



EMPLOYEES' OLD-AGE BENEFITS INSTITUTION

Page No 210

13th

MINUTE BOOK

HELD AT
KARACHION
9th April, 1986TIME
9.30 a.m.

MINUTES OF THE 13TH MEETING OF THE BOARD OF
TRUSTEES HELD AT KARACHI AT 9.30 A.M. ON
9TH APRIL, 1986 AT THE HEAD OFFICE OF EOBI.

The 13th Meeting of the Board of Trustees of the Institution was held at EOBI House, Karachi at 9.30 a.m. on 9th April, 1986 to consider the items of the agenda, examined and cleared by the F&A Committee of the Board.

2. The following participated in the meeting:-

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|---|----------|
| 1) Mr. M.A. Kazmi,
Federal Secretary Labour. | Chairman |
| 2) Mr. Hamid Akhtar Niazi,
Financial Adviser,
Labour Division. | Member |
| 3) Mr. M.A. Peg,
Joint Secretary,
Labour Division. | Member |
| 4) Mr. Salik Nazir,
Secretary Labour,
Government of Sind. | Member |
| 5) Mr. Saadullah Khan Murri,
Secretary Labour,
Government of Baluchistan. | Member |
| 6) Mr. Tariq Hamid,
Employers' Representative. | Member |
| 7) Mr. Abdullah Ismail,
Employers' Representative. | Member |
| 8) Mr. Nabi Ahmad,
Employees' Representative. | Member |
| 9) Mr. Zahoor Awan,
Employees' Representative. | Member |
| 10) Mr. Khair Mohd Baloch,
Employees' Representative. | Member |
| 11) Syed Imran Shah,
Chairman, EOBI. | Member |
| 12) Mr. S. Barkatullah,
Director General, EOBI. | Member |

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<p>3. The following officers also attended to assist the Board in its deliberations:-</p> <ol style="list-style-type: none"> 1) Mr. Tanweer Ahmad Khan, Social Security Adviser. 2) Mr. M. Ashraf Nadeem, Deputy Director General. 3) Mr. Abbas Husain, Deputy Director General(EDP). 4) Mr. I.A. Siddiqui, Assistant Director General(Finance). 5) Mr. Asadulla Khan, Assistant Director General(F.O.) 6) Mr. Mujtaba Rasool, Secretary Board and Director(Law). <p>The meeting started with recitation from the Holy Quran.</p> <p>4. At the outset Chairman, Board of Trustees pointed out that this meeting should have been held earlier and due to the inordinate delay in the holding of the meeting, the agenda had become very lengthy and heavy. Working papers on some of the items of the agenda has also been supplied to him on his arrival in the meeting. He further observed that as far as he recalled, there was a decision of the Board regarding regular holding of its meetings. After some discussion the earlier decision to hold at least three meetings of the Board in each financial years was reiterated. It was also decided that the meetings other than the Budget meetings should, if possible, be held by rotation in various Provincial Headquarters.</p> <p>ITEM NO.1. CONFIRMATION OF MINUTES OF THE LAST BOARD MEETING HELD ON 13TH AND 14TH MAY, 1985.</p> <p>5. The Chairman Board of Trustees invited comments on the minutes of the last Board meeting. There being no objection from any quarter the minutes were confirmed.</p> <p>ITEM NO.2. REPORT ON ACTIONS TAKEN ON THE DECISIONS OF THE BOARD IN ITS LAST MEETING.</p> <p>6. The following paras of the progress report were discussed in the meeting:-</p>		

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7. This para related to acquisition of the services of Mr. Shafiq Ahmad Khan, Ex-Deputy Commissioner, as Recovery Officer of the Institution. In the progress report it was mentioned that a meeting was held with Mr. Shafiq Ahmad Khan who had declined the offer of appointment as recovery officer in the Institution. He had suggested that the Institution should obtain powers of Collector for any senior officer of the Institution so that the Regional heads, exercising the powers of Assistant Collectors, might work under the control of such an officer without facing the necessity of going to the Deputy commissioner of the area for help.

8. The Board decided that in order to facilitate recovery of arrears the Institution should make out a proposal for vesting the Deputy Director General of the Institution with the powers of a Collector under the Land Revenue Act.

9. While the above item was under discussion, the Chairman BOT wanted to know the number of persons registered and the number of field offices and Executive officers (Field) working in the Institution. These figures were supplied to him but he felt that the coverage of insured persons under the Scheme was not satisfactory and that there was considerable scope for increasing the number of insured/registered persons. Mr. Nabi Ahmad agreed with the Chairman Board of Trustees and expressed the view that the Institution should try to increase the scope of coverage.

PARA-22.

10. This para related to the report of the O&M Division and the recommendations of the O&M Committee of the Board on the report. Since this report required thorough study, the Board decided that the O&M Committee's report should form a separate item of the agenda in the next meeting of the Board.

PARA-36.

11. Mr. Nabi Ahmad pointed out that the decision of the Board to issue duplicate contribution cards in consultation with Habib Bank with one copy to the insured person had yet not been implemented.

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PARA-38.

12. This para related to the Institution's report of activities for the year 1984-85. The Institution had failed to circulate the report in time as desired by the Board. The Chairman BOT directed that in future such reports should be circulated well before the Board meetings to enable the members to study them properly.

PARA-40.

13. Chairman BOT also observed that the Institution was required to circulate copies of correspondence with other banks regarding revised arrangements for disbursement of pension. This had not been done in time as desired. The Chairman desired that with a little more effort, the Secretary of the Board should be able to do the needful in time in future. He further desired that action on the decisions of the last Board meeting should be completed and compliance report submitted to the Board at its next meeting.

14. The Board decided that due to the heavy agenda and shortage of time, only the revised budget estimates for 1985-86, and budget estimates for 1986-87 would be considered. The remaining items of the agenda would be discussed in the next meeting of the Board to be held at Karachi on 7th and 8th May, 1986.

15. The Board, however, discussed the revised budget estimates for 1985-86 and budget estimates for 1986-87 and took the following decisions:-

REVISED BUDGET FOR 1985-86 AND BUDGET ESTIMATES FOR 1986-87

16. i) The Board turned down the request of Habib Bank for raising its share in the investment funds from 7.5% to 15%.
- ii) The Board desired that efforts should be made to find whether it would be more profitable to invest our funds in Khas Deposit Certificates and the result of such an exercise should be put up in the next meeting.

17. Before taking up the revised budget and the budget estimates, the question of additional staff was discussed. Secretaries Labour Baluchistan and Sind suggested that a Committee should be appointed to investigate the requirement of additional staff and officers for the

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Institution. The Board was informed that the O&M Committee of the Board on the basis of the report of the O&M Division had agreed to the creation of certain posts in different cadres. The F&A Committee in its meeting held on 3rd April, 1986, while considering the manpower requirement of the Institution recommended creation of six posts of Assistant Directors (Recovery) and upgradation of seven posts as Assistant Director (Audit) apart from creation of five posts of Directors to be posted as Regional Heads. The cost of these posts amounted to Rs. 870,260/-.

18. The Committee also recommended increasing the contribution income target for 1986-87 from Rs. 240 million (1985-86) to Rs. 280 million, as against 260 million proposed by the Institution (1986-87). Syed Imran Shah had pointed out to the F&A committee that it would be very difficult to achieve the target of Rs. 280 million with the existing manpower.

19. The F&A Committee had desired that a paper should be put up to the Board indicating the additional manpower needed to achieve the recommended target of Rs. 280 million. According to this decision of the F&A Committee, the Institution brought a paper in the Board meeting, suggesting that instead of creating five posts of Directors, two posts of Directors may be allowed by upgradation and instead of six new posts of Assistant Directors (Recovery), 13 posts of Executive Officers be upgraded to that of Assistant Directors because suitably qualified and experienced Executive officers were available in the Institution who could handle these jobs efficiently. In order to effect proper supervision, one Assistant Director in each of three regions in Karachi was proposed, with one Naib Qasid. One Assistant Director was proposed for the Hub Field Office with a vehicle as recommended by the F&A Committee. The cost of these proposals amounted only to Rs. 334,800/- as against Rs. 870,260/- as recommended and approved by the F&A Committee, the details of the proposals approved by the Board are attached as Annexure I.

20. The Board after detailed discussion approved the manpower proposed by the Institution, costing Rs. 334,800/- instead of the original proposal costing Rs. 870,260/- and fixed the target for collection of contribution for 1986-87 at Rs. 280 million. The Board while approving the proposal of the Institution made it clear that the O&M Committee's report to the extent of manpower recommended therein shall become redundant. The Board further directed that the expenditure recommended by the F&A Committee in respect of manpower should be reduced to the extent of

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saving made in the Institution's proposal.

21. The Board next considered the revised estimates for 1985-86 and the budget estimates for 1986-87. The recommendations of the F&A Committee were approved by the Board with the condition that the budget provisions for 1986-87 under the head "Pay", "Indexation of Pay" and "Allowances" should be reduced by Rs. 500,000/- already approved by the Board on account of additional posts/upgradation of posts approved by it. The reduced figures as directed by the Board are shown in Annexure II which have been approved by the Board. Due to shortage of time it was decided that the revised estimates of Capital Expenditure for 1985-86 and the Capital Budget Estimates for the year 1986-87 would be considered in the next meeting of the Board to be held at Karachi on 7th and 8th May, 1986.

22. Secretary Labour Baluchistan complained that the Institution was not observing Baluchistan quota while making appointments in various cadres. He also complained that EOB Employees in Baluchistan were not allowed even genuine facilities. Director General EOBI assured that he may discuss these problems

23. The Board invited Mr. Sameeul Hasan, Consulting Actuary to make a presentation of the revised tripartite Pension Scheme prepared under the direction of the Labour Division. Mr. Sameeul Hasan gave the details of the various alternative schemes and pointed out their strong and weak points. The Board decided that the scheme prepared by Mr. Sameeul Hasan should be examined by the F&A Committee and make recommendations on the Schemes for consideration of the Board.

24. While the meeting of the Board of Trustees was in progress, the Federal Minister for Labour, Manpower and Overseas Pakistanis visited the Head Office of the Institution and graced the meeting by his presence. The Chairman BOT welcoming the Minister, thanked him for sparing time to visit EOBI, and introduced the members of the Board to the Minister.

25. The Chairman than gave a resume of the activities of the Institution to the Minister. He said that in the beginning, pension was given at a flat rate of Rs.75/- per month but after amending the EOB Act during 1983, this rate had increased to a minimum of Rs.90/- and a maximum of Rs.345/- p.m. In the year 1982, the yearly collection of

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contribution from registered employers (at the rate of 5%) of the wages of the insured persons) was hardly Rs. 120 million which gradually rose to Rs. 180 million during 1983-84, Rs. 215 million in 1984-85 and Rs. 240 million in 1985-86. The Chairman BOT further informed the Minister that the Board had fixed a target of Rs. 280 million for 1986-87 in its current meeting which meant an increase of Rs. 40 million over last year's target.

26. Regarding payment of pensions, the Chairman BOT informed the Minister that the Institution has so far paid pension to more than 26000 Claimants, including widows and invalid persons.

27. Having given this brief introduction, the Chairman Board invited Mr. Nabi Ahmad, Employees' representative on the Board and Abdullah Ismail, Employers' Representative on the Board to give their impressions about the functioning of the Institution and of the Scheme. Mr. Nabi Ahmad appreciated the humanitarian services being provided by the Institution to the needy workers. He was, however, of the view that government should also contribute to the old-age pension scheme and equal to the contribution of employers. He appreciated the services of the senior officers of the Institution towards its success.

28. Mr. Abdullah Ismail, Employers' Representative on the Board, when invited said that he had been associated with the Boards and Governing Bodies of several Institutions but he felt that EOBI was better organised than many other Institutions. He stated that the senior officers of EOBI were always available to solve the problems of the employers and the workers.

29. Addressing the Board and the Officers of the Institution, the Federal Minister appreciated the performance of the Institution and exhorted them to work with honesty and zeal so that the Institution could provide better services to the workers for whose welfare it was established.

30. In the end, Chairman BOT with the permission of the Minister, concluded the 13th meeting of the Board of Trustees.

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ANNEXURE-I

The F&A Committee in its meeting held on 3-4-86 while considering the manpower requirement of the Institution, on the basis of the Q&M Committee's report, recommended to create six posts of Assistant Directors (Recovery) and upgrade seven posts as Assistant Director (Audit) apart from creation of five posts of Directors to be posted as Regional Heads. The cost of these posts comes to Rs. 870,260/-.

The Committee also recommended increasing the proposed contribution Income Target of Rs. 260 million to Rs. 280 million. Mr. Imran Shah pointed out that it would be very difficult target for achievement in view of shortage of manpower with which the Institution has to work, the Committee observed that it would rather recommend further manpower than to reduce the recommended target and desired that a paper may be put up to the Board stating the additional manpower requirement in order to achieve the recommended target.

The Institution proposes that instead of creating five posts of Directors, after necessary permission two posts of Directors may be allowed by upgradation and instead of creating six new posts of Assistant Director (Recovery) thirteen posts of E.Os may be upgraded to that of Assistant Directors, as competent and senior Law Graduates are available in the Institution who could handle the Law and Recovery jobs efficiently. The Institution also proposed opening of a new Regional office at Karachi which was not agreed. In order to exert proper supervision of Field Operations one Assistant Director in each of the three Regions at Karachi may be provided with one Naib Qasid in each said Regions having the jurisdiction to supervise more or less on the same pattern as in S.E.S.S.I. having six Directorates. Also to tap the potential at Hub, one Assistant Director may be additionally provided for Field Office, Hub, for which a vehicle has also been recommended by the F&A Committee. The cost under this proposal would be only Rs. 334,800/- as against Rs.870,260/- as recommended by the F&A Committee the details of which are given below:

Original Proposals in the budget for 1986-87
as recommended by F&A Committee.

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Post	No. of Posts	Total Cost
Director	5	Rs. 385,500
Assistant Director	13	Rs. 725,400
Executive Officer(Audit)	(7)	Rs. (240,640)
Net Cost:	<u>11</u>	<u>Rs. 870,260</u>



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<u>Post</u>	<u>No. of Posts</u>	<u>Total Cost</u>
Director	2	Rs. 154,200
Assistant Director (Law & Recovery)	13	Rs. 514,020
Assistant Director (Audit)	7	Rs. 276,780
Deputy Director	- (2) -	Rs. (139,800)
Executive Officer	- (20) -	Rs. (687,600)
Assistant Director (Field Operations)	4	Rs. 180,000
Naib Qasid	3	Rs. 44,000
Net Cost:	7	Rs. 342,000

Net Saving over budget estimate: Rs. 535,460

The Board may kindly consider the proposal and accord its approval for the additional manpower so that the Institution may exert for achieving the high target of contribution income fixed for the next financial year.

ANNEXURE-II

REVISED ESTIMATES FOR 1985-86 AND BUDGET ESTIMATES FOR 1986-87 APPROVED BY THE BOARD OF TRUSTEES:

<u>HEAD OF ACCOUNTS</u>	<u>BUDGET ESTIMATES 1985-86 AS RECOMMENDED BY THE F&A COMMITTEE AND APPROVED BY THE BOT:</u>	<u>BUDGET ESTIMATES FOR 1986-87 AS RECOMMENDED BY THE F&A COMMITTEE AND APPROVED BY THE BOT:</u>
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STAFF COST

PAY	8,000,000	8,950,000
INDEXATION PAY	900,000	1,500,000
ALLOWANCES	5,700,000	7,000,000
P.F. CONTRIBUTION	725,000	867,000
GRATUITY	1,500,000	1,500,000
OVERTIME	80,000	100,000
EMPLOYEES MEDICAL EXP.	1,700,000	1,900,000
REST & RECREATION	125,000	125,000

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EMPLOYEES' WELFARE EXPENSES	90,000	100,000
EMPLOYEES' TEA EXPENSES.	250,000	300,000
GROUP INSURANCE PREMIUM	130,000	150,000
EDUCATION CESS	2,000	2,000
EMPLOYEES TRANSFER EXPENSES	50,000	100,000
WAGES(PART-TIME WORKERS)	75,000	75,000
TRANSPORTATION EXP.(FIELD OFFICERS)	425,000	602,000
EMPLOYEES CONTINGENT EXPENSES	6,000	8,000
TOTAL STAFF COST RS:	<u>19,758,000</u>	<u>23,279,000</u>
<u>OTHER OFFICE EXPENSES:</u>		
BOARD MEETING EXPENSES	60,000	100,000
COMPUTER EXPENSES	1,000,000	450,000
INVALIDITY MEDICAL EXPENSES	1,000	1,000
OFFICE RENT & TAXES	650,000	700,000
ADVERTISING & PUBLICITY	50,000	1,000,000
TRAVELLING EXPENSES	325,000	500,000
STATIONERY & OFFICE EXPENSES	750,000	750,000
CONVEYANCE EXPENSES	25,000	35,000
POSTAGE & TELEGRAM	200,000	300,000
OFFICE SHIFTING EXPENSES	10,000	10,000
TELEPHONE EXPENSES	525,000	550,000
VEHICLE EXPENSES	575,000	600,000
EMPLOYEES TRANSFER EXPENSES	20,000	100,000
UTILITIES (ELECTRIC & GAS)	350,000	500,000
MEETING & CONFERENCES	45,000	45,000
ENTERTAINMENT EXPENSES	55,000	65,000
INSURANCE PREMIUM	30,000	50,000
LEGAL & PROFESSIONAL FEES	150,000	200,000
MAINTENANCE & REPAIR	400,000	500,000
AUDIT FEES	25,000	25,000
MISC. EXPENSES	60,000	60,000
VIGILANCE COMMITTEE EXPENSES	15,000	50,000
BANK CHARGES	15,000	20,000

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NEWS PAPERS	20,000	25,000
LIBRARY/REFERENCE BOOK	-	25,000
SUBSCRIPTION & AFFILIATION	5,000	5,000
TOTAL OTHER EXPENSES = Rs.	5,361,000	6,666,000
TOTAL REVENUE EXPENSES BUDGET Rs.	25,119,000	29,945,000

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