

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

Ref: HO/BS/96th BOT Mtng/App.Mins/2010/ 96 .

Dated 10-12-2010

All Departmental Heads,
Head Office,
Karachi.

SUBJECT: **APPROVED MINUTES OF 96TH BOT MEETING HELD ON
22ND OCTOBER, 2010 AT KARACHI.**

Kindly find enclosed herewith a copy of above minutes duly approved by the President BOT, EOBI/Secretary, M/o Labour & Manpower, Islamabad for your kind perusal and further necessary action.

2. It is further requested that compliance report on the decisions taken in the 96th BOT meeting held on 22-11-2010, may kindly be furnished to this office within **seven days** positively.



(Mushtaq A. Sammo)
Secretary BOT, EOBI

Encl: As above.

c.c.to:

1. SO to Chairman for information.
2. Office file.
3. Master file.

R/10/12/10

M. A. 22/11/2010

/home/akdurrani/Desktop/97TH Bot Mtng/letter to all DHs App.mnt.doc

/home/akdurrani/Desktop/97TH Bot Mtng/letter to all DHs App.mnt.doc

525-AS
6/12/10

BY FAX/UMS

GOVERNMENT OF PAKISTAN
MINISTRY OF LABOUR AND MANPOWER

No. 1(9)/2010-EOBI

Islamabad the 25th November, 2010

✓ To

The Chairman,
Employees' Old-Age Benefits Institution,
Head Office, Karachi.

Subject: Minutes of 96th meeting of the Board of Trustees of EOBI

I am directed to enclose herewith minutes of 96th meeting of the Board of Trustees of EOBI, held on 22nd October, 2010, duly approved by the Secretary, Labour & Manpower/ President, BOT of EOBI for information and further necessary action.

Encl: As Above

Mukhtar
(Mukhtar)
Assistant Chief

CC: P.S. to Secretary, Labour & Manpower.

30/11
3/10
copy sent to
cc: BOT

1

**MINUTES OF THE 96th MEETING OF BOARD OF TRUSTEES
OF EOBI HELD ON 22-10-2010 AT KARACHI.**

The 96th meeting of the Board of Trustees of EOBI was held at 10:00 A.M. on 22nd October, 2010 in the Board Room of EOBI, Head Office Karachi, to consider the following agenda:-

1	TO CONSIDER THE CONFIRMATION OF MINUTES OF 94 th & 95 th BOT MEETINGS.
2	KEY NOTE ADDRESS OF CHAIRMAN, EOBI.
3	PRESENTATIONS BY DG OPERATION, DG INVESTMENTS AND DG F&A.
4	PRESENTATION ON INTRODUCTION OF BOARD OF TRUSTEES, EOBI
5	TO CONSIDER REVISION OF CONTRIBUTION COLLECTION TARGET FOR THE YEAR 2010-11.
6	TO CONSIDER PROVISION OF CARS AND LAPTOP COMPUTERS TO FIELD OFFICERS.

2. The meeting was presided over by the Secretary Labour & Manpower/President Board of Trustees. The following attended the meeting:-

1. Mr. Arif Azim, President, BOT
Federal Secretary, Labour & Manpower
 2. Mr. Zafar Iqbal Gondal, Member, BOT
Chairman, EOBI
 3. S.M Mustafain Kazmi, Member, BOT
Joint Secretary, Labour & Manpower
 4. Mr. Muhammad Sarwar, Member, BOT
Financial Adviser (Labour & Manpower).
 5. Mr. Muhammad Naseer Jamali, Member, BOT
Secretary, Labour, Sindh
 6. Mr. Abdur Rauf Khan, Member, BOT
Secretary, Labour, Punjab
 7. Mr. Haider Ali Shikoh, Member, BOT
Secretary, Labour, Balochistan.
- ml*

- | | | |
|-----|---|----------------|
| 8. | Mr. Habibudden Junaidi,
Employees' representative, Sindh | Member, BOT |
| 9. | Malik Imtiaz Mehfooz,
Employees' representative, Balochistan | Member, BOT |
| 10. | Syed Imran Ali Shah,
Employees' representative, Punjab | Member, BOT |
| 11. | Mr. Gul Rehman,
Employees' representative, KPK | Member, BOT |
| 12. | Syed Iqbal Shah,
Employers' representative, Balochistan | Member, BOT |
| 13. | Malik Zahid Hussain,
Employers' representative, KPK | Member, BOT |
| 14. | Mr. M. Iqbal Daud,
Employers' representative, Sindh | Member, BOT |
| 15. | Mr. Mushtaq Ahmed Sammo, | Secretary, BOT |

2. Meeting started with recitation from the Holy Quran. Chairman EOBI introduced the new President Board of Trustees, Mr. Arif Azim, Secretary Ministry of Labour and Manpower. The President, BOT welcomed members and emphasized the role of Board of Trustees. He stated that with their support and experience in respective fields, the Institution would achieve the desired goal and provide better services to the pensioners. He categorically mentioned that his doors are open to all Board members and they contact him at any time, regarding Board affairs. The Board members also welcomed him and assured their full support.

3. At the beginning of proceedings, Secretary, BOT informed that Mr. Aizazur Rehman Secretary Labour, Khyber-pukhtoonkhwa could not attend the meeting due to his transfer. Mr. Ejaz Qayyum Butt, Employees' Representative, Punjab also could not attend the meeting due to his business engagements however he had informed Secretary Board on telephone about his commitments and requested that leave of absence may be allowed. Board accordingly acceded to his request.

AGENDA ITEM NO. 1.

CONFIRMATION OF MINUTES OF 94TH AND 95TH BOT MEETINGS.

4 Secretary, BOT informed that minutes of the 94th and 95th BOT meetings had already been circulated amongst the members and also included in the working paper of 96th BOT meeting. He clarified that in 95th BOT meeting, Mr. Ejaz Qayyum Butt could not attend the meeting where as his name was inadvertently mentioned in the list of members present in the meeting, which may be corrected accordingly. He further informed that Mr. Gul Rehman Employees Representative, KPK while referring agenda item No.1 of 94th BOT meeting had observed that during the said meeting, he informed that Board in its earlier meetings discussed the provision of allowing donations on special occasions but such a huge amount had never been allowed, therefore, donation of one Billion rupees for flood affectees need to be reconsidered on the basis of previous decisions of the Board. He further stated that photocopies of those BOT decisions were also provided in the meeting but there was no mention of those photocopies in the minutes of 94th BOT meeting. He therefore demanded that his contention may be incorporated in the minutes accordingly. **BOT members agreed to incorporate the same, as desired by the Honorable member.**

5. Secretary Board further informed that Mr. Naseer Jarnali, Secretary Labour Sindh and Mr. Abdur Rauf Khan, Secretary Labour Punjab had also expressed their concern, regarding the minutes of the 95th BOT meeting. They referred agenda item No. 3 of 95th BOT meeting from para 14 to 17 and observed that their contention had not clearly been mentioned in its true spirit. They were of the opinion that in 95th BOT meeting while discussing the joint venture project for purchasing DHA plots in Islamabad; it was articulately agreed that minutes of the investment committee which approved the project would be provided to Board members within 48 hours and members after considering those minutes shall intimate their observations/comments to the Secretary/President BOT and the decision taken in 95th meeting be accordingly incorporated in the minutes, whereas they were neither provided within stipulated time, nor their concern had clearly been

recorded therefore, the same should be recorded accordingly. BOT members agreed to incorporate the same, as desired by respective members.

6. With these observations Board confirmed the minutes of the 94th and 95th BOT meetings.

AGENDA ITEM NO 2.

KEY NOTE ADDRESS OF CHAIRMAN, EOBI.

7. Chairman welcomed the new President BOT, who reiterated comments recorded in paragraph 2 of these minutes.

AGENDA ITEM NO 3.

PRESENTATIONS BY DG OPERATION, DG INVESTMENTS AND DG F&A.

8. DG operation Muhammad Hanif, gave a detailed presentation on operational activities mentioning the details of:

- Types of Benefits provided by EOBI
- Human Resource/working strength.
- Functions and progress of the operation department.(copy of the presentation enclosed)

9. The Board members asked a number of questions which were replied accordingly. The Board while discussing functions and progress of operations observed that the number of Registered Employers includes establishments which had either closed or had shifted from the premises. Such establishments should not be included, as Registered Employers and specific provision may be evolved to either De-Register such closed units, after completing the codal formalities or find out the factual position, after conducting the comprehensive survey, to correct the data. The Joint Secretary, Labour also observed that a monthly performance report being prepared by the operation department should be circulated to all Board members well in time which is not being done at present. The President BOT responding to the issue directed that management should focus on

preparing record on the basis of factual position so that a clear picture could be placed before the stake holders. He further emphasized that special emphasis be laid down in respect of collection of contribution, recovery of arrears and extending social security net to all un-attended sectors of economy. He also directed that year-wise details of active insured persons and active pensioners also be provided along-with comparative analysis in terms of ratios of absolute numbers. The Board also desired that the agenda item No.2 should contain the compliance/ implementation report of the decisions taken in the previous meetings of the Board including monthly activity/ performance report.

10. Secretary Labour Punjab observed that if management provides year-wise record of contribution collected by the management, a ratio could be developed regarding the percentage of disbursement and collection during the respective year. Discussing further the issue of record building, the Bio-Metric Verification system was also considered. The Board was of the view that concept of Bio-Metric Verification need to be implemented in its true perspective.

11. President BOT directed operations department to consult Board members on the process of Bio-Metric verification and ensure that the process should facilitate the pensioners rather to create further complication/hassle for the poor pensioners. The Board further directed to provide number of complaints /review applications and appeals during last five years with comparison to the number of employees registered during the period.

12. Thereafter DG Investments, Mr. Wahid Khurshid Kanwar made a presentation on EOBI investments, which consists of three parts one regarding details of past, present and future EOBI investments, second on, details of EOBI Real Estate properties, and third a briefing on Karachi Hyderabad Motorway (M-9) Project. (copy of the presentation enclosed).

13. While discussing EOBI investments, Board was of the view that more emphasis was required on investment income, however, Board showed deep concerns over equity

business and directed investment department to be cautious and careful even in routine affairs regarding equity business. Board categorically advised that equity business must be based on transparency, economic sense and management should avoid any such adventure in this regard.

14. With regards to investments in real estate, Board observed that efforts should be made to avail the opportunity, as present real estate market was more favorable for buying properties. Board also advised that while purchasing properties, management must take serious account of legal complications, including clean title of property, comparable/lowest market price and of-course best possible location. Management should not involve in properties under litigation or those having any encumbrance/mortgage/liability. EOBI should forthwith take advantage of the fallen real estate prices and seek to purchase land or newly constructed buildings in major cities such as Karachi, Lahore, Islamabad and Faisalabad. All acquisitions should however be transparent and EOBI should seek expressions of interest after placing newspaper advertisements. The Board noted at the same time that no restriction had been placed by the Public Accounts Committee (PAC) or any other authority on purchase of properties from the open market.

15. Discussing further the project of re-constructing Awami Markez at Karachi, **President BOT directed that management must ensure that while vacating tenants, all possible efforts should be taken to accomplish the task in an amicable manner, without depriving the rights of the tenants. He further advised to constitute a committee/team to negotiate with tenants and get the premises vacated in a civilized manner. While discussing on going projects and future plans Board advised to consider a Hotel project in the province of KPK, particularly in Peshawar.**

16. With regard to M-9 project Investment Department was advised, to come up with full details as a separate agenda item in the next BOT meeting. The President, BOT however observed non representation of the Ministry in the Investment Committee and directed that the said Committee should have the representation of the Ministry of Labour & Manpower in order to ensure transparency, as well as wider counsel.

AGENDA ITEM NO 3.**PRESENTATION ON INTRODUCTION OF BOARD OF TRUSTEES, EOBI**

17. The item was deferred due to shortage of time, with the advice to bring it in the next BOT meeting with complete details of Board and the procedure & policy for constitution of various Committees.

18. Board further provided guidelines to streamline the Board activities and directed that henceforth before obtaining the date / venue / time of BOT meeting, agenda shall be pre-approved from the President Board of Trustees and after the approval, the respective working papers shall be circulated to all the members, at least seven days prior to the date of meeting.

AGENDA ITEM NO 4**TO CONSIDER REVISION OF CONTRIBUTION COLLECTION TARGET FOR 2010-11**

19. DG operations informed that Board of Trustees fixed contribution collection target for the year 2010-11 at Rs.12.00 Billion. The target was based on minimum wages of Rs.7000/-. He further apprised that after 18th amendment in the Constitution of Islamic Republic of Pakistan, Labour legislation, which was on the concurrent list had now been devolved to Provincial level therefore, notification regarding minimum wages need to be issued by each respective provincial departments which is yet to be issued except by the Punjab government (that too under the minimum Wage Ordinance 1961 instead of minimum Wage Ordinance, 1969). This has created practical problems and difficulties in collecting contribution on the basis of Rs.7000/- as minimum wage and to meet the high targets. Keeping in view the practical difficulties Board was requested to revise the target for the year 2010-11 and re-fix as under:

•	Current contribution	Rs.9,092 million
•	Collection of arrears	Rs. 732 million
•	Total collection	Rs.9,824 million

20. The Board was of the view that request for revision of target at this stage was not justified. Board decided not to revise the target and advised not to start with a conservative/lesser target. The agreed target shall remain the same, for the next three months and after three months management may come up with details of progress/achievements, thereafter Board may reconsider the request for revision. The Board was strongly of the view that with the induction of a large number of young officers the overall performance of the Institution should be exemplary so that their induction is justified accordingly. It was further agreed that all the benefits granted to field officers including enhancement of salary were subject to performance, which demanded an evaluation of performance before taking any further step in this regard. **The Board directed operations department to submit evaluation report/progress / achievements after 31st January 2011.**

AGENDA ITEM NO 5

TO CONSIDER PROVISION OF CARS/LAPTOP COMPUTERS TO THE FIELD OFFICERS.

21. Chairman EOBI informed that funds are primarily generated through contribution paid by the employers of insured persons. The field officers of the institution were responsible for registration of establishments, insured persons and collect timely payment of Contributions by the employers. For this purpose they have to visit establishments to inspect/verify record and to physically check the data provided by the employer. He further informed that normally a beat officer has more than 250 establishments in his jurisdiction. In rural areas, jurisdiction is comprised of more than one district, therefore, it was very difficult for the field officer to perform his duty without adequate mobility and data collecting /storage facility. He therefore, emphasized the requirement of vehicles and computers. He vehemently argued that honourable Board members may accord approval for purchase of laptop computers and Car Loan for purchase of vehicles for the Field Officers.

22. The members inquired about the legal position, as under what authority employees could be allowed vehicles/laptops. Chairman EOBI informed that there were EOBI

regulations, which allows to provide loan(s) to employees and also prescribed a proper procedure for the same. Secretary Labour Punjab observed that purchasing of new vehicles shall involve a huge amount and there would be no guarantee of new inductees as to whether they will continue or leave the job upon getting some better opportunity. The Financial Adviser also observed that provision of vehicles to new inductees without any mark up was not justified. Some of the Board members were of the view that allowing vehicles to the new inductees will create sense of discrimination and frustration amongst the existing employees.

23. Chairman EOBI while briefing about the procedure and legal authority informed that management had already decided to allow this facility to the existing employees too, and stated that a reasonable mark-up shall also be charged. Elaborating the legal procedures he clarified that since these employees were newly recruited officers therefore, the mandatory requirement for prescribed length of service may relaxed.

24. Board therefore was requested to exempt newly recruited officers from the said condition/requirement and one time relaxation of prescribed length of service be allowed. He further informed that the employees availing loan for vehicles will bear all kind of maintenance and fuel expenses. He also categorically informed that vehicle will remain in the name of the institution and shall only be transferred to the employee after full payment of loan installments.

25. Secretary labour Punjab, while opposing the proposal demanded that Board while approving the proposal must also consider that such incentives were precisely linked with performance. Therefore before deciding the proposal performance evaluation should be considered. He further emphasized that all legal and codal procedures/ formalities should be observed to safeguard government exchequer and a proper individual agreement shall also be executed to ensure "guarantee of payback", in case, employee decides to leave the service or could not fulfill the codal formalities, etc, penal provision must be included.

26. With regards to the Laptops, Financial Advisor was of the view that the nature of work and requirement of record building entrusted to field officers did not demand a Laptop, the required assignment could be accomplished with the help of available computers in the regional offices. He further opposed the purchasing of new vehicles and

stated that it would be un-authorized purchase. In support of his contentions he informed that a number of issues are already pending before the Public Accounts Committee (PAC). He therefore opposed the proposal.

27. Board while considering the request for one time relaxation to new officers allowed the proposal for provision of Car Loan with the direction that existing employees shall also be eligible for the same and all those who have not availed loan for purchase of vehicles must be entitled. The Board further directed that proper procedure and codal formalities should be observed; besides mark up will be treated as per Rules. With regard to purchase of laptop Computers management was advised to call tenders from pre-qualified firms and fulfill the requirements of PPRA in a most transparent and fair manner and directed to submit a comprehensive case for purchase of vehicles and laptop computers to the Ministry of Labour & Manpower for further examination and formal approval.

The meeting ended with thanks by and to the chair

.....