



**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/117th BOT. MTNG/2017/-94

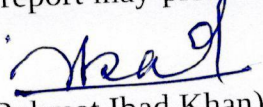
Dated: 05-12-2017

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|--|---------------------------|
| 1. Investment Advisor/Director General | Investment Department |
| 2. Director General (Ops) | South /North |
| 3. Director General | (HR&GAD) |
| 4. Financial Advisor/Director General | F & A Department |
| 5. Deputy Director General | Law Department |
| 6. Incharge | IT Department |
| 7. Incharge | Audit Department |
| 8. Incharge | Reconciliation Department |
| 9. Incharge | Publicity Department |

SUBJECT: APPROVED MINUTES OF 117TH MEETING OF BOARD OF TRUSTEES, EOBI HELD ON FRIDAY, 3RD NOVEMBER, 2017 IN BOARD ROOM, EOBI HEAD OFFICE, 190/1/B, BLOCK-2 PECHS, NURSERY, KARACHI.

Enclosed is copy of Minutes of 117th Meeting of Board of Trustees (BOT), EOBI held on 3rd November, 2017 in Board Room, EOBI Head Office, 190/1/B, Block-2 PECHS, Nursery, 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 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 Board

Enclosure: As above.
Copy for Information:

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

MINUTES OF 117th MEETING OF BOARD OF TRUSTEES, EOBI

117th meeting of Board of Trustees of EOBI was held on 03rd November, 2017 at 9:30 a.m in Board Room of EOBI Head Office, Karachi.

2. Meeting started with the recitation of verses from the Holy Quran by Dr. Rahmat Ibad Khan, Secretary to the Board. President of the Board welcomed the participants of the meeting. The meeting was attended (Annex-I) by the following:-

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|---|----------------|
| 1) Mr. Suhail Aamir,
Secretary, Ministry of OP & HRD. | President |
| 2) Mr. Noor Zaman,
Sr. Joint Secretary, Ministry of OP & HRD | Member |
| 3) Mr. Muhammad Rashid,
Secretary, Labour & HR Department, Balochistan | Member |
| 4) Mr. Khaqan Murtaza,
Chairman, EOBI | Member |
| 5) Dr. Muhammed Yousaf Sarwar,
Employers' Representative, Khyber Pakhtunkhwa | Member |
| 6) Chaudhary Naseem Iqbal,
Employees' Representative, Punjab | Member |
| 7) Mr. Shouket Ali,
Employees' Representative, Sindh | Member |
| 8) Mr. Muhammed Iqbal,
Employees' Representative, KPK | Member |
| 9) Dr. Rahmat Ibad Khan | Secretary, BOT |

3. Mr. Muhammad Bilal, Financial Adviser, Ministry of OP&HRD could not attend the meeting owing to official engagements. However, he nominated the Deputy Financial Adviser (OP&HRD), Ministry of Finance - Mr. Abdul Waheed Mangrio to attend the meeting as an observer. Following officers of the Institution were also available during the course of meeting to assist the Board in its deliberations:

- 1) Mr. Kashif Ahmed Noor,

Acting CEO, PRIMACO

Yn
Section Officer
Ministry of Overseas Pakistanis and
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Islamabad

- 2) Mr. Jawaid Zia Burney, Investment Adviser/ Director General
Investment/ Director General (Operations)
- 3) Mr. Nazar Muhammad Bozdar, Director General (HR&GAD)/ Director
General (F&A)/Financial Adviser (EOBI)
- 4) Mr. Muhammad Naeem Deputy Secretary, Ministry of OP&HRD
- 5) Hafiz Muhammad Saqib Butt Director, F&A Department (EOBI)

4. Dr. Rahmat Ibad Khan, Secretary to the Board, informed that Mr. Muhammad Tariq Rafi, Employers' Representative, Sindh and Mr. Sarzameen Afghani, Employees' Representatives, Balochistan had resigned from membership of the Board. Dr. Farah Masood, Secretary, Labour and Human Resource Department, Government of Punjab and Mr. Khayyam Hasan, Secretary, Labour and Human Resource Department, Government of Khyber Pakhtunkhwa could not attend the meeting owing to their official engagements. He further informed that Mr. Abdul Rashid Solangi, Secretary, Labour and Human Resource Department, Government of Sindh did not attend the meeting nor he had intimated the reason in this regard. Dr. Rahmat Ibad further informed that Malik Tahir Jawaid Employers' Representative Punjab could not attend the meeting owing to his personal commitments and Mr. Ghulam Farooq, Employers' Representative Balochistan could not attend the meeting due to death of his mother.

5. Mr. Suhail Aamir, President of Board of Trustee enquired about quorum of the meeting. Dr. Rahmat Ibad Khan informed that under Rule 11 of Employees Old-Age Benefits (Board of Trustees) Rules 1977, quorum of meeting is at least seven (7) members of whom at least three (3) shall be from official members. As the present meeting was being attended by eight (8) members of whom four are official members therefore, condition of quorum was fulfilled and proceedings of the meeting may accordingly be conducted. The President of the Board allowed proceedings of the meeting.

6. Mr. Abdul Waheed Mangrio, Deputy Financial Advisor (OP&HRD), MoF requested the Board to offer Fateha and prayers for departed soul of the mother of Mr. Ghulam Farooq, Employers' Representative, Balochistan. The Board offered Fateha and prayed for eternal peace of the departed soul. Thereafter, the Board deliberated on the following agenda:

Sr. #	Agenda Items
01	Confirmation of Minutes of 116 th Meeting of the Board of Trustees held on 17 th July, 2017 at Committee Room, Ministry of OP&HRD, Islamabad.
02	Presentation on prevalent pay and allowance being paid to employees of the Institution.
03	Presentation on Ninth (9 th) Statutory Actuarial Valuation of EOBI Fund as on 30.06.2017.
04	Report of Development Committee of the Board.
05	Revision in Procedure for Investment in Equity and Fixed Income Categories and Review of EOBI (Investment) Regulations 2015.
06	Re-Composition of Appellate Committee of the Board to hear Appeals under Regulation 33 of EOBI (Employees' Service) Regulations, 1980.
07	Draft Employees' Old-Age Benefits (Statutory Increase) Regulations, 2016.
08	Adjustment of Advance allowed to PRIMACO from July 2012 to June 2017 for execution of EOBI projects.
09	Appointment of Technocrat member on Investment Committee of the Board.
10	Progress of ongoing Recruitment Process --- Reconstitution of Departmental Selection Committee.
11	To consider Revision of Basic Pay Scales-2017 (including Adhoc Relief allowance-2017@10% of the Basic Pay).
12	To consider Ex-Post Facto Approval of BOT for Grant of Adhoc Relief Allowance-2010 @ 50% of Basic Pay & Adhoc Relief Allowance-2011 @ 15% of Basic Pay).
13	Compliance Report on decisions of 13 th to 15 th Emergent Meetings and 109 th , 110 th , 112 th , 113 th , 114 th , 115 th and 116 th meetings of BOT.
14	Intimation of Resignation of Mr. Sarzameen Afghani, Employees' Representative, Balochistan, from Board of Trustees (BOT).
15	Any other Item with permission of the Chair.

7. With the permission of the President of the Board, Chaudhary Naseem Iqbal, Employees' Representative, Punjab informed that though notice of the meeting was received well in time but working paper of the meeting scheduled on 3rd November 2017 was received on Tuesday 31st October, 2017 which did not provide sufficient time to go through the bulky document. The President of the Board enquired from the Secretary to the Board about dispatch of working paper. Dr. Rahmat Ibad Khan informed that working paper was dispatched on Friday the 27th October, 2017 through TCS service. The President Board directed the Secretary to the Board that in future

timely dispatch of working paper may be ensured. Thereafter, President of the Board asked the Chairman EOBI to take up Agenda Items.

Agenda Item No.1	Confirmation of Minutes of 116 th Meeting of the Board of Trustees held on 17 th July, 2017 at Committee Room, Ministry of OP&HRD, Islamabad.
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8. Mr. Khaqan Murtaza, Chairman, EOBI informed that the minutes of 116th meeting of BOT, as approved by President of the Board, were circulated among all members of the Board vide letter No. HO/BS/116th BOT.MTNG/ 2017-77 dated 04.11.2017 for information and observations of worthy members of the Board. He informed that no observation/ suggestion had been received from any Board member. The President Board invited members of the Board to express their observations, if any. Chaudhary Naseem Iqbal, Employees' Representative, Punjab showed his concern that during proceeding of meetings of the Board, members duly participate by giving their valuable comments and suggestions on Agenda Items of the meeting but minutes do not reflect comments or views of all members. Mr. Suhail Aamir, President of the Board, directed Dr. Rahmat Ibad Khan, Secretary to the Board to be careful in recording of the observations and suggestions of all members in the minutes.

Decision:

9. The Board unanimously confirmed the minutes of 116th meeting held on 17th July, 2017 in the Ministry of OP&HRD, Islamabad. It was further decided that for future meetings audio recording arrangements may be made and its security would be ensured by the Secretary to the Board.

Agenda Item No.2	Presentation on prevalent pay and allowance being paid to employees of the Institution.
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10. Mr. Khaqan Murtaza, Chairman, EOBI informed that the Board in previous meeting had desired a presentation on pay and allowances being paid to the officials of the Institution vis' a vis' remuneration being paid to the Federal Government's employees. Mr. Khaqan Murtaza in his presentation on pay and allowances, first highlighted the equivalent grades of EOBI with the Basic Scales of the Government and gave detailed comparison of pay scales. He pointed out that officials in EOBI were still drawing salary according to the Pay Scales of 2011, whereas federal government employees are drawing salary as per the Pay Scales of 2017. Comparison

of minimum and maximum pay scale in each Grade of the Institution at par with government officials was indicated.

11. Taking up house rent allowance to officials of the Institution, Mr. Noor Zaman, Sr. Joint Secretary, Ministry of OP&HRD enquired whether there was any difference of rate for different stations. Chairman EOBI informed that the house rent allowance in EOBI is being paid at the same rate throughout the country. Mr. Muhammad Rashid, Secretary Labour and Human Resource Department, Government of Balochistan, Mr. Noor Zaman, Sr. Joint Secretary, Ministry of OP&HRD and other members of the Board also enquired about overtime payment to officials of the Institution. Mr. Khaqan Murtaza informed that no overtime is being paid to any official in the Institution.

12. Referring to various allowances such as Bailiff pay being paid @ Rs.215 per month admissible to one employee in the Region for execution of warrant under Land Revenue Act 1976, Washing allowance of Rs.210 per month for Drivers, Dress allowance of Rs.285 per month for Naib Qasid, Qasid and Chowkidar, outdoor duty allowance of Rs.195 per month admissible to Naib Qasid or Qasid in the Region and others amounts allowed to staff members are mainly result of previous CBA agreements between the Management and the Staff Union. The Chairman EOBI further informed that at present Union existed but there was no CBA in the Institution. Chaudhary Naseem Iqbal, Employees' Representative, Punjab and Mr. Muhammad Iqbal, Employees' Representative, KPK expressed their concern that CBA cannot be banned. Mr. Khaqan Murtaza informed the Board that he would check the details further and would apprise the Board accordingly. Members of the Board also enquired about other details of various allowances such as Computer allowance, which is paid only to officials of IT cadre working in IT department, compensatory allowance only allowed to law officers conducting legal cases in different Courts of Law and Northern Areas allowance being paid @ Rs.450/- per month and 20% of basic pay only to the officials working in Northern Areas i.e. Gilgit, Baltistan and Chitral. Chaudhary Naseem Iqbal and Mr. Muhammad Iqbal, Employees' Representative, Punjab and KPK respectively enquired about payment of allowance to the officials posted in AJK. Mr. Khaqan Murtaza informed that the allowance is paid only to the officials working in Gilgit Baltistan and Chitral and no office existed in Azad Jammu & Kashmir (AJK).

Decision:

13. The Board appreciated the detailed presentation given to the Members of the Board and acknowledged that with the implementation of approved Pay Scale up to 2016 the salary package of EOBI officials would further improve.


Agenda Item No.3	Presentation on Ninth (9 th) Statutory Actuarial Valuation of EOBI Fund as on 30.06.2017.
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14. The Chairman EOBI requested the President of the Board to allow Mr. Waqas Murad, Actuary, on behalf of M/s. Shibli Islam Rehan & Co., Actuaries of the Institution to give his presentation on Ninth (9th) Statutory Actuarial Valuation for the period from July 2012 to June 2017. President of the Board allowed Mr. Waqas Murad to give his presentation to the Board of Trustees.

15. Mr. Waqas Murad, Actuary informed that his company-M/s. Shibli Islam Rehan & Co., prior to this Ninth (9th) Statutory Actuarial Valuation, had also conducted Eighth (8th) Statutory Actuarial Valuation of EOB fund for the period from July 2009 to June 2012. Actuarial valuation of EOB fund is mandatory requirement under Section-21 of the EOB Act, 1976. The valuation was carried out on an open group basis using the scaled premium method. He informed that the primary purpose of the valuation is to ascertain whether the existing scheme is financially viable and, in the long term, actuarially balanced. Under the valuation system being historically followed for EOBI statutory valuations, the scheme would be considered financially viable, if the projected balance of the EOB Fund continues to grow during the 50 years projected period, i.e. the sum of contribution and investment income during each projection year exceeds the benefit out go and administration expenses during that year. He also informed that initially the company was assigned to conduct actuarial valuation for the period from July 2012 to June 2015 but EOBI Management, after taking into consideration, some vital developments such as gross increase of pension from Rs.3600/- to Rs.5,250/- per month in April 2015, EOBI properties scam and stoppage of major ongoing development projects involving billions of rupees and due to the impact of withdrawal of amendments made through the Finance Bills in the EOB Act, 1976 the period of actuarial studies has been extended from July 2012 to June 2017.

16. Mr. Waqas Murad informed that present actuarial study of EOB fund has been made on the basis of data received from the EOBI and after taking all technical aspects, provides prediction for the next 50 years under the existing scenario. He

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referred to Eighth (8th) Statutory Actuarial Valuation made by his company and informed that whatever predictions were made in the last report for the period from 2009-10 to 2011-12 have proved to be almost accurate if compared with actual data of the predicted period. He referred that in the Eighth (8th) Statutory Actuarial Valuation it was predicted that the fund at the close of 2016-17 would stand at Rs.306,872 million whereas actual figure for 2017 comes to Rs.303,952 million. He further informed that in Eighth (8th) Statutory Actuarial Valuation, depletion of fund was shown in the year 2021 and exhaustion of fund was predicted in the years 2027 whereas in the present, Ninth (9th) Statutory Actuarial Valuation, year of depletion of fund has not changed and exhaustion of fund has been extended from 2027 to 2029. Members of the Board argued other features of prediction of Eighth (8th) Statutory Actuarial Valuation at par with actual results from 2012 to 2017. Dr. Muhammad Yousaf Sarwar appreciated the actuary for close resemblance of predicted period of Eighth (8th) Statutory Actuarial Valuation with actual results for the period from 2012 to 2017. Dr. Muhammad Yousaf Sarwar and Chaudhary Naseem Iqbal enquired about reasons for improvement of the viability of fund. Mr. Waqas Murad informed that while conducting present Actuarial Valuation, the company received data base of much better quality particularly in terms of decrease in number of pensioners owing to biometric verification by Bank Alfalah which resulted in decrease of total number of pensioners leading to decrease in disbursement amount and improvement in contribution collections. Mr. Muhammad Rashid, Secretary Labour, Government of Balochistan, invited the actuary to specially include impact on EOB fund, if PRIMACO is closed.

17. At the close of the presentation and after expression of comments and suggestions from members of the Board, Mr. Muhammad Rashid, Secretary, Labour Department, Balochistan suggested to look at the option of placing Chairman EOBI as CEO of PRIMACO. He was of the view that Chairman being a government officer could be easily held responsible/ accountable, whereas, it was difficult to hold responsible a CEO of PRIMACO from the private sector. However, Dr. Yousuf Sarwar and others did not agree to the proposal and were of the opinion that a person from private sector could be held equally responsible, if his terms of appointment were clearly spelled out. Moreover, Chairman EOBI was of the opinion that it was practically not possible as a professional engineer with construction background is essential for the said position.

18. Concluding the discussion, the President of the Board directed the Chairman EOBI to share the recommendations of Sub- Committee constituted under the Chairmanship of Deputy Governor, State Bank of Pakistan, with the actuaries prior to finalization of their recommendations toward increasing the viability of EOB Fund.

Decision:

19. The Board appreciated the efforts of the actuaries and directed EOBI to share the recommendations of the Committee constituted under the Deputy Governor State Bank of Pakistan with the Actuaries for their consideration prior to finalization of their recommendations.

Agenda Item No.4	Report of Development Committee of the Board.
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20. Mr. Khaqan Murtaza, Chairman EOBI informed that the Development Committee of the BoT has submitted its report/ recommendations (Annex-II) on the following projects:-

- a) EOBI Serena Hotel Project, Lahore
- b) Construction of multi-purpose Cineplex Commercial Complex, Sector I-8 Markaz, Islamabad
- c) Construction of OEC Tower, Sector G-9/4, Islamabad
- d) Mixed Use Development Project, 66, M.A Johar Town, Lahore

21. He requested the President of the Board to allow the CEO PRIMACO to present the recommendations of the Development Committee. Mr. Kashif Ahmed Noor, CEO PRIMACO informed that meeting of the Development Committee of the Board was held on 20th October, 2017 at PRIMACO Head Office to review projects' status and in light of the legal opinion received from M/s Saad Rasool, Law Associates in respect of above four major projects. He briefly described major features of each of the four projects, major irregularities in the procurement procedures, legal opinion from M/s Saad Rasool Law Associates and way forward for each of the project.

22. The President of the Board informed that in a meeting of Public Accounts Committee (PAC) which was held only a day earlier, it was advised that development projects may not be delayed. While discussing EOBI Serena Hotel, Lahore, members of the Board showed their concern on major irregularities highlighted in the procurement process by legal advisor M/s Saad Rasool, (SRLA) and

recommendations of the Development Committee of the Board were also discussed in detail. President of the Board also advised that before deciding future course of action, preparation of feasibility report should be made a pre-requisite. During the discussion, Dr. Muhammad Yousaf Sarwar pointed out that Contract agreements were never reported to the Board earlier by the management.

23. The Board after discussing recommendations of Development Committee in detail, it was observed that opinion of Law & Justice Division may be solicited on the advice of M/s Saad Rasool before further proceeding on the matter.

Decision:


24. The Board directed that the PRIMACO may follow the following guidelines to proceed further on the matter:

- a) Report of M/s Saad Rasool may be shared with Law & Justice Division for second opinion;
- b) Legal opinion may be sought from Law & Justice Division pointing out all details of irregularities in procurement process in all the contracts, current status of the agreement with all the parties and current status of each project;
- c) If Law Division agrees with recommendation of the Development Committee i.e. not to grant extension of time in all the contracts, as the contracts have already expired, then SRLA law firm may be engaged to ensure legal closure of the existing contracts and fresh procurement may be initiated as per PPRA Rules observing all codal formalities;
- d) Fresh feasibility may be made for each of the available options in case of each project if the Law & Justice Division advises not to continue with the existing contracts; and
- e) Legal opinion on offering the "Option of first right of refusal" to the present contractors through laid down process of retendering, in case Law & Justice Division advises not to continue with the existing contracts, may also be obtained from the Law & Justice Division.

Agenda Item No.5	Revision in Procedure for Investment in Equity and Fixed Income Categories and Review of EOBI (Investment) Regulations 2015.
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25. While taking up the Agenda Item the President of the Board expressed that investment is the portfolio which needs a technical member on Investment Committee of the Board. He pointed out that present agenda of the meeting carries an item regarding nomination of technocrat member on Investment Committee therefore, this Agenda Item may be deferred till nomination of a technocrat member and thereafter on his recommendation or advice the Board may decide the issues.

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Decision:

26. The Board unanimously deferred the Agenda till nomination of a technocrat member on Investment Committee.


Agenda Item No.6	Re-Composition of Appellate Committee of the Board to hear Appeals under Regulation 33 of EOBI (Employees' Service) Regulations, 1980.
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27. Mr. Khaqan Murtaza, Chairman EOBI informed that under Regulation 33(2) of EOBI (Employees' Service) Regulations, 1980 if any order is passed by Chairman in respect of officers in pay scale 7 or above, the officer has right to make an appeal before Board of Trustees. He further informed that under Regulation 33(3) of EOBI (Employees' Service) Regulations, 1980 the Board constituted Standing Committees to consider appeals made to the Board. At present constitution of Appellate Committee is as under;

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|---|----------|
| 1) Secretary, Ministry of OP&HRD/President BOT | Convener |
| 2) Secretary, Labour, Department (concerned province) | Member |
| 3) Employer Representative (concerned province) | Member |
| 4) Employees' Representative (concerned province) | Member |

28. He further informed that that quorum of Standing Committee of the Board is 60%. He pointed out that due to resignation of Employers' Representative, Sindh and none participation of Secretary, Labour and Human Resource Department, Sindh in post devolution scenario, meetings of Standing Committee could not be held for more than a year. He therefore, suggested that Regulation 33 of EOBI (Employees' Service) Regulations 1980 may be substituted as per Annex-III.

29. The President of the Board informed that as per routine practice in the government and its sub-ordinate departments, appeals against orders of an officer are made to higher ranking officer and not to a committee. Members of the Board deliberated on the issue. Members realized delay in decisions of appeals pending in province of Sindh and did not rule out the possibility of such happenings in other provinces as well. Members of the Board, in consideration of views of President of the Board considered substitution of existing Regulation 33 of EOBI (Employees' Service) Regulations 1980. The Board deliberated on the proposed substitution and approved the proposal.


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Decision:

30. The Board unanimously approved substitution of Regulation 33 of EOBI (Employees' Service) Regulations, 1980 as follows:

33. Appeals and applications for review:(1) An employee shall have the right to appeal or making an application for review, as provided hereunder, against any of the punishments imposed under regulation 30, or any other administrative order affecting his/her service conditions, rights or interests.

(2) An application for review shall lie to the authority imposing the punishment or passing the administrative order sought to be reviewed and an appeal or application for review, as the case may be, shall lie;

(a) In the case of an officer in Grade-11 to the Board of Trustees.

Provided that the President of BOT shall not be present in the Board if the appeal is presented against an order passed by him.

(b) In the case of an officer in Grade-6 to Grade-10 to the President of Board of Trustees.

(c) In the case of other employees to an authority next higher to the authority which passed the order in question.

Provided that in every case where the employee concerned so desires, he/she will have a right to be heard in person before the authority competent to decide the application for review or appeal, as the case may be.

(3) Every appeal and application for review shall be presented to the authority passing the impugned order and shall comply with the following requirements:-

(a) It shall contain all material facts and grounds relied upon and shall be complete in itself;

(b) It shall specify the relief desired;

(c) It shall be made within 30 days from the date of the receipt of the impugned order.

(4) An appeal or an application for review may be withheld by the authority passing the original order, if:-

(a) It does not comply with the requirements of clause (3);

(b) It deals with a matter, which does not concern the employee personally;

(c) It repeats an appeal or application for review already rejected by the authority to whom the appeal or application for review is addressed and does not, in the opinion of the authority passing the original order, disclose any new points circumstances, which afford grounds for reconsideration;

(d) It is addressed to an authority to which no appeal or application for review lies under these regulations.

(5) In every case in which an appeal or application for review is withheld, the authority withholding it shall inform, within a period not exceeding six months, the appellant or applicant, as the case may be, of the fact of withholding it. Simultaneously, the said authority shall also inform the appellate or review authority of the fact of withholding and such authority may call for any appeal or application admissible under these regulations and may pass such orders thereon as it consider fit.

(6) An appeal which is not withheld under clause (4) shall be forwarded as soon as possible but not exceeding six months in any case to the appropriate authority with all relevant records, with the comments of the authority against whose order the appeal has been filed.

(7) No appeal shall lie against the withholding of the appeal or application for review by an authority competent to do so.

Agenda Item No.7	Draft Employees' Old-Age Benefits (Statutory Increase) Regulations, 2016
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31. Chairman EOBI informed that the Board in its 116th meeting held on 17th July, 2017, constituted a Sub-committee to consolidate issues and proposals in order to amend the existing Operational Rules and Regulations. The meeting of sub-committee was held on 20th October, 2017 wherein it was decided to postpone deliberation on Employees' Old-Age Benefits (Statutory Increase) Regulations, 2016 till next meeting of the Sub-committee. He requested the Board to pend the agenda item and allowed submitting the same in subsequent meeting of the Board.

32. The Board agreed that Employees' Old-Age Benefits (Statutory Increase) Regulations, 2016 may be presented to the Board after due deliberation of subcommittee of the Board.

Decision:


33. The Board deferred the Agenda Item till formulation of recommendations of sub-committee constituted by the Board.

Agenda Item No.8	Adjustment of Advance allowed to PRIMACO from July 2012 to June 2017 for execution of EOBI projects
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34. Mr. Khaqan Murtaza informed the Board that since year 2012-13 till 2016-17 various advance payments were provided to PRIMACO for its developments projects. He informed that PRIMACO has submitted invoices on yearly, monthly and project wise basis for adjustment and regularization in EOBI books of account with the following brake up:

Financial year 2012-13	4,414 Million
Financial year 2013-14	815 Million
Financial year 2014-15	376 Million
Financial year 2015-16	371 Million
Financial year 2016-17	111 Million
Total	<u>6,087 Million</u>

35. The Board deliberated that development projects pertained to the properties which are sub judice before honourable Supreme Court and under investigation by FIA. Members of the Board were of the view that approval of such advances may be linked with criminal aspects of purchase of these projects. Mr. Khaqan Murtaza informed that these approvals are only for accounting purpose without any relation with fraudulent purchases of these properties. He further referred to decision of the Board in 107th meeting held on 24th February 2014 and 1st March 2014 at Karachi and Islamabad (two days) wherein the Board approved expenses for incorporation of project assets in books of the account with clear mention of the fact that this approval must be of no legal consequences and without any bearing on ongoing proceedings before honourable Supreme Court of Pakistan or investigation by FIA. Mr. Muhammad Rashid, Secretary Labour and Human Resource Department, Balochistan suggested that PRIMACO may depute a person to verify the invoices by visiting the projects. Mr. Kashif Ahmed Noor, CEO PRIMACO informed that development projects are under progress since 2012 and a lot of progress has been made in the projects therefore practically it is not possible that earlier invoices could be verified at this stage of the development projects. After detailed deliberation the Board unanimously agreed to allow adjustment of advances from July 2012 to June 2017 for entry in the books of accounts only.


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Decision:

36. The Board unanimously decided:

- i. Expenditures amounting to Rs.6,087.110 million incurred by PRIMACO on behalf of EOBI for the financial years from 2012 to 2017 may be recorded in the EOBI Books of Accounts just for the purpose of finalization of the outstanding Institution's accounts.
- ii. The entry in the books of accounts shall be merely for the purpose of finalization of EOBI accounts and of no legal consequence and without any bearing on the ongoing proceedings before the Honourable Courts or Investigation by FIA.

Agenda Item No.9	Appointment of Technocrat member on Investment Committee of the Board
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37. Mr. Khaqan Murtaza informed that Investment Committee of the Board comprises of 11 members which includes a technocrat member as well. He informed that previously Mr. Zafar Muhammad Shaikh was technocrat member of Investment Committee however, he resigned from the Committee on 24th February, 2017. Resultantly, position of technocrat member is lying vacant since then. He further informed that Investment Committee, now left with 10 members, and in its 252nd meeting held on 4th October, 2017 deliberated on inclusion of a technocrat member. The Committee after due consideration has proposed the following three names:

- 1) Mr. Shakeel Ahmed Mangnejo, Ex-Investment Adviser, EOBI (Presently serving as CEO, Pakistan Reinsurance Co. Ltd. under Ministry of Commerce)
- 2) Mr. Abdul Majeed Retired DDG (F&A), EOBI
- 3) Mr. Sher Muhammad Retired DDG (Audit), EOBI

38. Members of the Board deliberated on CVs of the three (3) proposed nominees and showed their satisfaction on the past experience of each of them with EOBI. Mr. Shouket Ali, Employees' Representative, Sindh shared his experience of working with Mr. Shakeel Mangnejo during the period when both were nominated members of Investment Committee of the Board. Members of the Board also discussed their experiences with two other nominees and show their satisfactions towards their integrity and competence. The Board finally agreed to select Mr. Shakeel Ahmed Mangnejo, Ex-Investment Adviser, EOBI and presently serving as CEO, Pakistan Reinsurance Co. Ltd. under Ministry of Commerce.

Decision:

39. The Board unanimously agreed to appoint Mr. Shakeel Ahmed Mangnejo as technocrat member on the Investment Committee of the Board. EOBI may process the case through Ministry for getting consent from the Ministry of Commerce in this regard.

Agenda Item No.10	Progress of ongoing Recruitment Process - Reconstitution of Departmental Selection Committee
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40. Taking up the Agenda Item Mr. Khaqan Murtaza informed that in the ongoing recruitment process, over 29,000 candidates applied for different positions. NTS conducted a written test of the candidates from 18th to 20th August, 2017 at 15 different centers all over the country. NTS has short listed top five candidates for interview against each post. He further informed that Departmental Selection Committees would take interviews of 1119 candidates in Karachi, Islamabad and Lahore. He further informed that Departmental Selection Committees also work as Promotion Committees for post of Grade 1 to Grade 9 i.e. Naib Qasid to Director. He proposed that present Departmental Selection/ Promotion Committees need to be reconstituted for the following reasons:

- a) The nomenclature of the DSC members is ambiguous.
- b) The present DSC is pre-dominantly composed of HRD officers, which needs to be balanced out with more representation of the concerned Division and Departments in the DSC.
- c) It is also felt that certain posts in IT, Investment, Law and F&A Departments are specialized in nature. Therefore, representation from these departments is required in the DSC, along-with the provision to co-opt an outside Member specializing in the relevant field.

41. The Board after detailed deliberation on the proposal for reconstitution of Departmental Selection Committees (DSC)/Departmental Promotion Committees (DPC) approved the same.

Decision:

42. For appointment and promotion against the post of Grade-1 to Grade-5, the following Committee is approved:-

Sr.#	Constitution of Departmental Selection/ Promotion Committee		Appointing Authority
01.	Deputy Director General (HR)	Convener	Director General (HR&GAD)
02.	Deputy Director General (Concerned Department)	Member	
03.	Director, PRT (HR)	Member	

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43. For appointment and promotion against the post of Executive Officer (Grade-6) / Assistant Director (Grade-7)/ Deputy Director (Grade-8)/ Director (Grade-9), the following Committee is approved:-

Sr. #	Constitution of Departmental Selection/ Promotion Committee		Appointing Authority
01.	Director General (HR&GAD)	Convener	Chairman EOBI
02.	Director General (Concerned Department)	Member	
03.	Deputy Director General (HR)	Member	
04.	Deputy Director General (Concerned Department)	Member	

44. The Committee may co-opt a Member from outside the Institution with the approval of the Chairman, EOBI for appointment and promotion cases against the post of Grade-6 and above, where so required.

Agenda Item No.11	To consider Revision of Basic Pay Scales-2017 (including Adhoc Relief allowance-2017 @ 10% of the Basic Pay).

45. Mr. Khaqan Murtaza, Chairman EOBI informed that Federal Government has introduced Revision of Pay Scales 2017 and allowed Adhoc Relief Allowance 2017 @ 10% of the Basic Pay w.e.f. 01.07.2017. He further informed that approval of BoT is required, for Revision of Pay Scales and Grant of Adhoc Relief Allowance to the employees of EOBI before the case is referred to the Standing Committee of Finance Division for its concurrence.

46. Before going to further details of the Agenda Item, the President of the Board taking up concern of Mr. Muhammad Rashid, Secretary, Labour and Human Resource Department Balochistan, expressed that Social Security Schemes of the world work on an income to management ratio. He enquired about any such study conducted by the Institution. Mr. Khaqan Murtaza informed that management expenses up to 8 to 10 % of the income is considered to be ideal. Management expenses of the Institution is around 8% of its contribution income, wherein, the investment income is not included. If investment income is also included with contribution collection, the management expense will further decrease to about 3 to 4 % of the total income.

47. The President of the Board desired that Revision of Pay Scale, 2017 may be deferred for time being and may be considered in the light of actual management expenses and income ratio of the Institution. Members of the Board agreed to the suggestion of President of the Board.

Decision:

48. The Board deferred the item for submission of proposal based on actual management expenses to income ratio.

Agenda Item No.12	To consider Ex-Post Facto Approval of BOT for Grant of Adhoc Relief Allowance-2010 @ 50% of Basic Pay & Adhoc Relief Allowance-2011 @ 15% of Basic Pay).
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49. Mr. Khaqan Murtaza informed that BOT in its 115th meeting held on 14th April, 2017 was pleased to approve following Pay and Allowances for the employees of EOBI:

- a) Revision of Basic Pay Scales-2011;
- b) Grant of Adhoc Relief Allowance-2012 @ 20% ; (approval for Grant of Adhoc Relief Allowance-2013 @10% and Adhoc Relief Allowance-2014 @10% respectively have already been accorded by the BOT in its 110th meeting);
- c) Revision of Basic Pay Scales-2015 (including Adhoc Relief allowance-2015 @ 7.5% of the Basic Pay) ; and
- d) Revision of Basic Pay Scales-2016 (including Adhoc Relief allowance-2016 @ 10% of the Basic Pay).

50. He further informed that in pursuant to the Finance Division's O.M. No. F.1 (5) Imp/2011-419 dated 04.07.2011, the ex- post facto approval of Revision of Basic Pay Scales, 2011 was accorded by the Board. However, the word "including Adhoc Relief Allowance-2011 @ 15%" was not mentioned in working paper due to oversight, whereas, the budget for the said purpose has already been allocated/approved by the BoT/Federal Government.

51. It is pertinent to mention here that Adhoc Relief Allowance-2010 @ 50% of Basic Pay & Adhoc Relief Allowance-2011 @ 15% of Basic Pay are being paid to EOBI employees at frozen level of their admissibility as on 30.06.2011 in line with Federal Government.

52. Mr. Noor Zaman, Senior Joint Secretary, Ministry of OP&HRD enquired as to how pay scale, 2011 were adopted. Mr. Khaqan Murtaza informed that the then Chairman was of the opinion that as EOBI generates its own funds and maintains its own budget, it does not need concurrence of Ministry of Finance. Thus, pay scales were adopted under the approval of the then Chairman. After posting of new Chairman the matter of new Pay Scales and Allowances was sent to Finance Division

for concurrence and regularization. The Finance Division pointed out that regularization of Pay Scales 2011 also needs approval of the Board, which was not earlier obtained. Mr. Muhammad Rashid, Secretary, Labour, Balochistan enquired that why Adhoc Relief Allowance 2010 was missed for approval by the Board. Mr. Khaqan Murtaza informed that earlier Finance Divisions pointed out deficiency of approval of Pay Scales 2011 but on re-submission, Finance Division pointed out the other deficiency of approval of Adhoc Relief Allowance 2010. After these clarifications Board agreed to the proposal of approval of Adhoc Relief Allowances of 2010 and 2011.

Decision:

53. The Board granted ex-post facto approval for payment of following allowances to the employees of EOBI:-

- i. Adhoc Relief Allowance-2010 @ 50% of Basic Pay w.e.f 01.07.2010; and
- ii. Adhoc Relief Allowance-2011 @ 15% of Basic Pay w.e.f 01.07.2011.

Agenda Item No.13	Compliance Report on decisions of 13 th to 15 th Emergent Meetings and 109 th , 110 th , 112 th , 113 th , 114 th , 115 th and 116 th meetings of BOT
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54. President of the Board suggested that the agenda item may be deferred for paucity of time.

Decision:

55. The Board deferred the agenda item.

Agenda Item No.14	Intimation of Resignation of Mr. Sarzameen Afghani, Employees' Representative, Balochistan, from Board of Trustees (BOT).
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56. With the permission of President of the Board, Mr. Muhammad Iqbal, invited the Board to deliberate on resignation of Mr. Sarzameen Afghani, Employees' Representative, Balochistan. Mr. Khaqan Murtaza, informed that as per EOBI (Board of Trustees) Rules 1980, any member of the Board can resign by submitting his resignation to President of the Board and there is no requirement of approval or acceptance of resignation. Chaudhary Naseem Iqbal referred to resignation of Mr. Muhammad Tariq Rafi, Employers' Representative Sindh, who repeatedly intended to resign but on request of the Board had been delaying his resignation. Mr. Khaqan Murtaza informed that matter of request of delay of resignation by Mr. Muhammad Tariq Rafi was to the extent of resignation from Investment Committee of the Board,

while he continued to be a member on Board of Trustees. When Mr. Muhammad Tariq Rafi resigned from the Board, his position became vacant and is still lying vacant. Mr. Muhammad Iqbal, pointed out that the issues raised by Mr. Sarzameen Afghani, which led him to resign are important and need deliberation. Other members including Ch. Naseem Iqbal and Mr. Shouket Ali supported the issues raised by Mr. Sarzameen Afghani for a considered deliberation. Mr. Muhammad Iqbal, Employees' Representative KPK and Ch. Naseem Iqbal, Employees' Representative Punjab also referred to five Circulars issued by management of EOBI, which have adversely affected the interests of insured persons and their families, and were of the opinion that they should have been issued with the approval of the Board. Mr. Khaqan Murtaza informed that the Circulars relate to operational matter which pertains to the provisions of the EOB Act, 1976 and do not fall under the purview of the Board being a non-policy issue. However, if the Board so desires the Circulars and the disputed provisions can be presented in any of the subsequent meetings. He further added that these circulars are only restricted to the extent of interpretation of law. After deliberation President of the Board suggested that a meeting of Board of Trustees may be exclusively fixed for deliberation on the concerns raised on Circulars issued by management of EOBI and also on the issues raised by Mr. Sarzameen Afghani, Employees' Representative, Balochistan.

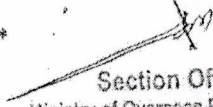
Decision:

57. The Board unanimously agreed for an exclusive meeting of the Board on five Circulars issued by EOBI and issues raised by Mr. Sarzameen Afghani, Employees' Representative Balochistan in his resignation letter. The President further observed that if Mr. Sarzameen Afghani, Employees' Representative, Balochistan withdraws his resignation in writing the same would be considered as per law.

Agenda Item No.15	Any other Item with permission of the Chair.
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58. The President of the Board did not allow submission of three items as other Agenda Items due to paucity of time.

59. The meeting ended with a vote of thanks from and to the Chair.



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117th

MEETING OF THE BOARD OF TRUSTEES

HELD ON 03-11-2017 AT 9:30 AM AT ICARACHI 151

LIST OF MEMBERS PRESENT

S. No.	NAME	SIGNATURE	REMARKS
1.	Mr. Suhail Amir		
2.	Mr. Noor Zaman		
3.	Mr. Muhammad Bilal	Abdul Wahed Magid DFA/OPSHA	
4.	Dr. Farah Masood		
5.	Mr. Abdul Rashid Solangi		
6.	Mr. Khayyam Hasan		
7.	Mr. Mohammad Rashid	03.11.17	
8.	Malik Tahir Javaid		
9.	Ch. Naseem Iqbal	Naseem Iqbal	
10.	Mr. Shoucal Ali	Shoucal Ali	
11.	Dr. Mohammad Yousaf Sarwar	Dr. Sarwar	
12.	Mr. Mohammad Iqbal		
13.	Mr. Ghulam Farooq		
14.	Mr. Khagan Murtaza		

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MINUTES OF DEVELOPMENT COMMITTEE MEETING OF EOBI BOARD OF TRUSTEES (BOT) HELD ON OCTOBER 20, 2017, AT BOARD ROOM, EOBI HOUSE, 2ND FLOOR, G-10/4, ISLAMABAD

1. Meeting of Development Committee of EOBI Board of Trustees (BOT) was held on October 20, 2017, at Board Room, EOBI House, 2nd Floor, G-10/4, Islamabad to discuss following agenda items:-

Item No	Subject
1.	<p>a. To review Project's status and legal opinion received from M/s. Saad Rasool Law Associates in respect of following Construction Projects of EOBI</p> <p>i. EOBI Serena Hotel Project Lahore</p> <p>ii. Construction of Multi-Purpose Complex Commercial Complex 1 - 8 Markaz Islamabad</p> <p>iii. Construction of OEC Tower G-9/4, Islamabad</p> <p>iv. Mix Use Development 66, MA Johar Town Lahore</p> <p>b. To deliberate upon way forward in light of legal opinion received for four major Construction Projects of EOBI</p>
2.	Any other matter with the permission of Chair

2. Following attended the meeting:

- | | | |
|----|--|----------|
| A. | Dr. Muhammad Yousof Sarwar,
Employers' Rep KPK | Convener |
| B. | Mr. Noor Zaman, SIS Min OP & HRD | Member |
| C. | Mr. Jawed Zia, DG Investments - EOBI | Member |
| D. | Dr. Sohail Shelizad, Additional Secretary
Labor, Punjab | Member |
| E. | Ch. Naseem Iqbal, Employees' Rep
Punjab | Member |
| F. | Mr. Kashif Ahmed Noor, CEO
PRIMACO | Member |

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G. Mr. Umair Ishaq, AGM (Engineering) - Member
PRIMACO

3. In addition to above, following also attended the meeting :-

- A. Mr. Kibagan Murtaza Chairman EOBI
- B. Mr. Aamir Mahmood Technical Advisor - PRIMACO
- C. Mr. Rizwan Shabbir Kayam, Advocate Legal Advisor - PRIMACO
- D. Mr. Umair Ziauddin, CLM Berkeley, Rep. from M/s Saad Barrister at Law, Lincoln's Inn Rasool Law Associates

4. Dr. Sobail Shehzaq, Additional Secretary, represented the Labor Department, Punjab whereas Mr Muhammad Rashid, Secretary Labor, Baluchistan could not attend the meeting due to his prior commitments.

5. Meeting started with recitation from the Holy Quran. After that Dr. Muhammad Yousaf Sarwar welcomed the Development Committee of BOT (DC-BOT) Members and explained the background of the DC-BOT formation and the activities carried out in its last endeavors in 2014. He highlighted the fact that apart from Ch Naseem Iqbal, all other members new to this committee.

6. In order to record the proceedings of the DC-BOT, Mr. Umair Ishaq, AGM (Engineering) - PRIMACO was nominated as Secretary to the Committee and approved by consensus. It was further directed that each description of event should always be coupled with timeline so that true perspective can be established.

7. AGM (Engineering) presented before the DC-BOT brief all four projects (Annex 'A') and corresponding legal advice as per following:-

A. EOBI Serena Hotel Project Lahore / STPS Agreements

i) Saliency of the Project

Construction Cost	Rs. 9,200 M		
Revised Cost	Rs. 10,860 M		
Contractor	Mughals Pakistan (Pvt) Limited		
Consultant	ARCOP	Mushtaq & Bilal,	SMC, ACE
Commencement Date	22-Apr-11		

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No. of Floors	LG-09-10F-14B
Total Covered Area	1,097,907 sq. ft.

ii) Major Irregularities observed in the Contract Procurement Procedures

a. Design Consultant (Consortium of ARCOP/SMC/M&B) was selected on the basis of Negotiated Bid. PPRs rules 2010 for Consultancy allow negotiations only to methodology, work plan, staffing and special conditions of the Contract, however rates cannot be changed as per Rule 40 of 2004.


Contractor

- b. LOA issued to lowest bidding Contractor i.e. CSEC-Matrocon IV Rs. 6.043M, but declared non-responsive due to conditional bidding.
- c. Subsequent to CSEC - Matrocon ineligibility, selective Bidding was adopted and re-bidding was carried out with the remaining bidders i.e. only from those bidders (minus CSEC-Matrocon) who submitted financial bids instead of re-advertisement or 8 pre-qualified bidders.
- d. LOA issued to Mughals Pakistan Limited amounting Rs. 9,200M was based on Conditional Bid, resultant and Addendum to LOA was issued accepting the conditions by Contractor, which is contrary to PPRs.

Operator

e. Irregularities observed in Procurement of STPS for Technical Assistance and Management Contract

- 1) Advertisement was published for 4 Star Hotel Chain, however the noting and Evaluation was based on 5 Star Hotel Chain.
- 2) Advertisement included 46 service apartments however evaluation was based on only Hotel.
- 3) Advertisement clearly indicated completion date 9th July 2014 however Contract was signed with completion date of 15th May 2013.
- 4) Consultant i.e. NCBMS was hired after financial proposal was received by technically qualified bidders.
- 5) No clear RFP or TORs were prepared to evaluate operators prior to procurement of Operator.


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- 6) The comparison done by NCBMS for technically qualified bidders was not on the same scale. The bids submitted are on different financial terms.
- 7) Approval from BOT for STPS selection and award of contract was not taken.
- 8) Settlement of Disputes in Contract with ACCOR is as per Laws of Pakistan whereas Contract with SERENA stipulates settlement of disputes as per Laws of England
- 9) Arbitration if required shall be in Dubai, UAE as per Arbitration of ICC.

Management Contract

- 10) Financial Feasibility was presented and approved in 80th BOT Meeting based on ACCOR Proposal/agreement (Clause 12.6 of Management Contract) which are:
 - 11) 15 years contract with one 10 year renewal
 - 12) Another Hotel of Accor opening permission based on 42% GOP
 - 13) Termination of contract in case of below 36 % GOP after two consecutive years.
 - 14) Services of STPS were claimed to be procured based on the same Financial Feasibility as presented in 80th BOT Meeting, however the financial terms for the Contract of STPS were changed without approval of BOD or BOT as given in Clause 18.5 of Management Agreement as per following :-
 - (i) 20 years contract with renewal as mutually agreed.
 - (ii) Termination of contract in case of below 5 % GOP after three consecutive years.
 - (iii) Reduction of 36 % GOP to mere 5% GOP without approval of BOT.

Management Fee Structure - ACCOR

- 15) Basic license fee 2% of Gross Revenues
- 16) Management Fee
 - (i) Less than 25 % of GOP = 5 % of GOP
 - (ii) 25-40 % of revenue = 6% of GOP
 - (iii) 40-45 % of revenue = 7% of GOP
 - (iv) 45-50 % of revenue = 9% of GOP
 - (v) Above 50 % = 12% of GOP

Management Fee Structure - STPS

- 17) Management Fee 4.5% of Gross Revenue


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18) Incentive Fee of 7.5% of GOP in case of 20% GOP on revenue.

iii) Legal Opinion from M/s Saad Rasool Law Associates (SRLA) - Annex 'B'

- a. Management agreement with SEES if appears is a contingent Agreement that at any rate was effectuated after the same illegal procurement process.
- b. The terms of both the Agreements have expired. SRLA are of the opinion that PRIMACO may consider not extending or renewing the terms of the agreements (MPL/ARCOP/SMC) since they were effectuated after multiple breaches of PPRs resulting in mis-procurements as provided in Rule 50 of PPRs and as defined in section 2(h) of Public Procurement Regulatory Authority Ordinance, 2002
- c. SRLA also recommends, in light of the circumstances, that PRIMACO may consider re-tendering the project as per the law.
- d. In case of re-tendering the existing parties La Serena and MPL may also be allowed to participate in the bidding process.

iv) Remedies for the other parties as opined by SRLA

- a. The remedies available to the contractor and operator are as follows:-
 - 1) Invoke arbitration mechanism within the agreement(s)
 - 2) Seek interference of the superior Courts in Constitutional jurisdiction seeking writs of mandamus or prohibition and / or enforcements of fundamental rights
 - 3) Approach the civil court of competent jurisdiction seeking declaratory relief and / or mandatory injunction and / or specific performance of the agreements.

v) Way forward as proposed by PRIMACO

In Case the present contracts are not to be continued then Prior to tendering of remaining work, feasibility (as no PC-2 was prepared earlier) be prepared and evaluation for prospective rental / Commercial options (below or any at time of preparation of PC-2) be evaluated.


- 1) Option 1 : Convert the existing Hotel Building to Office Tower and rent out the structures on core & shell basis to prospective tenants

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- (i) Hotel space shall require minor re-arrangements including some civil works already undertaken to be dismantled. Mechanical / Electrical re-alignments shall be required OR
- 2) Option 2: Retender entire building for Tenancy Agreement
 - (i) Prospective operator/tenant to complete the remaining works
 - (ii) Completion cost borne by operator/tenant to be adjusted from rentals
 - (iii) Hotel setup expenses / running to be borne by operator/tenant

B. Recommendations by Committee

- i) In view of legal opinion by Legal Firm i.e. M/s. Saad Rasool Law Associates and facts presented above, the committee recommended for
 - a. Consultant
The terms of the agreement had already expired and further extension of time should not be granted moreover, as recommended by Law Firm, the Law Firm SRLA be engaged for helping EOBI to ensure the legal closure of the existing contract and fresh procurement be initiated as per PPRA rules.
 - b. Contractor
The terms of the agreement had already expired and further extension of time should not be granted moreover, as recommended by Law Firm, the Law Firm SRLA be engaged for helping EOBI to ensure the legal closure of the existing contract and fresh procurement to be initiated as per PPRA rules.
 - c. Operator
Technical Assistance contract with M/s. STPS was in execution and terms of the agreement have already expired. Management contract, as advised by Legal Firm, is contingent contract and is subject to completion of construction activities in Technical Assistance contract, therefore is not yet enforced. Further to above, irregularities in procurement have also been identified during legal scrutiny. Committee recommends that terms of the agreement had already expired and further extension of time should not be granted moreover, as recommended by Law Firm, the Law Firm SRLA be engaged for helping EOBI to ensure the legal closure of the existing contract and fresh procurement to be initiated as per PPRA rules.
- ii) Committee also recommends preparation of pre-feasibility (PC-2) for all possible options commercially viable (prior to fresh procurement) and approval by appropriate forum i.e. BOT more over all PPRA rules and regulations to be followed in true spirit in future by EOBI and PRIMACO.
- iii) Committee also recommends, as moving forward in direction advised by Legal Firm may involve litigation and financial implications therefore to safeguard the


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interest of EOBI and to make appropriate decision, the same facts and observations along with opinion by Legal Firm may be sent to Law and Justice Department of Pakistan or a second opinion may be taken from any other legal firm, as deemed appropriate by BOI.

C. Construction of Multi-Purpose Complex Commercial Complex 1 - 8, Markaz Islamabad.

i) Salient of the Project

Construction Cost	Rs. 2,875 M
Revised Cost	Rs. 3,019 M
Contractor	NIGRO-SKYWAYS-IV
Consultant	Zeeruk-ADS JV
Commencement Date	December 22 nd , 2011
No of Floors	<u>Building 1: G+3 F1 + 1B</u> <u>Building 2: G+3 F+1 B</u>
Total Covered Area	329,537 Sft

ii) Major Irregularities observed in the Contract Procurement Procedures

- a. No PC-1 or PC-2 was prepared. Project was initiated against operational budget approved in 101th BOF 101.
- b. Advertisement was floated with an estimate of Rs. 2,000M, whereas Bid Evaluation Report indicates Engineer Estimate of Rs. 2,440M and submitted bids of Contractors are compared with Rs. 2,440M, hence Bid Report shows only 12.6% higher bids, whereas if lowest bid is compared to Rs. 2,000M the lowest bid is 35% higher.
- c. M/s. Nigro-Skyways was Technically qualified as highest however the Consultant ignored that there is :-
 - 1) no PEC Registration of JV
 - 2) no SECP Registration for M/s. Nigro in Pakistan. (Registration in 2013)
 - 3) no Board resolution to make Ch. Tahir Authorized Representative of M/s. Nigro-Skyways IV
- d. Addendum to contract was signed on 19th January 2012 after award of contract, which changed
 - 1) Mobilization advance from 20 % (minus commission, Day works and Employer Supplied Items) to 20% of contract price.
 - 2) Retention Money to be deducted from 10% to 5%.

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3) Imported and Local Materials to be provided:

(i) 80% advance on above without any Bank Guarantee or any guarantee.

(ii) This 80% advance provided after release from Karachi Port not even at Reaching Site.

e. Financial Terms floated in bidding documents were altered after award of Contract.

f. Notice to commence was issued by Consultant 19th December 2011, whereas Construction drawing issued to contractor by consultant 5th June 2012.

g. Claim of Rs. 144 M with additional 178 days was granted to Contractor by The Engineer. The negligence of Consultant resulted in financial loss and delay in Project.

h. Error in estimation for steel quantity by Consultant in BOQ for complete one floor resulted in variation and increase in Contract Price.

i. As per Consultant 02 No of jobs for Escalators in the project were shown in BOQ whereas 24 No in quantity shown in tender drawings. However, later on The Engineer determined one job to be one escalator. The Consultant reduced the quantity of escalators from 24 to 18 without justification, causing claim through variation that changed the price for escalator jobs from Rs. 26 M to Rs. 266 M.

j. Physical progress of the project is 41% whereas financial progress is 42%. Contractor was paid till IPC 13 inclusive of payments against Addendum. However, after the suo moto notice by Supreme Court of Pakistan, the Consultant of the Project upon instructions by their management (as claimed in 56th BOD meeting) reduced / recovered all payments against Addendum in IPC 14 & 15 as well as recovering 100% of the mobilization advance. Contractor upon deduction in IPC 14 & 15 suspended the work and went to litigation against PRIMACO in Supreme Court (CMA in already suo moto case of BOBI). The contractor has filed application for arbitration in Islamabad High court which was transferred to Civil Court.

iii) Legal Opinion from M/s Saad Rasool Law Associates (SRLA) - Annex 'C'

a. The term of the agreement has expired. In the 13th BOD Meeting held on 15th March 2013, extension of 178 days was accorded to the Contract that stood expired on 16 February 2014 (Para 10 of the minutes). SRLA in view of the circumstances of the matter recommends that the terms

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may not be extended primarily because M/s Nigro-Skyways JV appears to be a sham entity. In addition, PRIMACO may consider re-tendering the project as per the procurement laws.

iv) Remedies to the Contractor as opined by SRLA

- a. The remedies available to the contractor and operator are as follows:-
 - 1) Invoke arbitration mechanism within the agreement(s)
 - 2) Seek interference of the superior Courts in Constitutional jurisdiction seeking writs of mandamus or prohibition and / or enforcements of fundamental rights
 - 3) Approach the civil court of competent jurisdiction seeking declaratory relief and / or mandatory injunction and / or specific performance of its agreements.


v) Way forward as proposed by PRIMACO

In case the contract is not to be continued then Prior to tendering of remaining work a new feasibility (as no PC - 2 was prepared earlier) be prepared and evaluation for prospective rental / Commercial options (below or any at time of preparation of PC-2) be evaluated.

- a. The building may be rented out at "as is where is" basis and the prospective tenant may complete the project at his cost according to his requirements.
- OR
- b. The remaining works may be re-tendered as per PPRs

D. Recommendations by Committee

- i) In view of legal opinion by Legal Firm i.e. M/s. Saad Rasool Law Associates and facts presented above, the committee recommended for
 - a. Consultant
The terms of the agreement had already expired and further extension of time should not be granted moreover, as recommended by Law Firm, the Law Firm SRLA be engaged for helping EOBI to ensure the legal closure of the existing contract and fresh procurement to be initiated as per PPRs rules.
 - b. Contractor
The terms of the agreement had already expired and further extension of time should not be granted moreover, as recommended by Law Firm, the Law Firm SRLA be engaged for helping EOBI to ensure the legal closure of the existing contract and fresh procurement to be initiated as per PPRs rules.


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- ii) Committee also recommends preparation of pre-feasibility (PC-2) for all possible options commercially viable (prior to fresh procurement) and approval by appropriate forum i.e. BOT, moreover all PPA rules and regulations to be followed in true spirit in future by BOT and PPA CO.
- iii) Committee also recommends, as moving forward in direction advised by Legal Firm may involve litigation and financial implications therefore to safeguard the interest of LOH and to make appropriate decision, the same facts and observations along with opinion by Legal Firm may be sent to Law and Justice Department of Pakistan or a second opinion may be taken from any other legal firm, as decided appropriate by BOT.

E. Construction of OEC Tower G-9/4, Islamabad


i) Salient of the Project

Construction Cost	Rs. 1540 M
Revised Cost	Rs. 1668 M
Contractor	Builders Associate Limited
Consultant	SAKA-Assign JV
Commencement Date	23-01-2012
No of Floors	G+9+2B
Total Covered Area	208,920 sq.

ii) Major Irregularities observed in the Contract Procurement Procedures

a. Procurements:

- 1) No PC-1 or PC-2 prepared, Project was initiated against operational budget approved in 101st BOT Meeting.
- 2) The initial project cost was Rs. 600 M, whereas Consultant presented Engineer Estimate to be Rs. 1,346 M. This enhancement was not presented to BOD or BOT. Only Purchase Committee formed by then Chairman reviewed the price escalation. Only two bidders were prequalified however one Bidder Submitted financial bid of Rs. 1,638 M.
- 3) Consultant reported in Bid Evaluation report that the bid was 22.72% higher than Engineer estimates and also recommended negotiations with the bidder. Consultant negotiated with M/s. Builders Associate and reported that bidder has reduced the price to Rs. 1,540M, with the conditions that :-


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- (i) Direct payment to Subcontractors on Contractor's behalf
- (ii) Direct payment to Suppliers for Cement and Steel

4) The Consultant was awarded work based on JV between M/s. SAKA and PRIMACO.

5) The evaluation of the bids and procurements was carried out through M/S SAKA - PRIMACO - JV. However, before award of Contract to M/s. Builders Associates, Ex Chairman Mr. Zafar Jhal Gondal instructed PRIMACO to get out of JV and take management role of Employer. Subsequent to that M/s. Asslan was brought in JV with SAKA, after procurement of Contractor. This is conflict of interest where an entity (PRIMACO) behaves as Consultant for procurement and later assumes the role of Employer.

b. Construction Progress

1) The contractor submitted IPC 11, 12 and 13 which amounted to Rs. 150 M. The management had stopped payments to all Construction projects after the suo moto notice by Supreme Court in EOBI properties. PRIMACO released Rs. 91 M against verified IPC 11, 12 and 13 in March 2015 after Supreme Court order to resume Construction Projects. Contractor claimed against deduction made for extra contractual BOQ items and never resumed the Project at site and requested arbitration. As per contract, contractor cannot stop work if even partial payments are done.

c. Arbitration filed by Consultant

1) Consultant changed the Estimate from Rs. 600 M to Rs. 1346 M. (Approved by Purchase Committee of EOBI)

2) After award of contract on negotiated and conditional Bid (recommended by Consultant) on Rs. 1540 M, the consultant enhanced fee from Rs. 55.2 M (Lump sum) to 141.68 (9.2 % of Contract Value) Approved by Purchase committee of EOBI.

3) Inquiry was initiated by EOBI which fixed responsibility for this illegal enhancement. The Case was referred to FIA, who after investigation arrested the Consultant.

4) Consultant on grant of conditional bail deposited Rs. 15.7 M in National Bank on Feb 02, 2016.

5) M/s. SAKA has filed appeal for arbitration in Islamabad High Court which is sub-judice.

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Arbitration filed by Contractor

- i) Contractor has requested for arbitration however as per contract, Contractor cannot stop work even in case of arbitration. The contractor has failed to resume work as required for timely completion.
- 2) PRIMACO has never refused arbitration, yet has some reservations on arbitration which are:
 - (i) M/s. Builders Associate Limited has 3 Directors as Board Members. One Board Member is out of country, one has unfortunately died and one in Pakistan.
 - (ii) Chief Engineer of company has requested arbitration without proper Board resolution empowering the same for arbitration with Employer.
 - (iii) The counsel of M/s Builders Associate Limited i.e. Mr. Bilal Faraz is former legal advisor of PRIMACO which is conflict of interest.
 - (iv) These all reservations have been submitted to High Court where application for arbitration was filed and the case is sub judice before learned Civil Judge Islamabad.
- 3) Extension to contract has expired from 15th July 2016 and currently the contract stands invalid.
- 4) PRIMACO served notice to MCB on December 26, 2016 for encashment of Bank Guarantee against Mob Advance amounting Rs. 171M. MCB produced Stay Order against encashment notice by PRIMACO on plea that Guarantee was issued in favor of EOBI whereas encashment notice was lodged by PRIMACO on behalf of EOBI. Case is sub judice and next date of hearing is on October 25, 2017. Chairman EOBI has issued letter endorsing claim of PRIMACO to be on behalf of EOBI.
- ii) Legal Opinion from M/s Saad Rasool Law Associates (SRLA) - Annex 'D'
 - a. As per SRLA, the term of the agreement has already expired. As there are multiple breaches of PFRs before the award of Contract, SRLA recommends that the term may not be extended. In addition, PRIMACO may also consider going into fresh bidding process in accordance with the procurement lays.


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k) REMEDY TO THE CONTRACTOR as opined by SRLA.

a. The contractor, it appears, has already availed the remedy and adopted to invoke arbitration proceeding by filing an application u/s 20 of the Arbitration Act, 1940. Having already invoked other adequate remedy, it disentitles the Contractor, should EOB / PRIMACO chose to go into fresh bidding process, to invoke the Constitutional jurisdiction under Article 199 of the Constitution before the Superior Courts. In the same vein, the Contractor may not have any recourse, avails for pursuing civil remedies before the Civil Courts of competent jurisdiction due to statutory bar in section 14 of the Arbitration Act, 1940.

b. Arbitration clause stands terminated in this case the expiry of the term of Agreement. The eventual fate of Arbitration would be decided on the merits of the Contractor's claim, the matter SRLA gathers, is already subjudice. At any rate, the proceedings initiated by the contractor u/s 20 of the Arbitration Act 1940 do not place a bar on floating of fresh tender or commencing procure process unless a specific restraining order to that effect has been granted by the Court of competent jurisdiction.

v) Way forward as proposed by PRIMACO

In Case it is decided that contract with present consultant and contractor are not to be extended then Prior to tendering of remaining work a new feasibility (as no PC - 2 was prepared earlier) be prepared and evaluation for prospective rental / Commercial options (below or any at time of preparation of PC-2) be evaluated.

a. The buildings may be rented out on "as is where is" basis and the prospective tenant may complete the project at his cost according to his requirements

OR

b. The remaining works may be retendered as per PPRs.

F. Recommendations by Committee

i) In view of legal opinion by Legal Firm i.e. M/s. Saad Rasool Law Associates and facts presented above, the committee recommended for

a. Consultant

The terms of the agreement had already expired and further extension of time should not be granted moreover, as recommended by Law Firm, the Law Firm SRLA be engaged for helping EOB to ensure the legal closure of the existing

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ix. Contractor

The terms of the agreement had already expired and further extension of time should not be granted moreover, as recommended by Law Firm, the Law Firm SRLA be engaged for helping EOTI to ensure the legal closure of the existing contract and fresh procurement to be initiated as per PPRA rules.

ii) Committee also recommends preparation of pre-feasibility (PC-2) for all possible options commercially viable (prior to fresh procurement) and approval by appropriate forum i.e. BOT moreover all PPRA rules and regulations to be followed in truespirit in future by EOTI and PRIMACO.

iii) Committee also recommends, as moving forward in direction advised by Legal Firm may involve litigation and financial implications therefore to safeguard the interest of EOTI and to make appropriate decision, the same facts and observations along with opinion by Legal Firm may be sent to Law and Justice Department of Pakistan or a second opinion may be taken from any other legal firm, as deemed appropriate by BOT.

G. Mix Use Development 66, MA Johar Town Lahore
Sullent of the Project

Construction Cost	Rs 1057 M
Revised Cost	Rs 1127 M
Contractor	M/s Bhatti Constructors
Commencement Date	16-Feb-12
No. of Floors	G + 5P + 2 B
Total Covered Area	116,647 Sft.

ii) Major Irregularities observed in the Contract Procurement Procedures

Change of Plot:

- 1) Notice to Commence at 63A Johar Town Lahore Plot was issued by Mr. Syed Asim Basir Ex- CEO PRIMACO dated 16th February 2012. However, Notice to suspend the work was issued by The Engineer, Brig (Retd) Shadab Ali Khan dated May 24, 2012 as according to LDA Master Plan plot number 63A fell in Right of Way from Expo Centre. Contractor against shifling to new allotted plot 66A, of raised claimed amounting Rs 92.989 M. The Engineer represented the EOT Claim in 43rd BOD Meeting dated 15th March 2013 and was approved but never presented in appropriate forum of BOT.
- 2) Due to change of plot from 63A to 66, an area of 4500 sqft was increased as compared to original tendered area. Technical specifications and design was

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revised as well. All the changes necessitated new procurement process; however the same was not initiated.


- 3) No PC-1 or PC-2 prepared however, Project was presented in operational budget and was approved in 101st BOP Meeting.
- 4) Bid was submitted and approved for consideration with JV between M/s. Bhalli-Zeeruk ADS JV however JV agreement was signed on 19th July 2012 i.e. after award of work to the Contractor
- 5) Bid Evaluation report shows negotiation and resultant Rs. 20 M claimed rebate, the same is not permissible as per PPRs
- 6) An Addendum to Contract was issued on dated 11th March 2013, which was never presented before BOD/BOT. The Addendum Changed the mode of payment for imported items after award of Contract, hence violating the PPRs and denying competing Contractors a fair competition. Terms of payment were as follows:-

- (i) Technical Submittal Approvals 20% of the imported item price
- (ii) LC opening documents 30% of the imported item price
- (iii) Shipping & Clearance documents 20% of the imported item price
- (iv) Site Arrival 13% of the imported item price
- (v) Commissioning 15% of the imported item price

- 7) The contractor submitted IPC 13 & 14 which was verified to be negative. All advance payments were against imported item through addendum in IPC 13 & 14 as well as recovering 100% Mobilization advance.
- 8) IPC 15 of Rs. 100 M was submitted by Contractor which was verified to be Rs. 35 M. The same is pending due to absence of EOT of the Contract
- 9) Despite the fact that 50%+ advance in the form of Mobilization, Addendum and Material was provided, the project is delayed for 4 Years. The Contractor was asked by BOT/VO/Claim Committee of BOD PRIMACO to submit Bank Guarantee amounting 10% of the remaining works before award of EOT-5. However, Contractor has failed to provide the Guarantee.

iii) Legal Opinion from M/s Saad Rasool Law Associates (SRLA) - Annex 'E'

- a. As per legal opinion of SRLA, the term of the Agreement has expired. The term may not be renewed due to the illegalities identified. PRIMACO may initiate fresh procurement process regarding site 1n


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addition, the firm recommends, by way of abundant caution, to confirm from the contractor that JVA was furnished at the time of bid openings on 9th December 2011.

iv) Remedies available to contractor as outlined by SRLA

- a. The remedies available to contractor are as follows:-
 - 1) Invoke arbitration mechanism within the main Agreement
 - 2) Seek interference of the Superior Courts in constitutional jurisdiction seeking writs of mandamus or prohibition and / or enforcement of fundamental rights
 - 3) Approach the Civil Court of competent jurisdiction seeking declaratory relief and / or mandatory injunction and / or specific performance of the Agreement or seek damages

v) Way forward as Proposed by PRIMACO

In case the contract with existing consultant and contractor are not extended then prior to tendering of remaining work a new feasibility (as per PC-2 was prepared earlier) be prepared and evaluation for prospective rental / Commercial options (below or any at time of preparation of PC-2) be evaluated.

- a. The buildings may be rented out at "as is where is" basis and the prospective tenant may complete the project at his cost according to his requirements.
- b. The remaining works may be completed at risk and cost of Contractor by PRIMACO.

II. Recommendations by Committee

- i) In view of legal opinion by Legal Firm i.e. M/s. Saad Rasool Law Associates and facts presented above, the committee recommended for
 - a. Contractor

The terms of the agreement had already expired and further extension of time should not be granted moreover, as recommended by Law Firm, the Law Firm SRLA be engaged for helping EOBI to ensure the legal closure of the existing contract and fresh procurement to be initiated as per PPPRA rules.
- ii) Committee also recommends preparation of pre-feasibility (PC-2) for all possible options commercially viable (prior to fresh procurement) and approval by

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appropriate forum i.e. BOT moreover all PPRA rules and regulations to be followed in true spirit in future by EOBI and PRIMACO.

iii) Committee also recommends, as moving forward in direction advised by Legal Firm may involve litigation and financial implications therefore to safeguard the interest of EOBI and to make appropriate decision, the same facts and observations along with opinion by Legal Firm may be sent to Law and Justice Department of Pakistan or a second opinion may be taken from any other legal firm as deemed appropriate by BOT.

8. Convener showed his deep concern that consistent with Court's Orders, DC-BOT had given its go ahead for completion of the Projects, however, significant efforts have not been made in the last 3-4 years to move the Projects towards their completion. It was directed in its 2014 deliberations to recover the overpaid advance to NPL in EOBI Hotel Project, Lahore but the same is still unrecovered. He further commented that Contracts with STPS and its impact on viability of the Project was never brought before the BOT or its Sub-committee. At that time Committee was given partial information and above important decision making facts were held back.

9. Dr Sohail said if Novotel left the Project disturbing the Rs. 5B investment who was responsible? as construction activities and accountability should go side by side.

10. AGM Engineering informed that as per plan, EOBI Hotel Project, Lahore was supposed to be completed before 2011 Cricket World Cup to be held in Lahore; however, the contractor procurement couldn't be initiated till mid-2010. In addition security situation deteriorated; hence, Novotel terminated the contract basing delayed completion date of project and prevailing security situation in Pakistan.

11. Dr. Muhammad Yousaf Sarwar emphasized on the point that details of Projects and challenges attached to each have already been discussed and decided in 2014 so apparently there is no need to review them again.

12. AGM (Engineering) explained that BOT - EOBI and BOD - PRIMACO had instructed to get legal scrutiny of four major projects, which has been completed and certain facts have emerged which need to be considered at length. Furthermore, a thorough review of STPS contracts has been made vis - a - vis Novotel, as well as its impact on projected viability on EOBI earning capacity, which is required to be brought to the notice of BOT, that's why DC-BOT has once again been requested to review the matters involved in these Projects.

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13. Responding to the fact that the projects have been examined in 2014 as well, Chairman EOBI informed that during the last session of the DC-BOT, management which coordinated its proceeding was the same which had been carrying out Projects' execution related matters, hence, only selected information was provided at that time.

14. Dr. Muhammad Yousof Sarwar said that BOT directed to carry out Forensic Audit of the four major projects but outcome was never informed in session of BOT or its sub-committee.

15. Chairman EOBI informed that forensic audit of four major projects was advertised 07 times by EOBI. Nobody is interested to get involved into matters which are highly likely to end up in lengthy litigation so all major players in market have refused. KPMG was approached personally, they offered to carry out assessment purely for management purposes and declined to issue any report for legal purposes.

16. Chairman BOD enquired about the bid amount by MPL in first phase where CSEC-Matrocon was lowest but later declared non-responsive. AGM Engineering informed that as per record held information is available regarding only successful bidder.

17. Convener of the Committee read out the Supreme Court ruling where malpractices in various Projects were pointed out.

18. Mr Umar Ziauddin, said that these were generalized directions by the Court and no specific direction regarding any particular project has been given, especially the four under legal scrutiny. The Court qualifies its general direction with a caution to identify malpractices and take appropriate measures. At any rate, the Supreme Court does not appear to be apprised of the specific and gross illegalities in these four projects. Therefore, there is no specific direction to continue with these projects. In addition, having identified the malpractices, it is paramount on PRIMACO and EOBI to take appropriate actions such as not extending the terms of respective projects.

19. Dr. Muhammad Yousof Sarwar pointed out that during 54th BOD Meeting of PRIMACO, projects i.e. Construction of Multi Purpose Complex Commercial Complex 1 - 8, Markaz Islamabad and Construction of OFC Tower G-9/4, Islamabad were already decided to be terminated and showed his concerns over delay in further proceedings of the same.

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20. Mr. Nool Zaman, SFS Min. OP & IRD, observed that even if continuation of existing Contracts is considered anyways, given the circumstances where too much doubt has been raised over procurement process and legality of the Projects, current management shall be reluctant to proceed with the execution of the Contracts, hence a via media is to be established so that legal grounds can be established. Since BOD has recommended for termination of the contracts and legal advice has suggested the Contracts to be expired so EOBI / PRIMACO should get themselves out of the Contracts and proceed further with the process for completion of the remaining works in accordance with existing rules and regulations.

21. Convener observed that these four major projects being reviewed are out of 15 Projects which came under scrutiny of Supreme Court, while few projects of relatively less value have been completed, legality is to be ascertained, if rest of the projects can be completed on the same grounds.

22. Mr. Umair Ziauddin said, two wrongs don't make a right. If other projects, that were affected after breaches of procurement laws, have been completed, does not necessarily mean that these projects must too be completed, especially after having carried out the extensive legal scrutiny and being aware of complete facts and circumstances. If these projects are continued nonetheless, there could be legal implications for both the sitting BOD and BOT.

23. Chairman EOBI enquired that since 2014 EOBI / PRIMACO are paying contractors against the accepted bills (IPCs). Furthermore, continuous interaction / meetings are being carried out; does that make any grounds for making the Contracts to be declared as live?

24. Mr. Umair Ziauddin replied that it is professional negligence, if not connivance, on part of concerned personnel. Contractors would certainly rely on such instances of unfortunate conduct to enforce their rights. The Courts will balance such conduct against the agreement itself. And the agreement, since expiry of term, has never been extended.

25. Encashment of Mobilization Advance Guarantee of OEC Tower was explained. Upon presentation of encashment request by PRIMACO, MCB had required an endorsement by EOBI as well as indicating the fact that Islamabad High Court has granted Stay Order on the matter. While Chairman EOBI has endorsed the encashment vide his letter (Annex 'E'), yet due to Stay Order, the encashment has not been materialized. Next date of hearing is set on October 25, 2017.

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26. CEO PRIMACO said that M/s Saad Rasool Associates were appointed for the Legal Scrutiny of the four major projects. Having gone through all details of the projects and gaining insight, it shall be advisable that subsequent legal process is handling by the same firm.


27. Other recommendations

- i) M/s Saad Rasool Associates may be retained as legal counsel for provision of professional services. A comprehensive scheme of retainer ship may be presented before BOT in its next meeting.
- ii) M/s AAA may be approached to provide all relevant data about the initial bidding process of EOM Hotel Project Lahore so that subsequent increase by MPL can be compared in relative terms.

28. Convener of the Committee thanked all participants for their candid inputs during the proceedings.


 Dr. Muhammad Yousaf Sarwar
 Convener

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Proposed amendments in Regulation 33 of EOBI (Employees Service) Regulations, 1980

The regulation 33 of EOBI (Employees' service) Regulations, 1980 shall be substituted, as below:-

Existing provision	Proposed substitution
<p>3. Appeals and applications for revision and review:</p> <p>(1) An employee shall have the right to appeal or making an application for revision or review, as provided hereunder, against any of the punishments imposed under regulation 30, or any other administrative order affecting his service conditions, rights or interests.</p> <p>(2) An application for review shall lie to the authority imposing the punishment or passing the administrative order sought to be reviewed and an appeal or application for revision, as the case may be, shall lie:-</p> <p>(a) In the case of an Officer in Pay Scale 10 (at present Grade- 7) and above, to the Board;</p> <p>(b) In the case of other employees, to an authority next higher to the authority which passed the order in question.</p> <p>Provided that in every case where the employee concerned so desires, he will have a right to be heard in person before the authority competent to decide the application or appeal, as the case may be.</p> <p>(3) The Board shall, as soon as possible after coming into force of these regulations, constitute, a standing committees of three members including the Chairman which shall consider and decide the appeal preferred to the Board under clause (a) of sub-regulation 2 above, and decision so made by the committee shall be deemed to be the decision of the Board.</p> <p>Provided that the Chairman, shall not be included in the committee if the appeal is presented against an order passed by him.</p> <p>(4) Every appeal and application for revision or review shall be presented to the authority passing the impugned order and shall comply with the following</p>	<p>33. Appeals and applications for review:</p> <p>(1) An employee shall have the right to appeal or making an application for review, as provided hereunder, against any of the punishments imposed under regulation 30, or any other administrative order affecting his/her service conditions, rights or interests.</p> <p>(2) An application for review shall lie to the authority imposing the punishment or passing the administrative order sought to be reviewed and an appeal or application for review, as the case may be, shall lie:-</p> <p>(a) In the case of an officer in Grade-11 to the Board of Trustees.</p> <p>Provided that the President of BoT shall not be present in the Board if the appeal is presented against an order passed by him.</p> <p>(b) In the case of an officer in Grade-6 to Grade-10 to the President, Board of Trustees;</p> <p>(c) In the case of other employees to an authority next higher to the authority which passed the order in question.</p> <p>Provided that in every case where the employee concerned so desires, he/she will have a right to be heard in person before the authority competent to decide the application for review or appeal, as the case may be.</p> <p>Deleted</p> <p>(4) Every appeal and application for review shall be presented to the authority passing the impugned order and shall comply with the</p>

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<p>requirements:-</p> <p>(a) It shall contain all material facts and grounds relied upon and shall be complete in it self;</p> <p>(b) It shall specify the relief desired;</p> <p>(c) It shall be made within 30 days from the date of the receipt of the impugned order.</p> <p>(5) An appeal or an application for revision may be withheld by the authority passing the original order, if:-</p> <p>(a) It does not comply with the requirements of clause (4);</p> <p>(b) It deals with a matter, which does not concern the employee personally;</p> <p>(c) It repeats an appeal or application for revision already rejected by the authority to whom the appeal or application for revision is addressed and does not, in the option of the authority passing the original order, disclose any new points circumstances, which afford grounds for reconsideration;</p> <p>(d) It is addressed to an authority to which no appeal or application for revision lies under these regulations.</p> <p>(6) In every case in which an appeal or application for revision is withheld, the authority withholding it shall inform, within a period not exceeding six months, the appellant or applicant, as the case may be, of the fact of withholding it. Simultaneously, the said authority shall also inform the appellate or revising authority of the fact of withholding and such authority may call for any appeal or application admissible under these regulations and may pass such orders thereon as it consider fit.</p> <p>(7) An appeal which is not withheld under clause (5) shall be forwarded as soon as possible but not exceeding six months in any case to the appropriate authority with all relevant records, with the comments of the authority against whose order the appeal has been filed.</p> <p>(8) No appeal shall lie against the withholding of the appeal or application for revision by an authority competent to do so.</p>	<p>following requirements:-</p> <p>(a) It shall contain all material facts and grounds relied upon and shall be complete in itself;</p> <p>(b) It shall specify the relief desired;</p> <p>(c) It shall be made within 30 days from the date of the receipt of the impugned order.</p> <p>(5) An appeal or an application for review may be withheld by the authority passing the original order, if:-</p> <p>(a) It does not comply with the requirements of clause (3);</p> <p>(b) It deals with a matter, which does not concern the employee personally;</p> <p>(c) It repeats an appeal or application for review already rejected by the authority to whom the appeal or application for review is addressed and does not, in the opinion of the authority passing the original order, disclose any new points circumstances, which afford grounds for reconsideration;</p> <p>(d) It is addressed to an authority to which no appeal or application for review lies under these regulations.</p> <p>(6) In every case in which an appeal or application for review is withheld, the authority withholding it shall inform, within a period not exceeding six months, the appellant or applicant, as the case may be, of the fact of withholding it. Simultaneously, the said authority shall also inform the appellate or review authority of the fact of withholding and such authority may call for any appeal or application admissible under these regulations and may pass such orders thereon as it consider fit.</p> <p>(7) An appeal which is not withheld under clause (4) shall be forwarded as soon as possible but not exceeding six months in any case to the appropriate authority with all relevant records, with the comments of the authority against whose order the appeal has been filed.</p> <p>(8) No appeal shall lie against the withholding of the appeal or application for review by an authority competent to do so.</p>
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