

MINUTES OF THE 58TH MEETING OF THE BOARD OF TRUSTEES HELD ON 23RD April 2002 AT 10:00 A.M IN THE COMMITTEE ROOM EOBI ZONAL OFFICE, LAHORE

The 58th meeting of the Board of Trustees of EOBI was held on Saturday, the 23rd April, 2002 at 10:00 hours in the Committee Room EOBI Zonal Office, Lahore. Mr. Farhat Hussain, Secretary, Labour, Manpower & Overseas Pakistanis, Government of Pakistan being President of the Board, 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. Tauqir Ahmad
Joint Secretary (Labour),
Ministry of Labour, Manpower
& Overseas Pakistanis,
Islamabad. | Member |
| 3 | Maj.(R) Iqbal Ahmed
Secretary Labour, Punjab | Member |
| 4. | Raja Muhammad Abbas
Secretary Labour, Sindh | Member |
| 5. | Abdul Ghaffar Soomro,
Secretary Labour, NWFP | Member |
| 6. | Mr. Danish K. Monnoo
Employers' Rep. Punjab | Member |

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| 7. | Mr. Nazim F. Haji
Employer's Rep. Sindh | Member |
| 8. | Ch. Zaheer Ahmed Taj
Employees' Rep. Punjab | Member |
| 9. | Mr. Abdul Aziz Abbassi
Employees' Rep. Sindh | Member |
| 10. | Mr. Muhammad Zaman
Employees' Rep. NWFP | Member |
| 11. | Mr. Sultan Muhammad
Employees' Rep. Baluchistan | Member |
| 12. | Mr. Nooruddin Shaikh
Director General (F&I), EOBI | Member |
| 13. | Raja Faizul Hassan Faiz | Secretary BOT |

3. Mr. Gul Azad Khan, Deputy Financial Adviser, Labour Division was also present to assist the Board in its deliberation.

4. The meeting started with recitation of Holy Quran by Mr. Abdul Aziz Abbassi, Member BOT.

5. Mr. Muhammad Iqbal Malik, Sr. Joint Secretary, Ministry of Industries & Production, and Mr. Nooruddin F. Daud submitted applications for leave of absence as they could not attend the meeting due to their pre-occupations.

**Item No. 1 To Consider Confirmation of the Minutes
of 57th Meeting of the Board**

6. The minutes of the last meeting of the Board were then taken up for confirmation. The Board was informed that some observations were made by Mr. Dost Muhammad, Financial Adviser, Labour Division, on recording of minutes for item No. 10-A, para-26 regarding pay package to the officers of the Institution and item No. 10-C, para 31 to 33 regarding employment of Assistant.

7. Mr. Tauqir Ahmad informed the Board that the Ministry was referring the pay package of the officers to the Finance Division (Regulation Wing) for their approval.

8. Mr. Nazim F. Haji was of the opinion that since the Board was statutory one and is empowered to approve budget, therefore there was no need to send the pay package to Finance Division. The Board was informed by the Secretary BOT that as per Section 19 of the EOB Act, 1976 the Board had to draw up annually a budget and submit it for the approval of the Federal Government. It was also observed that the Federal Government for the purpose of EOBI would be the Ministry of Labour Manpower & Overseas Pakistanis. On this the President opined that all the budget estimates and pay packages including bonus matter were to be cleared by the Finance Division and all other Ministries including Ministry of Labour were bound by the directions of the Ministry of Finance. He referred the recent instruction from Ministry of Finance particularly with regard to the Bonus Policy.

9. Mr. Nazim F. Haji wanted to know whether those instructions were applicable to State Life Insurance Corporation of Pakistan. He was informed that the instructions were applicable to all department including corporations etc., even to those where the Secretary Finance himself was a member of the Board. He said that such like cases of State Life & Banks were not cleared by the Finance Division and were implemented after approval by their Board.

10. The Board also invited the representatives of EOBI Officers' Association of Pakistan to give presentation on the matter of Pay Package and Mr. Agha Abdullah, Secretary General EOBI Officers Association gave the said presentation to the Board.

11. After some discussion it was decided that the Law Wing of EOBI would examine whether those instructions were applicable to the Institution.

12. It was further decided that the Labour Division would also check the status & practice of State Life, Banks, P.S.O, C.A.A etc., with regard to the pay package of their employees.

13. After the above observations it was decided that the views of Mr. Dost Muhammad Financial Adviser (Labour) should be recorded in the minutes. With this direction, the minutes were confirmed.

**Item No.2 To Consider Progress on the Decision Taken
By the Board in Its 57th Meeting**

Item No.1 para-10

14. Mr. Nazim F. Haji wanted to know about the list of public sector defaulters. Mr. Nooruddin Shaikh informed the Board that said list was provided to him just on 22/4/2002. The Board expressed displeasure over the delay in submission of list as directed by the Minister in the last meeting, which was required to be done by DG(Ops). The President directed that DG(Ops) may be asked to explain the reasons for such delay.

Item No.6 para-18

15. The President wanted to know what action the EDP Division had taken on updating of record. The Secretary BOT informed that no action was reported to the Board Secretariat. The President showed his displeasure and instructed the Board Secretariat to be vigilant regarding actions to be taken by the various Divisions. He desired that a summary regarding decision of the Board and the persons / Divisions responsible for implementation should be prepared with the minutes.

16. Mr. Zaheer Ahmed Taj objected for non-inclusion of working papers submitted by him. He was informed that the same would be included in the forth coming meetings of the Board. Mr. Danish K. Monnoo wanted to know the status of action taken against officials

who misbehaved with Mr. Zaheer A. Taj. Mr. Zaman said some body also misbehaved with Mr. Taj on internal telephone when he was sitting in the office of DG(Ops). Mr. Zaheer Ahmed Taj informed the Board that he had recognized the voice of that person. On this Mr. Sultan suggested that the Board might constitute a sub-committee which should discuss the attitude of members of CBA with that of the member BOT. The following committee was constituted by the Board.

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| 1. Mr. Nazim F. Haji | Convenor |
| 2. Mr. Sultan Muhammad | Member |
| 3. Mr. Taquir Ahmad | Member |
| 4. Mr. Nooruddin Shaikh | Member |

Item No.3. To Consider Performance of the Institution

17. While taking up item No.3 the Board decided that the performance of the Institution should be presented in tabulated form showing figures regarding each Zone rather than in narrative form.

18. Mr. Soomro pointed out that total number of 1,718,033 had been shown as registered insured person. If it is presumed that the average contribution for workers is Rs. 100/- per month the total collection should be Rs. 171,803,300/- per month. The Secretary BOT informed the Board that the number shown in the report was cumulative total and not the number of active insured persons. On this the Board directed that number of active insured persons should be clearly given in the working paper. Mr. Zaheer A. Taj said that the

recovery should be segregated into regular payment, arrears and increase. Similarly, the list of the employers showing number of new insured persons registered may also be annexed with the report.

19. It was further decided that in the next Board meeting the DG(Ops) and DDG(EDP) should give detailed presentation to the Board regarding performance and system of the Institution.

Item No.4 **To Consider One Promotional Increment on Up-gradation As Senior Assistant on Completion of 10 Years Services As Assistant.**

20. The Board was informed that 9 Assistants who had completed 10 years of service, were upgraded as Senior Assistants w.e.f 1/1/99. Seven (7) of those had applied for grant of one increment on upgradation on the plea that such increment were allowed to Executive officer on their upgradation as Assistant Director by the BOT.

21) After Some discussion the Board decided that since the matters regarding terms & conditions of staff were determined through settlement between CBA & the Management therefore, the grant of one promotional increment on upgradation of the Assistants as Senior Assistant, can not be acceded to at this stage.

***Item No.5* To Consider Extension in Time Limit For Completion of Audited Accounts For the Financial Year 2000-2001 and Grant Approval**

22. While taking up item No.5 of the agenda, the Board desired that the Chartered Accountant should be asked to give presentation to the Board on their findings. It was further decided that for the next financial year, appointment of Chartered Accountant should be considered only from the list of "A" categories firms registered with the State Bank of Pakistan.

***Item No.6* To Consider Re-Constitution of Investment Committee**

***Item No.7.* To Consider Minutes of 51st & 52nd Meetings of the Investment Committee Held On 13th February 2002 & 13th March 2002 respectively**

***Item No.9.* To Discuss the Appointment of Suitable Person With Treasury Experience To Advise And Monitor Investment Of EOBI**

23. The Board then took up item No. 6, 7 & 9 jointly as all these items were related to the Investment. After thorough discussion on item No.6 it was observed by the Board that the Committee should be authorized fully to take decision on its behalf. However, all such decisions be brought before the Board in its meetings.

24. Regarding appointment of a suitable person with treasury experience to advise and monitor Investment of EOBI, the Board was informed that as per directive of the Government, names of three firms had already been sent to the Institution. The Institution would examine the bids submitted by them and recommend one or more to be appointed as Fund Manager. Mr. Nazim F. Haji was of the view that instead of hiring firms for advice, a person with requisite qualification and relevant expertise be employed in the Institution.

25. After considerable discussion it was decided that since efforts had already been done to hire firms as Fund Manager, therefore, the same should be finalized and the firms be engaged for one year. However, to strengthen the Investment Wing the HR-Division should advertise for the post of Investment Adviser to be recruited from private sector. The selection procedure and relevant qualification & experience may also be finalized.

26. On a point raised by Mr. Danish K. Monnoo regarding investment in TFCs and allocation of limits of investment in various portfolios viz., real estate, Government Securities and shares etc., it was decided that the Institution should work out investment parameters and submit that to the Board for approval.

27. It was further decided that to strengthen the Committee, Secretary Labour Sindh may also be added as a member of the Committee which should then consist of the following members: -

1. Chairman EOBI (Convenor)
 2. Director General (F&I)/FA EOBI Member
 3. Secretary Labour Sindh Member
 4. Employer Representative on Board from Sindh Member
 5. Employees Representative on the Board from Sindh Member
- Head of Investment Wing will act as Secretary of the Committee.

Item No.8. **To Consider Allocation of Budget For Grant of Loans to Employees**

28. The Board was informed that in accordance with Rule-7 of EOB (Investment) Rule 1979 the Institution could grant loans to its officers & staff. However, the total amount of such loans outstanding at any time, including any interest accrued thereon, should not exceed two percent of the assets of the fund at its book value.

29. The Board observed that inspite of the above provision of Rules there must be a limit of fund to be allocated for grant of loans. It was decided that Finance and Budget Committee of the Board should review the situation and propose an amount for "Revolving Fund" to be allocated for the purpose.

***Item No.9.* To Discuss the Appointment of Suitable Person With Treasury Experience To Advise And Monitor Investment Of EOBI**

30. This item had been discussed under Item No. 6 & 7.

***Item No.10* To Discuss the Appointment of A Chairman For EOBI And to Finalize Its Modes Operandi**

31. While taking up this item the President informed the Board that the summary for appointment of Chairman EOBI had been sent for approval of the Competent Authority, and the new Chairman would join very shortly.

Any Other Item

A) Kidney Transplant Surgery

32. The Board was informed that daughter of Mr. Iqbal Haider Zaidi Zonal Head Peshawar Zone had been advised Kidney Transplant due to chronic Renal Failure. The kidney was being donated by her mother. The expected cost of surgery would be about Rs. 225,000/-. In addition to this Rs. 195,000/- would be incurred on anti-rejection injections. Since organ transplant was not permissible under the medical regulation, the Board was requested to accord approval of above expenditure as a special case on humanitarian ground. The Board approved the expenses of Rs. 420,000/- accordingly.

B) Payment of Professional Fee and Other Charges to the Prosecutors Appointed By NAB

33. The Secretary BOT informed the Board that the NAB Authorities had appointed M/s. Naveed Rasul Mirza, and Muhammad Ghani as Prosecutors to assist in investigation and prosecution of the case before the Accountability Court.

34. As already informed to and approved by the Board the fee and other charges to the advocates were to be paid by the Institution. The Chairman NAB had settled the payment of Rs. 60 lac (30 lac to each of the advocate) as professional fee in addition to reimbursement of actual expenses spent by them for travel, board and lodge in connection with prosecution of the case. 50% of the total fee would be payable in advance and 50% after decision of the case.

35. The members of the Board of Trustees opined that this amount seems to be on higher side, however, since Chairman NAB had made maximum efforts and it has been informed that this was the minimum amount possible to be negotiated, it was recommended for approval. However, the NAB Secretariat may be requested to keep the maximum amount payable to each at Rs. 30 lacs.

C) Appointment of Miss Attya

36. The Board was informed that Syed Iqbal Raza Jaffery, ADG, Zonal Head Peshawar expired on 26/2/2002. He left behind seven daughters and one son. His wife had also died one-year back.

37. There had been a practice in the Institution to accommodate widow or a child of the deceased employee. Since it was a hardship case therefore, the Board may consider the appointment of Miss Attya Abbas Jaffery, daughter of the deceased, in the Institution as Data Entry Officer as she was qualified for the said post.

38. The Board approved the suggestion in principle and desired that the Institution might process her case for appointment as "Data Entry Officer".

Date and Venue of the Next Meeting

39. The Board decided to hold next meeting on 21st May, 2002 at Karachi.

40. Before concluding the meeting on suggestion made by Mr. Nazim F. Haji it was decided that payment of pension to Mr. S. Barkatullah, Ex-Chairman should be stopped with immediate effect. Mr. Monnoo pointed out that as was evident from the report of Asian Development Bank the management expenses were on very high

side. He suggested to cut down the said expenses, the Institution should introduce "Golden Shake Hand" schemes. It was decided that the Institution should work out the modalities of scheme based on such schemes of other public sector organizations viz. Banks, Steel Mill etc.

41. There being no other item, the meeting ended with a vote of thanks to the Chair.

SUMMARY OF THE DECISIONS BY THE BOARD AND
ACTIONS REQUIRED BY THE DIVISIONS CONCERNED

Item No.	Para No.	Decision
1	11	After some discussion it was decided that the Law Wing of EOBI examine whether those instructions were applicable to the Institution.
2	14	The Board expressed displeasure over the delay in submission of list as required Minister in the last meeting, which was required to be done by DG(Ops). The Pr directed that DG(Ops) be asked to explain the reasons for such delay.
2	16	<p>Mr. Sultan suggested that the Board might constitute a sub-com which should discuss the attitude of members of CBA with that member BOT. The following committee was constituted by the Board.</p> <ol style="list-style-type: none"> 1. Mr. Nazim F. Haji Convenor 2. Mr. Sultan Muhammad Member 3. Mr. Taquir Ahmad Member 4. Mr. Nooruddin Shaikh Member
3	18	On this the Board directed that number of active insured persons should be discl the working paper. Mr. Zaheer A. Taj said that the recovery should be segregat regular payment arrears and increase. Similarly, the list of the employers s number of new insured persons registered may also be annexed with the report.
3	19	It was further decided that in the next Board meeting the DG(Ops) and DD should give detailed presentation to the Board regarding performance and sys the Institution.

4	21	<p>After Some discussion the Board decided that since the matters regarding the conditions were determined through settlement between CBA & the Manager therefore, the matter of one promotional increment on upgradation to the Assistant Manager should not be acceded to.</p> <p>22. The Board desired that the Chartered Accountant might be asked to make a presentation to the Board. It was further decided that for the next financial year the appointment of Chartered Accountant should be considered only from the list of category firms registered with the State Bank of Pakistan.</p>
6	23	<p>The Board decided that decision of the Investment Committee should be fully effective as if given by the Board itself. However, all such decisions be brought before the Board in its meetings.</p>
9	24	<p>On appointment of Fund Manager three firms as recommended SEC have submitted their bids. Selection of one or more to be appointed as Fund Manager should be finalized early.</p>
9	25	<p>Fund Manager should be engaged for one year. However, to strengthen the Investment Wing the HR-Division should advertise for the post of Investment Adviser to be recruited from private sector. The selection procedure and relevant qualification & experience may also be finalized.</p>
9	26	<p>On a point raised by Mr. Danish K. Monnoo regarding investment in TFCs and all other types of limits of investment in various portfolios viz., real estate, Government Securities, shares etc., it was decided that the Institution should work out investment parameters and bring out to the Board for approval.</p>
6	27	<p>It was further decided that to strengthen the Investment Committee, Secretary Investment Wing Sindh may also be added as a member of the Committee which should then consist upon the following members: -</p>

		<p>6. Chairman EOBI (Convenor)</p> <p>7. Director General (F&I)/FA EOBI Member</p> <p>8. Secretary Labour Sindh Member</p> <p>9. Employer Representative Sindh Member</p> <p>10. Employee Representative Sindh Member</p> <p>Head of Investment Wing will act as Secretary of the Committee.</p>
8	29	The Board observed that inspite of the above provision of Rules there must be a fund to be allocated for grant of loans. It was decided that Finance and Committee of the Board should review the situation and propose an amount "Revolving Fund" to be allocated for the purpose.
Any other item (B)	32	Since organ transplant was not permissible under the medical regulations, the Board was requested to accord approval of above expenditure as a special case on humanitarian ground. The Board approved the expenditure of Rs. 420,000/- accordingly.
Any other item (B)	35	After some discussion the Board approved the payment of 60 lac (30 lac to each advocate) in two equal installments of Rs. 30 lac (15 lac to each advocate) plus cost of traveling, boarding and lodging.
Any other item (C)	38	The Board approved the suggestion in principle and desired that the Institution process her case for appointment as "Data Entry Officer". (Miss Atyea Jaferry)
	39	The Board decided to hold next meeting on 21 st May, 2002 at Karachi.
	40	Before concluding the meeting on suggestion made by Mr. Nazim F. Haji it was decided that payment of pension to Mr. S. Barkatullah, Ex-Chairman should be stopped with immediate effect.

