

THE MINUTES OF THE 55TH MEETING OF THE BOARD OF TRUSTEES OF EOBI HELD ON WEDNESDAY, THE 25TH APRIL, 2001 AT 10.A.M. IN THE BOARD ROOM OF EOBI HEAD OFFICE, KARACHI

The 55th meeting of the Board of Trustees of Employees' Old-Age Benefits Institution was held on Wednesday, the 25th April, 2001 at 10.A.M. in the Board Room of EOBI Head Office, Karachi. Mr. Farhat Hussain, Secretary, Labour, Manpower & Overseas Pakistanis, Government of Pakistan, presided over the meeting.

2. The following attended the meeting: -

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| 1. | Mr. Farhat Hussain,
Secretary, Labour, Manpower
& Overseas Pakistanis,
Government of Pakistan,
Islamabad | President |
| 2. | Mr. Haroon Siddique,
Financial Advisor,
Ministry of Finance,
Government of Pakistan,
Director General (F&I)
EOBI | Member |
| 3. | Mr. Khalid Pervez,
Additional Secretary,
Labour Department,
Government of Punjab
(represented by Secretary Labour
Department, Punjab) | Member |
| 4. | Mr. Ghulam Sarwar Khero,
Secretary, Labour Deptt.,
Government of Sindh | Member |
| 5. | Mr. Abdul Ghaffar Soomro,
Secretary, Labour Department,
Government of NWFP | Member |
| 6. | Ch. Khurshid A. Aziz,
Employers' Representative,
Punjab | Member |
| 7. | Mr. Arshad Tanveer,
Employers' Representative,
Sindh | Member |

8.	Mr. Nooruddin F. Daud, Employers' Representative, NWFP	Member
9.	Mr. Majyd Aziz, Employers' Representative, Balouchistan	Member
10.	Mr. Nabi Ahmed, Employees' Representative, Sindh	Member
11.	Mr. Muhammad Zaman, Employees' Representative, NWFP	Member
12.	Mr. Abdul Rahim Mirdad Khel, Employees' Representative, Balouchistan	Member
13.	Mr. Javed Rashid Siddiqui, Director General, EOBI.	Member
14.	Mr. Muhammad Salim, Deputy Director General	Secretary, BOT

3. Mr. Naved Arif, Joint Secretary (Insurance), Ministry of Commerce, Government of Pakistan, Islamabad, could not attend the meeting, as he was out of country. M/s. Muhammad Iqbal Malik, Joint Secretary (Industries), Government of Pakistan, Islamabad and Taquir Ahmed, Joint Secretary, Ministry of Labour, Manpower And Overseas Pakistanis, Government of Pakistan, Islamabad could not attend the meeting, as they were busy in their official business at Islamabad. Mr. Shahbaz Khan Mando Khel, Secretary, Labour Deptt., Government of Balouchistan, had since been transferred and no Secretary had not yet been posted. Ch. Zaheer Ahmed Taj, Employees' Representative, Punjab, could not attend the meeting, as he was out of country.

4. The following officers of the Institution were also present to assist the Committee in its deliberations:-

1. Mr. Abdul Majeed,
DDG (F&A) Division

2. Mr. N.H. Subzwari,
ADG (RE&GS) Division
3. Mr. Sher Muhammad,
ADG (F&A) Division
4. Mr. Raja Faiz-ul-Hassan Faiz,
Director (Law) Division
5. The meeting began with a recitation from the Holy Quran by Mr. Abdul Rahim Mirdad Khel.
6. The President welcomed the distinguished members to the meeting and apprised the members that it was a budget meeting, therefore, the same was convened at Head Office of the Institution. He also stated that the F&A Committee had already scrutinized and deliberated on the agenda of the meeting threadbare, the previous day and formulated its recommendation on each item of the agenda for consideration of the Board of Trustees. The Board would consider them during its deliberations.
7. The Board then deliberated on the agenda items one by one.

ITEM NO. 1
TO CONSIDER CONFIRMATION OF THE MINUTES OF THE 54TH MEETING OF BOT HELD ON 20.03.2001.

8. The minutes of the last meeting of the Board were then taken up for confirmation of the Board. The Board was informed that since no objection to the minutes was received from any of the Members, the same may be confirmed. At this point, Mr. Arshad Tanveer, however, raised the objection to the decision recorded at para-13 of the item-2 in the matter of acquisition of property from the BEL in lieu of its deposit that the Board only decided that the “Institution should not withdraw the Status Quo order” and not the other clause “unless adequate and sufficient assurances regarding protection of the interest of the Institution are obtained”. He wanted to substitute the word “guarantee” for the words and clause “unless adequate and sufficient assurances”. The Board was informed that the F&A Committee had referred the matter to the BOT for decision. Mr. Nabi Ahmed stated that these wordings of the decision reflected weakness of the Institution. M/s. Haroon Siddique and Abdul Ghaffar Soomro did not find anything wrong with the recording of the decision in the minutes.

9. After some discussion, the Board expressed its satisfaction on recording of the decision at para-13 of the item-2 and approved the minutes without any change.

ITEM NO. 2

TO CONSIDER REPORT ON ACTIONS TAKEN ON THE DECISIONS OF THE 54TH MEETING OF THE BOT

Item No. 2:Item No. 6:Para-33

10. While discussing the Status Quo order in the matter of acquisition of the property of the BEL, Mr. Haroon Siddique informed the participants that the Status Quo order was still operating. In the meantime, according to news item appearing in the daily Business Recorder dated 19th April, 2001, it was learnt that Hon'able High Court Sindh, Karachi ordered liquidation in the case of the BEL. Mr. Majyd Aziz informed the members that the BEL had already started making payment to deposit holders having deposits upto rupees one lac. He also referred to the news item, which confirmed the payment of Rs. 200 million by the Government agency, which purchased the property owned by the BEL for which Institution was also one of the interested parties. The BEL should have been paid the Institution from the payment it received from the Government agency, which acquired the said property. In the present circumstances, the President stated that the Institution may take two courses of actions: (i) it may continue to fight in the Court of Law or (ii) it may decide the case outside the Court. The possibility of out of Court settlement may be looked into. In case any outside settlement could be reached, the same may be put up to the Board for its final decision.

11. After some discussion, the Board constituted a Committee consisting of the following members. The Committee will put up its report in the next meeting of the Board regarding (i) negotiation of any out of Court settlement with the BEL; or (ii) the Institution continue to fight in the Court of Law:-

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| i) | Mr. Haroon Siddique, F.A/DG (F&I), EOBI | Convenor |
| ii) | Mr. Arshad Tanveer, Employers' Representative, Sindh | Member |
| iii) | Mr. Nabi Ahmed, Employees' Representative, Sindh | Member |

Item No. 2:Item No. 7:Para-24 (12)

12. While discussing the matter of renting out the space of Commercial Plaza building Hayatabad, to departments working under the Ministry of Labour the Board was informed that the Institution would rent out the space to these departments at prevalent market rate. Joint Secretary (Labour) will submit the position paper in the matter. However, shifting of these departments to the said building would not be possible before completion of the building. The Board asked Mr. Tauqir Ahmad to submit its position paper in the next meeting of the Board as recommended by the F&A Committee.

Item No. 2:Item No.9:Para-37

13. The Board was informed that the interim manpower study conducted by the Management Services Division, Cabinet Division, Government of Pakistan, had already been submitted to the Labour Division, the main findings of the report would be circulated among the members for deliberation on the same in the next meeting.

Item No.3:Para-23

14. While considering the holding of meetings of performance evaluation committee, Mr. J.R. Siddiqui informed the Board that one meeting of the said Committee, which evaluated the performance of Zonal/Regional Offices situated in the province of Sindh was held on 12.04.2001 and adjourned till 5th May, 2001 to deliberate on the same further. The minutes of the same would be put up before the Board after holding of the meeting scheduled on 5th of May, 2001. The President of the Board desired that the meeting of the Zonal/Regional Offices situated in the Province of Punjab may also be convened on 5th of May, 2001. After this, the performance of Zonal/Regional Offices of NWFP & Balouchistan would be evaluated and the first phase of the evaluation of the performance would be completed before end of June, 2001.

Item No.3:Para-25

15. Mr. Ghulam Sarwar Khero wanted to know whether any budget provision for payment of pension for proposed amendment in respect of seasonal workers, who would become eligible for normal pension, mine workers and widows, who were drawing minimum pension would become eligible for normal was made in the budget for the next year or not. The Board was informed that no such provision was made in the budget. However, as and when the amendments as approved by the Board were implemented, a

provision for the same would be made in the revised budget. The Board also decided that the Institution should furnish a consolidated draft amendment paper for getting the same notified by the Labour Division as recommended by the F&A Committee.

Item No.5:Para-33

16. While discussing the matter of shifting of Head Office to or renting out the space available in KDA Commercial Complex on attractive market rates, Mr. Arshad Tanveer stated that the KDA Complex had a commercial value. Therefore, the Institution should rent out space available in the said building at lucrative market rates. He further stated that the shifting of Head Office to that building would not be possible in view of insufficient & scattered spaces available on various floors. The building was actually a commercial complex and not built as office buildings. He also suggested that the Institution should build an office building either on the adjacent plot to KDA Commercial Complex or on its plot situated in Gulistan-e-Jauhar. Mr. Muhammad Zaman stated that the Head Office should not be shifted from its existing building, as the existing location was also a suitable one. Mr. Nabi Ahmed wanted that Computer Division should also be shifted to that building. Mr. Majyd Aziz stated that in view of depressed economic condition, good tenants would not be available in the market. Mr. Haroon Siddique was also of the view that as good tenants were not available, it could be difficult for the Institution to rent out the space vacated by the existing tenants. The Board was informed that owing to its location, the plot available in Gulistan-e-Jauhar was not suitable for an official building. The construction of its own building at the adjacent plot would involve large investment and the KDA Commercial Complex was purchased with a view to shifting of the Head Office to that building. At present, there might not be sufficient space available in the said building. But with the passage of time, more space would be available for accommodation of Head Office as and when the tenants vacated the space occupied by them on completion of their contract periods. The Board was also informed that SSGC had already shown their intention to vacate 3500 sq.ft. space under their occupancy. The President stated that he had constituted a Task Force to handle the matters of existing tenants, the rate of rentals etc. He was hopeful that with the passage of time, the matters would be settled. He further stated that a decent and good office building is available as the Head Office of a welfare department, serving poor workers. The President further stated that after shifting of Head Office from the existing building,

the use of vacant building would be decided by the Board as and when it was considered appropriate.

17. Ch. Khurshid A. Aziz wanted to know whether any of the department of the Institution was shifted to that building. The Board was informed that some of the departments of the Institution were shifted to that building. Mr. Nooruddin F. Daud emphasized that the Institution should keep shifting its offices as and when tenants vacated the space. This was also necessary in view of taking over of possession of the said building by the Government in the past.

18. After some discussion, the Board decided that the Institution should shift gradually its Divisions/Wings/departments to KDA Commercial Complex as and when space is available in it and the Institution should keep the Board informed about the progress of shifting of Head Office to this building as and when meeting of the Board was convened.

Item No.6:Para-37

19 (a) While discussing the matter of Hepatitis vaccination to the employees of the Institution, the Board approved the recommendation of the F&A Committee for arranging the Hepatitis virus vaccine from M/s. Amsons Farmaco Biologico, 154, Industrial Triangle, Kahuta Road, Islamabad, as under:-

PRODUCT

*** RATES**

Amvax B 1.0ml (Hepatitis B vaccine for adults)	Rs. 185/- per dose
Amvax B 0.5 ml (Hepatitis B vaccine for children below 10 years)	Rs. 115/- per dose

(* The manufacturer should allow a further discount of Rs. 5/- on both the vaccines).

The manufacturer should provide these vaccines at Regional Offices without any damage to their qualities, extra cost of this arrangement would be borne by the manufacturer.

(b) The Institution should develop a mechanism which should ensure the vaccination of the employees of the Institution and their families.

Item No.8:Para-40

20. The Board was informed that Defence Housing Authority, Karachi had raised the question of whether the Institution had adequate experience in the field of CNG or not. The Institution had already written a letter to them for obtaining the tender documents well in time. In that letter, the Institution had clearly mentioned that it did not possess any experience in the business of CNG and if the Institution was allowed to open CNG Stations by DHA, it would get the required skill to run CNG Stations. The Board was informed that as and when their Committee, constituted for this purpose, decided, it would give the Institution tender form. The President stated that action in the matter will be initiated after the receipt of tender documents from DHA.

Any other item (a): Para-44

21. Mr. Nabi Ahmed desired that the Institution must obtain properties held by M/s. PRTC and M/s. KTC in lieu of its arrears of contribution. According to him, the Institution is bound to pay pension irrespective of whether contribution is actually paid for by these Institutions. Mr. Arshad Tanveer suggested that the Institution should not hesitate at initiating legal action in the matter. If there was a need to obtain Stay Order, it may do the same expeditiously. Mr. Ghulam Sarwar Khero wanted to know what was the amount of arrears of contribution outstanding against these organizations. Mr. J.R. Siddiqui informed the participants that Rs. 384 million were outstanding against M/s. PRTC and Rs.49 million were outstanding against M/s. KTC. But as per provision of EOB Act, the Institution was bound to pay pension and was paying Rs.18 million as pensions to more than 2500 employees of M/s. PRTC and was paying Rs. 8 million as pensions to more than 1000 employees of M/s. KTC annually.

22. After some discussion, the Board constituted two Committees, as under, to take steps for acquisition of the valuable properties owned by PRTC and KTC in lieu of its arrears of contribution against these organisations. The Committee may suggest suitable steps/legal action, in the course of collection of arrears, for acquisition of these properties in lieu of these arrears:-

- a) The committee for collection of arrears of contribution or acquisition of properties in lieu thereof from PRTC.
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|------|--|----------|
| i) | Zonal Head, Zonal Office Lahore | Convenor |
| ii) | Ch. Khurshid A. Aziz, Employers' Representative Punjab | Member |
| iii) | Mr. Khalid Pervez, Additional Secretary, Labour Department, Punjab | Member |
- b) The committee for collection of arrears of contribution or acquisition of properties in lieu thereof from KTC.
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|------|---|----------|
| i) | Mr. Ghulam Sarwar Khero, Secretary Labour Department, Sindh | Convenor |
| ii) | Mr. Arshad Tanveer, Employers' Representative Sindh | Member |
| iii) | Mr. Nabi Ahmed, Employees' Representative Sindh | Member |

23. These committees will put up their reports to the Board in its next meeting.

Any other item (c): Para-52

24. The Board adopted the recommendation of the F&A Committee for quick action in the matter of removal of anomaly in the widow pension.

Item No. 5:Para-52

25. Being the budget meeting, the report on manpower study by M/s. Sidat Hyder Morshed Associates (Pvt.) Limited would be taken-up in the next meeting of the Board along with presentation/question-answer session by them & the report will also be circulated to Board members before the next Board meeting. The Board adopted the recommendation of the F&A Committee for holding the presentation/question-answer session by M/s. Sidat Hyder Morshed Associates (Pvt.) Limited in its next meeting.

Item No.8:Para-57-58

26. While discussing the conversion of vehicles on CNG, the Board decided that the vehicles over 1000cc would only be converted on CNG. The vehicles upto 1000cc are already fuel economic vehicles, therefore, there is no need to convert them on CNG.

Item No. 11

27. The Board adopted the recommendation of the F&A Committee for furnishing of particulars of insured persons of defunct 258 de-registered establishments in the next meeting of the Board.

Item No. 14:Para-66

28. While considering the upgradation/promotion of Programmers/Incharges Data Entry/Control/Operations, the Board decided that the matter for upgradation of these officers would be considered in the light of interim manpower study conducted by MSD, Cabinet Division, Government of Pakistan, Islamabad.

Any other item

29. The Board adopted the recommendation of the F&A Committee for taking up the working paper submitted by Ch. Zaheer Ahmed Taj in the next meeting, when he would be present in the meeting.

30. With the comments and decisions on above items, the Board adopted the action report on the decision taken by the Board of Trustees in the last meeting, as recommended by the F&A Committee.

ITEM NO. 3

TO CONSIDER THE PERFORMANCE OF THE INSTITUTION FOR THE PERIOD JULY, 2000 TO MARCH, 2001

31. The Board adopted the recommendation of the F&A Committee, as under:-
- i) Circulation of CDs of registered employers to every member of the Board and the Institution should also make available this information on website.

- ii) The Institution should develop a reliable data base for which EDP Division is to establish liaison with professional bodies and associations, large sized organizations, multinational organizations, government agencies, stock exchanges and chamber of commerce for collection of data on magnetic media.
- iii) The Institution should reflect a correct picture of insured persons in performance report after netting out the figure for employees converted into pensioners, left out of the scheme i.e. retired with less than 2 years service, become self-employed before completing minimum insurable employment etc., in future.
- iv) The Institution should give actual figures of contribution broken down into arrears & actuals on Zone-wise basis in future.
- v) The Institution should give in its performance report, the position of disposal of claim cases and claim cases pending with the Institution upto 45 days & over 45 days separately in future.
- vi) The Board was informed that the Institution purchased Pakistan Investment Bonds (PIBs) through bidding process of Rs. 500 million at par, at cut off price, in the auction held on 17th April, 2001 by the State Bank of Pakistan. The Institution also entered in a forward purchase transaction of Rs. 150 million with ABN AMRO Bank @ Rs. 99.50 as against the par value of Rs. 100 for a period of 101 days. The total investment of the Institution in PIBs stood at Rs. 1.72 billion as of the date of the meeting.

32. With these comments and decisions, the Board adopted the performance report for the period from July, 2000 to March, 2001, as recommended by the F&A Committee.

ITEM NO. 4

TO CONSIDER REVISED BUDGET ESTIMATES FOR THE YEAR 2000-2001 AND PROPOSED BUDGET ESTIMATES FOR THE YEAR 2001-2002

A) Revised budget estimates for the year 2000-2001

33. The Board adopted the revised budget estimates for the year 2000-2001, as recommended by the F&A Committee, as under:-

- a) The contribution collection target of Rs. 1580.000 million. (the break-up of the revised contribution estimates in current was of Rs. 1343.000 million, and in arrears, Rs. 237.000 million) as per Annexure-A.
- b) The revised investment income of Rs. 5630.767 million for the year 2000-2001 as per Annexure-A. The Board observed that in view of cutting down in the rate of mark-up in the financial market, the Institution was finding it difficult to obtain good return on its investment from Public Sector Banks. The Institution was restricted to place its funds in the Nationalized Banks by the Federal Government, which were offering very low mark-up. That was why the Institution was forced to place its funds in HBL's SSD Account @ 8.25% for the waiting period of auction as and when announced by the SBP. However, its investment in high yielding DSCs would support its income in future to some extent, but after encashment of that investment, the return of the Institution would start falling.
- c) The revised pension payment budget of Rs. 1330.275 million for 2000-2001 as per Annexure-A.
- d) The revised revenue expenditure for the year 2000-2001 of Rs. 320.695 million for approval of the Board as per Annexure A-II.
- e) The revised capital expenditure for the year 2000-2001, the Committee recommended Rs. 426.688 million for approval of the Board of Trustees as per Annexure A-I.

B) Proposed budget estimates for the year 2001-2002

34. The Board adopted the proposed budget estimates for the year 2001-2002, as recommended by the F&A Committee, as under:-

- a) The proposed contribution target of Rs. 1660.000 million by increasing it to 5% from 3.16% as proposed by the Institution as per Annexure-A.

- b) The proposed investment income of Rs. 7056.894 million for the year 2001-2002 as per Annexure-A.
- c) The pension payment budget of Rs. 1529.816 million for 2001-2002 as per Annexure-A.
- d) The proposed revenue expenditure amounting to Rs. 366.045 million for the year 2001- 2002 as per Annexure A-II.
- i) The Board desired that the Institution should keep a watch on protocol expenses, publicity expenses and vehicle running & maintenance expenses.

The following further decisions were taken in the matter:-

- ii) The Institution should conduct a study for offering a monetised package to the officers entitled to the official car towards the cost of running & maintenance of the vehicles, if they do not wish to avail official car.
- iii) The Institution should convert those vehicles, which have three years life to replacement, on CNG and should be over 1000cc vehicles. The Institution should also fix the quantity of CNG in cubic feet of gas and determine its monetary value for reimbursement to the officers using CNG converted vehicles.
- iv) The Institution should purchase only Pakistan assembled vehicles. The Institution should replace Land Cruiser with Toyota Corolla. The beginning should be made with the disposal of Land Cruiser at Lahore.
- e) The proposed capital budget of Rs. 63.810 million as per Annexure A-I with the following changes:-
 - i) 03 Laptop Computers, one each for Chairman, DDG (EDP) and DDG (BS) as against 10 proposed.

- ii) Allocation of Rs. 4 million against Rs. 6 million for purchase of building for Regional Office, Jhang; Rs. 2.5 million as against Rs. 10 million for purchase of building for Field Office Murree; Rs. 5 million as against Rs. 5.6 million for purchase of a plot of land for Zonal Office, Multan and Rs. 2.5 million as against Rs. 2.4 million for purchase of building of Field Office, Haripur. Allocation for purchase of building for Field Office, D.I. Khan, purchase of building for Field Office, Chakwal and purchase of plot for Gadoon Amazai, Field Office remained unchanged. So far as extension work of conversion of KDA Commercial Complex into an office building, the Board reduced the allocation to Rs.10 million as against Rs. 21.6 million as proposed.
- iii) The Board also appointed Mr. Muhammad Zaman to visit the Murree office to determine the suitability of purchase of the same within the allocated amount and report the matter to the Board in its next meeting.
- iv) The budget allocated for I.T. composite solution will be spent by following the purchase procedure and with detailed scrutiny and approval of Purchase Committee of the Board. Further, the budget allocated for the purchase of buildings/plots, will be spent by following the purchase procedure and with detailed scrutiny and the approval of Purchase Committee of the Board.

ANY OTHER ITEM

1. INVESTMENT IN REAL ESTATE

35. Ch. Khurshid A. Aziz informed the Board that WAPDA was selling its office situated at Aabpara, Islamabad, which was a very valuable property. He suggested that the Institution should invest in it. The President considered it appropriate to purchase real estate in view of depressed prices in the real estate sector. Mr. Nooruddin F. Daud inquired why there was a delay in purchase of properties of OEC at Islamabad and Evacuee Trust at Haripur. He desired that the Institution should expedite the purchase of these properties. The Board was informed that Zonal Office, Peshawar was collecting the detail of Haripur. Further action would be taken on receipt of these details. As regards the acquisition of properties of OEC was concerned, details of the properties were being

obtained. The Board decided that: (i) Ch. Khurshid A. Aziz should prepare a report on the property being sold by WAPDA and put up his report in the next Board meeting. (ii) The Institution should also expedite the matter of purchase of properties of OEC situated at Islamabad and Evacuee Trust at Haripur.

2. PROGRESS OF CONSTRUCTION OF COMMERCIAL PLAZA BUILDING HAYATABAD, PESHAWAR

36. Mr. Muhammad Zaman wanted to know the progress of construction of commercial plaza building at Hayatabad, Peshawar. The President invited Mr. Nooruddin F. Daud to give his views in the matter. He stated that the progress of civil and electrical work was completed almost 90%; air-conditioning chillers had reached at site. He noted that the progress was very slow and the quality of the work was also not upto the mark. The consultants, M/s. PEPAC's representative had assured of completion of two floors by the end of May, 2001, this would make the shifting of the Zonal/Regional Office to this building possible. But the consultants were of the opinion, that the entire work could not be completed by that time. The President also wanted to know the reasons for delay. The Board was informed that owing to late arrival of A.C. chillers at site. The related civil & electrical works were also delayed however on the recommendations of consultants, completion time was extended upto June, 2001. Two lifts and the generator had already been installed and waiting for an electric connection from WAPDA. Owing to financial problems and non-cooperative attitude of A.C. contractor, the air-conditioning work would be delayed. Accordingly, a provision of balance works liability of about Rs. 9 million had already been made in the current year's budget. The President inquired, if there was any penalty clause in the contract, the Board was informed that, that was available, but the Institution did not invoke it to avoid litigation. The Zonal & Regional Offices could be shifted in the new building with electric fans.

37. So far as payment of WAPDA and bills/claims of contractors were concerned, the Board was informed that the bills/claims of the contractors were being scrutinized by the consultants/Institution, while the payment to WAPDA for electric connection was being processed by the Institution. The President directed to expedite all the payments. Regarding use of present building of Regional Office, Peshawar. Mr. Nabi Ahmed suggested to convert it into a rest house. The Institution opposed the conversion of

building of Regional Office into a rest house in view of possibility of its misuse. Besides its misuse, the Institution had to spend expenditure on repairs and maintenance. The Institution suggested to let the said building out after necessary repairs & maintenance, so that Institution could earn something on this investment. The residential use of this property would also facilitate mutation of the said property.

38. The Board was also informed that the old buildings of Regional Office, Quetta & Hub, lying vacant and getting deteriorated due to non-maintenance. These buildings may also be rented out as the Institution was not getting its proper value due to slump in the real estate.

39. After some discussion, the Board decided that:-

i) Regional & Zonal Office, Peshawar, should be shifted to Commercial Plaza building, Hayatabad before end of June, 2001.

ii) The existing Regional Offices buildings of Peshawar, Quetta and Hub may be given out on rent after necessary repairs.

iii) The payments of WAPDA and the contractors should be made on time without any unnecessary delay.

iv) Air-conditioning work may be got completed at the earliest as per condition contained in the contract and recommendation of the consultants from the provision of current year's budget..

3. THE WORKING PAPER SUBMITTED BY MR. MUHAMMAD ZAMAN

40. The Board considered the working paper submitted by Mr. Muhammad Zaman. As items contained in the working paper did not require policy decision, the same was referred to the Institution for disposal.

4. THE WORKING PAPER SUBMITTED BY MR. ABDUL RAHIM MIRDAD KHEL

41. Mr. Abdul Rahim Mirdad Khel suggested that pensionable age limit for mine worker should be reduced from 55 years to 45 years, particularly of those mine workers, who worked deep in the mines and owing to unfavourable conditions acquired T.B. and/or asthma. Mr. Nabi Ahmed supported the suggestion of Mr. Abdul Rahim Mirdad Khel. The Board was informed that there was already a provision of invalidity pension available in the EOB Act, such invalidity cases may be considered under that provision. Further, any invalid person, who had been in receipt of this pension continuously for 5 years, drew this pension for the whole of his life. In view of this provision in the EOB Act, there seems to be no justification for reducing the pensionable age limit for mine workers, who have acquired T.B. and/or asthma and, therefore, no action in the matter is required to be taken.

42. The matter of provision of additional manpower to Quetta Regional Office would be decided in the light of interim manpower report of MSD, Cabinet Division, Islamabad.

5. REGISTRATION OF METRO BUS SERVICE

43. Mr. Ghulama Sarwar Khero pointed out in Karachi, a Social Welfare Society in the name & style of Karachi Transport Society, was formed under the Chairmanship of Secretary, Labour & Transport, to provide good transport service to the people of Karachi. This society issued road permits, fixed rates of fares ensured good transport facilities from owners for the passengers. M/s. Metro Bus Service operating in Karachi, Sindh, was of such services. They received a notice of demand amounting to Rs. 3.2 million from the Institution. The raising such a demand tantamounted to harrasment to such transporters. This would also discourage other transporters to provide good transport facility to the people of Karachi. He wanted to know how much contribution was being collected from transporters of Punjab. At least the same treatment was also extended to the transporters of Sindh. Mr. J.R. Siddiqui informed the participants that the transporters in the private sector were also being registered by the Institution. He stated that M/s. New Khan, Varan, Daewoo working in Punjab, were also registered with the Institution. They were making payment of their due contribution regularly. The notice to metro bus service was also issued to register it.

44. The Board considered it appropriate that the Institution should write the metro bus service that they may register themselves with the Institution and pay the due contribution to the Institution.

6. SELF ASSESSMENT SCHEME

45. The President apprised the participants that in a recent past, a joint meeting of Ministers for Labour, Finance, Commerce Privatisation Commission discussed the self assessment scheme. Accordingly, the Institution was planning to introduce self-assessment scheme under EOB Scheme. Contribution would be collected on the basis of wages/salary declared in the last return submitted to the Institution. Once the position was determined, no Inspector or Executive Officer would visit that employer for next three years and no question would be asked, if he continued to maintain that level. If that employer wanted to avail the facility of that scheme again, the Executive Officer of the Institution would conduct a survey of that employer. On verifying the position, the scheme would be allowed to run for another period of three years in case of that employer.

46. The Government was also planning to extend applicability to EOB scheme to such establishments where 5 or more employees are working on voluntary basis. In order to make the scheme financially viable and to improve the benefits of the scheme, the Government is planning to raise the wages/salary ceiling to Rs. 5000/- p.m. from existing ceiling of Rs. 3000/- p.m. Mr. Majyd Aziz pointed out that such levies were applicable to formal sector only and informal sector remained out of the ambit of applicability of the EOB scheme.

47. Thereafter, the Board decided that:-

- a) Self-assessment scheme may be introduced.
- b) Wages/salary ceiling may be increased from Rs. 3000/- p.m. to Rs. 5000/- p.m., to make the existing scheme financially/actuarially viable and to improve the benefits of the scheme.
- c) Applicability of the scheme may be extended to those establishments employing less than 10, but not less than 5 on voluntary basis.

7. CONSIDERATION OF MINUTES OF THE F&A COMMITTEE OF THE BOARD OF TRUSTEES HELD ON 18TH APRIL, 2001 AT KARACHI

48. Mr. Haroon Siddique informed the Board about the details of negotiations held with the negotiating team and the CBA. He apprised the participants that the Charter of Demands that the CBA served on the Management demanded 276.4% over the existing staff cost. The negotiating team held a series of discussions with the representatives of the CBA. A verbal offer of Rs. 20 million (i.e. 23% over the existing amount of staff cost) was offered to the CBA, but the representatives of the CBA continued to press for 28% increase which amounted to Rs.25.49 million as was allowed to them in the last three consecutive settlements. In reply to the negotiating teams' verbal offer of Rs. 20 million (i.e. 23% increase over the existing amount of staff cost), the CBA had given a revised offer of 55% increase over the existing staff cost. Mr. Arshad Tanveer stated that the F&A Committee deliberated the issue from all possible angles and found the offer of Rs. 20 million (i.e. 23%) as a very suitable one in the prevalent circumstances (i.e. unsatisfactory financial position of the Institution, in view of withdrawal of government matching contribution and increase in minimum pension @ 48% from Rs. 425/- per month to Rs. 630/- per month without any alternative source of financing, rightsizing exercise of the Institution etc.). Mr. Haroon Siddique informed the Board that the CBA representatives gave a commitment that if their Charter is settled suitably, they would reduce the medical expenses by Rs. 1.5 million. They also pointed out that the Institution had calculated the loss of interest @ 15% p.a. on various loan extended to the staff members; whereas, the CBA stated that, that rate was no where available in the market. The same may be rationalised. They suggested that the Institution should calculate financial impact on loss of various loans extended to the staff members @ 7.5% p.a. Mr. Haroon Siddique informed the Board that he also collected the information regarding settlement of agreement in other organisations. SLIC allowed a 50% increase in the salary and wages of its CBA staff. He also referred to the news items appearing in the press regarding NBP's award of increase of 93% in salary of their staff and officers. Mr. J.R. Siddiqui desired that the negotiating committee may be given a clear cut limit, so that it may settle the Charter within that limit. He also informed the Board that no commitment was given by the negotiating Committee to the CBA regarding acceptance of their demand of 28% increase over the existing staff cost as being quoted by them erroneously. Mr. Nabi Ahmed stated that the settlement was to be made on the basis of: (i) paying capacity of the employer, (ii) rate of inflation and (iii) efficiency of workers.

He also stated that the terms & conditions of the employment of the employees of the Institution were good. The offer of Rs. 20 million of the Institution was adequate. He pointed that the Institution involved the F&A Committee in the negotiations with the CBA at the belated stage. If they were involved from the out-set, the Institution would benefit from their experience in this respect. The President desired that the negotiating committee may be reconstituted and FA/DG (F&I) may act as Convenor of the negotiating team with other members remaining unchanged and suggested a limit in consultation with members of the Board of Rs. 21 million.

49. After detailed discussion, the Board reconstituted the negotiating team and appointed FA/DG (F&I) as Convenor. The Board also authorize it to settle the Charter with CBA in full and final settlement upto Rs. 21 million and put up the settlement so reached before the Board in its next meeting for its final approval. The Institution should also obtain undertaking from the CBA representative that they should reduce the medical expenses by Rs. 1.5 million p.a. during the currency of the settlement reached between the Management & the CBA.

50. The President places on record his appreciation as under:-

He appreciated M/s. Arshad Tanveer and Nabi Ahmed for interest shown and efforts made by them for their effective and meaningful contribution in the policy making process of the Institution and for furtherance of the objective of the EOB Scheme. The President also appreciated that they make themselves always available even on short notices for the work of the Institution. Other members unanimously supported the feelings reflected by the President.

DATE AND VENUE OF THE MEETING

51. The Board decided to hold its next meeting at Quetta on 21st May, 2001.

52. There being no other matter for discussion, the meeting ended with a vote of thanks to the chair.

