

91ST MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
ITEM BOOK	Karachi	Sunday, 17th April, 1988	10.30 A.M.

In pursuance of notices dated 17th March, 1988 and 21st March, 1988 respectively the 91st Meeting of the Board of Directors was held on Sunday, 17th April, 1988 at 10.30 A.M. at the Principal Office at Karachi.

The following attend the meeting:

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| 1. Mr. M.A.M. Siddiqui | Chairman |
| 2. Mian Mumtaz Abdullah | Director |
| 3. Mr. Sameeul Hasan | Director |
| 4. Mr. Safdar Ali Chaudhry | Director |
| 5. Mr. Nazier Ahmed Jajvi | Director |

Mr. Nisar Un Nabi, Director was on leave.

Mr. Asim S.M. Khan, Secretary Board was present.

At the commencement of the meeting the Board expressed concern that Mr. Nisar Un Nabi was not well and expressed good wishes for his early recovery.

The Board also expressed sympathies on the tragic death of Mr. Rafiq Ahmed Arain, Area Manager, Hyderabad who was murdered recently at Hyderabad.

The Agenda for the meeting was taken up and the following business was transacted:

ITEM NO. 1. CONFIRMATION OF THE MINUTES OF THE 90TH MEETING OF THE BOARD OF DIRECTORS HELD ON 3.1.1988.

The Minutes of the 90th Meeting of the Board of Directors held on 3.1.1988 were confirmed.

ITEM NO. 2. TO RECORD THE MINUTES OF THE FOLLOWING MEETINGS OF EXECUTIVE COMMITTEE.

- (i) 124th meeting of Executive Committee held on 17.12.1987.
- (ii) 125th meeting of Executive Committee held on 25.1.1988.
- (iii) 126th meeting of Executive Committee held on 21.2.1988.

The Board recorded the minutes of the above meetings and made following observations:

(i) 124th meeting of Executive Committee.

One of the Directors pointed out that 'One time payment' to officers who qualified for the Special Increment was an honorarium and should be termed as such.

(ii) 125th meeting of Executive Committee.

Item No.9(ii): Training of 4(four) officers of Biemeh Markazi, Iran.

The Executive Director(Staff Training) was requested to expedite action in the matter.

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<p>(iii) <u>126th meeting of Executive Committee.</u> Item No. 7: <u>State Life Expense Analysis for the year 1986.</u></p> <p>The Director & C.A. presented a copy of his Memorandum to forthcoming meeting of Executive Committee regarding the reasons for the increase of percentage of premium expense of second year in 1986. The Board noted the observations.</p> <p>ITEM NO. 3. <u>IMPLEMENTATION REPORT.</u></p> <p>The Board noted the Implementation Report from the Secretary in respect of the decisions taken in 86th, 88th, 89th meetings and observed as under:</p> <p>(i) <u>86th meeting.</u></p> <table border="0" style="width: 100%;"> <tr> <td style="width: 40%; vertical-align: top;"> Item No.10: <u>ZONAL & FUNCTIONAL SYSTEM.</u> </td> <td style="vertical-align: top;"> The Board requested ED(PHS) to expedite the report on Zonal & Functional System. </td> </tr> <tr> <td style="vertical-align: top;"> Item No.16: <u>ANALYSIS OF MEDICAL EXPENSES.</u> </td> <td style="vertical-align: top;"> The Board desired that the measures proposed should be analysed and examined in depth. The Board also desired to examine the feasibility and economics of setting up a hospital or to arrange Health Insurance or Health Maintenance Insurance for the officers of the Corporation. The Board also desired to analyse the medical expenses of top ten officers of each Zone giving names, salary drawn and detail of expenses incurred. </td> </tr> </table> <p>(ii) <u>88th meeting.</u></p> <p>Item No.11: <u>ANY OTHER MATTER.</u></p> <p>(iii) Revision of Provisions for Transfer Grant, Transportation of vehicle by road, Mileage Allowance & Daily Allowance. The Board directed that Ministry of Commerce should be reminded.</p> <p>(iii) <u>89th meeting .</u></p> <p>Item No.6: <u>ANY OTHER MATTER.</u></p> <table border="0" style="width: 100%;"> <tr> <td style="width: 40%; vertical-align: top;"> (vi) Technical Pay. (xi) House Rent Allowance. </td> <td style="vertical-align: top;"> The Board directed that Ministry of Commerce should be constantly reminded to expedite the matter. </td> </tr> <tr> <td style="vertical-align: top;"> (ix) Amendment in General P.F.Regulations & C.P.F. Rules. </td> <td style="vertical-align: top;"> The Board desired to know the reason of delay in submitting the approved amendments of CPF to the concerned Ministry and directed that the matter should be expedited. </td> </tr> </table>				Item No.10: <u>ZONAL & FUNCTIONAL SYSTEM.</u>	The Board requested ED(PHS) to expedite the report on Zonal & Functional System.	Item No.16: <u>ANALYSIS OF MEDICAL EXPENSES.</u>	The Board desired that the measures proposed should be analysed and examined in depth. The Board also desired to examine the feasibility and economics of setting up a hospital or to arrange Health Insurance or Health Maintenance Insurance for the officers of the Corporation. The Board also desired to analyse the medical expenses of top ten officers of each Zone giving names, salary drawn and detail of expenses incurred.	(vi) Technical Pay. (xi) House Rent Allowance.	The Board directed that Ministry of Commerce should be constantly reminded to expedite the matter.	(ix) Amendment in General P.F.Regulations & C.P.F. Rules.	The Board desired to know the reason of delay in submitting the approved amendments of CPF to the concerned Ministry and directed that the matter should be expedited.
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90th meeting of the Board of Directors.

Item No.2: (i) Fire Insurance Cover of State Life buildings. The Board authorised ED(RED) to negotiate premium for providing Fire Insurance cover on replacement value of State Life buildings. The losses recovered from NIC under Fire Insurance Policy should also be examined.

(ii) Investment Plan for 1988. The Board desired that ED(Invt.) should talk to AGM(Invt.) and advise him to be careful in correspondence with the Board Secretariat.

Item No.5: Any Other Matter.

(i) Contractual Employees. The Board desired to know the action taken and directed the Divisions/ Departments should report correct information for the Implementation Report.

(iii) State Life Great Britain Branch. The Board noted that the Ministry of Commerce wrote directly to the Board of Trade U.K. through Mian Khurshid Alam requesting them to stay the decision of the Board. Board was of the view that the Ministry of Commerce should not have sent such a letter direct to the Board of Trade through Mian Khurshid Alam and that at least a copy of the letter should have been sent to the State Life. The Board also observed that Mian Khurshid Alam should not have submitted the letter of the Ministry of Commerce to the Board of Trade without approval of the Chairman. The Board also noted that whereabouts of Mr. Khurshid Alam, who came to Karachi to attend Senior Executive Conference in February last, were not known as he neither reported for duty nor applied for leave.

ITEM NO. 4. ED(F&A)'s Memorandum dated 4.1.1988 Re: APPROVAL OF APPOINTMENT OF AUDITORS TO AUDIT THE ACCOUNTS OF THE STATE LIFE INSURANCE CORPORATION OF PAKISTAN FOR DUBAI AND ABU DHABI OPERATIONS FOR 1987.

The Board confirmed the decision already taken by circulation.

ITEM NO. 5: ED(INV./RED)'s Memorandum Re; STATE LIFE BUILDING NO. 10 (OLD BRITISH COUNCIL)

The Board confirmed the decision already taken by circulation.

ED(RED) informed the Board that after readvertisement and subsequent discussions with the bidders it was decided not to sell the property

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at the moment. The sale would be proceeded with later at an appropriate time.

ITEM NO. 6: ED(INVT.) Memorandum No.17/88 Re: STATE LIFE INVESTMENT PLAN, 1988.

The Board considered the Memorandum of ED(Invt.) containing State Life Investment Plan for 1988 and details of investment operations during the preceding year and composition of the Investment Portfolio as at 31st December 1987. The Board noted that investment in Special Government Bonds increased by 1543.4 million in 1987. One of the sources of the fund was net transfers from operations of Rs.661.6 million. The Board desired that ED(Invt.) should present the movement of net transfer from operations over the years showing transfers from Ordinary Life and G&P separately. The Board also desired that ED(Invt.) should consider the possibility of reducing exposure in KESC shares. The Board noted that nearly 70% of investment was made in Government Securities as against permissible minimum limit of 40%. The Board desired that investment should be diversified and shares of financially sound and reputable Companies which are declaring good dividends should be purchased. The Board approved the following major investment proposals as made by ED(Invt.):-

- (a) Selling the entire holding of Rs.90 million in the low-return 10½% Government of Pakistan Loan, 1977 at the best available price.
- (b) Selling at right price part or all of the holding of Rs.100 million in 11.¾% Government of Pakistan Loan, 2002.
- (c) At least Rs.50 million should be advanced against Term Finance Certificates to good Companies after thorough examination.
- (d) There would be no limit on investment in quality ordinary shares on the stock market and through exercise for rights options. (Upto March 31, 1988, Rs.4.8 million was invested in quoted shares)
- (e) The quoted ordinary share portfolio should be rolled-over with the principal purpose of taking advantage of the bullishness on the stock market and thus realising capital gains. Possible capital profit would be Rs.10 million. Shares of most Companies which were not paying dividend should be sold and shares of Companies paying handsome dividends purchased as noted above.
- (f) Suitable plot in Gujranwala should be purchased. Transaction in respect of purchase of Quetta property should be expedited.
- (g) The construction work of Islamabad and Lahore building should be completed in 1988.
- (h) The construction work of the Karachi Building project should be speeded up including installation of lifts.
- (i) Efforts should be made to rent out all available space in the Peshawar building during 1988.
- (j) Further office space in the Lahore and Islamabad buildings should be rented out.
- (k) Steps should be taken to increase rate of return on policy loans to 12% per annum.

The Board also noted that the profit from sale of Malir plot would be Rs. 20 million.

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ITEM NO. 7: ED(F&A)'s Memorandum No.18/88 Re: ADJUSTMENT OF APPROVED STAFF STRENGTH.

The Board considered and approved the proposal of ED(F&A) regarding adjustment in the approved staff strength of the Zones, as under:

Summary of Proposed Adjustment in Approved Strength of Staff

Zone	Approved Strength			Proposed Strength			Change
	Officer	Clerical	Total	Officer	Clerical	Total	
Karachi	152	435	587	152	411	563	-24
Lahore	107	329	436	107	319	426	-10
Rawalpindi	50	196	246	51	195	246	-
Gujranwala	16	41	57	18	48	66	+ 9
Quetta	4	9	13	4	9	13	-
Peshawar	24	63	87	24	63	87	-
Hyderabad	33	103	136	33	101	134	- 2
Multan	18	68	86	24	72	96	+10
Faisalabad	21	77	98	25	87	112	+14
	425	1321	1746	438	1305	1743	- 3

G&P

All Stations 55 101 156 55 102 157 + 1

Real Estate Division (All Stations)

Approved Strength				Proposed Strength				Change
Officer	Clerical	Mainte- nance	Total	Officer	Clerical	Mainte- nance	Total	
42	37	128	207	42	37	130	209	+2

Net Increase 0

The Board authorised the Executive Committee to finalise the details of adjustment in the departments.

ITEM NO. 8: ED(F&A)'s Memorandum No.20/88 Re: LADY SEARCHER.

The Board considered the proposal of ED(F&A) regarding creation of a post of Lady Searcher at Peshawar and did not approve the creation of the post of lady searcher. The Board decided that Chairman and ED(RED) should examine whether security arrangements should be made through an outside agency or proper ex-service men should be appointed as Security staff under the control of an ex-service officer. ED(RED) & Chairman were authorised to negotiate with an outside agency for security managements at Peshawar.

ITEM NO. 9: ANY OTHER MATTER

(i) ED(F&A)'s Memorandum No. 21/88
Re: CREATION OF PENSION FUND.

The Board considered the proposal of ED(F&A) and approved initial contribution of Rs.43.711 million and regular contribution of Rs.11.544 million to the Pension Fund of the employees of State Life Insurance Corporation of Pakistan. (Rs.43.711 million comprising gratuity provision of Rs.18.086 available in the books of accounts and deemed budgetary provision of Rs.25.625 million. Rs.11.544 million as regular annual contribution equal to 20% of the basic pay of the employees).

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- (ii) ED(F&A)'s Memorandum No. 22/88
Re: UPGRADATION OF POSTS.

The Board considered the ED(F&A)'s Memo and approved the upgradation of the following posts:

- (i) Post of Asstt.General Manager(Investment) upgraded to Dy.General Manager.
- (ii) Post of Manager, Staff Training, Principal Office, upgraded to Asstt.General Manager.

The proposal of upgradation of other posts was deferred and the Board desired that separate Memo should be prepared giving justification of each post on the basis of work load.

- (iii) ED(F&A)'s Memo No. 23/88 Re: CREATION OF A POST OF DGM(UNDERWRITING)

The Board considered the proposal of ED(F&A) enclosing the proposal of ED(PHS) regarding creation of post of DGM(Underwriting) for training of Underwriters. It was felt that training of Underwriters, like other fields, should be undertaken in collaboration with the Staff Training Department.

The Board decided that Executive Committee should examine this matter carefully and finalise the proposal and resubmit it for the consideration of the Board.

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

M. W. A. S.

Chairman