

**EMPLOYEES' OLDAGE BENEFITS INSTITUTION,
BOARD SECRETARIAT, HEAD OFFICE, KARACHI.**

Ref: HO/BS/App.Mins/92nd BOT/2010/ 98

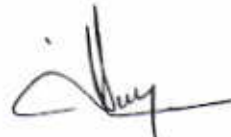
Dated 24-08-2010

All Departmental Heads,
EOBI, Head Office,
Karachi.

SUBJECT: **APPROVED MINUTES OF 92ND BOT MEETINGS.**

Enclosed please find herewith a copy of approved minutes of the 92nd BOT Meeting held on 02-07-2010 held at Islamabad, duly approved by President BOT/Secretary, Ministry of Labour, Manpower & Overseas Pakistanis (Labour & Manpower Division), Islamabad vide their letter: No.1(5)2010/EOBI dated 23-08-2010, for your perusal and record.

2. The compliance report on the decisions of the Board taken in the above meeting, may please be sent to this secretariat latest by 27th August, 2010 positively.


(Mushtaq Ahmed Sammo)
Secretary BOT, EOBI.

Encl: As above.

c.c.to:

1. SO to Chairman for information.
2. PS to DG(F&A) for information.
3. Office file.
4. Master file.

M. Sammo

M. Sammo
21/8/2010

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**Minutes of 92nd meeting of Board of Trustees of EOBI held on
02.07.2010.**

The 92nd meeting of the Board of Trustees of EOBI was held on July 02, 2010 at 10:00 a.m. in the Committee Room of Ministry of Labour & Manpower, Islamabad to consider the following deferred agenda items of 91st BOT meeting:-

1.	Requirements of manpower as per recent re-structuring.
2.	To consider and approve publicity plan for creating awareness amongst masses about EOBI.
3.	Annual audited accounts for the financial year 2008-2009.
4.	Appointment of statutory auditors for the financial year 2009-2010.
5.	Dealing in real estate private v/s public sector (review of BOT decisions taken in 86 th BOT meeting dated 26.10.2009).
6.	Revised budget for 2009-2010 and proposed budget for 2010-2011.
7.	To appraise of State Bank of Pakistan's proposal for setting up "Mortgage Re-finance Company".
8.	Investment in stock market/equity past and future.
9.	Review of BOT decision for establishment of investment and finance company.
10.	(a) <u>Replacement of high operational & maintenance vehicles.</u> (b) Authorization for 2 (two) additional vehicles & upgradation of six vehicles for EOBI.
11.	Any other item with the permission of the Chair.

2. The following members of the Board of Trustees 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. Muhammad Iqbal
Acting Joint Secy. (I.W), M/o Labour & Manpower
Member, BOT
4. Mr. Abdul Rauf Khan
Secretary Labour, Punjab
Member, BOT


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Ministry of Labour & Manpower
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5.	Malik Imtiaz Mehfooz Employees' representative, Balochistan	Member, BOT
6.	Syed Imran Ali Shah Employees' representative, Punjab	Member, BOT
7.	Mr. Gul Rehman Employees' representative, Khyber Pukhtoonkhwa	Member, BOT
8.	Syed Iqbal Shah Employers' representative, Balochistan	Member, BOT
9.	Malik Zahid Hussain Employers' representative, Khyber Pukhtoonkhwa	Member, BOT
10.	Mr. Iqbal Dawood Employers' Representative, Sindh	Member, BOT
11	Mr. Mushtaq Ahmed Sammo	Secretary, BOT

3. On the request of BOT members, Syed Khurshed Ahmad Shah, Federal Minister for Labour & Manpower was also present to address the BOT. Mr. Tariq Iqbal Puri, Secretary, Labour and Manpower welcomed the Honourable Minister and requested him to express his views. The Minister, while addressing the Board members stated that Shaheed Zulfiqar Ali Bhutto had founded and established the EOBI for providing old-age benefits to poor, helpless and needy workers at the time of their old-age and reiterated that the present government would leave no stone unturned to fulfill the commitment made by the great leader for the welfare of the workers. He stressed upon all concerned in general and the EOBI in particular to make all out efforts to provide best services to the workers community as per vision of Shaheed Zulfiqar Ali Bhutto. He appreciated the decision of the Prime Minister to introduce universal coverage scheme under EOB Act. He stated that the EOBI is earning a nominal profit ranging from 10% to 13% per annum from its investments/deposit of funds in banks against its estimated requirement of more than 20%. Therefore, the Institution must consider other investment opportunities yielding a higher rate of return i.e. real estate, power generation sector (solar, hydel and wind energy) and motorways. He informed that he had meetings with authorities of POF Wah, HMC/HIT who had shown their willingness to enter into joint ventures with EOBI for power generation projects. Therefore, the EOBI should contact the POF Wah, HMC/HIT for further follow up. He desired that EOBI may also consider initiating power generation projects in collaboration with KPT, State Life Insurance Corporation (SLIC) etc. He added that for the sake of transparency he was not in favour of investment with private parties and that's why the offers made by the owners of Centaurus and another hotel proposal were not considered. He also opined that Institution must focus on proper, efficient and qualified manpower which should

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be selected strictly on merit in accordance with rules, regulations and laid procedure and norms of transparency and fair play.

4. The Honourable Minister further mentioned that the present government was committed to introduce the Constitutional Reforms under 18th Amendment for the sake of national interest and its implementation will be ensured accordingly. This Amendment carries a number of legal, financial and administrative implications for which government had already constituted an Implementation Commission. However, this task may take some time to materialize and meanwhile, things can not be left unattended. EOBI, being the custodian of the workers funds, must continue to improve its financial health and to undertake all possible steps to run the scheme. The devolution plan as decided by the Implementation Commission will be followed in letter and spirit.

5. The Board members appreciated the above views of the Minister and assured that they would continue working with dedication and sense of responsibility. The President, BOT also appreciated the views of the Minister and supported the investment proposals in respect of power generation projects (i.e. wind, solar, hydel and coal energy etc) and M-9 Proposal.

Agenda Item No: 01

REQUIREMENTS OF MANPOWER AS PER RECENT RE-STRUCTURING

6. The Chairman, EOBI briefed the BOT about the agenda item and requested to consider the proposal to allow creation of following additional posts in EOBI:-

- i) Directors Two (2)
- ii) Deputy Directors Two (2)
- iii) Assistant Directors One hundred (100)
- iv) Executive Officers Thirty (30)

7. He further informed that following ten (10) posts will specifically be reserved for Balochistan province, in addition to prescribed employment quota of the province, under the Prime Minister's initiative:-

- i) Deputy Directors Three (3)
- ii) Assistant Directors Four (4)
- iii) Executive Officers Three (3)

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8. The President, BOT enquired about the recent recruitments and the deployment of these officers/ officials. He further asked the Chairman, EOBI to inform about the total number of existing employees in EOBI and whether the additional manpower requested in Paras 6 and 7 was actually required if so the justification thereof. The Minister for Labour & Manpower also supported the Chairman EOBI and observed that the EOBI work load will rise further with the introduction of universal coverage as announced by the Prime Minister under Labour Policy 2010. The Minister for Labour & Manpower further added that in his view the less contribution made by the EOBI was due to shortage of manpower.

9. The President, BOT however, did not agreed to the justification given by the Chairman, EOBI and supported by the Minister for Labour & Manpower and desired that the deployment, work assignment/ job description and justification of each officer/ officials recently recruited may be provided. He further asked the Chairman, EOBI to provide similar information in respect of each proposed post on the basis of sectoral analysis, besides, the financial impact. The Chairman, EOBI promised to provide the requisite detail in next BOT meeting and requested the Board to approve additional manpower as mentioned in Para-6 above. The Board members sought further clarification as to whether recruitment for additional manpower would be in accordance with quota requirements or not. The Chairman clarified that all recruitments had been made in accordance with laid down procedures, prescribed quota, rules and regulations and the same will also be observed in future recruitment.

10. After detailed discussion and considering the exigencies of work, the Board agreed in principal, for creation of additional posts in EOBI as proposed in Para-6 and 7 supra subject to provision of information, details and full justification by EOBI as desired by the President BOT in Para-9 above.

Agenda Item No: 02.

TO CONSIDER AND APPROVE PUBLICITY PLAN FOR CREATING AWARENESS AMONGST MASSES ABOUT EOBI

11. The Investment Advisor was requested to brief the members about the proposed publicity plan. He gave a comprehensive presentation and requested the Board to approve the proposed publicity plan.

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12. Mr. Gul Rehman, Employees' representative, Khyber Pukhtoonkhwa observed that both EOBI and Workers Welfare Fund (WWF) work under the same Ministry and they should jointly design a publicity plan to create awareness among the workers about the benefits to the registered workers being extended by both the organizations so that the registration/collection targets are achieved. The Chairman, EOBI clarified that both the organizations follow different procedures to collect contribution and there were number of different kinds of procedural activities, therefore, the very purpose to simplify the procedure will be defeated if a common awareness campaign is launched. The proposed publicity plan is meant to create awareness and understanding amongst the workers and employers that would help implementation of EOB Scheme. Therefore, the EOBI focused on separate plan to make the publicity "purpose specific". However, a separate Joint Publicity Programme of EOBI and WWF is being coordinated WWF and for that purpose EOBI would contribute its share amounting to Rs125.00 million. This publicity plan for EOBI is purpose specific and Board's approval for Rs.38.5 million is solicited for the same. Mr. Iqbal Shah Employers' representative, Balochistan and Imtiaz Mehfooz Employees' representative, Balochistan appreciated the publicity plan. However, Mr. Iqbal Shah proposed that Balochistan and KPK provinces may also be given priority while planning pilot projects, seminars and awareness programmes. The Chairman, EOBI responding to their observations promised that one pilot project shall specifically be considered for each of Balochistan and KPK provinces.

13. The Board approved the EOBI's publicity plan with budget of Rs.38.5 million and also allowed its sharing of Rs125.00 million for the joint publicity programme with WWF.

Agenda Item No: 03

**ANNUAL AUDITED ACCOUNTS FOR THE
FINANCIAL YEAR 2008-2009**

14. Mirza Imtiaz Ahmad, Financial Advisor / Director General (F&A) was asked to present the Accounts of the Institution for the year 2008-09. Before he could start presentation, the President, BOT asked about the compliance of Board's decisions. He specifically enquired about the progress of reconciliation process and status of implementation of decisions of BOT regarding the payment of fake pensions from UBL.

15. The Chairman, EOBI explained that committee constituted for this purpose held two meetings and after having detail discussions with both United


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Bank Ltd and National Bank of Pakistan, it was agreed that a sum of Rs.254.00 million was outstanding against United Bank Ltd.

16. The President, BOT referring to the minutes of 88th BOT meeting, enquired whether the lapses on the part of EOBI had been cleared or not and if yes, a certificate in writing be obtained from the Bank authorities to this effect thereby also confirming their agreement with the outstanding amount of Rs.254 million. He further directed that in the certificate it should be clearly mentioned that amount of Rs 254.00 million would not be regarded as an absolute final figure and any additional amount found outstanding in this regard later on would be payable to EOBI. He directed that reconciliation shall be pursued by the Beat Officers at personal level and any lapse on their part in this process will render them liable to be proceeded against under the E&D Rules. He further directed that the Investment Advisor shall visit the Regional Offices to give them clear understanding about the reconciliation process.

17. The Board deferred the approval of annual accounts of EOBI for the year 2008-2009 for want of a presentation by Statutory Auditors.

Agenda Item No: 04

**APPOINTMENT OF STATUTORY AUDITORS
FOR THE FINANCIAL YEAR 2009-2010**

18. The Chairman, EOBI briefed that in the last meeting it was observed that the External Auditors had committed a mistake which needed to be rectified. The Audit Committee also supported the suggestion and the management, therefore, called the Auditors in 91st BOT meeting to clarify their position before the Board. However due to prolonged deliberations on other agenda items the Board could not spare time for the auditors' presentation. He, therefore, requested that in the interest of justice and fair play if Board allow, the Auditors may be provided an opportunity to clarify their position in person.

19. The Board agreed that the External Auditors may be allowed to clarify their position in the next BOT meeting and the agenda item was accordingly deferred.


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Agenda Item No: 05

**DEALING IN REAL ESTATE PRIVATE V/S
PUBLIC SECTOR (REVIEW OF BOT
DECISIONS TAKEN IN 86TH BOT MEETING
DATED 26-10-2009**

20. The Chairman, EOBI informed the BOT that in 86th BOT meeting held in October 2009 it was decided that in the light of previous practices and the decision of the Public Accounts Committee, the Institution should continue with the same practice not to purchase land /plots from private parties. The Chairman added that keeping in view the ground realities and to provide better investment opportunities for EOBI, this decision needed to be reviewed. He further informed that the Chairman, Public Accounts Committee (PAC), in a meeting to discuss the audit paras relating to Ministry of Labour & Manpower held on 31st May 2010, had categorically denied any such directive from the PAC. Therefore, the decision taken by BOT in its 86th meeting could be reviewed accordingly in the interest of the Institution. Most of the members agreed to the Chairman's views.

21. After due deliberations, the President, BOT directed the management of EOBI to obtain written confirmation from PAC about the non-existence of such directives. Thereafter, EOBI may continue to invest as per EOB Investment Rules.

Agenda Item No: 06


**REVISED BUDGET FOR 2009-2010 AND
PROPOSED BUDGET FOR 2010-2011**

22. **Deferred.** However, the Chairman, EOBI requested that since revised budget for the 2009-10 and proposed budget 2010-11 has been deferred, the management may be allowed to make necessary expenditures till approval of the Budget by the Board. The President, BOT observed that it was a routine matter and as per usual practice, the running expenditures are allowed till approval of the budget.

Agenda Item No: 07

**TO APPRAISE OF STATE BANK OF
PAKISTAN'S PROPOSAL FOR SETTING UP
"MORTGAGE RE-FINANCE COMPANY".**

23. **Deferred.**


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Agenda Item No: 08

**INVESTMENT IN STOCK MARKET/EQUITY
PAST AND FUTURE.**

24. The Chairman, EOBI informed the BOT that the matter was discussed in the Senate Standing Committee on Labour and Man power's meeting held on 13.5.2010. However, the minutes of the meeting are awaited. Therefore, the EOBI may be allowed to follow the guidelines to be provided by the Senate Standing Committee on whose verbal directions, the EOBI was stopped to make investment in stock / equity market.

25. **The Board allowed the EOBI to act upon the advice of the Senate Standing Committee and make investment in accordance with EOB (Investment) Rules, 1979.**

Agenda Item No: 09

**REVIEW OF BOT DECISION FOR
ESTABLISHMENT OF INVESTMENT AND
FINANCE COMPANY**

26. The Chairman, EOBI informed the members that BOT in its 83rd meeting held on 27th March, 2009, had approved to establish an "Investment and Finance Services Company". However, the Investment Committee of EOBI reconsidered the proposal and recommended that keeping in view the capital market situation, the idea of incorporation of Investment and Finance Services Company may be dropped.

27. **The Board agreed to the proposal and decided to drop the idea of incorporation of Investment and Finance Services Company.**

Agenda Item No: 10

- (A) **REPLACEMENT OF HIGH OPERATIONAL & MAINTENANCE VEHICLES**
 - (B) **AUTHORIZATION FOR 2 (TWO) ADDITIONAL VEHICLES & UPGRADATION OF SIX VEHICLES FOR EOBI.**
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28. **Deferred.**

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

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