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GOVERNMENT OF PAKISTAN
MINISTRY OF LABOUR, MANPOWER & OVERSEAS PAKISTANIS
(LABOUR & MANPOWER DIVISION)

NO. 2(18)/2007-EOBI

Islamabad the 25th July, 2007

To,

Mr. Mushtaq Ahmad Sammo,
Secretary, Board of Trustees of EOBI,
Employees' Old-Age Benefits Institution,
Head Office, Karachi.

Subject:

MINUTES OF THE 78TH MEETING OF THE BOARD OF TRUSTEES, HELD ON 5TH JUNE 2007, AT HEAD OFFICE, KARACHI.

Dear Sir,

I am directed to refer to your letter No. HO/BS 78th Mtng/2007/102, dated 20.06.2007 on the above cited subject and to enclose herewith minutes of the 78th Board meeting, duly approved by the Secretary, Labour & Manpower Division/ President, Board of Trustees of EOBI, for information and further necessary action.

Yours faithfully,

Mukhtar
(Mukhtar)
Assistant Chief

CC. Chairman, EOBI, Head Office, Karachi.

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**MINUTES OF THE 78th MEETING OF THE BOARD OF TRUSTEES
HELD ON 5th June 2007, AT HEAD OFFICE, KARACHI.**

The 78th meeting of the BOT of Trustees of EOBI was held at 10.00 am on 5th June, 2007, at EOBI, Head Office, G.P.O Building U.I Chundrigar Road Karachi to consider the following Agenda:

S. #	Agenda
01.	To consider confirmation of the minutes of 77 th meeting of the BOT.
02.	To consider the status of running compliance of last four meetings from 73 rd to 76 th BOT meetings.
03.	To consider progress on the decisions taken by the BOT in its 77 th meeting.
04.	To review performance of the Institution and minutes of the Investment Committee.
05.	Briefing by the Investment Advisor in Respect of Investment Department's Progress & Activities.
06.	To consider and approve the Agency Agreement between the EOBI, as Principal and the PRIMACO, as Agent.
07.	To consider and approve the construction of EOBI house at G-10/4, Mauve Area Islamabad and commercial centre at Karachi under taken by PRIMACO.
08.	To consider and approve the land development project at Mouza Niaz Baig, Multan Road, Lahore.
09.	To consider and approve proposal to regularize the use of second vehicle by Chairman EOBI.
10.	To consider and approve ex-post facto approval in respect of the appointment and salary package of Mr. Haider Raza, as project director (IT).
11.	To consider and grant ex- post facto approval for the extra payments made to Mr. Mushtaq Ahmed Sammo, Secretary BOT on account of allowances/facilities beyond the terms and conditions of his contract of service amounting to Rs. 506,000/-.
12.	To consider and approve the proposal to revise the Departmental Selection / Promotion Committee for the post of Assistant Director General
13.	To consider and approve recruitment against vacant posts.
14.	To consider and approve correction in the minutes of the 76 th BOT meeting regarding BOT's approval for induction of 30 probationary officers instead of 15 officers.
15.	To consider and approve delegation of powers of the Chairman EOBI for opening of C.D.C/ bank accounts and approval of authorized signatories in these accounts.
16.	To consider and approve the appointment of statutory auditors for the financial year 2006-07.
17.	To consider and approve the revision of rates for signing of banking agreement with National Bank of Pakistan.

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18.	To consider and approve outsourcing of project entitled "Data Entry of Insured Persons' Record."
19.	To consider and approve de-registration of the closed units.
20.	To consider and approve grant of budget for the final bill of civil works of Peshawar project.
21.	To consider and approve re-constitution of Publicity Committee of the BOT.
Any other item	
01.	To consider and approve the extension in contract service of the Secretary BOT.
02.	To consider and approve the entitlement for the lodging of the President BOT and BOT members.

2. The meeting was presided by Malik Asif Hayat, President, Board of Trustees / Secretary to the Government of Pakistan, Labour and Manpower Division. The following attended the meeting:

1. Malik Asif Hayat <i>Secretary, Labour and Manpower</i>	President
2. Brig. Akhtar Zamin (R) <i>Chairman, EOBI</i>	Member
3. Mr. Muhammad Ali Gardezi <i>Secretary Labour, (Punjab)</i>	Member
4. Mr. Nasar Hayat <i>Secretary Labour, (Sindh)</i>	Member
5. Mr. Wahid Bakhsh Baloch <i>Secretary Labour, Baluchistan</i>	Member
6. Mr. Nazim F. Haji <i>Employers' Representative (Sindh)</i>	Member
7. Mr. Noor-ud-Din F. Daud <i>Employers' Representative, (NWFP)</i>	Member
8. Sarddar Ali Ahmed Jogezi <i>Employers' Representative (Baluchistan)</i>	Member
9. Mr. Abdul Aziz Abbasi <i>Employees' Representative, (Sindh)</i>	Member
10. Mr. Muhammad Zaman <i>Employees' Representative (NWFP)</i>	Member
11. Mr. Sultan Muhammad Khan <i>Employees' Representative, (Baluchistan)</i>	Member
12. Mushtaq Ahmed Sammo <i>ADG EOBI</i>	Secretary, BOT

3. Mr. Munawar Opal, FA/DG (F & A), Syed Abu Ahmed Akif DG (Ops) and Mr. Farooq Ahmed Awan, Investment Adviser, EOBI, represented the concerned Departments of EOBI

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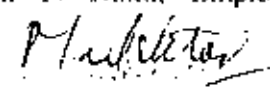

- 4. Mr. Ajaz Mohiuddin, Senior Joint Secretary Labour, Mr. Arshad Jamil Khokhar, Financial Adviser and Mr. Abdul Khaliq, Secretary Labour, NWFP could not attend the meeting due to their pressing official commitments. Chaudhry Zaheer Ahmed Taj, Employees' Representative from Punjab was unable to attend the meeting due to his health reasons.
- 5. The meeting commenced with recitation from Holy Quran. The President, BOT welcoming the participants allowed the Secretary, BOT to proceed as per the agenda.

Agenda Item No. 1 To Consider Confirmation Of The Minutes Of 77th Meeting Of The Board.

- 6. The Secretary BOT informed that minutes of the 77th meeting had already been circulated amongst all BOT members. No objection/observation was received. The President BOT invited objections/ observations from the members. There being no objections/observations the minutes of 77th BOT Meeting were confirmed.

Agenda Item No. 2 To Consider the on-going implementation progress of the Agenda Items of Last Four Meetings (from 73rd BOT Meeting -- onwards).

- 7. The Secretary, BOT apprised the members that under directions of the President BOT, a new agenda item has been introduced for apprising BOT members about the up-dated position on the on-going implementation progress of the agenda items of the 73rd BOT meeting onwards. The BOT members appreciated the concept for timely monitoring of the on-going activities of EOBI.
- 8. While discussing the item, the issue of data cleansing came up for discussion. The BOT desired completion of the task without further delay. The Chairman while explaining the difficulties apprised the BOT members about the progress and also mentioned the efforts that had been made to accomplish the task. He also appreciated the practical problems and proposed allowing more time to EOBI for completing the assignment. He further informed that more than 800,000 letters have been issued to the Insured Persons stating their particulars available with EOBI and asking them to provide information about any changes or corrections.
- 9. *The BOT desired that the Institution must accomplish the task of "Data Cleansing" by 30th October, 2007, as directed by the Federal Minister during his recent visit to EOBI Head Office, Karachi.*
- 10. Mr. Sultan Muhammad Khan, from Balochistan pointed out that the establishments are reluctant to provide particulars of all their employees due to an unnecessary paper work and other pressures. He also pointed out that most employers did not consider contract employees as actual employees of their establishments which this deprives workers of their legitimate rights. Mr. Nour-ud-Din F. Daud, Employers'


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Representative from NWFP, explaining other reasons, informed that small and medium size establishments were afraid of providing details due to unnecessary harassment of trade unions and other government departments. The President BOT while acknowledging of problems, requested the members specially the BOT members to suggest ways and means to address this problem.

- 11 Mr. Nazim F. Haji, Employers' Representative (Sindh) proposed the idea of individual registration, under which employees of establishment may be allowed to pay their contributions personally, instead of this being done by their employers. *The President directed the institution to examine the proposal and submit report in the next BOT meeting.*

Agenda Item No. 3 To Review Compliance / Progress on Decisions Taken by the Board of Trustees in its 77th Meeting.

- 12 The Secretary BOT apprised members about the implementation status on decisions of the BOT, giving details of arrears collected by various Regions through Dispute Resolution Committees. *Deliberating on the recovery statement, the BOT members inquired about the reasons why only Bin Qasim Region recovered a significant amount; B&C Department was directed to provide a detailed report with reasons/justification in the next BOT meeting.*
- 13 The Secretary BOT pointed out that while approving audited accounts for 2004-05 and 2005-06 in its 76th and 77th meetings held on June 30, 2006 and January 16-17, 2007 respectively, the financial transactions during the years were also required to be ratified as required by the statutory auditors before the accounts are signed by them. Since minutes did not contain ratification, the auditors have not yet signed the accounts.
- 14 The matter was discussed and the President, BOT desired that the matter may be finalized in consultation with convener of the Investment Committee (Mr. Nazim F. Haji). *On the recommendations of the convener of the Investment Committee, the BOT ratified the transactions for 2004-05 and 2005-06 as per auditors report dated 31-12-2005 and 27-12-2006 for 2005-06 to the BOT.*
- 15 While apprising BOT about the progress of HR Committee, the Secretary BOT informed that two meetings of the Committee had been held at Islamabad wherein it had been decided to prioritize the important issues; accordingly, the following three items were selected to be addressed first:-
- a. Powers to the Chairman to grant special pay
 - b. Strengthening of F&A Department and
 - c. Strengthening of Audit Department
- 16 The Convener and the Secretary, HR Committee conducted two meetings of the Departmental Heads at Head Office, Karachi, and firmed up recommendations in consultation with all concerned. The Secretary BOT / HR Committee presented the

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minutes of the HR Committee. The BOT after thorough deliberations on the minutes and the recommendations, decided that Special Pay allowed under Regulation-4 be continued whereas the special pay provided under Regulation 6 be discontinued with immediate effect.

The BOT however allowed judicious and justified continuation of honorarium, with the approval of the Chairman, whenever required.

17. The DDG (HR) briefed the members about the re-organization of the Head Office and explained the proposed strengthening of the F&A and Audit Departments, by providing the details of positions falling vacant due to closure of the ten (10) Zonal Offices as well as the details about accommodated surplus employees.

18. *The BOT while allowing the proposed recruitment on 13 posts for strengthening of F&A and Audit Departments directed transfer of the available post of ADG (RE) to F&A Department and further sanctioned 12 new posts to accomplish the proposed strengthening of both F&A and Audit Departments. The BOT further directed that*

- *Briefing be given to the BOT on the justification for recruitment on vacant posts.*
- *Proposed salary package for appointments on proposed posts in F&A and Audit Departments on examined by the Convener of HR Committee and justified packages be placed in the budget meeting of the BOT. While recommending the pay package, salaries approved by the Ministry of Finance, Government of Pakistan for the Investment Department (for contractual posts) be kept in view.*

Agenda Items No. 4/5 To Review Performance of the Institution and Minutes of The Investment Committee.

19. The main activities of the Institution include registration of employers and employees, collection of contributions, disposal of pension claims, disbursement of Pension and any other tasks given by the BOT. The Institution has developed various reports to highlight its performance in all relevant areas. The performance reports of B&C, IT and Investment Departments for the month of March, 2007 were placed for consideration of the BOT along with the minutes of 113th, 114th and 115th meetings of the Investment Committee.

Due to shortage of time the BOT decided to defer review of these performance reports. The President BOT however, directed the Secretary BOT to report the performance of PRIMACO in the future. The BOT confirmed the minutes of the Investment Committee 113th, 114th and 115th meetings.

Agenda Item No. 6 To Consider and Approve The Agency Agreement Between EOBI, as Principal and PRIMACO as Agent.

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Secretary
Investment Committee
Ministry of Finance, Government of Pakistan
Karachi

20. The Secretary BOT apprised the meeting that while deliberating upon the Agency Agreement during 77th BOT meeting, the BOT had decided to circulate copies of the agreement amongst BOT members with an advice to provide written observations /suggestions on the document or any alteration therein, within a week. On the basis of members' response a statement was prepared, mentioning the observations and suggestions made by them. The CEO, PRIMACO presenting the statement informed that almost all the suggestions had been incorporated in the Agreement, except those which were not justified (the reasons for which were explained). He presented the amended copy of the Agreement. *The BOT after due deliberation agreed and approved the revised Agency Agreement.*

Agenda Item No. 7

To Consider and Approve the Construction of EOBI House at G-10/4, Mauve Area, Islamabad and Commercial Centre at Karachi by PRIMACO

21. The Chief Executive Officer of the PRIMACO invited the attention of the BOT to a detailed Status Report which was presented in 77th BOT meeting held on 16th and 17th January, 2007. The report contained details of projects undertaken by the Company with feasibility reports and budgetary requirements. The BOT approved the projects in principle, however, as no working paper had been included in the Agenda of the said meeting the specific approval in respect of technical details and budgetary provisions could not be discussed in the meeting. In view of the foregoing, the CEO of the PRIMACO specifically requested the BOT to kindly accord approval of the following items

The BOT after necessary discussions, allowed:-

- a) *The budgetary provision of Rs.645 million in the span of 27 months for the project of EOBI Office Building at G-10/4, Mauve Area, Islamabad, including approval of contract to be awarded to M/s Builders Associates at Rs.382,866,345/- (three hundred eighty two million eight hundred sixty six thousand three hundred forty five).*
- b) *The budgetary provision of Rs.140 million (one hundred and forty million) in the span of 21 months for the project of EOBI Commercial Centre at 190/1/B-Block-2 PECHS Karachi.*
- c) *The expenses on project related employment and other related logistics will be arranged from the allowed 10% Agent Fee.*

Agenda Item No. 8

To Consider and Approve Land Development Project at Mouza Niaz Baig, Multan Road, Lahore

22. The BOT was apprised that the Punjab Cooperative Board for Liquidation had advertised the sale of agricultural land measuring one thousand and forty eight (1048) kanals near Thokhar Niaz Baig, adjacent to Military Ammunition Depot, Multan Road, Lahore on 20-05-2006. The Investment Committee of EOBI, decided to take part in the bidding. The bids were opened by PCBL on 08-06 2006 and EOBI was declared the successful bidder. Accordingly, a payment of rupees one thousand twenty six million, twenty one thousand and six hundred only

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(Rs 1,026,021,600), inclusive of two percent (2%) liquidation charges was made to PCBL. After payment, PCBL invited EOBI officials on 07-02-2007 to witness the demarcation by Patwari Mouza Niaz Baig and take over the possession of land from PCBL. During the demarcation the following observations were made:

- As per land documents available with PCBL, it was in possession of nine hundred and thirty one (931) kanals and one (01) marla between Multan Road and another road in the rear of the land. Out of this land approximately seventy seven (77) kanals was in possession of owners other than PCBL, leaving eight hundred and fifty four (854) kanals free from all encumbrances. PCBL also owned land measuring (three hundred and twenty nine (329) kanals and six (06) marlas behind the Rear road, which they had not offered for sale to EOBI.
- PCBL offered to transfer the vacant eight hundred and fifty four (854) kanals immediately to EOBI and expressed their intention to initiate actions at an appropriate level for the remaining land.

23. Accompanied with a detailed presentation, the CEO of PRIMACO informed the BOT that PRIMACO Board of Directors and Investment Committee of BOT in their respective meetings held on 17-04-2007 had decided to take following interim measures until proper implementation of project had started:

- a. Proper utilization of land which may include short term contract for temporary cultivation.
- b. Proper protection of land by erecting a boundary wall around the area.
- c. Holding negotiations with land holders who are legally title holders of land falling within EOBI land
- d. Planning and suggesting means to consolidate the land holding by adjustments that will make it contiguous.
- e. Interacting with PCBL on all the issues for immediate transfer of property in the name of EOBI.

24. The CEO of the PRIMACO presenting the detailed position requested the BOT to approve the following -

- a. Protection of the Mouza Niaz Baig land by construction of a boundary wall and allied facilities at an estimated cost of Rs. 30 Million (thirty million).
- b. Negotiations with legitimate land owners, whose land falls within EOBI property lines either by offering swapping of their land with EOBI land outside the contiguous area (and the proposed boundary wall) or by purchasing their land on prevailing market rates in case legal owners of land falling within EOBI property are not prepared to swap the land.
- c. Disposal of pieces of land which are not contiguous with main EOBI land and lie outside the proposed boundary wall (and contiguous land area)
- d. Development of plans for proper utilization of land through short term contract for temporary cultivation.

25. *The BOT desired that land should be made contiguous and there should be no illegal Aegal occupants within the land purchased from PCBL. After due deliberation the BOT approved proposals mentioned in para 23, above, and allowed in principle subject to the proviso that no additional cost will be allowed*

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Principal Secretary
Secretary
Joint Secretary

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for swapping or purchasing the land. In case it was absolutely necessary to incur additional expenses, formal approvals would be sought from the BOT. The BOT also directed that immediate efforts should be made to protect the land and ensure no encroachment.

Agenda Item No. 9: To Consider and Approve Proposal to Regularize Use of Second Vehicle by Chairman EOBI

26. The BOT in its 61st Meeting held on 24th September 2002 at Peshawar had approved the provision of two vehicles to the Chairman EOBI for his official and personal use. The present Chairman who took over the office on 1st August 2005 continued to avail the same facilities until the Audit Department pointed out that the BOT had granted its approval specifically to Mr. Muhammad Shafi Malik, ex-Chairman EOBI, and that these could not be availed by the present Chairman without a fresh reference to the BOT. The Chairman did not utilize the facility of the second vehicle after the raising of the said observation i.e. 1st October 2006 (till date). However, the second vehicle was utilized up to that time and expenses of Rs. 253,859/- (two hundred and fifty three thousand eight hundred fifty nine) were spent, on account of fuel. The BOT was therefore requested to either approve the utilization of second vehicle for all Chairmen, as earlier approved for the past Chairman (Mr. Muhammad Shafi Malik), or regularize the excess amount spent on account of fuel expenses during the above mentioned period, so that the audit observation raised on this subject may be settled.
27. *The BOT allowed the use of second vehicle for operational purposes with fuel (up to 350 liters petrol) for Chairman Office. The BOT also regularized the previous expenses incurred on the said operational vehicle amounting to Rs. 253,859/- (two hundred fifty three thousand eight hundred fifty nine) during the subject period accordingly.*

Agenda Item No. 10 To Consider and Approve Ex-Post Facto Approval of the Appointment and Salary Package of Mr. Haider Raza, As Project Director (IT).

28. The Secretary BOT informed that in pursuance of 74th BOT's meeting Mr. Haider Raza was appointed as the Project Director, Core IT Project, and offered a monthly salary package of rupees one hundred and fifty thousand (Rs. 150,000). Mr. Raza joined EOBI w.e.f. 1st August, 2006. The formal confirmation of the BOT to this effect was required for which a working paper was discussed in the 77th BOT meeting held in January 2007. While deliberating on the agenda item the BOT directed that the salary of the Project Director (IT) be included in the PC-1 document and sent to the Ministry for further examination and necessary action.
29. While the PC-1 remained unapproved, Mr. Haider Raza resigned from the assignment on his personal accord, which was accepted and he was relieved w.e.f. 5th March, 2007. The officer had been paid part salary at the rate of Rs. 100,000/- per month for the period 01-08-2006 to 05-03-2007 in anticipation of the BOT's

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approval. At the time of leaving service, the balance part of salary package was also released to the incumbent.

- 30. The BOT was therefore, requested to grant ex-post facto approval of the appointment of Mr. Haider Raza as Project Director (II) at a monthly salary package of rupees one hundred and fifty thousand (Rs 150,000) as proposed in the working paper and discussed in 77th BOT meeting. Moreover, the same package may also be allowed for the new incumbent for whom the selection process is in hand.
- 31. *The BOT after due discussions granted the ex-post facto approval of the appointment of Project Director I.T, at a monthly salary package of rupees one hundred and fifty thousand (Rs 150,000). The BOT also approved the same salary package for the new incumbent, as proposed by the Institution.*

Agenda Item No. 11 To Consider And Grant Ex- Post Facto Approval For Extra Payments Made To Mr. Mushtaq Ahmed Sammo Secretary Board On Account Of Allowances/ Facilities Beyond The Terms and Conditions Of His Contract Of Service Amounting To Rs. 506,000/-.

- 32. The Chairman EOBI informed that Mr. Mushtaq Ahmed Sammo was appointed Secretary BOT (ADG grade) on 21st May 2003, on two years' contract. The Officer was offered a contract salary of rupees nineteen thousand and nine hundred only (Rs. 19, 900) per month with outdoor medical and limited leave facility.
- 33. Soon after his appointment as Secretary BOT, Mr. Mushtaq Ahmed Sammo was assigned the additional charge of Law Department. The officer was getting a lump sum monthly salary without the facility of vehicle, fuel or driver, which otherwise was admissible to other regular officers of his grade. As such in order to facilitate the officer in discharging his dual assignments smoothly, the Chairman had allowed the officer Car Rental (@ Rs.1, 800/-, Driver Allowance (@ Rs.2, 600/- and fuel reimbursement facilities (@ Rs.6, 600/- per month with effect from July 2003. An amount of rupees five hundred and six thousand (Rs 506,000/-) had been reimbursed to the officer under these heads from July, 2003 to April, 2007.
- 34. The Commercial Auditors objected extension of these facilities to the officer. The position was, therefore, explained with reference to the relevant regulations whereby under Regulation-9 (2) of EOBI (Employees' Service) Regulations, 1980 "the Chairman may provide a vehicle to officers designated as Deputy Director and above, if their duties so warrant, or subject to such limit of expenses as the Chairman may prescribe from time to time or any alternate arrangement." The Commercial Auditors however desired that BOT may regularize these payments
- 35. *The BOT was therefore, requested to grant ex-post facto approval of the payment of rupees five hundred and six thousand Rs.506,000/- made to Mr. Mushtaq Ahmed Sammo, Secretary BOT as Car Rental, Driver Allowance and fuel reimbursement for the period from July, 2003 to April, 2007. The BOT realizing*

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SECRETARY
 BOARD OF TECHNICAL EDUCATION
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the need granted the ex-post facto approval and regularized the payment of Rs.506,000/- (rupees five hundred and six thousand) and allowed similar facility up to 19-05-2007 the date when his contract expired.

Agenda Item No. 12 To Consider and Approve a Proposal to Revise the Departmental Selection / Promotion Committee for the Post of Assistant Director General

36. The Secretary BOT apprised the members that Recruitment Procedure in respect of Officers was approved by the BOT in its 18th meeting held on 2nd January 1988. This Recruitment Procedure included the constitution of various Departmental Selection/Promotion Committees (DSC/DPC) for different grades.
37. In 61st BOT meeting, on the suggestion of Mr. Zaher Ahmed Taj, member of the BOT, the DSC/DPC for the post of Assistant Director General was revised and the committee dealing with the selection and promotion of the Deputy Director General was assigned the task of selection and promotion to the post of Assistant Director General as well. The change, however, did not prove practically beneficial. The senior Federal Government officers who are the members of the committee often remained pre-occupied in their other important official business. As such it was difficult for them to spare time for the activities of the selection and promotion. This resulted in delays which were demoralizing for the officers who expected timely promotions on occurrence of vacancies after long stays in the same grade. The institution also faced problems in HR succession planning and in postings and transfers etc. The BOT was requested to restore the original DPC/DSC as prescribed in the Recruitment Procedure.
38. The President BOT enquired about the reasons as to why BOT decided to revise the constitution of the committee. After the Chairman had explained the position, and the members had been consulted, *the President BOT approved the restoration of the following original DPC/DSC for the post of Assistant Director General, to the institution as prescribed in the recruitment procedure:-*
- | | |
|---|----------|
| a. Director General FOBI (Supervising HR) | Convener |
| b. Departmental Head (HR) | Member |
| c. Departmental Head (Concerned) | Member |

Agenda Item No. 13 To Consider and Approve Recruitments Against Vacant Posts.

39. While presenting the working paper, the Secretary BOT informed that the BOT in its 59th Meeting held in May 2002 had placed a temporary freeze on fresh appointments.
40. The working strength of the institution at that time was 1049 and 51 vacancies were lying vacant. Over the period, due to attrition the working strength had further

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decreased from 1049 to 982 against the sanctioned strength of 1100 (as on 30th March 2007). There were 118 (clear and consequential) vacancies in various grades lying vacant. Further two (02) employees in different grades were expected to retire during the period 1st April, 2007 to 30th June 2007, resulting in a total of 120 vacancies being available for direct recruitment by 30th June 2007.

- 41. Be further informed that the Institution was facing an acute human resource shortage due to continuous depletion in its working strength. The situation warranted immediate filling of the vacancies for smooth and efficient output. The BOT was therefore, requested to approve the proposal of filling all vacant posts of direct recruitment vacancies (including vacancies accruing up to 30th June 2007) on priority basis so as to address the severe HR shortage in the Institution.
- 42. The BOT enquired about the method and requirements of the appointments and the existing formula for direct and promotion ratio. The DDG (HR) explained the position in respect of vacant posts and the procedures in detail. *The BOT decided to allow recruitment on vacant posts in principle. However the HR Department was directed to come up with a justified plan to recruit on vacant posts by providing full details of re-organization, vacant posts and proposed accommodation of available officers.*
- 43. *Chairman EOBI offered himself to give a comprehensive presentation before the BOT about the vacant positions, reorganization, function of the M&E Department, etc, before 31st July 2007.*

Agenda Item No. 14

To Consider and Approve Correction in the Minutes of the 76th BOT Meeting Regarding Board's Approval for Induction of 30 Probationary Officers Instead of 15 Officers.

- 44. A working paper on "recruitment of Officers under the Probationary Officers' induction scheme" was discussed in the 76th BOT meeting. Two proposals were submitted in the said working paper for consideration of the BOT; the first to include certain other academic disciplines in the academic requirement of MBA/MPA and the other for increasing the number of Probationary Officers to be inducted from 15 to 30 in order to save overhead expenditures in respect of recruitment process and study/training of the Officers. Both the above mentioned proposals were discussed in the BOT and agreed to. However the second proposal to increase the number of 15 probationary officers to 30 officers could not appear in the minutes of the said meeting. The BOT was requested to allow necessary amendment in the minutes.
- 45. *The BOT specifically allowed the proposed increase in the number of Probationary Officers from 15 to 30 officers and also granted permission for necessary amendment in the minutes of the 76th BOT meeting.*

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 Ministry of Labour, Manpower
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Agenda Item No. 15 To Consider and Approve Delegation of Powers of the Chairman EOBI for Opening of C.D.C/ Bank Accounts and Approval of Authorized Signatories in these Accounts.

- 46. The BOT was informed that the Institution was maintaining two accounts in Central Depository Company (CDC) for its equity operations.
- 47. In view of the retirement of FA/DG (F&A) and ADG (F&A), the Institution approached the CDC with Chairman's approval for change in authorized signatories for operations of L A S Account No.4070. However, CDC desired that this request be supported by BOT's Resolution specifically mentioning that the Chairman EOBI is empowered to approve the authorization of the revised signatories.
- 48. In view of above, the BOT was requested to delegate to the Chairman the requisite powers to cater to the CDC requirements as well as any such requirement from any bank where the Institution maintains accounts.
- 49. *The BOT agreed and approved the following resolution.*

RESOLUTION

The Board of Trustees of EOBI hereby resolves to delegate the following powers to the Chairman, EOBI

- a. *To open accounts in CDC/Banks as and when required and sign jointly with any other Officer reporting to him, not below the level of a Director General, the requisite documents for opening/operation of these accounts.*
- b. *To approve the officers reporting to him to act jointly either with him or among themselves as authorized signatories for Institution's accounts in CDC/Banks and prescribe their limits wherever required on their powers to act as authorized signatories.*
- c. *To communicate the changes in authorized signatories for Institution's account in CDC/Banks as and when required.*
- d. *To delegate the authority to an officer, not below the level of a Director General, to approve the changes in authorized signatories of the Institution's Bank accounts other than Head Office bank accounts.*

Agenda Item No. 16 To Consider and Approve Appointment of Statutory Auditors for the Financial Year 2006-07.

- 50. The BOT was apprised that the statutory auditors to audit the annual accounts of the Institution are appointed by the BOT subject to concurrence of Auditor General

76 minutes

M. K. Chakraborty
 Director General
 Central Depository Company
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 Calcutta - 700 029

of Pakistan. The statutory auditors normally continue for a period of 5 years under the policy guidelines of the Auditor General of Pakistan.

51. M/s M. Yousuf Adil Saleem and Co. Chartered Accountants had been auditing the accounts of the Institution from the financial year, 2001-02 to 2005-06 and accordingly had completed their maximum tenure of five years. Therefore new statutory auditors were required to be appointed to audit the accounts of the Institution as well as its wholly owned subsidiary M/s PRIMACO (Pvt) Ltd., Pension Fund and C.P. Fund for the financial year 2006-07.
52. The BOT was provided the details of the entire procedure and evaluation report to select the new auditors. The Secretary, BOT informed that after completing all required procedures, the Institution had selected M/s BDO Ibrahim and Co from the list of three eligible Auditors. The issue was discussed at length and members also discussed the method and the basis of evaluation report. However on the issue of disqualification of other two firms on account of quoting less than minimum professional fee stipulated by the ICAP, *BOT decided that Audit Committee may review the proposal afresh and submit its recommendation, in the forthcoming Budget meeting, for approval of the BOT. Besides DDG (F&A) will also get necessary clarifications from ICAP.*

Agenda Item No. 17 To Consider and Approve the Revision of Transaction Rates for Signing a Banking Agreement With National Bank of Pakistan.

53. The DDG (B&C) while briefing the BOT about the Banking Agreement with National Bank of Pakistan (NBP) informed that the Institution (EOBI) had switched over to NBP as it was the lowest in the bidding process initiated for selection of a bank for disbursement of pension and collection of contribution with effect from October 1st 2006. The BOT had approved this switch-over in its 77th meeting at the rate of rupees sixteen and thirty paise only (Rs. 16.30) per transaction for collection of contribution and disbursement of pension. Besides NBP had also demanded rupees two and paise thirty only (Rs. 2.30/-) per entry for "Data Processing and Reconciliation" which was also agreed and approved by the BOT in its 77th meeting.
54. BOT was further apprised that NBP has now informed that it does not find it practicable to continue services on old terms set at preliminary stage for commencement of disbursement of pension and collection of contribution. NBP was now of the view that this business would end up in total loss on account of constraints in terms of increased printing costs of EOB stationery, expenses to put in place necessary infrastructure (including human resources and technological support), for assuring required level of services to EOB clients (contributors and beneficiaries) and arrangement for offering MIS relating to contribution and disbursement of funds at predetermined frequency besides collateral loss of business due to branches over crowded with EOB pensioners in first week of every month.

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Assistant Chief
Ministry of Labour, Manpower
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55. NBP had demanded rupees twenty five only (Rs.25/-) per transaction for disbursement of pension and collection of contribution under the given circumstances and in view of identified cost factors. The DDG (B&C) while explaining the reasons requested that in order to ensure quality banking services as per requirement of the Institution, the BOT may approve the enhancement of rates from rupees sixteen and thirty paise only 16.30 to rupees twenty five only (Rs 25/-) per transaction as demanded by National Bank of Pakistan (NBP).
56. *After due discussion on the item, BOT allowed the increase in service charges and also signing of the agreement. BOT emphasized the importance of an agreement also advised that while signing the agreement management must ensure:-*
- a. *Necessary provisions for protection of Institution's interests should be included in the agreement, specially a non-performance clause in case NPB fails to comply with agreed terms.*
 - b. *Necessary provisions to ensure free flow of cash, minimum duration for deposits placed in the bank and appropriate accrual of profit on deposits.*
 - c. *Convener Investment Committee reviews the information in respect of bank accounts, their operations along with cash deposit position, period of deposit and profit being received by the institution on these accounts.*

Agenda Item No. 18 To consider and Approve Outsourcing of Data Entry of Insured Persons' Record.

57. The BOT was apprised of the efforts of the Institution towards the continuous cleansing and updating of its employers, pensioners, and insured persons' databases. It was however mentioned that it would take years to complete the assignment if entrusted to EOB IT Department. Therefore, there was a need to outsource data entry of non computerized records of 1.7 million Insured Persons. The cost of outsourcing data entry would be curtailed by using in house software. However, an estimated cost of around rupees two and half million (Rs. 2.5 million) would be required for this assignment. Currently, no budgetary provision was available to outsource the data entry of 1.7 million insured persons' record. The BOT was, therefore, requested to approve provision of rupees two and half million (Rs. 2.5 million) in the existing budget of 2007-2008 enabling the Institution to complete the job latest by December 2007.
58. The DDG (B&C) while explaining the need and importance of the proposal mentioned that a complete plan had already been prepared to assign the job at four centers throughout the country. He also elaborated precisely the nature and quantum of work to be assigned to the company.
59. The President enquired about the need of outsourcing the task in the presence of IT Department, and the Field Officers in each Regional Office. He also expressed apprehensions that transference at only four centers may cause loss of existing data

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M. A. Chaudhry
Secretary
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Government of Punjab
Lahore, Pakistan

during the course of transfer from the thirty (31) Regions, to proposed four (4) centers.

- 60. *BOT decided to allow the proposal in principle and also approved the proposed expenses of rupees two and half million (Rs. 2.5 million). However, it was decided that instead of distributing the job at four centre it should be conducted at all thirty one (31) Regional Offices and all Regional Heads be made responsible to handle the issue personally, so that the ownership of the data as well as the responsibility of safety of the data should remain with the Regional Heads. The BOT also directed that possibility of getting the work done from NADRA be explored.*

Agenda Item No. 19 To Consider and Approve De-Registration of Closed Units.

- 61. The item was deferred due to shortage of time

Agenda Item No. 20 To Consider and Approve Grant Of Budget for the Final Bill of Civil Works of Peshawar Project.

- 62. The item was deferred due to shortage of time.

Agenda Item No. 21 To Consider and Approve Re-Constitution of Publicity Committee of the Board.

- 63. The item was deferred due to shortage of time.

Any Other Agenda Item No. 01 To Consider and Approve the Extension in Contract Service of the Secretary BOT.

- 64. Since the item related to the Secretary BOT, he was advised to leave the Board Room in absence of the Secretary, the Chairman, with permission of the chair presented this agenda item. He apprised the members on the issue of contract appointment of the present Secretary BOT, who was selected against an advertised position of Secretary BOT in ADG grade, on a lump sum salary of rupees nineteen thousand and nine hundred only (Rs 19,900/-)

- 65. The contract for the services of Secretary BOT had expired for the first time on 21-05-2005 and since then it had been extended twice in the 72nd and the 76th BOT meetings on the request of the management on same terms and conditions and pay package.

- 66. The Chairman EOBI informed the BOT that the extended contract period of Mr. Mushtaq Ahmed Sammo had expired on 19th May 2007 and that the management required an extension in the period of his services. Moreover, while explaining the reasons for retention of Mr. Mushtaq Ahmed Sammo, Chairman further apprised

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 Assistant Chief
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(Note)

the members that not only the terms of contract and pay package had not been revised since 2003, but that certain facilities which should have been offered to the appointee were also missing. Therefore the whole package required reconsideration. The following suggestion were made for the consideration of the BOT:-

- a. Extension in contract employment of Mr. Mushtaq Ahmed Sammo as Secretary BOT for a period of two years and allowing him the salary at par with regular ADG.
 - b. Allowing him medical facilities at par with the position of regular ADGs as per EOBI (Employees Medical) Regulations
68. The President BOT enquired about the total package, including all facilities paid to the Secretary BOT at present. He was informed that Secretary BOT was being paid a total of rupees thirty thousand and nine hundred (Rs.30,900/-) per month which also included the amount of reimbursement of fuel and car rental, etc.
69. After detailed discussion and input from various members of the BOT approved the following:
- Extension in the contract of Mr. Mushtaq Ahmed Sammo, as Secretary BOT for a period of two years w.e.f 20th May 2007 against a gross lump sum package of - forty thousand (Rs 40,000) per month.
 - Medical facilities as admissible to regular ADGs of EOBI, according to EOBI (Employees Medical) Regulations.

Any other Agenda Item No. 02 To Consider and Approve the Enhanced Entitlement for the Lodging of the President and Members of the BOT

70. The BOT of Trustees of EOBI had last revised the lodging and boarding ceilings of its members in hotels to Rs. 3,500/- per day and Rs 5,000/- per day for the President in 68th BOT meeting held on 8th May 2004. Since then, three years had elapsed. While all well known and reasonable hotels had raised their room rents by more than one hundred percent 100% in the last two years there had been no change in the official entitlements. Even the negotiated and reduced corporate rates were now higher than the notified ceiling of the President and members of BOT.

72. In the light of this factual position it was proposed that the ceilings of the President, Members and Secretary BOT as well as EOBI officers (DDGs and above) attending the BOT meetings may be enhanced accordingly for federal and provincial capitals as follows, keeping in view the ground realities:

- a. The ceiling of the President, BOT and the Chairman of the EOBI may be revised to rupees twelve thousand (Rs.12,000/-) per day as per actual basis for a single room in a 4/5-star hotel.
- b. The ceiling for BOT members, Secretary BOT, and EOBI officers (DDGs and above and ADG (Audit) attending BOT meetings may be revised to Rs.7000/- on actual basis for a single room of a 4-star hotel/ Guest House/Motel. (Taxes

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Mushtaq
 Mushtaq Ahmed Sammo
 Secretary BOT
 EOBI
 Government of Punjab
 Lahore

and other levies may not be included in the ceiling of President, Members and Secretary of BOT and EOBI Officers).

- c. It was also proposed that cash payment may be allowed to BOT Members for lodging up to Rs.5,000/- per night, if they decide to stay at their own.

73. *The BOT after due discussion on the issue decided that in case of meetings of BOT and its committees:*

- a. *Ceiling of the President, BOT and the Chairman of the EOBI will be Rs.12,000/- per day excluding tax, or on actual basis for a single room in a 5-star hotel.*
- b. *Ceiling for BOT members and Secretary BOT will be Rs. 7000/- per day excluding tax, or on actual basis for a single room of a 4 star hotel /guest house /motel, whereas EOBI officers attending BOT meetings will be allowed lodging facility as per existing EOBI Service Regulations.*
- c. *Cash payment will be allowed to the BOT Members for lodging up to rupees five thousand (Rs.5000/-) per night, if they decide to stay at their own.*
- d. *Henceforth all BOT members and Secretary BOT will be allowed Rs.1000/- as Daily Allowance, instead of Rs.600/- for attending meetings of BOT and its committees. The BOT also allowed automatic increase in the DA as and when government increases the same and the in rates of the hotel accommodation whenever raised by respective establishments.*

The meeting ended with a vote of thanks to the chair.

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