

**EMPLOYEES' OLD-AGE BENEFITS'  
INSTITUTION**

Ministry of Overseas Pakistanis &  
Human Resource Development  
Government of Pakistan  
Head Office: EOBI House 190/1/B,  
Block-2 P.E.C.H.S. Karachi  
Phone: 021-34328026

Ref: No. HO/BS/111<sup>th</sup> Mtng/2016/-26

Dated 1<sup>st</sup> March, 2016

1. FA/DG(F&A)
2. DG(Investment)
3. DG (HR&GAD)
4. DG(Audit)
5. DG (Ops)South/ North
6. DDG (IT)
7. Incharge Law Department
8. Incharge Reconciliation Department
9. Incharge Publicity Department

Subject: Implementation on Minutes of 111<sup>th</sup> Meeting of Board of Trustees (BOT), EOBI.

I am directed to enclose copy of Minutes of 111<sup>th</sup> Meeting of Board of Trustees, EOBI, held on 1<sup>st</sup> February, 2016 in the Committee Room, Ministry of Overseas Pakistanis & Human Resource Development, Islamabad, 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 on the earliest to this Secretariat for onward submission to BOT in its forthcoming meeting.
3. If there is no action on part of your Department, a NIL report may please be sent.

(Dr. Rahmat Ibad Khan)  
Secretary BOT

Encl: As above.

Copy for information: -

1. SO to Chairman.
2. Office file.
3. Master file.

**MINUTES OF THE 111<sup>TH</sup> MEETING OF THE BOARD OF TRUSTEES OF  
EOBI HELD ON 1<sup>ST</sup> FEBRUARY, 2016 IN THE COMMITTEE ROOM OF THE  
M/O OVERSEAS PAKISTANIS & HUMAN RESOURCE DEVELOPMENT**

The 111<sup>th</sup> meeting of Board of Trustees of EOBI was held on 1<sup>st</sup> February, 2016 at 11:00 a.m. in the Committee Room M/o OP & HRD, Islamabad. The list of participants is attached as Annexure-I.

2. The proceedings of the meeting started with the recitation from the Holy Quran. The President of Board welcomed the participants of the meeting. It was his first meeting therefore; he introduced himself and requested the others for introduction. The Secretary of the Board of Trustees informed that the Secretary, Labour & Manpower Department, Government of Balochistan had informed that owing to cancellation of the flight he could not attend the meeting. Taking notice of the absence of the Secretaries of Labour and Manpower Departments Punjab and Sindh, the President directed the Ministry may write to the Chief Secretaries of the respective provinces in this regard.

3. After introduction, the President of the Board, pointed out to Dr. Rahmat Ibad Khan, Secretary to the Board of Trustees that the Agenda of the meeting was not as per standard format. He informed that the first item on the agenda should have been the confirmation of the minutes of previous meeting and the second agenda item should have been the progress / implementation status on decisions of previous meeting of the Board. It was told that the minutes of the previous BoT meeting have not been approved. The President showed serious concern that the minutes of the said meeting held on 02.07.2015 had not been approved yet, more so in view of the fact that the BoT had *inter-alia*, approved the current year's 2015-16 budget for the Institution. He enquired how the EOBI would consider the expenditure as regular without formal approval of the Budget by the BoT. The Financial Advisor also took serious notice of this and endorsed the view point of the President. The Chairman, EOBI informed that owing to his engagement at National Management Course (NMC) a gap had occurred in holding of BOT and the confirmation of minutes of the last meeting. He ensured that the said minutes would be approved from the then President of BoT. He assured that after getting the Minutes approved from the then President of BoT the same would be submitted to the Ministry.

4. The President of the Board, having learnt that Dr. Rahmat Ibad Khan, Secretary to the BOT, was also holding charge of HR Department of the Institution, expressed his concern to the Chairman that such a dual charge arrangement may have a conflict of interest and instructed EOBI to appoint a full time Secretary of the BoT. He emphasized the importance of having a separate Secretary for the BoT from the rest of the EOBI management. The Chairman apprised

  
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Government of Pakistan

that the Institution was facing shortage of senior officers as a number of them were facing NAB/FIA enquiries in connection with EOBI properties scam. He assured the President that the matter would be resolved at an earliest.

5. Before taking up the first agenda item, the Chairman EOBI requested the President of the BoT to allow deliberation on the post devolution scenario by the members of the Board especially Employees representatives. Ch. Naseem Iqbal, Employees' representative from Punjab sought the permission to apprise the Board of the current status of the situation and the efforts on the part of the labour community. The President of BoT asked the Chairman EOBI that if EOBI wanted to discuss any matter at the BoT level the same may be brought up as an Agenda Item. He therefore, directed that if the EOBI wanted to discuss post-devolution matters, the same may be taken up as an Agenda Item in the next BOT meeting.

6. The BoT observed that in line with the corporate procedures, the responsibility of the Secretary to the Board was to present the Agenda items and record the minutes of the meeting. The Secretary to the Board could not take part in the discussions. The Chairman, EOBI informed that that was done on the directions of former President of the BoT and that the new instructions would be followed from the next meeting.

7. With the permission of Chair the Secretary of the BoT submitted the Agenda items of the meeting for deliberation.

#### Agenda Item No. 01

#### OPTION TO SWITCH OVER FROM GRATUITY REGULATIONS 1980 TO PENSION REGULATIONS 1987 BY MR. MUHAMMAD JAMIL, DIRECTOR (RETD) AND OTHERS

8. The Secretary of the Board explained that the Pension and Gratuity scheme for the employees of EOBI was introduced with effect from 01-07-1987 under the Pension and Gratuity Regulations 1987. The scheme was applicable to all the employees of EOBI except those who did not give their consent to be covered under it. Under Section 3 of the said regulations, the employees could exercise the option within six months with effect from coming into force of these regulations. The employees of EOBI mentioned in the working paper, did not opt the Pension Regulations within the stipulated period. The EOBI requested that those employees may be allowed to switch over from Gratuity Regulations 1980 to Pension Regulations 1987 with retrospective effect. The JS (HRD), OP&HRD asked whether BoT under the Pension and Gratuity Regulations 1987 was competent to allow the option to the employees with retrospective effect. She pointed out that amendment in the Pension and Gratuity Regulations 1987 was required to be made with the prior approval of the Federal Government before

submitting the same to the BoT for consideration. The BoT members showed their reservations in considering a case found unlawful.

#### Decision

9. The Board did not agree to the proposal.

#### Agenda Item No. 2

### IMPLEMENTATION OF SUPREME COURT OF PAKISTAN DECISION REGARDING RESTORATION OF COMMUTED PORTION OF PENSION ALONG WITH ALL INCREASES ALLOWED TO THE PENSIONERS

10. The Secretary of the Board of Trustees informed the Board members that in pursuance of Supreme Court of Pakistan the Finance Division vide their O.M dated 11.3.2013 had allowed the restoration of commuted portion of the pension to the civil pensioners of the Federal Government. The EOBI intended to seek permission of the Board that the pension benefits extended to the civil pensioners may be allowed to its retired employees as well. The contention of the EOBI was that the EOBI (Employees' Pension and Gratuity) Regulations 1987 were silent on commutation pension and therefore under Section 56 of the said rules *ibid*, the rules/instructions applicable to the civil servants of the Federal Government could apply to the employees of the Institution. The Financial Advisor, OP&HRD objected to the proposal by referring to the section 55(6) of the said Regulations states that 1/4<sup>th</sup> of the commuted portion of pension could be restored on completion of the number of years for which commuted value is paid. Therefore, EOBI (Employees' Pension and Gratuity) Regulations 1987 were not silent. His viewpoint was also supported by the JS (HRD), OP&HRD. She also said that the Working Paper did not have the copy of the decision of the Supreme Court and EOBI was asked ten days ago to provide the same but the same has not been provided.

#### Decision

11. The BoT did not approve the proposal as it was contrary to the provisions of EOBI (Employees' Pension and Gratuity) Regulations 1987.

#### Agenda Item No. 3

### UP GRADATION OF ASSISTANT DIRECTOR ON COMPLETION OF 15 YEARS' SERVICE AS EXECUTIVE OFFICER AS PER DECISION OF THE 48<sup>TH</sup> BOT MEETING HELD ON 15-12-1998

12. The Secretary of the BoT informed that the BoT in its 48<sup>th</sup> meeting held on 15-12-1998 had allowed up gradation of Executive Officer as Assistant Director on completion of 15

  
MARIA ASIF DAR  
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Ministry of Overseas Pakistanis &  
Human Resource Development  
Government of Pakistan

years' service as Executive Officer. Under this decision the EOBI upgraded certain Executive Officers as Assistant Directors but up gradation was not allowed w.e.f the date of completion of 15 years' service. The Board was therefore requested to allow promotion of 25 Executive Officers (BS-16) as Assistant Directors (BS-17) with effect from the date of completion of 15 years' service as Executive officers. The JS (HRD) pointed out that the proposal of the EOBI was not comprehensible under which rule the promotion of E.Os was considered earlier and now under what provision of law promotion of these officers was being sought with effect from the date of completion of 15 years' of service. It was pointed out that up gradation (of posts) and promotions (of incumbents) were entirely separate matters. She said that EOBI should have provided the complete background of the case and minutes of the Departmental Promotion Committee enabling the Board to examine the genuineness of the proposal. The BoT deliberated upon the Agenda and showed their concern that the promotion cases had remained indecisive at EOBI for almost twenty years.

#### Decision

13. The Board did not agree to the proposal and decided that the matter may be referred to the HR Committee of the BoT and present it before its next meeting.

#### The Agenda Item No. 4

### PROPOSAL TO TREAT CONTRACTUAL SERVICE OF LATE MUSHTAQ AHMED SAMMO, EX-SECRETARY BOAD IN EOBI AS REGULAR FOR PENSION PURPOSES

14. Mr. Mustaq Ahmed Sammo, Ex-Secretary BoT expired on 8-10-2011 during service. At the time of his death the break-up of his 32 years' service was as follows:-

- (i) He served for 24 years' pensionable regular service in Labour Department, Government of Sindh. w.e.f 15-8-1978 to 20-5-2003;
- (ii) 5 years contractual service in EOBI w.e.f 21-5-2003 to 27-6-2008; and
- (iii) 3 years regular service in EOBI w.e.f 28-6-2008 to 8-10-2011.

15. Since the officer had served EOBI only for 3 years and 4 months on regular basis, therefore, his widow could not qualify for family pension in terms of Section 16(a) and (b) of EOBI (Employees' Pension and Gratuity) Regulations 1987.

16. EOBI has proposed that Board may allow period of contractual service of the late officer from 21.5.2003 to 27.6.2008 to be converted into regular service on compassionate grounds so that his widow or eligible child could get pension. The Joint Secretary (HRD) pointed out that the Working Paper lacked the details with regard to the grade/pay scale of the deceased

  
MARIA ASIF DAR  
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officer. She said that for discussing and considering the Agenda item, the details pertaining to the competent authority to allow/approve such a request were also required.

**Decision:**

17. The BoT discussed the case and showed concern that the decades old personnel management matters have remained unresolved at the EOBI. The Board agreed that such matters may be examined by the HR Committee of the BoT and if deemed necessary, be submitted to the next meeting of the BoT.

Agenda Item No. 5.

**BRIEFING ON PRIMACO.**

18. The Chairman, EOBI requested the President of the Board to allow the DG (Investment)/ Investment Adviser, EOBI and Chief Executive Officer (CEO) PRIMACO to give their presentation on PRIMACO. CEO, PRIMACO presented a detailed over-view of EOBI properties and construction projects. The presentation covered an overview of PRIMACO, the construction portfolio, future investments and projects, real estate portfolio being managed by PRIMACO, rental revenue from Institution's properties & challenges.

19. During the presentation the CEO PRIMACO requested that the BoT may allow release of 2 billion rupees for the execution of additional work / packages asked by the Consultant of Serena Hotel Lahore enabling them to complete the project within the time limit. The President of the BoT did not agree to it and directed the Chairman EOBI that the matter may be brought in the next BOT meeting with full justification as an Agenda item.

Agenda Item No. 6.

**PROCUREMENT OF SERVICES OF LAW FIRM FOR THE SCRUTINY OF CONTRACT DOCUMENTS OF FOUR MAJOR EOBI PROJECTS BEING EXECUTED BY THE PRIMACO.**

20. The DG (Investment)/Investment Adviser informed that the Board had decided in its 9th Emergent Meeting to procure services of a law firm through a quotation, under financial limit of 500,000 rupees under PPRA Rules (42)(b)(i) for scrutinizing contract documents of 4 major ongoing EOBI Projects as detailed below:

1. EOBI Hotel Project (Serena Hotel) at Lahore,
2. Multi-Purpose Cineplex & Commercial Complex at I-8 Markaz, Islamabad,
3. OEC Tower Project, G-9/4 Islamabad,
4. Mixed-use Development Project Jauhar Town, Lahore

21. Accordingly, the Institution pursuant to decision of BOT and observing procedures under PPRA Rules (i) developed detailed Request for Quotation (RFQ) document and (ii) attempted four times to procure services of reputed Law Firm within the financial limit prescribed by BOT. However, the exercise proved unsuccessful as the remuneration amount was deemed quite insufficient by the respondents who instead chose not to respond to the RFQ.

22. The JS (HRD), OP&HRD pointed out to the Board that a full-fledged Legal Department works under the EOBI whose services could be considered for this purpose. It was informed that the said department did not have the requisite expertise in this regard.

23. DG (Investments)/IA requested the Board to reconsider its decision of 9<sup>th</sup> Emergent Meeting and allow the Institution to procure services of Law Firm through an open competitive bidding under PPRA Rules.

**Decision:**

24. After detailed deliberation, it was agreed by the members that a comprehensive working of the RFQ and bidding process initiated by the Institution may be referred to Dr. Alamdar Hussain Malik, FA, M/o OP&HRD, who would examine the matter and decide if the open competitive bidding under PPRA Rules is warranted and would communicate the decision to the Institution.

**Agenda Item No. 7.**

**REGISTRATION OF SELF EMPLOYED PERSONS UNDER EOB ACT 1976.**

25. The Board was informed that previous management of the Institution had initiated the self-employed scheme without approval of the Board and the Federal Government. Under this scheme 1739 persons were registered who had deposited an amount of rupees 6.039 million. It was further informed that out of these 1739 persons, 65 persons have already obtained EOB benefits. The payment position revealed that these persons were not regular in paying due contribution. The BOT was briefed that such decision was taken in pursuance of political directives, while this dispensation was not allowed under the EOB Act 1976.

26. The Board during deliberation enquired whether the scheme had any legal support. It was informed that registration of self-employed persons had no legal support and that Adjudicating Authority-I, a quasi-judicial forum under EOB Act, 1976, had also decided that payment by individual had no legal support.

**Decision:**

27. The BoT decided that registration under self-employed scheme which already stood discontinued by the EOBI, could not be restored.

**ANY OTHER ITEMS:**

Item No. 1

**PAYMENT OF IRREGULAR ALLOWANCES TO THE EMPLOYEES OF EOBI.**

28. The BoT Secretariat was informed vide Ministry of OP&HRD letter No. 7(4)/2015-EOBI dated 19-01-2016 that the President of BOT/Secretary, OP & HRD has been pleased to decide that the additional agenda item titled "Payment of irregular allowances to the employees of EOBI" may be added in the working paper for the forthcoming meeting of BOT to be held on 01-02-2016. While taking up the agenda President of the Board said that he, on the advice of Financial Advisor, had ordered for discontinuation of certain allowances to EOBI employees vide letter No. 7(4)/2015-EOBI dated 17.12.2015. Allowances under above referred letter included:

- i. House Rent Allowance @ 90% of running basic for staff members;
- ii. Head Office Allowance @ 10% of the basic pay for employees posted at EOBI Head Office;
- iii. Special Allowance 2010 @ running basic pay as on June, 2011;
- iv. Utility Bill Allowance @ 10% of minimum basic pay of relevant scale;
- v. Tea Coupon Facility;
- vi. Bonus;
- vii. Car Maintenance Allowance, and
- viii. Payment of Computer Allowance higher than the rate prescribed by the Federal Government.

29. The working paper on the above agenda mentions that the EOBI Management forwarded above decision regarding termination of allowances to their Law Department for seeking the legal opinion. The Law Department referred the matter to Mr. Ghulam Mustafa (Advocate High Court) on 05.01.2016 soliciting legal opinion on it. The crux of the opinion of the Advocate was that "the provisions of section 6(2) of EOB Act 1976 cannot have an overriding effect on the functions of the Board". The said allowances were approved by the BoT in different meetings and if acted upon the letter from the Ministry (discontinuation of allowances) would not only create unrest and dismay amongst the employees but also lead to uncalled for litigation causing loss to the reputation of the Institution.

30. Dr. Alamdar Hussain Malik, FA pointed out that despite clear -cut instructions from the Ministry the EOBI management has sought legal opinion from an Advocate against the decision of the Federal Government which tantamount to 'miss-conduct' on the part of EOBI management. He requested the President of BoT being PAO to issue directions regarding initiating disciplinary proceedings against the responsible officer(s) who referred the matter to a private legal counselor for clarification. He further requested that whatever allowances have been



paid must be fully recovered from salaries of officers/officials with effect from the date of issuance of Ministry' letter dated 17.12.2015. The recovery must be made in lump sum and there should be no recovery in the shape of installment or any other sort of bifurcations.

**Decision:**

31. The Board decided that the officials who processed the case for seeking opinion from a private Legal Advisor on a matter already decided by the Federal Government, may be charge-sheeted.


**ANY OTHER ITEMS:**

**Item No. 2**

**INVESTMENT IN GHANI GLASS AND PURCHASE OF RIGHT SHARES**

32. The Chairman, EOBI informed that the matter pertaining to further investment in Ghani Glass had come up after submission of Agenda by the BoT to all concerned. Therefore, it could not be included in the Working Paper. The President told the Chairman that it was improper to discuss any financial matter outside the Agenda items. The Financial Advisor and the Joint Secretary HRD supported the views of the President. The Chairman EOBI was of the considered opinion that holding the strategic seat in the Board of Directors of Ghani Glass Ltd by subscribing to the right shares offered would be in the best interest of the Institution and would avoid incurring losses by the EOBI. The BoT asked the DG (Investment) why the matter was being brought before the Board outside the Agenda items. The DG (Investment), EOBI informed that the proposal was received after submission of BoT papers on 22.01.2016. It was pointed out that the Other Item No. 1 was provided by the EOBI after submission of the working paper to the Board members. Therefore, EOBI could also submit it as an additional agenda item. However, on the request of the Chairman, EOBI, the DG (investment) was allowed to brief the Board about the investment opportunity with M/s Ghani Glass Limited.

33. The DG(Investment) informed the Board that M/s. Ghani Glass Limited has offered Right Shares to investors @ 70% and as such, 9,157,331 shares have been offered to the Institution @ Rs. 10/= (par/face value) per share. An amount of Rs. 91.357 million from the Institution would be required if the subscription of right shares was made. He informed that the Institution has strategic investment in M/s. Ghani Glass Ltd., and holds a seat of Director on its Board. In case the right shares were not bought, the share-holding of the Institution would drop to 6.25% as against current 10.62% which would reduce chances of securing Board seat in future. He further added that another advantage was that these right shares were offered at Rs.10/- per share while currently the share price in the market was around Rs. 80/= per share (after ex-right), while the subscription would reduce the cost of Institution's holding significantly

  
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and afford chances of better capital gain in case of divestment. Since the offer of subscription needed to be availed before 2<sup>nd</sup> March 2016 whereas holding of Investment Committee's meeting was uncertain due to quorum issues, therefore, approval of subscription may be considered and granted by the Board.

34. Malik Tahir Javaid, Employers' Representative Punjab stated that owing to his commercial background and experience, he was of the view that such investment opportunity needed quick response otherwise delay in decision making could cause loss of opportunity which was detrimental to the investors' interest. In the present matter EOBI was the investor and the opportunity should not be missed. Dr. Muhammad Yousaf Sarwar, Employers' Representative (KPK) also supported the request of the DG(Investment). All the members were of the view that it was very good opportunity and EOBI must take an affirmative decision in the matter.

**Decision:**

35. The Board after deliberation approved subscription amount of Rs. 91,573,310 (Rupees ninety one million, five hundred seventy three thousand and three hundred ten only) for 9,157,331 Right Shares offered by M/s. Ghani Glass, as one time dispensation as a special case and directed the EOBI to submit such cases in future to the BoT as an Agenda item.

36. The meeting ended with a vote of thanks to the Chair.

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LIST OF PARTICIPANTS

- |       |   |               |
|-------|---|---------------|
| i.    | Mr. Khizar Hayat Khan,<br>Secretary, Ministry of OP & HRD.                  | President     |
| ii.   | Mr. Muhammad Suelah Ahmed Faruqui,<br>Chairman, EOBI.                       | Member        |
| iii.  | Ms. Atifa Raffat,<br>Joint Secretary, Ministry of OP & HRD                  | Member        |
| iv.   | Dr. Alamdar Hussain Malik,<br>Financial Adviser, Ministry of OP & HRD       | Member        |
| v.    | Syed Alamgir Shah,<br>Secretary, Labour Department, Khyber Pakhtunkhwa      | Member        |
| vi.   | Malik Tahir Javaid,<br>Employers' Representative, Punjab                    | Member        |
| vii.  | Dr. Muhammad Yousaf Sarwar<br>Employer's Representative, Khyber Pakhtunkhwa | Member        |
| viii. | Chaudhary Naseem Iqbal,<br>Employees' Representative, Punjab                | Member        |
| ix.   | Mr. Muhammad Iqbal,<br>Employees' Representative, Khyber Pakhtunkhwa        | Member        |
| x.    | Mr. Sarzameen Afghani,<br>Employees' Representative, Balochistan            | Member        |
| xi.   | Dr. Rahmat Ibad Khan  | Secretary BOT |

  
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