

**MINUTES OF THE 75th MEETING OF THE BOARD OF TRUSTEES
HELD ON 24th and 25th January 2006 AT EOBI HEAD OFFICE,
KARACHI**

The 75th meeting of the Board of Trustees of EOBI was held at 10:00 am on 24th and 25th January 2006 at EOBI Head Office Karachi to consider the following two days agenda: -

DAY 1, (DATE: 24-01-2006)

SR. #	A G E N D A I T E M S
01.	TO CONFIRM THE MINUTES OF 74TH MEETING OF THE BOARD OF TRUSTEES, EOBI.
02.	TO REVIEW PROGRESS ON THE DECISIONS TAKEN BY THE BOARD IN ITS 74TH MEETING.
03.	TO REVIEW PERFORMANCE OF THE INSTITUTION.
04	TO CONSIDER PROPOSAL FOR CHANGE IN OFFICE TIMINGS.
05.	TO CONSIDER STREAMLINING THE REIMBURSEMENT OF FEES FOR PURSUING MANAGEMENT STUDIES.
06.	TO CONSIDER ADOPTION OF GOVERNMENT TERMS OF CONTRACT APPOINTMENT.
07.	TO CONSIDER PROMOTION OF EXECUTIVE OFFICERS TO ASSISTANT DIRECTORS ON QUALIFYING MBA.
08.	TO CONSIDER PAYMENT OF BONUS TO EMPLOYEES OF EOBI.
09.	TO CONSIDER RE-STRUCTURING AND RE-ORGANIZATION OF THE INSTITUTION.

DAY 2, (DATE: 25-01-2006)

10.	TO CONSIDER ADDITIONAL BUDGET OF RS.120, 000/- UNDER HAJJ AND RELIGIOUS EXPENSES FOR 2005-06.
11.	TO ACCORD EX-POST-FACTO APPROVAL FOR CONTRIBUTION OF RS.10.00 MILLION IN THE PRESIDENT'S RELIEF FUND FOR EARTHQUAKE VICTIMS.
12.	TO CONSIDER ADDITIONAL BUDGET OF RS.20.5 MILLION AND Rs. 5.00 MILLION IN 2004-05 AND 2005-06 RESPECTIVELY UNDER THE HEAD OF "PAY & ALLOWANCES" ON ACCOUNT OF PAYMENT OF SPECIAL ADDITIONAL ALLOWANCE FROM 01-12-2001.
13.	TO CONSIDER RE-APPROPRIATION POWERS OF CHAIRMAN, EOBI.
14.	TO CONSIDER REVISION OF PAY SCALES AND PENSIONS OF EOBI EMPLOYEES WITH EFFECT FROM 1 st JULY, 2005.
15.	TO REVIEW THE ALLOWANCES AND OTHER FACILITIES ADMISSIBLE TO THE SERVING AND RETIRED EMPLOYEES OF THE INSTITUTION.

16.	TO CONSIDER RE-CONSTITUTION OF COMMITTEES FOR DE-REGISTRATION.
17.	TO CONSIDER DE-REGISTRATION AND WRITING OFF ARREARS OF CLOSED UNITS.
18.	TO CONSIDER CHANGE OF BOARD OF DIRECTORS OF PRIMACO.
19.	TO CONSIDER UTILIZATION/DISPOSAL OF EXISTING HEAD OFFICE BUILDING.
20.	TO CONSIDER ADDITIONAL BUDGET FOR SHIFTING OF HEAD OFFICE.
21.	TO CONSIDER APPROVAL OF APPOINTMENT OF ACTUARY FIRM TO CARRY OUT ACTUARIAL VALUATION.

2. The meeting was presided over by Malik Asif Hayat, President Board of Trustees/ Secretary, Labour and Manpower. The following attended the meeting: -

1.	Malik Asif Hayat <i>Secretary Labour and Manpower</i>	President
2.	Mr. Ahsan Akhtar Malik <i>Joint Secretary Labour & Manpower</i>	Member
3.	Brig. (R) Akhtar Zamin <i>Chairman, EOBI</i>	Member
6.	Mr. Nasar Hayat <i>Secretary Labour Sindh</i>	Member
7.	Mr. Ahsanullah Khan <i>Secretary Labour NWFP</i>	Member
8.	Mr. Noor-ud-Din F. Daud <i>Employers of Representative NWFP</i>	Member
9.	Mr. Nazim F. Haji <i>Employers' Representative, Sindh</i>	Member
10.	Ch. Zaheer Ahmed Taj <i>Employees' Representative, Punjab</i>	Member
11.	Mr. Sultan Muhammad <i>Employees' Representative, Balochistan</i>	Member
12.	Mr. Muhammad Zaman <i>Employees' Representative NWFP</i>	Member
13.	Mr. Abdul Aziz Abbasi <i>Employees' Representative, Sindh</i>	Member
14.	Mushtaq Ahmed Sammo <i>ADG EOBI</i>	Secretary BOT

3. Mr. Akhtar Jamil F.A/DG (F&A) and Mr. Farooq Awan Investment Advisor EOBI attended the meeting to assist the Board. Mian Ali Muhammad Dy. Financial Advisor of Finance Division attended the meeting as observer in place of Mr. Juman J. Jamro the then Financial Advisor, who had been transferred. And as no one had yet been posted as Financial

Advisor thus Dy. Financial Advisor with the approval of Finance Division attended the meeting.

4. Mr. Khawaja Siddique Akbar, Secretary Labour Balochistan, Mr. Sardar Ali Ahmed Jomezai Employers Representative of Balochistan and Mr. Danish K. Monnoo Employers Representative of Punjab could not attend the meeting.

5. The meeting commenced with recitation from Holy Quran by Mr. Nooruddin F. Daud. The President BOT/Secretary Labour & Manpower Mr. Malik Asif Hayat welcoming the participants requested Brig. (R) Akhtar Zamin Chairman EOBI to express his views. Chairman, while thanking all members for their valuable presence in the meeting hoped that all members would deliberate diligently and share their views, experience and expertise in discussing items of agenda to make the meeting a real success. Thereafter Secretary Board was directed to proceed accordingly.

6. Secretary Board, starting the proceeding informed the participants that Mr. Danish K. Monno Representative of Employers from the Punjab, Province was continuously absent in last three Board meetings and he was also not present in the 75th BOT meeting. Secretary Board apprised the members that according to Board of Trustees Rules, if any member absents himself in last three consecutive meetings without any intimation, he ceases to be a member.

7. It was further informed that Secretary Balochistan Mr. Khawaja Siddique Akhbar also could not manage to attend last two meetings and he was also not present in the instant meeting. The Secretary Board requested President to guide him in the matter so that attendance of members be ensured. The President BOT taking notice of the issue directed Joint Secretary Labour to take up the matter with the Secretary (Labour) Balochistan as he is representing a Unit of the Federation.

Item No. 1

TO CONFIRM THE MINUTES OF 74TH MEETING OF THE BOARD OF TRUSTEES, EOBI.

8. Secretary Board informed that minutes had already been circulated amongst all the members, including, those who remained absent in last few meetings and observations in respect of 74th BOT meeting from some of the members were received.

9. Secretary BOT informed that the then Financial Advisor Mr. Juman J. Jamro raised following points:

- That the process of Re-structuring and closing of Zonal Offices /minimizing of Regional Offices might not deviate the institution from the very objective of creation of the institution to provide Social Security to all citizen.
- That keeping in view past experiences in some organizations the hiring of judges to adjudicate might be given a second thought.
- That detail of cases heard and decided by Zonal Heads in last three years be provided to analyze the need to transfer adjudication to judges for Boards perusals.
- That proposed two adjudicating authorities would minimize opportunity of adjudication from ten (10) Zonal Offices to only two offices.
- That beneficiaries will have to travel long distances to approach the newly proposed two Adjudicating Authorities at Karachi and Lahore instead of ten (10) Zonal Head Offices all over the country.

10. The Secretary Board clarified the position:

- That in no way process of re-structuring was going to deviate institution from its very objective, on the contrary it was a sincere effort to streamline the working of EOBI, and to provide better, efficient services to pensioners with a systematic, uniform, standardized EOBI office.
- That no operational office was to be closed and only organizational changes in status of some offices on account of IPs, and work potential in the area are having made. Beside efforts were being made to bring all EOBI offices (Regional Offices) to a uniform standard.
- That instead of ten (10) places, (Zonal Offices) there would be thirty offices in the shape of Regional Offices available to aggrieved persons to reach Adjudicating Authorities, as Regional Office would act as Sub-Registry Offices and seats to Adjudicating Authorities.

- The details of 3-years adjudication /cases were provided in the meeting for the perusal of Board members.

11. Mr. Nooruddin F. Daud also raised followings issue:

- That Re-structuring being an important issue needed further consultation with concerned officers.
- That appointment of judges as Adjudicating Authority must be given second thought.
- The closure of Zonal Offices w.e.f. 31-12-2005 must be reviewed.

12. Secretary BOT clarified that the plan of Re-structuring was fully discussed with all concerned officers prior 74th BOT meeting and in order to review the decision taken in the 74th BOT meeting, matter was further discussed in the Departmental Head meeting and in the Zonal Head Conference, wherein all Zonal Heads, Regional Head and for the first time field operation junior officers were also called by the Chairman EOBI specially to share their views. After thorough discussions in above two meetings necessary amendments were made in the plan and the same presented in the meeting.

13. Mr. Zaman Employees Representative of NWFP also raised same kind of queries / observations which were clarified accordingly. Mr. Zaheer A. Taj also raised specific queries in respect of changes of Regions and Field Offices. Secretary BOT therefore suggested that the same would be discussed at the time of presentation of the working paper specially prepared on Re-structuring of EOBI which fully covers changes of Regions and Field Offices.

14. The President BOT after clarifications made by the Secretary Board in respect of member's observations on minutes invited members for any further objections. **There being no further objections/ observations, the minutes of 74th BOT meeting were declared confirmed.**

Item No. 2

TO REVIEW PROGRESS ON THE DECISIONS TAKEN BY THE BOARD IN ITS 74TH MEETING.

15. Secretary Board reported the compliance made by different departments of the institution on decisions taken in the 74th BOT meeting. As regard preparation of Rules for

Regularizing of contract employees of the institution, he informed that Regulations under section 45 of the EOB Act 1976 had been prepared by the institution and placed before this Board for approval, after Board's approval it would be included in the existing EOBI (Employees Service) Regulations 1980.

16. The Regulations were read by the Secretary Board and its provisions were explained to all members. Mr. Mian Ali Muhammad Dy. Financial Advisor pointed out that Federal Government had already directed that all those contract employees, who had completed five years service, should be regularized. Thus at least five year period be required in regulations to regularize contract services. The President clarified that those directions were meant for those employees, who were appointed on posts, which were not sanctioned or available, whereas employees of the EOBI were recruited against available posts of direct appointments, thus these directives were not applicable on EOBI employees. Financial Advisor also enquired about recruitment procedures which Secretary Board explained to him and clarified that contract employees were appointed against regular vacant posts after fulfilling all prescribed procedures, requirements and codal procedures. These employees were neither appointed against promotion posts nor against leave vacancies. President BOT enquired about the committee referred in the regulations. Secretary Board explained that, it would be the same committee, which had already been prescribed in EOBI (Employees Service) Regulation 1980 for appointment of respective cadres.

17. Mr. Sultan Muhammad and Mr. Zaman Representative of Employees appreciating the efforts of the management requested that it must be ensured that no further delay takes place in completing the process. Mr. Zaheer A. Taj thanked the management that their year long request was finally attended to.

18. After detailed discussion Board approved the regulations and directed management to finalize all required proceedings up to 28th February positively to regularize all eligible contract employees as provided in the regulations and report compliance in the next Board meeting.

19. Secretary Board briefing about further compliance informed that B&C department had already constituted disputes resolution committees, (DRC) and conducted a number of meetings almost in all regions. He placed before the Board their quarterly progress report for

perusal. President BOT expressed his displeasure over the report and said such report did not show any progress. The DG Operation was called to explain the report and to provide details of actual work done in these meetings. DG Operation explained the position and provided some details.

20. Board however, directed him to submit a comprehensive report in respect of these committees performance and also advised that this forum should also be utilized to recover outstanding arrears and to get all such establishments registered, which had yet not been included in the Social Security Net. President further suggested that these committees shall also be used in the process of genuine de-registration of closed units.

21. Thereafter Secretary Board briefed about the compliance in respect of disciplinary actions taken against all those employees, whose cases had already been reported in earlier meetings. President appreciated the effort and commended Chairman EOB for the same. Mr. Muhammad Zaman and Mr. Nooruddin F. Daud thanked Chairman EOBI for such performance, which had been awaited since long and due to which confidence of NWFP workers was shaken.

22. Informing about compliance in respect of cleansing of record and recovery of arrears, Secretary Board requested DG (F&A) to brief the participants. DG (F&A) briefing the participants informed that in order to achieve the desired result entire exercise was divided into three phases. (In phase-1 cleansing of employer record was made and in the second phase record of pensioners was cleansed, in third phase record of IPs would be cleansed).

23. He informed that total **56,886** employers had been registered, out of which **32,780** were cleared as active employers and after further scrutiny and verification only **25059** employers became actually cleared, as active employers.

24. In respect of pensioners total pensioners reported were **21, 7567**, the active pensioners reported were **194520**, and when this figure was reconciled with statements of disbursement by the Bank it came to only **147307**.

25. DG (F&A) elaborating the process of cleansing admitted the difficulties and time constraints and required some more time to accomplish the task. He assured that Inshallah by 30-06-2006 he would be in a position to provide an authentic figure.

26. The Board directed to accomplish the task till 30-06-2006, alongwith details as to who has been receiving the pension if there is such a large difference between active pensioners and disbursement made by bank as the above mentioned narration gives a gloomy picture.

27. The compliance in respect of Probationary Officer was also appreciated. However in respect of appointment of Project Director for IT Solution, the President directed that justification provided by the management lacks necessary information. On query it was observed that no PC-I was prepared for this project which is essential for all government autonomous bodies. He accordingly directed to prepare PC-1 for the same as it was project expenditure and not capital expenditure.

Item No. 3

TO REVIEW PERFORMANCE OF THE INSTITUTION.

28. Secretary Board briefed members about performance of the institution. In respect of B&C performance he informed that total IPs registered were **23, 31, 837** out of which active insured persons were **14, 17-654**. The target for the current year was **3730** million and target for six months up to December 2005 was **1865** million. The contribution collected during the said period was **1431** million, which included the collection of arrears of **Rs. 32,546,336**.

29. President enquired about the decision taken in the last meetings, whereby B&C department was required to review the target positions in the month of December, as the same could not be done. **The figures given in para 28 above are not justifiable with the parameters for collection and the collection is less to the tune of approximate Rs.387 million. The reasons for the same be put up in the next meeting. The President expressing his annoyance allowed the current target for time being and directed to review the target position and report compliance in the next Board meeting.**

30. **Reviewing the performance of EDP department, President directed to prepare and place PC.I in the next meeting so that performance, justification for increasing IT budget and cost benefits ratio could be discussed accordingly.**

31. The Secretary Board while briefing about the performance of Investment Department informed that an increase of **18.33%** was achieved in total investment portfolio, whereas total **15.76%** increase was made in respect of total investment income. The Investment Advisor provided further details of investment portfolio, income on equity, etc. The President appreciated Chairman's, suggestion that investment advisor should brief members of the Board in respect of investment activities and investment committees performance before starting agenda items in each BOT meeting, so that members may be made aware of investment activities in a better manner.

Item No.4

TO CONSIDER PROPOSAL FOR CHANGE IN OFFICE TIMINGS.

32. A proposal for change in office timings was presented before the Board, where in Board was apprised about the benefits of 5-day working with change of timing from **8: 00 to 3: 00** to the proposed **9: 00 to 5: 00** office timings, the proposal further mentioned savings in expenses on electricity, fuel and conservancy charges, it was also mentioned that the proposed change would help in concluding office work on the same day, which usually had not been possible in short working hours from **8:00 to 3:00**.

33. After due deliberation the proposed 5-day working was not allowed. However in respect of change of office timing it was left upon the management to decided, being the prerogative of the management.

Item No. 5

TO CONSIDER STREAMLINING THE REIMBURSEMENT OF FEES FOR PURSUING MANAGEMENT STUDIES.

34. The Board was apprised about the decisions taken in 60th and 69th BOT meetings, where by employees were allowed reimbursement of **50% fee** on account of perusing management studies .

35. A proposal of enhancing re-imburement fee for employees of grade-6 and below up to **75%** and to continue with **50%** re-imburement for employees in grade-7 and above was presented in the Board.

36. Board after due deliberation deferred the item, and advised management to provide details of all employees, who were pursuing these studies with financial impact in case of enhancing reimbursement from 50% to 75% and actual total amount to be

required on each employee. The Board also directed to provide details of employees, who are enjoying the facility of qualification pay in addition to reimbursement of fee.

Item No. 6

TO CONSIDER ADOPTION OF GOVERNMENT TERMS OF CONTRACT APPOINTMENT.

37. Board was requested to adopt government terms of contract for EOBI contract employees to compensate their pay package and employment condition. **The Board however was of the opinion that after approving the regulations for regularizing contract employees the adoption of government terms of contract appointment for existing contract employees in EOBI is not justifiable thus the item was not allowed to be considered.**

Item No. 7

TO CONSIDER PROMOTION OF EXECUTIVE OFFICERS TO ASSISTANT DIRECTORS ON QUALIFYING MBA.

38. The Board was apprised that in the 69th BOT meeting a decision was taken, whereby existing grade-6 officer could be promoted subject to qualifying two course of MBA level. The decisions created practical problems and made it difficult to proceed with promotion policy as out of turn promotion does not appear to be a justification for rewarding qualification of MBA. Beside it was not feasible as posts for promotions and direct recruitments were fixed: (more over employees qualifying were already allowed qualification pay). The Board was therefore, requested to withdraw the decision.

39. After detailed discussion it was decided that decision taken in 69th BOT meeting be withdrawn. Promotion shall not be allowed on the basis of qualifying two (2) courses, or qualifying full courses of Financial Accounting, Business Communication and management equivalent to MBA level or MBA.

Item No 8.

TO CONSIDER PAYMENT OF BONUS TO EMPLOYEES OF EOBI.

40. The Board was apprised about the past and present practices of payment of bonus to staff and officers of EOBI with details of number and nature of salaries paid as bonus to staff and officers. The Board was also briefed about the legal position in respect of payment of

bonus to staff members on account of CBA agreements before and after the promulgation of the IRO 2002 and payment of two (2) bonus to officers as incentive on performance.

41. The Secretary Board also briefed the participants about the claims of union, and legal position conveyed by the Ministry and provided details of legal advices obtained from different Senior Legal Advisors, Industrial Relation Consultants and Auditors on the issue, who were of the opinion that payment of bonus was not justified.

42. President BOT invited all members to share their views and suggest practicable solutions to review the practice of payment of bonus to both the officers and staff members, under new circumstances and legal positions explained by the legal advisors etc.

43. Mr. Zaheer Ahmed Taj Employees Representative of Punjab expressing his view pointed out that facility allowed once could not be withdrawn. Mr. Muhammad Sultan suggested that at least one bonus on the eve of Eid be allowed as provided under 10 (c) of Standing Orders Ordinance 1968. Mr. Abdul Aziz Abbassi Representative of Employees of Sindh also suggested that Eid bonus be allowed under 10(c) of Standing Orders Ordinance 1968.

44. The Joint Secretary Labour & Manpower Mr. Ahsan Akhtar Malik responding to them clarified that neither 10(c) of Standing Orders Ordinance 1968 nor provisions of the IRO were applicable on EOBI any more, therefore payment of bonus could not justified.

45. The Dy. Financial Advisor Mr. Mian Ali Muhammad informed that Finance Division had already conveyed its comments and suggested that under the circumstances bonus was not justified. The Employers Representative Mr. Nazim F. Haji and Mr. Nooruddin F. Daud were also of the opinion that under present scenario bonus was not justified.

46. The President BOT, while concluding the discussions emphasized that EOBI was a Welfare Organization and EOB fund was Trust money collected through contribution from employers and employees for the payment of future liabilities of insured persons and not for the generous expenditures on employees of the institution. He further clarified that the contribution can neither be treated as income nor profit on investment can be termed as profit or income of the institution and therefore legally there was no justification to allow the bonus to staff member as well to officers.

47. Analyzing the legal position he said that provisions of 10(c) Standing Order Ordinance 1968 very precisely requires declaration of profit in the respective year for allowing bonus, whereas EOBI was not maintaining any profit and loss accounts and no profit has ever been declared by the institution thus there was no merit to claim bonus under provision of 10(c) Standing Order Ordinance 1968. Besides after the promulgation of the IRO 2002, EOBI was excluded from the purview of the IRO and as such there was no CBA in the institution and the last CBA agreement also expired in the year 2002, and therefore there was no justification to claim bonus under the provision of the IRO.

48. After due deliberation, Board decided “not to allow the bonus” it was however agreed that management may prepare a working paper to introduce incentives scheme of performance, for the perusal and approval of the Board.

Item No. 9

TO CONSIDER RE-STRUCTURING AND RE-ORGANIZATION OF THE INSTITUTION.

49. DG (F&A) briefing the participant in respect of restructuring of EOBI clarified that the process of re-structuring was only an exercise of re-deployment of staff and officers in field operations to standardize the Region’s manpower and to bring uniformity in field operations. There would be no closure of any operational office and only status of offices would be changed in the new proposed system.

50. DG (F&A) also clarified that no additional appointments would be made except a few which would not be more than 3-to 4 in number, which again would be within the sanctioned strength of the institution. He clarified that at present working strength was **1024** and proposed strength would be **1042**, where as sanctioned strength was **1101**. He also briefed about the deployment of officers and staff in proposed Regions through different slides.

51. Explaining the changes in Regions, he informed that to utilize the work force adequately and enforce effective control on their performance a criteria on the basis of insured persons strength was proposed to classify Regions in different categories. Region having **40,000** and above IPs would be declared as category “**A**” and having less than **40,000** IPs would be category “**B**”. All Regions having less than **16000** IPs would be treated as field

offices, except two (2) field offices (Quetta and Hub), which would be declared Regions on account of their status as provincial head quarters.

52. After his presentation President invited members to discuss the proposal and share their views, reservation and objection if any.

53. Mr. Zaheer Ahmed Taj expressing his reservation requested that:

1. Saihiwal Region should remain as Region
2. Shahdrah should remain as Region
3. Gujrat and Jehlum should remain as Region
4. Hassanabdal should be linked / merged with Rawalpindi instead of Islamabad Region.
5. Bahawalpur should not be merged with Rahimyar Khan Region.

54. Chairman EOBI while responding to his suggestions replied that entire re-organization was made to streamline the working and to improve the existing environment and there was no personal interest or design to achieve. He further explained that after 74th BOT meeting, he conducted meetings with All Departmental Heads and discussed these issues at length. Besides, Zonal Head Conference was also arranged to share the practical experiences of all field officers including Zonal / Regional Heads and Junior Officers. After due consultation and analyzing practical problems and practicable suggestion amendments were incorporated in the proposed restructuring plan. He further informed that some of the changes proposed by Zaheer Ahmed Taj had already been incorporated in the second attempt, whereas in respect of Shadrah Region he clarified that the proposal is not justifiable, as the area had fully saturated and there was no potential for further improvement thus it was merged with newly constituted Region of central Lahore to make it operative.

55. Mr. Nooruddin F. Daud discussing the classification of categories pointed out that emphasis would be laid on small and medium size establishments, which had been neglected since years. He suggested that converge of such establishments would bring real change in the operational activities and re-structuring would be a result oriented exercise.

56. Mr. Nazim F. Haji expressing his views stated that the present re-structuring is reshuffling and should not be confused with the re-structuring envisaged by the Prime

Minister to make EOBI a dynamic and vibrant organization. He further stated that due to time constraints, he could not continue as convener of the committee.

57. President BOT acknowledging his view said that we were concentrating at present only on re-organization and re-structuring would be taken up subsequently.

58. Mr. Muhammad Zaman enquired that how Regional Head would perform the duties of Zonal Head after the closure of Zonal Offices. Chairman EOBI responding to his query explained that detailed job description of Regional Heads and other officers including staff member were prepared, so that every one should be made responsible to discharge with his responsibilities accordingly. DG (F&A) further elaborated the position by showing slides of each officer's job description. Mr. Muhammad Zaman appreciated the efforts and mentioned that his worries have now been properly satisfied as Regional Head were assigned clear duties including of those which had been performed by the Zonal Heads.

59. President BOT advised B&C department to further comprehend the job description of Regional Heads by including their responsibilities in respect of pensioners, reconciliation and adjudication by way of incorporating prescribed provisions of Rules, Regulations, practices and work instructions clearly to make it a comprehensive manual.

60. President also directed to comprehend the job description of Audit Officers of the Region by including detailed responsibilities. He further acknowledging Chairman's suggestion directed to incorporate word preferred Audit instead of Audit to make it a meaningful direction as AD (Audit) was not the sanctioning authority which in fact rests with Regional Head.

61. Board after due deliberation decided as under:

- **That present exercise in fact was re-organization and not Re-structuring.**

62. The President further directed that:

- 1. All necessary work be completed to close down all Zonal Office latest by 28th February. The new system would be operative from 1st March 2006.**

2. President also expressed his concern about various Boards decision which had not been given affect by way of transforming amending Regulation, Rules, procedures, manual etc, which created anomaly in practice and Board decisions thus efforts be initiated to do the same within time limit to bring before the next Board meeting all such discrepancies.
3. Regulation in respect of Adjudicating Authority be got approved by circulation.
 - That category “A” and “B” in respect of Regions was approved.
 - That Gilgat shall remain as Region in stead of a field office.
 - That Hassanabdal shall be merged with Rawalpindi Region instead of Islamabad Region.
 - That adjudicating authority shall be in grade-10 (ADG) and not grade-11(DDG) as proposed.
 - That Regional Head shall be in grade-9 (Director) and not in grade-10 (ADG) as proposed, however only two ADG would be allowed for temporary period to be posted as Regional Head on special request of the Chairman.
 - That Beat shall be made on the basis of 250 units approximately.
 - That proposal for one time moratorium for promotion against Direct Posts was not allowed.
 - That proposal to authorize Chairman to extend contract worker’s tenure was not allowed as regulation in this respect had already been approved.
 - That Chairman was authorized to declare revision of categories of the Regional Office on attaining number of insured pensions of 40.000 subject to the approval of BOT for sanctioning strength and sanctioned posts.
 - The Reorganization of Head Office with justification to be put up in next BOT.
 - The financial impact of this reorganization in Field and Head Office be put up in next meeting.
 - No new offices/posts will be created and surplus staff to be inducted grade-wise.

Item No. 10

TO CONSIDER ADDITIONAL BUDGET OF RS.120, 000/- UNDER HAJJ AND RELIGIOUS EXPENSES FOR 2005-06.

63. The Board was apprised that expenses under the Head of Hajj and Religious were approved in 2004-2005 for sending two employees to Hajj. Out of which one employee Mr. Jabbar Ahmed Sr. Assistant could not proceed for Hajj as he was not successful in government balloting.

64. Accordingly in 2005-2006 another two employees were approved and an amount of **Rs. 300,000** was approved. These expenses did not cover the additional expense of Mr. Jabbar Ahmed who could not proceed for Hajj.

65. The Board was therefore requested to accord post-facto approval of the additional budget of **Rs.120, 000** under the Head of Hajj and Religious expenses for the financial year 2005-2006 to cover the additional expense for Mr. Abdul Jabbar Ahmed.

66. The Board allowed the approval of additional budget of Rs. 120,000 for the financial year 2005-2006.

Item No11.

TO ACCORD EX-POST-FACTO APPROVAL FOR CONTRIBUTION OF RS.10.00 MILLION IN THE PRESIDENT'S RELIEF FUND FOR EARTHQUAKE VICTIMS.

67. The Northern Areas of Pakistan were hit on October 8th, 2005 with the most disastrous earthquake in a century. The Institution also contributed Rs, 10 million to the President Relief Fund for earthquake victims. This contribution was approved by the Chairman after consultation with the Federal Secretary, Labour / President BOT, and with some members of the Board of Trustees.

68. Since this amount was not provided for in the budget for the year 2005-06, the BOT was requested to approve **Rs, 10 million** additional budgets under the head of "Earthquake Relief Fund" and accord Ex-Post-Facto approval of this contribution.

69. The Board allowed the contribution of Rs.10 million to President Relief Fund of Earth Quick Victim, on account of National disaster. However, it was decided that this practice should not be quoted as precedent.

Item No. 12

TO CONSIDER ADDITIONAL BUDGET OF RS. 20.5 MILLION AND RS. 5.00 MILLION IN 2004-05 AND 2005-06 RESPECTIVELY UNDER THE HEAD OF “PAY & ALLOWANCES” ON ACCOUNT OF PAYMENT OF SPECIAL ADDITIONAL ALLOWANCE FROM 01-12-2001.

70. The Board was informed that the Institution has disbursed Rs. 40.5 millions as Special Additional Allowance to its employees from 01-12-2001 to 30-06-2005 as per the approval of the Finance Division communicated vide O.M. No. F.4 (6) R.4/2002 (B) dated 26-05-2005 received under Labour and Manpower Division O.M. No. 2 (2)/2004-EOBI dated 27-05-2005. The Special Additional Allowance was sanctioned at the initial of the pay-scales as on 30-11-2001 w.e.f. 01-12-2001 and this was also being paid at the same rate presently. Since the budget approved under the head was Rs. 20 millions, the Board was requested to approve the additional budget of Rs. 20.5 millions for arrears payment and Rs. 5 millions for running payments during 2005-06.

71. The President BOT desired to know the reasons for which the employees in grade 1-5 were sanctioned this allowance as they had already been given increase of 25% of their running pay w.e.f. 01-01-2001 under the settlement of their Charter of Demand effective from 01-01-2001 to December, 2002.

72. It was explained that since there was a provision for such payments in the settlement signed by the management and since it was approved by the Finance Division of Government of Pakistan, the payment was disbursed to the employees in grade 1-5 also in addition to employees in grade 6-12.

73. The president further inquired as to whether the settlement arrived at with the CBA in 2001 was got approved from the Finance Division DDG (F&A) explained that under the prevailing practice, the settlement becomes binding once it is signed by both the parties and there was no provision in the settlement to the effect that its implementation is subject to the Finance Division approval. **After detailed discussion, it was decided that the additional budget for the payment already disbursed may be sanctioned and the payment may continue. However, the Institution may refer the matter to the Ministry mentioning the legal position on the following issues:-**

- (i) **Whether the Special Additional Allowance could be granted from the December, 2001 to the employees in grade 1-5 when they were already**

given increase at the rate of 25% of their pay w.e.f. 01-01-2001 under the settlement of Charter of Demand effective from 01-01-2001 to 31-12-2002.

- (ii) **Whether the Institution could have implemented the settlement between the CBA and the management without getting the same approved by the Finance Division through the Labour and Manpower Division.**

Item No. 13

TO CONSIDER RE-APPROPRIATION POWERS OF CHAIRMAN, EOBI.

74. In order to meet unforeseen events and ensure normal functioning of the Institution Board was requested to authorize Chairman EOBI for re-appropriation of the specific budget provisions within the following limits and conditions:-

- (i) The re-appropriation from one head of expenditure to another head of expenditure in a year shall not exceed Rs. 1,000,000/- (Rupees One Million).
- (ii) No re-appropriation will be made from revenue to capital and vice-versa.
- (iii) Re- appropriation will be made from the head of expenditure where amount budgeted is estimated to be in surplus at the year-end.

75. The Board was also apprised of the existing provisions and Government Rules in this respect. **(After due deliberations, the Board decided that the Chairman EOBI may exercise the re-appropriation powers as allowed to the Secretary Labour being the Principal Accounting Officer). The regulation of this re-appropriation be made as per present policy of the government for approval by Board in its next meeting. However, the Chairman shall be required to make reference to the Board in all such cases where the Secretary is required to refer to the Finance Division.**

Item No. 14

TO CONSIDER REVISION OF PAY SCALES AND PENSIONS OF EOBI EMPLOYEES WITH EFFECT FROM 1ST JULY, 2005.

76. The item relating to revision of pay-scales of the employees and increase in pensions to Ex. EOBI Employees w.e.f. 01-07-2005 was taken up. The Board was informed that the Federal Government has revised pay-scales of their employees' w.e.f. 01-07-2005. Since pay-scales of the employees of the Institution are also revised as and when the Federal Minutes of 75th Meeting of Board of Trustees held on 24 & 25-01-2006 at Karachi.

Government revises its pay-scales, the Board was requested to review the pay-scales and approve the same for sending the same for approval of the Federal Government as per existing rules.

77. Taking up the matter, the Joint Secretary Labour observed that the pay-scales proposed for revision for officials were not as per the revision approved by the Federal Government. The President BOT observed that the pay-scales proposed for the pay-scales 1-5 were different from the Federal Government equivalent pay-scales. DDG (F&A) informed that the pay-scales in respect of officers were on the same basis as were in the Federal Government except for the DDGs. and DGs. wherein it was proposed that number of stages may be increased from the existing 14 to 18 and 16 respectively. The reason for this proposal was that all the DDGs. were on the maximum of the pay-scales and they have several years of their services still to go. As such, they are deprived of annual increment. However, it was observed that in the Federal Government also such anomaly exists and many officers in different grades remain without any increment. **Mr. Abdul Majeed, DDG (F&A) was issued a note of displeasure by the President BOT/Secretary, Labour & Manpower on devising new parameters in Grade 11 & 12 contrary to government instructions unduly diverting benefits to favour himself and his colleagues by increasing slabs in these two grades. The President BOT observed that it is breach of confidence reposed in him and adversely reflects on his integrity that for his personal gains he was capable to conceal the facts and mislead the Board from taking correct decision.**

78. As regards the pay-scales revision in Grade 1-5, it was informed that their pay-scales were governed under the settlement arrived at between the CBA and management till 2002. However, after the promulgation IRO – 2002 no settlement was made after December, 2002 and this being the first revision by the Federal Government after 2002 the Institution also needs to revise their pay-scales.

79. After detailed discussion, it was decided that the Institution may submit the proposal for revision of the pay-scales of its employees to the Labour and Manpower Division with proper justification and separately for the employees in pay-scale 1-5 and employees in pay-scale 6-12. In both the cases, the equivalent government scales should be mentioned and in case of variance between the relevant Government Scales and the proposed revised pay-scales, the same may be explained in detail.

80. As regards increase in employees' pensions, the Board approved the proposal as per Regulation 56 of EOB (Employees' Pension & Gratuity) Regulations, 1987 for increase in pensions w.e.f. 01-07-2005.

Item No. 15

TO REVIEW THE ALLOWANCES AND OTHER FACILITIES ADMISSIBLE TO THE SERVING AND RETIRED EMPLOYEES OF THE INSTITUTION.

81. Taking up this item, it was observed that some of the allowances being paid such as Utility Allowance were not allowed in the Federal Government. The DDG (F&A) informed that the Institution is an autonomous body and as such its allowances and benefits are different for Federal Government. **After detailed discussion, it was decided that:-**

- (i) **The Institution would review the allowances and other facilities admissible to the serving and retired employees of the Institution and submit the same to the Labour and Manpower Division for approval from Ministry of Finance.**
- (ii) **The retirement benefits allowed to the President/Ex. Presidents of BOT by the Board shall stand withdrawn with immediate effect. No further payment on this account to any one be made, hence decision on item-iii of any other item of the 5th emergent meeting of the BOT is withdrawn.**
- (iii) **The Provision of allowing car/vehicle on Book value or 10% of cost to DDG and above vide item No. 7 of the 41st BOT meeting was also with drawn with immediate effect.**
- (iv) **Special Pay @ 10% of Pay subject to maximum of Rs.1000 to be granted by Chairman should only be granted to PA/PS at government rates and no one else. All previous cases of Special Pay of any type be placed to the BOT in its next meeting.**
- (v) **Earlier decision of the 50th BOT meeting on item 7 regarding retiring benefits of capital items in the use of Chairman was withdrawn.**

Item No. 16

TO CONSIDER RE-CONSTITUTION OF COMMITTEES FOR DE-REGISTRATION.

82. Board was apprised that in order to increase the pace of deregistration of closed units, a committee was constituted with following members in 66th BOT meeting to recommended cases for deregistration of close units to the Board:

- | | |
|---|----------|
| i. Regional Head Concerned | Convener |
| ii. Employers' Representative of the concerned province or his nominee | Member |
| iii. Employees' Representative of the concerned province or his nominee | Member |
| iv. Incharge R&C of the Region concerned. | Member |

83. Experiences revealed that the pace of de-registration could not be accelerated mainly due to non availability of employers/employees representatives (Board members), secondly the procedure was lengthy and cumbersome, therefore Board was requested to allow the change of members of the committee, as mentioned below, at one hand and allow the following procedure on the other hand to facilitate institution in deregistration of closed units at institution level.

Committee

- | | |
|---|-----------|
| i. Regional Head. | Convener. |
| ii. Beat Officer Concerned | Member |
| iii. Auditor of the Regional Office. | Member |
| iv. A representative from Employers' Association/Employees' Federation. | Member |

Procedure:

- I. Regional Offices should prepare a list of permanently closed units which shall be updated on monthly basis.
- II. The process of issuance of certificate of permanent closure of a unit be initiated by the respective Beat Officer which should contain the following information: -
 - a) Name and registration number of closed units.
 - b) Date of closure
 - c) Intimation from the employer regarding closure of business along with reasons of closure.
 - d) Physical verification of closure by the field officer duly recommended by the Incharge R&C and verified by the Assistant. Director (Audit).
 - e) Last date of payment and the amount paid
 - f) Number of insured persons along with names and EOBI number.
 - g) Outstanding dues against the unit and its status.

- h) Whether recovery under Land Revenue Act was initiated and it's outcome.
- i) Number of existing pensioners.
- III. The Regional De-Registration Committee after satisfying itself and random checking of some of the units shall submit its recommendations to B&C Department for the approval of the Chairman. The committee shall also give its specific recommendations for writing off outstanding arrears.
- IV. B&C Department after verification of the information and random checking of a sample shall submit its recommendation for the approval of the Chairman.
- V. Chairman may write off upto Rs. 100,000, outstanding dues which have been declared not recoverable in spite of all efforts by the Regional Office. Outstanding dues in excess of Rs. 100,000 be referred to the BOT duly recommended by the De-Registration Committee and B&C Department for writing off.
- VI. The names of the de-registered units be submitted to the Board for its information in the first meeting following de-registration.

84. Mr. Nooruddin F. Daud mentioned that employers representative were always ready to attend and it was incorrect to suggest that deregistration could not be accelerated due to non availability of employers' representative. Mr. Nazim F. Haji also acknowledged this, and suggested that representative of both the employers and employees be included in the committee. Chairman EOBI responding to them suggested that:

- That Regional Head shall constitute the committee by obtaining nominations of local representatives' of employers / employees from BOT members.
- That Regional Head shall prepare schedule of meeting in consultation with local members and intimate schedule to BOT members.
- That the employer's representative of BOT shall ensure that meeting should commence as per schedule, to achieve desired results.
- All proceedings shall be reported in writing to the Chairman by the convener of the committee under intimation to concerned Board members.

85. President also enquired about the need to include AD (Audit) in the committee, which was explained to him accordingly by the DDG (B&C). **The Board after due deliberations, allowed re-constitution of committees and the proposed procedure.**

Item No. 17

TO CONSIDER DE-REGISTRATION AND WRITING OFF ARREARS OF CLOSED UNITS.

86. The board was requested to accord approval for de registration of **2745** case and writing off the non recoverable total areas of **Rs 30.332 million**.

87. The Board was informed that incompliance to 71st BOT meeting **4,618** under process cases of closed units had been placed before the Board for deregistration but the same were not allowed as some basic information in respect of pensioners claim and liabilities on the management were not provided and therefore, it was directed to complete the required information first and get approval in the next meeting.

88. Accordingly out of **4618** cases after completing required procedural activities only **2513** cases were qualified for deregistration. The B&C department therefore requested for their deregistration and writing off non recoverable amount of **Rs.12. 966 million** in respect of 205 closed units. In addition to above closed units 15 fresh cases of Bhawalpur Region along with 226 cases of City Region were also recommended for the deregistration with a request to right off the non recoverable arrears of **Rs. 0.366 million** in respect of Bahawalpur Region's closed units.

89. After due deliberation Board allowed deregistration of 2754 cases whereas writing off non-recoverable arrears was not approved. DG Operation was directed to provide complete details of arrears on case to case basis in the next BOT meeting with full justification to write off the arrears and efforts made by the Institution for recovery and present whereabouts of the employers and insured persons. It was also directed that B&C department should prepare details of all outstanding arrears separately in respect of Public and Private Establishments.

Item No. 18

TO CONSIDER CHANGE OF BOARD OF DIRECTORS OF PRIMACO.

90. Board was apprised about the decision taken in 72nd BOT meeting, whereby a new company under the name and style M/s Pakistan Real Estate Investment and Management Company was approved and all the existing members of Investment Committee were made the directors of the said company.

91. This decision was reviewed in 74th BOT meeting and it was decided that Board will nominate the directors of the said company. Accordingly the nomination of following was proposed for Board's consideration.

- | | | |
|----|--|-----------------|
| 1. | Brig. (R) Akhtar Zamin,
Chairman, EOBI | Chairman |
| 2. | Mr. Ahsan Akhtar Malik,
Joint Secretary, MoL, GoP | Member |
| 3. | Mr. Nazim F. Haji
Employers' Rep. of BOT | Member |
| 4. | Mr. Ahktar Jamil Khan
DG (F&A), EOBI | Member |
| 5. | Mr. Farooq A. Awan,
I.A, EOBI Investments | Member |

92. The Board approved the proposed board of directors with one additional director Mr. Nooruddin F. Daud Employers Representative of NWFP.

Item No 19

TO CONSIDER UTILIZATION/DISPOSAL OF EXISTING HEAD OFFICE BUILDING.

93. In compliance of the BOT decision taken in its 74th BOT meeting regarding the disposal / possible utility of the existing Head Office Building. The Investment Advisor Mr. Farooq Ahmed Awan provided details of various option along with income and expenditure details based on market survey and due consultation with the consultant M/s PEPAC. These options were based on rent and sale proposals for Head Office Building.

94. Investment Advisor provided details of amount required on simple renovation and also briefed on expenditure incurred in case of demolition of existing structure and reconstruction of new complex with expected profit.

95. The Investment Advisor explaining each option provided respective details of amount would be required and amount could be earned as profit in each option. The members enquired about the practical problems in case Head Office Building was to be given on rent and also enquired the experience gained in respect of Awami Markaz. Investment Advisor shared his experience and informed that renting would be difficult to manage keeping in view their experience of litigation with shop keepers of Awami Markaz. He also provided details of expected Income from rent and estimated expenditure on maintenance and care taking.

96. Mr. Nazim F. Haji enquired about the expected profit in case the existing building was not renovated and sold in its present position. **After due deliberation board was of the opinion that best option would be to demolish the existing structure and reconstruct new complex. It was therefore decided that newly constituted company PRIMACO shall be assigned this project, which will demolish the existing building of Head Office and reconstruct new commercial complex.**

Item No. 20

TO CONSIDER ADDITIONAL BUDGET FOR SHIFTING OF HEAD OFFICE.

97. The Board in its 74th meeting had approved shifting of the Head Office Building along with the budget of **Rs. 10.00 million** for the required works necessary to be carried out in order to shift the Head office.

98. The amount of necessary works was estimated to **Rs. 18.12 million** whereas Board only approved **Rs. 10 million**, therefore necessary adjustments were made in the plan to accomplish repair and renovation by curtailing number of civil work, floor tiling, electric installation and furniture requirements, however after maximum possible reduction in the specific work still following additional budget was required to accomplish reasonable repair and renovation.

a) For Civil and Electrical works	Rs. 1.00 million
b) For furniture works	<u>Rs. 4.00 million</u>
<u>TOTAL:</u>	Rs. 5.00 million

99. The Board was therefore requested to approve an additional amount of **Rs.5.0 million** for shifting of Head Offices.

100. The board considering needs and importance of proposed renovation and repair allowed an additional amount Rs 5.00 million as desired.

Item No. 21

TO CONSIDER APPROVAL OF APPOINTMENT OF ACTUARY FIRM TO CARRY OUT ACTUARIAL VALUATION.

101. Board was apprised that actuarial valuation of EOBI pension fund after three years was a statutory requirement and in order to appoint actuary for the next valuation of the fund,

which was already due on 30-06-2005, Mr. Anwar Chaudhry Head Actuary Government of Pakistan was requested to provide the list of top three actuary firms. The following names were provided by him, details of their proposed costs are as under:

S.#	Name of the Firm	Proposed Cost
1.	M/s Sidat Hyder Morshed Associates (Pvt) Ltd	Rs. 6,10,000/-
2.	M/s Nauman Associates, Consulting Actuaries	Rs. 7,10,000/-
3.	M/s Akhtar & Hassan (Pvt) Ltd	Rs. 7,65,000/-

102. On account of above mentioned information Board was requested to allow the appointment of the Actuary.

103. While discussing the proposals President BOT enquired about the technical evaluation of these firms so that Board could decide appointment on merit. He also enquired about the progress in respect of cleansing of the data of IPs, without which effective valuation would not be possible. As the same was not available **the item was deferred with an advice to complete all required information first and then approach Board for appointment of actuary.**

Any Other Agenda Item No. 1

Working Paper Regarding Review of Various Category of Vehicle for EOBI Officers

104. **Item was deferred with direction to place before the BOT in its next meeting with full justification for use of vehicles in Head Office (staff cars) and field offices (operational vehicles). No further purchase of new/replacement of vehicles be made till above is decided by the BOT.**

The Meeting Ended with Vote Of Thanks To The Chair.

The Meeting Ended With Vote Of Thanks To The Chair.



EMPLOYEES OLD-AGE BENEFITS INSTITUTION
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Secretary Board

Ref: No.EOBI/B.S/Mnt.75th (CS)/2006
Dated: **13/02/2006**

The President (BOT),
Secretary,
Ministry of Labour & Manpower,
Government of Pakistan,
ISLAMABAD.

Subject: **DRAFT MINUTES OF 75th MEETING OF THE BOARD OF TRUSTEES.**

I am directed to refer the above noted subject and enclose herewith the Draft Minutes of the 75th meeting of EOBI Board of Trustees held on 24th and 25th January 2006 at EOBI Head Office Karachi along with a soft copy for your kind perusal and approval.

Yours Sincerely

(MUSHTAQ AHMED SAMMO)
Secretary (BOT)

