



EMPLOYEES' OLD-AGE BENEFITS INSTITUTION

27th

MINUTE BOOK

HELD AT
KARACHION
12-03-1991TIME
0900 Hrs.

MINUTES OF THE 27TH MEETING OF THE BOARD OF TRUSTEE OF
EOBI HELD AT KARACHI ON 12.3.1991 AT 0900 HOURS

The 27th Meeting of the Board of Trustees of EOBI was held at 0900 Hours on the 12-3-1991 at Board Room of EOBI, Head Office, Karachi. The following attended the meeting:

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| 1. | Mr. Safdar Hussain Kazmi,
Secretary,
Ministry of Labour, Manpower
and Overseas Pakistanis. | President |
| 2. | Mr. Sajid Hussain Chattha,
Joint Secretary Industries,
Government of Pakistan. | Member |
| 3. | Mr. Mohammad Zubair Kidwai,
Secretary Labour,
Government of Sindh. | Member |
| 4. | Capt. Farid Ahmed,
Secretary Labour,
Government of the Baluchistan. | Member |
| 5. | Mr Arshad Tanweer,
Employers' Representative, Sindh | Member |
| 6. | Mr. Mohammad Rafique,
Employees' Representative, Punjab | Member |
| 7. | Mr. Nabi Ahmed,
Employees' Representative, Sindh. | Member |
| 7. | Mr. Fazli Rabbi Dard,
Employees' Representative, NWFP. | Member |
| 9. | Haji Mohammad Ibrahim,
Employees' Representative, Baluchistan. | Member |
| 10. | Mr. S. Barkatullah,
Chairman, EOBI. | Member |
| 11. | Mr. Mujtaba Rasul | Secretary |

2. The following officers also attended the meeting to assist the Board in its deliberations.

1. Mr. Tanweer Ahmad Khan, Social Security Adviser, Labour Division.
2. Mr. Abbas Hussain, Deputy Director General, F&A, EOBI.
3. Mr. Abdul Majeed, Assistant Director General (Audit), EOBI.

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4. Raja Faiz-ul-Hassan Faiz, Deputy Director, (Law), EOBI.
3. The meeting started with recitation from the Holy Quran by Mr. Tanweer Ahmed Khan.

ITEM NO. 1: CONFIRMATION OF THE MINUTES OF THE LAST MEETING OF THE BOARD.

4. Item No.1 was taken up for consideration. There were two objections regarding recording of the Minutes of the last meeting. The first objection was in respect of typographical error at page 7 para 22 of the Minutes under item No.11. The number of posts of Assistants for upgradation was shown as 10 in place of 12, while the requirement of experience was shown as 12 years in place of 10 years. Mr. Barkatullah stated that the error was inadvertently made and may be corrected as pointed out. The Board agreed for making the necessary correction.

5. The other objection was in respect of para 27 of the Minutes at page 9 under item No.15. It was proposed that the word 'scrutinized' should be substituted by the word 'ratified'. The Secretary of the Board produced the report of the F&A Committee from which it was evident that the F&A Committee had very thoroughly scrutinized the alleged irregularities. The President directed that the word as pointed out in the Minutes be substituted by the words 'ratified in the light of the report'.

6. The President explained the difficulty in holding meetings in the month of June and the Board decided that in para 10 of the minutes for the words "the budget meetings are held in the month of June every year", the words "the budget meetings are held by the middle of May every year" be substituted.

7. Subject to the above rectification, the Minutes of the last meeting were confirmed.

ITEM NO. 2: REPORT OF ACTIONS ON THE DECISIONS OF THE BOARD TAKEN IN ITS LAST MEETING:

8. Item No.2 was then taken up for discussion. In compliance with the directions of the Board in its last meeting, the report regarding left over decisions of the earlier meetings was given under

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item 2-A. The President desired that the proposed ceiling of medical expenses for officers of the Institution should be put up to the Board as an Item on the Agenda of the next meeting.

9. The President further desired that the Publicity Scheme and Pension Procedure should also be brought before the Board as an item on the Agenda for its next meeting.

10. Regarding the draft Annual Report for the year 1988-89, it was observed that in the Working Paper it was stated that the Annual Report was put up for consideration as an Item but it had not been so put up. Mr. S. Barkatullah explained that since this was the first meeting of the newly constituted Board, the agenda was kept short and the report would be presented in its next meeting. The President observed that the report should have been put up and could be deferred by the Board. The Board directed to put up the same for consideration in the next meeting.

11. The Members wanted to know the result of the reference made to the Law and Justice Division on the issue of payment of Bonus granted by the Board for employees of the Institution. Mr. Tanweer Ahmed Khan informed the Members that on the advice of Law & Justice Division, a fresh reference is being made to the Finance Division.

ITEM NO. 3: 2ND ACTUARIAL VALUATION REPORT.

12. Item No.3 was then taken up for discussion. Mr. S. Barkatullah explained to the members that the issue of inflation factor for enhancement of Pension was a very sensitive one. There is no dispute if 50% inflation compensation is allowed but the representatives of the employees demand that 70% compensation may be indexed. But this would cause burden on the Government as well as the employers. He informed the Members that contribution by employees was, therefore, considered by the Committee conducive to improve the amount of pension. The amendment of the definition of 'employee' to bring every person employed within the ambit of its definition irrespective of his wages or nature of duties was also suggested with a view that evasion in payment of contribution may be brought to the minimum and litigation with regard to dispute as to whether a person is or is not an employee may be obviated.

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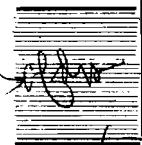
13. The President invited Mr. Nabi Ahmed to express his views on participation of the employees. Mr. Nabi Ahmed stated that he had been associated in the Board in the past also and had always been suggesting that the employees should also contribute to the Fund which will not only improve the benefit but also minimise evasion in payment of contribution by the employers. But the employee can be persuaded to contribute only when he will know that as a result of his contribution what improvement will be made in the benefit available to him. He further said that in all other countries the employee also contributes to the Pension Fund but due to very weak financial position of workers under the prevailing circumstances in Pakistan, it may not be possible for every one to contribute towards the Scheme compulsorily and, therefore, he would propose that the employees will only contribute provided they get an attractive package in return. With regard to the amendment of the term 'Employee' Mr. Nabi Ahmed said that the definition, as it now exists, is creating disparity between two colleagues as an employee who is covered by the Act and becomes a manager by promotion continues to remain covered whereas another employee who is recruited directly to the same post with the same emoluments is not covered by the Scheme.

14. After some more discussion by the Members, the President constituted a Committee to examine the issues involved thoroughly and submit its recommendations to the Board. The Members of the Committee shall be as follows:-

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| 1. | <u>Chairman, EOBI</u> | <u>Convener</u> |
| 2. | <u>Joint Secretary, Labour</u> | <u>Member</u> |
| 3. | <u>Secretary, Labour Deptt. Govt. of Sindh</u> | <u>Member</u> |
| 4. | <u>Representative of Employers, Sindh</u> | <u>Member</u> |
| 5. | <u>Representative of Employees, Sindh</u> | <u>Member</u> |
| 6. | <u>Consulting Actuary</u> | <u>Member</u> |

ITEM NO.4 CONSIDERATION OF CREATION OF SEPARATE INVESTMENT CELL

15. Taking up the item for discussion the President expressed his view that the Investment must be sure and fully secured so that we could meet the liabilities. In view of the ban on recruitment new posts could not be created but the requirement of the manpower should be met out of the existing strength.

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16. Mr. Barkatullah explained that the basic activity of the Institution was financial, which included timely collection of contribution and its investment ensuring utmost security. If the growth of the fund could be maintained at a rate higher than 12% then the scheme was quite safe but decline of the growth below 12% would have adverse effect on the scheme. He stated that there were two ways on monitoring the investment of funds firstly by hiring Consultants for looking after the Investment portfolio or having our own Investment Cell to carry out the job.

17. There was quite some discussion by all the Members, who unanimously agreed that the matter of investment was a sensitive one and the requirement of the Institution appears to be genuine. However, due to ban on appointment even if some posts are created it will not be of any practical use.

18. The Board decided that a post of Deputy Director (Finance) be upgraded to that of Director (Investment).

19. The President further desired that the investment policy of the Institution needs to be reviewed for which recommendations may be put up to the Board for consideration.

ITEM NO.5 CONSIDERATION OF RE-ORGANISATION OF INSPECTION WORK

ITEM NO.6 CONSIDERATION OF CREATION OF NEW ZONAL AND REGIONAL OFFICES.

20. Items No.5 and 6 ^{were} taken up together. Mr. Barkatullah explained that formerly the policy made by the Board was being implemented by the Head Office and only one Officer i.e. A.D.G. (B&C) at the Head Office was monitoring the activities of all the Regions. It was felt that it was not possible for a single officer to carry out the job efficiently and, therefore, an Inspection Cell was created at the Head Office so that the monitoring could be properly handled. Subsequently the Inspection Cell's size was enlarged and more offices of Inspection Cell at Multan, Lahore and Islamabad were approved and also the required manpower in each Cell. Thereafter two zones were created to be headed by the Deputy Director General. Although the zone had to exercise

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the administrative authority over the Regional and Field Offices in their respective jurisdictions, yet no staff was provided to these zones. On the other hand, the Inspection Cell which had to monitor and inspect the quality of work, was provided the necessary manpower. The extension of Inspection Cell in the Regional/Zonal Offices has also adversely affected the work of the Inspection due to the intermingling of the inspection staff with the field staff. Moreover, the jurisdiction of the North Zone being spread over an un-manageable territory, needed proper adjustment.

21. The Board felt that in view of the reasons offered and details given, it was necessary to bifurcate the North Zone into two Zones having headquarters at Lahore and Islamabad and open an additional Regional Office at Faisalabad. The manpower presently utilised for three Inspection Teams ^{operating} at Multan, Lahore and Islamabad in the North Zone may be utilised for the purpose of manning the proposed Zonal and Regional offices and the Inspection work be restructured and be carried out at the Head Office level ^{only} with one of its teams based at Lahore and the other at Karachi so as to have the desired deterrent impact.

22. The Board agreeing with the presentation given and the requirement indicated in the working paper, decided to open one additional Zonal Office at Lahore and an additional Regional Office at Faisalabad and authorised the Chairman, E.O.B.I. to make necessary adjustment by re-arrangements and re-allocation of funds/posts within the over all approved budget provision.

ITEM NO.7 CONSIDERATION OF AMENDMENT IN RECRUITMENT PROCEDURE.

23. The Board desired that the item may be withdrawn and sent for examination to the Labour Division.

ITEM NO.8: CONSIDERATION OF PURCHASE OF SHOT GUNS FOR SECURITY GUARDS.

24. Taking up item 8 the President remarked that though the requirement appears genuine this item need not to have been brought before the Board. The Institution is competent to arrange purchase of shot guns necessary for security arrangements out of the approved

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ITEM NO.9 CONSIDERATION OF APPEAL OF MAJOR AKRAM
FOR REINSTATEMENT AS DIRECTOR.

25. Item 9 was then taken up for discussion. The Members were unanimously of the view that since the employee was on probation and after proceeding on leave did not join his duty inspite of the telegrams issued requiring him to join his duty, he had rightly been terminated from service. Moreover the appeal was miserably barred by time. The Board, therefore, dismissed the appeal, it being devoid of merit.

ITEM NO.10 CONSIDERATION OF REVISION OF VARIOUS ALLOWANCES
ANNOUNCED BY THE FEDERAL GOVERNMENT FOR THE EMPLOYEES
OF AUTONOMOUS/SEMI AUTONOMOUS BODIES/CORPORATIONS.

26. Item 10 was then taken up for discussion. As regards the ad-hoc increase @ 5% of the pay to the employees effective from 1-7-1989 it was decided to allow the increase to the employees of the Institution equivalent to BPS-16. As regards the Dearness Allowance @ Rs.200/- p.m. to all the employees effective from 1-12-1990, it was decided to examine the matter in the Labour Division and the Institution was advised to forward the case for having the needful done.

ITEM NO.11 ANY OTHER MATTER WITH THE PERMISSION OF CHAIR

27. (i) With permission of the chair Mr. S. Barkatullah presented a working paper regarding the request for ex-gratia payment to the employees during the month of Ramzan. He explained that the representative of the EOBI Employees Federation had met the Federal Minister for Labour when he visited the Head Office on 6-3-1991 and presented to him a Memorandum regarding payment of Bonus who desired that the matter may be put up to the Board in its next meeting. The Board reconfirmed its earlier decision to pay Bonus to the employees and recommended that a summary may be prepared by the Labour Division and be placed before the Minister for taking up the matter with the Finance Minister.

28. The Board further directed that instalments in respect of the amount paid to the employees last year anticipated as bonus may not be recovered till final decision is taken on the matter of payment of bonus and Eid Advance recoverable in 10 equal monthly instalments in accordance with the previous practice may be paid to the employees for this year.

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29. (ii) With the permission of the chair Mr. S. Barkatullah placed the request of Mr. Karam Ali Shah, Executive Officer who has been advised operation for transplantation of Kidney to allow him necessary arrangement for the said operation which will cost about Rs.3,00,000/-.

30. It was decided that the case be referred to the Labour Division to decide the matter in the light of the Government Policy on the subject.

31. The meeting ended with a vote of thanks to the chair.

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