

MINUTES OF THE 134th MEETING OF THE BOARD OF TRUSTEES OF THE SEAMENS' PROVIDENT FUND ORGANIZATION (SPFO), MUMBAI, HELD ON WEDNESDAY, THE 9th OCTOBER, 2019 AT 12.30 P.M IN THE CONFERENCE ROOM OF THE MERCANTILE MARINE DEPARTMENT, PRATISHTHA BHAVAN, 2ND FLOOR, NEW MARINE LINES, M.K MARG, MUMBAI – 400 021.

The meeting was chaired by Shri.Amitabh Kumar, IRS, Director General of Shipping and Chairman of Board of Trustees, SPFO.

Following members were present in the Board:-

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| 1. Shri. Subhash Barguzer | ... | Member |
| 2. Shri.Abdulgani Y Serang | ... | Member |
| 3. Shri.Amar Singh Thakur | ... | Member |
| 4. Shri.Surendra Kumar | ... | Secretary |

2. Shri.Shambu Singh, Financial Adviser, MoS and Capt.Rajesh Tandon telephonically informed that they will not be able to attend the meeting as they would be out of station during the time of meeting. Shri. S. K Aggarwal, Additional Central Provident Fund Commissioner, EPFO vide email dated 09.10.2019 informed that he will not be able to attend the meeting due to pre-fixed schedules. Capt. Mahendra Pal Bhasin attended the meeting in place of Shri.Vinay Singh and Ms.Vaishali S Ladi attended the meeting in place of Shri.N.R.Saraiya. Accordingly leave of absence was granted to the above members. Shri. Ajit Dange (CFA Head – Portfolio Management Services) of SBI Fund Management Pvt Ltd, portfolio manager of SPFO was invited as a special invitee for briefing on IL&FS and DHFL and other investment matters.

3. At the outset, Secretary welcomed the new Chairman along with all the Trustees present in the Meeting. Further, the Chairman requested the Secretary to brief the Members on the Agenda Items.

4. Thereafter, the following Agenda Items were taken up for discussion. Chairman enquired whether the quorum for the meeting has been met. Accordingly, Commissioner informed that minimum four members comprising of one member of each from Government representative, employee and employer is required to fulfil the quorum and is fulfilled. Chairman noted that Financial adviser, Ministry of shipping and Additional Central Provident Fund Commissioner, EPFO are not able to attend the meeting. He suggested that MoS may be requested to modify and reissue the notification of BoT as "Financial adviser or his nominee" and "Additional Central Provident Fund Commissioner, EPFO or his nominee". The Secretary ensured that the suggestion would be conveyed to the Ministry of Shipping to modify in the Gazette Notification.

Agenda Item No. 1: Confirmation of the Minutes of the 133rd Meeting of the Board of Trustees, Seamen's Provident Fund Organization, Mumbai held on 18/02/2019.

1.1 Chairman stated that Admn-cum-Accounts Officer is not the member of BoT therefore his name should be removed. Further, the Chairman suggested correction i.e. 'Shri.Subhash Barguzer - Member / Secretary' should be written as "Shri.Subhash Barguzer was in - Dual charges as member and Secretary".

1.2 Minutes of the 133rd meeting of the Board of Trustees, Seamen's Provident Fund held on 18th February, 2019 was confirmed with above modification.

Agenda item No.2 : Action Taken Report

(A) Pertaining to action points that had emerged in the 133rd meeting held on 18/02/2019:-

S. No.	Agenda	Subject	Action taken	Decision taken
1	Agenda item No.2, Sr.No.1 (under Action Taken Report) in the 133 rd Board meeting held on 18.02.2019	(Digitization of old records of SPFO).	As per the decision of the Board, tender was called through e-procurement on 24 th April, 2019 for digitization of records. The tender has been allotted to the lowest bidder M/s.Riddhi Corporate Services Ltd and a work order dated 28.08.2019 has been issued.	Chairman enquired about the storage of data which is digitized. Accordingly, Office Superintendent informed that digitized data is stored in 5 computers, hard disk and after wards it would be saved in Cloud server. Board decided to keep one copy in DGS server for safety purpose.
2	Agenda item No.2, Sr.No.2 (under Action Taken Report) in the 133 rd Board meeting held on 18.02.2019	E-Banking & Development of New Application Software in Microsoft Visual Basic (latest version) / Microsoft VB Net or any other latest Software Development Platform and switchover from existing System with migration of existing data.	(1) M/s.STPL visited SPFO from 5 th August, 2019 to 9 th August, 2019 to demonstrate the new software of SPFO wherein various queries were raised by SPFO Officers / staff, Commissioner. M/s.STPL was warned to complete the software before 30 th August 2019. Therefore, again from 27 th August to 28 th August, 2019 M/s.STPL demonstrated SPFO new software along with payroll application to the Commissioner and SPFO staff and there were still some discrepancies. M/s.STPL stated that they will complete the suggestions and will demonstrate the software. (2)(a) A letter dated 28.03.2019 was issued to M/s.STPL and copy to NICSI for the delay in development of software and	Secretary briefed that M/s.STPL has given demo twice and were ready for demo to BoT member on 11 th October, 2019 but due to pre-ponement of BoT meeting, the same is kept on hold. Chairman enquired who will vet the SPFO software. DDG (Crew) informed that representative of shipping companies and Seafarers were given demo once but was not upto the mark. It was decided by the Board that before giving demo to BoT members, the stake holders i.e. Shipping companies and Seafarers representative view & suggestions should be taken & incorporated in

			<p>again a reminder letter dated 29.07.2019 to complete the work expeditiously.</p> <p>(2)(b) The Demo to the BoT members and stake holders will be organised after the delivery of the software.</p>	<p>SPFO software by organising a demo.</p>
3	<p>Agenda item No.2, Sr.No.3 (under Action Taken Report) in the 133rd Board meeting held on 18.02.2019</p>	<p>Changes Suggested in SPF Act / Scheme on the basis of EPF Act / Scheme - Formation of Investment Monitoring Cell & Appointment of Concurrent Auditor.</p>	<p>FSC is guiding all finance and accounting related matters hence, it is proposed that all investment shall also be guided by existing FSC, since the portfolio manager is given full power of attorney in the matter. However, SPFO is going to appoint a consultant who will manage the investment and performance of portfolio manager.</p> <p>Board may decide.</p>	<p>Secretary informed that SPFO is in process of appointing 'Consultant' for appointing portfolio manager and assess the performance of portfolio manager. Chairman enquired whether 'Consultant' will be doing the work of investment audit. Shri. Dange, representative of SBIMFP Ltd, portfolio manager of SPFO stated that EPFO portfolio has huge fund and it can afford to maintain concurrent auditor whereas SPFO has small fund and the cost will be very high to maintain an auditor. Further, it was also informed that as portfolio managers of SPFO they will be doing quarterly audit which will also be audited by C&AG in SPFO also.</p> <p>Board noted the position.</p>
4	<p>Agenda item No.2, Sr.No.4 (under Action Taken Report) in the 133rd Board meeting held on 18.02.2019</p>	<p>Amendment in Recruitment Rules.</p>	<p>(1)A letter dated 12.07.2018 has been sent to DGS, Mumbai to intimate latest status of the proposal of general pool accommodation to Commissioner and the reply is awaited. Reply is awaited.</p> <p>(2) In this connection, a letter dated 31.07.2019 is received from DGS stating to form a committee for review of the Recruitment rules of SPFO's Officer /staff as per DOP&T guidelines. Accordingly, a committee is framed by SPFO on dated 22.08.2019 to review the Recruitment Rules of SPFO Officers / staff. The Committee report is awaited.</p>	<p>(1)Board noted the position.</p> <p>2) The Board noted the position.</p>

5	Agenda item No.2. Sr.No.6 (under Action Taken Report) in the 133 rd Board meeting held on 18.02.2019	Settlement of unclaimed amount of seafarers of the unclaimed amount of Rs.47.19 crores.	Secretary informed that 553 cases amounting Rs.15.38 crores has been settled as on date. An Email was sent on 13.08.2019 to DGS E-Gov and all the shipping Masters to provide Seafarers data to settle the cases of unclaimed amount. Reply is awaited.	Chairman instructed to again issue letters to DGS E-Gov and all the shipping Masters to provide Seafarers data to settle the cases of unclaimed amount.
6	Agenda item No.2, Sr.No.7 (under Action Taken Report) in the 133 rd Board meeting held on 18.02.2019	Actuarial Valuation for SPF Staff / Officers, Pensioners, Gratuity, Leave Encashment, etc.	(1) Board decided to take up the matter with CA to work out to achieve the goal in 3 years time. Accordingly, a letter dated 8 th August, 2019 was issued to M/s.R.Seth & Associates (Internal auditor of SPFO) to advice as to how to achieve the goal of recouping the shortage of Staff Pension Gratuity Fund Account of Rs.7.21 crores as on 31.03.2018 in 3 years time as per actuarial valuation report as on 31.03.2017. Accordingly, an email dated 8 th August, 2019 is received from M/s.R.Seth & Associates that they can provide their services for consultancy to provision of staff liability at the professional fees of Rs.1,50,000 + GST.	(1) Chairman enquired that why there is a shortfall of Rs.6.50 crores in Staff Pension Gratuity Fund. Accordingly, Secretary informed that Actuarial valuation for SPF staff / officer was started from 2017 and from then SPFO is transferring excess amount in Admn account to Staff Pension Gratuity Fund. Chairman enquired that how much Admin charges have been received in the financial year 2018-19. Accordingly, Secretary informed that Admn charges of Rs.4.61 crore was received wherein total expenditure was Rs.3.78 crore including Rs.1.32 crore transferred to Staff Pension Gratuity Fund. Chairman enquired when there was balance in Admn charges then why not the full amount transferred to Staff Pension Gratuity Fund. Office Superintendent informed that Budget estimate for the financial year 2018-19 was high but some of the payments which were not made that is why there is balance in admin account. Chairman further enquired whether the matter is taken up with CA to work out to achieve the goal in 3 years time. Accordingly, OS informed that quotation is called and the amount charged is approximately Rs.1.5 Lakhs. Chairman stated that it is a huge amount for SPFO and it is the

				<p>deficiency of internal auditor who is failing to guide us in the matter.</p> <p>The Chairman stated that it is required to transfer Rs. 2.50 crores yearly in Staff Pension Gratuity Fund Account from Admn. A/c to fulfil the shortfall. It is required to increase 0.50% Admn. Charges for next three years to bridge the gap of shortfall in Staff Pension Gratuity Fund Account.</p> <p>Board decided that the Finance Sub-Committee may examine the matter and work out to achieve the goal.</p>
7	Agenda item No.2, Sr.No.8 (under Action Taken Report) in the 133 rd Board meeting held on 18.02.2019	Appointment of one Hindi translator on contract basis.	<p>Action is completed.</p> <p>A Hindi translator is provided by M/s.Shree Consultancy on contract basis.</p>	Commissioner informed that a Hindi translator was appointed but has left. Board noted the position.
8	Agenda item No.2, Sr.No.9 (under Action Taken Report)in the 133 rd Board meeting held on 18.02.2019	Internal Repair / Renovation of office premises of SPFO.	(1) The work of renovation / repair is under process by CPWD. Further, it is delayed due to leakage in terrace which is required to be repaired. The same work is assigned to CPWD. The estimate from CPWD for the above work is awaited. However, interior work is completed upto 80%.	Board noted the position.
9	Agenda item No.2, Sr.No.11 (under Action Taken Report) in the 133 rd Board meeting held on 18.02.2019	Administrative charges.	A circular dated 4 th June, 2019 was issued to those shipping companies who have neither deposited PF of officer nor responded to the previous circular dated 09.07.2018 and 07.12.2018 stating that penal action may be taken under Para 66 of SPF Act and Scheme, 1966 for failure to pay PF. Approximately 40 shipping companies are depositing PF of officers in response to this office various circulars which are placed at annexure 'A' .	Board decided to follow up the matter with shipping companies who are not depositing PF of officers.

10	Agenda item No.2,Sr.No.12 (under Action Taken Report) in the 133 rd Board meeting held on 18.02.2019	Appointment of one Multi tasking staff on regular basis.	Chairman stated that since the work of MTS is not of serious nature with lighter responsibilities the Board decided that the decision of appointing MTS on regular basis may be reviewed.	The matter was discussed under agenda item No.11.
11	Agenda item No.2,Sr.No.13 (under Action Taken Report) in the 133 rd Board meeting held on 18.02.2019	Non-settlement of PF dues, due to various reasons. Financial year from 1999-2000 to 2008-09.	Out of 15 cases of Seafarers, 5 cases are settled and letters & reminders have been issued to remaining Seafarers. Various letters and reminders are sent to collector office for reporting legal heir of the seafarers who has not filed declaration and nomination form.	Board decided to re-issue reminder letters to remaining Seafarers.
12	Agenda item No.2,Sr.No.16 (under Action Taken Report) in the 133 rd Board meeting held on 18.02.2019	Exemption under Section 20 of Seamen's Provident Fund Act 1966 to Shipping Companies	A meeting of the Sub-committee was held on 24.01.2019 and minutes are placed at annexure 'B' . Board noted the position and instructed to submit the report in the next meeting after conducting the Committee's meeting for exemption.	The matter discussed under Table Paper 2.
13	Agenda item No.2, Sr.No.17 (under Action Taken Report) in the 133 rd Board meeting held on 18.02.2019	Status of Court cases (Including doubtful investment)	Two letters dated 07.11.2017 and 22.02.2018 issued to Law Ministry by SPFO regarding appointment of Govt Council was forwarded via email. Reply is awaited. (2) A letter dated 04.10.2018 was sent to the Advocate to settle the matter at the earliest as per Board decision. Accordingly, the Advocate has informed that the court has called for final hearing on 21.05.2019.	The matter is discussed under agenda item No.13.
14	Agenda item No.2, Sr.No.18 (under Action Taken Report) in the 133 rd Board meeting held on 18.02.2019	Appointment of Port folio Manager for the period of two years 2018-19, 2019-20 and 2020-21.	(1)A letter dated 06.03.2019 was issued to SBI Fund Management (P) Ltd informing their appointment as port folio manager as a time gap arrangement w.e.f 01.04.2019. Accordingly, an agreement executed with SBI Fund Management (P) Ltd on 29 th March, 2019. (2)In this connection, a letter dated 22.02.2019 and 11.03.2019 was circulated to all the BoT members inviting their suggestion, views and comments	(1) Board noted the position. (2) The Board decided to write letter to the Ministry informing the date of meeting of CEC so as to expedite the process of

			<p>regarding appointment of consultant for selection of Portfolio Manager, custodian and for monitoring performance of portfolio manager. Accordingly, after receiving the views, e-RFP uploaded to CPP Portal on 02.05.2019 which was further extended to 30.08.2019 due to poor response. Meanwhile, the tender was published in two newspapers i.e. 'Times of India' and "Nav Bharat Times". As directed by the MoS, Gol a CEC is to be constituted to evaluate the bids received. Chairman on dated 21.08.2019 has directed that a representative from MoS should also be included as a member of CEC. Hence, this office has requested MoS to nominate a member for CEC vide letter No.1017/343/2019-20 dated 27th August, 2019. Reply is awaited. Meanwhile, technical bid was opened on 03.09.2019 wherein only one tender is received from M/s.CRISIL Ltd.</p>	<p>selection of consultant by the CEC. .</p>
15	<p>Agenda item No.3 in the 133rd Board meeting held on 18.02.2019</p>	<p>Revised Estimates for the Financial year 2018-19 and Budget Estimates of the financial year 2019-20</p>	<p>Board decided to put a cap on the recurring and non-recurring expenditure. It will be complied in the next budget estimate for the financial year 2020-21.</p> <p>After prolonged discussion the Board approved the revised estimate for the financial year 2018-19 and budget estimate of the financial year 2019-20.</p>	<p>Board noted the position.</p>
16	<p>Agenda item No.5 in the 133rd Board meeting held on 18.02.20195</p>	<p>Fixation of rate of interest for the financial years 2018-19 and 2019-20</p>	<p>(1) Quotation is being called from various chartered accountant firms to formulate a provision in interest suspense account to take care of loss incurred due to investment in market.</p> <p>(2) A letter dated 29th August, 2019 is received from Ministry of Shipping, Gol informing to ratify the rate of interest for the accumulations under Seamen's Provident Fund for the year 2018-19 at 8.25%.</p>	<p>(1) The Board noted the position.</p> <p>(2) Board noted the position.</p>
17	<p>Agenda item No.6 in the 133rd Board meeting held on 18.02.2019</p>	<p>Contributory Annuity Fund Scheme for Seafarers</p>	<p>Chairman suggested exploring the possibilities of using existing schemes such as NPS etc instead of heading for CAFS scheme.</p>	<p>The matter is discussed under agenda item No.07.</p>

			<p>Capt.Rajesh Tandon stated that this issue was taken up by NUSI and therefore we may discuss it when Shri.Abdulgani Y Serang is present in the meeting.</p> <p>The Board decided to discuss the issue in next meeting.</p>	
18	Agenda item No.7 in the 133 rd Board meeting held on 18.02.2019	Dewan Housing Finance Corporation Ltd : Rating Downgraded by rating agency CARE	<p>Secretary requested SBI representative to further give his view on the issue and SBI Fund Manager detailed the Board on the matter.</p> <p>The Board decided to formulate a provision in interest suspense account to take of loss incurred due to investment in market in consultation with CA.</p>	The matter is discussed under agenda item No.08.
19	Agenda item No.10 in the 133 rd Board meeting held on 18.02.2019	Investment made for the period from 01.04.2018 to 30.11.2018	<p>An email dated 12.09.2019 is received from SBI,SSB stating that the yearly yield for the financial year 2018-19 is as under:-</p> <p>a. Annualised Yield on debt instruments for the FY 2018-19: 8.68%</p> <p>b. Annualised Yield on equity related instruments for the FY 2018-19: 27.47%</p> <p>c. Yield on incremental investments for FY 2018-19: 8.82%</p>	The Board noted the position.

Agenda item No.3:-

Annual Accounts for the year 2018-19

3.1 The Board deliberated on the statement of accounts and thereafter adopted and approved the Annual Account for the Financial Year 2018-19 as per the recommendations of the Finance Sub-Committee.

Agenda Item No.4:-

Annual Report on working of seamen's Provident Fund Scheme, 1966 for the year 2018-19.

4.1 The recommendations of Finance Sub-Committee were considered by the Board and the Annual Report for the year 2018-19 was approved and adopted.

Agenda item No.5:- Re-appropriation of Expenditure incurred during the Financial year 2018-19

5.1 The re-appropriation of expenditure of the SPFO incurred during the financial year 2018-19 was approved by the Board.

Agenda item No.6 :- Implementation of rate of interest with prospective effect.

6.1 Secretary briefed the members that the rate of interest for the financial year 2018-19 was declared in September 2019 by the Ministry of Shipping, due to which all the FW / NRW payments for 2019-20 could not be settled in time, leading to undue hardship to Seafarers. He further suggested that the rate of interest may be made payable to seafarers with prospective effect and the SPFO accounting system be closed with the rate of interest available for the previous year.

6.2 Chairman stated that when the Ministry of Shipping has approved the rate of interest for the financial year 2018-19 on the actual interest earned for 2018-19 then how can SPFO apply rate of interest for the financial year 2019-20. Chairman stated that it will raise audit queries by C&AG for implementing wrong rate of interest.

6.3 Chairman suggested that as per accounting policies, provision may be made in the Annual Account of the financial year for the Interest payable to Seafarers from the date of start of F.Y. i.e. April till receipt date of approval of rate of interest by the MoS. Smt.Ladi suggested that SPFO may pay at a rate 0.50% below the recommended rate of interest by the Board which is sent to the Ministry for approval and close the financial year after making provision in book of accounts for the above. On receipt of approval for Rate of interest from the Ministry, the difference, if any can be paid later from provision and balance of amount provided for payment of interest can be written back. Commissioner stated that the existing SPFO system does not have the provision facility but the same can be worked out with M/s.STPL who is developing the new software for SPFO.

Agenda item No.7:- Contributory Annuity Fund Scheme for Seafarers

7.1 Shri.Abdulgani Y Serang briefed the members that SPFO was established for maintaining statutory dues of Seafarers only i.e. PF. Board of Trustee decided to accept the additional voluntary contribution, ex-gratia and Pension / Annuity contributions of Seafarers as Annuity fund to provide monthly pension to retired Seafarers. Accordingly, it was decided to formulate a Contributory Annuity Fund Scheme for Seafarers in order to provide pension to Seafarers. A draft scheme had been framed under which it is proposed that these funds will be managed by SPFO and on retirement of Seafarers, PF amount will be disbursed by SPFO to Seafarers and the Annuity fund will be transferred to LIC. As per the Seafarer's accumulation in Annuity fund amount, LIC will purchase the annuity for Seafarers and provide the pension benefit to Seafarers and their family as per choice of Seafarers amongst the scheme available with LIC.

7.2 Chairman enquired about the Annuity Fund and wanted to know whether the annuity Fund is same as PF. Shri. Serang replied that the amount received with PF amount under

different nomenclature i.e Annuity fund, Ex-Gratia and Additional voluntary contribution. The amount is invested with the PF amount and getting the interest as applicable to PF. Since the Annuity scheme is not in place, the accumulated amount is paid to the Seafarers on retirement along with PF amount.

7.3 Mrs.Vaishali Ladi stated that in the Finance Sub-committee meeting she informed the members that in SCI they are transferring the Annuity fund received of their members to LIC on monthly basis and not while retirement. Shri. Dange stated that LIC is providing very low rate of interest to their members, it's about 3.75% to 4% p.a.

7.4 Chairman stated that in SPFO Seafarers are getting good rate of interest and will get better amount at the retirement, whereas if his amount is transferred to LIC, his pension amount will not be the worth as against his full dues received from SPFO.

7.5 Board decided to conduct stand alone meeting on the matter which may be studied by the Finance Sub-Committee in terms of more benefits to Seafarers and submit the same in next Board meeting.

Agenda item No.8:- Dewan Housing Finance Corporation Ltd

8.1 Shri.Dange stated that they have signed the ICA in case of M/s.DHFL on behalf of SPFO for the amount invested in DHFL for Rs.104.37 Cr.

8.2 Mrs.Vaishali Ladi stated that it is risky to venture into private investments as we may turn up losing full principal amount whereas in the Government securities, one may lose only interest.

8.3 Shri Dange stated that they have also stopped investing in private sector & are investing in PSU's as a safety measure. The Board directed fund manager to study the investment made in private sector by SPFO, particularly about the DHFL, ILFS, Yes Bank, India Bulls and Shriram Finance and submit a detailed report for taking remedial actions in next BoT meeting.

Agenda item No.9:- Appointment of firm of Chartered/Cost Accountants as Internal Auditors for the Seamen's Provident Fund Organization, Mumbai for a period of 2 years i.e. 2020-21 and 2021-22.

9.1 Board decided that the tender document may be issued and uploaded on web sites of Central Procurement Portal (CPP), Govt. of India.

Agenda item No.10:- Minimum documentation for Seafarers availing Non-refundable withdrawal (NRW)

10.1 The Secretary informed to the board regarding seeking minimum document from Seafarers for withdrawal. Shri. Serang stated that Seafarers shall furnish documents as per SPF Act & Scheme. He further stated that SPFO is established for retirement benefits to Seafarers. Minimum documentation will send wrong message to public at large and will not serve the purpose. Chairman stated that as per SPF Act and Scheme, 1966 Seafarer is required to submit the documents for NRW under Para 58. Chairman enquired while

applying online, Seafarer is required to submit the relevant documents. Accordingly, Commissioner informed that the Seafarers are required to submit scan copy of the documents required as per the relevant Para's.

10.2 Board decided to maintain status quo on the matter

Agenda item No.11:- Filling of the vacant post in SPFO

11.1 Commissioner apprised the members that out of 36 sanctioned posts, there are 24 posts vacant in SPFO. Secretary also stated that the posts of Asst. Admn Accounts Officer (AAAO) and Office Superintendent are promotional posts of SPFO staff, however presently no staff members are fulfilling the required of qualification for promotion to the post of AAAO. Therefore, the post has been adverted for filling on deputation basis. The feeder grade post in SPFO is Junior Assistant and MTS which has to be filled up. Secretary informed that if there is no recruitment in feeder grade, it will create a vacuum after sometime between two posts and there will be no experienced person available in the SPFO after retirement of the senior staff members. The Chairman expressed concern about the increase in administrative cost by nearly 30%.

11.2 Board decided that the matter may be reviewed by the Finance Sub-Committee and submit a report on the post which is necessarily to be filled in.

Agenda item No.12:- Enhancement of Medical allowance

12.1 Chairman enquired whether SPFO staff is receiving medical expenses for hospitalization. Accordingly, it was informed that Rs.1200/- medical allowance is being paid to SPFO staff along with their monthly payment as OPD expenses as a lump-sum amount. There is no re-imburement for OPD expenses for self and family members of SPFO other than Rs.1,200/- p.m. as medical allowances. Besides this, medical reimbursement paying in case of hospitalization and it is restricted to the CGHS rate. It is also informed to the Board that this allowance is at par with EPFO, and when EPFO increase, in the same line SPFO had increased in past instances also. Now EPFO has increased from Rs.1,200/- p.m to Rs.2,000/- p.m. w.e.f. 2013.

12.2 Chairman stated that there are many medical insurance schemes which can be studied for better medical benefits. Therefore Board decided to seek details of medical insurance scheme as against the expenses to Board in the next meeting.

Agenda item No.13:- Status of Court cases.

13.1 Commissioner informed to the Board regarding recovery suit No. 633/2004 that order is required to be taken for the substituted service of notice of appeal from the appeal court. As the appeal is not appearing on Board therefore the order is not passed.

13.2 Chairman suggested to change the Advocate Mrs.Pandhi who is not taking proper action.

13.3 Chairman enquired as to why the matter of SCI is kept in with court cases of SPFO. It was informed that an agenda item regarding issuance of NOC to SCI even though PF amount is recoverable from their manning agents was placed before the Board in its 131st meeting held on 20.03.2018, wherein the Board decided to add this issue in the list of court cases wherein the pending dues of SCI can be shown and the NOC may be issued on case to case basis when required. This case is not pertaining to SPFO & may be deleted from this list.

13.4 Mrs.Vaishali Ladi stated that the list of Seafarers whose dues are not settled may be handed over to her for further action.

13.5 The Board decided that the item may be removed from the status of court cases.

Agenda item No.14 :- Clearance of un-posted items

14.1 Chairman stated that the un-posted items are increased and accordingly Commissioner informed that due to late receipt of rate of interest by Ministry of Shipping i.e. in September, 2019 SPFO could not clear un-posted items for the last 6 months. However, proper attention will be paid to clear the un-posted Items.

14.2 Board noted the position.

Agenda item No.15:- Investment made for the period from 01.04.2018 to 31.03.2019

15.1 Chairman enquired that the Equity percentage is 5.98% is on corpus or incremental. Accordingly, Shri.Dange informed that percentage of all the holding in securities are on incremental investment.

15.2 The Board noted the position.

Table Paper 1:- Minutes of 22nd Audit Committee meeting held on 07.10.2019 for the 3rd and 4th quarter ending 31.12.2018 and 31.03.2019 respectively.

T.1 The matter of CLTD option facility emerged in the Audit Committee meeting and accordingly Commissioner informed the Board that SPFO is transferring the amount above Rs.3 crores kept for obligatory payment to Seafarers from SPF main account to the portfolio manager for investment. He further stated that some queries were raised by the Audit Committee about Swift in-Swift-out scheme of Syndicate Bank. Accordingly on enquiry with the Syndicate bank, an email dated 07.10.2019 is received wherein it is informed that no penal interest before maturity withdrawal and no signature required for premature withdrawal. It is system generated term deposits and whenever amount is required it will be premature by system only.

T.1.2 After discussion, the Board approved to adopt Auto-Swipe option facility from Syndicate bank.

T.1.3 The discussion taken place about Internal Audit report and Board noted that no adverse remarks have been reported by the audit committee.


Table Paper 2:- Minutes of 4th Committee meeting regarding framing guidelines for exemption to shipping companies for deposit of PF contribution.

T.2 Chairman enquired whether SCI is depositing PF of officers or not. Mrs.Vaishali Ladi stated that the PF of officers is managed by SCI trust. Chairman enquired whether they have taken exemption from SPFO. Mrs.Ladi informed that they have not taken exemption from SPFO.

T.2.1 Shri.Abdulgani stated that as per virtue of Article of agreement (AoA) PF should be submitted of all Seafarers who are signing the AoA. He further stated that only M/s.Tolani shipping has applied for exemption and further stated that in the exemption meeting held on 7th October 2019, he has clearly stated that he is hesitant to give exemption to the shipping companies after seeing the downgrade of many shipping companies like M/s.Varun Shipping, M/s.Mercator Shipping etc. Chairman stated that on this basis SPFO cannot reject the request of shipping companies for exemption. Shri.Serang stated that as per Section 20 of SPF Act, 1966, the Board may, by order in writing, exempt any seaman to whom this Act applies and his employer from the operation of all or any of the provisions of this Act if, in the opinion of the Board, the seaman is in enjoyment of benefits in the nature of provident fund or pension and such benefits, separately or jointly are on the whole not less favourable to the seaman than the benefits provided by or under this Act. Therefore, in the FSC meeting it was decided to call details from M/s.Tolani shipping about numbers of Seafarers (officers) PF maintained by them, since when, investment details, formation of trust, benefit provided to the Seafarers etc so as to check the benefit provided by them to ensure whether they can compensate the risk involved in this.

T.2.2 Board approved the recommendation of Finance Sub-Committee.

5. The meeting ended with vote of thanks to the Chair.


(Surendra Kumar)
Commissioner

Date : 25.10.2019