

**THE MINUTES OF THE 56TH MEETING OF THE BOARD OF
TRUSTEES OF EOBI HELD ON MONDAY, THE 21ST MAY, 2001 AT
10.A.M. AT PASNI HALL, SERENA HOTEL, QUETTA**

The 56th meeting of the Board of Trustees of Employees' Old-Age Benefits Institution was held on Monday, the 21st May, 2001 at 10.A.M. at Pasni Hall, Serena Hotel, Quetta. 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. Tauqir Ahmed,
Joint Secretary,
Ministry of Labour, Manpower And
Overseas Pakistanis, Government of Pakistan,
Islamabad | Member |
| 4. | Raja Muhammad Abbas,
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 |

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| 8. | Mr. Nooruddin F. Daud,
Employers' Representative,
NWFP | Member |
| 9. | Mr. Majyd Aziz,
Employers' Representative,
Balouchistan | Member |
| 10. | Ch. Zaheer Ahmed Taj,
Employees' Representative,
Punjab | 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. M/s. Naved Arif, Joint Secretary (Textile), Ministry of Commerce, Government of Pakistan, Islamabad and Muhammad Iqbal Malik, Joint Secretary (Industries), Government of Pakistan, Islamabad could not attend the meeting, as they were busy in their official business at Islamabad. Mr. Nabi Ahmed, Employees' Representative, Sindh, could not attend the meeting due to some personal engagement at Karachi.

4. Major (Rtd.) Haroon Rashid, Commissioner, PESSI, attended as an observer and represented Shaikh Zahoor-ul-Haq, Secretary, Labour Department, Government of Punjab

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 the first meeting ever held at Quetta. He also welcomed Raja Muhammad Abbas, who had just taken over the charge as Secretary, Labour Department, Sindh and was attending the meeting first time, and stated that Board will benefit from his professionalism and vast experience in the decision & policy making process of the Institution. The President then apprised the Board about the sad demise of Mr. Muhammad Ahmed, Social Security Adviser, who was also attending to the EOBI as a part of his duties and asked Mr. Nooruddin F. Daud to offer fateha for his departed soul. The Board also desired that his bereaved family may be conveyed that the God may give strength to them to bear this irreparable loss.

7. Ch. Zaheer Ahmed Taj desired that working papers should be circulated well in time. Other members endorsed his suggestion

8. The Board then deliberated on the agenda items one by one.

ITEM NO. 1

TO CONSIDER CONFIRMATION OF THE MINUTES OF THE 55TH MEETING OF THE BOT HELD ON 25.04.2001.

9. The minutes of the last meeting of the Board were then taken up for discussion & confirmation of the Board. The Board was informed that there was no objection to the minutes was received from any of the Members, except one from Mr. Naved Arif, Joint Secretary, Ministry of Commerce, Government of Pakistan, who wanted a change in his designation from Joint Secretary (Insurance) to Joint Secretary (Textile). The Board was informed that F&A Committee had recommended the same for adoption. After some discussion, the Board approved the minutes as recommended by the F&A Committee.

ITEM NO. 2

TO CONSIDER REPORT ON ACTIONS TAKEN ON THE DECISIONS OF THE 55TH MEETING OF THE BOARD.

Item No. 2:Para-10 & 11 (Item No. 2:Item No. 6:Para-33)

10. As regards the acquisition of space owned by the BEL in FTC, Shakra-e-Faisal, Karachi. Mr. Haroon Siddique informed the Committee that involuntary liquidation proceedings against the BEL had already been started in pursuance of order of Hon'able High Court of Sindh, Karachi and Mr. Amjad Aziz Khan had been appointed as its liquidator. He also informed the Board that he had discussed the matter with the liquidator appointed by the Hon'able Sindh High Court about the status of sale of the space owned by the BEL in FTC building, Shara-e-Faisal, Karachi. He informed that sale of the building had already been consummated and the Stay Order obtained by the Institution was an obstacle in peaceful handing over of possession to the party that acquired the said property. He reflected strong & tough attitude against stay order taken by the Institution. On a query to him whether or not the BEL had committed the contempt of the Court of Status Quo order. He had not been able to give a concrete reply to this query. Mr. Haroon Siddique expressed that he would remain in touch with him. With the passage of time, the emotions of the liquidator would get softened. Mr. Arshad Tanver wanted that the Institution should file a contempt appeal after obtaining legal opinion in the matter. Mr. Majyd Aziz stated that the BEL should pay out of Rs. 200 million to the Institution received from the party to whom the said property was sold. Ch. Zaheer Ahmed Taj expressed that the BEL was responsible for the contempt, if the same was committed by it. He also wanted that the Institution should press its point that the BEL should give priority in payment of the Institution's fund as the fund belong to down-trodden workers, widows and orphans. He also suggested that a notice regarding the claim of the Institution on the said property should be published in the leading newspapers. The Board felt that with the development of the pressure through contempt application, the BEL may be brought to the negotiation table. The Board decided that, as recommended by the F&A Committee, a suitable legal action (s) after obtaining legal advice and gathering factual position of the matter may be taken.

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

11. The President invited Mr. Tauqir Ahmed to present his position paper regarding letting out the space of Commercial Plaza Building, Hayatabad to Government & other departments in NWFP. He then apprised the participants that the said building was half a mile away from the main road. The building had ground plus five floors with two basements for covered car parking. The false ceiling & internal work of fourth & fifth floors would be completed by 30th June, 2001. He also recommended the shifting of two local EOBI offices to that building with electric fans these offices would occupy one complete floor. While he was there, M/s. Shaheen Foundation approached the Institution and showed interest in hiring two to three floors on rent. The efforts were to be let out the remaining floors. Mr. Nooruddin F. Daud supported the findings of Mr. Tauqir Ahmed. Mr. Daud also emphasized to shift all the departments working under Ministry of Labour to that building, so that it may be fully occupied. Mr. Arshad Tanveer suggested that the Institution would make a comprehensive plan for attracting good tenants by conducting a survey of tenants of the area and gathering information regarding their tenancy contracts, tenure completion, rate of rent etc. Mr. Tauqir Ahmed also apprised that office of the Workers Welfare Board was situated in a private building. Mr. Abdul Ghaffar Soomro stated that rentals at market rates would be the main hurdle in shifting the Government offices to that building in view of fund constraints. The Board desired that the Institution should attract private parties by advertising in the leading newspapers. After some discussion, the Board decided that the Institution should work out and action plan of attracting tenants for Commercial Plaza Building, Hayatabad preferably on market rates prevalent in the vicinity.

Item No. 2:Para-13 (Item No. 2:Item No. 9:Para-37)

12. Mr. Haroon Siddique informed the Board that the interim manpower report prepared by Management Services Division had already been circulated among the members. Mr. Arshad Tanveer stated that this report should have been with the comments of the Institution, which were not furnished with this report. Ch. Zaheer Ahmed Taj supported the view point of Mr. Arshad Tanveer. The Board then decided

that the Institution should furnish its comments on the interim manpower report prepared by Management Services Division item by item in annotated form by 30th May, 2001.

Item No. 2:Para-14 (Item No. 3: Para-23)

13. Mr. J.R. Siddiqui informed the Board that the second round of meeting of Performance Evaluation Committee, which evaluated the performance of Zonal/Regional Offices situated in the province of Sindh had concluded its findings. The same would be submitted in the next meeting of the Board. As Ch. Zaheer Ahmed Taj was out of country on some official visit, the meeting of the Performance Evaluation Committee could not be held on 16th May, 2001. The meeting of the Zonal/Regional Offices situated in the province of Punjab had now been scheduled for 14th June, 2001. The Board desired that this process should be complete in all provinces by close of this financial year.

Item No. 2:Para-16 to 18 (Item No. 5: Para-33)

14. Mr. Haroon Siddique informed the participants that the Institution was planning firstly, to put advertisement in the press for inviting tenants, if proper response was not received, then it would hire the services of property consultants/specialists to provide suitable tenants for the KDA Commercial Complex, to fill vacant spaces at the basement, ground and first floors. The Board was also informed that space was previously let out to the Government Departments for a period of 10 years by CCCL w.e.f. 1st January, 2001 at throw away rates of Rs. 25 per sq.ft. The rate of rentals were to be increased @ 10% on accumulative basis every year, which could not be implemented, as these departments held ownership interest in the CCCL. The Institution had served the notices to these departments for increase in rent and separation of electricity meters for airconditioning, as the electricity consumption for airconditioning was very high. M/s. Mobilink was let out the space at ground floor at market rate of Rs. 60 per sq. ft. with 10% increase on accumulative basis every year for ten years.

15. Mr. Haroon Siddique further informed the participants that after a continuous and long struggle of above five years, the possession of Ex-Awami Markaz, Karachi had been

taken over by the Institution on 1st April, 2001. The total carpet area excluding common areas and covered car parking was about 87,000 sq. ft. Out of which 54,000 sq. ft. was already occupied by 58 private licensees, 5 Government-controlled Agencies, Dr. of Health Department, DSP & CRC etc. The vacant area was about 33,000 sq. ft., which was scattered over Basement, Ground, Mezzanine and First Floors, and was surrounded by shops. The carpet area required to shift the office is about 35,000 sq. ft. A complete single floor was not available to shift the present Head Office. Owing to this position, the BOT decided to let out the available space spread over various floors to prospective tenants through advertisement in press to generate some funds from this real estate activity. The Real Estate Division was already shifted to KDA Commercial Complex, while the remaining offices would be shifted to 2nd & 3rd floors, which were at present, occupied by KESC, PTC, KW&SB, NBP and PIA. The SSGC had already left the premises. We had served them notices for increasing rents @ 10% per year, as KESC, PTCL, and KW&SB had not increased rents since last six years. In the meantime, the Institution was planning for extension at the rear side. On its completion, about 11,000 sq. ft. more covered area would be made available. For this, the pre-qualification of Consultants through press for extension and interior works was already in hand. At present, the Institution was earning Rs. 2.00 million per month from rental income, whereas the expenses on maintenance of Electrical/Mechanical equipments, lifts, generator, plantations, telephone exchange, janitorial, general security & gate security and all utility bills of electricity, telephones, gas, water & conservancy and property tax etc., was to the tune of Rs. 1.70 million. The rental income would increase when available 33,000 sq. ft. area would also be let out in near future. The Institution had already published an advertisement in leading newspapers on its Sunday publication (i.e. on 20th May, 2001) to attract well reputed tenants to occupy the vacant spaces in the building. The President expressed that the KDA Commercial Complex was a very prestigious building for the Institution and he desired that it should be well kept & well maintained, so that good tenants may be attracted.

16. Thereafter, the Board applauded the efforts made by the Institution in well keeping, maintaining & attracting the tenants to exploit full commercial potential of the KDA Commercial Complex and placed its appreciation on record for the efforts made by

M/s. N.H. Subzwari, Assistant Director General (RE&GS) Division for the good work done by him in managing the affairs of the KDA Commercial Complex.

17. Mr. Haroon Siddique apprised the members that KDA Commercial Complex was a huge building to be managed & run properly, for which experienced hands would be required, who could handle the day to day problems of maintenance & running of the said building satisfactorily. The Institution considered it appropriate that, rather than appointing the persons from open advertisement, it may hire the three employees of M/s. Civic Centres Company (Pvt.) Limited, who had been associated with the maintenance and running of KDA Commercial Complex, on contract basis. These employees were the best out of the staff working on that building. According to terms & conditions finalized by him and Mr. N.H. Subzwari, the pay of these employees would be protected and their contract period would be for one year.

18. M/s. Majyd Aziz, Nooruddin F. Daud and Ch. Zaheer Ahmed Taj supported the hiring of old staff and also their pay protection.

19. After lengthy discussion, the Board approved the appointment of three employees of M/s. Civic Centres Company (Pvt.) Limited working at KDA Commercial Complex, as under:-

- i) The period of the contract shall be for one year.
- ii) The Board will create posts for these employees in the service of the Institution for the period of their contract i.e. one year.
- iii) The pay & allowances, they are drawing at present, would be protected.
- iv) The continuity of the services of these employees would be evaluated after every six months. The fate of their retention or otherwise in the service of the Institution shall be decided only on their maintenance of satisfactory and high level of performance.
- v) Their contract beyond one year shall be extended only with the approval of the Board and that shall be done only on their excellent performance during the contract period.

Item No. 2:Para-19 (Item No. 6: Para-37)

20. As regards Hepatitis Vaccination to the employees of the Institution, the Committee was informed that M/s. Amsons Pharmaco Biologico, 154, Industrial Triangle, Kahuta Road, Islamabad, were not enjoying a good reputation in the market, as they were supplying substandard and out-dated vaccines to their customers. Our Chief Medical Advisor also did not recommend the purchase of the Hepatitis Virus vaccines from the said Company for the same reasons. Mr. Tauqir Ahmed asserted that the quality of the said vaccines could not be compromised at lower rates. Mr. Nooruddin F. Daud also emphasized that vaccination must be of the best quality, which should not be sacrificed at lower rates. He further apprised the participants that the best quality Hepatitis vaccine was being manufactured in Iran. The Beecham-Smith Kline were also producing the best quality product of Hepatitis vaccine, though they had slightly higher rates, as compared to M/s. Amsons Pharmaco Biologico. He suggested that the Institution should advertise and obtain quotations from the best quality producers/manufacturers. Mr. Khurshid A. Aziz suggested that the Institution should go for international tender for these vaccines, as the Institution would purchase around 5000 to 6000 vaccines. The Board was informed that import of these vaccines would require foreign exchange, which would be difficult to get. Mr. Muhammad Zaman supported the view point of acquisition of best quality of vaccines for employees of the Institution & their families. He regarded the Korean product as the best product quality-wise and price-wise. Raja Muhammad Abbas suggested that the Institution should advertise locally or negotiate with M/s. Beecham-Smith Kline for acquisition of the Hepatitis vaccines.

21. The Board decided that the Institution should advertise a Gallop Tender in the newspapers for inviting quotations from leading & best quality manufacturers in Pakistan. The Board also constituted a Committee consisting of the following, to negotiate with the bidders and put-up its findings before the Board for its decision in the matter:-

- i) Raja Muhammad Abbas, Secretary Labour Deptt., Sindh.
- ii) Mr. Majyd Aziz, Employers' Representative, Balouchistan.

Item No. 2:Para-20 (Item No. 8: Para-40)

22. The Board dropped the item.

Item No. 2:Para-21 to 23 (Any other item (a): Para-44)

23. Mr. J.R. Siddiqi informed the participants that he had held a meeting with Mr. Ghulam Sarwar Khero, Ex-Secretary, Labour Deptt. Sindh. He informed that KTC depots would be given to the transporters, therefore, the Institution, which was not a transport company, would not get these depots. The other course was to join as a party in the court case already in the Hon'able High Court of Sindh, Karachi. According to him, the only course available to the Institution may be to join as a party in the court case.

24. Raja Muhammad Abbas informed the participants that National Bank of Pakistan had obtained the decree and attached the property of KTC against their claim of Rs. 50 million, which had become Rs. 150 million with mark-up over years, whereas the value of properties held by KTC, were Rs. 880 million. The provincial government was filing an appeal to set-aside the decree of attachment and it could pay Rs. 150 million to NBP easily and satisfied other claim out of sale proceeds of its properties. Ch. Zaheer Ahmed Taj desired to know whether the Institution had lodged a claim with KTC or not. Mr. J.R. Siddiqui apprised that the Institution had already lodged its claim of Rs. 49 million with KTC. Accordingly, the Institution was a party in the matter.

25. Mr. J.R. Siddiqui informed the Board that the Committee constituted by the Board for collection of arrears of contribution or acquisition of properties in lieu thereof from PRTC had also submitted its report. According to the Committee, the Institution had a total liability of Rs. 322.187 million against the PRTC. The matter regarding payment of contribution was pursued since early 1980 and was also taken with the Chief Secretary, Govt. of the Punjab, but all the efforts remained fruitless. Due to indifferent attitude of PRTC, it was decided to stop entertaining the claims of the employees of PRTC against

which they approached the Ombudsman, who directed the Secretary, Transport, Govt. of the Punjab to make available the funds to the Institution from the assets of PRTC either through liquidation or any other feasible means and to the Institution to award pension. Against the findings of the Ombudsman, PRTC filed an appeal before the President, Islamic Republic of Pakistan. At present, 2300 employees of PRTC were getting pension and 8000 to 10,000 were expected in the near future. As the efforts since early 1980 could not bear fruit or head way to secure contribution from PRTC or the Govt. of Punjab, the Committee recommended that the claim may be lodged before the Federal Adjuster for recovery of the said contribution

26. Major Haroon Rashid stated that before taking any action, he may arrange a meeting of the Institution with Secretary, Finance, Government of the Punjab. If no fruitful results were obtained, the Institution may take action as suggested by the said Committee

27. The Board decided that the Institution should make one more attempt to resolve the issue through Secretary, Labour Department, Punjab by 30th June, 2001. If no fruitful result is achieved, it should lodge its claim of arrears of contribution of Rs. 322.187 million before the Federal Adjuster for recovery.

Item No. 2:Para-25 (Item No. 5: Para-52)

28. While considering the report of manpower study by M/s. Sidat Hyder Morshed Associates (Pvt.) Limited, the members of the Board suggested that the Institution should furnish its comments item by item in annotated form by 30th May, 2001. The Board agreed to this suggestion. The Board also constituted a Committee consisting of the following members for taking presentation by M/s. Sidat Hyder Morshed Associates (Pvt.) Limited on manpower study conducted by them:-

- i) Mr. Haroon Siddique, F.A./D.G. (F&I), EOBI.
- ii) Raja Muhammad Abbas, Secretary, Labour Department, Sindh.
- iii) Mr. Arshad Tanveer, Employers' Representative, Sindh.

- iv) Mr. Nooruddin F. Daud, Employers' Representative, NWFP.
- v) Mr. Majyd Aziz, Employers' Representative, Balouchistan.
- vi) Ch. Zaheer Ahmed Taj, Employees' Representative, Punjab.
- vii) Mr. Abdul Rahim Mirdad Khel, Employees' Representative, Balouchistan.
- viii) Mr. J.R. Siddiqui, D.G., EOBI.
- ix) Mr. Muhammad Salim, Secretary (BOT).

Item No. 2:Para-26 (Item No. 8: Para-57 & 58)

29. The Board reviewed its earlier decision regarding non-conversion of vehicles up to 1000cc on CNG and decided to convert all the vehicles irrespective of its engine capacity on CNG, as recommended by the F&A Committee.

Item No. 2:Para-28 (Item No. 14: Para-66)

30. The Board while considering upgradation/promotion of Programmers/Incharges Data Entry Officers/Control/Operations, namely, M/s. Zahid Nazeer, Mirza Ovais Sayeed Ahmed, Nadeem Iqbal and Nasir Abbass, Mr. Haroon Siddique apprised the members of the Board that these officers were taken from within the Institution at the time of establishment of Computer Division on their successful completion of computer training and competence test conducted by ICL Pakistan. These officers were taken one grade below i.e. Junior Programmer in E.O. grade instead of A.D. grade, as recommended by PCB for this grade, in view of insufficient qualification and experience of programming these officers possess. In 1994, these officers were re-designated as Programmers without any change in their grade. This mismatched between the designation and grade in the service of these Programming Officers in the Institution has continued. In other government departments, the Programmers are placed in grade 18; whereas, in the Institution, Programmers were working in a grade equivalent to BPS-17. According to their designation, they should have been placed in the grade of Deputy Director to which had been deprived to them so far. At this point of time, Mr. Arshad Tanveer pointed out that why only the officers of EDP would be upgraded. Why the officers of other departments such as Law, RE&GS Division etc., would not be considered. He referred to

the recommendations of interim manpower report regarding upgradation whereby upgradation may not be given to the employees of the Institution any more. Mr. Khurshid A. Aziz wanted to know as to why it was pending for such a long period and why no action was taken earlier. Mr. Abdul Ghaffar Soomro suggested that the case may be considered on merit. Raja Muhammad Abbas and Mr. Majyd Aziz suggested that a Committee should be constituted to look into the matter. The President enquired what was their qualification, the Board was informed that these programmers were graduates and by now they had attained required competence. To another query what was the laid down qualification for the post of Dy. Directors for recruitment, the Board was informed that there was 2nd class Bachelor degree in Statistics/Economics/Mathematics or any other relevant field and must qualify programmers aptitude test. The Board was informed that as there were no post of Deputy Directors in EDP cadre to accommodate them, the matter was brought before the Board to give these officers their due right upgrading their designation in the service of the Institution. Mr. J.R. Siddiqui emphasized that their case may please be considered on compassionate ground.

31. After some discussion, the Board constituted the following Committee to look into the matter and put-up its findings in the light of terms of reference before the Board in its next meeting:-

- i) Raja Muhammad Abbas, Secretary, Labour Department, Sindh.
- ii) Mr. Arshad Tanveer, Employers' Representative, Sindh.
- iii) Mr. Majyd Aziz, Employers' Representative, Balochistan.

32. Terms of reference of the Committee shall be:-

- a) To study the qualification, experience and competence attained by the officers of EDP, Law, RE&GS etc.
- b) Qualification, experience and competence required for this post.
- c) Details of vacancies available in the higher grade.
- d) The impact of upgradation on organizational structure, if these officers are upgraded.
- e) Recommendation regarding their upgradation or otherwise including their career plan, if they are not, at the present time fit for upgradation.

Item No. 2:Para-29 (Any other item)

Working paper No. 1 – Acceptance of Certificate of assessment of disability

33. Ch. Zaheer Ahmed Taj informed the participants that at the present time, certificate of disability issued by the Provincial Social Security Institutions was not being accepted by the Institution. Such employees were again sent to the Doctors by the Institution for assessment of invalidity. There seemed to be a duplication and this should be stopped henceforth. The Institution should accept the certificate of assessment of disability issued by the Provincial Social Security Institutions. He also added that this certificate was issued by the Medical Board consisting of medical experts/specialists. Mr. J.R. Siddiqui stated that the Institution did not accept the same, as the term of “disability” as per West Pakistan Social Security Ordinance, 1965 and the term “invalidity” as per EOB Act, 1976, were different altogether. Therefore, the certificate issued under West Pakistan Social Security Ordinance, 1965 could not be relied upon for the purposes of EOB Act, 1976. Major Haroon Rashid apprised the Board that the Medical Board consisted of medical experts/specialists, who were the employees of the Provincial Social Security Institutions and its advice was accepted being the advice of medical experts and specialists. Mr. Abdul Ghaffar Soomro suggested that on such medical board, there should also be a member of the Institution. The President stated that the Government was considering one-window operation, therefore, the idea of one medical board was consonance with one-window operation. It was expected that this would discourage corruption on the one hand, and would provide correct medical opinion in the matter of disability/invalidity, on the other.

34. The Board decided that the Institution should accept `certificate of assessment of disability` for disbursing invalidity pension under the EOB Act, 1976 issued by the Provincial Social Security Institutions.

Working paper No. 2 – Inclusion of representatives of employers & employees in adjudication conducted under Sections 33 & 34 of the EOB Act, 1976

35. Ch. Zaheer Ahmed Taj stated that at present the adjudication was done by the Zonal Head/Assistant Directors General under Sections 33 & 34 of the EOB Act, 1976.

He suggested that the representatives of employers & employees may also be associated in adjudication process under Sections 33 & 34 also.

36. The Board considered that this issue needs detailed examination. It, therefore, referred it to the Institution for re-examination and submission of its findings to the Board in its next meeting.

Working paper No. 3 – Adoption of contribution schedule as is in vogue in Social Security Institutions

37. Ch. Zaheer Ahmed Taj suggested that the schedule of contribution containing the details of monthly contribution and insured persons etc., may also be adopted by the Institution. Mr. J.R. Siddiqui stated that it was a lengthy and difficult schedule and it may create some practical problems for the employers. Further, the Institution maintained PR-04 cards contained the same details. Rather than receiving that information on monthly basis, it withdrew that cards on annual basis, which economized computer processing cost. Major Haroon Rashid stated that their Department had already adopted that schedule and they were facing no difficulty in obtaining that schedule from the employers on monthly basis.

38. Thereafter, the Board decided that the Institution should examine the same and inform the Board about its work-ability in case of the Institution by 5th June, 2001.

Item No. 4 (B)-d

39. While discussing the expenditure on maintenance & repairs of KDA Commercial Complex, the Board considered the recommendation of the F&A Committee regarding restoration of previous provision of Rs. 21.390 million for this purpose instead of Rs. 10 million, as reduced in 55th meeting of the Board while approving revenue expenditure for the year 2001-2002, in view of the fact that an amount of Rs. 4.9 million would be spent in the last quarter of ensuring year i.e. 2000-2001 and approved the same. With this approval, the proposed revenue expenditure would be increased from Rs. 366.04 million to Rs. 376.435 million for the year 2001-2002.

Item No. 4 (B):Para-34-iii

40. The Board had already decided the matter under item-2:Para-26 (item No. 8:Para 57 & 58) and para-29 of these minutes as to convert all the vehicles irrespective of its engine capacity on CNG, as recommended by the F&A Committee.

Item No. 4 (B):Para-34-e(iii)

41. While presenting his findings about Murree field office, Mr. Muhammad Zaman stated that the existing building was not a suitable one. He supported the earlier decision of the Board that where there was presence of the Institution, the Institution should purchase its own building at Murree. He apprised the Board that he had also surveyed the area and chose another building, which would cost to the Institution Rs. 3.5 million. The Board desired that Mr. Muhammad Zaman shall submit a written report regarding the purchase of building for Murree Field Office, so that Board may consider it for decision in its next meeting.

Any other item 1:Para-35

42. Mr. Khurshid A. Aziz informed the participants that as WAPDA had changed its mind to sell the property situated at G-7, Islamabad, the property was no longer available for sale. However, the property of OEC, Islamabad situated in G-9, if available, may be considered for purchase. So far as properties of Evacuee Trust situated at Haripur, survey was yet to be conducted for their suitability or otherwise for purchase of the Institution.

Any other item 4:Para-41

43. While discussing the matter of additional manpower to Quetta Regional Office, the Board decided to create two posts on each in the grade of Assistant & Sr. Assistant.

Any other item 5: Para-43

44. Mr. J.R. Siddiqui informed the participants that he had held meeting with Mr. Ghulam Sarwer Khero, Ex-Secretary, Labour Deptt., Sindh in respect of registration of transporters in Sindh. He wanted a mild treatment should be given to M/s. Metro Bus Service operating in Karachi. The Board was also informed that transporters in Punjab were registered and they were also paying their dues regularly. The Board, therefore, adopted the recommendation of the F&A Committee that the Institution should prepare a report in the matter for its consideration in its next meeting.

Any other item 6: Para-45 to 47

Self-Assessment Scheme

45. The President apprised the participants that the Federal Government was planning to implement the self-assessment scheme and other related proposal w.e.f. 1st July, 2001 in EOB Scheme. The employers, who were desirous of adopting self-assessment scheme, would have to pay Rs. 250/- p.m. Those employers would not be disturbed for two years. Provincial Social Security Institutions had already implemented this scheme compulsorily. In order to implement the self-assessment scheme, increase in wages/salary ceiling from Rs. 3000 to Rs. 5000 per month, introduction of workers'/employees' contribution, enhance applicability of the scheme on voluntary basis to those establishments employing less than ten, but not less than five, would also be made. Mr. Majyd Aziz suggested that this scheme should be made users friendly. He also pointed out that the years for which the self-assessment scheme was availed should not be re-opened & disputed and employers should be fully safe guarded against such mishandling at the hands of officials of the Institution.

Increase in wages ceiling and Introduction of employees' contribution

46. The President apprised the participants that in order to make the scheme financially viable and to improve the benefits of the scheme, the Federal Government was

planning to enhance wages/salary ceiling to Rs. 5000/- p.m. from existing ceiling of Rs. 3000/- p.m. and to introduce employees' contribution @ Rs. 20/- p.m.

Extension of applicability of the scheme

47. The President apprised the participants that the Federal Government was planning to extend the applicability of the scheme to those establishments employing less than 10, but not less than 5 on voluntary basis.

Increase in minimum pension

48. The President apprised the participants that the Federal Government was working to increase the minimum pension. In view of far reaching impact of any increase, it was considered absolutely necessary that an actuarial exercise may be got conducted.

49. The Board decided that:

a) As any increase in pension would have financial and actuarial impact on the existing fund. It was decided to carry out financial and actuarial study. An actuarial firms may be appointed by calling quotations urgently.

Any other item 7: Para-48 to 50

50. Mr. Haroon Siddique informed the participants that an agreement was signed between the Management and the CBA, subject to the approval by the Board. As a result of this agreement, the expenditure should not exceed Rs. 21.04 million per annum and the medical expenses should be reduced by Rs. 1.5 million per annum with the help of the CBA during the currency of the settlement. However, before signing the agreement, he constituted an internal committee to look into the financial impact prepared by the negotiating team. The internal committee had worked out a financial impact of Rs. 26.42 million from what was worked out of Rs. 21.04 million by the members of the negotiating team. According to him, the difference was mainly on account of notional loss of interest on various loans & advances extended to the staff members under EOBI

(Loans to Employees) Regulations, 1980 of Rs. 3.4 million and on inclusion of financial impact of pension & gratuity of Rs. 1.5 million. The Board was also informed that in some cases, pay of staff would also over-lap the pay of officers, which was a cause of concern, as the officers would feel disappointed and discontented on this situation. Mr. Tauqir Ahmad apprised the Board that in the existing situation, an agreement of Rs. 21 million was very good and would promote harmonious relationship and good working environment between the Management and the CBA.

51. Mr. Arhad Tanveer apprised the participants that two Karachi based members of the Board were involved in the negotiation at a very later stage. If they were involved from out set, the Institution would benefit from their experience in this respect. However, rather than giving them a percentage they emphasized to give a lump-sum monetary package of Rs. 20 million against the CBA demand of Rs. 25 million, which came to 28%. Later on, it was told to them that if Rs. 1 million more given to them, then an agreement would be signed between the Institution and the CBA. Actually, rather than signing the agreement at Rs. 21 million, they have signed on an agreement of Rs. 26 million without taking the members of the Board in confidence. Mr. Muhammad Zaman stated that an agreement of Rs. 21 million was one of the biggest agreements in the history of Pakistan. Mr. Abdul Ghaffar Soomro pointed out that in the long run, such liberal settlements, would affect the financial viability of the Institution. Even though this agreement would be a gesture of relationship building, the financial impact should not have been more than Rs. 21 million. He suggested that the Institution should worked out the Financial impact of the signed agreement and put-up before the Board.

52. Mr. Haroon Siddique explained the participants that financial impact of Rs. 21.04 million was worked out on the parameter agreed upon by them to the CBA by a team of two employees of the Institution as appointed by them (i.e. members of the Board) i.e. working out of loss of interest @ 5% as against 15% as was done in the existing figures. He further stated that notional loss of interest and provision of pension & gratuity did not require immediate cash outflow. Therefore, cash impact would be within Rs. 21 million. On a query from Ch. Zaheer Ahmed Taj as to the tenure of the agreement, the Board was informed that it is for two years. M/s. Abdul Ghaffar Soomro and Majyd Aziz observed

that the agreement was signed, without adhering to the decision of the Board and instructions of the two-member team of the Board.

53. After some discussion, the Board placed on record its displeasure on signing of the agreement with CBA by negotiating team of the Institution without adhering to the decision of the Board and the instructions of the two-member team constituted by the Board to assist the Committee. The Board also decided that the Institution should furnish the actual implication of the agreement signed between the Management and the CBA before the Board. With these comments the Board adopted the Charter settlement as signed by the negotiating team constituted by the Board.

54. 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 CREATION OF SEPARATE PENSION TRUST FUND FOR EOBI EMPLOYEES.

55. The Board did not agree to the recommendation of the F&A Committee and deferred the creation of separate Pension Trust Fund for EOBI employees for a period of two years.

ITEM NO. 4

TO CONSIDER COMPUTER LOAN FOR OFFICERS AND STAFF

56. The Board adopted the recommendation of the F&A Committee regarding computer loan to officers and staff with slight amendments on the following terms & conditions:-

- i) Maximum amount of the loan shall be Rs. 50,000/-.
- ii) The loan shall carry mark-up @ 5% p.a. and shall be recovered in an installment of Rs. 2,000/- p.m.

- iii) The loan shall be counted towards the 40% repaying capacity of loans of the employees.
- iv) D.G. (F&I) shall be the Competent Authority to sanction computer loans.
- v) Every eligible employee shall be able to avail this loan.
- vi) The loan shall be granted in the ratio of 50% to officers and 50% to staff members. Only 20 cases of computer loans shall be entertained in a financial year on first-come-first-serve basis. If there are more than 20 cases for computer loan, the computer loan shall be granted on the date of application of the loan.
- vii) The amount of computer loan shall be disbursed on production of purchase/payment receipt by the concerned employee.
- viii) The employees wishing to avail computer loan shall have at least five years continuous service in the Institution and shall have at least two years service to retirement.
- ix) The computer loan shall be granted once in the service period of the employee.

ITEM NO. 5

TO CHANGE THE DISCIPLINARY PROCEDURE AND ADOPT MUTATIS MUTANDIS AND (E&D) RULES OF GOVERNMENT OF PAKISTAN.

57. Ch. Zaheer Ahmed Taj pointed out that the Institution was an industry in pursuance of order of the Hon'able Supreme Court dated 23.08.1987, therefore, the West Pakistan (Standing Orders), 1965 are applicable to the employees of the Institution, which contained adequate provisions of punishment to the employees in case of misconduct. The Institution, therefore, should review the adoption of E&D Rules of Government of Pakistan and carry out their legal scrutiny.

58. After some discussion, the Board decided to adopt Government Servants (Efficiency and Discipline) Rules, 1973 mutatis mutandis for the employees of the Institution with necessary amendment in the existing EOBI (Employees' Service) Regulations, 1980.

ITEM NO. 6

DEFERRED ITEMS FROM 54TH BOT MEETING.

A) TO CONSIDER PROVISION OF NEWSPAPER FOR DDs, ADs AND EOs.

59. The Board adopted the recommendation of the F&A Committee with slight amendments, as under:-

S. NO.	DESIGNATION	NEWSPAPERS (of their choice)	LOCAL MAGAZINES (of their choice)
1.	D.Gs.	02	01
2.	DDGs/ADGs	02	01
3.	Directors	02	01

60. For DDGs & above, two foreign magazines: (i) Newsweek/Times and (ii) Economist shall be provided and circulated among them turn by turn.

61. For Deputy Directors, one newspaper of their choice shall be provided.

B) TO CONSIDER REIMBURSEMENT OF LOCAL RESIDENTAL TELEPHONE CALLS FOR DDs, ADs AND EOs.

62. The Board adopted the recommendation of the F&A Committee that no reimbursement of residential telephone charges shall be allowed to Deputy Directors and below.

ITEM NO. 7

ANY OTHER ITEM

a) APPOINTMENT OF THE CHAIRMAN, EOBI

63. The Chairman, EOBI shall be appointed from Private Sector through open advertisement, as the proposal submitted to the Chief Executive, who was agreed to by him, the Ministry was working out his qualification, experience & other available skills. He would be a professional and his pay would be in line with the market salary packages of such equivalent posts.

b) WORKING PAPER SUBMITTED BY CH. ZAHEER AHMED TAJ

64. The Board then considered the working paper submitted by Ch. Zaheer Ahmed Taj. As items contained in the working paper required comments of the Institution, the same was referred to the Institution for submitting its comments to the Board in its next meeting.

c) **DATE AND VENUE OF THE MEETING**

65. The Board decided to hold its next meeting tentatively in the last week of June, 2001. The time and venue of the meeting shall be intimated later on.

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