks to the chair.</p>			
<p>CHAIRMAN'S INITIALS</p> 			

MINUTES OF 229TH MEETING OF THE BOARD OF DIRECTORS

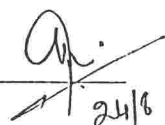
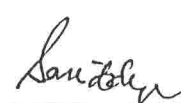
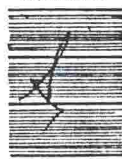
DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	15 TH OCTOBER, 2012	


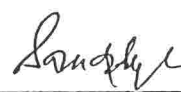

Annexure-CPerformance Based Bonus Scheme for officers of G&P Division for the year 2010

Proposed criteria	Existing points	Existing criteria	Proposed points	Proposed description
Business	35 points	Real % growth in total group life and pension premium over previous calendar year Real 1% growth in group life and pension premium from new groups over previous calendar year	Growth in Govt. Sector: 12.5 points Growth in commercial: 12.5 points Total: 25 points	Growth will be monitored separately on Government as well as Commercial basis. Both the sectors have been allocated 12.5 points for each 1% growth, 1 point shall be awarded subject to a maximum of 12.5 points
Persistence	20 points	Persistence	Persistence Govt. Sector: 10 points Persistence Commercial: 10 points Total: 20 points	Same as existing. However, persistency shall be monitored separately for Government as well as Commercial basis. For each of the sector, 10 points will be allocated.
Profitability	25 points	Profitability	Profitability Govt. Sector: 12.5 points Profitability Commercial: 12.5 points Total: 25 points	Same as existing. However, profitability shall be calculated separately for Government as well as Commercial basis. For each of the sector, 12.5 points will be allocated.
SECP Expense Ratio	Nil	Nil	10 points	In light of the maximum management expense limits prescribed by the SECP, 10 points may be awarded for keeping expenses under the limit. It may be noted here that ED(Marketing) and Chairman Secretariat expenses shall also be included on a proportionate basis on the total expenses of the G&P Division. This proportion shall be on the basis of Group Premium Income against Individual Life New Business Premium Income.

CHAIRMAN'S
INITIALS

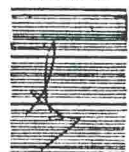

DIRECTORS	HELD AT	ON	TIME				
MINUTE BOOK							
<div>Minutes of 23rd REIC Meeting</div> <div>1. 23rd Meeting of the REIC was held on 24th August 2012 at PO, SLIC Karachi; attended by the following:-<div><div><div>a. Mr. Shahid Aziz Siddiqi</div><div>b. Mr. Hussain Lawai.</div><div>c. Mr. Wazir Ali Khoja</div><div>d. Mr. Nihal Anwar</div><div>e. Mr. Mohsin S. Haqqani</div><div>f. Mr. Attaullah A. Rasheed</div><div>g. Lt Col (R) Mohsin Ali Shah, TI (M)</div></div><div><div>- Chairman</div><div>- Director</div><div>- Director</div><div>- Director</div><div>- Executive Director (RE)</div><div>- DH (Investment) / Member</div><div>- DH(RED)/Secretary</div></div></div></div> <div>2. After recitation from the Holy Quran, the Chairman welcomed the participants and commenced the proceedings as follows:-<table><tr><th>Discussion on Agenda Points</th><th>Actions by</th></tr><tr><td><div>Agenda Points II 1.</div><div>Implementation Report of 22nd Meeting of REIC dated 10th May 2012.</div><div>3. REIC was satisfied with Compliance Report on Minutes of 22nd REIC Meeting.</div><div>Agenda Point II 2</div><div>Confirmation of Minutes of 22nd Meeting of REIC</div><div>4. Mr. Wazir Ali Khoja proposed confirmation of Minutes of 22nd meeting of REIC; seconded by Mr. Hussain Lawai.</div></td><td><div>DH (RED)</div><div>DH (RED)</div></td></tr></table></div> <div><div>Secretary REIC</div><div>Chairman</div><div>CHAIRMAN'S INITIALS</div></div>				Discussion on Agenda Points	Actions by	<div>Agenda Points II 1.</div> <div>Implementation Report of 22nd Meeting of REIC dated 10th May 2012.</div> <div>3. REIC was satisfied with Compliance Report on Minutes of 22nd REIC Meeting.</div> <div>Agenda Point II 2</div> <div>Confirmation of Minutes of 22nd Meeting of REIC</div> <div>4. Mr. Wazir Ali Khoja proposed confirmation of Minutes of 22nd meeting of REIC; seconded by Mr. Hussain Lawai.</div>	<div>DH (RED)</div> <div>DH (RED)</div>
Discussion on Agenda Points	Actions by						
<div>Agenda Points II 1.</div> <div>Implementation Report of 22nd Meeting of REIC dated 10th May 2012.</div> <div>3. REIC was satisfied with Compliance Report on Minutes of 22nd REIC Meeting.</div> <div>Agenda Point II 2</div> <div>Confirmation of Minutes of 22nd Meeting of REIC</div> <div>4. Mr. Wazir Ali Khoja proposed confirmation of Minutes of 22nd meeting of REIC; seconded by Mr. Hussain Lawai.</div>	<div>DH (RED)</div> <div>DH (RED)</div>						

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			
<p><u>Agenda Point # 3</u> <u>Strategic Plan of Real Estate Division (RED)</u></p> <p>5. BOD had decided that Real Estate Division should prepare a Strategic Plan for next 10 years towards efficacious utilization of SLIC properties for maximum revenue generation. A three-fold Strategic Plan (encompassing Short Term, Mid Term and Long Term measures) was evolved by Real Estate Division and presented to BOD through series of presentations. Finally, in 221st Meeting of the BOD dated 25/07/2011 BOD, it was resolved that:-</p> <p>"Strategic Plan in respect of Real Estate Division was submitted by ED(RE) and circulated to the members of the Board. The Board decided that the Strategic Plan would be deliberated upon in the next meeting of the Board to be held on 22nd August 2011. Till such time the Strategic Plan for RED was approved by the Board, no new project for which ground breaking has not taken place would be initiated. However, the existing projects under construction would be completed"</p> <p>6. The REIC is apprised about salient features of the Strategic Plan (placed).</p> <p><u>Resolved</u></p> <p>7. REIC appreciated the qualitative plan prepared by RED and directed that DH (RED) should give presentation to REIC on the proposed Strategic.</p> <p><u>Agenda Point # 4</u> <u>Upcoming SLIC Projects</u></p> <p>8. There are number of vacant plots owned by SLIC. As already apprised to REIC and resolved that vacant plots should be productively utilized. In this context the following projects have already seen through all formalities i.e. approvals of design by BOD, approval of DDWP and tender documents which are ready for contracting formalities:-</p> <p>a. Sargodha Building b. Rehmyar Khan Building c. Sialkot Building</p> <p style="text-align: right;">DH (RED)</p>			
Secretary REIC		Chairman	
			CHAIRMAN'S INITIALS 

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			
<p>9. Additionally, vacant plot at Sahiwal (at 4 Kanals of land) has excellent business potential. It is also exposed to encroachment. Ground + 4 building on prevailing Floor Area Ratio (FAR) would serve the best interest of SLIC. In view of above it is recommended that:-</p> <ul style="list-style-type: none"> a. SLIC should Tender and mobilize Rahimyar Khan, Sargodha and Sialkot Projects. b. Commence conceptual design formalities of Sahiwal Project through a consultant selected on PPRA Rules for final approval of BOD. <p><u>Resolved</u></p> <p>10. REIC resolved that SLIC should:-</p> <ul style="list-style-type: none"> a. SLIC should proceed with tendering and mobilization formalities of Rahimyar Khan, Sargodha and Sialkot Projects. b. Conceptual plans for Sahiwal Project be prepared through consultant as per PPRA Rules. <p><u>Agenda Point # 5</u> <u>Utilization of SLIC Plots and Vacant Spaces</u></p> <p>11. Following SLIC plots / spaces have excellent business potential:-</p> <ul style="list-style-type: none"> a. Vacant Space in Building # 7 at Karachi (13,400 sq.yards) b. Revised construction plans near FTC Plots (13,500 sq.yards) c. Revised construction plans at Davis Road, Lahore (12 Kanals) d. Phased Construction at Building # 2 to utilize 25 Kanals of corner plot at Lytton Road, Lahore. <p>12. It is proposed that SLIC should get prepared conceptual plans for apt utilization of the above spaces.</p> <p><u>Resolved</u></p> <p>13. REIC resolved that consultants should be hired on PPRA Rules for preparation of conceptual plans for utilization of above vacant spaces. Additionally, utilization and conceptual plans prepared in the past by M/s. PEPAC and M/s. Surti to be presented to REIC for its disposal.</p>			
			DH (RED)
			DH (RED)
Secretary REIC		Chairman	
	24/8		
			CHAIRMAN'S INITIALS 

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			
<p><u>Agenda Point # 6</u> <u>Real Estate Management</u></p> <p>14. Real Estate Management is a highly professional entity which requires prompt services and follow up. SLIC Buildings are (mostly) being managed by illiterated, non-professionals and inexperienced staff. Both, the buildings as well as real Estate Division is over staffed. Where as, all professional activities are being out source. Consequently, Rs.250 Million (approximately) are being consumed as "Establishment" expenditure which is proportionately on higher side as compared to annual inflows of Rs.750 Million to Real Estate Division. There is a need to:-</p> <ol style="list-style-type: none"> Review and rationalize present holding of management staff. Post at least one qualified engineer to manage each or cluster of co-located buildings. Restructure RED to address its top heavy status. Ward off dead wood. Completely review Real Estate Management regime towards efficacious utilization of resources. Decentralize working at Zone levels. <p><u>Resolved</u></p> <p>15. RED should present the case to SLIC Management to firm up the proposal.</p> <p><u>Agenda Point # 7</u> <u>Maintenance Package for SLIC Buildings</u></p> <p>16. Over the years, SLIC buildings, mostly those inherited from LINO, have deteriorated manifold. Condition of some of the buildings has become poor to an extent that their renting out is becoming difficult; as most of the good business companies do not prefer to hire those. 4 years ago, BOD had sanctioned Rs.789 Million as maintenance package for all SLIC Buildings. Out of which nearly Rs.500 Million were utilized mostly on replacement of lifts (as package-1). However, remaining funds could not be utilized. Of late, condition / outlook of SLIC Buildings has further declined all over. Hence, there is a need to review the maintenance profile of all buildings. Additionally, interior and external drawings, architectural renderings, floor plans and plumbing details of old buildings are not held by Real Estate Division which adds to mis-management and inefficiency. There is a need to have automated drawings to improve upon maintenance regime. There is a need that SLIC (RED) should:-</p>			
<p>Secretary REIC _____</p> <p style="text-align: right;">24/8</p>		<p>Chairman _____</p>	

CHAIRMAN'S
INITIALS



DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			

- Prepare package-II for maintenance of all SLIC buildings through Consultant.
- Prepare comprehensive plans for replacement of left over lifts.
- Up lift / improve optics of all buildings to attract good tenants.
- Prepare floor plans, external drawings and plumbing details of SLIC buildings (zone-wise).

Resolved

17. DH (RED) should give presentation to REIC encompassing following parameters:-

DH (RED)

- Details of expenditure incurred in the last maintenance package.
- Balance of the budget.
- Cost affect of future requirement with estimates.

Agenda Point II 8

Utilization and Disposal of SLIC Properties

18. The following SLIC properties, in their present condition are not productive due to their low / notional income.

	<u>Sq.Yard</u>	<u>Storey</u>	<u>Year of Construction</u>
a. SLB-6, Karachi	3577	Ground + 5	1960
b. SLB 11-J, PECHS, Block-6, Karachi	1000	Ground + 1	1970
c. Plot # 11 & 11A, Block No.7 & 8, Maqboolabad Co-op Housing Society, Shahrah-e-Faisal, Karachi.	1603	Ground + 1	1965
d. Plot # 2, Block No.7 & 8, Maqboolabad Co-op Housing Society, Shahrah-e-Faisal, Karachi.	1800	Ground + 1	1997
e. Bunglow 4B, 10/7, Nazimabad, Karachi.	437	1st Floor only	1950
f. 106-F, Clifton, Karachi.	2696	Ground + 2	1950
g. 554/A Station Road, Tola Aram Building Hyderabad	440	Ground + 1	1930
h. SLB-6, Moti Mansion, Lahore	6041	Ground + 2	1965
i. SLB-2 Kashmir Road, Rawalpindi.	196.73	Ground Floor	1930

Secretary REIC

Chairman

CHAIRMAN'S
INITIALS



DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			

19. The following options are available to address the issue:-

- Demolish or refurbish the buildings for better utilization.
- Assess efficacy of each property through a Board of Officers.
- Appoint Real Estate Consultant to evaluate above properties for better utilization or suitable disposal.
- Outcome of para 2b and 2c above would be placed before REIC in two months time frame.

Resolved

20. SLIC should revisit condition of its buildings for rentals to improve upon the rental inflows. However, services of re-known consultant be hired for evaluation of all SLIC properties towards efficacious utilization.

DH (RED)

Agenda Point # 9

Critical Buildings

21. As already apprized to REIC (as well as Standing Committee for Commerce in Senate and National Assembly) that following buildings are critical in the context of their vacant status:-

		Rentable	Vacant	%
a.	Mirpur Khas	35,815	27,996	78.17%
b.	Larkana	22,360	10,296	46.05%
c.	Gujrat	75,175	47,000	62.52%
d.	D. I. Khan	23,000	11,849	51.52%
e.	Hashoo Central	116,046	116,046	100.00%
f.	SLB-6, Karachi	100,555	16,723	16.63%
g.	SLB-11, Karachi *	147,000	87,000	59.18%
	Total:	519,951	316,910	60.95%

22. All efforts are in hand to improve upon occupancy status of above buildings. For enhancement of Rental income of building # 11 following is the proposal.

- Of late * Building # 11, one of the best commercial / income generation units of Real Estate Division, has declined in occupancy; mostly due to shortage of parking spaces and bulk vacation by KESC. As directed by REIC / BOD, parking space for 200 cars has been rented from the adjacent parking plaza to immediately address the parking issue. This would help enhance the renting out process to some extent as we have been notified by the Cantt Board Karachi that this is a no parking zone on the road side.
- The building is situated at the best / prime location i.e. corner plot (connecting 5 roads in front of Zainab Market) at the nerve centre of commercial activities at hub of Abdullah Horoon Road. Business potential of the prestigious building need to be suitably addressed through engineering and commercial solutions. In addition to annexation of car parking spaces there are scores of other options available to improve upon the business potential of the building.

Secretary REIC

Chairman

CHAIRMAN'S
INITIALS


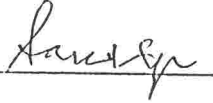




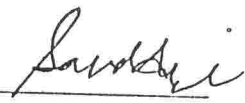

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			
<p><u>Discussed</u></p> <p>23. Status of Critical buildings was discussed by REIC in details. DH (RED) apprized REIC about the ongoing efforts to rent out critical buildings. REIC was updated that sequel to notice / vacation by KESC (with IDBP already vacated and Shevron squeezed), nearly 78,000 sft rentable space would be vacant out of 147,000 sft. RED is facing difficulties to rent out afresh due to:-</p> <ol style="list-style-type: none"> Frequent traffic jams in the stretch in front of Zainab Market and Building # 11 (The critical Building). Shortage of parking spaces (nearly 120 cars) which is insufficient for our tenants. Visitor's parking is not available. They have to work all along or their cars are lifted away by traffic police. <p>24. Consequently, one parking floor from the adjacent plaza has been hired by SLIC as a short term measure. REIC discussed the following options to find permanent solution to address administrative difficulties of one of the best buildings / investments of SLIC that is likely to curtail monthly income from Rs.9.9 Million to nearly Rs.3 Million per month. The following options were discussed:-</p> <ol style="list-style-type: none"> Revisit structural renderings of the present building # 11 to explore technical solution (in creation of parking spaces and additional constructions, if possible). Permanently annex one car parking floor from adjacent plaza with related expansion, if possible. <p>25. DH (RED) apprized REIC that present structural drawings would be reviewed in foundations and FAR perspectives. Apparently there is no possibility of any productive gains in this option due to various extra expenditures. REIC was apprized about the past exercise as follows:-</p> <ol style="list-style-type: none"> In April 2010 SLIC advertised in the press (as per PPRA) to enter into JV/ out / right purchase of under constructed projects (100000 sft and above) in Karachi, Lahore, Islamabad and other major cities. REIC was shown the advertisement and its applicability for one year. Consequently, nearly 20 developers (i.e. M/s. Emmar, Hi-tech shopping Mall, Stock Exchange Twin Tower Islamabad, KASB Developers, M/s. Naseem Enterprises, Khawja Basher Ahmed and Group Multan and M/s. Parthenon etc.) submitted their proposals. 			
		DH (RED)	
		DH (RED)	


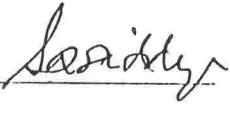
Secretary REIC

Chairman

CHAIRMAN'S
INITIALS

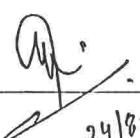
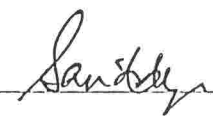
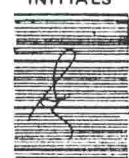
DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			
<p>c. BOD deputed a committee comprising GM Investment, GM Law and GM RE to evaluate all the proposals.</p> <p>d. Accordingly, each proposal was presented to BOD. Most of the proposals were found non responsive and dropped on technical / administrative grounds. However, the following projects were selected for due diligence:-</p> <p>(1) Central Point Project } The developers voluntarily (2) M/s. Khawaja Ahmed Group } Withdrew their proposals at due diligence / valuation Stage – hence dropped.</p> <p>e. Valuation of M/s. Parthenon Project was got done from M/s. Iqbal Nanji and presented to the BOD. It was resolved therein that its value engineering be done by NESPAK as an independent review. However, due to administrative reasons (nomination of present SLIC BOD) the review could not be done from NESPAK.</p> <p>f. Salient aspects of the proposals by M/s. Parthenon; (which is adjacent to our building # 11) encompass sale of two offices floors (# 8 & 9) 100,000 sft and one parking floor (50,000/- sft) with capacity of 300 cars. If allowed to be connected through Pedestrian bridge by Karachi Cantt Board, it can be commercially viable to our building – as opined by the valuator as well.</p> <p>26. The REIC was also apprised that Ministry of Commerce, vide their letter dated 7th October 2010 has directed that all sale / purchase of Real Estate should be done with prior approval of the Ministry. It implies that the due diligence and recommendations of the BOD would entail approval of Ministry of Commerce.</p> <p><u>Resolved</u></p> <p>27. The REIC resolved that:-</p> <p>a. The valuation report already obtained should be re-evaluated (as Desktop Review) to assess the changes and cost escalation, if any (due to time lapse of nearly 15 months alongwith present progress).</p> <p>b. Fresh valuation should also be got done from a certified valuator for an independent review.</p> <p>c. A proposal should be presented to REIC on outright acquisition of the parking floor booking of two floors as per conditions by the seller in response to our advertisement published in the press.</p>			
<p>Secretary REIC </p> <p>Chairman </p>			<p>DH (RED)</p> <p>CHAIRMAN'S INITIALS</p> 

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			
<p><u>Agenda Point # 10</u> <u>Legal Cases and out of Court Settlement</u></p> <p>28. There are 277 legal cases pertaining to SLIC buildings, mostly in following categories:-</p> <ol style="list-style-type: none"> Ejectment Cases. (121) Fair Rent Cases. (66) Recovery Cases. (39) Other cases. (51) <p>29. Law Division is following the cases duly assisted by Real Estate Division. The follow up of court proceedings is at a snail's pace. The aspect is lashing heavily to Real Estate Division in terms of rental income, wastage of time and legal expenses due to built in delays. The following is recommended to address the serious issue:-</p> <ol style="list-style-type: none"> Depute a committee, preferably headed by Divisional Head Law to identify cases for out of the court settlement, wherever possible. Quarterly progress reports be submitted to REIC by Law Division. Real Estate Division should be provided a dedicated and experienced Advocate to coordinate / follow up all legal matters in a professional manner. A financial limit may be determined wherein Real Estate Division is empowered to proceed for out of the court settlement cases in consultation of Law. <p><u>Resolved</u></p> <p>30. RED should present the case to SLIC Management for appropriate disposal.</p> <p style="text-align: right;">DH (RED)</p>			
Secretary REIC		Chairman	
			CHAIRMAN'S INITIALS 

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			
<p><u>Agenda Point # 11</u> <u>Review of Real Estate Portfolio of the Corporation as at June 30, 2012.</u></p> <p>31. The status as follows:-</p> <p>a. Gross Income of Real estate Portfolio as at June 30, 2012 was Rs.394 million as against Rs.358 million for the same period of the previous year which; shows increase of 10%.</p> <p>b. Expenses upto June 30, 2012 are Rs.197 million as against Rs.150 million for the same period of previous year. It shows a Increase of 31%.</p> <p>c. Net Income upto June 30, 2012 is Rs.197 million as against Rs.208 million for the same period of previous year. It shows a decrease of 5%.</p> <p>d. Expense / Income Ratio upto June 30, 2012 is 50% as compared to 42% for the same period of preceding year.</p> <p>32. Above implies that gross income has increase by (10%) as compared to 2011. Whereas the expenses have increased by (31%) due to inflation, enhancement in pay / allowances of staff and Supreme Court verdict to enhance minimum wages upto Rs.8000.00 per month.</p> <p><u>Resolved</u></p> <p>33. REIC was satisfied with the Real Estate portfolio upto 30th June 2012.</p> <p style="text-align: right;">DH (RED)</p>			
Secretary REIC		Chairman	

CHAIRMAN'S
INITIALS



DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			
<div><div><p><u>Agenda Point # 12</u></p><p><u>Commercial Audit observations in respect of recovery of outstanding dues from Vacated Tenants – writing off of the outstanding amount of Rs.2.883 million</u></p><p>34. State Life has rented out 64 commercial and residential units all over Pakistan. Commercial Audit (2004-05) has observed that Rs.21.23 million are outstanding against 91 tenants. The details are as follows:-</p><div><div>a. Rs.7.39 Million are outstanding against 12 tenants (as per annexure 'A'). The cases are Under Litigation.</div><div><div>b. Rs.6.38 Million are outstanding against 8 tenants (as per annexure 'B') Negotiations are underway for recovery.</div><div><div>c. 12 Tenants have already paid and settled their dues.</div><div><div>d. Rs.2.53 Million are still outstanding against 59 tenants which also include electricity, parking and water charges etc (as per annexure 'C')</div></div></div><p>35. DAC vide its meeting dated 28th June 2012 (annexure 'D') directed that:</p><p>"Cases to be identified and Board Memo / Working papers be prepared for such type of paras and matter may be referred to Board of Directors for writing off once for all. Action to be taken within 7 days. Further court cases to be pursued vigorously".</p><p>36. Owing to above, the case is placed before REIC to write off outstanding dues vide para 1d above. The details are as follows:-</p><div><div><div>a. Amount against rent</div><div>-</div><div>Rs.2.534 million</div></div><div><div>b. Amount against water charges</div><div>-</div><div>Rs.0.094 million</div></div><div><div>c. Amount against electric charges</div><div>-</div><div>Rs.0.165 million</div></div><div><div>d. Amount against parking charges</div><div>-</div><div>Rs.0.090 million</div></div><div><div>Total:</div><div></div><div>Rs.2.883 million</div></div></div><p><u>Resolved</u></p><p>37. The REIC recommended the proposal in principal and directed that the case should be placed before BOD through a separate memorandum to write off Rs.2.883 Million as per by DAC / PAC directives.</p></div><div><div>DH (RED)</div><div><div>Secretary REIC</div><div><div></div><div>24/8</div></div></div><div><div>Chairman</div><div><div></div></div></div><div><div>CHAIRMAN'S INITIALS</div><div></div></div></div></div></div></div>			

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			

Agenda Point # 13

38. DH Investment presented following memorandum before REIC containing outcomes of meeting held with External Auditors M/s: Anjum Asif Shahid & Company and Riaz Ahmed & Company on 25th July 2012 to examine accounting issues of proposed settlement package with First Dawood Investment Bankas as advised by the Board in its 226th meeting dated 4th April 2012.

DH (Investment)

Quote:

The proposal submitted before Real Estate Investment Committee of Board held on 10th May 2012 resolved as follows:

That the full and final settlement offered by FDIBL may be presented of the Board of Directors i.e:

a. Upfront Cash payment	Rs. 20.00 Mn
b. Residential Flat valued at	Rs. 4.50 Mn
c. Shares of Burj Bank (8.4 Mn @ 10.00)	Rs. 84.00 Mn
TOTAL	Rs. 108.50 Mn

In the 226th meeting of Board of Directors held on 4th July 2012, it was resolved at para no. 18 and 19 of the minutes that:

"After deliberations, the Board directed DII (Investment) to resubmit the Memorandum at its next meeting after reviewing the status of the outstanding interest in the books of accounts in the light of existing investment and accounting policy of State Life, chart of delegation of financial powers of the Corporation and the International Accounting Standards along with a certificate obtained from the external auditors certifying the amount of markup to be written off and waived by the Directors.

The Board requested DII (Investment) to examine the existing SLIC investment policy approved by the Board in the matter of write off and waiver of mark up and principal amount."


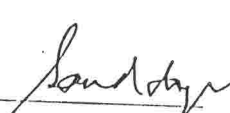

Meeting was held jointly with M/s Anjum Asim & Co and Riaz and Company, external auditors and Divisional Head (F&A) in light of the above observations and it was conveyed that financial and accounting issues can be resolved if FDIBL increases the Burj Bank shares from 8.4 Mn to 9.6 Mn without changing any other terms of the offer. State Life sent letter to Dr. Zafar Ahmed Khan Sherwani of KCDR on 27th July 2012 requesting KCDR to convey State Life's request to FDIBL to increase the Burj Bank shares from 8.4 Million to 9.6 Million shares without changing any other terms and conditions.

Secretary REIC

Chairman

CHAIRMAN'S
INITIALS



DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			
<p>In reply to our request, FDIBL through KCDR has conveyed the following points:</p> <p>[a] FDIBL has ready buyers of Burj Bank shares at Rs. 10/- therefore it would not be possible for FDIBL to sell the same at a discount. [b] if SLIC does not take this offer, FDIBL may give Burj Bank shares to other creditors, which may delay the settlement with SLIC. [c] FDIBL is not in the position to incur a loss of Rs. 12.00 Mn (9.6 Mn shares as suggested by SLIC) x Rs. 1.25 = RS. 12.00 Mn [d] FDIBL is not in the position to cater to our request.</p> <p>In view of the above, it is submitted that REIC may consider the proposal as stated above and necessary recommendations may be given for onward submission to the Board.</p> <p>39. Mr. Hussain Lawai suggested that if FDIBL has ready buyer for share of Burj Bank, then they may be asked to sell and pay proceed to State Life as a part of settlement of the dispute. At this point DH Investment explained that the term ready buyer refers to other creditors of FDIBL who have expressed interest in accepting shares of Burj Bank at a price of Rs.10/= per share as a compensation to defaulted amount.</p> <p>40. Chairman enquired about the value of share of Burj Bank the Investment Division has worked out. DH Investment told to members that book value is Rs.7.93 per share as per unaudited account for nine months 2012, whereas as per our valuation, which is based on Price to Book value ratio, fair value of share of the bank had been estimated Rs.6.31 per share, however, State Life through its letter to KCDR dated 4th April 2012 offered FDIBL to buy shares of Burj Bank at a price of Rs.7.89 per share. Chairman enquired from DH Investment about possible valuation of share of Burj Bank by External Auditors. Responding to query, DH Investment replied that in view of initial discussion with the auditors, he strongly believe that their estimated value, based on their due diligence, will come closer to estimation made by the Division.</p> <p>41. Mr. Hussain Lawai made observation that acceptance of the proposed settlement will lead to booking of provision of principal and as well as waiving off interest income thereon. He was of the view that State Life is left with no option but try to settle the issue with FDIBL in accordance with settlement package worked out jointly, as rejection of package mean identification of new assets, apparently non existing on the Balance Sheet of the Bank, which will result into dragging the case further. He also proposed that State Life should consider attaching the assets offered by FDIBL in the package as compensation to financial obligations. He advised that State Life may consult with its lawyer in this respect.</p>			
<p>Secretary REIC  24/8</p> <p>Chairman </p>			
<p>CHAIRMAN'S INITIALS</p> 			

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			

42. At this point, Mr. Wazir Ali Khoja pointed out that financial position of FDIBL is far from satisfaction and delaying in settling the issue will further dim the chance of recovering of defaulted amount fully or partially. Moreover, other creditors are already building their pressure on the bank for early settlement of their financial disputes with cycling on whatever assets have left.

43. There appears to be consensus among members that proposal of full & final settlement package worked out with facilitation of KCIDR should again be presented before the Board for reconsideration along with observations of External Auditors on issues the Board advised to clarify in its previous meeting.

44. After a thorough deliberation, Committee passed following resolution:

Resolved that:

"To appoint External Auditors for carrying out due diligence of Burj Bank as well as to have their opinions on size of likely provision of Principle and waiving off of Interest Income in the light of International Accounting Standard and State Life's internal Accounting Policy and subsequently to present the settlement package containing findings and recommendations of auditors a freshly before the Board for reconsideration."

45. DIH Investment also presented details of Investment Portfolio before the REIC.

Quote:

With reference to decision of BOD in the 226th meeting held on 4th, July 2012. The Board is of the view that Investment Division should look into the possibility of making investments in T.Bill on regular basis on short term so as to achieve current prevalent rate of markup. The following justification is made for Investment in PIBs.

Investment in Pakistan Investment Bonds

The total investment of the Corporation in Pakistan Investment Bonds (PIBs) floated by Government of Pakistan since December 2000 including accrued interest as at June 30, 2012 was Rs. 209,436 million. This constitutes 70.70% of the total portfolio. Pakistan Investment Bonds are purchased through primary dealers when State Bank announces auction of the said bonds. The amount to be invested in each tenure is advised by the Appointed Actuary of the Corporation keeping in view the duration of assets and liabilities of the Corporation.

The other Government Securities available for investment is Government Market Treasury Bills of 3, 6 & 12 months durations.

State Life has also invested in TBill and PIB for SLIC Life Fund, Shareholders Fund and Health Insurance Fund as per the directive of Investment Committee. The details are as under.

Secretary REIC

Chairman

CHAIRMAN'S
INITIALS



DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			

Fund	Instrument	Amount (Rs)
SLIC Life Fund	TBill	7,099 mn
	PIB	204,194 mn
Shareholders Fund	TBill	709 mn
	PIB	540,700 mn
Health Insurance Fund	TBill	340 mn

After the downward revision of discount rate to 10.50%, the interest rate on all the instruments is downward revised. The cut off rates of the last T.Bill auction held on 17th August, 2012 are as under:

Tenor	Cutoff Yield
3-months	10.4115
6-months	10.4442
12-months	10.4849

This 150 bps cut in discount rate in new monetary policy is mainly due to decline in inflation for the month of July 2012 to 9.6% from 11.26%. In June 2012, financial markets and banking channels are of view that the interest rate scenario will reduce as indicated by recent decline in cut off yield of PIBs and Treasury bill in the last auctions held on August 15, 2012 and August 17th, 2012 respectively. This interest rate scenario is expected to continue for some time till State Bank will revise the Discount rate.

46. REIC is requested to consider investment in PIBs till the interest rates are stabilized.

47. Mr. Hussain Lawai enquired about the average return on PIBs Portfolio. DII Investment told that at present PIB's average yield is 12.20%. He informed to members that return on Portfolio is highly tilted to investment in fixed income securities as more than 70% of our investment in Government Securities with greater concentration in longer term bonds. He also explained procedures for making investment. He informed to members that investment decisions are made in Investment Committee meetings which holds fortnightly under the convenership of Chairman State Life. He apprised members that decisions concerning investing in short/long term government securities are taken in the light of possible interest rates movement in the economy, however, final decision in this respect is taken in the light of recommendation from appointed actuary.

Resolved that:

48. "Committee expressed satisfaction over the investment management with willingness to extend its support in this respect to policies perused".

DH (Investment)

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

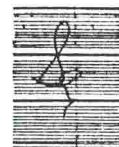
Secretary REIC

Chairman
21/8

Chairman

Sandhu

CHAIRMAN'S
INITIALS



DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			

MINUTES OF 24TH REIC MEETING

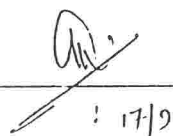
1. 24th Meeting of the REIC was held on 17th September 2012 at PO, SLIC Karachi; attended by the following.

- | | | |
|-------------------------------------|---|--------------------------|
| a. Mr. Shahid Aziz Siddiqi | - | Chairman |
| b. Mr. Hussain Lawai | - | Director |
| c. Mr. Wazir Ali Khoja | - | Director |
| d. Mr. Nihal Anwar | - | Director |
| e. Mr. Mohsin S. Haqqani | - | Executive Director (RE) |
| f. Mr. Attaullah A. Rasheed | - | DH (Investment) / Member |
| g. Lt Col ® Mohsin Ali Shah, TI (M) | - | DH (RED) / Secretary |

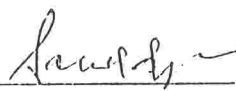
2. After recitation from the Holy Quran, the Chairman welcomed the participants and commenced the proceedings as follows:-

<u>Discussion on Agenda Points</u>	<u>Actions by</u>
<u>Agenda Point # 1</u> <u>Implementation Report of 23rd Meeting of REIC dated 24th August 2012</u>	
3. REIC was satisfied with Compliance Report on Minutes of 23 rd REIC Meeting.	DH (RED)
<u>Agenda Point # 2</u> <u>Confirmation of Minutes of 23rd Meeting of REIC</u>	
4. Mr. Wazir Ali Khoja proposed confirmation of Minutes of 23 rd Meeting of REIC; seconded by Mr. Hussain Lawai.	DH (RED)

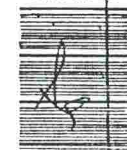
Secretary REIC


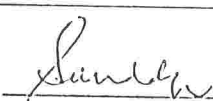



Chairman



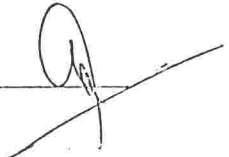
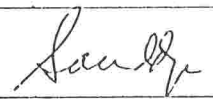

CHAIRMAN'S INITIALS

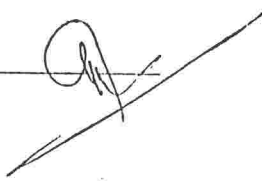
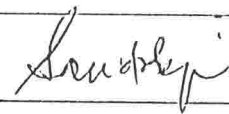



DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			
<p><u>Agenda Point # 3</u> <u>Valuation Report</u></p> <p>5. Final (draft) Valuation Reports of the project were presented to the REIC with analysis. REIC noted the following points:-</p> <ol style="list-style-type: none"> Draft Valuation Reports are indicative of its compilation on good faith due to non provision of certain data / information by the Developer. It should be ensured that all information required the valutors is provided to them in order to get the assessments as per actual. REIC also noted from the annual Valuator Report of SLIC (for Building # 11) that Rs.1200/- have been indicated as "Replacement Cost" which does not reflect to be realistic. Chairman apprised REIC that annual valuations are done in the context of life fund for bonus propose. Consequently, SECP exempted fair value instead of market value. REIC noted that Draft Valuation Reports do not indicate comparative cost of other/adjacted similar buildings in the vicinity / surroundings of Building # 11. It should be incorporated in actual Valuation. Both the valuations Reports should be got reviewed (value engineering) for NESPAK. <p><u>Resolved</u></p> <p>6. REIC directed to finalize both the Valuation Reports. Additional documentations should be provided to the valutors as indicated/desired by them so that realistic valuation reports are prepared by both the valutors. A feasibility study should be presented in the next REIC Meeting for acquisition of one parking floor and two office floors, with cost appraisal and schedule for payment.</p> <p><u>Agenda Point # 4</u> <u>Outsourcing Operation and Maintenance of Buildings</u></p> <p>7. To effect economy, Operation and Maintenance of high-rise buildings is most economical through one window operation; which is being practiced all over the world. Of late, DHA Karachi has established facility management for Creek Vistas Project. FTC and Forum have similar assignments put in place. In case of SLIC, we have hired petty contractors of multi disciplines for various activities as:-</p> <ol style="list-style-type: none"> Lift operation Security Water Supply Janitorial Fire Fightings Electricity Air-conditioning Gardens Miscellaneous 			
<p>Secretary REIC </p>		<p>Chairman </p>	
		<p>CHAIRMAN'S INITIALS</p> 	

DH (RED)

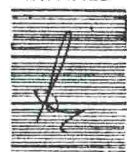
DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			
<div><div><p>8. Controlling of all activities vide para-2 above is not only un-economical but also difficult in the context of management controls. It would serve the best interest of SLIC in terms of economy, income generation and management control if all above services are hired and controlled as one window operation. The scope of the services can be enhanced as follows:-</p><div><div>a. All activities vide para-7 anti.</div><div>b. Rent collection</div><div>c. Renting of vacant spaces through prevailing incentives</div><div>d. Documentation</div></div><p>9. If considered by REIC one building each in Karachi, Lahore Zone (preferably Gujranwala) and Islamabad can be put to test trials for one year. Thereafter, operation and mentioned of other buildings can also be done in various phases.</p><p>10. Above would entail elaborate study and financial analysis to be presented to REIC.</p><p><u>Resolved</u></p><p>11. REIC endorsed the proposal and directed that RED to put-up detailed working paper on Facility Management of the proposed buildings for consideration.</p><p><u>First Dawood Investment Bank Limited</u></p><p>12. DH Investment presented copy of the report submitted by external auditors on valuations of property and share of Burj Bank along-with suggested accounting treatments State Life will have to accord in its books of account if the loan dispute is resolved between the Corporation and First Dawood Investment Bank by accepting their valuation.</p></div><div><div>DH (RED)</div><div><div>Secretary REIC</div><div>Chairman</div></div></div></div>			
<div><div>CHAIRMAN'S INITIALS</div><div></div></div>			

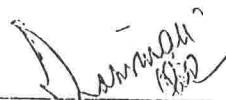
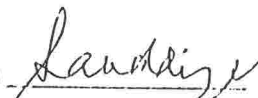

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			
<p>He informed members of REIC that the valuation was carried out in compliance to decision made in the very forum in its meeting held on 12th August 2012 wherein it was resolved by the committee as under:</p> <p><i>Quote:</i></p> <p><i>Resolved that:</i></p> <p><i>"To appoint External Auditors for carrying out due diligence of Burj Bank as well as to have their opinions on size of likely provision of Principle and waiving off of Interest Income in the light of International Accounting Standard and State Life's internal Accounting Policy and subsequently to present the settlement package containing findings and recommendations of auditors a freshly before the Board for reconsideration."</i></p> <p>14. D.H (Inv) discussed the Auditor's Report which was furnished for review of members and summary of the same is as under:</p> <p><i>Quote:</i></p> <p><i>Scope of the Report:</i></p> <p>15. The report focused mainly on five aspects of the financial dispute:</p> <ul style="list-style-type: none">i- Estimation of size of obligation due on FDIBL as per accounting policy.ii- Valuation of assets offered by FDIBL as compensation to settle dispute.iii- Provisioning of Principle and Waiving off Interest income to be booked by the SLIC if the dispute is resolved in accordance with valuation estimated by auditors.			
Secretary REIC _____ 		Chairman _____ 	
<div>CHAIRMAN INITIALS </div>			

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			
<p>iv- Accounting impact of settlement package on financial of the Corporation.</p> <p>v- Board's power to approve the settlement package.</p> <p>a- Size of financial obligation due on FDIBL: Interest income outstanding on principle of Rs.100 million loaned to FDIBL by investing in its COIs is Rs.61,619,178. This is excluding of interest income of Rs.4,378,082 received on 12th January 2009 to SLIC. Outstanding income is the interest income accrued in between 13th January 2009 to 15th September 2012. Therefore, FDIBL is liable to pay to SLIC Rs.161,619,178 including of principle of Rs.100 million.</p> <p>b- Valuation of Residential Apartment: Auditors have assumed value of Residential Apartment at 4th Floor, Madina Heights, Rs.4.50 million. This is also the value of the property estimated by valuator appointed by FDIBL, where as M/s: Nespak estimated Rs.6.00 million as the value of the subject property.</p> <p>c- Breakup Value per share of Burj Bank Limited. Per share breakup value of Burj Bank have been worked out or Rs.7.94 and Rs.7.925 by external auditors with and without accounting surplus on revaluation of assets.</p> <p>d- Estimated value of Settlement Package offered by FDIBL. Because of little variation in breakup value per share of Burj Bank Limited due to inclusion and exclusion of surplus on revaluation of assets, auditors came up with two possible value of settlement package. Following is the comparative statement that shows financial value of the full & final settlement package proposed by the FDIBL and estimated by the auditors based on principle of conservativeness:</p>			
Secretary REIC		Chairman	
		CHAIRMAN'S INITIALS 	

DIRECTORS	HELD AT	ON	TIME																								
MINUTE BOOK																											
<table border="1"> <thead> <tr> <th colspan="3">Value of the full & final settlement package</th> </tr> <tr> <th></th> <th>Proposed by FDIDL</th> <th>Estimated by External Auditors</th> </tr> </thead> <tbody> <tr> <td>Upfront cash payment</td> <td>Rs. 20.00 mn</td> <td>Rs. 20.00 mn</td> </tr> <tr> <td>Value of shares of Burj Bank (8.4 mn@10/Share) (8.4@7.925)</td> <td>84.00 mn</td> <td>66.57 mn</td> </tr> <tr> <td>Fair Value of flat</td> <td>4.50 mn</td> <td>4.50 mn</td> </tr> <tr> <td>Total Value</td> <td>Rs.108.50 mn</td> <td>Rs. 91.07 mn</td> </tr> </tbody> </table> <p>e- Amount to be recognized on the book of accounts of State Life. Estimated monetary valuation of settlement package stood at Rs.70,549,178 after accounting for interest income of Rs.4,378,082 received by State Life on the loan till 15th September 2012.</p> <p>f- Recommended accounting treatments if settlement is exercised as per valuation of external auditors. External auditors have proposed following accounting treatment in case the financial dispute is resolved in accordance with valuation of full & final settlement package as estimated by them.</p> <table border="1"> <tbody> <tr> <td>Amount needs to be waived</td> <td>Rs. 61,619,178</td> </tr> <tr> <td>Amount needs to be written off</td> <td>8,930,000</td> </tr> <tr> <td>Total</td> <td>Rs. 70,549,178</td> </tr> </tbody> </table> <p>g- Impact on Profit and Loss Account of the Corporation. Settlement of dispute in accordance with valuation suggested by the external auditors will leads to reversal of provision of Rs.50 mn in respect of diminution in value of investment as the same has already been approved by the Board of Directors in the financial year 2011. Reversal of provision will result in reporting of higher profitability in financial year 2012 by an amount of Rs.41,071,721.</p>				Value of the full & final settlement package				Proposed by FDIDL	Estimated by External Auditors	Upfront cash payment	Rs. 20.00 mn	Rs. 20.00 mn	Value of shares of Burj Bank (8.4 mn@10/Share) (8.4@7.925)	84.00 mn	66.57 mn	Fair Value of flat	4.50 mn	4.50 mn	Total Value	Rs.108.50 mn	Rs. 91.07 mn	Amount needs to be waived	Rs. 61,619,178	Amount needs to be written off	8,930,000	Total	Rs. 70,549,178
Value of the full & final settlement package																											
	Proposed by FDIDL	Estimated by External Auditors																									
Upfront cash payment	Rs. 20.00 mn	Rs. 20.00 mn																									
Value of shares of Burj Bank (8.4 mn@10/Share) (8.4@7.925)	84.00 mn	66.57 mn																									
Fair Value of flat	4.50 mn	4.50 mn																									
Total Value	Rs.108.50 mn	Rs. 91.07 mn																									
Amount needs to be waived	Rs. 61,619,178																										
Amount needs to be written off	8,930,000																										
Total	Rs. 70,549,178																										
Secretary REIC	Chairman																										

CHAIRMAN'S INITIALS



DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			
<div><div><div>Reversal of provision in respect of:</div><div><div>Diminution – Income effect</div><div>Rs.50,000,000</div></div><div><div>Amount to write off – expense effect</div><div>(8,928,279)</div></div><div><div>Net Income effect</div><div>Rs.41,071,721</div></div></div><div><p>h- Board’s power in respect of approving provisioning of principle and waiving off interest income.</p><p>Auditors are of the opinions that Delegation of Financial Power of the Corporation requires approval of the Board of Directors for writing off principle and waiving off the interest income as proposed in forgoing paras g and h above.</p><p>16. Committee observed that there is a gap of Rs.17.43 mn in between valuation of proposed settlement assumed by FDIBL and estimated by external auditors. Members were of the view that Corporation should approach FDIBL for bridging off the gap maximally.</p><p>Resolved that:</p><p>“Committee advised DH (Inv) to place the matter before REIC for reconsideration once offer of additional assets received from First Dawood Investment Bank as compensation to settle financial dispute with the Corporation”.</p><p><u>Schon Refinery Limited</u></p><p>17. DH Investment presented update on the Schon Refinery Limited and the NAB letter received in August 2011. The Committee deliberated that the offer can be considered if the lump sum payment of Rs. 29.130 million is paid in one go and the settlement package will be decreed by the Court.</p></div></div>			
<div><div>Secretary REIC<div></div></div><div>Chairman<div></div></div></div>			
<div><div>CHAIRMAN'S INITIALS</div><div></div></div>			

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			

MINUTES OF 25TH REIC MEETING

1. 25th Meeting of the REIC was held on 29th September 2012 at PO, SLIC Karachi; attended by the following.

- | | | |
|-------------------------------------|---|--------------------------|
| a. Mr. Shahid Aziz Siddiqi | - | Chairman |
| b. Mr. Hussain Lawai | - | Director |
| c. Mr. Wazir Ali Khoja | - | Director |
| d. Mr. Nihal Anwar | - | Director |
| e. Mr. Mohsin S. Haqqani | - | Executive Director (RE) |
| f. Mr. Attaullah A. Rasheed | - | DH (Investment) / Member |
| g. Lt Col ® Mohsin Ali Shah, TI (M) | - | DH (RED) / Secretary |

2. After recitation from the Holy Quran, the Chairman welcomed the participants and commenced the proceedings as follows:-

Discussion on Agenda PointsActions byAgenda Point # 1Implementation Report of 24th Meeting of REIC dated 17th September 2012

3. REIC was satisfied with Compliance Report on Minutes of 24th REIC Meeting.

DH (RED) /
DH (Investment)

Agenda Point # 2Confirmation of Minutes of 24th Meeting of REIC

4. Mr. Wazir Ali Khoja proposed confirmation of Minutes of 24th Meeting of REIC; seconded by Mr. Hussain Lawai.

DH (RED) /
DH (Investment)

Secretary REIC

Chairman

CHAIRMAN'S
INITIALS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			

Agenda Point # 3Feasibility Studies -- State Life Building # 11

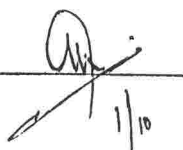
5. SLIC BOD and Standing Committee(s) on Commerce in Senate and National Assembly directed to improve upon the Real Estate Management of SLIC owned properties and enhance rental income. Accordingly, REIC was apprised in its last three meetings about renting status of SLIC buildings together with related measures to enhance the rental inflows. Additionally, low occupancy and income yield of certain buildings including (6) Critical Buildings was discussed in details. REIC was updated that SLIC has intensified its efforts to rent out vacant spaces in critical buildings. Consequently, SLIC Marketing Field Force shall be moved to Hashoo Centre and two floors of Gujrat Building are at advance stage of renting out.

6. In its previous meetings, REIC discussed peculiar problems of Building # 11 which is under bulk vacation due to its limited capacity of (120) car parking spaces that does not suffice due to traffic intensity in the area; particularly as the building is located in front of Zainab Market. Although, a parking floor comprising 200 car parking spaces has been rented from the adjacent plaza for one year aimed to enhance the tenancy, it is not a permanent solution.

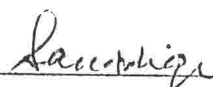
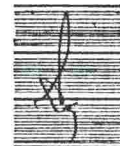
7. In view of above following was discussed by REIC:-

- a. Possibility of local expansion of the present building be explored to create more parking spaces and rentable areas. Owing to structural renderings and financial / technical position, this option is apparently not viable.

Secretary REIC



Chairman


CHAIRMAN'S
INITIALS


DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			
<div><div><p>d. No observation on financial schedule can be offered at this stage as M/s. Prethenon have not quoted any price in their proposal (vide Annexure 'E'). However, should an agreement is reached and negotiated price worked out by SLIC BOD, then payment schedules will have to be reflected accordingly.</p><p>9. In view of above it is proposed that we may go for due diligence for booking of 2 floors and acquiring of one parking floor. The case is placed for disposal of Real Estate Investment Committee (REIC). It has approval of Chairman, State Life Insurance Corporation.</p><p>10. REIC discussed all the salient aspects of the Feasibility Study on Building # 11:-</p><p>a. ED (RE) updated REIC about all the related actions as desired by REIC vide para 8 above.</p><p>b. DH (RED) apprised REIC about salient aspects of both the Valuations Report done by Mr. Iqbal Nanji and M/s. IDG respectively on the basis of technical information shared by the Developer. Salient points of both the valuation reports with respect to our TOR were explained to the REIC.</p><p>c. REIC was also apprised that both the Valuation Reports were submitted to NESPAK for Value Engineering. NESPAK has submitted their preliminary report pointing out few variations in both the reports and requested for additional time of 10 days to compile Final Review Report.</p></div><div><div>Secretary REIC</div><div>Chairman</div><div>CHAIRMAN'S INITIALS</div></div></div>			

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			

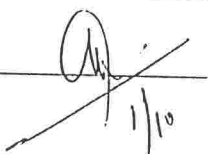
b. The effects of bulk vacation by KESC and its re-renting with prevailing shortage of parking spaces was discussed. The future business potential of building # 11 would reduce when a new offices plaza with better facilities and 900 car parking spaces becomes operative adjacent to building # 11, then the tenants would prefer to shift to the New Plaza. Hence, there will be more vacant rentable areas in building # 11. Consequently SLIC has to protect its valuable asset / investment in building # 11 by taking suitable measures well in advance, otherwise newly built building by SLIC itself would become one of the lowest income yielding buildings.

c. In response to SLIC advertisement in April 2010, M/s. Prethenon has offered a number of options including to sell one car parking floor and booking of two office floors. The present REIC directed that a Desk top review of the valuation report by Mr. Iqbal Nanji be redone and a fresh report from another certified valuator be also obtained.

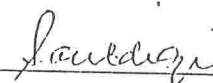
8. In pursuance of above directives, the following actions have been taken by SLIC:-

- a. As desired by REIC, two Valuation Reports are now available (attached as per Annexures 'A' & 'B' respectively).
- b. NESPAK Value Engineering Report is also available (as per Annexure 'C').
- c. Investment Division (SLIC) has carried out financial evaluation of the proposal in investment perspective (as per Annexure 'D').

Secretary REIC



Chairman


CHAIRMAN'S
INITIALS


DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			

d. REIC was apprised that NESPAK in their Preliminary Report, summarized both the Valuation Reports as follows:-

Floor	Value by Valuers in PKR/SFT		Remarks
	Iqbal A. Nanjee (20.09.2012)	IDG Fair Market Value as on (04.09.2012)	
Basement	Rs.14,000/ sft (airconditioned space)	Rs.13,000 to Rs.14,000/sft (airconditioned space)	The prices / value by both the valuator seems close to each other. But it is not clear from the documents whether these amounts are construction cost or market value.
Ground Floor	Rs.14,000/ sft (airconditioned space)	Rs.13,000 to Rs.14,000/sft (airconditioned space)	both the valuator did not determine the value of the spaces floorwise. M/s. Iqbal A. Nanjee has mentioned that not documentary evidence regarding the building's security plan has been provided. Both the valuator did not determine the value of the spaces floorwise.
First Floor	Rs.6,500 to Rs.8,000/ sft (non- airconditioned space)	Rs.7,000 to Rs.8,000/sft (non airconditioned space depending upon finishes	
Second Floor			
Third Floor			
Fourth Floor			
Fifth Floor	Rs.300,000/ car space (equivalent to Rs.1500/sft)	Rs.4,000 to Rs.5,000 / sft	Market value of the parking area is not comparable as both the valuator has given different scale to measure the value.
Sixth Floor			
Seventh Floor			
Eight Floor	Rs.6,500 to Rs.8,000/sft (non- airconditioned space depending upon finishes	Rs.7,000 to Rs.8,000/sft (non airconditioned space depending upon finishes	The prices / value by both the valuator seems close to each other. Also, the valuator did not determine the value floorwise.
Ninth to Fifteenth Floor			Since the floors are not constructed, none of the valuator has discussed the value of these floors.

e. Proposal of M/s. Prethenon (Private) Limited dated 20/07/2012 was discussed by REIC in details.

Secretary REIC

Chairman

CHAIRMAN'S
INITIALS



DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK			

f. DH (Investment) apprised REIC about his Financial analysis report together-with expected inflows and related aspects of the proposal.

g. REIC was also updated that NESPAK has requested for 10 days timeframe to compile their Final Report.

Resolved

11. REIC resolved the following:-

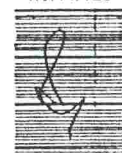
- a. NESPAK be tasked to assess possibility of expansion of present building # 11 for creation of more car parking and office spaces from structural renderings.
- b. NESPAK should be directed to submit Final Value Engineering Report by next 10 days. NESPAK should also carry out independent valuation of the said building on the same basis as given to M/s. Iqbal Nanji and M/s. IDG.
- c. NESPAK should incorporate all observations in their Final Report.
- d. Financial Evaluation done by DH (investment) should be reviewed. Input from well known Real Estate Consultant be incorporated to assess the rentable value of the two office floors. The financial feasibility of the proposal be worked out as per different assessed values by the valuers.
- e. REIC recommended in principle to BOD for acquiring of one parking floor and booking of two office floors (as per offer of M/s. Prethernon) pursuant to due diligence.

DH (RED)
DH (Investment)

Secretary REIC

Chairman

CHAIRMAN'S
INITIALS



DIRECTOR'S	HELD AT	ON	TIME
MINUTE BOOK			

Agenda Point II 2, (Through Permission of Chair)
Renting of Plot at Abbassi Shaheed Road (Near FTC)

12. The REIC was apprised that lot of interested parties keep approaching State Life (Real Estate Division) for renting of vacant plots at Abbassi Shaheed Road (near FTC) for use as parking place or various events / marriage lawns etc. Whereas the REIC has already recommended to BOD for preparation of conceptual plans for construction of a high-rise building at the plot. Additionally, some works were also mobilized at the site which had to be halted due to technical reasons. The Draft Paras are under pursuance at PAC. Under the circumstance, it may not be possible for Real Estate Division to accommodate such request(s) of the parties for temporary use of said plots, who need to be discouraged / regretted.

13. The case is placed for appraisal of REIC with the recommendation that use of the plot other than construction of a high-rise building should not be allowed.

Resolved

14. REIC resolved that the said plots should be used for construction of high-rise Building only.

Miscellaneous

15. REIC inquired from DH (Investment) about status of settlement with FDIBL. DH (Investment) clarified that response from FDIBL is awaited which is under pro-active pursuance.

16. The meeting ended with vote of thanks for the chair.

Secretary REIC

[Signature]
11/10

Chairman

[Signature]

CHAIRMAN'S
INITIALS

