



EMPLOYEES' OLD-AGE BENEFITS INSTITUTION

PAGE No. 407

29th

MINUTE BOOK

HELD AT

KARACHI

ON

28th Aug. 1991

TIME

9:30 AM

MINUTES OF THE 29TH MEETING OF THE BOARD OF TRUSTEES
OF EOBI HELD AT 09.30 A.M. ON 28TH AUGUST, 1991
AT THE HEAD OFFICE OF THE INSTITUTION AT KARACHI

The 29th Meeting of the Board of Trustees of Employees' Old-Age Benefits Institution was held at 09.30 a.m. on the 28th August, 1991 at the Head Office of the Institution at Karachi.

The following attended the meeting:-

- | | | |
|-----|--|-------------------|
| 1. | Mr karam Elahi, Joint Secretary, Ministry of Labour, Manpower & Overseas Pakistanis, Government of Pakistan. | President |
| 2. | Mr. Mukhtar Ahmed, Financial Advisor, Labour Division, Government of Pakistan. | Member |
| 3. | Captain Freeduddin Ahmedzai, Secretary Labour, Government of the Baluchistan. | Member |
| 4. | Mr. Arshad Tanweer, Employers' Representative, Sindh. | Member |
| 5. | Mr. Muhammad Rafique Employees' Representative, Punjab. | Member |
| 6. | Mr. Nabi Ahmed, Employees' Representative, Sindh. | Member |
| 7. | Haji Muhammad Ibrahim, Employees' Representative, Baluchistan | Member |
| 8. | Mr. S. Barakatullah, Chairman, EOBI. | Member |
| 9. | Mr. M. Ashraf Nadeem, Director General, EOBI. | Member |
| 10. | Mr. Mujtaba Rasul. | Secretary ROT. |

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2. The following officers were in attendance to assist the Board in its deliberation:-

1. Mr. Abbas Hussain, Dy. Director General (EDP), EOBI.
2. Mr. Nasim Ahmed, Asstt; Director General (PTP), EOBI.

3. The date and time of the meeting was fixed by the President of the Board who had not been able to come for the meeting on account of more important official engagements.

4. Mr. S. Barkatullah informed the members that the President of the Board desired that the meeting be held and the Board may choose one of the members to preside over it. Mr. S. Barkatullah proposed that Mr. Karam Elahi, Joint Secretary Labour may preside over the meeting. The proposal was seconded by Captain Fareed, Secretary Labour, Government of Baluchistan. At this stage Mr. Nabi Ahmed pointed out that the Board of Trustees Rules provide that in the absence of the President, the meeting may be presided upon by his nominee. He further suggested that in an earlier meeting of the Board a Resolution was passed that in case no nomination is made by the president, the members may elect any of the members to preside over the meeting. However, the rules had not been amended accordingly. He also pointed out that the rules still refer to Chairman of the Board which also needs to be amended as President of the Board.

5. Mr. Karam Elahi, Joint Secretary (labour) then took up the chair as President at the meeting.

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6. The meeting started with recitation from the Holy Quran by Haji Muhammad Ibrahim.

7. Before the agenda was taken up for consideration Mr. S. Barkatullah informed the members that Mr. Javed Saifullah had requested to grant him leave of absence. The members accepted the request. He further informed that Mr. Zubair Ahmed Kidwai, Secretary (labour), Government of Sindh had proceeded on official assignment to Sanghar and, therefore, could not attend the meeting. The members granted him leave of absence. Mr. Mukhtar Ahmed expressed his view that generally the Secretary Labour being busy in other important official matters are often not able to attend the meetings. On such occasions they may nominate some other officer to represent them on the Board. Mr. S. Barkatullah stated that if participation of nominees was allowed, the level of the Board will go down than that provided by the legislature which is not desirable. He further apprehended that if representation was allowed in the case of official members, the non-official members may also nominate their representatives to attend the meeting and thereby the constitution of the Board will be adversely affected. Mr. Nabi Ahmed suggested that where the official members are not in a position to attend, they may inform the Board in writing clearly mentioning that they are busy on official business and nominate some other officer not more than one grade below his level as substitute to represent him in the meeting. In case of nomination being lower than that level, the nominee may be allowed to attend as an Observer only.

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| <p>ITEM NO.1 <u>CONFIRMATION OF MINUTES OF THE LAST MEETING:</u></p> | | |
| <p>8. Mr. Mukhtar Ahmed, stated that he had not objected to the minutes as recorded but only made certain observations for improving the reporting of the minutes in future.</p> | | |
| <p>9. There being no objections to the recording of the minutes, the minutes were confirmed by the Board.</p> | | |
| <p>ITEM NO.2: <u>REPORT OF ACTION TAKEN ON THE DECISIONS TAKEN BY THE BOARD IN ITS LAST MEETING</u></p> | | |
| <p>10. The President observed that at serial No.2 of the Working Paper action regarding Recruitment Rules have been indicated but nothing has been stated about the Pension Procedure. Mr. S. Barkatullah explained that there is already a Pension Procedure under which Pension is being disbursed every month. For improvement of the Pension Procedure comments were called from the Employees' Representative on the Board on receipt of which the revised Pension Procedure, making it more convenient for the pensioners shall be formulated and put up to the Board.</p> | | |
| <p>11. Regarding Serial No.5 of the Working Paper, the President desired that the progress made in the implementation of the Publicity Scheme approved by the Board has not been given which may be submitted in the next Board meeting.</p> | | |
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12. The President desired, that in future the decisions of the Board should be recorded in a self-contained manner.

13. With the above observations the Board noted the report on the actions taken on decisions of the Board in its last meeting.

**ITEM NO.3: CONSIDERATION OF DRAFT ANNUAL REPORT OF
THE INSTITUTION FOR THE YEAR 1989/90:**

14. The Board adopted Annual Report for 1989-90 and constituted a committee comprising the following to devise a new format for the future Annual Reports of the Institution and shall provide the format at an early date to prepare Draft Annual Report:-

1. Financial Adviser (Labour) Convenor
2. Joint Secretary (Labour) Member
3. Dy. Director General (F&A) EOBI Member
4. Dy. Director General (EDP) EOBI Member

**ITEM NO.4 CONSIDERATION OF REPORT OF THE COMMITTEE OF
THE INSTITUTION CONSTITUTED TO SUGGEST WAYS
AND MEANS TO IMPROVE EFFICIENCY IN WORKING
OF THE INSTITUTION AND EXTERMINATE CORRUPTION:**

15. Mr. S. Barkatullah informed the Board that the management of the Institution has taken initiative for streamlining the procedures so as to improve efficiency in

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working and to curtail the discretion of the functionaries of the

Institution to check corruption. The recommendations of the Committee comprising senior officials of the Institution were presented for consideration and approval of the Board so that their implementation may be strengthened. Mr. M. Ashraf Nadeem informed the Board that the item was discussed in detail in the F&A Committee meeting on 15-07-1991, the minutes of which have also been presented to the Board.

16. The Board examined the minutes of the said meeting of the Committee and approved the recommendations for implementation.

17. The President desired to be informed about the Training Programme for the officials of the Institution. Mr. S. Barkatullah stated that this will include training at the P.I.M., Judicial Academy and ILO experts will impart training to some of our officials who will then give on job training to the officials of the Institution. The Board desired that foreign training in the field of training may also be arranged.

18. The Board further desired that the procedures to be followed in the Institution may be laid down by the Committee comprising D.G., EOBI, as its Convenor with Employers' Representative, Sindh and Employees' Representative, Sindh as Members. The progress made by the Committee may be put up for information of the Board in its next meeting.

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ITEM NO.5: CONSIDERATION OF PERFORMANCE OF THE INSTITUTION FOR THE PERIOD FROM APRIL TO JUNE, 1991.

19. Mr. Mukhtar Ahmed, Financial Adviser Labour stated that the F&A Committee had thoroughly examined and reviewed the item and had made certain observations regarding performance of the Institution in the Minutes of its meeting held on 22-08-1991. He expressed the view that the figure of paying employers was quite confusing as only 11340 were stated to have paid contribution as against 25437 registered employers. Mr. S. Barkatullah explained that all the employers do not necessarily pay contribution every month but do pay the contribution at an interval of 2-3 or even 6 months. They can not be compelled to pay every month regularly as the law provides payment after the due date with statutory increase. The figure reported in the Working Paper was in respect of employers who had paid in the month of June, 1991.

20. The President desired that the performance report should also include the position of arrears of contribution, history of insured persons and de-registration of establishments. Mr. Nabi Ahmed pointed out that although De-Registration Committee was constituted as directed by the Board but no meeting of the said Committee was convened. Mr. S. Barkatullah stated that the Committee was constituted without naming the Convenor and, therefore, it is not clear as to who shall convene the meeting and suggested that the employers representatives may be nominated as Convenor. Mr. Nabi Ahmed expressed the view that the representatives of employers and employees are party to the

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de-registration and, therefore, it will not be proper that any of them should be nominated as Convenor, and asserted that the officer of the Institution on the Committee should be the Convenor. Mr. S. Barkatullah stated that the representative of the Institution of the Committee was Regional Head and he did not consider it proper level for convening the meeting which the Trustees had to attend and suggested that instead of Regional Head, the Zonal Head be nominated as Convenor and the Regional Head should act as Secretary to the Committee. He further requested that the Labour Division may advise the Provincial Secretaries, Labour Departments to instruct the Directors Labour to give full cooperation to the Committee.

21. The Board agreed to the suggestion and nominated the Zonal Heads as Convenors of the De-Registration Committee with the employers' and employees' representative of the Province concerned as members and the Regional Head concerned as Secretary of the Committee.

22. Regarding statement of accounts of insured persons the Board decided that the statement of accounts slips of the insured persons may be sent to the employers and duplicate of the slips pertaining to each insured persons be also sent to the employees' representatives on the BOT on Provincial basis. It was further decided that the insured persons may be informed through advertisement in local as well as national newspapers that their statement of accounts have been sent to their employers and to their representatives on the Board which they may collect so that their pension claims could be settled without unnecessary delay.

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**ITEM NO. 6 CONSIDERATION OF ADDITIONAL BUDGET UNDER THE
HEAD "VEHICLE INSURANCE AND TAXES**

23. The Board approved additional budget of Rs.0.170 Million raising the budgetary allocation under the head "Vehicle Insurance & Taxes" to Rs.0.580 Million.

**ITEM NO.7 CONSIDERATION OF PAYMENT OF BONUS
TO THE EMPLOYEES OF THE INSTITUTION**

24. Mr. S. Barkatullah stated that in its 21st meeting held on 05.03.1989, the Board had decided to pay Bonus to the employees of the Institution. Reference was made to the Minute Book. The decision of the Board is reproduced as under:-

"The Board recommended payment of bonus to the Officers and Staff at the following rates:-

| | | |
|----------|-------|-----------------------|
| Officers | | One month's basic pay |
| Staff | | Two month's basic pay |

The Board suggested that the matter may be referred to the Government for their approval. Till the receipt of the approval the present system of payment of Eid Advance, equal to one month's pay, should be continued but no recovery should be made on account of this advance till a decision from the Government on the subject of Bonus."

25. Mr. S. Barkatullah further stated that the

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recommendations of the Board was not agreed by the Finance Division as they considered that Employees' Old-Age Benefits Institution was not an 'industry'. The Hon'able Supreme Court of Pakistan by its judgement dated 23.8.1987 had held the Institution to be an 'industry' and the Board decided to make a reference regarding disbursement of Bonus to the employees of the Institution to the Law & Justice Division as an issue. The reference was accordingly made through Labour Division on which the Law & Justice Division gave its ruling as follows:-

"After the announcement of the judgement the worthy Supreme Court of Pakistan, dated 23.8.1987, the EOBI has been declared as an 'industry' and its employees resultantly would be entitled to the benefits of Bonus.

Reference is answered accordingly."

26. Mr. Nabi Ahmed supported by Mr. Mohammad Rafiq and Haji Mohammad Ibrahim expressed that the achievements of the Institution are equally shared by Officers and staff. Bonus should, therefore, be paid to them at equal rate i.e. officers as well as the staff be paid bonus @ two month's pay. Mr. Arshad Tanweer concurred with their suggestions. Captain Fareed, Secretary Labour, Baluchistan drew the attention of the Board to the approval of the Finance Division which was in effect two months pay to staff and one month's pay to the officers. He suggested that the proposal for payment of two months pay to the Officers as bonus may be taken up separately.

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27. Mr. S. Barkatullah requested that in view of Law and Justice Division ruling and clearance of the proposal of the Board to pay Bonus to the employees of the Institution, the Board may direct payments of bonus as decided in 21st meeting of the Board.

28. On consideration of the ruling of Law and Justice Division, there was a consensus on the point that the Finance Division has given its approval in principle on the approval of the Board that the employees of the Institution are entitled to Bonus and the recommendations of the Board in its 21st meeting to pay Bonus to the employees of the Institution be implemented.

ITEM NO.8: CONSIDERATION OF THE CONSTRUCTION OF INSTITUTION'S OFFICE BUILDING AT SHADMAN, LAHORE.

29. The President invited comments of the Institution on the recommendations of the F&A Committee in respect of item. Mr. S. Barkatullah stated that the Institution had acquired a plot of land which it is felt can be profitably utilised by raising construction over it as proposed in the working paper. The Board at this stage has to decide whether the construction project be undertaken. He explained that M/s. PEPAC, being Government controlled agency, were consulted to give feasibility report, as the report of the private agency would have raised more doubts. He further stated that he would have consulted M/s. NESPAK but that agency does not take interest in such small projects. If the Board considered this Project feasible then the Tender Documents will be prepared and Building Contractors will be

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required to file their Tenders which will show the actual cost of construction project which again will come before the Board for approval. He informed the Board that the Institution has employed the Director (Engineering), SESSI who is a foreign qualified Civil Engineer equivalent to Superintending Engineer as part time Adviser (Engg.) of the Institution who will supervise the construction in liaison with the Consultants on the site.

30. After some discussion, the Board decided that a report giving details of the Project may be obtained from Adviser (Engineering) of the Institution which may be put up to the Board and in the meantime, Labour Division may obtain views of the Planning and Development Division which too may be put up to the Board for consideration.

ITEM NO.9: CONSIDERATION OF THE PROCEDURE FOR PAYMENT OF TA/DA
BILLS OF THE MEMBERS OF THE BOARD OF TRUSTEES

31. The President inquired from the Employees Representatives on the Board their difficulties in producing the Hotel Bills at the time of payment of their TA/DA Bills. They informed that they had to collect their TA/DA on the day of the meeting whereas they have to leave the station on the next day and the Hotel does not issue a post dated bill to cover their stay for the next day. They also pointed out that their entitlement to TA/DA was under Rule 17 of the Board of Trustees Rules according to which they were entitled to the actual economy

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class return air fare in respect of journey by air, actual ACC

class return rail fare in respect of journey by Rail and an amount equivalent to the actual ACC Class Rail fare in respect of journey by Road between places connected by Rail. And to a Daily Allowance for each day of the meeting and for the day of arrival at and departure from the place of meeting @ Rs.200/= plus Hotel Expenses upto a maximum of three times the Daily Allowance. There is no condition for producing the Hotel Bills or the Air/Railway Tickets. They suggested that a Certificate given by them in respect of the Hotel expenses may, therefore, be considered sufficient for making them payment not exceeding their entitlement.

32. After some discussion, the Board decided that since it is not possible to produce the Hotel Bill on the day of the meeting when their TA/DA Bills is to be settled and paid, the Institution may pay the TA/DA Bills of non-official members of the Board of Trustees to the limit of their entitlement on the basis of certificate given by the members.

**ITEM NO.10: CONSIDERATION OF THE EDP/ILD PROJECT
OF THE INSTITUTION**

33. The Board accepted the recommendations of the F&A Committee and approved the payment of an amount equivalent to US\$ 16,930 in Pak Rupees to M/s. PICL for installation of a new Mainframe Computer being financed under Project PAK/88/022.

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34. It was further decided that the Institution may examine the second part of the proposal regarding the additional requirement of manpower including the up-gradation of 2 posts of System Analysts to that of Director together with the cost, in consultation with Pakistan Computer Bureau, and put it up with full justification for the consideration of the Board.

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

35. With permission of the Chair, Mr. Nabi Ahmed proposed that the Board may record appreciation of the recent generous announcement of the Government to increase the rate of Pension of the insured persons in the EOB Scheme from 1987 and to pay the arrears of Pension to the Pensioners. He further stated that computation of arrears of Pension at the enhanced rate payable to each insured person and its payment together with arrears was a herculean task involving extensive activity but, it has been noted with great satisfaction that more than 70% of pensioners have already been paid the enhanced pension for the month of July together with the arrears within the first two months very smoothly and without the slightest inconvenience to the pensioners. This has been possible because of development of highly efficient mechanism, dedication and follow-up by the Institution which is highly admirable. He praised the dynamic leadership of Mr.S.Barkatullah, Chairman, EOBI, whose firm conviction, utmost dedication and high standard of professionalism provided efficient administration to the Institution.

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36. Haji Ibrahim reaffirmed the views expressed by Mr. Nabi Ahmed and informed the Board that Chairman's recent hectic visit to Baluchistan was yet another source of inspiration for labour leaders as well as workers and the way he handled meetings at Press Club, Mine Owners Association and Mine Workers Federation, resulted in notably clarifying to the Mine Owners, the coverage of the Mine Owners/Mine Workers under the Scheme. M/S. Arshad Tanveer and Mohammad Rafique also recorded their complete agreement with the views expressed by Mr. Nabi Ahmed and added that it was worth noting that all these objectives were achieved in spite of the acute shortage of staff as against the manpower strength approved by the Board.

37. The Board agreeing with the proposal put forth by Mr. Nabi Ahmed passed the following resolution:-

RESOLUTION:

"Resolved to place on record the significant headway and progress made by the Institution in achieving positive results. The exercise of efficacious control over expenses and achieving of the targets given by the Board despite shortage of necessary staff is highly appreciable. The Investment Policy of the Institution and efficient implementation has provided the desirable security to the Fund besides generating remarkably increased investment income of one billion during the current year which is highly commendable.

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Giving effect to the recent generous announcement by the Government in the month of June, 1991 increasing the rates of pension for all pensioners from 1987 together with the arrears to be paid from the month of July, 1991 was a herculean task involving extensive activity but with the development of efficient mechanism, dedication and follow up on the part of officials of the Institution, more than 50% of the Pensioners have already been paid the revised pension together with arrears within the 1st two weeks smoothly without any inconvenience to the Pensioners.

All these achievements of the Institution have been made under the dynamic leadership of Mr.S.Barkatullah, Chairman, EOBI, whose utmost dedication and high standard of professionalism provided the efficient administration to the Institution. The Board greets the Government for placing such a devoted professional as Head of the Institution."

38. Mr.S.Barkatullah expressed his gratituted for the kind appreciation meted out to him and wanted to bring it on record that the Institution had discharged its functions efficiently because of the dedication and devotion of his senior colleagues officers and staff in the Institution whose mettle and animated team work made it possible to bring honour to him and to the Institution by earning appreciation of this august Board.

39. The meeting ended with a vote of thanks to the Chair.

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