

9th

HELD AT
KARACHION
5TH MAY 1983TIME
10 A.M.

MINUTES OF THE NINTH MEETING OF THE BOARD
OF TRUSTEES OF THE EMPLOYEES' OLD-AGE BENEFITS
INSTITUTION HELD ON THURSDAY THE 5TH MAY 1983
AT 10.00 A.M. AT KARACHI.

The Ninth Meeting of the Board of Trustees of the Employees' Old-Age Benefits Institution was held at Karachi on Thursday the 5th May, 1983 at 10.00 A.M. in the Board Room of the Employees' Old-Age Benefits Institution, Karachi. Mr. M.A. Kazmi, Secretary, Ministry of Labour, Manpower and Overseas Pakistanis, Government of Pakistan presided.

2. The following participated:-

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| 1) Mr. M.A. Kazmi,
Secretary,
Ministry of Labour, Manpower &
Overseas Pakistanis,
Government of Pakistan,
<u>Islamabad.</u> | Chairman |
| 2) Malik Asrar Ahmad Khan,
Financial Adviser (Labour),
Finance Division,
Government of Pakistan,
<u>Islamabad.</u> | Member |
| 3) Mr. Imtiaz Ahmad Chaudhry,
Joint Secretary,
Ministry of Industries,
Government of Pakistan,
<u>Islamabad.</u> | Member |
| 4) Mr. Ashraf Ali,
Joint Secretary,
Ministry of Labour, Manpower &
Overseas Pakistanis,
Government of Pakistan,
<u>Islamabad.</u> | Member |
| 5) Dr. M. Arshad Malik,
Secretary,
Labour Department,
Government of Sind,
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| 6) | Sardar Manzoor Ahmed Leghari,
Commissioner,
Punjab Employees Social
Security Institution,
<u>Lahore.</u> | Member |
| 7) | Misbahullah Khan,
Director,
Labour Department,
Government of the North West
Frontier Province,
<u>Peshawar.</u> | Member |
| 8) | Mr. Sohbat Khan,
Director of Labour Welfare,
Government of Baluchistan,
<u>Quetta.</u> | Member |
| 9) | Mr. Minochehr Kaikobad Marker,
Managing Director,
Marker Alkaloids,
Jail Road,
<u>Quetta.</u> | Member |
| 10) | Mr. Amanullah Qureshi,
President,
People Labour Federation,
<u>Hyderabad.</u> | Member |
| 11) | Mr. Khurshid Ahmed,
General Secretary,
All-Pakistan Federation of
Trade Unions,
28-Nisbat Road,
<u>Lahore.</u> | Member |
| 12) | Mr. Sher Mohammad,
President,
Muttahida Mazdoor Federation
of Labour, Amangarh,
<u>Nowshera.</u> | Member |
| 13) | Syed Imran Shah,
Chairman,
Employees' Old-Age Benefits
Institution,
190/1/B, Block-2, PECHS,
<u>Karachi.</u> | Member |
| 14) | Mr. S. Barkatullah,
Deputy Director General,
Employees' Old-Age Benefits
Institution,
190/1/B, Block-2, PECHS,
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3. Mr. Tanweer Ahmad Khan, Social Security Adviser, Mr. Shujat Siddiqui, Assistant Director General (Data - Processing, Actuarial & Technical), EOBI, Karachi, Mr. Iqbal Ahmad Siddiqui, Director(Finance), EOBI, Mr. Nasim Ahmad, Director(P&GS), EOBI, Mr. Mujtaba Rasul, Deputy Director(Law) and Mr. Ghulam Mustafa, Executive Officer(Law), EOBI, Karachi were also present.

4. The proceedings commenced with recitation from the Holy Quran.

5. The Board then initiated discussion on the Agenda and the following business was transacted:-

ITEM NO.1 CONFIRMATION OF THE MINUTES OF THE EIGHTH MEETING OF THE BOARD OF TRUSTEES HELD ON 27TH MAY, 1982.

6. The Chairman invited comments from members on the minutes of the last Board Meeting which had been circulated in advance. The members of the Board were satisfied that the Minutes were correctly recorded and the same were confirmed.

ITEM NO.2 REPORT ON ACTIONS TAKEN ON THE DECISIONS TAKEN BY THE BOARD IN THE 8TH MEETING.

7. The Chairman invited comments of the members on the statement showing actions taken by the Institution on the decisions of the Board of Trustees taken at the 8th Meeting held on 27th May, 1982 at Islamabad. Opening the discussion Malik Asrar Ahmad Khan observed that some sort of publicity should be made by the Institution through press releases etc. highlighting the performance of the Institution. Syed Imran Shah pointed out that publicity of the scheme has been kept in abeyance till promulgation of the new scheme by the Government. The Chairman observed that as the new scheme was expected to be launched shortly within a month it would be advisable to defer the publicity campaign till the announcement.

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8. Mr. Amanullah Qureshi drew attention of the members towards the decision taken in the last Board Meeting regarding establishment of a Vigilance Committee. He stated that the proposal regarding the constitution of a Vigilance Committee had been made by the Institution. It would be advisable if the members consider the same and arrive at a decision in this regard. Malik Asrar Ahmad Khan pointed out that before the proposal could be considered, the financial implications and broad functions and scope of the Vigilance Committee should be worked out.

9. Mr. S. Barkatullah pointed out that the Financial implications etc. can only be worked out after the constitution of the Committee was finalised by the Board. As this Committee was intended to keep a check on the working of the Institution, it would be more appropriate if suggestions regarding its scope and functions were devised by the Board. The Chairman clarified that the Committee was not to act as a check on the Institution but was supposed to assist the Institution in identifying new employers and advise the Institution on various matters related thereto. As far as the checking of the performance of Field Officers was concerned, the Inspection Department of the Institution was already performing these duties. Mr. Khurshid Ahmad suggested that the Vigilance Committee should comprise of the Deputy Director - General of the Institution and a representative of the local Provincial Labour Directorates. Such a Committee would be more practicable, as they could meet more frequently. After some discussion it was decided that a Committee comprising of Financial Adviser, Joint Secretary Labour Division, Mr. Amanullah Qureshi, and the Deputy Director General should formulate proposals regarding the constitution of the Vigilance Committee, and its scope and functions. The Committee was advised to submit their report at the next Board Meeting.

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10 A.M.ITEM NO.3 CONSIDERATION OF ANNUAL REPORT OF THE
INSTITUTION FOR THE YEAR 1981-82.

10. Malik Asrar Ahmad Khan stated that the Annual Report had been discussed in detail by the Finance and Administrative Committee in its meeting held on 4th May, 1983. The Committee had suggested rephrasing of paragraph No.7 of the Annual Report. He further pointed out that the Institution had worked out expense ratio on the basis of total income including investment income, whereas in his view and in view of the Joint Secretary Labour Division the expense ratio should be worked out on the basis of contribution income only. Syed Imran Shah pointed out that if the expense ratio was based on contribution income only the same will increase from year to year on account of inflation and will not reflect a true picture as contribution income will not increase in the same proportion. He, therefore, was of the opinion that the expense ratio should be worked out on the basis of total income including investment income which will present a more realistic picture. After some further discussion, the Board decided that the Institution should work out administrative expense ratio on the basis of contribution income.

11. The question of fund kept in fixed deposit with the bank also came up for discussion. It was explained that the ratio of deposit with bank appeared on high side, because the figures related to 30th June, the date of close of the financial year. The figures for the month of July and subsequent months were not on high side. The Board desired that investment ratio be reduced in case of bank.

12. Subject to the above observations and the observations of the F&A Committee, the Board adopted the Annual Report of the Institution for year 1981-82.

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ITEM NO.4 CONSIDERATION OF THE STATEMENT OF
ACCOUNTS OF THE INSTITUTION FOR THE
FINANCIAL YEAR 1981-82.

13. Opening the discussion on this item Malik Asrar - Ahmad Khan stated that the Annual Accounts of Institution for the year 1981-82 had been examined in detail by the Finance & Administrative Committee. He informed the Board that after publication of the EOBI (Employees Gratuity) Regulations, 1980 additional liability had arisen which was partly written off in 1980-81 and 1981-82 (draft accounts). The balance amount deferred as on 30th June, 1982 was Rs. 5 lacs which may also be written off during 1981-82 as the actual expenses during this year were below the approved budget and the said amount could be easily written off. He further pointed out that the F&A Committee had recommended approval of this suggestion. The Board unanimously approved writing off of Rs. 5 lacs deferred gratuity liability in the year 1981-82.

14. Subject to the above, the accounts of the Institution for the year 1981-82 were approved by the Board.

ITEM NO.5. CONSIDERATION OF THE DRAFT EMPLOYEES'
OLD-AGE BENEFITS (PAYMENT OF OLD-AGE
ALLOWANCE) REGULATIONS, 1983.

15. The Board was informed that the draft EOB (Payment of Old-Age Allowance) Regulations, 1983 had been examined by the F&A Committee clause by clause. The Committee had proposed certain amendments in the Regulations which may be approved by the Board. At this stage Mr. Sher Muhammad pointed out that he had certain important suggestions regarding the Payment of Old-Age Allowance to workers and would like the members to consider the same. The Chairman observed that the regulations under consideration were being framed under the existing legislation and would necessitate redrafting after the promulgation of the new scheme which is before the Cabinet for approval. As the new scheme was likely to be introduced

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shortly these regulations will soon be replaced by new regulations. He was, therefore, of the opinion that the Regulations be approved as proposed subject to the amendments proposed by the F&A Committee. However, at the time of framing the Regulations under the new scheme the F&A Committee should consider each item more carefully, taking into consideration the proposals of Mr. Sher Mohammad in this regard. The Board decided that representatives of labour should also be coopted on the drafting Committee.

ITEM NO.6 CONSIDERATION OF AMENDMENTS IN THE EOBI (EMPLOYEES SERVICE) REGULATIONS, 1980 AS A RESULT OF THE AGREEMENT WITH CBA AND RATIONALISATION OF PAY SCALES, ALLOWANCES ETC.

16. Item No.6 was taken up for consideration. Malik - Asrar Ahmed Khan stated that as a result of the Agreement signed with the Collective Bargaining Agent it was necessary to amend the Service Regulations. Since these Regulations are applicable to all the categories of employees including officers, an anomaly will be created by allowing higher allowances to the staff in comparison to those allowed to the officers. Mr. Ashraf Ali was of the view that the staff had been allowed these benefits as a result of Agreement with CBA which need not be necessarily extended to the Officers. Mr. Barkatullah expressed that the improvement in the allowances for unionised staff was agreed on the basis of the realization that the cost of living had in fact increased and the same has affected the officers equally and therefore the officers should not be deprived of the improvement, only because they do not have the legal right to raise demand. After some discussion, the Board agreed to improve the following allowances payable to the officers:

- (a) House Rent Allowance be paid @ 65% of Pay.
- (b) Conveyance Allowance to Officers be paid @ Rs.165/- per month.
- (c) Winter Allowance be paid to officers @ Rs.200/- per month.
- (d) Rest & Recreation Allowance be paid to officers every year upto 15 day Pay subject to a maximum of Rs.1000/-.

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17. As regards the rationalisation of pay scales and designations the same were deferred for further review and consideration in the light of the policy announcement by the Federal Government in this behalf. However, no increase will be allowed to officers as a result of any increase announced by the Federal Government in respect of House Rent Allowance, Conveyance Allowance, Winter Allowance and Rest and Recreation Allowance.

18. The draft amendments in the EOBI (Employees Service) Regulations, 1980 were approved subject to the above observations.

ITEM NO.7 CONSIDERATION OF THE REQUEST OF EOBI EMPLOYEES' FEDERATION FOR MAKING THE LOANS UNDER THE EOBI (LOANS TO EMPLOYEES), REGULATIONS, 1980 AS FREE OF INTEREST AND CERTAIN OTHER AMENDMENTS IN THE SAID REGULATIONS.

19. The Board unanimously decided that since a settlement had already been made with the C.B.A., they cannot raise any financial demand and accordingly their request for making the loan free of interest cannot be considered.

ITEM NO.8 CONSIDERATION OF THE OBSERVATIONS OF THE MINISTRY OF FINANCE IN RESPECT OF THE LOCAL COMPENSATORY ALLOWANCE.

20. The observation of the Ministry of Finance in respect of payment of Local Compensatory Allowance to the employees of the Institution were taken up for consideration. The Chairman desired to know as to whether the Local Compensatory Allowance was being paid by adoption of the Government Rules in this behalf or this Allowance was prescribed under EOBI's own Regulations. Mr. Barkatullah explained that the Government Rules were not adopted but the Local Compensatory Allowance was paid under Regulations framed by the Board. The Chairman desired that the Board's decision in this behalf may be put up in next meeting and item may be deferred for the present.

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10 A.M.ITEM NO.9 CONSIDERATION OF LOAN FOR PURCHASE OF HOUSE/
FLAT/APARTMENT OR FOR HOUSE BUILDING.

21. Item No.9 was taken up for consideration. The Chairman desired to know the rate of interest being charged on similar loans in respect of the Unionised staff. He was informed that the House Building Loans for the Unionised Staff was free of interest. Dr. Arshad Malik observed that the Board should adopt a uniform policy for Officers and Unionised Staff and the Officers should be given the same treatment vis-a-vis the loans as was given to Unionised Staff. After some further discussion the item was deferred and the Chairman desired that the Institution may collect some more information regarding the practice in other similar Autonomous and trust money holding institutions in respect of House Building Loans and put up the item in the next meeting of the Board for consideration.

/ ITEM NO.10. CONSIDERATION OF FEASIBILITY REPORT
ON PURCHASE OF COMPUTER FOR EMPLOYEES'
OLD-AGE BENEFITS INSTITUTION.

22. Item No.10 was taken up for consideration. Malik - Asrar Ahmad Khan informed that the Institution had prepared a report on the feasibility of purchase of EOBI's own computer. As the report was of a technical nature he suggested that the report be forwarded to the Pakistan Computer Bureau operating under the Cabinet Division for examination and expert advice as to the necessity of a Computer for the Institution and the type of Computer which the Institution should purchase if it is considered necessary. Mr. M.K. Marker agreed with the view of the F&A Committee and informed that there was a big variation in the price of the machines and it was necessary to examine the issue very carefully by experts. Accordingly the Board decided that the Report prepared by the Institution may be sent to the Pakistan Computer Bureau who may be asked to give their comments at an early date. The comments be placed for consideration at the next Board Meeting to be held in July, 1983.

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ITEM NO.11. APPROVAL OF NECESSARY BUDGET FOR
CONSTRUCTION OF 3RD FLOOR AT THE
EOBI HOUSE

23. The Board agreed with the suggestions made by the Finance and Administrative Committee and approved to allocate Rs. 1.4 million for the construction of the 3rd floor of EOBI House in the budget for the next financial year. It was also approved that M/s. PEPAC may be appointed as Consultants at a fee of upto 6% of the contract amount for designing and supervising the project. However, they should not be paid any mobilisation advance.

ITEM NO.12. TO CONSIDER AMENDMENTS PROPOSED IN THE
EOBI EMPLOYEES (CONTRIBUTORY P.F.)
REGULATIONS, 1982 AS REQUIRED BY
INCOME TAX AUTHORITIES.

ITEM NO.13. TO CONSIDER THE EOBI EMPLOYEES
MEDICAL SCHEME

ITEM NO.14. TO CONSIDER THE RE-ALLOCATION OF
POSTS BY THE INSTITUTION.

24. The Board could not consider item No.12, 13 and 14 because working papers which were circulated for approval among members and the comments of the members on these papers were not placed before the Board. As such, consideration of these items were postponed.

ITEM NO.15. CONSIDERATION OF APPOINTMENT OF
AUDITORS FOR THE YEAR 1982-83.

25. The appointment of M/s. Ibrahim Shaikh & Company, Chartered Accountants as Auditors of the Institution for the year 1982-83 on a remuneration of Rs.25,000/- was approved.

ITEM NO.16. ANY OTHER MATTER WITH THE PERMISSION
OF THE CHAIR. AMENDMENT IN THE
EMPLOYEES' OLD-AGE BENEFITS (BOARD
OF TRUSTEES) RULES, 1977.

26. Since no objection was received on item No.16 from any member of the Board, the same were approved to be adopted as Rules and may be sent to the Labour Division for its notification.

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ITEM NO.16(A) SIMPLIFICATION OF FORMS.

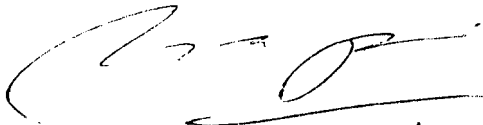
27. The Board was informed that the Employers as well as Insured Persons were facing great difficulty because of complicated forms. The proposed simplified forms pertaining to the registration of Insured Persons(PE-01) and Employers Quarterly Returns (PR-02 A and PR-02 B) had been designed after a detailed exercise carried out by the officers of various levels at the Regional Heads Conference. The Computer Bureau of Habib Bank has also approved introduction of the simplified forms. The Board accordingly approved the revised simplified forms.

ITEM NO.16(B) ADDITIONAL MANPOWER REQUIREMENTS.

28. The Board was informed that consequent upon the establishment of new Regions at Gujranwala and Faisalabad most of the manpower requirements were met by readjustment of officers and staff from Head Office and other Regions. However, certain additional posts viz 2 typists, 2 drivers, 4 Naib Qasids and 1 Chowkidar were required to be created. The Chairman in exercise of the powers vested in him under Regulations, 1980 had temporarily created the above mentioned posts. The Board approved regularisation of the above mentioned 9 posts. The Chairman also observed that in future no items should be placed before the Board under item 'any other matter' without adequate notice to the members.

29. The meeting ended with a vote of thanks to the Chair.

*Members Confirmed
Subject to the observations*



Chairman

3/8/83

*regarding conveyance allowance &
travel allowance made in this
meeting.*



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