



Secretary Board of Trustees

## BOARD SECRETARIAT

HEAD OFFICE, MAIN GPO BUILDING  
ILLCHUNDRIGAR ROAD, KARACHI.

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Ref: HO/BS/85<sup>th</sup> BOT Mtng/2009/ 23

Dated: 02-12-2009

### ALL DEPARTMENTAL HEADS.

Subject: APPROVED MINUTES OF 86<sup>th</sup> MEETING OF BOARD OF TRUSTEES, EOBI HELD ON 26-10-2009 AT KARACHI.

Kindly find enclosed herewith a copy of minutes of 86<sup>th</sup> BOT Meeting held on 26<sup>th</sup> October, 2009 at EOBI Head Office, Karachi duly approved by the President BOT, EOBI/Secretary M/o L&M, Islamabad vide his letter No.1(4)/2009-EOBI dated 14-11-2009 for your perusal please.

2. You are requested kindly to send your compliance report on the decisions of the Board pertaining to your department to the undersigned latest by 12<sup>th</sup> December, 2009 so that a consolidated report could be submitted to the Chairman for his perusal.

(Mushtaq Ahmed Sammo)  
Secretary BOT, EOBI.

Encl: As above.

c.c. to:

1. SO to Chairman,
2. PS to FA/DG (F&A),
3. SO to DG (Ops),
4. Office file.

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**MINUTES OF THE 86<sup>th</sup> MEETING OF BOARD OF TRUSTEES OF  
EOBI HELD ON 26-10-2009 AT KARACHI.**

The 86<sup>th</sup> meeting of the Board of Trustees of EOBI was held at 10:30 P.M. on 26<sup>th</sup> October, 2009 in the Board Room of EOBI, Head Office Karachi, to consider the following agenda:-


S. #	Agenda Items
01.	To consider the confirmation of minutes of 85 <sup>th</sup> meeting of the Board of Trustees.
02.	To consider the on-going implementation progress of the decisions of last four BOT meetings (from 80 <sup>th</sup> to 84 <sup>th</sup> ).
03.	To consider performance of the Institution and minutes of 130 <sup>th</sup> to 134 <sup>th</sup> meetings of Investment Committee along with comments of the Audit Department.
04	To consider and approve the policy formulation for private sector purchase & collaboration with private sector in Real Estate (purchase of Intercontinental Hotel Islamabad).
05	To consider and approve the revised budgetary provisions and extension in time as recommended by NESPAK for the under construction EOBI office project at G-10/4 Mauve Area Islamabad.
06	To consider and approve the proposal for increase in pension of insured persons
07	To consider and approve the seventh Statutory Actuarial Valuation of EOB Fund as on 30-06-2009.
08	To consider and approve the extension of service contract of Mr. Ayaz Ahmed Project Director (I.T).
09	To consider and approve the proposal to revise the mode of induction in grade of DDG (Operation Cadre) as 100% by promotion.

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Assistant Chief  
Ministry of Labour & Manpower  
Government of Pakistan  
Islamabad

2. The meeting was presided over by the Secretary Labour & Manpower. The following attended the meeting:-

1. Mr. Nayyar Hasnain Haider  
Federal Secretary Labour & Manpower President BOT
2. Mr. M. Asadullah Sheikh  
Chairman, EOBI Member BOT
3. Mr. Shahrulh Nusrat  
Joint Secretary, Labour & Manpower Member BOT
4. Mr. Tahawar Ahmed  
Financial Advisor, Labour & Manpower Member BOT
5. Mr. Umer Khan Babar  
Secretary, Labour, Balochistan Member BOT
6. Mr. Alam Din Bullo  
Secretary, Labour, Sindh Member BOT
7. Mr. Altaf Ezid Khan  
Secretary, Labour, Punjab Member BOT
8. Mr. Habibuden Junaidi  
Employees' representative (Sindh) Member BOT
9. Malik Imtiaz Mehfooz  
Employees' representative (Balochistan) Member BOT
10. Syed Inran Ali Shah  
Employees' representative (Punjab) Member BOT
11. Mr. Gul Rehman  
Employees' representative (NWFP) Member BOT
12. Mr. Muhammad Iqbal Dawood  
Employers' representative (Sindh) Member BOT
13. Mr. Ejaz Qayum Butt  
Employers' representative (Punjab) Member BOT
14. Syed Iqbal Shah  
Employers' representative (Balochistan) Member BOT
15. Malik Zahid Hussain  
Employers' representative (NWFP) Member BOT

  
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(Islamabad)

3. Secretary Labour NWFP could not attend the meeting. The meeting commenced with recitation from Holy Quran. Thereafter Secretary, BOT started the proceedings with the permission of the Chair, as per Agenda:-

**AGENDA ITEM NO. 1.**

**To consider the confirmation of the minutes of 85<sup>th</sup> meeting of Board of Trustees.**


4. Secretary, BOT informed that minutes of the 85<sup>th</sup> BOT meeting were under the process of approval, therefore the same could not be circulated amongst the BOT members prior to the 86<sup>th</sup> meeting. He requested President, BOT that since minutes have not been circulated therefore, if the President, BOT may please to agree, the confirmation of 85<sup>th</sup> meeting's minutes may accordingly be deferred. The Chairman EOBI however suggested that members had already been aware of the deliberations of 85<sup>th</sup> BOT meeting and the contents of the minutes were known to them therefore if members like to register objections or observations their views may be recorded in the meeting and confirmation of 85<sup>th</sup> BOT meeting's minutes could be made in the next meeting. The members however were of the opinion that without having approved minutes before them it would not be possible for them to raise any appropriate objection or to comment on the minutes. They thus also suggested deferring the confirmation.

5. The President, BOT thereupon deferred the confirmation of 85<sup>th</sup> BOT meeting's minutes.

**AGENDA ITEM NO. 2.**

**To consider the on-going implementation progress of the decisions of last four BOT meetings (from 80<sup>th</sup> to 84<sup>th</sup>).**

6. The Secretary, BOT while apprising the members about the item informed that on the advice of the then President, BOT, it was decided that besides the compliance of last BOT meeting's decisions, the progress on previous meetings decisions were also to be reported, to ensure the compliance of BOT decisions. Accordingly progress of all the decisions of last BOT meetings were being reported thereof in BOT meetings. Later on due to the volume of reports, it was considered in 82<sup>nd</sup> BOT meeting that only those decisions of last five meeting would be reported which have not been complied with or where compliance were in progress. Therefore progress of 80<sup>th</sup> to 84<sup>th</sup> meeting was included in this item.

  
MUSHTAQ AHMED SAMMO  
Assistant Secretary  
Ministry of Labour  
Government of NWFP  
Islamabad

7. While reporting the progress of under process decisions of 80<sup>th</sup> to 84<sup>th</sup> meeting he briefed that in respect of data cleansing, Institution had accomplished the given task and all the required data of employers' and Insured Persons had accordingly been cleansed. He however clarified that since the process was a continuous one therefore ongoing progress shall accordingly be intimated in future meetings. As regards, the reconciliation, he explained that since it was also an ongoing process, it can not be considered as fully complied with, thus it was reported as under process. He further informed that the reconciliation of most of the record in respect of HBL, UBL, and National Bank had already been complied with. Further progress in this respect will accordingly be reported.

8. Syed Inran Ali Shah employee's representative (Punjab) pointed out that there were reports about the issuance of fake pensions from UBL Bank. He also mentioned that it has already been pointed out by the Internal Audit Department of the Institution but matter has yet not been clarified. He claimed that reconciliation with other banks had also not properly been completed. On account of his observations Head of Reconciliation Department Mr. Zamir Ahmed and DG (Ops) Mr. Muhammad Hanif Balouch were called to clarify the position. The DG (Ops) clarified that most of the given task had been completed however due to the practical problems from some banks the task was yet not fully completed. He further stated that they were trying their best to reconcile but the attitude of National Banks in this respect was not helpful, despite their repeated requests Bank failed to reconcile the amount deposited in the bank by different employers as contributions of their employees and the amount of pension disbursed by the Bank to EOBI pensioners. The Chairman, EOBI endorsing the same stated that Institution had already stopped service charges to National Bank as a protest to their behaviour. Moreover the then President, BOT had also written a letter to the President of National Bank but all went in vain. The Financial Adviser Ministry of Labour suggested that copies of such letters may also be forwarded to the Finance Division, so that they may also use their good offices to pursue the case of EOBI and to press the bank for compliance.

9. As regards to fake pensions allowed by UBL DG (Ops) informed that matter was under the active consideration of the Institution and efforts had already been taken to avert such situation in future. The President BOT while expressing his displeasure over the issue observed that such matters need to be arrested without delay.

10. The Board after due deliberation decided and directed that the matter of fake pension allowed by UBL and other banks should immediately be placed before the Audit Committee, which will ascertain the factual position and also to fix responsibility. The TOR of the committee in this respect are as under:-

- How many cases of fake pension have been identified by the institution till date.
- What action has been taken by the institution, in this respect?
- What is the prescribed procedure to grant pension and how to reconcile the same with banks?
- How many mismatch cases have been identified?
- How come pension for the year 2006 had been allowed by the bank in the year 2005?

  
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- How to check the fake pension allowed by any bank.
- Committee was directed categorically to ascertain as to whether any person(s) was /were involved or there were problem(s) in the system or the bank(s) was /were responsible for the same.

11. The Board further directed that the meeting of Audit Committee should be convened in the month of November. All relevant record be provided to the committee by concerned departments, so that committee may examine the same and after due deliberations come up with recommendation, which shall be placed before the next BOT meeting.

12. As regards to the decisions of 80<sup>th</sup> BOT meeting for incorporating BOT decisions into respective rules /regulations, Secretary BOT informed that the then President BOT was of the opinion that institution brings working papers on the basis of regulations as well as on practices, which were either institution practices or decision of the Board but the same were not included in the respective regulation therefore have no local standi . he therefore desired that all BOT decisions should accordingly be incorporated into regulations and rules wherever it were necessary to do so. Secretary BOT further briefed that in accordance with the directions, he examined all BOT meetings from meeting No. 1<sup>st</sup>, to 78<sup>th</sup> meeting and collected/complied all relevant decisions, which pertained to HR issues, service matters or needed to be included into EOBI (Employees Service) Regulation 1980 or EOB Rules. After detailed evaluation three (3) lists were prepared one contained decisions ready to be incorporated, the second list contained those decisions which required modification or amendment and the third list contained decisions not to be incorporated. All three lists along with detailed explanation were placed before the Board in 80<sup>th</sup> BOT meeting. The President, BOT while appreciating the efforts desired that the recent restructuring of the Institution involved modification, amendments in the existing regulations therefore it would be more appropriate if the same should also be incorporated. Since than the same has yet not been placed before the Board. The Secretary, BOT requested that if allowed a presentation on regulations may be made in the next BOT meeting.

13. The President BOT however observed that the assignment of modification / amendments in Rules, Regulations is very professional and pains taking assignment. Therefore it requires proper evaluation. Simple presentation would not fulfill the requirements. He therefore suggested that a comprehensive presentation prior to Board be given to HR Committee which should thoroughly examine and evaluate the same and thereafter place before the Board.

14. While discussing the ongoing progress in respect of 81<sup>st</sup>, 82<sup>nd</sup> and 83<sup>rd</sup> BOT meetings Board decided as under:-

  
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- Convener of provincial de-registration committees shall convene their meetings at earliest so that the process of de-registration of closed units may be finalized at earliest. The Institution shall issue letter to all concerned authorities to facilitate committees in convening their meetings. Conveners were required to submit periodical reports to the President, BOT through Secretary, BOT.
- Whenever convener of any Board committee desires to convene a meeting, he shall intimate Secretary, BOT about the same by mentioning the issues or the agenda of the meeting so that arrangement could be made in a prescribed manner.

**AGENDA ITEM NO. 3.**

To consider the performance of the Institution and minutes of the 130<sup>th</sup> to 134<sup>th</sup> meetings of Investment Committee along with comments of the Audit Department.

15. Secretary, BOT informed that item contained performance reports of B&C and Investment Departments besides minutes of 130<sup>th</sup> to 134<sup>th</sup> meetings of Investment Committee along with Internal Audit Department's comments. He while explaining the practice informed that previously only the minutes of Investment Committee used to be included in the agenda for the purpose of information of the Board members. Thereafter on the advice of the then President, BOT comments of the Audit on these minutes were also included. Recently it was further decided by the Board that the minutes of the Investment Committee and the comments of the Internal Audit Department should be evaluated by the Audit Committee and thereafter with their recommendations placed before the Board.

16. The President, BOT was of the opinion that as a matter of principal, the practice appeared to be unjustified. Minutes of a committee should not be examined by the other committee. This will create conflict of interest. He therefore suggested that the practice should be discontinued and minutes of the Investment Committee along with Audit Comments be directly placed before the Board. Mr. Muhammad Iqbal Dawood employers' representative (Sindh) observed that discontinuation of old practice without the approval of the Board appeared, not advisable. He therefore suggested that it would be appropriate if the proposal to discontinue the practice be placed before the Board in the next BOT meeting and after deliberation, decision may be made accordingly.

17. The Board agreed and decided to place the proposal to discontinue the practice of evaluating minutes of a committee by other committee before the next BOT meeting for consideration and approval.

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**AGENDA ITEM NO. 4.**

To consider and approve the policy formulation for private sector purchase & collaboration with private sector in Real Estate (purchase of Intercontinental Hotel Islamabad).

18. The Secretary, BOT informed that sponsors of Intercontinental Hotel offered their under construction property at Atta Turk Avenue in F-5/1, Islamabad for sale. The proposal was brought before the Board in its 83<sup>rd</sup> meeting held on 27<sup>th</sup> March 2009. It was informed that Board of Directors (BOD) of PIRMACO had decided to appoint a consultant for comprehensive due diligence of the proposed transaction. Accordingly after the approval of the BOT M/s Anjum Asim Shahid Rehman Chartered Accountants along with M/s Hanian Kazmi (legal), M/s National Project Management (Technical) were selected as the consortium to carry out the due diligence of the project. In the mean time stories of corruption / malpractices appeared in selected section of press, thereupon matter was discussed in Public Accounts Committee of National Assembly, on 2<sup>nd</sup> October, 2009. The Institution presented a comprehensive clarification and explained before the Honourable Committee the entire process from receiving the offer to the selection of the consultant for the project. The committee was also apprised with the routine practice and procedure and categorically informed that as per standard practice institution used to deal only with government, semi government and autonomous bodies and always avoid dealing with private organizations. The Honourable members of the committee (PAC) observed that FOBI should continue the practice of purchasing land or making investment in Real Estate Project, which was only owned by government(s) or autonomous bodies.

19. The President, BOT further clarified that the practice was not supported by any written policy or Board decision. There was no written guideline available to the institution. The Chairman, FOBI asserted that under the circumstances, it seems imperative that institution must have a written guideline or decision of the Board, in support of the practice. He therefore requested Board to issue a guideline in this regard and further requested to drop the proposal of the purchase of Intercontinental Hotel in the light of PAC observations.

20. After due deliberations Board decided that in the light of previous practices and the decision of the Public Accounts Committee (PAC) Institution should continue with the same practice to avoid purchasing land/ plot from private parties. Board also decided to drop the proposal of the purchase of Intercontinental Hotel, Islamabad.

  
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Government of Pakistan  
Islamabad



## AGENDA ITEM NO. 5.

To consider and approve the revised budgetary provisions and extension in time as recommended by NESPAK for the under construction EOBI office project at G-10/4 Mauve Area, Islamabad.

21. The Chief Executive Officer (CEO), PRIMACO was invited to brief the Board. He while briefing the Board about the need of escalation in budgetary provision informed that there was a provision in the agreement which allowed 10 % escalation and the same had already been exhausted against payments up to 13<sup>th</sup> bills. Therefore management was compelled to request for further escalation in budgetary provision. He clarified that there were three main reasons for the escalation:-

- The additional requirements of building /structure as the code of structure had been changed which created due changes in the material, service/ labour charges, and other related purchases.
- The unprecedented increase in prices of the deformed steel bars, cement, and other related material.
- The additional consultancy charges for additional work.

22. He explained all these reasons and provided point to point details and calculations for escalations as under:-

### **SUMMARY OF REVISED COST ESTIMATES**

S. No.	Description	Original Estimate (Rs. in Million)	Revised Estimate (Rs. in Million)	Difference (%)
1	Civil, Electrical, Plumbing & DG Set (Awarded)	397.70	382.868	-3.39%
A	Variation		69.94	11.44%
B	Escalation	39.77	78.88	13.48%
	Sub Total 1	437.47	531.694	21.54%
2	HVAC	83.07	185.52 (159.5)	133.37%
3	Lift (Awarded)	33.00	26.46	-19.83%
4	Sprinkler System	0.00	9.18	100%
	Sub Total 2	116.07	221.16	90.54%
	Total (A + 1 + 2)	553.54	752.854	36.01%
5	Contingencies (3%)	15.10	18.05	19.5%
6	Agency Fee (10%)	50.32	50.32	0.00%
7	Consultancy Fee (5%)	25.16	31.57	33.42%
	Sub Total 3	90.58	101.94	12.54%
	Grand Total (A + 3)	644.12	854.84	32.71%

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23. He also explained the reason for claiming extension of time and provided the calculations made by the contractor on account of the following reasons:-

- Late possession of plot
- Adverse climate conditions
- Escalation in prices
- Delay in payment
- Security issues

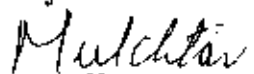
24. He further informed that the claim had thoroughly been deliberated in consultation with NESPAK and after detailed evaluation following has been recommended:-

**TOTAL RECOMMENDED EXTENSION IN COMPLETION TIME**

S.No.	Reasons / Justification	Delay (No. of days)
a.	Late possession of plot	60
b.	Adverse Climatic Conditions	64
c.	Escalation in prices	0
d.	Delay in payments	90
e.	Security issues	53
	<b>TOTAL</b>	<b>267</b>

25. The Financial Adviser while discussing the issue pointed out that escalation can not be claimed before completion of the project as required by standard procedures therefore there was no justification for the proposed escalation. He referring the briefing pointed out that escalation has been claimed due to change in structure which according to the Rules and Regulation can not allowed without the concurrence of Planning & Development Division therefore escalation claimed by the PRIMACO was not admissible, as per the rules of Finance Division. He further asserted that PC-1 was basic requirement whenever structure has been changed hence without proper PC-1 claim for escalation was not advisable. He insisted that matter may be referred to the Finance Division.

- Board after due deliberation decided and allowed extension in completion time and directed that project should be completed latest by 30<sup>th</sup> June, 2010.
- Board also allowed revised budget provision of Rs.854.80 million against the original budget of Rs.645 million.
- The above escalation is allowed subject to proper submission of PC-1 by the Institution in the next Board meeting.
- Secretary BOT was directed to verify as to whether PC-1 is required as pointed out by the Financial Adviser Ministry of Labour Manpower and submit report directly to the President BOT.

  
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## AGENDA ITEM NO. 6.

To consider and approve the proposal for increase in pension of Insured Persons.

26. Secretary, BOT apprised the Board members that in 84<sup>th</sup> BOT meeting a committee was constituted to review the proposal presented by Mr. Gul Rehman employees' representative (NWFP) for increase in EOBI pension. The convener of the committee was Secretary, Labour (Punjab) who could not convene the meeting due to his engagement in staff college course, therefore with the permission of the President, BOT, the convener-ship of the committee was replaced by Secretary, Labour (Sindh) and he was asked to convene the committee. Accordingly committee met on 12<sup>th</sup> October, 2009 at EOBI Head, Office Karachi and following attended:-

- |   |                |
|---|----------------|
| 1. Mr. Allamdin Bullo<br>Secretary, Labour (Sindh)            | Convener       |
| 2. Mr. Gul Rehman<br>Employees Representative (NWFP)          | Member         |
| 3. Syed Iqbal Shah<br>Employees Representative (Balouchistan) | Member         |
| 4. Mr. Muhammad Hanif Balouch<br>DG (Operation)               | Member         |
| 5. Mr. Mushtaq Ahmed Sammo                                    | Secretary, BOT |

27. The convener of the committee /Secretary Labour Sindh was invited to apprise the Board about the deliberation and to present the recommendation of the committee before the Board. He while apprising the Board informed that DG (Ops) briefed that rapid changes took place in the benefits during the last few years. Minimum pension was increased from Rs.1300 per month to Rs.1500 per month and to Rs.2000 per month in July, 2007 and 2008, respectively. Other pensions were also increased by the 15% in 2007 and 2008 in July 2007. Minimum wages were also increased from Rs.4000 per month to Rs.4600 per month whereas the rate of contribution remained the same i.e. 6% by employer and 1% by employee. Later on in July 2008, the minimum wage was increased to Rs.6000 per month and contribution rates were slashed by 1% i.e. 5% by employer and 1% by employee. DG (Ops) also provided a summary of contribution collections, investment income, benefits payment and administrative expenses before the committee. He then informed the committee that inflation during 2008-09 had been very high and there has been step fall in the market value of equities, general recession and economic slow down which resulted fall in the value of equities. Accordingly EOBI Fund had been adversely affected. The Actuary M/s Akhtar & Hasan Private Limited, Karachi was consulted, as directed by the Board and DG(Ops) provided the summary of his findings and recommendations worked out on the impact of proposed increase of 20% in EOBI pension as under:-

  
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Scheme	Inflation Assumption	Year in which the Fund will start depleting	Year in which the Fund will be totally wiped out
No Pension increase in 2009	Moderate	2019-20	2026-27
No Pension increase in 2009	Low	2017-18	2027-28
No Pension increase in 2009	High	2019-20	2025-26
20% Pension increase in 2009	Moderate	2017-18	2025-26
20% Pension increase in 2009	Low	2016-17	2026-27
20% Pension increase in 2009	High	2017-18	2023-24

28. The convener further informed that during the course of meeting Mr. Gul Rehman employees representative (NWFP) was of the view that the present pension of Rs.2000/- was too low even for a family of two members, which could not meet the basic food requirements out of this, as such the pension must be increased to Rs.4000/- per month from July 2009. He also suggested that a special committee be constituted which may approach the President of Pakistan and pursue him to allow the increase in EOBI pension. The convener thereafter presented the following recommendations of the committee before the Board:-

- EOBI pension may be increased by 25% w.e.f. July, 2009
- Government should restore the matching grant as it used to pay before 1995 and should also pay the arrears to restore the viability of EOBI Fund.
- Contribution rates should be revised 7% of the minimum wage (6% by employer + 1% by employee).
- Payment of Contribution should be on minimum wage irrespective of the wages paid to the employee.
- Necessary amendments may be made in the law to make it mandatory for the employer to register his employees with EOBI. It would enhance coverage as well as collection of contribution.

29. The Chairman, EOBI while discussing these recommendations, seconded the observations that most of the employers avoid providing name of their employees and deposit contribution of the establishment without mentioning names of their employees. He therefore suggested that relevant amendments may be made to avoid the bainami contribution by the employer, he in order to improve the same further suggested, that:-

*M. Usman*  
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 Ministry of Labour &  
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- Labour inspection of Factories should be implemented in true spirit of the law.
- No employment is allowed without providing identity card so that proper record of employees could be maintained.

30. Mr. Habibuddin Junaidi employees representative (Sindh) responded the suggestion and shared his experience that most of the establishment had out sourced most of the sections of the establishment to avoid enrolment of permanent employees as such most of the employees in those establishment were on contract basis and whenever any employee desires to contribute voluntarily, he has been terminated. Chairman, EOBI endorsed his view and suggested that security of all such employees is to be protected by modifying the provisions of the law.

31. After due deliberations on the issue, Board approved the following recommendations of the committee and directed to forward the same to the Ministry for further action at their end:-

- EOBI pension may be increased by 25%, w.e.f. July, 2009
- Government should restore the matching grant as it used to pay before 1995 and should also pay the arrears to restore the viability of EOBI Fund.
- Contribution rates should be revised 7% of the minimum wage (6% by employer + 1% by employee).
- Payment of Contribution should be on minimum wage irrespective of the wages paid to the employee.
- Necessary amendments may be made in the law to make it mandatory for the employer to register his employees with EOBI. It would enhance coverage as well as collection of contribution.

**AGENDA ITEM NO. 7.**

To consider and approve the seventh Statutory Actuarial Valuation of EOBI Fund as on 30-06-2009.

32. Secretary BOT informed that institution is under legal obligation to carry out Actuarial Valuation of EOBI Fund, after every three years, as required under section 21 of the EOBI Act 1976. The Sixth Actuarial Valuation was carried out on 30<sup>th</sup> June 2006 and the seventh Statutory Actuarial Valuation was due. The last Statutory Actuarial Valuation was carried out by M/s Akhtar & Hasan Private Limited, which was awarded by the Board in its 77<sup>th</sup> BOT meeting held on 16<sup>th</sup> & 17 January, 2007 on Rs.765,000/-.

33. He further informed that according to laid down procedure bids were called from four (4) renowned firms, out of which following three firms provided bids:-

- 1) M/s Akhtar & Hasan Private Limited, Karachi

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- 2) M/s Sidat Haider Murshid Private Limited, Karachi
- 3) M/s Noman Associate Lahore

34. Two tiers bidding process was adopted for evaluation of bids in terms of technical and financial. Technical bids allotted sixty and financial forty weightage points. After evaluation M/s Sidat Murshid Haider Associates Private Limited Karachi secured highest 89 points and it was declared as highest bidder. Board was therefore requested to consider and approve the award in favour of M/s Sidat Murshid Haider Associates Private Limited, Karachi.

35. Board decided to approve the award of seventh Actuarial Study of EOB Fund as on 30<sup>th</sup> June, 2009 to M/s Sidat Murshid Haider Associates Private Limited, Karachi for coated price of Rs.765,000/- (Rupees seven hundred sixty five thousand only).

**AGENDA ITEM NO. 8.**

To consider and approve the extension of service contract of Mr. Ayaz Ahmed Project Director (I.T).

36. Board was informed that in 74<sup>th</sup> BOT meeting, the appointment of Project Director was approved on a consolidated monthly salary of Rs.150,000/(One lac fifty thousand) for a period of two years. Primarily Mr. Haider Raza was appointed as Project Director but he could not continue with the institution, due to his personal reasons therefore in his place Mr. Ayaz Ahmed was appointed as Project Director on a consolidated salary of Rs.120,000/(One lac twenty thousand) for a period of one year from 1<sup>st</sup> October 2007. The period of contract was extended for another year which had expired on 30<sup>th</sup> September, 2009. The Board was therefore requested to allow extension in the contract period upto 31<sup>st</sup> July, 2010, with an increase of Rs.20,000/ per month in his salary.

37. The President BOT while considering the request for extension of period along with increase in pay package directed that a comprehensive briefing shall be provided in the next BOT meeting on I.T project, achievement during the period and future plans.

38. Board allowed the extension of service contract of Mr. Ayaz Ahmed Project Director (I.T) from 1<sup>st</sup> October, 2009 to 31<sup>st</sup> July 2010 on a consolidated monthly salary of Rs.140,000 (one lac forty thousand). The other terms and condition of the appointment remained the same.

**AGENDA ITEM NO. 8.**

To consider and approve the proposal to revise the mode of induction in grade of DDG (Operation Cadre) as 100% by promotion.

39. Management withdrew the proposal.

**THE MEETING ENDED WITH VOTE OF THANKS TO THE CHAIR.**



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Ministry of Labour & Manpower  
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Islamabad

## MEMORANDUM OF UNDERSTANDING (MOU)

THIS Memorandum of Understanding (MOU) is entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

**BETWEEN** on the one hand:

"Pakistan Real Estate Investment and Management Company (Pvt) Ltd" (PRIMACO) (a wholly owned Subsidiary of EOBI) having registered office at 3<sup>rd</sup> Floor, EOBI House (Former Awami Markaz), Sharha-e-Faisal, Karachi.  
AND on the other:

"Defence Housing Authority, Lahore" (DHA, Lahore), having its registered office at commercial Sector "Y" Phase III, Defense Housing Authority, Lahore Cantt. duly established under the laws of the Islamic Republic of Pakistan through DHA Order No. 26, dated September 19<sup>th</sup>, 2009 acting through its Administrator, who is duly authorized in this behalf by its Executive Board (hereinafter referred to as "DHA" whose expression shall where the context so permits, mean and include it as nominees, assigns, executors, heirs, successors in inters and permitted assigns)

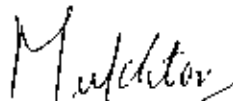
### INTENDED PURPOSE

The intended purpose of this MOU is to establish common intention of the PRIMACO and DHA, Lahore to work together for the development of the defined land, limited to construction of buildings, of internal infrastructure and O&M of certain projects like hotels, schools etc.

### PROPOSED TRANSACTIONS

In pursuance of the intended Purpose described as above, the PRIMACO and DHA, Lahore have agreed to the following proposed transactions:

1. To assess the viability to form a joint venture Project between PRIMACO and DHA, Lahore for the development of defined real estate, piece of land or plot number at \_\_\_\_\_
2. Property in the form of land as mentioned above, to be evaluated by a third party (State Bank evaluators (of good repute) at the time of JV signing, which will be further discounted if external infrastructure has not yet been developed.
3. subject to the viability of such scheme, whose viability shall be agreed by both the parties through a legally binding JV Agreement, from a joint venture/construction as intended above, conforming following board principles:-
  - a. DHA, Lahore to contribute capital in the form of land only, after third party evaluation, and PRIMACO to contribute all finances for construction, internal infrastructure development and Marketing etc thereof.
  - b. Land to be provided by DHA, should be free of all encumbrances with complete developed external infrastructure, limited for the project/JV.
  - c. Working capital from PRIMACO shall include, cost of marketing, cost of management, and cost of construction and O&M charges, which will form part of PRIMACO equity.



**MUKHTAR**  
Assistant Chief  
Ministry of Labour & Manpower  
Government of Pakistan  
Islamabad

## RESPONSIBILITIES:

### 1. DHA LAHORE:

- a. Contribute land for the joint venture / Project.
- b. Provision of all necessary approvals to be given by DHA Lahore and from third parties, if any, for the JV project.
- c. The sale and transactions of any part of the developed property would be done by PRIMACO and DHA would be bound to issue allotment letters accordingly under JV agreed insignia.
- d. DHA will transfer the land, either in the name of PRIMACO or in the name of JV Company.

### 2. PRIMACO:

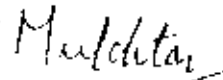
- a. Contribute finances to the joint venture for the internal infrastructure development, of defined land, meant for the JV.
- b. Enter into firming of agreement with O&M operator
- c. Select and run tax efficient Special Purpose Vehicle (SPV) for the construction, development and marketing of the Project(s).
- d. Provide project management services during and after the development of land. Contribute in Marketing & sale of the commercial spaces.
- e. Enter into firming up agreements through the SPV with O&M operator, constructors, Management Team and all other involved till the completion of the project(s)
- f. PRIMACO while firming up the development project will ensure that IRR of the project commensurate with the rate of return determined by actuarial evaluation for viability of EOBI fund.
- g. PRIMACO after finalizing the JV agreement will obtain the approval of BOT of EOBI, till then that agreement will not be considered legal binding on the parties.

## LEGAL STATUS, VALIDITY AND TERMINATION OF MOU

This MOU is not intended to be and shall not be legal binding and shall be valid for 45 days (Validity Period) and shall terminate automatically on the occurrence of either:

- At the end of Validity Period (unless extended by mutual agreement).
- Or
- Upon execution of the JV Agreement.

The Parties signatory hereto mutually agree to this MOU in spirit of cooperation and sincerity and pursuant thereto, will make earnest efforts to enter into a legally binding JV Agreement during the validity period as intended hereinabove, on failing which this MOU is null and void.

  
**MUKHTAR**  
Assistant Chief  
Ministry of Labour & Manpower  
Government of Pakistan  
Islamabad



IN WRITTEN WHEREOF, both parties have signed this MOU in duplicate on the date first written above, and each Party shall retain one signed original.

For and on behalf of PRIMACO

For and on behalf of DHA, Lahore

Signature

Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

In presence of

**WITNESS:**

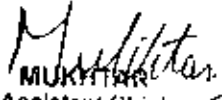
Signature

**WITNESS**

Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

  
MUKHTAR  
Assistant Chief  
Ministry of Labour & Manpower  
Government of Pakistan  
Islamabad