



**EMPLOYEES' OLD-AGE BENEFITS'  
INSTITUTION**  
MINISTRY OF OVERSEAS PAKISTANIS &  
Human Resource Development  
Government of Pakistan  
Head Office: EOBI House 190/1/B,  
Block-II, P.E.C.H.S. Karachi  
Phone: 021-34328026

Ref: No. HO/BS/Aprved min 109<sup>th</sup> BOT Mtng/2015/-

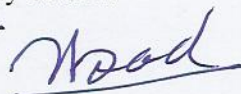
Dated: 9<sup>th</sup> March, 2015

- |                              |                          |
|------------------------------|--------------------------|
| 1. FA/DG(F&A)                | 2. DG (INVESTMENT)       |
| 3. DG (HR&GAD)               | 4. DDG(AUDIT)            |
| 5. DG (OPS) South/North      | 6. DDG (IT)              |
| 7. INCHARGE LAW DEPARTMENT,  | 8. INCHARGE RECON.DEPTT. |
| 9. INCHARGE PUBLICITY DEPTT. | 10. CEO PRIMACO          |

Subject: APPROVED MINUTES OF 109<sup>TH</sup> MEETING OF BOARD OF TRUSTEES, EOBI, HELD ON 16<sup>TH</sup> JANUARY, 2015 AT CAMP OFFICE, GEZIRY, KARACHI.

I am directed to enclosed copy of Minutes of 109<sup>th</sup> Meeting of Board of Trustees, EOBI, held on 16<sup>th</sup> January, 2015 at Camp Office, Geziry, Karachi, duly approved by President of BOT/Secretary, Ministry of Overseas Pakistanis & Human Resources Development, Islamabad.

2. You are requested to take necessary action on the decisions pertaining to your Department and send compliance report to this Secretariat for onward submission to BOT in its forth coming meeting.
3. If there is no action on part of your Department, a NIL report may be sent.

  
(Dr. Rahmat Ibad Khan)  
Secretary Board

Copy for Information:

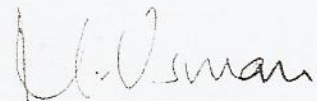
1. SO to Chairman, EOBI
2. Master file/Office file

**Minutes of 109<sup>th</sup> Meeting of the Board of Trustees, EOBI  
Held on 16<sup>th</sup> January, 2015 at Camp Office, Karachi.**

The 109<sup>th</sup> meeting of Board of Trustees of EOBI was held on 16<sup>th</sup> January, 2015 at 10:30 AM in the Camp Office, Geziry, Karachi. Following attended the meeting:

- |       |   |               |
|-------|---|---------------|
| i.    | Mr. Sikandar Ismail Khan,<br>Secretary, Ministry of OPs & HRD.            | President     |
| ii.   | Mr. Muhammad Suelah Ahmed Faruqi,<br>Chairman EOBI.                       | Member        |
| iii.  | Mr. Muhammad Asif,<br>Joint Secretary, Ministry of OPs & HRD              | Member        |
| iv.   | Mr. Fida Muhammad,<br>Financial Adviser (OPs & HRD), MoF                  | Member        |
| v.    | Mr. Ishrat Ali,<br>Secretary, Department of Labour, Punjab.               | Member        |
| vi.   | Mr. Zafar Iqbal,<br>Secretary, Department of Labour, KPK.                 | Member        |
| vii.  | Mr. Aijaz Ahmed Mangi,<br>Secretary, Dpartment of Labour, Sindh.          | Member        |
| viii. | Mr. Naseer Ahmed Baloch,<br>Secretary, Department of Labour, Balochistan, | Member        |
| ix.   | Malik Tahir Jawaid,<br>Employers' Representative, Punjab.                 | Member        |
| x.    | Dr. Muhammad Yousuf Sarwar,<br>Employers' Representative, KPK.            | Member        |
| xi.   | Chaudhary Naseem Iqbal,<br>Employees' Representative, Punjab              | Member        |
| xii.  | Mr. Shouket Ali,<br>Employees' Representative, Sindh.                     | Member        |
| xiii. | Mr. Muhammad Iqbal,<br>Employees' Representative, KPK.                    | Member        |
| xiv.  | Mr. Sarzameen Afghani,<br>Employees' Representative, Balochistan.         | Member        |
| xv.   | Dr. Rahmat Ibad Khan,   | Secretary BOT |

2. After recitation of verses from Holy Quran, the President of the BoT welcomed the participants of the meeting and thereafter the BoT deliberated upon the following agenda of the meeting:-



Agenda #	Agenda
Agenda Item No. 1	Confirmation of Minutes of 13 <sup>th</sup> Emergent Meeting.
Agenda Item No. 2	Confirmation of Minutes of Sub-committees of the Board. a. Confirmation of approved Minutes of 230 <sup>th</sup> to 235 <sup>th</sup> Meetings of Investment Committee of Board of Trustees. b. Confirmation of Minutes of 45 <sup>th</sup> to 47 <sup>th</sup> BOD PRIMACO Meeting.
Agenda Item No. 3	Compliance Report on decisions of 11 <sup>th</sup> to 13 <sup>th</sup> Emergent Meetings of BOT.
Agenda Item No. 4	Appointment of Evaluator in Terms of Supreme Court order dated 9.12.2014 in CP No. 35/2013 and Progress Report in respect of Supreme Court's Suo Moto Action.
Agenda Item No. 5	Review of Development Projects.
Agenda Item No. 6	Draft EOBI (Investment) Regulation 2014.
Agenda Item No. 7	Appointment of External Auditors for the Financial Year 2013-14.
Agenda Item No. 8	Discussion on Post Devolution issues- Sindh Employees' Old Age Benefits Act, 2014.
Agenda Item No. 9	Pending equity brokerage claims (F.Y. 2012-2013).

#### Agenda Item No. 1.

Confirmation of Minutes of 13<sup>th</sup> Emergent meeting of Board of Trustees.

3. Dr. Rahmat Ibad Khan, Secretary BoT informed that minutes of 13<sup>th</sup> Emergent BoT meeting were circulated to all the members and no objection was received from any member. At this point, Chaudhary Naseem Iqbal, Employees' Representative, Punjab pointed out that his views/ discussion points on different items have not been incorporated. President of the BoT enquired whether he has any objection on recorded decisions. Chaudhary Naseem Iqbal, Employees' Representative, Punjab informed that he has no objection on recorded decisions and his only concern was about non recording of his views in the minutes. As there was no further discussion & suggestion on the item, the President of the BoT directed the Secretary BoT to be more vigilant in recording of minutes in future.

#### Decision:

4. The BoT confirmed the minutes of 13<sup>th</sup> Emergent meeting of BoT.

Agenda Item No.2

Confirmation of Minutes of Sub-committees of the BoT.

- a) Confirmation of approved minutes of 230<sup>th</sup> to 235<sup>th</sup> meetings of Investment Committee of Board of Trustees.
- b) Confirmation of minutes of 45<sup>th</sup> to 47<sup>th</sup> BOD PRIMACO meeting.

- a) Confirmation of approved minutes of 230<sup>th</sup> to 235<sup>th</sup> meetings of Investment Committee of Board of Trustees

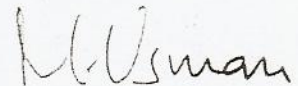
5. The minutes of 230<sup>th</sup> to 235<sup>th</sup> meeting of Investment Committee of the BoT were placed before the BoT for confirmation. The President of the BoT inquired about reasons of about eight months delay in submission of minutes of Investment Committee before the BoT. Mr. Muhammad Asif, Joint Secretary, M/o OP&HRD informed that prior to present meeting previous meetings were Emergent's meetings aimed at addressing matters of urgent nature therefore, this agenda item could not find place in Agenda. Members of the BoT were of the view that consideration of minutes of Investment Committee is of prime importance and this needs deliberation in detail. Mr. Muhammad Asif, Joint Secretary, M/o OP&HRD and Mr. Fida Muhammad, Financial Adviser (OP&HRD), MoF suggested that these minutes may be considered as circulated and members of the BoT may forward their suggestions so that the suggestions may be timely addressed and thereafter these minutes may be placed before the BoT for confirmation in the light of suggestions received. The BoT agreed with the suggestion.

**Decision:**

6. The BoT decided that the minutes of 230<sup>th</sup> to 235<sup>th</sup> meetings of Investment Committee of the BoT may be considered as circulated for submission of suggestions of members of the BoT and thereafter the minutes may be placed before the BoT for confirmation.

- b) Confirmation of minutes of 45<sup>th</sup> to 47<sup>th</sup> BOD PRIMACO meeting.

7. The Secretary of the BoT presented the minutes of 45<sup>th</sup> to 47<sup>th</sup> meetings of Board of Directors, (BOD) PRIMACO. Mr. Ishrat Ali, Secretary, Labour, Punjab and Mr. Fida Muhammad, Financial Advisor, MoF inquired that if BOD PRIMACO itself is a competent forum to decide the matter to the extent of jurisdiction allowed to them through Board of Trustees thus these minutes should not be reconfirmed at the level of BoT. Mr. Muhammad Asif,



Joint Secretary M/o OPs & HRD pointed out that the BoT in a previous meeting desired that minutes of BOD, PRIMACO may be placed before BOT but it is not evident that what was the purpose of consideration of minutes of BOD, PRIMACO. After thorough deliberation it was decided that decisions of BOD, PRIMACO may be placed before BOT only to the extent of information as BOD PRIMACO is a competent forum to approve its own minutes.

**Decision:**

8. The BoT decided that decisions of BOD, PRIMACO may be placed before BoT for the purpose of information only and BOD, PRIMACO, being a competent forum may decide the matters in its jurisdiction.

**Agenda Item No. 3**

Compliance report on decisions of 11<sup>th</sup> to 13<sup>th</sup> Emergent meetings of BOT

**Decision:**

9. The BoT deferred the item.

**Agenda Item No. 4**

Appointment of Evaluator in terms of Supreme Court order dated 9.12.2014 in CP No. 35/2013 and Progress Report in respect of Supreme Court's Suo Moto Action.

10. The Chairman, EOBI informed the BoT that as per decisions of BoT in 9<sup>th</sup> Emergent meeting held on 28.04.2014 and 13<sup>th</sup> Emergent meeting held on 21.11. 2014, the Honourable Supreme Court of Pakistan was informed that the Board of Trustees of EOBI after due consideration, had decided to reaffirm its previous decision that the properties involved in illegal purchases, being ab initio void, may be returned to the previous owners/ sellers. He further informed that Apex Court, to facilitate the disposal of pending cases, advised to categorize the 18 properties, which was accordingly done. He stated that any such categorization does not have any negative impact on the stand of the institution that all of these transactions were fraudulent and informed that Honourable Supreme Court directed that all the parties should provide names of evaluators for the purpose of valuation exercise of the subject properties. He informed the Court that EOBI could only select or even shortlist any evaluator but through a process under PPRA rules, which is a time consuming exercise. The Honorable Court directed that the list of evaluators approved by Banking Council may be provided. He informed the BoT that there were over hundred evaluators in the list however, out of which only 18 have been categorized with no

upper financial limit. After deliberation on the proceedings in the Supreme Court of Pakistan and criteria of selection of evaluators the BoT took the following decision:

**Decisions:**

11. The Institution may provide complete list of approved evaluators of Banking Council to the Honourable Supreme Court and specify the 18 evaluators along with their credentials and also make submission before the Court that EOBI reserves the right to file objections against all or any recommendation coming out of valuation exercise.

**Agenda Item No. 5**

**Review of Development Projects**

12. Mr. Muhammad Asif, Joint Secretary, M/o OP&HRD pointed out that BoT has already decided to provide advances to the ongoing development projects but the EOBI could not release the requisite funds which might cause financial loss to the Institution. He was of the view that this forum should have immunity from consequences of delay in release of funds on part of the Institution and enquiry may be conducted to find out the responsible persons and causes of delay. Mr. Fida Muhammad, Financial Advisor, MoF was of the view that the advances were allowed by the BoT to give life-line to the development projects but due to different interpretations of the decision of the BoT, Institution's failure to release the funds is against its own interests. He further pointed out that annual accounts of the EOBI and their audit is legal requirement under section 19 of EOBI Act 1976 which is still pending for past few years. Mr. Muhammad Asif, Joint Secretary, M/o OP&HRD expressed that he was referring to delays on the part of Institution regarding release of funds for development projects. He maintained that Annual accounts of the Institution are a separate issue and the two matters may not be mixed up. The Chairman EOBI informed the BoT that delay in release of advances was due to multiple factors. He pointed out that an amount of Rs. 5.3 billion is lying as unadjusted advance for want of verification, reconciliation and adjustment for last more than two years. He also informed the BoT that even the vouchers and processing files of the previous advances were not available. He maintained that these facts were never brought to the notice of BOT earlier. He said that currently, two out of three Director level officers of Finance Department have been implicated by FIA due to ongoing investigations in various matters of organization.

13. The Chairman EOBI stated that after a tedious process and by clarifying the ambiguity caused by the text of earlier decision regarding release of advance, the BoT had

decided to release the life line to revive the stuck up projects' portfolio along with simultaneous rectifying measures including action against the culprits. Resultantly, the effort is required at both ends. The Chairman EOBI reported that now the long pending disciplinary process has been initiated, exercise of verification/reconciliation of accounts connected to previous advances was now on, while the change is also being affected in top management of PRIMACO, which has been and will be the recipient of subject funds from EOBI.

14. The Chairman EOBI informed that Mr. Kamran Fazal, Director/Officiating DDG (F&A), who was the dealing officer on the subject matter, was arrested immediately after the order of release of funds were issued. While the action has been initiated only against the persons involved in alleged malpractices, an atmosphere of fear is prevailing amongst the officers and staff.

15. The Chairman EOBI stated that while the present BoT and management is taking difficult decisions with transparency, in the best interest of institution, its also imperative that all the correct measures must simultaneously be initiated and concluded. The President of BoT stated that decision of release of advances was made on merit and in the best institutional interest with the consensus of Members of the BoT. There is a general impression that the releases were unnecessarily delayed on one pretext or the other.

16. After due deliberations Members of the BoT agreed to the following decision:

**Decision:**

17. The BoT directed to conduct an inquiry and fix responsibility for delay in release of advances to PRIMACO for the completion of projects.

**Agenda Item No. 6**

Draft EOBI (Investment) Regulation 2014.

18. It was informed that Draft EOBI (Investment) Regulation 2013 was placed before the Board of Trustees for consideration in its 6<sup>th</sup> Emergent meeting held on 13<sup>th</sup> November 2013. The BoT proposed some additions and amendments in Draft EOBI (Investment) Regulations 2013, thus necessary changes were incorporated therein. The Investment Committee of the BoT deliberated on the Draft EOBI (Investment) Regulations 2013 in its 226<sup>th</sup> & 232<sup>nd</sup> meetings held on 17<sup>th</sup> February and 14<sup>th</sup> July, 2014, respectively and a five member's sub-committee was constituted. The Committee finalized the draft Regulations and the same were approved in 236<sup>th</sup>

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meeting of Investment Committee held on 19<sup>th</sup> December, 2014. The Draft Regulations as approved by the Investment Committees were placed before the BoT for approval. Members of the BoT were of the view that Draft EOBI (Investment) Regulations 2014 need a detailed study and consideration, therefore, the same may be circulated among the members for proposing suggestions.

**Decision:**

19. The BoT decided that Draft EOBI (Investment) Regulations 2014 may be considered as circulated for suggestions of the members, if any. The Draft Regulations thereafter be placed before the BoT in its forthcoming meeting.

**Agenda Item No. 7**

Appointment of External Auditors for the Financial Year 2013-14.

20. The Chairman, EOBI informed that appointment of External Auditors is a legal requirement under section-19 of EOB Act 1976 and under Regulation-6 (j) of EOBI (Board of Trustees) Rules 1977 and the Board of Trustees is the competent forum to recommend name of auditors' firms.

**Decision:**

21. The BoT recommended the appointment of M/s. Naveed Zafar Ashfaq Jaffri & Co, Chartered Accountant as statutory auditors of the Institution for the financial year 2013-14 on consolidated fee of Rs.925, 000/- (Rupees nine hundred and twenty five thousand only). The case may be referred to the Auditor General of Pakistan for his concurrence.

**Agenda Item No. 8**

Discussion on Post Devolution issues- Sindh Employees Old-Age Benefits Act, 2014.

22. The Chairman EOBI informed that after 18<sup>th</sup> amendment a petition was filed in Lahore High Court in which it was decided that EOBI has been devolved after 18<sup>th</sup> amendment, however, in an Intra Court Appeal, Stay Order was granted on the verdict of Lahore High Court. He further informed that in order to settle constitutional, legal and financial aspects and to explore the means as to how the minimum pension of EOBI insured persons could be increased, a Committee was constituted by the Federal Government under Finance Minister Mr. Muhammad Ishaq Dar. The Committee held its meeting and identified the key issues in the

perspective of constitutional/legal and financial aspects. He further informed that BoT in its 13<sup>th</sup> Emergent meeting approved nomination of Dr. Muhammad Yousuf Sarwar, Employers' Representative, KPK and Ch. Naseem Iqbal, Employees' Representative, Punjab to represent in the committee headed by Finance Minister. The Committee in its first meeting constituted a task force headed by Deputy Governor State Bank of Pakistan to look into financial challenges faced by the Institution wherein actuaries M/s. Siddat Haider Morshed gave a presentation. The Chairman, EOBI also pointed out enactment of Sindh Employees Old-Age Benefits Institution Act 2014 and expressed that the matter needs to be taken up on priority bases for the information of Prime Minister and Federal Government.

23. Mr. Ishrat Ali, Secretary Labour Punjab pointed out that in connection with devolution of EOBI there are various international, bilateral, social and cultural issues which need to be considered carefully. The BoT was of the view that the matter needs to be taken up with the federal government after thorough home work in consideration of all international, local, structural and financial aspects. Malik Tahir Jawaid, Employers' Representative Punjab was of the view that the issue must be taken up in the overall national perspective. He expressed that post 18<sup>th</sup> amendment reforms must take shape and the institution needs to be devolved. Mr. Ishrat Ali, Secretary Labour Punjab was of the view that devolution has multi-dimensional issues which need thorough consultation. The Chairman EOBI expressed that after enactment by provincial Assembly of Sindh, the matter needs some specific urgent measures. Chaudhry Naseem Iqbal Employees' Representative, Punjab, Mr. Muhammad Iqbal, Employees' Representative, KPK and Mr. Sarzameen Afghani, Employees' Representative, Balouchistan expressed their grave concern over potential negative implication on poor labour force of the country, if the EOBI is devolved to the provinces. All of the Employees' representatives were of view that like most of other countries, this scheme must remain in federal fold. They said that all major labour federations and unions at national, provincial and local levels have rejected the attempts to devolve this institution. They expressed that EOB Fund is a Trust money and it is a liability which needs to be properly handled and that devolution must not deprive the poor people from their trust money. Mr. Zafar Iqbal, Secretary Labour, KPK expressed that the process of devolution may have two simultaneous approaches; first is to share the issues by stakeholders and evolve a workable and fruitful resolve and second is devoid legislation which may damage the fund and interests of the poor people. The Chairman EOBI while sharing the

concerns of members of the BoT added that this issue may be mutually consulted amongst Federal Government, Provinces and the Institution so that a better structural arrangement may be developed in consideration of all legal aspects. He was of the view that the matter needs to be taken up in comprehensive manner to develop all possible options and an appropriate methodology. Chaudhry Naseem Iqbal, Employees' Representative, Punjab, was of the view that EOB Scheme must remain a federal subject as it is a Trust money of labour and devolution will mean loss to the labour. He further added that studies by different forums should also be consulted.

24. Mr. Muhammad Iqbal, Employees' Representative, KPK informed that labour is not in favour of devolution of the Institution. Dr. Muhammad Yousuf Sarwar, Employers' Representative KPK added that the small provinces have their reservations regarding devolution of EOB Scheme and are of the view that it should remain in federation. Mr. Sarzameen Afghani, Employees' Representative Balochistan pointed out that being Employees' Representative Balochistan, he apprehends many complications as a result of devolution. He informed that there are many Industries at Hub and their Head Offices are located at Karachi and their contribution is also paid by their Head Offices at Karachi. He further added that inter provincial migration of labour was another important aspect. In view of these aspects EOB Scheme must be kept with Federal Government. Mr. Muhammad Asif, Joint Secretary, M/o OP&HRD added that though he was of the view that EOB Scheme must be kept at Federal Level but it needs legal, financial and structure reforms at massive scale to support the sustainability of fund. Chaudhry Naseem Iqbal Employees' Representative Punjab provided a write up giving legal and functional aspects suggesting that EOB Scheme is not manageable at the level of provinces thus it should be maintained at federal level.

**Decision:**

25. Ministry of OP & HRD to take up the issue with the Provincial governments and employers and workers bodies for a meaningful engagement on the issue of devolution of EOBI and to seek resolution in the best interest of poor labour force of Pakistan.

**Agenda Item No. 9**

Pending Equity Brokerage Claims (F.Y. 2012-2013).

26. Mr. Zafar Iqbal, Secretary Labour, KPK inquired whether the issue should be taken up at Board level or it should have been disposed of administratively. Mr. Naseer Ahmed

Baloch, Secretary Labour Balochistan, inquired that why the matter has been placed before the Board after two years. Mr. Fida Muhammad, Financial Adviser (OP&HRD) was of the view that the payment of commission to brokerage houses is not the domain of this forum and needs to be disposed of at administrative level. The Chairman EOBI informed that it was delayed because this agenda item was also previously placed during various Board meetings but deferred due to importance of other urgent matters and time constraints. He informed that these transactions were made through various brokerage houses but the record reflects that the required approvals were not available due to which the settlement of pending claims has been in limbo. He stated that it was due to the non-availability of required approval that the matter has been placed before the BoT for a decision.

**Decision:**

27. The Chairman EOBI is authorized to settle the claims provided that the subject transactions have actually been occurred.

Ex-Agenda Item No. 1 Replacement of Mr. Muhammad Tariq Rafi, Employers' Representative Sindh in Investment Committee.

28. The Chairman EOBI informed the BoT that Mr. Muhammad Tariq Rafi, Employers' Representative Sindh, was nominated as the Convener of Investment Committee of the BoT and Mr. Muhammad Tariq Rafi, Employers' Representative Sindh has been requesting the BoT to relieve him from the responsibility but the BoT requested him to continue his valuable contribution. The Chairman EOBI further informed that Mr. Muhammad Tariq Rafi, Employers' Representative Sindh, during 11<sup>th</sup> Emergent meeting of BoT held on 23<sup>rd</sup> June, 2014 agreed to continue as Convener of the committee till December 2014. The President and all the Members of the BoT appreciated the contribution made by Mr. Muhammad Tariq Rafi, Employees' Representative Sindh. The BoT deliberated on importance and functions of the Investment Committee. Mr. Muhammad Asif JS OPs & HRD proposed the name of Mr. Shoukat Ali as the new Convener of Investment Committee, which was agreed by the all the members.

**Decision:**

29. The Board nominated Mr. Shoukat Ali, Employees' Representative Sindh as the Convener of Investment Committee of the BoT.

Ex-Agenda Item No.2. Increase in EOBI Pension.

30. Chaudhry Naseem Iqbal, Employees' Representative Punjab, Mr. Muhammad Iqbal, Employees' Representative KPK, Mr. Shaukat Ali, Employees' Representative from Sindh and Mr. Sarzameen Afghani, Employees' Representative, Balochistan pointed out that they have been repeatedly perusing increase in pension from Rs.3600/- to Rs 6000/- in all previous meetings of the Board but the matter could not been resolved so far. Mr. Fida Muhammad, Financial Adviser (OPs & HRD) MoF expressed that as per section 21 of EOB Act 1976, the BoT is not competent to change any pension or contribution unless supported by actuarial valuation. The Chairman EOBI informed that increase in pension has many financial implications, including constitutional/ legal impediments, which all the esteemed members are duly aware of. He informed that it is not only view point of representatives of the employees rather all members of the BoT are of considered opinion to look into the possibility of increase of minimum pension. As a result of this combined consideration the matter has been taken up at the Federal Level. Members are aware that Prime Minister of Pakistan has constituted a Committee headed by Finance Minister and as a first step; a Task Force has also been constituted by this larger committee. Institution is working with the task force on the issue of enhancement of pension and sustainability of EOB fund. The President BoT added that every member of the BoT is in support of increase in pension however, this could not be made at the level of the BoT and all efforts are being taken to enhance the pension. The members of the BoT appreciated the efforts of the EOBI, Ministry of OP& HRD and in particular appreciated the interest and hard work of Mr. Muhammad Asif, Joint Secretary M/o OPs & HRD.

31. The meeting ended with the vote of thanks to the Chair.

\*\*\*\*

*M. Usman*

MUHAMMAD USMAN RAJA  
RESEARCH OFFICER  
Ministry of Overseas Pakistanis &  
Resource Development  
Government of Pakistan  
Islamabad