

MINUTES OF 81st MEETING OF THE BOARD OF TRUSTEES OF EOBH HELD ON MONDAY 30TH JUNE, 2008 AT EOBH HEAD OFFICE, KARACHI.

The 81st BOT meeting was held on 30th June, 2008 at EOBH Head Office, GPO building, I.I. Chundrigar road, Karachi to conduct the following agenda:-

SR. #	AGENDA ITEMS
01	TO CONSIDER CONFIRMATION OF THE MINUTES OF 80 TH MEETING OF THE BOARD.
02	TO CONSIDER & APPROVE THE AUDITED ANNUAL ACCOUNTS FOR THE YEAR 2006-2007
03	TO CONSIDER & APPROVE THE APPOINTMENT OF EXTERNAL AUDITORS FOR THE FINANCIAL YEAR 2007-2008.
04	TO CONSIDER AND APPROVE REVISED BUDGET ESTIMATES FOR 2007-2008 & PROPOSED BUDGET FOR 2008-2009
05	TO CONSIDER REVIEW AND FIX THE "PROBATIONARY PERIOD" TO ONE YEAR IN THE LIGHT OF THE PRACTICE IN GOVERNMENT AND AMENDING REGULATION 15 OF EOBH (EMPLOYEES' SERVICE) REGULATIONS 1980.
06	TO CONSIDER THE REQUEST OF MR. IKRAM MOHIUDDIN, DIRECTOR (RTD) DATED 17-10-2006 TO INCLUDE ONE GRADE INCREMENT IN THE PAY COMPUTING HIS PENSION IN LINE WITH THE GOVERNMENT POLICY.
07	TO CONSIDER & APPROVE PROPOSAL FOR REGULARIZATION OF PART TIME CHOWKIDARS.
ANY OTHER AGENDA ITEM	
01	TO CONSIDER AND APPROVE THE INCREASE OF 20% SALARY ANNOUNCED IN THE FEDERAL BUDGET 2008-2009
02	TO CONSIDER & APPROVE THE INCREASE IN PENSION OF THE RETIRED EOBH EMPLOYEES WITH EFFECT FROM 1 ST JULY 2008

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

Malik Asif Hayat

Secretary
Labour & Manpower
Division
Government of Pakistan
Islamabad

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| 1. Malik Asif Hayat
Secretary (L&M)/President BOT | President |
| 2. Brig. Akhtar Zamin(R)
Chairman EOBI | Member |
| 3. Mr. Shahrukh Nusrat
Joint Secretary (LW) | Member |
| 4. Mr. Mukhtar Ali Malik
Financial Adviser, Labour (Finance Division) | Member |
| 5. Mr. Wahid Bakhsh Baloch
Secretary Labour Department, Balochistan | Member |
| 6. Mr. Alamdin Billo
Secretary Labour, Sindh | Member |
| 7. Mr. Nazim F. Haji
Employers' Representative, Sindh | Member |
| 8. Mr. Abdul Aziz Abbasi
Employees' Representative, Sindh | Member |
| 9. Mr. Muhammad Zaman
Employees' Representative NWFP | Member |
| 10. Mr. Sultan Muhammad
Employees' Representative Balochistan | Member |
| 11. Mr. Mushtaq Ahmed Sammo, ADG | Secretary BOT |

3. Mr. Munawar Opel FA/DG(F&A), Mr. Farooq Ahmed Awan, Investment Adviser EOBI, Mr. Abdul Majeed, DDG (F&A), Mr. Muhammad Hanif, DDG (B&C) Mr. Farhat Adil CEO, PRIMACO attended the meeting to assist the BOT/Chairman.

4. Mr. Muhammad Ali Gardazi, Secretary Labour (Punjab), and Shah Wali Khan, Secretary Labour (NWFP) could not attend the meeting due to their pressing official commitments. The Commissioner Social Security (Punjab) attended the meeting on behalf of the Secretary Labour Punjab. He was accordingly allowed by the Board to attend the meeting as an observer. The meeting commenced with recitation from the Holy Quran. President BOT allowed the Secretary Board to proceed, as per agenda.

Agenda Item No. 1.

**TO CONSIDER CONFIRMATION OF THE MINUTES OF
80TH MEETING OF THE BOARD**

5. The Secretary BOT informed that minutes of the 80th BOT meeting had already been circulated amongst all members. No written objection from any member had

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Assistant Chief
Ministry of Labour, Manpower
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been received. The President BOT invited objections/observations from the members. Mr. Muhammad Zaman, Employees Representative (NWFP) pointed out that he did not receive the said minutes, which reportedly had been circulated to all members. The President BOT directed Secretary Board to ensure that minutes must reach every member of the Board; he further directed to also confirm the same through telephone.

6. The Financial Advisor referring para-6 of the minutes of the 80th BOT meeting enquired about the status of closed units and the amount of arrears outstanding against these closed units. It was clarified that most of the arrears were non-recoverable, because these units were non-existent and only a very small amount of arrears could be recovered. **The Board directed that status of recoverable and non recoverable arrears against closed units be furnished in the next BOT meeting.** The Financial Advisor further pointed out that besides arrears of closed units a huge amount of arrears was also outstanding against units in operation. **The Board also directed that details of all arrears be provided in the next BOT meeting, mentioning separately the recoverable and non-recoverable arrears with reasons/justification.**

7. Chairman EOBI explaining the reasons apprised the Board that a good number of public enterprises were still reluctant to pay their dues. He suggested of constituting a special committee of Board members, which may visit such establishments and persuade them to pay their dues. **Board, while agreeing with the suggestion advised the non-official members of the BOT to use their good offices for motivating the employers of defaulter establishment to clear their outstanding arrears.**

8. The Financial Advisor also enquired about the present status of reconciliation by referring that in 80th BOT meeting, EOBI had informed about the progress in respect of reconciliation and promised to accomplish the task before June, 2008. DDG (B&C) accordingly informed that reconciliation process is under progress. The reconciliation with United Bank Limited (UBL) is almost near completion and more than 90% assignment has been accomplished. The reconciliation with National Bank of Pakistan (NBP) is also under progress. He further apprised the Board about the practical problems arising out of the efforts to reconcile.

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9. Discussing the practical problems with National Bank of Pakistan (NBP) and other Banks, the President Board said that he himself would write a letter to the President of NBP and persuade him to fulfill their commitments. He also advised the management not to release service charges to the bank till they accomplish the desired assignment.

10. Financial Advisor was of the view that Investment Committee of EOBI and the Board of Directors of PRIMACO were important instruments and both deal with huge funds, therefore in the interest of the institution and for better transparency it was imperative that a member of Finance Division must be included, as a member, in Investment Committee and the PRIMACO Board of Directors, as well.

11. The President BOT clarified that the Investment Committee and the Board of Directors of the PRIMACO had been formed by the Board. Therefore any change in the constitution of these instruments is to be considered by the Board itself. He further advised that if Financial Advisor has any observation or concern about the constitution of these committees, he should submit a working paper to the Secretary Board for inclusion in the next BOT meeting agenda.

12. The Financial Advisor also enquired about the compliance report in respect of decisions taken in 80th BOT meeting. The Secretary Board informed that 81st BOT meeting was budget meeting therefore only items relating to budget were included in the agenda and the regular items of compliance and performance were not included in the agenda. The same will be placed before the Board in next meeting. The Financial Advisor however insisted that in the absence of compliance report confirmation of minutes would not be meaningful. **The Board decided to confirm the minutes of 80th BOT meeting in respect of all agenda items except items of the minutes where compliance was not reported which may be taken up in the next BOT meeting.**

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Agenda Item No.2

**TO CONSIDER & APPROVE THE AUDITED ANNUAL
ACCOUNTS FOR THE YEAR 2006-2007**

13. The Secretary Board while presenting the Annual Accounts for the financial year 2007-2008 (Revised) and for the financial year 2008-2009 (Proposed) informed that Audit Committee in its 12th Audit Committee meeting held on 21st May, 2008 had already considered the Annual Accounts and after due deliberation recommended its approval. The minutes of the 12th Audit Committee were also circulated in the meeting.

14. While considering the Audited Annual Accounts the Board agreed with the following recommendation of the Audit Committee.

1. Internal Audit need to be strengthened to improve the working of the institution.
2. The Role of M&E also need to be improved and a system of periodical reporting to Chairman is to be evolved to stream line the monitoring and evaluation.
3. In view of new developments, Operational Manual of the Institution needs to be up dated

15. After going through the minutes and due deliberations, the Board approved the audited annual accounts of the Institution, FRIMACO and consolidated annual accounts of EOBI and its subsidiary PRIMACO for the financial year 2006-2007. The Board further directed the EOBI Management to bring before the Board in its next meeting the action to be taken on the observations/ recommendations of the Auditor mentioned in Para-14 above.

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16. The Board also ratified the following items as desired by the statutory auditors:-

ITEMS	AMOUNT (Rupees in Thousand)
Fixed Assets	
Addition to fixed assets	20,003
Transfer of capital work in progress to investment properties	592,057
Transfer of capital work in progress to other assets	2,426
Disposal of fixed assets	31,977
Employees Transactions	
Amount provided for employees pension	36,707
Amount provided for gratuity	1,536
Amount provided for post employment medical care	51,690
Amount reversed for excess provision made of long term compensated absences	(283)

Agenda Item No.3

**TO CONSIDER & APPROVE THE APPOINTMENT OF
EXTERNAL AUDITORS FOR THE FINANCIAL YEAR 2007-2008.**

17. The Secretary Board informed that appointment of the External Auditors was also discussed in 12th Audit Committee meeting. The committee after due deliberation recommended the appointment of M/s Avais Haider Liaquat Noman Chartered Accountants to audit accounts of the institution, EOBI Pension Fund Trust, EOBI Contributory Fund Trust, and PRIMACO for the financial year 2007-2008 on the following professional charges.


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(Rupees in thousands)

S. No.	Particulars	Fee Proposed for 2007-08
A.	<i>Audit of the Institution's accounts (Separate & Consolidate) for 2007-08</i>	
i)	Professional Fee	500,000
ii)	Charges for visit of offices outside Karachi <i>Sub-Total "A"</i>	At actual subject to maximum of Rs.55.000/=
		<u>55,000</u>
		555,000
B.	<i>Audit of EOBI Employees Pension Fund A/C. for 2007-08</i>	28,000
C.	<i>Audit of EOBI Employees Provident Fund Trust A/c. for 2007-08</i>	27,000
	<i>Total A+B+C</i>	610,000
D.	<i>Audit of the PRIMACO's A/c for 2007-08</i>	82,000
	<i>Total A+B+C+D</i>	692,000
E.	<i>Out of Pocket Expenses</i>	At actual subject to maximum of Rs.64,000
		<u>64,000</u>
	GRAND TOTAL (A to E)	756,000

18. The Board approved the appointment of M/s Avais Haider Liaquat Noman Chartered Accountants to audit accounts of the Institution, EOBI Employees Pension Fund Trust, EOBI Employees Contributory Fund Trust, and PRIMACO for the financial year 2007-2008 on the remuneral of Rs.756,000/-, as detailed above.

Agenda Item No. 4

TO CONSIDER AND APPROVE REVISED BUDGET ESTIMATES FOR 2007-2008 & PROPOSED BUDGET FOR 2008-2009

19. The Secretary Board requested Mr. Munawar Opel, FA/DG(F&A) to brief the members of the Board on the issue, he while briefing about the budget estimates for the financial year 2007-2008 (Revised) and for the financial year 2008-2009 (Proposed) explained major items of the budget estimates and informed the Board that the budget has been prepared after the in put from all major departments as well as EOBI's wholly owned subsidiary PRIMACO Private Limited. He further informed that it has been

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Assistant Chief
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viewed in detail in meetings, presided over by the Chairman EOBI prior to its presentation before the Audit Committee and the Board of Trustees.

20. While reviewing the contribution collection estimates of Rs.7,152 million for the year 2008-2009, Mr. Shahrukh Nusrat, Joint Secretary, Labour MOL observed that the target fixed for the contribution for the financial year 2008-09 was far below the achievable target, while supporting his contention, he mentioned that both the amount of contribution and the coverage of the scheme have been expanded hence the contribution target proposed by the institution for the year 2008-09 was at least Rs. 2 billion less than the realistic estimates. **The Board after due deliberation decided to enhance the contribution target for the year 2008-2009 to Rs. 8 Billion.**

21. The Board discussing the process of Data building observed that data is basic requirement and institution should accomplish the task without further delay. The DDG (B&C) mentioning the practical problems in up dating the Data suggested that the task might be out sourced to some outside agency having expertise of the same. He also apprised the Board about the negotiations carried out with NADRA which were not finalized due to excessive service charges demanded by the NADRA for the respective assignment. The matter was also discussed in 13th Audit Committee meeting and committee was of the view that institution may engage NADRA for the same. **The Board after due deliberation advised management to contact NADRA for accomplishing the task and directed B&C Department to come up with a comprehensive working paper in the next BOT Meeting.**

22. While discussing the arrears, Board expressed its concern over the huge amount outstanding as arrears. The President Board emphasizing the role of employees representatives of the Board (labour leaders) desired that they must use their good offices to motivate employers to pay their dues at the earliest, as they were enjoying good relations with the employers of their jurisdiction. The President BOT also directed B&C department to direct their field officers to render all possible assistance to employees' representative in accomplishing their task to mobilize the employer's community in the areas of their influence.

M. A. Khan
President
Board of Trustees
Employees' Labour Union, Ministry of Labour
& Overseas Pakistanis
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