

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

Ref: HO/BS/99th/App.Mins/2011/195


Dated 08-09-2011

All Departmental Heads,
Head Office,
Karachi.

**SUBJECT: APPROVED MINUTES OF 99TH BOT MEETING HELD
ON 2ND MAY, 2011 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 requested that compliance report on the decisions taken in the 99th BOT meeting held on 02-05-2011, may kindly be furnished to this office up to 10th September 2011 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.

M. A. 9/9/2011

R/8/7/11

**MINUTES OF THE 99th MEETING OF THE BOARD OF TRUSTEES HELD
ON 2nd MAY, 2010, AT 10:30 A.M AT EOBI HEAD OFFICE, KARACHI**

The 99th meeting of the Board of Trustees of EOBI was held on 2nd May, 2010 at 10:30 am, EOBI, Head Office, Karachi, to consider the following Agenda: -

- 01 CONFIRMATION OF MINUTES OF 97TH & 98TH BOT MEETINGS.
- 02 TO CONSIDER COMPLIANCE /IMPLEMENTATION PROGRESS ON THE DECISIONS OF 97TH & 98TH BOT MEETINGS.
- 03 TO CONSIDER PERFORMANCE OF THE INSTITUTION.
- 04 TO CONSIDER AND APPROVE THE RECOMMENDATIONS OF 5th, 6th and 7th H.R COMMITTEES' MEETINGS HELD ON 17-06-2010, 26-11-2010 and 06-04-2011.
 - a) Regularization of contract Service of Mr. Ghulam Asghar Sheikh.
 - b) To consider the driver allowance to senior officers not provided an official driver.
 - c) To consider the up-gradation of Secretary, BOT.
 - d) To consider the appointment of DDG (I.T).
- 05 TO CONSIDER AND APPROVE THE ESTABLISHMENT OF DIRECTOR ADJUDICATION OF BOARD OF TRUSTEES TO DEAL WITH APPEAL U/S 35 EOB ACT 1976.
- 06 TO CONSIDER AND APPROVE THE 3RD ADJUDICATING AUTHORITY.
- 07 TO CONSIDER AND APPROVE THE MODIFICATION IN THE DEFINATION OF ADJUDICATING AUTHORITY U/S 2(g) OF EOB (DETERMINATION OF COMPLAINTS QUESTION'S AND DISPUTES) REGULATIONS 2007.
- 08 TO CONSIDER HEAD OFFICE ALLOWANCE FOR EOBI EMPLOYEES.
- 09 TO CONSIDER AND APPROVE THE ANNUAL REPORT.
- ANY OTHER ITEM WITH PERMISSION OF THE CHAIR.

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

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|-----|---|----------------|
| 1. | Mr. Arif Azim,
Secretary, Labour & Manpower | President, BOT |
| 2. | Mr. Zafar Iqbal Gondal
Chairman, FOBI | Member, BOT |
| 3. | S.M Mustafain Kazmi,
Joint Secretary, Labour & Manpower | Member, BOT |
| 4. | Mr. Muhammad Sarwar
Financial Adviser, M/o, Labour
& Manpower, Islamabad. | Member, BOT |
| 6. | Dr. Ijaz Muneer,
Secretary, Labour, Punjab | Member, BOT |
| 7. | Mr. Abdul Qayyum Kakar,
Secretary, Labour, Balochistan. | Member, BOT |
| 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. Ijaz Qayyum Butt,
Employers' representative, Punjab | Member, BOT |
| 16. | Mr. Mushtaq Ahmed Sammo | Secretary, BOT |

3. The meeting started with recitation from the Holy Quran. The Secretary, Labour Khyber Pakhtunkhwa and Sindh could not attend the meeting and were allowed leave of absence. The President, BOT while welcoming members informed that the tenure of the present Board of Trustees had already expired. The Ministry has, therefore, started the prescribed procedure to call nominations of private members from the authorized bodies and the same shall be finalized soon. Till that time, the present Board members shall continue to work as per law. The meeting, thereafter, commenced, as per agenda.

AGENDA ITEM NO. 1.**CONFIRMATION OF MINUTES OF 97TH & 98TH BOT MEETINGS.**

4. The Secretary BOT informed that minutes of 97th and 98th BOT meetings had already been circulated amongst the members; no written comments were received, except the observations of the Secretary Labour Punjab, which were presented before the members. The BOT noted that the purchase of 100 plots in Islamabad from Elysium / DHA was approved by the BOT in the 95th meeting held on 24.09.2010, but the proposed acquisition could not take place because of doubt of Secretary, Labour, Punjab and the President BOT about the enforceability of the buy back guarantee. Accordingly, the project proponents had agreed to pledge plots with EOBI as collateral for the buy back guarantee and the contract was under examination of the legal consultants with the approval of the Investment Committee. The Board observed that accordingly there was no bar on EOBI to implement the aforesaid decision of the BOT in its 95th meeting held on 24th September, 2010 subject to clearance by the Legal Consultants. Syed Imran Shah, Employees' Representative Punjab observed that it was categorically discussed and agreed that measures shall be taken to finalize de-registration of closed establishments, but no action has been taken. He thereupon insisted that meetings of the De-registration Committees should be arranged, so that the record of the Institution be updated and the task to finalize de-registration of closed factories / establishments may be accomplished. Board was informed that all field officers and related departmental officers (support departments) are engaged in achieving the yearly contribution target and as they will remain busy till the end of June 2011, the exercise to finalize de-registration of closed units shall be arranged in the first week of July, 2011.

5. The Secretary BOT while referring to Para-14 of the minutes of 98th BOT meeting, pointed out that recording minutes, the name of one associate consultant M/s Sohail A Khan who was duly approved by the Board was not mentioned in the minutes. He requested to allow correction in the minutes. The Board allowed to replace para-14 of the minutes of 98th BOT meeting, as under:

"The Board after detailed discussions approved appointments of consultants, M/s Zeeruk International & ADS (JV) and M/s Sohail A Khan Associates and PRIMACO (JV) for the Cineplex at Sector 1.8 Markaz Islamabad and

construction of OEC office building and execution of the draft MOU with Overseas Employment Corporation at sector G-9/A Islamabad, respectively on profit sharing basis".

Thereafter the minutes of 97th and 98th BOT meetings were confirmed.

AGENDA ITEM NO. 2.

TO CONSIDER COMPLIANCE /IMPLEMENTATION PROGRESS ON THE DECISIONS OF 97TH & 98TH BOT MEETINGS.

6. The Secretary BOT apprised members about the compliance/implementation progress by respective departments of the Institution on decisions taken by the Board in 97th and 98th BOT meetings. The President BOT besides discussing the progress of different departments of the Institution also inquired from Provincial Labour Secretaries regarding issuance of notification under Minimum Wage Ordinance, 1969 for unskilled workers. He further inquired about the required modifications/amendments in different labour laws, to bring them in conformity with the requirements of the 18th Amendment in the Constitution. He thereupon asserted that much time had already passed and process of devolution is about to start. Besides the legal opinion/advice from the Law Division had also been forwarded to them by the Ministry of Labour and Manpower. Therefore, Provincial Labour Secretaries should accomplish the desired amendments without further delay, so that implementation on decisions of the government is ensured.

AGENDA ITEM NO. 3.

TO CONSIDER PERFORMANCE OF THE INSTITUTION.

7. The Board was apprised about the performance of the Institution. The reports for the month of February 2011 pertaining to Investment and IT Departments were presented before the members for consideration.

AGENDA ITEM NO. 4.

8. The Secretary BOT informed that the Board of Trustees had referred a number of agenda items to the HR Committee of the Board, to examine, deliberate and to come up with practicable solutions. The HR Committee accordingly discussed these items in three different meetings and after detailed examination of related working papers, documents, rules and

regulations firmed up their recommendations. The minutes of the three meetings of HR Committee of the Board of Trustees have been included in the agenda of 98th BOT meeting for confirmation and also to obtain the approval of the Board on the recommendations of HR Committee. The Secretary BOT informed that 5th HR Committee meeting was held on 17th June 2010, the 6th HR Committee meeting was held on 26th November-2010 whereas the 7th meeting was held on 6th April 2011. The Committee recommended the following.

5th HR Committee:

- **Agenda item No.1.** The Committee recommended the regularization of contractual service of Mr Ghulam Asgher Sheikh. The Committee further recommended creation of a post of Civil Engineer in the Institution and regularizing the contract service of Mr. Ghulam Asgher Sheikh against the said post.
- **Agenda item No. 2.** The Committee recommended that promotion shall be allowed to petitioners from the date they acquired MBA qualification as per the order of the Sindh High Court, whereas the cases of other employees who acquired MBA during the period shall be placed before DPC for allowing them promotions from Executive Officer to Assistant Director subject to fulfillment of all requirements of the 69th BOT meeting's decision, and their promotions shall be allowed from the date of DPC decision.
- **Agenda item No. 3.** The Committee recommended that management may allow the benefits and one step promotion to Mr. Wahid Bux Talpur in accordance with the Sacked Employees (Reinstatement) Ordinance, 2010. The cases of other sacked employees shall also be examined on the same line, and they may be provided the benefit of one step promotion, strictly in accordance with the said law.

6th HR Committee:

- **Agenda item No. 1.** The Committee recommended that the proposal to allocate 26 posts of Assistant Directors to Sindh Rural Quota shall be forwarded to the Establishment Division for opinion.
- **Agenda item No. 2.** The Committee recommended fixing the probation period as six months for new recruits, promotees and appointees by transfer. It was further recommended that Chairman is authorized to terminate or to extend the probation period for another six months as the case may be for sufficient reasons to be recorded in writing.

- **Agenda item No. 3.** The Committee unanimously recommended that EOBI should adopt the contract appointment policy of the Federal Government in all respects and follow the same.
- **Agenda item No.4.** The Committee being satisfied with the proposal agreed in principle to appoint Mr. Ayaz Ahmed Uqali against the post of DDG (IT). In pursuance of the directions of the Hon'able Supreme Court of Pakistan, the matter was kept in abeyance till final decision/further orders of the Court. However, till such time, the contract of Mr. Ayaz Ahmed Uqali as DDG (IT) shall be extended for two years.

7th HR Committee:

- **Agenda item No 1.** The Committee recommended that as a principle, senior officers should be provided a driver rather driver allowance. However, since there is ban on appointments/recruitments by the Hon'able Supreme Court of Pakistan. During the period of ban by the Court, driver allowance could be allowed to entitled officers at the rate of an amount equal to the minimum wage for skilled workers (driver).
- **Agenda Item No. 2.** The Committee unanimously recommended that the post of Secretary BOT along with the present incumbent Mr. Mushtaq Ahmed Sammo shall be upgraded, with back benefits, with effect from the date of the Notification of Ministry of Labour and Manpower letter No. 1(3)/2008-EOBI dated 22nd September 2008.
- **Agenda Item No. 3.** The Committee being satisfied with the proposal agreed in principle to appoint against the post of DDG (IT) however, in pursuance of the directions of the Hon'able Supreme Court of Pakistan matter was kept in abeyance till final decision/further orders of the Court. However, till such time, the contract of Mr. Ayaz Ahmed Uqali as DDG (IT) shall be extended for two years.

9. The Convener and members of the HR Committee present in the meeting confirmed minutes of all three meetings and respective recommendations. The Board after evaluating the recommendations of HR Committee approved all the recommendations of each HR Committee meeting as mentioned in para-8 above, except that relating to termination of probation period after six months, which could not be discussed in detail. As regards the upgradation of the post of Secretary, BOT, it was decided by the Board that the upgradation shall be with immediate effect.

AGENDA ITEM NO. 5.**TO CONSIDER AND APPROVE THE ESTABLISHMENT OF
DIRECTOR ADJUDICATION OF BOARD OF TRUSTEES TO DEAL
WITH APPEAL U/S 35 OF THE EOB ACT 1976.**

10. The Employee's Old-Age Benefits (Determination of Complaints, Questions and Disputes) Regulations 1980/2007 lay down a detailed procedure for the redressal of complaints and disputes arising out of operational activities. An aggrieved person can lodge a complaint before the Board of Trustees under Section-35 of the EOB Act. Usually, Law Department of EOBI defends the Institution and respective Regions at different forums and in the same manner, Law Department of EOBI also deals with the proceedings of appeal. The entire proceeding of appeal is handled by the Board Secretariat and Law Department. This in fact defeats the very purpose of separation of administration from adjudication and the interest of justice and fair play. In view of the above, it seems imperative that Board of Trustees may regulate appeal proceeding without Law Department, to establish the credibility of Board of Trustees.

11. *lehtar* The Ministry of Labour and Manpower in consultation with Board of Trustees had already constituted an Appellate Committee of the Board which is authorized/ designated to hear and decided appeals. However, a law knowing officer is required to regulate the process and manage the entire proceedings of appeals effectively. Therefore, Board was requested to allow the creation of post of Director Adjudication in the Board Secretariat for this specific purpose.

12. Board after due deliberations agreed with the proposal and allowed the creation of the post of Director Adjudication with a direction that in the first phase an officer in grade-8 and above having law degree / sufficient experience in the field of law can be designated as Director Adjudication who will specifically deal with appeals under Section-35 of EOB Act 1976. Board further directed that officers from judiciary serving or retired session judges be appointed as Adjudicating Authority on contract basis, in order to enhance the prestige and credibility of the Authority. No appointment shall be made against the post till the ban on appointments is lifted by the Supreme Court of Pakistan. However, posting/transfer could be made through internal adjustments.

AGENDA ITEM NO. 6.**TO CONSIDER AND APPROVE THE 3RD ADJUDICATING AUTHORITY.**

13. Board was apprised that at present, only two Adjudicating Authorities are responsible to deal with complaints/disputes, whereas operational activity has been divided into three zones i.e. South Zone, Central Zone and North Zone. Therefore, practically it is required and seems appropriate that each zone's activity be regulated by one separate Adjudicating Authority for proper distribution of work and quick disposal of complaints. Therefore, Board was requested to allow creation of third adjudicating authority at Islamabad.

14. Board members asked a number of questions in respect of functions and responsibilities of the Adjudicating Authority, hardship faced by complainants and other stakeholders, etc. Secretary BOT responded to the queries.

15. Board decided to allow creation of 3rd Adjudicating Authority at Islamabad. However, it was categorically directed that no appointment shall be made against the newly created post till the ban on appointment is lifted by the Supreme Court of Pakistan. Transfer/posting could be made through internal adjustments. The jurisdiction of the 3rd Adjudicating Authority shall be as under:-

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|------------------------|----------------------|
| 1. Islamabad Region | 2. Gilgit Region |
| 3. Jhelum Region | 4. Rawalpindi Region |
| 5. Mardan Region | 6. Peshawar Region |
| 7. Hassanabadal Region | 8. Abbotabad Region |

AGENDA ITEM NO. 7.**TO CONSIDER AND APPROVE THE MODIFICATION IN THE DEFINITION OF ADJUDICATING AUTHORITY U/R 2(g) OF EOB (DETERMINATION OF COMPLAINTS, QUESTIONS AND DISPUTES) REGULATIONS, 2007.**

16. The Secretary BOT, while briefing about legal procedures to deal with complaints, questions and disputes, informed that EOB Act 1976 provides the authority to the institution

to nominate Adjudicating Authority to deal and to regulate the adjudication process. He further informed that the present definition specifically defines the requirement of nomination, according to which an officer of the Institution in grade-10 (DDG) can/may be appointed as Adjudicating Authority whereas sometimes, it becomes difficult to find a suitable officer for the position. Therefore, Board was requested to allow flexibility in the requirements by which a regular officer of the Institution in grade-9 (Director) and above can be appointed as Adjudicating Authority.

17. Board after due deliberations allowed the proposed modification in Regulation 2(g) of EOB (Determination of Complaints, Questions, and Disputes) Regulations, 2007 whereby requirements for grade-10 officer has been relaxed with grade-9 and above officers.

AGENDA ITEM NO. 8.

TO CONSIDER HEAD OFFICE ALLOWANCE FOR EOBI EMPLOYEES.

18. Board was informed that in pursuance of the decision taken in 47th BOT meeting, held on 4-4-1992 payment of Head Office Allowance, at the rate of 10% of pay was allowed to officers posted at the Head Office. The Board was requested to allow the said allowance/facility to all such employees who are posted at Head Office irrespective of grade and position. The President BOT observed that it was shocking to him that staff members were not treated at par with officers, expressing concern over the disparity, he desired to allow payment of Head Office Allowance to all employees of EOBI posted at Head Office. Mr. Habibiuddin Junaidi, Employees' Representative, Sindh, Mr. Iqbal Dawood, Employers' Representative Sindh, Mr. Gul Rehman, Employees' Representative Khyber Pakhtunkhwa and Syed Imran Ali Shah, Employees' Representative Punjab supported proposed course of action vehemently.

19. The Board after due deliberations allowed Head Office Allowance to all employees posted at Head Office at the rate of 10% of their running pay.

AGENDA ITEM NO. 9.**TO CONSIDER AND APPROVE THE ANNUAL REPORT.**

20. Director General Operations Hanif Baloch presented 33rd Annual Report mentioning details of operational activities and performance reports of related departments. He also briefed about the Auditors Report and Annual Accounts and provided details of investment activity, data processing, publicity, training, litigation, human resources, reforms and other activities.

21. The President BOT while considering the details advised him to update the information and also to confirm that the names of Board of Trustees mentioned in the report are duly notified for the period so as to make the document authentic.

ANY OTHER AGENDA ITEM NO. 1**STRENGTHENING THE LAW DEPARTMENT**

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22. Amendments in EOB Act 1976, has broadened the scope and coverage of the Scheme by way of including small and medium size establishments employing five workers. The decision to remove exemption from banks/banking companies and carpet industry further extended the coverage and activity of the operation department. This ultimately demanded qualified/professional human resources. Since there are three Zones dealing with operational activities, it is important that at least one law cadre/law knowing officer shall be posted in each zone to provide legal support in their activities and defend litigation as well. The Board was, therefore, requested to allow two additional posts of Directors (Law) and three Deputy Directors (Law) for the purpose.

23. **After due deliberation, Board agreed in principle and allowed creation of two posts of Directors (Law) and three posts of Deputy Director (Law) with clear directions that no appointment shall be made till the ban on appointment is lifted by the Supreme Court of Pakistan. The management may detail or post any suitable officer for the purpose through internal adjustments.**

ANY OTHER AGENDA ITEM NO. 2.**TO CONSIDER THE PRESENT STATUS AND FUTURE OF SAHARA INSURANCE COMPANY.**

24. The Investment Adviser presented the working paper before the Board members and briefed that the Federal Minister for Labour and Manpower in a meeting desired to provide Health Insurance facility to EOBI pensioners and Group Life Insurance to expatriate labour of the country. Accordingly, Board of Trustees approved the concept and Sahara Insurance Company a majority-owned subsidiary was established in the 85th BOT meeting held on 16-09-2009. The purpose of the company is to provide Health Insurance converge to the EOBI pensioners and Group Life Insurance coverage to Overseas Pakistani workers. The insurance coverage will further be extended to other sections of the society over the long run.

25. The Investment Adviser elaborated that M/s. M.J Panni Associates, the consultant had already finalized the process of documentations/formalities for incorporation with SECP, as a wholly owned subsidiary of EOBI. The Ministry of Labour and Manpower has also approved the list of nominated Directors in the month of December 2009. The nomination of the CEO of the company is also near completion.

26. The members of the Hon'able Board inquired about the funding and the total investment made in the project. The Investment Advisor informed that the premium shall be funded by the Bureau of Emigration and Workers Welfare Fund but health insurance shall be provided to EOBI pensioners and Life Group Insurance coverage to Overseas Pakistani Labour without sharing in payment of premium. He further informed that total Rs.400,000/ to 500,000/ have been spent till date, to award the contract for consultancy services to M/s. M.J Panni Associates. President BOT directed management to provide a concept paper and other details to the members for their consideration and information and also observed that since the major investment in the company would not be made by EOBI, the company may be placed elsewhere in the Ministry.

ANY OTHER AGENDA ITEM NO. 3**TO CONSIDER THE MAJOR DECISIONS TAKEN BY BOARD OF DIRECTORS OF PRIMACO.**

27. Chairman, EOBI while introducing the PRIMACO stated that initially EOBI used to invest its surplus fund in the National Saving Scheme to earn an average profit of 16 to 17 % per-annum, but due to drop in the rate of profits management was compelled to find new venues. One promising sector was identified as Real Estate Development therefore, in the month of March, 2006 EOBI incorporated PRIMACO. A Board of Directors headed by Chairman, EOBI is responsible for the General superintendence and affairs of the company. However, company being wholly subsidiary of EOBI work as an agent of EOBI under Agency Agreement. Chairman, EOBI further provided performance report mentioning the under progress projects such as EOBI Hotel Lahore, EOBI House Islamabad, EOBI Regional Office Nazimabad, Regional Office Malir, EOBI Head Office Building at Nursery, Immigration Tower at Islamabad etc.

28. The Board after deliberation decided that henceforth all minutes of the BOD of PRIMACO shall be placed regularly before the Board of Trustees. The BOT observed that since PRIMACO Board decisions would henceforth be subject to final approval of the BOT, there should be no need to dissolve and merge PRIMACO with EOBI as yet. The BOT finally observed that the construction contract for the hotel project close to Lahore Airport had been awarded to a firm that may not have the financial standing to implement the project. Accordingly, in case, the contractor sub-lets, either wholly or partially, the work awarded to him, the contract should be cancelled and he should be black listed.

29. Before to closing of the meeting, Mr. Gul Rehman Employees' Representative Khyber Phakhtunkhwa wanted to register his concern that while allowing financial benefits to the employees of EOBI and proposing several Investment Projects, Board should not forget to provide due benefits to the pensioners. The members of the Board appreciated his concern and unanimously seconded him. President, BOT while appreciating them also added that the first and foremost responsibility of the Board is to look after the interest of the

pensioners for which the institution and Board of Trustees has been constituted. While expressing his deep concern about the welfare of poor labour community, he directed the Investment Advisor to come up with detailed proposal based on due consultation with Actuary, Legal Authorities and stakeholders so that Board may also play their due role to provide better financial benefits to the EOB pensioners.

30. The issue of enhancing IA/DA for BOT members was also discussed and the President BOT in consultation with Chairman, EOB agreed to enhance the meeting fee from *Rs.5,000/-* to *Rs.10,000/-* per meeting for members BOT to attend BOT and its Committees meetings with immediate effect, which was approved by the BOT.

There being no other item, the meeting ended with a vote of thanks to the Chair.