



**EMPLOYEES OLD-AGE BENEFITS INSTITUTION
BOARD SECRETARIAT**

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Ref: HO/BS/97th BOT Mtng/App.Mins/2011/ **133**,
Dated: **24/03/2011**

**ALL DEPARTMENTAL HEADS,
Head Office
Karachi**

**Subject: APPROVED MINUTES OF 97th BOT MEETING HELD ON 11th
JANUARY, 2011 AT COMMITTEE ROOM, LABOUR MINISTRY,
ISLAMABAD.**

Kindly find enclosed herewith a copy of minutes of 97th BOT meeting duly approved by the President BOT, EOBI/Secretary, Labour & Manpower, Islamabad vide letter No.F.1(1)/2011-EOBI dated 14th March, 2011 for your kind perusal and further necessary action.

2. It is requested that compliance report on the decisions taken in the 97th BOT meeting may kindly be furnished to this office within **seven days** positively.

(MUSHTAQ AHMED SAMMO)
Secretary
Board of Trustees EOBI

Encl: As above

C.C. to:-

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

Handwritten note: A 24/3/2011

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**MINUTES OF THE 97th MEETING OF BOARD OF TRUSTEES OF
EOBI HELD ON 11-01-2011 AT ISLAMABAD.**

The 97th meeting of the Board of Trustees of EOBI was held at 12:45 P.M on 11th January, 2011 in the Guest House of EOBI, Islamabad, to consider the following agenda:-

AGENDA ITEMS	
1	Confirmation of minutes of 96 th BOT meeting.
2	To consider the compliance / implementation progress of BOT decisions from 94 th BOT to 96 th BOT meetings.
3	To consider performance of the Institution.
4	To consider the proposal to review and fix probationary period as six months in respect of fresh recruits as well as promotees.
5	To consider the proposal to review terms of contract appointments in EOBI.
6	To consider the absorption of Mr. Ayaz Ahmed Uqaili as Deputy Director General (I.I) in the service of EOBI.
7	A presentation on M-9 project by Investment Adviser.
8	A presentation on introduction of Board of Trustees and its committees by Secretary Board.
9	To consider and approve inclusion of one grade increment in pay for computation of pension in line with government policy.

Any-other Agenda Item:

To consider the proposal to allocate 26 posts of Assistant Director to Sindh Rural Quota.

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

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| 1. | Mr. Arif Azim,
Federal Secretary, M/o Labour & Manpower | President, BOT |
| 2. | Mr. Zafar Iqbal Gondai
Chairman, EOBI | Member, BOT |
| 3. | S.M. Mustafain Kazmi,
Joint Secretary, M/o Labour & Manpower | Member, BOT |
| 4. | Mr. Muhammad Sarwar,
Financial Adviser, M/o, Labour & Manpower, | Member, BOT |
| 5. | Mr. Mubtaz Soomro,
Secretary, Labour, Sindh | Member, BOT |

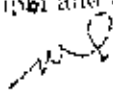
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| 6. | Mr. Abdul Rauf Khan,
Secretary, Labour, Punjab | Member, BOT |
| 7. | Mr. Habibuddin Junaidi
Employees' representative, Sindh | Member, BOT |
| 8. | Malik Imtiaz Meinfoo
Employees' representative, Balochistan | Member, BOT |
| 9. | Syed Imran Ali Shah
Employees' representative, Punjab | Member, BOT |
| 10. | Mr. Gul Rehman
Employees' representative, KPK | Member, BOT |
| 11. | Syed Iqbal Sindh
Employees' representative, Balochistan | Member, BOT |
| 12. | Malik Zahid Hussain
Employees' representative KPK | Member, BOT |
| 13. | Mr. M. Iqbal Daud,
Employers' representative, Sindh | Member, BOT |
| 14. | Mr. Ijaz Qayyum Butt,
Employees representative, Punjab | Member, BOT |
| 15. | Mr. Mushafiq Ahmed Sammo | Secretary, BOT |

3. Meeting started with recitation from the Holy Quran. Secretary BOT informed that Mr. Muhibtar Soomro, and Mr. Shahrukh Arbab had replaced Secretary Labour, Sindh and Secretary Labour KPK respectively after being transferred on respective positions. Board was further informed that Mr. Shahrukh Arbab, Secretary Labour, KPK, and Mr. Haider Ali Shikoh, Secretary Labour, Balochistan could not attend the meeting, due to their other official engagements. Thereafter, meeting commenced as per agenda.

Agenda Item NO. 1.

Confirmation of the minutes of 96th BOT meeting.

4. Before taking up the agenda, the President, Board of Trustees, apprised the BOT of proposal received from WAPDA regarding investment by FOBI in Diamir

- Bhasha and Mangla Dam Raising Projects. It was stated that these were projects of national importance and that EOBI should place funds with WAPDA subject to a favourable rate of return on the investment and furnishing of Sovereign Guarantee by the Government of Pakistan. The BOT approved the proposal in Principle ^{ie} and advised the management to finalize the terms of financing with WAPDA. 

5. Secretary, BOT informed that minutes of the 96th BOT meeting had already been circulated amongst the members and also included in the working paper of 97th BOT meeting. No written comments / objections had been received from any of the member. The President, BOT thereupon invited members to offer their comments, if any.

6. Mr. Iqbal Daud, employers' representative Sindh observed that it was agreed in 96th BOT meeting that monthly performance/progress report on operation activity of Institution shall be circulated amongst the members, but the same is not being circulated on monthly basis. Chairman, EOBI clarified that operational progress is available on Institution web, which can be monitored on daily hourly basis. Syed Imran Ali Shan, Employees' representative, Punjab also observed that his views had not correctly been recorded in the meeting regarding the joint venture project for purchasing DHA plots in Islamabad. He stated that Investment Department was required to clarify as to whether DHA would provide pay back guarantee or not. Mr. Walid Khurshid Khatwar, Investment Adviser, EOBI clarified that DHA had signed the agreement with ELISUM and EOBI may sign agreement with ELISUM-DHA (if so) to safe guard its interest. President, BOT categorically directed that law department / consultant should first examine these agreements and then place the same before the Board for deliberation. There being no other observation / comments, the minutes of the 96th BOT meeting were confirmed.

Agenda Item No. 2

To consider the compliance / implementation progress
of BOT decisions from 94th BOT to 96th BOT meeting.

7. Secretary, BOI while briefing about the compliance mentioned that two regular agenda items i.e. compliance on decisions of Board and performance report on activities of Institution had accordingly been included in the agenda of 94th BOT meeting, as directed by the Board. While considering the compliance reports members were requested to offer their observations/comments on actions taken by different departments. Mr. M. Sarwan, Financial Advisor referring agenda item No. 4 of 94th BOT meeting observed that management had not referred the decision of allowing one basic salary to EOBI employees as special allowance to Finance Division for the concurrence, which according to him was mandatory. He further elaborated that such issues usually have been taken by the honourable Public Accounts Committee (PAC) and it becomes difficult to justify, if procedural requirements had not properly been observed. The Chairman, EOBI while responding to his observation, clarified that issue had already been discussed in the Board with all possible details, and after due deliberation it was allowed by the Board and the Ministry of Labour & Manpower and the Finance Division because senior officers representing them were present in the meeting, therefore, at this belated stage, observation of the Financial Advisor seems to be unjustified. The Financial Advisor, however, insisted that as a matter of routine procedure this required to be referred to the Finance Division which was also endorsed by the Joint Secretary, Ministry of Labour & Manpower. Mr. Abdul Rauf Khan, Secretary Labour, Punjab, in order to resolve the discussions suggested that before referring to the Finance Division it might be referred to the Auditor General of Pakistan for opinion and if they also insist for referring it to the Finance Division then it might be referred to the Finance Division. Chairman, EOBI asserted that there was no requirement and justification to refer such issues to Finance Division, however, the issue in particular could be referred to the Auditor General for opinion but this practice should not be made a precedent, there was no Audit observation till date. **The Board recommended that management may formally consult Auditor General of Pakistan.**

8. S.M. Mustafain Kazmi Joint Secretary, Ministry of Labour & Manpower referring agenda item No.3 of 96th BOT meeting observed that directives

of the Ministry/Board regarding incorporation of a representative of Ministry of Labour & Manpower in the Investment Committee had not been complied with. The Chairman, EOBI replied that a nomination of Mr. Shahid Beg has recently been received from Ministry and he had attended the last Investment Committee meeting. The notification shall be issued in a day or so. Board directed to ensure the issuance of notification and clarified that the nominee shall be included as a representative of the Ministry and not by name. Ministry will decide afterwards as to whether he or any other officer of the Ministry shall continue.

Agenda Item No. 3

To consider performance of the Institution.

9. Mr. Muhammad Hanif Baloch, DG (Ops) briefed the Board about the performance of operations (B&C) department. He while explaining the reasons for non-achievement of collection of contribution target explained that due to non-issuance of notification of minimum wages by the respective provinces on the basis of minimum wage ordinance 1969, Mr. Abdul Rauf Khan, Secretary Labour Punjab explained the factual position and related legal complications in issuing the said notification and stated that after 18th Amendment it has practically become difficult to issue notification. On the other hand, DG (Ops) reiterated that employers were reluctant to pay contribution on the same pretext and avoid payment of routine contribution as well till final and firm decisions on the issue. The Board directed management to find out appropriate solution of the problem in consultation with Provincial Labour Secretaries.

10. Chairman, EOBI thereafter briefed the members about the progress of PRIMACO and provided details of each and every project undertaken by the PRIMACO.

Agenda Item NO. 4

To consider the proposal to review and fix probationary period as six months in respect of fresh recruits as well as promotees.

11. Chairman, EOBI apprised the Board that regulation 15 of EOBI (Employees Service) Regulations 1980 provided six months probationary period on appointments. It was modified by the Board in its 19th BOT meeting held on 29th May 1988, the provision of six months probation period also applied on promotion cases. He further informed that thereafter the matter was discussed in 70th, 72nd and 81st BOT meetings and probationary period was revised to one year. Chairman, EOBI explaining the reason and practical problems requested Board to reconsider and re-fix the period as six months for new recruits, promotees as well as transferees.

12. The President, BOT responding to the request to consider the proposal to review and fix probationary period as six months in respect of fresh recruits as well as promotees proposed that matter should first be discussed in HR Committee of EOBI then the recommendations of the committee shall be placed before the Board. The item was deferred till next BOT meeting.

Agenda Item No. 5

To consider the proposal to review terms of contract appointments in EOBI.

13. Chairman, EOBI briefed about the item informed that previously Board approved the terms of contract appointment and provided a consolidated monthly salary and limited medical and leave facility to EOBI's contract employees which otherwise appeared unfair as regular appointees get other compensatory benefits and better salary rendering the same services, therefore in the interest of justice and fair-play management has decided to remove the discrimination and requested Board to allow:-

- i. That their appointments would remain temporary till such time the same is not regularized as per EOBI (Employees Service) Regulations 1980 after observing all codal formalities. Consequently, no GP Fund account shall be maintained for these employees and no pension/ gratuity benefits would be admissible to them. Instead following the provisions of Standing Orders Contract Employees would be allowed Contributory Provident Fund (CPF) and Gratuity as per EOBI's CPF and Gratuity Regulations 1980.
- ii. Tenure of Contract appointments shall be upto two years, extendable once, as per Establishment Division terms and conditions.

- ii. Chairman, may be authorized to make appointments on contract basis, as Policy of EOBI.

14. After due deliberation Board was of the view that since government rules are available on terms and condition of contract appointment, therefore, EOBI should also adopt the same to avoid discrimination. The Board while approving the proposal decided that salary and other benefits admissible to contract employees/workers in government may also be allowed to the contract employees of EOBI. The Board referred the item to HR committee for examination and recommendation.

Agenda Item No. 6

To consider the absorption of Mr. Ayaz Ahmed Uqaili as Deputy Director General (L.T) in the service of EOBI.

15. The Board was informed that Mr. Ayaz Ahmed Uqaili has been working as Project Director II on contract basis since October, 2007. He is Bachelor of Engineering (Computer System) with 84.24% marks, MS Computer Science from IT with 3.24 (CGPA). Certified Security Information Manager, Certified in Governance of Enterprise IT with relevant experience of 12 years including experience as Project Director (DDG-III). The Chairman, EOBI apprising the Board about his performance requested to consider the case of Mr. Ayaz Ahmed Uqaili for appointment on regular basis as ~~DDG-III~~ with five advance increments in the respective scale of DDG Grade-III. Chairman, EOBI further requested to divert the available promotion post of DDG (IT) to Direct recruitment quota, the same shall be streamlined through diverting next vacancy of DDG towards the promotion quota.

16. Secretary, Labour Punjab pointed out that since the available post was against promotion quota therefore converting it into direct quota shall deprive the fundamental rights of the employees waiting for promotion. The Financial Advisor seconded him and further pointed out that the promotion quota cannot be converted into direct recruitment without justification. The President, BOT responding to the issue asked Secretary, BOT about the available Service Rules/Regulations. The EOBI (Employees Service) Regulation 1980 were shown in the meeting and after studying

the regulations the Board was of the view that matter required thorough discussion/deliberation to ensure the protection of rights guaranteed to employees. Financial Adviser further pointed out that the post of project director was neither a sanctioned post nor permanent. He further requested that proper rules/regulations need to be observed. After due deliberation Board decided to refer the agenda item to HR committee to examine the issue in detail and submit their recommendations in the next BOT meeting on following :-

- a. Project Director post replaced as DDC post.
- b. Promotion post converted into recruitment post.

Agenda Item No. 7

A presentation on M-9 project by Investment Adviser.

17. The Investment Adviser apprised that matter has recently been discussed at higher forum and decided to keep under abeyance for the time being. The Board therefore deferred the presentation on M-9 project till further developments.

Agenda Item No. 8

A presentation on introduction of Board of Trustees and its committees by Secretary Board.

18. A presentation on introduction of Board of Trustees and its committees was to be made by the Secretary, Board in the meeting. Accordingly on the advice of the President, BOT, the hard copies of the presentation were circulated amongst the Board members in the meeting for perusal and record.

Agenda Item No. 9

To consider and approve inclusion of one grade increment in pay for computation of pension in line with government policy.

19. Board was informed that according to Regulation 2(c) EOB (Employees Pension & Gratuity) Regulation 1987, EOB employees have not been

allowed an annual increment in pension computation upon completion of six months, whereas Federal Government Rules-1998 provide that an employee shall be entitled for an increment upon completion of six months period, prior to their retirement. The Board was therefore requested to allow the same treatment to EOBI employees as allowed by Federal Government Employees and to allow EOBI to adopt the provision of Federal Government by amending the definition of emoluments as provided in section-2(c) of Federal Government Pension Rules 1998 to bring EOBI (Employees Service) Regulation 1989 at par with Federal Government Rules. The Board after due deliberation agreed with the proposal and allowed an increment in the pension computation upon completion of six months to EOBI employees with effect from 1998 as being allowed by the Federal Government Pension Rules since 1998.

Any other Agenda Item No. 1

Proposal to allocate 26 posts of Assistant Director to Sindh Rural Quota.

20. The Institution was trying hard to extend the EOBI scheme applicable to the establishments of five and more workers. Its application involves huge registration work relating to establishments and Insured Persons. New Offices have been established in this respect and existing offices reinforced for the task. Besides, the institution is planning to extend the EOBI scheme further beyond the present scope of five workers' establishments to the single worker's establishment and even self-employed. For taking up the task with the Board's Government, it has decided to go for a preliminary but thorough and detailed survey.

21. The proposal would certainly cover innumerable establishments in the Agricultural sector too. Employees' working in rural cottage industries, small shops and business would be benefited. The work in the rural areas of Sindh province requires persons having command on the Sindhi language, particularly when Sindhi language is the official language in the province as well as medium for primary education.

22. There is a tremendous pressure on the management from the officers appointed on Sindh Rural Quota for their transfer to the urban areas. In the past to address the similar issue in the case of Baluchistan, the Board was pleased to allocate 10 seats to the province with the condition that the employees would give a bond that they would serve in the Province for five years.

23. In view of the above, the Board was requested to allow to fill 26 posts of Assistant Directors, (existing vacant posts) by the candidates having Sindh Rural domiciles as a special case for one time relaxation with the condition that the selected candidates will give bond to the effect that they would serve for five years in Sindh Rural Area. Provincial / Regional quota imbalance would be adjusted in subsequent appointments.

24. Mr. Abdul Rauf Khan, Secretary Labour Punjab observed that since devolution plan was ahead and probably within few months decision is to be implemented therefore at this stage the proposal to allocate 26 posts of Assistant Directors with relaxation of regional quota seems to be unjustified. He further pointed out that there was apprehension that on the approval of the proposal other provinces might come up with same demand as well. Therefore, such proposal need to be considered in accordance with laid down procedures. The Board after due deliberation was of the view that the issue needs thorough deliberation on legal and administrative aspects. The Board therefore referred the matter to the HR committee for thorough examination and to come up with practicable recommendations in the next Board meeting.

25. Since, there was no agenda item left, President, BOT while closing the meeting invited comments from the members. Mr. Habibuddin Jumaidi, employees' representative, Sindh informed the Board that the prominent labour leader Mr. Nabi Ahmed, who had also been Member of BOT for two terms, had died and he requested to offer Fataha for him. The Board offered Fatah for Mr. Nabi Ahmed and prayers for his friends and family members.

26. Some of the members pointed out that meetings of the Board committees have not been convened on their repeated requests, due to which some of the important issues remained unattended. The President, BOT directed Secretary, BOT that on the requests of conveners of committees he should obtain permission

from the Chairman to convene meeting of the respective committee. He further directed that henceforth audit paras should also be discussed in the audit committee meeting prior the discussion in Departmental Accounts Committee/ Public Accounts Committee meetings. The Board also decided to arrange BOT meetings in all provincial capitals to create an environment of equality and fair-play amongst the provinces. The next meeting could be held in Balochistan.

Meeting ended with votes of the thanks to the chair

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