

## 56TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	Karachi	Sunday the 5th August, 1979 Thursday the 16th Aug. 1979	10.00 A.M. 1.00 P.M.

The 56th meeting of the Board of Directors called pursuant to the notice dated 28th July 1979 was held at the Principal office at Karachi on 5th August 1979 at 10.A.M. and on 16th August 1979 at 1.00 P.M.

The following were present :-

1. Mr. P. Sequeira, Acting Chairman
2. Mr. Samee-ul-Hasan, Director
3. Mr. Nisar-un-Nabi, Director
4. Mr. S.A. Walajahi, Director
5. Mr. A. Mateen, Offg. Secretary.

Mr. K.N. Cheema, Director was granted leave of absence.

ITEM 1. Confirmation of Minutes.

The Board:

- ✓ (a) confirmed the minutes of the 55th Board Meeting held on 26th February 1979 and 27th February 1979;
- ✓ (b) recorded the minutes of the 20th Executive Committee meeting held on 15th May 1979 and the 21st Executive Committee meeting held on 23rd May, 1979.

ITEM 2. Grant of allowance under Regulation 72 to Chief Managers.

The Board considered Executive Director B&A's memorandum No.55/79 with regard to grant of allowance under regulation 72 to certain officers who had held the posts of Chief Managers.

The Committee in its 18th meeting held on 7th March, 1979 had discussed this matter and recommended that Mr. Hafiz Malik and Mr. Baquir Mehdi each be granted special pay of Rs.335/- per month as on 30.4.1978, and with effect from 1st May, 1978, the pay of the said 2 officers be refixed in the revised pay-scales and the said special pay be merged with the pay in the prescribed manner. The Committee took these decisions having regard to the fact that withdrawal of the Development Allowance brought the emoluments of the said 2 officers below the 31.10.1972 level which was not Board's intention.

The Board approved the aforesaid recommendation of the Executive Committee and decided that with effect from 1.1.1978 each of the aforesaid two officers of the Corporation be granted special pay of Rs.335/- per month which may be merged in their pay with effect from 1st May, 1978 in the prescribed manner.

With regard to the cases of M/s. Sh. Rafiqur Rehman, E.A. Jafferri and Mubarak Ahmed Malik, the Board observed that the withdrawal of the Development Allowance in case of these former Chief Managers did not cause any reduction in their emoluments compared with those on the eve of nationalisation and, therefore, there was no case for grant of any special pay.

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ITEM 3. Amendments in State Life Employees (Service) Regulations.

The Executive Director B&A's memorandum No.56/79, with regard to the amendments in the State Life Employees (Service) Regulations consequential to the Wage Commission Award and the Government directives for officers etc. was placed before the Board. The amendments included those which were considered necessary for efficient functioning of the Corporation.

The Board approved the amendments and desired that the same be forwarded to the Government for approval and publication.

The Board desired that the following be recorded :-

- (a) The Wage Commission Award was announced under the provisions of Industrial Relations Ordinance and was legally binding on the insurance corporations.
- (b) The Government directives with regard to revised terms of service for officers were adopted and implemented in view of special circumstances and in a spirit of accommodation.
- (c) As per legal advice the power to make, amend or alter the service regulations is vested in the Corporation in terms of Article 49 of Life Insurance (Nationalisation) Order, 1972 subject only to previous Governmental approval. By Article 25 of the said Order, the Corporation shall be guided by such directions only in such matters of policy involving public interest as the Federal Government may give to it in writing. Hence, in terms of the Order, the Corporation is first called upon to exercise the power to make service regulations or to alter or to amend them; that is to say, the proposals for making, amending or altering the Service Regulations should originate from the Corporation which is in the best position to initiate such proposals having regard to the special nature of the business it transacts. The Government directives in matters of terms and conditions of service without prior reference to the Corporation may in these circumstances have the effect of prejudicing the autonomous character of the Corporation which is not in keeping with the spirit of the Order and/or may pose legal complications later.

ITEM 4. Terms & Conditions of Service of Mr. Ahmed Hasan, DGM.

The Board considered Executive Director B&A's memorandum No.57/79 and discussed the matter at length by reference to the relevant correspondence and the legal opinions obtained from time to time. After careful consideration the Board came to the conclusion that Mr. Ahmed Hasan was and is governed by the State Life Employees (Service) Regulations, 1973 and



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that he was duly "graded as a Deputy General Manager in the State Life" and in that grade State Life deputed/nominated him for "appointment as full time Managing Director of Alpha Insurance Co.Ltd." In view of these facts and circumstances and legal opinions which were unanimous on this question, the Board decided that Mr. Ahmed Hasan be retired from the service of the Corporation on his attaining the age of superannuation on 6th August, 1979 and he be informed accordingly.

ITEM 5. Any Other Business.

- (a) Appointment of auditors for audit of Corporation's accounts for the year ending 31st December 1979.

The Board considered Executive Director B&A's memorandum No.58/79 regarding appointment of auditors for audit of the Corporation's accounts for the year ending 31st December 1979 and took the following decisions :-

- (1) The entire portfolio be distributed in the following three groups for the purpose of audit:-

- (a) Peshawar, Rawalpindi and Lahore Zones including Group Department, Lahore.
- (b) Hyderabad and Karachi Zones including Group Department, Karachi.
- (c) Principal Office including Investment, Real Estate and Overseas Divisions alongwith Department of Trade Returns and consolidation.

- (2) Out of the following firms of Chartered Accountants any three be appointed as auditors for audit of the Corporation's account for the year ending 31st December, 1979 :-

1. Hameed Choudhry & Co.
2. Riaz Ahmed & Co.
3. Minoos Bamjee & Co.
4. Hyder Bhimjee & Co.

- (3) Payment of Rs.1,65,000 as audit fees for the year 1979 and actual out of pocket expenses were approved.

- (b) Payment of honorarium to the Officers.

The Board considered Executive Director B&A's memorandum No.59/79 proposing to pay honorarium to the officers recommended by the Zonal Heads in appreciation of the meritorious and dedicated performance at the time of closing towards the end of June 1979 during which period they voluntarily worked late hours for many days and due to which it was possible to process all the business proposals received upto mid-night of 30th June 1979.

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In view of the reasons explained in the memorandum, the Board approved the payment of honorarium at Rs.200 each to the officers recommended by the Zonal Heads for rendering dedicated and meritorious services towards the end of June 1979 and issuance of merit certificates as per draft enclosed with the memorandum. The Board also decided that additional honorarium, with a minimum of Rs.50/- and maximum of Rs.200/- depending upon the degree of performance, be paid to such officers of the Corporation whose performance was exceptionally good within the following ceilings:-

Karachi Zone:	Rs.3,500
Lahore Zone:	Rs.3,500
Rawalpindi Zone:	Rs.1,250
Hyderabad Zone:	Rs.1,250
Peshawar Zone:	Rs. 500

The Board authorised the Zonal Heads to pay the additional honorarium in the manner and within the ceiling as aforesaid to the officers of the Corporation.

✓ (c) Appeal of Mr. S.U. Khan, AGM, Lahore.

The Board considered the Executive Director B&A's memorandum No.60/79 relating to the appeal of Mr.S.U.Khan, A.G.M., Lahore, against the punishment given to him by the competent authority with-holding his increment due on 1.1.1979 for one year, reducing his pay to 2 stages lower than the pay he was drawing and censure under regulation 30(g)(i). The Board in its 55th meeting held on 26th and 27th February 1979 constituted a Standing Committee under regulation 33(2)(a) consisting of the Acting Chairman and Directors Mr.Nisar-un-Nabi and Mr. Samee-ul-Hasan. The Board considered Standing Committee's report enclosed with the said memorandum alongwith Enquiry Officer's report and the order of the competent authority. The Board agreed with the conclusions of the Standing Committee exonerating Mr. Khan of charges 9, 11, and 14 giving him the benefit of doubt. Notwithstanding and considering all the facts and circumstances, the Board decided that there was no reason to interfere with the punishment awarded to him by the competent authority.

✓ (d) Amendment in regulation 33 of State Life Employees (Service) Regulations, 1973.

The Board considered Executive Director B&A's memorandum No.61/79 explaining the developments that took place with regard to the amendments of regulation 33 of the Service Regulations since the passing of resolution in that respect in its 55th meeting held on 26/27 February 1979. The Board noted the contents of the memorandum and adopted the following resolution:-

RESOLVED:

✓ "That the resolution passed by the Board in its 55th meeting held on 26/27 February 1979 for amendment of regulation

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33 of State Life Employees (Service) Regulations, 1973 as recorded in the minutes be and is hereby revoked."

e) Subscription to the Right Issue of Shares of PIA.

The Board considered Consulting Actuary and Director's memorandum No. 62/79 and approved the proposal therein contained for subscribing to 8,28,540 Rights Shares of Pakistan International Airlines Corporation at par of the face value of Rs. 82,85,400 on the last day of subscription.

There being no other business the meeting ended with a vote of thanks to the Chair.

*P. Sequeira*  
26/12/79

( P. Sequeira )  
Acting Chairman

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