



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

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Ref: EOBI/BS/98thMtnng/App:Min/2011/145
Dated: 07/04/2011


ALL DEPARTMENTAL HEADS

Mr. _____

**Subject: APPROVED MINUTES OF 98TH BOT MEETING HELD ON
18th March, 2011 AT ISLAMABAD.**

Kindly find enclosed herewith a copy of minutes of the above cited BOT meeting duly approved by the President BOT, EOBI/ Secretary Ministry of Labour & Manpower Islamabad vide letter No. 1 (3)/2011-EOBI dated 05-04-2011 for your kind perusal and record.

2. It is requested that compliance report on the decisions taken in the 98th BOT meeting may kindly be furnished to this office within **three days** positively.


(Mushtaq Ahmed Sammo)
Secretary
Board of Trustees, EOBI

Encl: As above

C.C to:

1. Chairman/FA/DG (F&A) for information
2. Office file.
3. Master file.

Reply by Mr. Durrani

hcd

E/Drive Secretary Board Letters-2

Agul/2011

R/8/04/2011

**MINUTES OF THE 98th MEETING OF BOARD OF TRUSTEES,
EOBI HELD ON 18-03-2011 AT ISLAMABAD.**

The 98th meeting of the Board of Trustees of EOBI was held at 10:00 a.m on 18th March, 2011 in the Guest house St: # 79 G-6/4 Islamabad, to consider the following agenda:-

Sr. #	AGENDA ITEMS
01.	CONFIRMATION OF MINUTES OF THE 97TH BOT MEETING.
02.	TO CONSIDER THE COMPLIANCE/IMPLEMENTATION PROGRESS OF 97TH BOT DECISIONS.
03.	TO CONSIDER PERFORMANCE OF THE INSTITUTION AND MINUTES OF INVESTMENT COMMITTEE MEETINGS.
04.	TO CONSIDER THE PERMISSION OF ADDITIONAL OPERATIONAL VEHICLES.
05.	A: TO CONSIDER AND APPROVE THE FOLLOWING INVESTMENT PROJECTS: 1. WAPDA Investment proposal 2. Steel Mills Investment proposal. 3. PIA Investment proposal. B: TO APPROVE THE ENGAGEMENT OF CONSULTANTS FOR THE FOLLOWING APPROVED PROJECTS. 1. Establishment OF CINEPLEX CINEMA. 2. Memorandum of understanding by and between Overseas Employment Corporation and EOBI.
06	TO CONSIDER THE PROPOSED VOLUNTARY SEPARATION SCHEME (VSS) FOR EOBI EMPLOYEES.
07.	TO CONSIDER THE RE-CONSTITUTION OF DEPARTMENTAL PROMOTION COMMITTEE/DEPARTMENTAL SELECTION COMMITTEE FOR THE POST OF DIRECTOR GERNAL AND DEPUTY DIRECTOR GENERAL OF EOBI.
Anyother Agenda Item.	
01	TO CONSIDER DRIVER ALLOWANCE TO SENIOR OFFICERS AT HEAD OFFICE NOT PROVIDED AN OFFICIAL DRIVER.
02	TO CONSIDER FIVE DAYS WORKING FROM MONDAY TO FRIDAY.
03	TO DECLARE HOUSE St: # 79 G-6/4 Islamabad, AS GUEST HOUSE.

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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, M/o Labour & Manpower.
2. Mr. Zafar Iqbal Gondal, Member, BOT
Chairman, EOBI.

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| 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. Mukhtar Soomro,
Secretary, Labour, Sindh. | Member, BOT |
| 6. | Dr. Ijaz Munir,
Secretary, Labour, Punjab. | Member, BOT |
| 7. | Mr. Abdul Qayyum Kakar,
Secretary, Labour, Baluchistan. | Member, BOT |
| 8. | Mr. Muhammad Akbar Khan,
Secretary, Labour, KPK. | Member, BOT |
| 9. | Mr. Habibudden Junaidi,
Employees' Representative, Sindh. | Member, BOT |
| 10. | Malik Imtiaz Mehfooz,
Employees' Representative, Balochistan. | Member, BOT |
| 11. | Syed Imran Ali Shah,
Employees' Representative, Punjab. | Member, BOT |
| 12. | Mr. Gul Rehman,
Employees' Representative, KPK. | Member, BOT |
| 13. | Syed Iqbal Shah,
Employers' Representative, Balochistan. | Member, BOT |
| 14. | Malik Zahid Hussain,
Employers' Representative, KPK. | Member, BOT |
| 15. | Mr. M. Iqbal Daud,
Employers' Representative, Sindh. | Member, BOT |
| 16. | Mr. Ijaz Qayyum Butt,
Employers' Representative, Punjab. | Member, BOT |
| 17. | Mr. Mushtaq Ahmed Sammo | Secretary, BOT |

3. Meeting started with recitation from the Holy Quran. The Board members were apprised about transfer and new postings of Secretary Labour, Punjab, Baluchistan and KPK. After the formal introduction of Board members, meeting commenced as per agenda.

Agenda Item No. 1

**CONFIRMATION OF MINUTES OF THE 97TH
BOT MEETING.**

4. Secretary, BOT informed that minutes of 97th BOT meeting could not be circulated due to late submission to the Ministry. However, copies of the same had been included in the working papers for perusal of members. Since no written comments/objections could have been received due to non-circulation of the minutes, the President, BOT, invited members to offer their comments / objections, if any.

5. Chairman EOBI requested the President that before taking comments or objections on 97th BOT meeting's minutes, he would like to draw the attention of the honourable members towards the most important and urgent issue of the Institution and its employees. He, while apprising the members about the 18th Amendment of Constitution of Islamic Republic of Pakistan and the decision taken by the Parliament as well as the superior courts suggested that special meeting may be arranged to only discuss the devolution and its impact on the employees of the Institution and of course on the stakeholders, such as insured persons (IPs), pensioners and their family.

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6. The President, BOT, while acknowledging the problem, informed that he had already received a number of written objections/comments from employers and employees representatives beside a complaint from ILO mentioning the impact and implications of the devolution. He, however, mentioned that since it is the competency of the Parliament to discuss, to amend and to legislate, therefore, the Ministry and the Board has no jurisdiction to discuss the constitutional amendments. However, all the members and stakeholders may record their objections and suggestions and forward the same to the Ministry so that a comprehensive report containing all these objections/suggestions could be placed before the competent forum. Mr. Gul Rehman, Employees Representative, KPK inquired as to whether Federal Government is responsible for Labour Welfare or this is responsibility of Provincial Governments, he was accordingly apprised that Labour Welfare was the responsibility of the provincial government after the constitutional amendment. Secretary, Labour Punjab pointed out that their Government has already been working on the implementation of 18th Amendment and there is no justification to discuss the amendments any more. The amendments of the relevant laws as well as policies in order to implement the decision are in progress.

7. Thereafter, members were requested to give their comment on the 97th BOT meetings minutes. Mr. Iqbal Dawood, Employers' Representative, Sindh pointed out that agenda item no 7 of 97th BOT meeting mentioned at para-17, page 10 showed that presentation on M-9 project was deferred till further developments but no developments has yet been intimated to the members. The President BOT clarifying the position apprised that matter had already been discussed at highest forum and has not been approved. Therefore, the same may be treated as item dropped. Syed Imran Ali Shah, Employees' Representative Punjab objected that his views had again not been clearly recorded regarding the joint venture project for purchasing DHA plots in Islamabad. He categorically claimed that he asked/inquired about the fifty four thousand acres of land and the guarantee from the DHA mentioning that the same had accordingly been mutated in favour

of M/s ELYSIUM which will provide buy back guarantee. The Chairman EOBI, informed that in the last meetings it was discussed at reasonable length and Board was informed that the buy back guarantee would be provided as well as the investment committee shall also visit the area/site to ascertain the current value of the land. Mr. Iqbal Dawood Convener of the Investment Committee informed that the committee had already visited the area and confirmed that the price of land mentioned by M/s ELYSIUM was a fair market price and there would be positive chances for gaining profit if the plots are purchased accordingly. Syed Imran Shah, however, insisted that his views should be recorded. The Chairman EOBI informed the BOT that the sponsors had now come up with a proposal to mortgage plots equal to 50% of EOBI holding in favour of EOBI as collateral for enforcement of the buy-back guarantee. It was, therefore, observed that since the decision to purchase the plots had already been taken in a previous BOT meeting and since an ironclad guarantee was being furnished, EOBI should proceed with the investment subject to vetting of the contract by EOBI's legal consultants.

8. After discussions some of the members pointed out that they had not studied the minutes therefore, item may be deferred till next meeting. Accordingly, confirmation, of minutes of the 97th BOT meeting was deferred till next BOT meeting.

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Agenda Item NO. 2

**TO CONSIDER THE COMPLIANCE /
IMPLEMENTATION PROGRESS OF 97TH BOT
DECISIONS.**

9. Since minutes of the 97th BOT meeting could not be circulated amongst the respective departments being received on 14th March, 2011 the compliance from concerned departments was not received. The item was therefore deferred till next BOT meeting.

Agenda Item No. 3

**TO CONSIDER PERFORMANCE OF THE
INSTITUTION AND MINUTES OF INVESTMENT
COMMITTEE MEETINGS.**

10. Mr. Muhammad Hanif officiating DG (Ops) gave presentation on the progress of operational activities/ (B&C) department.

11. After presentation Mr. Muhammad Sarwar Financial Adviser (FA) pointed out that the progress appears to be very dismal. He reiterated that management aims to achieve Rs.16 billion target whereas they have yet not achieved the target of Rs.8 billion which shows their performance for which they had already appointed a number of officers / officials and purchased vehicles and Lap tops etc. Chairman EOBI clarified that no such logistic, vehicles and Lap tops have been purchased. DG (Ops) explaining the reasons, appraised that due to lack of human resources and not issuance of notification regarding minimum wage by the Provincial Labour Departments, the registration of employers and their contribution had been hampered a lot. Secretary Labour Punjab and Sindh informed that their government has already been working on the amendments and soon EOBI Act 1976 would be amended, accordingly. The President BOI advised Provincial Secretaries to expedite the progress on amendments in order to implement the decision accordingly and to avoid non payment of contribution by the employers on the pretext.

12. Mr. Wahid Khurseed Kunwar, DG Investment while apprising about the progress of investment department made a presentation.

Agenda Item No. 4

**TO CONSIDER THE PERMISSION OF
ADDITIONAL OPERATIONAL VEHICLES.**

M. Saleh Khan

13. The Chairman EOBI while discussing the operational requirements informed that there are three senior officers in Grade-20 as DDG operation to supervise the different regional offices and their territories jurisdiction. In order to achieve the assigned target of contribution they have to visit regional officers / field offices frequently. During their visit the normal horse power vehicles could not meet the requirements of long distance traveling, which hampers their efficiency and create practical problems. He further informed that regional office Gigit is not working efficiently due to non availability proper / suitable vehicle because the area being totally hilly and difficult for traveling. In view of the situation, Institution requested the Board to allow four additional vehicles, double cabin 4x4 Toyota Hi-lux to achieve desired results. Mr. Iqbal Shah Employers' Representative, Punjab and Mr. Imtiaz Mahfooz, Employees' Representative, Baluchistan acknowledging the practical problems requested that besides these vehicles one more vehicle of the same power be also allowed for Baluchistan Province to enable regional offices of Baluchistan to work efficiently and avoid unnecessary practical problems. The Board after detailed discussions on the item allowed six (6) additional vehicles double cabin 4x4 Hi-lux, accordingly.

Agenda Item NO.5

A: TO CONSIDER AND APPROVE THE FOLLOWING INVESTMENT PROJECTS:

1. WAPDA Investment proposal
2. Steel Mills Investment proposal.
3. PIA Investment proposal.

B: TO APPROVE THE ENGAGEMENT OF CONSULTANTS FOR THE FOLLOWING APPROVED PROJECTS.

1. Establishment OF CINEPLEX CINEMA.
2. Memorandum of understanding by and between Overseas Employment Corporation and EOBI.

Projects:

- A. OEC Office Building at G-9/4 Mauve Area Islamabad
- B. Construction of Supervision of Commercial Complex at Plot No. 17 & 18, 38 & 39 and 41 & 42 Sector I-8 Markaz Islamabad.

Investment Proposals:

- A. M/s Get Technology proposal for partnership on saving electricity
- B. Proposal for JV with EOBI for manufacturing and sale of Gas saving appliances
- C. M/s AURA Broadcasting Services(Pvt) Limited (Dawn Group)'s Proposal for Investment.

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14. The Board after detailed discussions, did not approve the proposals regarding investments with M/s GET Technology, the JV for gas-saving appliances and with M/s AURA Broadcasting. The Board approved appointment of consultants, M/s Zeeruk International & ADS (JV) for the Cineplex Project at I-8 Markaz, Islamabad and execution of the draft MOU with the Overseas Employment Corporation for construction of OEC Building at G-9/4, Islamabad, on profit-sharing basis.

15. After discussing performance, the representatives of WAPDA were called to present their proposal before the Board of Trustees. The Investment Adviser (IA) informed that the proposal was initially presented and discussed in 169th Investment Committee meeting held on 21st February 2011 which recommended as under:-

"The Investment Committee is of the unanimous view that investment experience in LESCO (SUKUK) and PEPCO (NTDC) is not good. Neither mark up is being paid timely nor the principal amount on maturity. So there should be a role of WAPDA's bank in the contract for assurance of timely payment of mark up/principal amount on due dates.

The Investment Committee also decided that the rate should be KIBOR plus 200bps instead of fixed rate of 15%. As shown in the presentation, the WAPDA has already invested its Rs.51 billion @ KIBOR plus 200bps. Further, the mark up rates of our investment in LESCO (SUKUK) and PEPCO (NTDC) are also KIBOR plus 200bps and plus 175bps respectively.

The Committee advised the representatives of WAPDA to make a presentation in the next meeting of Board of Trustees covering up the points raised by members of Investment Committee."

16. Syed Nazakat Ali Shah, Member (Finance) and Mr. Anwar ul Haq, General Manager the representatives of WAPDA appeared before the Board of Trustees and presented proposed by WAPDA was not justified and Board categorically decided that if WAPDA agrees on KIBOR plus 2, EOBI shall go ahead with the financing proposal.

17. The Investment Adviser informing Steel Mill proposal for rupees 14 billion loan invited representative of Pakistan Steel Mill to appraise Board members. Mr. Adnan Kehar, Financial Consultant and Mr. Aziz Memon, G.M Finance Pakistan Steel Mill appeared before the Board and presented their proposal. The Board after detailed discussions was of the view that the period as well as rate of return was not suitable and Pakistan Steel Mills was advised to firm up their proposal and resubmit for the consideration of the Board.

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Agenda Item No. 6

<p>TO CONSIDER THE PROPOSED VOLUNTARY SEPARATION SCHEME (VSS) FOR EOBI EMPLOYEES.</p>
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18. The Chairman, EOBI, informed that under 18th Constitutional Amendment EOBI is likely to be devolved to provinces. It has learnt that provincial government seems to be reluctant to absorb the Federal employees. Therefore, it is apprehended that employees of the EOBI after being devolved may become redundant and be placed in surplus pool. It is proposed that voluntary separation scheme may introduce for such employees. The payment for above proposed VSS will be made from Employees Pensions Fund Trust for commutation pension and for compensation pay /medical allowance and leave encashment from the Institution. He informed that the details of eligibility, applicability, procedure and general provisions and

financial impact are being mentioned in the working paper.

19. The President, BOT, advised that Institution may study other organization's proposals and consult Ministry of Privatization to have clear and upto date idea and implementation status about such scheme. The Financial Adviser (FA) was of the view that without having clear indication /directives that EOBI is being devolved and provinces are not going to accept or adopt the employees of Federal Government, discussion on VSS seems to be premature. The Secretary Labour Punjab informed that there is no such indication that these employees shall not be adopted by the provincial Department however he agreed that it will take a more time to finalize such issues. The Board after detail discussions while principally agreed with the concept of VSS advised management to come up with detailed proposal after consulting Ministry of Privatization and other organization.

Agenda Item No. 7

**TO CONSIDER THE RE-CONSTITUTION OF
DEPARTMENTAL PROMOTION COMMITTEE /
DEPARTMENTAL SELECTION COMMITTEE FOR
THE POST OF DIRECTOR GENERAL AND DEPUTY
DIRECTOR GENERAL OF EOBI.**

20. The Board was informed that Ministry modified the constitution of selection committee / promotion committees for the post of Director General and Dy. Director General vide notification dated 30-06-2010 as under: -

**Departmental Promotion and Selection Committee
for the post of Director General, EOBI**

Sr. No.	Composition of Departmental Promotion and Selection Committee	Approving Authority
1	Secretary, Ministry of Labour and Manpower	Minister Incharge
2	Chairman, EOBI	
3	Joint Secretary (LW) (dealing with EOBI)	
4	Financial Advisor /Director General (F&A), EOBI	

**Departmental Selection/Promotion Committee
for the post of Deputy Director General, EOBI**

Sr. No.	Composition of Departmental Promotion and Selection Committee	Approving Authority
1	Chairman, EOBI	Secretary, Ministry of Labour & Manpower
2	Joint Secretary (LW) (dealing with EOBI)	
3	Financial Advisor /Director General (F&A), EOBI	

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21. The notification entails some practical problems such as the busy schedule of the honourable Minister and his National Priorities/assignments, which could not allow him to spare time for committee, thus the process of promotion of officers who are eagerly waiting for the opportunity was delayed. In view of the above, it is requested that Ministry may kindly consider the hardship /anxiety of officers and tide over this difficulty kindly modify the constitution of the committees, as under:-

**Departmental Promotion and Selection Committee
for the post of Director General, EOBI**

Sr. No.	Composition of Departmental Promotion and Selection Committee	Approving Authority
1	Secretary, Ministry of Labour and Manpower: Convener	Secretary, Labour & Manpower
2	Chairman, EOBI: Member	
3	Joint Secretary (LW) (dealing with EOBI): Member	
4	Financial Advisor /Director General (F&A), EOBI: Member	

**Departmental Selection/Promotion Committee
for the post of Deputy Director General, EOBI**

Sr. No.	Composition of Departmental Promotion and Selection Committee	Approving Authority
1	Chairman, EOBI: Convener	Chairman, EOBI
2	Joint Secretary (LW) (dealing with EOBI): Member	
3	Financial Advisor (Director General) (F&A), EOBI: Member	

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22. After due deliberation Board agreed with the modifications and allowed proposed reconstitution as mentioned at para-21 above.

Any other Agenda Item No. 1

**TO CONSIDER DRIVER ALLOWANCE TO SENIOR OFFICERS AT
HEAD OFFICE NOT PROVIDED AN OFFICIAL DRIVER.**

23. The Board was informed that senior officers entitled for official driver, some times were not provided the drivers due to shortage /non-availability of drivers. To over come this deficiency those officers were allowed a payment to engage a private driver at their own. The payment has been enhanced from time to time and lastly this was enhanced to Rs.3500 in 66th BOT meeting held on 25-10-2003. This amount to engage a private driver @ Rs.3500 p.m. appears to be out dated in view of the inflationary impact and needed revision on account of ground reality. The Board was therefore requested to allow ten thousand rupees per month for

engaging a private driver.

24. The members while discussing the proposal enquired about the market rate for engaging a private driver and the expenses on an existing official driver. The members also enquired about the reason for non-availability/shortage of drivers. Chairman EOBI accordingly replied their queries and satisfied them. The Board further discussed that the minimum wage for unskilled workers and the availability of drivers who is skilled workers. After due deliberations Board decided that management may come up with financial impact of Rs.5000- 7000 and 10,000/- per month for engaging a private drivers in the next BOT meeting.

Any other Agenda Item No. 2

TO CONSIDER FIVE DAYS WORKING FROM MONDAY TO FRIDAY.

25. The Chairman, EOBI explaining the reasons for proposed modifications in the working hours for Head Office Karachi, requested to allow five days working from 9:00 am to 4:00 pm with Saturday and Sunday as holiday. **The Board endorsed the proposal, subject to approval of the government.**

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Any other Agenda Item No. 3

TO DECLARE HOUSE St: # 79 G-6/4 Islamabad, AS GUEST HOUSE.

26. The Board was informed that House No.7 St: 79 G-6/4 at Islamabad used to be the office of the M&E Islamabad which has been converted into a Guest House and requested to formally declare the same. **The Board declared the House No.7 St: 79 G-6/4 at Islamabad as Guest House of EOBI. The President to circulate the declaration along with SOP amongst the Board members and concerned authority.**

Meeting ended with votes of the thanks to the chair