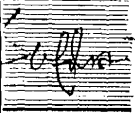




**EMPLOYEES'
OLD-AGE BENEFITS
INSTITUTION**

MINUTE BOOK	HELD AT KARACHI	ON 20.05.1993.	TIME 11.00.A.M.																														
<p>MINUTES OF 34TH BOARD MEETING HELD AT KARACHI ON 20TH MAY 1993</p>																																	
<p>The 34th meeting of the Board of Trustees of EOBI was held at 11.00 A.M. on Thursday, the 20th of May, 1993 at the Head Office of the Institution at Karachi. The following attended the meeting.</p>																																	
<table border="0"> <tr> <td style="width: 5%;">1.</td> <td style="width: 70%;">Mr. Saif-ur-Razaq Kazmi Secretary, Ministry of Labour, Manpower and Overseas Pakistanis, Government of Pakistan.</td> <td style="width: 25%; text-align: right;">President</td> </tr> <tr> <td>2.</td> <td>Mr. Nuhfar Ahmed, Financial Adviser (Labour)</td> <td style="text-align: right;">Member</td> </tr> <tr> <td>3.</td> <td>Mr. Ka'im Elahi, Joint Secretary, Labour Division.</td> <td style="text-align: right;">Member</td> </tr> <tr> <td>4.</td> <td>Mr. Arshad Tanveer, Employees' Representative (Sindh)</td> <td style="text-align: right;">Member</td> </tr> <tr> <td>5.</td> <td>Mr. Muhammad Rafique, Employees' Representative (Punjab)</td> <td style="text-align: right;">Member</td> </tr> <tr> <td>6.</td> <td>Mr. Nabi Ahmed, Employees' Representative (Sindh)</td> <td style="text-align: right;">Member</td> </tr> <tr> <td>7.</td> <td>Haji Muhammad Ibrahim, Employees' Representative (Baluchistan)</td> <td style="text-align: right;">Member</td> </tr> <tr> <td>8.</td> <td>Mr. S. Barkatullah Chairman, EOBI</td> <td style="text-align: right;">Member</td> </tr> <tr> <td>9.</td> <td>Mr. M. Ashraf Nadeem, Director General, EOBI</td> <td style="text-align: right;">Member</td> </tr> <tr> <td>10.</td> <td>Mr. Najaba Rasul</td> <td style="text-align: right;">Secretary</td> </tr> </table>				1.	Mr. Saif-ur-Razaq Kazmi Secretary, Ministry of Labour, Manpower and Overseas Pakistanis, Government of Pakistan.	President	2.	Mr. Nuhfar Ahmed, Financial Adviser (Labour)	Member	3.	Mr. Ka'im Elahi, Joint Secretary, Labour Division.	Member	4.	Mr. Arshad Tanveer, Employees' 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. Barkatullah Chairman, EOBI	Member	9.	Mr. M. Ashraf Nadeem, Director General, EOBI	Member	10.	Mr. Najaba Rasul	Secretary
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<p>2. Mr. Abdul Najeed, officiating DDG (F&A) of the Institution was in attendance to assist the Board in its deliberations.</p>																																	
<p>3. The meeting commenced with recitation of the Holy Quran by Haji Muhammad Ibrahim.</p>																																	
<p>ITEM NO. 1. <u>CONFIRMATION OF MINUTES OF THE LAST MEETING.</u></p>																																	
<p>4. The president enquired whether there were any objections to the confirmation of the minutes. There being no objection from the members, the minutes were confirmed.</p>																																	
			<p>PRESIDENT'S INITIALS</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">  </div> <p style="text-align: right; margin-top: 10px;">i/p</p>																														

481

HELD AT	ON	TIME
KARACHI	20.05.1993.	11.00.A.M.

ITEM NO. 2. PROGRESS ON THE DECISIONS TAKEN BY THE BOARD IN ITS LAST MEETING.

The President observed that in para 6 of the minutes it was desired that summary of the decisions taken by the Board should also be put up with the minutes but that was not done. It was explained by Mr. S. Barkatullah that since this meeting was held on a unexpectedly short time after the last meeting and in the meantime three committee meetings were also held, the time for preparation and circulation of the working papers was too short and it was felt that a separate summary could not be prepared. He suggested that since it was desired that the decisions produced in the summary should remain the same as recorded in the minutes, the reference to the minutes itself may be made and can be underlined.

The Board agreed with the suggestion and decided that the decisions taken be shown in the minutes by prominently underlining them and a separate summary is not required to be submitted.

16. Regarding the decision in para 16, the FA expressed the feeling that the large amount of Rs. 20 million with Habib Bank Limited in SNTD at a rate of 5.5%, as mentioned in para 15, was too low and suggested that the Investment Committee pay attention to the cost of services provided by Habib Bank and the loss of investment income as a result of keeping the said amount in SNTD.

17. Mr. Mahi Ahmed informed that such an exercise was actually conducted before finalising this arrangement with the bank and there was a substantial difference between the loss of income and the expenses to be incurred. Mr. S. Barkatullah said that since offers were invited from other banks and the National Bank was not interested at all and the charges of the other banks were much higher. He further said that the loss of income was about nine lakhs whereas the cost of services if provided by the Institution itself would be much more.

18. The President remarked that while considering the issue only the cost aspect is not to be considered but the goodwill and good services provided by the bank have also to be kept in view.

The Board agreed that the present arrangement may continue which was in the interest of the Institution.

PRESIDENT'S INITIALS

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EMPLOYEES' OLD-AGE BENEFITS INSTITUTION

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MINUTE BOOK	HELD AT KARACHI	ON 20.05.1993.	TIME 11.00.A.M.
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Regarding para-24 the FA (Lab) observed that the process of filling in the posts was not clearly defined in the articles and further suggested that 35 posts were already lying vacant which should first be filled up and after that the additional manpower approved by the Board may be taken up for induction. Mr. F. Faisalullah stated that filling up of posts has a long process and, therefore, all the vacant posts may be filled up by one and the same process. The referred 35 posts could not be filled up because of the slow recruitment.

The Board decided that since the ban on appointments has been removed, all vacant posts should be advertised and filled up in accordance with the procedure for the purpose.

The FA (Lab) referring to the decision under para-25 expressed that excluding the DFA from the Committee of the Board being a non-member was not correct and should be reconsidered. He stated that the representation of the Finance Division is needed in such committee. The President expressed the view that under this item, only the actions taken on the minutes of last meeting are being considered. The reconstitution of the committees was made by replacing the Deputy Financial Adviser by the Financial Adviser. The Financial Adviser (Lab) stated that in the Regional vigilance Committee and the purchase committee for properties below Rs. 100,000 there was no representation of the Finance Division. It was proposed that this may be taken up under any other item but on the insistence of the Financial Adviser (Lab) the Board decided that the Financial Adviser (Lab) be included in the Regional Vigilance Committee and the Purchase Committee in which the Finance Division was not represented.

ITEM NO. 3 PERFORMANCE OF THE INSTITUTION DURING THE PERIOD FROM JULY 1992 TO APRIL 1993

Mr. S. Barkatullah explained that in the last meeting the performance upto the month of January, 1993 had already been examined by the Board. Under this item only the performance for the month of March and April, 1993 has been put up which shows some improvement over the last report.

The Board decided that the full financial year's report may be scrutinized in the next meeting.

PRESIDENT'S INITIALS

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HELD AT	ON	TIME
KARACHI	20.05.1993.	11.00.A.M.

ITEM 11 - CONSIDERATION OF THE REPORT
OF THE INVESTMENT COMMITTEE

12. The Board then took up the consideration of the minutes of the Investment Committee meetings held on 27-04-1993 and 15-05-1993. The President advised that in future where a decision is required to be taken by the Board on the basis of the Investment Committee Minutes, a working paper should also accompany the said minutes indicating exactly what action the Board has to take a decision.

13. Mr. Ghulam Farveer stated that the Investment Committee in its last meeting held on 15-05-1993 had discussed inter alia the issue of withdrawal of investments from IDBP as per the Board's earlier decision and since the losses involved in case of premature withdrawal were substantial, the Investment Committee recommended that the matter may be placed before the Board.

14. Mr. Ghulam Farveer observed that since the Government's intention of the ways and means was very tight, the funds from IDBP may be disinvested and placed in FIP. The President, however, mentioned that the losses involved should also be taken into account while making any disinvestment decision. Mr. S. Badatullah informed the Board that according to the current situation, the chances of privatization of IDBP were quite slim and moreover the IDBP being a scheduled bank is required to keep 10% of its deposits with the State Bank of Pakistan. Mr. Farveer, therefore, the Board may also reconsider its earlier decision of withdrawal of funds from IDBP.

15. The Board invited Mr. Abdul Majeed, DGS F&A) IDBP was informed the Board that IDBP had offered rate of 11.7% per annum on pre-mature withdrawal of funds after 5 years which is only 0.3% less than the agreed rate of 12% per annum for 10 years term originally agreed, and this option involved the least amount of investment income loss as compared to other options to withdraw after 2 or 3 years. The President enquired as to when the IDBP investment will be completing 5 years and whether the loss can be recovered subsequently. Mr. S. Badatullah explained that 5 years will be completed in 1994 and that the loss can be recouped in subsequent years by investment in high yielding securities.

The Board finally decided that the Investment Committee may consider the option to disinvest the funds from IDBP after completion of

PRESIDENT'S
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**EMPLOYEES'
OLD-AGE BENEFITS
INSTITUTION**

1089

MINUTE BOOK	HELD AT	ON	TIME
	KARACHI	20.05.1993.	11.00.A.M.

16. The Board at 14.70% p.a. as offered by IDBP considering the losses involved and submit its recommendation to the Board for consideration in its next meeting.

15. It was noted that the Board considered the issue of withdrawal of excess investment from PICIC. The Financial Adviser sought to know the funds invested in PICIC to which he was informed that an amount of Rs. 217.701 million stands invested in PICIC as on 30.04.1993 which was all made during the period from Sep. 1979. Mr. S. Baskatullah informed the Board that the Investment Rules of the Institution were passed in 1979 when the Institution had a very limited investment portfolio and since then it has grown rapidly. Moreover the term "paid-up Capital" in recent times has largely been replaced by the term "Equity," to determine credit worthiness of a business, and therefore, the relevant Investment Rule 2(7) also be amended accordingly to reflect the changed circumstances by deleting the proviso "paid-up Capital".

The Board decided that a summary may be sent by the Institution to the Finance Division through the Labour Division for necessary amendment in the Investment Rule within 30 days of approval of the minutes by the President.

17. While considering the confirmation of the minutes of last Board meeting the Financial Adviser observed that the rate of profit of 5.5% p.a. on Rs. 30 million with HBL to keep an amount of Rs. 30.00 million with HBL at such a low rate requires proper justification. The President was informed that the matter was discussed threadbare in the last meeting and in fact the services offered by HBL in consideration thereof far outweigh the loss of differential income. Mr. Abdul Majeed informed the Board that in fact HBL is pressing hard for increasing the amount of Rs. 30.00 million presently kept with CNID under the agreement.

The Board decided that since HBL was offering excellent services to pensioners this factor should also be taken into account while negotiating the terms for revised agreement and if any possible necessary incentive may be provided to HBL within the framework of the overall agreement so that their services may be improved still further.

PRESIDENT'S INITIALS

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76

WFO

HELD AT	ON	TIME
KARACHI	20.05.1993.	11.00 A.M.

FOR THE CONSIDERATION OF THE REPORT OF THE STEERING COMMITTEE REGARDING STREAMLINING OF THE EDBI MANAGEMENT

The Chairman stated that the steering committee had studied the organisational set up of various organisations and after elaborate discussion put up two alternate proposals to the Board for its opinion. The correct procedure of presenting the case as advised by the FA (Lab) had also been incorporated in the minutes of the committee and is placed for consideration of the Board.

The President observed that he agreed with the views of Mr. Hameed Farshori recorded in the minutes of the Committee that the Pyramid Management System, very well of Executive assisted by a number of principal executives would provide proper chain of command and efficient administration of the Institution and he said that there was no need for creating an additional tier of Vice Chairman.

FA (Lab) stated that the re-organisation of the Institution on the pattern of State Life needs more study and adoption of the organisational set up of the State Life could not be decided without examining the overall management of both the organisations. He further suggested that the steering committee may be advised to examine all the aspects of the reorganisation of the Institution.

After some more discussion the Board decided that:

(A) No additional tier of Vice Chairman be created between the Chairman and the Director General. The post of Director General be subordinated to that of Vice Chairman.

(B) The post of D.G. may be placed in Management Scale M-II and that of the Deputy Director General may be placed in Management Scale M-III.

(C) The procedure indicated by the Financial Advisor (Lab) for placing them in the respective Management scales may be strictly followed.

PRESIDENT'S INITIALS

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**EMPLOYEES'
OLD-AGE BENEFITS
INSTITUTION**

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MINUTE BOOK	HELD AT	ON	TIME
	KARACHI	20.05.1993.	11.00.A.M.

**6
ITEM NO. 1
CREATION OF INDEPENDENT BOARD OF SECRETARIAL AND THE POST OF SECRETARY C.M.F. AND OTHER NECESSARY STAFF**

1. Mr. H. M. Khan expressed the view that the employees' representatives of the Institution had already been overburdened by the workload committed and adequate manpower was suggested which could not be appointed without an appointment and that appears to be enough to meet the need of the Institution.

2. Mr. Nabi Ahmed pointed out that the activities of the Board have increased manifold and the number of committees have been constituted by the Board whose vigorous participation of the members of the Board is being received. On the other hand the number of legal cases and other judicial cases pertaining to cases under section 33, 35 as well as W.P. (H) cases had also increased manifoldly, which as per the annexed statement are as follows:

3. Mr. Agha Feroze supporting the viewpoint of Mr. Nabi Ahmed expressed that the Board experts in the field of legal and availability of necessary papers is also. Due to existing condition of Law Wing which is overburdened to the activities of the Board the Law Wing appears to be under great pressure. The view of Mr. Nabi Ahmed it needs review and the Board should be separated to enable the Board to devote exclusive attention to produce the quality of disposal.

4. Mr. S. Sarkatullah pointed out the increase in the number of staff between 1982 and 1993 as against 187 legal activities/cases presently 1714 cases are pending. Apart from this all the 7001 and 7002 cases which are 31 in number and are assigned with Law & Audit Officers are to be approved by Chief of the Wing. The present Director is discharging his duties most efficiently. He has been Director since 1986 as against 1983. He was appointed as Director on April, 1986 after 1986 and are officiating as Director. He informed the Members that the incumbent has been working in the Institution since January, 1977 and had organized the Law Wing. He is a dedicated staff and received the appreciation of the Board a number of times for running the Law Wing efficiently and effectively and deserves to be considered.

After some discussion, the Board decided that in view of the increased responsibility and

PRESIDENT'S INITIALS

S. Sarkatullah

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HELD AT	ON	TIME
KARACHI	20.05.1993.	11.00.A.M.

... performance, the post of Director of the Institution with the incumbent may be upgraded to that of Assistant Director in rank.

Mr. H. H. Ahmed stated that before the meeting opening the agenda and would like to take the opportunity to bring on record his appreciation for the conduct of the Board Mr. Safdar Hussain Kazmi who is due to retire from service during this month. He stated that Mr. Kazmi, throughout his tenure as President of the Board thought and acted for the benefit of the Institution. He also praised the punctuality of time with which he always worked. On behalf of the employees he paid tribute for their hard work and prayed that he may live a very long and healthy life. Mr. Mukhtar Ahmed stated that he also found Mr. Kazmi following the law in discharging his functions as President of the Board. Mr. Muhammad Rafiq stated that during the tenure of Mr. Kazmi he found the spirit of team work. His main concern was security of the funds which was for the benefit of the employees and should be used only for the purposes of the EOB Scheme. Mr. Arshad Khan stated that Mr. Kazmi is a man of simple and quite precise in his speech and always following and conscious of his responsibilities.

Mr. M. G. Parkatullah while summing up the meeting stated that he had the opportunity of working as a member of senior Civil Servants and needed their guidance and cooperation but Mr. Safdar Hussain Kazmi was one of those who rule the law and he found Mr. Kazmi always meaningful, movement oriented, decision maker and generous. He stated that the Institution in general and he personally received from him able guidance and support which made easier his job of running the administration of the Institution in a very efficient manner. He said that Mr. Kazmi may retire as Secretary but Safdar will continue to be the head of senior people of the Institution.

Mr. Safdar Hussain Kazmi thanked all the members of the Board for their kind words and said that he also had them very well in the discharge of their responsibilities. He said that they were jointly responsible for running the Institution on a very efficient manner. He said that he felt encouraged and motivated when he was hampered by the Members of the Board and the Members of the Investment Committee who knew well and contributed towards the progress of the Fund. He complemented Mr. M. G. Parkatullah and his colleagues. He expressed

PRESIDENT'S INITIALS





**EMPLOYEES'
OLD-AGE BENEFITS
INSTITUTION**

PAGE No. 488

34th

483

MINUTE BOOK	HELD AT KARACHI	ON 20.05.1993.	TIME 11.00.A.M.
	<p>1. The President's meetings had been a great success for the Institution. He thanked all the Members and staff for their contribution to the core of this year which has been a pleasure to work with.</p> <p>The meeting ended with vote of thanks to the</p>		

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