




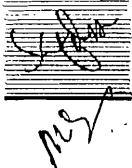
EMPLOYEES' OLD-AGE BENEFITS INSTITUTION

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<u>MINUTES OF THE 32nd MEETING OF THE BOARD OF TRUSTEES HELD AT KARACHI ON 19TH DECEMBER, 1992</u>																																							
The 32nd Meeting of the Board of Trustees of EOBI was held at 9.30 a.m. on the 19th December, 1992 at the Head Office of the Institution at Karachi. The following attended the Meeting:-																																							
<table><tbody><tr><td>1.</td><td>Mr. Safdar Hussain Kazmi, Secretary, Ministry of Labour Manpower & Overseas Pakistanis, Government of Pakistan, Islamabad.</td><td>President.</td></tr><tr><td>2.</td><td>Mr. Mukhtar Ahmed, Financial Adviser, Labour Division.</td><td>Member</td></tr><tr><td>3.</td><td>Mr. Karam Elahi, Joint Secretary, Labour Division.</td><td>Member</td></tr><tr><td>4.</td><td>Mr. Humayun Farshori, Secretary (Labour), Government of Sindh, Karachi.</td><td>Member</td></tr><tr><td>5.</td><td>Mr. Arshad Tanveer Employers' Representative.</td><td>Member</td></tr><tr><td>6.</td><td>Mr. Muhammad Rafique, Employees' Representative.</td><td>Member</td></tr><tr><td>7.</td><td>Mr. Nabi Ahmed, Employees' Representative.</td><td>Member</td></tr><tr><td>8.</td><td>Mr. Fazle Rabbi Dard, Employees' Representative.</td><td>Member</td></tr><tr><td>9.</td><td>Haji Muhammad Ibrahim, Employees' Representative.</td><td>Member</td></tr><tr><td>10.</td><td>Mr. S. Barkatullah, Chairman, EOBI</td><td>Member</td></tr><tr><td>11.</td><td>Mr. M. Ashraf Nadeem, Director General, EOBI</td><td>Member</td></tr><tr><td>12.</td><td>Mr. Mujtaba Rasul</td><td>Secretary, BOT</td></tr></tbody></table>				1.	Mr. Safdar Hussain Kazmi, Secretary, Ministry of Labour Manpower & Overseas Pakistanis, Government of Pakistan, Islamabad.	President.	2.	Mr. Mukhtar Ahmed, Financial Adviser, Labour Division.	Member	3.	Mr. Karam Elahi, Joint Secretary, Labour Division.	Member	4.	Mr. Humayun Farshori, Secretary (Labour), Government of Sindh, Karachi.	Member	5.	Mr. Arshad Tanveer Employers' Representative.	Member	6.	Mr. Muhammad Rafique, Employees' Representative.	Member	7.	Mr. Nabi Ahmed, Employees' Representative.	Member	8.	Mr. Fazle Rabbi Dard, Employees' Representative.	Member	9.	Haji Muhammad Ibrahim, Employees' Representative.	Member	10.	Mr. S. Barkatullah, Chairman, EOBI	Member	11.	Mr. M. Ashraf Nadeem, Director General, EOBI	Member	12.	Mr. Mujtaba Rasul	Secretary, BOT
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2. The following Officers of the Institution were also																																							
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	<p>in attendance to assist the Board in its deliberations:-</p> <p>(1) Mr. N. H. Faruqui, Dy. Director General (F&A). (2) Raja Faizul Hassan Faiz, Deputy Director (Law).</p> <p>3. The proceedings of the meeting commenced with recitation from the Holy Quran. Thereafter, the President of the Board took up the following items of the agenda for discussion:</p> <p><u>ITEM-1: CONFIRMATION OF MINUTES OF THE LAST MEETING.</u></p> <p>4. The President enquired about any objections to the recording of the minutes from members and there being no objection, the minutes were confirmed.</p> <p><u>ITEM-2: PROGRESS ON THE DECISIONS TAKEN BY THE BOARD IN IT'S LAST MEETING HELD ON 20TH MAY, 1992.</u></p> <p>5. The progress report was taken up for consideration. The President was informed that the case of upgradation of two posts of Dy. Director (EDP) was forwarded by the F.A.'s organisation to the Regulations Wing, Finance Division for consideration and approval. The creation of eleven new posts had already been approved by the Finance Division.</p> <p>6. Nabi Ahmed remarked that the Board after considering all the aspects takes a decision but the implementation of the decision is delayed because of Government formalities. Mr. Mukhtar Ahmed stated that the creation of posts were of no avail if those posts could not be filled up. He suggested that the Board may constitute a committee comprising Financial Adviser Labour, Joint Secretary, Labour Division, and Director General, EOBI to examine the ways and means for filling up the vacant posts. Mr. Humayun Farshori, Secretary Labour Sindh stated that the ban on appointments was also imposed in the Provinces but where appointment was considered essential, a summary could be moved to the Competent Authority for relaxation of the ban on consideration of the urgency involved.</p> <p>7. The President desired that the Labour Division should put up a summary for the Finance Minister for relaxation of ban on appointments to the vacant posts in the Institution.</p> <p>8. The Board also decided that the committee set up to determine the workload and consequent additional man-</p>		
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power requirement should expeditiously complete its assignment and put up a report for consideration of the Board in its next meeting.

9. Commenting on the report on decisions contained in para 23 and 24 of the minutes, Mr. Nabi Ahmed stated that where Government money is not involved, the autonomous body should not be compelled by the Government in granting fringe benefits to the employees of the Institution. The Board after due consideration had recommended payment of bonus to the Officers of the Institution which was sent for confirmation to the Labour Division but it had been further referred to the Ministry of Finance. The President confirmed that reference to Ministry of Finance was necessary since they were the competent authority in the matter.

10. On the report on para 26 of the minutes, Mr. Mukhtar Ahmed was of the view that the Purchase Committee is pressed by the Institution to recommend purchase of property hurriedly but after that finalisation of the sale deed is not pursued with the same urgency. He pointed out that finalisation of the sale deed in respect of property recommended for purchase at Abbottabad is still pending for the last over one year. Mr. Barkatullah explained that the delay in respect of property at Abbottabad is for very special reason which confront the owner of the property. He further informed the Board that quite a number of properties have been purchased by the Institution in various places where the transfer was effected without any delay. Only a small amount out of the agreed sale price is paid to the owner to bind him for a specific performance of the contract of sale and the balance of the sale price is paid only at the time of transfer on completion of sale. Thus no undue loss is caused to the Institution.

11. The President directed that the pending cases of execution of the sale deeds be finalised expeditiously.

ITEM-3: PERFORMANCE OF THE INSTITUTION DURING THE PERIOD JULY TO OCTOBER, 1992.

12. The President desired that the Chairman, EOBI may explain and highlight the performance of the Institution during the period under review.

13. While reviewing the comparison of the amount of contribution collected during the period under review and the corresponding period of the last financial year, Mr. Humayun Farshori observed that the margin of fall in the figures was quite high. It was desired that the details of the fall in collection of contribu-

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tion be given. Mr. S. Barkatullah explained that the main reason was the effect of heavy rains and flood due to which a large number of employers did not deposit the due contribution in time and effective follow up could not be made. He, however, assured the Board that the short fall shall be recovered within the financial year and the target given by the Board will be achieved.

14. While reviewing the disposal of pension claims the information regarding 728 pending claims was presented to the Board as recommended by the F&A Committee. The Board was informed that the number of pending claims as on 31.10.1992 which was 728 had now reduced to 315. Mr. S. Barkatullah informed the Board that on an average 10,000 pension cases are settled every year and the total number of pensioners is around 92,000. Generally the claims are settled within 45 days of their receipt in the Institution and only those claims remain pending in which the particulars given by the insured persons are not verified for one reason or the other.


15. Mr. Nabi Ahmed asserted that the papers of a large number of claimants are not accepted by the regional offices on the plea that they are incomplete and thus those insured persons have to run from the pillar to the post and they are not recorded by the Institution as pending claims. He also stated that delay in settlement of claims is also for reason of shortage of manpower in the Institution because if an Audit Officer in a region is on leave, no replacement can be provided and the cases have to be sent to the Head Office for the purpose of audit where also there are insufficient officers to cope up with the workload.

16. Mr. Humayun Farshori was of the view that wide publicity of the scheme was needed so that the insured persons could know their rights to pension and the procedure which they must follow for obtaining the pension. Mr. Karam Elahi added that the record building of the insured persons in the Institution was also an essential factor for expeditious settlement of the claims.

17. Mr. S. Barkatullah, Chairman, EOBI, informed that during the last few years, the workload has substantially increased but the manpower of the Institution remained the same due to ban on creation of posts and appointment to the vacant posts. He further stated that very limited publicity budget was provided which could not cater for the wide publicity as suggested by Secretary Labour Sindh.

18. The Financial Adviser (Labour) was of the view that

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manpower could be provided only if some new offices were opened. Mr. S. Barkatullah stated that during the last three years, four Zonal Offices, three Regional Offices, and four Field Offices have been opened in the interest of smooth and effective working and the Institution is running these offices by re-allocation and re-adjustment of the existing manpower.

19. The President desired that as already decided the workload committee should submit its report expeditiously and the Institution should also put up a comprehensive publicity program as an item on the Agenda in the next Board Meeting so that the Board may decide the additional manpower requirement and the budget for publicity of the scheme.

20. Haji Mohammad Rafique invited attention of the Board to a news item published in "daily Khabrain", Rawalpindi wherein it was mentioned that the arrears of pension are not being paid. He said that although the Institution was not named in the news item yet the word "pension" leads every person to this Institution only. He suggested that a contradiction may be issued to clarify the position. The President expressed that a contradiction was not advisable but the performance of the Institution with regard to payment of pensions be highlighted in leading national dailies after suitable intervals.

ITEM-4: DE-REGISTRATION OF CLOSED UNITS RECOMMENDED FOR BY THE DE-REGISTRATION COMMITTEE

21. Mr. Nabi Ahmed referring to the minutes of the F&A Committee with regard to this item stated that the committee of the South Zone had put in lot of efforts and developed a system for consideration of De-registration cases and all the cases recommended by this committee for de-registration fulfilled the requirements of that system. However, since the minutes of the 1st meeting of the committee were not placed in the working paper, the correct position did not come on record. Mr. S. Barkatullah confirmed the assertion of Mr. Nabi Ahmed and acknowledged the wisdom of the committee of the South Zone in developing the system for de-registration. Annex-B and the list of 209 units recommended for de-registration by the committee of the Central Zone, which were inadvertently omitted to be included in the working paper, were tabled in the Board and the Board decided to accept the recommendations of the de-registration committees for de-registration of the total number of 413 units as recommended by them.

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ITEM-5: REPORT ON INVESTMENT OF THE FUNDS INVESTMENT POLICY

22. Mr. Humayun Farshori desired to know the difference of accrued profit and outstanding profit mentioned in the working paper. Mr. N. H. Faruqui, DDG (F&A) explained that the investible funds of the Institution are invested on daily basis. The term "profit earned" means the profit received on maturity or on completion of profit period and accounted for as income for the accounting year. "Profit outstanding" means the profit of the investment which has become due on completion of period of profit but not received for example one to nine years profit in case of DSCs and 180 days in other cases whereas "profit accrued" means the profit for the broken period i.e. number of days less than one year in case of DSCs and less than 180 days in other cases.

23. The Board decided that the investment in the IDBP may be withdrawn.

ITEM-6: CONSIDERATION AND APPROVAL OF THE ANNUAL ACCOUNTS FOR THE YEAR 1991-92.

24. Mr. Mukhtar Ahmed, Financial Adviser, (Labour), appreciated the efforts of the management of the Institution in having the Annual Accounts prepared and audited within the time schedule given by the Board. The Chairman, EOBI, stated that the task was completed with the expertise and devotion of the officials of Finance and Accounts Division for which appreciation of the Board may be recorded.

25. The Annual Audited Accounts for 1991-92 was approved by the Board.

ITEM-7: CONSIDERATION AND APPROVAL OF DRAFT ANNUAL REPORT FOR THE YEAR 1991-92

26. Mr. S. Barkatullah informed the Board that the format of the Annual Report given by the F&A Committee was a very good work of the Committee which must be appreciated. He also recorded appreciation for the DDG and officials of the Benefits and Contributions Division who prepared the Draft Report meticulously in accordance with the given format.

27. Mr. Mukhtar Ahmed, Financial Adviser, (Labour), stated that the F&A Committee while examining the Agenda and Working Papers for the Meeting of the Board had

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desired updating certain information contained in the Draft Annual Report and observed certain discrepancies which required to be corrected and the corrected draft to be placed before the Board. Since the time was very short and the corrected draft came before him only today, he could not be sure if all the corrections, needed had been made as required. He, therefore, suggested that the meetings of F&A Committee and the Board should be held atleast 15 days apart so that the Institution may implement the recommendations of the committee and the F&A Committee is provided the amended papers sufficiently before the Board Meeting for the final version.

28. The Board decided that the dates of meetings of the F&A Committee and the Board be fixed atleast 15 days apart in future. The Draft Annual Report as amended by the F&A Committee was adopted for final publication.

ITEM-8: REGISTRATION OF SIGNATORIES WITH PUBLIC DEBT OFFICE, STATE BANK OF PAKISTAN, KARACHI.

29. The proposal contained in the working paper was approved by the Board and it was resolved as follows:-

Resolved that the following officers of the Institution are hereby approved for registration of their names as authorised signatories with State Bank of Pakistan with the condition that the first two officers shall act as countersignatories and two officers shall sign for execution of any transaction of whom one shall be a countersignatory:-

Sr.No.	Name	Designation	Status
1.	Mr. S. Barkatullah	Chairman	Counter Signatory
2.	Mr. M. Ashraf Nadeem	Director General	-do-
3.	Mr. N. H. Faruqui	Deputy Director General (F&A)	Signatory
4.	Mr. Abdul Majeed	Assistan Director General (Audit)	-do-

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ITEM-9: PERMISSION FOR DIRECT PARTICIPATION IN AUCTIONS OF FIBs AND OPENING OF AN ACCOUNT WITH THE STATE BANK OF PAKISTAN

30. The Board approved direct participation of the Institution in auction of FIBs and opening of a general ledger FIB account with the State Bank of Pakistan as proposed in the working paper.

ITEM-10: CREATION OF A DIVISION TITLED 'RECONCILIATION AND INVESTMENT DIVISION' (R & I DIVISION)

31. Mr. S. Barkatullah explained that the reconciliation work was in backlog and for keeping it properly updated, use of computer was considered essential. For this purpose skilled manpower was required. It was, therefore, proposed that a separate division may be created and an officer in the grade of ADG be inducted as a head of the division who should assess and recommend the requirement and the quality of manpower needed for the said division to discharge the responsibility of keeping the reconciliation and investment upto date. After considering the recommendations of the head of R&I Division the necessary manpower requirement would be placed before the Board for approval.

32. Mr. Humayun Farshori was of the opinion that for carrying out the analysis about requirement of manpower and its quality, appointment of an officer did not appear feasible. This job could first be carried out through an expert consultant. Mr. Nabi Ahmed suggested that creation of the division may be agreed in principle and how it should be manned, could be worked out by an expert management consultant. Mr. Barkatullah agreed with the suggestion and recommended that the consulting actuaries who remained associated with the Institution and were aware of the problems and the workload and also possessed the necessary expertise may be assigned the job.

33. The Board decided in principle for creation of the R&I division and assignment of carrying out necessary analysis of manpower requirement to the consultants.

ITEM-11: APPROVAL FOR THE PURCHASE OF VEHICLES FOR LAHORE AND FAISALABAD ZONAL OFFICES AND REGIONAL OFFICE KOTRI

34. Mr. S. Barkatullah informed the Board that a new Region at Islamabad was likely to start functioning from the month of February, 1993. He, therefore, requested that a Suzuki Jeep for Islamabad Regional Office may also be approved with budget allocation of

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Rs.300,000 for its purchase and accordingly the total budget allocation of Rs.25,00,000/- for purchase of additional vehicles as recommended by the F&A Committee may be revised to Rs.28,00,000/- and 10% may be allowed for any escalation in prices.

35. The Board approved the purchase of:-

(i) One Toyota Land Cruiser-II (5 Doors) for Lahore Zonal Office

(ii) One Rocky/Isuzu/Nissan/Toyota Jeep (three doors) for Faisalabad Zonal Office

(iii) Two Suzuki Jeeps for Kotri and Islamabad Regional Offices

36. The Board also approved additional budget allocation of Rs.28,00,000/- with escalation in price upto 10% for the purchase of the four vehicles as detailed above.

ITEM-12: APPROVAL OF QUALIFICATION PAY AND ANNUAL SUBSCRIPTION FOR MEMBERSHIP OF PROFESSIONAL BODIES FOR EMPLOYEES OF THE INSTITUTION

37. The item was withdrawn by the Institution.

ITEM-13(A): WAIVER OF OUTSTANDING LOAN UNDER REGULATIONS 8 & 9 OF EOBI (LOANS TO EMPLOYEES) REGULATIONS, 1980 AGAINST THE DECEASED MR. PETER PAUL FERNANDEZ, EXECUTIVE OFFICER

38. The Board approved the extinguishment/waiver of the balance of the outstanding loans against late Peter Paul Fernandez, Executive Officer, amounting to Rs.42,563/- .

ITEM-13(B): WAIVER OF OUTSTANDING LOANS UNDER REGULATION 6 OF EOBI (LOANS TO EMPLOYEES) REGULATIONS, 1980 AGAINST THE DECEASED MR. MUZAFFAR MAHMOOD, ASSISTANT REGIONAL OFFICE, MULTAN

39. The Board approved the extinguishment/waiver of the balance of loan outstanding against late Muzaffar Mahmood, Assistant amounting to Rs.92,932/-.

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<p><u>ITEM-14: RELAXATION OF MAXIMUM AGE LIMIT FOR APPOINTMENT AS ASSISTANT OF WIDOW OF DECEASED EMPLOYEE MR. PETER PAUL FERNANDEZ</u></p> <p>40. The Board approved the proposal to relax the maximum age limit for appointment of the widow of late Peter Paul Fernandez as Assistant in the Institution.</p> <p><u>ITEM-15: MEMORANDUM OF AGREEMENT SIGNED WITH THE EOBI EMPLOYEES FEDERATION OF PAKISTAN FOR THE PERIOD FROM 01.07.1992 TO 30.06.1994</u></p> <p>41. The Board approved and ratified the memorandum of agreement signed between the management of the EOBI and EOBI Employees Federation of Pakistan dated 05.11.1992 and approved an additional budget of Rs.4.393 million under the head of staff cost for the financial year 1992-93.</p> <p><u>ITEM-16(A): CONSIDERATION AND APPROVAL OF REVISED RATES OF DAILY ALLOWANCE OF MEMBERS OF THE BOARD</u></p> <p>42. The Board decided to revise the rates of daily allowance and entitlement to stay in a hotel for non-official members at the maximum rate admissible to the civil servants from time to time.</p> <p>43. For official members these rate will be the same as admissible to them in the Government according to their entitlement.</p> <p><u>ITEM NO.16(B): APPOINTMENT OF CONSULTING ACTUARIES TO CARRY OUT THE STATUTORY ACTUARIAL VALUATION OF THE ASSETS AND LIABILITIES OF THE INSTITUTION AS ON 30TH JUNE, 1991 AND APPROVAL OF THEIR FEE FOR CARRYING OUT THE ACTUARIAL VALUATION</u></p> <p>44. The Board decided that quotations may be invited for the job of carrying out the actuarial valuation from different firms of actuaries. A committee comprising Chairman EOBI as Convenor, Director General EOBI, Employers' Representative Sindh and Employees' Representative Sindh as members to examine the quotations and assign the job to any of the firms on a settled fee as the committee may decide. The decision of the committee shall be deemed to be the decision of the Board.</p>		
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ITEM - 16(C): CONSIDERATION OF THE MINUTES OF THE LAST MEETING OF THE CENTRAL VIGILANCE COMMITTEE

45. The Board considered the minutes of meeting of the Central Vigilance Committee and desired that the recommendations of the committee may be implemented and the committee should meet more often.

ITEM-16(D): CLUB MEMBERSHIP FOR SENIOR OFFICES OF THE INSTITUTION

46. The President desired that the item may be put up with more information about the organisations providing this facility to their officers, in the next meeting.

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

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S. Khan

W. Khan