

**MINUTES OF THE 89th MEETING OF BOARD OF TRUSTEES
OF EOBI HELD ON 04-02-2010 AT KARACHI.**


The 89th meeting of the Board of Trustees of EOBI was held at 10:00 a.m on 4th February, 2010 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 87 th meeting of Board of Trustees.
02.	To consider the on-going implementation progress of decisions of last three BOT meetings (From 84 th to 86 th).
03.	To consider performance of the institution and minutes of 135 th to 138 th meetings of investment committee with comments of Internal Audit Department.
04	To consider the concept paper for extending social security/EOBI Benefits Coverage in Pakistan
05	To consider and approve the proposal of Direct-To-Home Services.
06	To consider and approve Re-structuring of the Employees' Old-Age Benefits Institution.
07	Any-other item with permission of the Chair

2. The meeting was presided over by the Secretary Labour & Manpower.

The following attended the meeting:-

- | | | |
|----|--|----------------|
| 1. | Mr. Tariq Iqbal Puri
Federal Secretary, M/o Labour & Manpower | President, BOT |
| 2. | Mr. Zafar Iqbal Gondal
Chairman, EOBI | Member, BOT |
| 3. | Mr. Shahrukh Nusrat
Joint Secretary, M/o Labour & Manpower | Member, BOT |
| 6. | Mr. Alam Din Bullo
Secretary, Labour, Sindh | Member, BOT |


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

89th BOT

- | | | |
|-----|---|----------------|
| 7. | Mr. Habibuddin Junaidi
Employees' representative (Sindh) | Member, BOT |
| 8. | Malik Imtiaz Mehfooz
Employees' representative (Balochistan) | Member, BOT |
| 9. | Syed Imran Ali Shah
Employees' representative (Punjab) | Member, BOT |
| 10. | Mr. Gul Rehman
Employees' representative (Khyber-Pukhtoonkhwah) | Member, BOT |
| 13. | Syed Iqbal Shah
Employers' representative (Balochistan) | Member, BOT |
| 14. | Malik Zahid Hussain
Employers' representative (Khyber-Pukhtoonkhwah) | Member, BOT |
| 15. | Mr. Iqbal Dawood
Employers' Representative (Sindh) | Member, BOT |
| 16. | Mr. Mushtaq Ahmed Sammo | Secretary, BOT |

AGENDA ITEM NO. 1.

To consider the confirmation of minutes of 87th meeting of Board of Trustees.

3. Secretary, BOT informed that minutes of 87th BOT meeting had already been circulated amongst the members. The President, BOT however invited objections/observations from the members. The Financial Adviser Ministry of Labour & Manpower observed that he had written a letter to the Secretary Board regarding creation of Sahara Insurance Company and the revision of Assets Allocation for the financial year 2009-10. He further observed that EOBI is working under the control of Ministry of Labour & Manpower, therefore needs to obtain prior approval of the Federal Government for creation of Sahara Insurance Company.

4. The President, BOT clarified that there were many steps yet to be taken before the establishment of SAHARA Insurance Company. He further clarified



M. BUKHTAR
 Assistant Chief
 Ministry of Labour & Manpower
 Government of Pakistan
 Islamabad

19th BOT

that Board in its last meeting only decided to carry out feasibility by a consulting firm and no specific decision to establish the company was taken. The President, BOT further clarified that in the same manner DTH proposal was considered by the Board in the last meeting and it was agreed that a fresh advertisement shall be published for inviting better offers, no specific decision to finalize the proposal was taken. Therefore observation of the Financial Adviser was not justified. Mr. Iqbal Dawood, employers' representative, Sindh, however, observed that the proposal of DTH had already been approved in principal by the higher authorities, therefore we should not waste Board's time for discussing the approval of the proposal again and again. Mr. Habibuddin Junaidi employees' representative Sindh observed that he was not in favour of the proposal of DTH. He further observed that EOBI may not indulge in **Direct to Home** business proposal. Syed Imran Ali Shah, employees' representative (Punjab) and Financial Adviser, Ministry of Labour & Manpower also seconded him.

5. Syed Imran Ali Shah, employees' representative (Punjab) observed that in 86th BOT meeting while approving the escalation in the budget for under construction EOBI Head Office project at G-10/4, Mauve area, Islamabad, it was decided that PC-1 shall be prepared for the project. He further observed that it was also decided that PC-1 shall be prepared for all projects, but there was no mention of PC-1 in respect of EOBI Head office, Islamabad Project, in the minutes of the 87th BOT meeting. The President BOT directed that Board's decision need to be implemented in its true spirit and PRIMACO must provide progress report in the next BOT meeting.

6. There being no other observations minutes of 87th BOT meeting were confirmed.


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

AGENDA ITEM NO 2.

To consider the on-going implementation progress of the decisions of last three BOT meetings (From 84th to 86th).

7. Agenda item was deferred

AGENDA ITEM NO 3.

To consider performance of the institution and minutes of 135th to 138th meetings of investment committee with comments of Audit Department.

08. Agenda item was deferred

Agenda Item No. 4

To consider the concept paper for extending social security/EOBI Benefits Coverage in Pakistan

9. Agenda item was deferred

Agenda Item No. 5

To consider and approve the proposal of Direct-To-Home Services.

10. The proposal was first discussed in 86th BOT meeting and Board agreed to appoint a consultant. Accordingly, after observing the prescribed procedure of advertisement etc, offers were invited. In response to it M/s Ahsan Studio a Consultancy Company, came forward. Mr. Ahsan and Mr. Iqbal Latif, Directors of the said Consultancy Company briefed the Board in 89th BOT meeting. The Board after being briefed and having detailed discussions decided, as under:-

- i. To re-advertise the same.
- ii. In the meantime the Institution should apply for the license.

11. Accordingly, an advertisement in the press as well as web site of PPRA and EOBI was given on 15th of January, 2010. In the meantime, the President

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

89th BOT

BOT/ Secretary Labour & Manpower constituted a Committee comprising of the following

- i. Mr. Zafar Iqbal Gondal, Chairman EOBI.
- ii. Mr. Shahrukh Nusrat, Joint Secretary (LW) Ministry of Labour & Manpower.
- iii. FA/DG(F&A) EOBI
- iv. Investment Adviser EOBI (on NMC training)
- v. The committee was assisted by two DTH experts from Pakistan Television Corporation namely Mr. Tariq Saleem and Mr. Tariq Sohail) to open technical and financial bids.


12. In response to this advertisement, eight (8) companies/ individuals submitted their bids. Two of them could not qualify as they did not submit their financial bids and therefore, the following six bidders were short listed by the Committee.

- i. M/s Incarnate consulting
- ii. M/s Indus Bell Technologies
- iii. M/s SBZ Associates
- iv. M/s Team International
- v. M/s Entertainment & Reality TV (EARTH)
- vi. M/s Chatterstorm & Tekwork.

13. The short listed companies were invited to make presentation before the EOBI BOT in its 89th Meeting. M/s Incarnate Consulting and SBZ Associates requested for another date for their presentations due to non-availability of their foreign partners which was allowed by the committee/ Board.

14. The remaining four consulting firms gave presentation to the Board. The Board keenly listened to each firm and made valuable queries which were responded by the respective presenters. The BOT showed interest in following issues:-

- Projected size of investment
- Expected rate of return on projected investment
- Break-even period of projected investment
- Volume of annual income and its impact on viability of EOB Scheme


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

89th BOT

- Future scope of DTH TV services in Pakistan
- Segment of initial targeted customers
- No. of channels available, cost-benefit analysis, service quality, High Definition Channels etc.
- First Mover Advantages
- Expected competitors and chances of survival
- Opportunity to launch own TV Channel (s)
- Opportunities to reach every citizen especially every worker in the country
- Chances of creating new jobs for the countrymen.

15. The President BOT highlighted the importance of the Project declaring it a project of national importance which will create employment opportunities in addition to profits to EOBI. He further said that presently EOBI was getting 10-12.5% income on its deposits in banks against the required return of 20% plus to make it a viable scheme. Further as per actuarial reports the fund would deplete by the year 2018 or so which has put the Institution especially this Board under huge pressure of looking for new and more profitable avenues of investment. DTH therefore is an option wherefrom the expected can be achieved. The members were of the opinion that the presentations were educative and it was need of the hour to invest in any avenue / project which can strengthen the EOB Fund.

16. After through deliberations, the Board decided as under:-

1. The Board agreed to appoint a consultant for preparing feasibility report for launching of DTH Project.
2. The Committee constituted by the President / Secretary, Labour & Manpower may have presentations by the remaining two consulting firms.
3. The Board authorized the said Committee to open financial bids submitted by the consulting firms once all presentations are made before it.


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

89th BOT

- 4. The Board also authorized the said Committee to select/ appoint a Consultant, as per procedure:-

Agenda Item No. 6

To consider and approve Re-structuring of the Employees' Old-Age Benefits Institution.

- 17. Agenda item was deferred

Meeting ended with thanks to the chair

.....

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