

Minutes of the 61st Meeting of the Board of Trustees held on 24.09.2002 at Peshawar.

The 61st meeting of the Board of Trustees of EOBI was held on 24th September 2002 at 1000 hours in the Conference Room of National Institute of Public Administration (NIPA), Peshawar. Mr. Farhat Hussain, Secretary, Labour, Manpower & Overseas Pakistanis Division, Government of Pakistan being the President of the Board of Trustees, presided over the meeting.

2. The following attended the meeting:-
 1. Mr. Farhat Hussain
Secretary, Labour, Manpower
Overseas Pakistanis,
Government of Pakistan,
Islamabad. President
 2. Mr. Muhammad Shafi Malik,
Chairman EOBI, Member
 3. Mr. Tauqir Ahmad
Joint Secretary (Labour),
Ministry of Labour, Manpower
& Overseas Pakistanis,
Islamabad. Member
 4. Maj.(R) Iqbal Ahmed
Secretary Labour, Punjab Member

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| 5. | Raja Muhammad Abbas,
Secretary Labour, Sindh | Member |
| 6. | Mr. Abdul Ghaffar Soomro,
Secretary Labour, NWFP. | Member |
| 7. | Mr. Nooruddin F. Daud,
Employers' Rep. NWFP | Member |
| 8. | Sardar Ali Ahmad Jogeza,br/>Employer's Rep. Baluchistan | Member |
| 9. | Ch. Zaheer Ahmed Taj
Employees' Rep. Punjab | Member |
| 10. | Mr. Abdul Aziz Abbassi,
Employees' Rep. Sindh | Member |
| 11. | Mr. Muhammad Zaman,
Employees' Rep. NWFP | Member |
| 12. | Mr. Sultan Muhammad Khan,
Employees' Rep. Baluchistan | Member |
| 13. | Mr. Nooruddin Shaikh,
Director General (Finance) EOBI. | Member |
| 16. | Raja Faizul Hassan Faiz
Secretary BOT | |
| 3. | Mr. Gul Azad Khan, Deputy Financial Adviser, Labour Division was also present to assist the Board and represent Mr. Dost Muhammad Khan, Financial Adviser, Labour Division and member of the Board. | |
| 4. | The President welcomed the members to the 61 st meeting. He said that the Board was meeting at Peshawar after a long time. Mr. Muhammad Shafi Malik, | |

Chairman EOBI, also thanked the members for their cooperation and coordination due to which quick disposal of the agenda was possible in the past, particularly in the last meeting. He further said that the Institution was striving hard to implement decisions of the Board in least possible time to achieve maximum result.

Item No. 1.

**TO CONSIDER CONFIRMATION OF THE MINUTES OF
60TH MEETING OF THE BOARD.**

5. Taking the regular agenda for discussion, the President enquired whether there was any objection by any member on recording of the Minutes. Sardar Ali Ahmed Jogazai observed that while creation of the post of Director (Law) in the Institution as Leave Reserve due to requisition of services of Director Law/Secretary Board, a vacancy for Secretary in ADG's grade was also approved but the same was not recorded in the Minutes. **The President ordered correction of the minutes regarding creation of post of Secretary Board of Trustees in ADG's grade which may be filled in by transfer/promotion/direct recruitment.**

The requirement qualification for the post shall be CA/MBA/ACMA/FICS/LL.B with ten years post qualification experience and age of minimum 40 years.

6. Mr. Zaheer Ahmed Taj pointed out that the selection Committee constituted in the last meeting, referred to in para-37 and annexed as "Annex-F" for appointment/promotion of Assistant Director General should be the same as that of Deputy Director General. The President invited views of other members and **It was decided that there would be one/same committee for DDG and ADG s was approved for the ADG as was approved for the appointment/promotion of DDG**

7. The minutes were approved with the above modifications.

Item No. 2

TO CONSIDER PROGRESS ON THE DECISIONS ACTION TAKEN BY THE BOARD IN 60TH MEETING.

8. The Board then took item No. 2 for consideration. The President enquired if any member had any comments on the report. Dr. A. Ghaffar Soomro suggested that the minimum period for contract employment should be two years instead of one year. Referring to implementation report against item No. 13, para-39 regarding regularization/contract appointment in respect of 31 daily wagers, the President enquired the status of progress. It was informed that the matter was being examined with the help of legal advisers on the subject and the outcome would be placed before the house in next meeting. The President desired that in addition to the implementation of immediate past meeting, the report regarding pending decisions taken in all previous meetings should be given separately till total compliance on the subject. With these remarks the house showed its satisfaction on the report and the compliance report was approved.

9. Chairman EOBI pointed out that two minor changes had been made in the proposed amendment in the Investment Rules, namely word "EPS" had been replaced by word "ROI" for technical reasons and the condition of rating of companies was changed from BBB to A+ on account of Investment Rules issued by Finance Division.

Item No. 3.

TO CONSIDER PERFORMANCE OF THE INSTITUTION.

10. Taking up the report on performance of the Institution during the period July-August 2002, the Chairman informed the Board that in addition to publicity through print media regarding Self-Assessment and Amnesty Schemes about 40,000 letters have been issued to the employers. The Chairman himself held meetings with Chambers of Commerce and group of big employers at Lahore to apprise them about salient features of the schemes. The President appreciated the efforts of Government of the Punjab who had held a Workshop on the above schemes for cross-section of employers, which had an excellent impact. He also requested Secretary Labour, NWFP, to hold such type of Workshop at Peshawar and wished that the Chairman EOBI might have a meeting with Chamber of Commerce at Multan in line with the similar meetings held at Karachi in coordination with Mr. Zaheer Ahmed Taj. Mr. Zaheer Ahmed Taj said that the data being collected by the Institution should be arranged in accordance with industrial classification so that parametric selection could be made easy. He stated that in Multan Zone at least 100 brick kilns had been registered as factories. The employers running such kilns may be registered. The President appreciated the idea and also desired that the Zonal Heads should visit various employers/employee associations to hold the meetings and apprise them about both the schemes. The Chairman informed the Board that the Institution was making maximum efforts to collect information from various departments. He referred to his correspondence with Chairman WAPDA and meeting with Member (Finance) WAPDA/Chief Executive PEPCO in this connection. Mr. Nooruddin F. Daud said that there was a misconception among the employers that what was a misconception among the employers that what was being promised to them regarding Self-Assessment Scheme is not likely to be fulfilled. It was, therefore, required that the Chairman while addressing the

Chambers and employers' associations may assure them in categorical manner or a clear cut circular may be issued to clarify doubts. The Chairman informed that the Institution had already issued Circular No. 17 which was also placed on the EOBI's website. Major ® Iqbal Ahmed pointed out that the lower functionaries in the government departments were functioning as consultants to employers rather than implementers of law. Referring to his meetings with the Chambers of Lahore, Gujranwala and Gujrat, he informed the Board that the employers were never briefed about the schemes in Social Security Ordinance as well as EOB Act. It was the reason that with the approval of the Governor Punjab, Labour Department had created Human Resource Boards, which were tripartite in nature having equal number of members from employers, employees and government with the power to create sub-committees. The Chairman informed the Board that the Institution had a plan to create profile of the employers in three categories i.e. A, B & C with respect to their compliance behaviour as well as correct & timely payment of contributions. The records of A-Category shall not be checked unless there was solid evidence or a legal issue involved. Mr. Nooruddin F. Daud stressed that the unregistered employers who were resisting should be placed in the net. The Chairman informed that after expiry of the time limit for Amnesty Scheme, the Institution would definitely register all such registerable employers. Mr. Zaheer Ahmed Taj said that the publicity campaign should be strengthened and prompt contact be made with industry-wise unions/associations. The posters should be placed on the notice boards of every industrial establishment. The Chairman suggested that employers' forums/Advisory Committee comprising of representative from Zonal Advisory Committee at Head Office level so that employers community could be motivated through their representative with whom the Institution should have a constant liaison. These forums should be used to build confidence, educate employers and encourage voluntary compliance. **The Board appreciated this suggestion and approved its implementation.** Mr. Abdul Aziz Abbasi said

that employers not abiding by the law should be strictly dealt with. Mr. Nooruddin F. Daud suggested that if after inspection of any establishment, evasion was detected, it should be properly publicized. Mr. Zaheer A. Taj suggested that the employees' contribution should be shown separately in the progress report.

Item No. 4.

TO CONSIDER OF 60TH MEETING OF "INVESTMENT COMMITTEE".

11. While discussing on the subject, the Chairman informed the house that EOBI was investing in shares of PTCL and FFC value of which were increasing satisfactorily. Raja Muhammad Abbas pointed out that it was a timely decision to appoint Investment Advisor and Investment Advisory Committee for sound and fast decisions, which were required for investment in stocks. Mr. Nooruddin F. Daud said that while investing the money in stocks, the Institution should not go for brinkmanship but work for its cash liquidity. Mr. Zaheer A. Taj said that as already decided by the Board, the old shares should be disposed off. The Chairman informed that the Institution had taken the decisions to sell old shares and sale orders were being placed on advice of the Investment Advisor in accordance with the market conditions.

Item No. 5.

BUILDING OF IN-HOUSE TRADING ROOM.

12. The Chairman informed the Board that the Institution was paying 0.5% per month of the value of its investment portfolio as commission to the National Bank of Pakistan as per agreement. It has also appointed M/s. Khadim Ali Shah Bokhari & Co. (KASB) as Investment Adviser hence the job of NBP has remained confined to placing orders with various brokers. As the value of portfolio increases, the commission of NBP shall

keep on increasing. At the investment of Rs. 1.7 billion, the commission should increase to the tune of Rs.2.55 million per annum. In order to ensure timely implementation, curb information leakage, save Rs.2.55 million payable as commission to NBP, establish a center of Excellence to provide advisory service to other organizations, setting up of an In-House Trading Room was imperative. He explained that according to experts of KASB and NBP, the one time cost of Rs.5.500 million, which amounts to two years commission payable to National Bank of Pakistan at investment of Rs. 1.7 billion was the minimum necessary for setting up such facility. Mr. Nooruddin F. Daud appreciated the need and said that it should be allowed. Mr. Zaheer Ahmed Taj endorsed the idea. Mr. Abbasi said that we should discourage investment in stocks. The Board should approach the Governor, State Bank of Pakistan to allow the Institution for investment in Defence Saving Certificates. The President informed that he himself had discussed the matter with Governor, SBP but as per policy of the Government, the same was not possible. He appreciated the proposal of the Institution regarding In-House Trading Room and remarked that if it is not approved now it would be too late. **The Board approved establishment of In-House Trading Room alongwith the required budget of Rs.5.500 million, however, desired that before finalization, the requirement of hardware/software and interior designing should be reviewed and the procurement must be in a very transparent manner.**

Item No. 6.

ADOPTION OF GOVERNMENT SERVANTS (CONDUCT) RULES 1964.

13. The Board deliberated on adoption of "Government Servant (Conduct) Rules-1964 and observed that there should be a compatibility with the existing rules. **It was decided that the Institution should further study the provisions of these rules and after inserting the same in line with**

the requirements of the Institution in the EOBI (Employees' Service) Regulations put up to the Board within a period of two months.

Item No. 7.

AVAILING OF SICK LEAVE/EARNED LEAVE DURING LPR

14. Chairman explained the background and reason for proposed amendment in leave rules. **The board approved incorporation of Rule 18-A(3) of revised Leave Rules 1980, regarding encashment of leave preparatory to retirement in EOBI (Employees") Regulations, 1980.**

Item No. 8.

TO CONSIDER FOLLOW UP ACTION ON H.R. STRATEGY.

15. The Chairman thanked the Board for its progressive approach in taking revolutionary steps for betterment in the Institution. **The Board approved the H.R. Strategy, however, the President desired that the voluntary Retirement Scheme and Golden Shake-hand/Early Retirement Schemes might be circulated informing the employees about right sizing of the Institution and acquisition of proper qualification. It should be clarified that the employees not acquiring specified qualification within the stipulated time shall be placed in the Surplus Pool and eased out as per Service Regulations and Golden Handshake Scheme. Referring to the Manpower Strength Report, the Board approved suggested Committee, however, desired that following aspects might be taken care of:**

- i. Whether the present tiers are sufficient or they should be reduced ?
- ii. Whether the cadres are compatible with reasonable growth ?

iii. Whether the Zonal Offices are essential for the Institution ?

Item No. 9.

EXTENSION OF TIME LIMIT FOR SUBMISSION OF APPLICATION REGARDING AMNESTY SCHEME.

16. In view of the engagements of the stakeholders in the forthcoming Election-2002, the Board approved extension of time limit for submission of application for amnesty scheme upto 15.11.2002. It was further desired that in the mean time, it should be properly propagated.

Item No. 10.

EVALUATION OF SELF ASSESSMENT SCHEME.

17. The Board deferred the item and desired that proper monitoring and progress regarding self-assessment scheme may be put up to the Board in every meeting.

Item No. 11.

DEFINITE PROGRESSIVE SCHEME.

18. The Chairman explained that viability of the EOB Scheme had been seriously prejudiced by Government's decision not to give matching grant since 1995. All studies including World Bank, Asian Development Bank and local actuaries reveal that fund shall start depleting in 15 to 20 years. The Pension Scheme, therefore, needs revision to restore viability. He mentioned various schemes prepared and examined by the Institution and requested the Board to consider the draft scheme prepared by M/s. Akhtar Hassan & Co., Actuary. The Board desired that detailed presentation may be given

in the next meeting by the Consulting Actuary regarding above Scheme.

Item No. 12.

**CO-OPTION OF MR. SAMI-UL-HASAN,
ACTUARY/CHAIRMAN SLIC AND MR. FAROOQ AHMED
AWAN, DIRECTOR GENERAL/INVESTMENT ADVISER AS
MEMBER ON THE BOARD.**

19. After due deliberation on the item, the Board approved co-option of Mr. Sami-ul-Hasan, Actuary and Mr. Farooq Awan, DG/Investment Adviser for next Board meeting for the specific items namely pension scheme and investment strategy.

Item No. 13.

20. On unanimous proposal of members of Board of Trustees spearheaded by Mr. Nooruddin F. Daud, The Board approved as personal to him provision of two vehicles for official and personal use with 1300 cc capacity respectively with additional limit of 200 litters petrol to enable him to discharge his official duties efficiently without interruption.

21. Mr. Tauqir Ahmed invited the attention of the Board to the situation arising from transfer orders of Chairman EOBI resulting in decline in his take-home salary and increase in expenditure due to maintenance of two establishments. He was required by compulsion of his post to occupy EOBI House, 29-F-1,4th Gizri Street, DHA Phase-IV, Karachi reserved for the Chairman which otherwise remained vacant since retirement of ex-Chairman. The house was in excess of normal requirement involving expenses on maintenance and utility bills, beyond the salary of a government servant. It is used as office for working

in the evening/late hours and sometimes for official meetings etc. The financial hardship created by these circumstances needed mitigation in the interest of Institution.

22. Major ® Iqbal Ahmed proposed that the EOBI House may be notified as Camp Office on the pattern of Chief Executive houses of corporations or heads of Divisions/ Districts and utility bills be paid by the Institution alongwith maintenance of the house.

23. Dr. Abdul Ghaffar Soomro suggested that EOBI House may be declared as Rest House. Rent per room may be fixed at Rs.100 as in government rest houses. The Chairman may pay rent for the rooms occupied by him out of the House Rent entitlement of the post of Chairman in MP II.

24. Chairman proposed that the EOBI House may be sold out and the incumbents may be allowed house rent in the light of Establishment Division Circular No. F.3(22)R.4/94 dated 01-02-2002.

25. It was decided that the house should not be sold, as the Chairman appointed in MP-I/MP-II grade, in future, would require the same for his residence. To mitigate the burden, it was further decided that the EOBI House situated at 29/1, 4th Gizri Street, DHA Phase-IV, Karachi be notified as Rest House to accommodate official guests of the EOBI like senior officers from Ministries etc. This will curtail the expenses being presently incurred against arranging stay of these guests in hotels etc. However, Chairman may occupy rooms according to his requirement against a payment of Rs.120/= per room per day and pay it out of the rent entitlement of MP II in accordance with circular No. F.3(22) R.4/94 dated 1-2-2002. The decision shall be applicable from the date of occupation of the house.

26. On pointation of Mr. Zaheer A. Taj regarding reduction in requirement of insurable employment for entitlement to old-age pension in respect of seasonal workers, **It was decided that the Institution should put up the status report in the next Board Meeting.**

27. Major ® Iqbal Ahmed referred the recent amendments in TA/DA Rules of Workes Welfare Board for its members and suggested that the same should be adopted for EOBI BOT members also. Mr. Tauqir Ahmed informed the Board that the members of WWB are entitled to TA/DA on following rates :-

a. Room Rent

1. Chairman @ Rs.4000/- per day
2. Member @ Rs.3000/- per day

B. Daily Allowance

An addition Daily Allowance will be paid to meet the misc. expenses like laundry etc.

C. Attendance Allowance.

A fixed amount of Rs.1000/= will be paid to the members for attending the meeting at their headquarter provided no TA/DA is claimed/paid.

28. The above amendments were approved by the Board to be applicable with immediate effect i.e. 24-9-02.

29. There being no other item, the meeting ended with a vote of thanks to the Chair.