

**MINUTES OF THE 137th VIRTUAL MEETING OF THE BOARD OF TRUSTEES OF
THE SEAMENS' PROVIDENT FUND ORGANIZATION (SPFO), MUMBAI, HELD
ON MONDAY, THE 11th JAN, 2021 AT 03.00 P.M.**

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:-

1. Shri.Amitabh Kumar, IRS	...	Chairman
2. Shri.Vivek Ashish	...	Member
3. Shri.Subhash Barguzer	...	Member
4. Shri.Avinash Gandhi	...	Member
5. Capt.Rajesh Tandon	...	Member
6. Capt.Mahendra Pal Bhasin	...	Member
7. Shri.Abdulgani Y Serang	...	Member
8. Shri.Amar Singh Thakur	...	Member
9. Shri. S Kalaikovan	...	Member
10. Shri.Surendra Kumar	...	Secretary

2. Shri.P K Rane telephonically informed that due to busy schedule, he will not be able to attend the meeting.

3. Accordingly, leave of absence was granted to the above member. Shri. Ajit Dange, Vice President – Portfolio Management Services, Shri.Ravi Ratanpal of SBI Fund Management Pvt Ltd, portfolio manager of SPFO and Shri.Piyush Gupta, CRISIL, were invited as special invitees for briefing on investment matters and appointment of Portfolio Manager.

4. The following Agenda Items were taken up for discussion.

Agenda Item No. 1: Confirmation of the Minutes of the 136th Meeting of the Board of Trustees, Seamen's Provident Fund Organization, held on 30th July 2020 & the Minutes of 6th Special BoT meeting on CAFS.

1.1 Chairman enquired whether any issues noted by the members and accordingly Shri.Abdulgani Y Serang stated that in the minutes of 6th Special meeting under Para No.1.2 the words "Additional Voluntary Contributions to the extent of 10% of the seafarer's basic wage including leave pay whilst on articles for General Roster Ratings engaged in terms of Collective Bargaining Agreement executed with them by NUSI." should be replaced with "Additional Voluntary Contributions in terms of bilateral Agreement executed with them by NUSI."

1.2 Capt.Rajesh Tandon stated that also under Para No 1.2 the words "Shipping companies are also remitting to SPFO 25% of Ex-gratia which was payable to seaman as 'Short-hand money.", it looks applicable to foreign flag vessel. This should be "Shipping companies are also remitting to SPFO Exgratia in terms of NMB Agreement executed with them by NUSI."

1.3 Minutes of the 136th meeting of the Board of Trustees, Seamen's Provident-Fund held on 30/07/2020 and 6th Special meeting held on 10/08/2020 was confirmed with above modification.

Agenda item No.2 : Action Taken Report

(A) Pertaining to action points that had emerged in the 136th meeting held on 30/07/2020:-

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			stake holders.	module is still not operational due to late receipt of rate of interest for the Year 2019-2020., SPFO has not closed the account for FY 2019-2020 in SPF System. After closing the account, migration of data in new system, the data in old and new system will be tallied, the new software for payment module of Seafarers will be operational on or before 1st March 2021. Board noted the position.
3	Agenda item No.2, Sr.No.3 (under Action Taken Report) in the 136 th Board meeting held on 30.07.2020	Amendment in Recruitment Rules.	Two letters dated 20.02.2020 and 14.10.2020 were sent to DGS to review the recruitment rules and notify the same in gazette of India.	1) Chairman enquired regarding the 'group' for which Recruitment Rule is amended. Commissioner informed that the Group 'B' and 'C' is put up for amendment. 2) Shri Subash Barguzer, DDG informed that the amendment of Recruitment Rules for staff is under examination and will be approved shortly. Board noted the position.
4	Agenda item No.2. Sr.No.4 (under Action Taken Report) in the 136 th Board meeting held on 30.07.2020	Settlement of unclaimed amount of 4483 seafarers of the unclaimed amount of Rs.47.19 crores.	A revised list of the Seafarers who have not received FW payment has been forwarded to NUSI on 10.12.2020.	1) Shri Abdulgani Y Serang informed that due to Covid 19 they were not able to contact seafarer for unclaimed amount and some more time is required to furnish the details. 2) Capt Rajesh Tandon enquired regarding the age limit of the unclaimed list. Commissioner informed that the list is in respect of seafarers who have attained 60 year of age. Board also decided to

				share the list with FOSMA, MASSA and INSA.
5	Agenda item No.2, Sr.No.5 (under Action Taken Report) in the 136 th Board meeting held on 30.07.2020	Actuarial Valuation for SPF Staff / Officers, Pensioners, Gratuity, Leave Encashment, etc.	1) An email dated 23.10.2020 was issued to M/s.Goyal Parul & co to provide their opinion to make provision in the fund in the next 3 years so that the deficit can be recouped. Reply is awaited. 2) A letter dated 18.09.2020 was issued to M/s.Global Risk consultant for actuarial valuation for the financial year 2019-20.	1) Board decided that M/s. Goyal Parul & Co shall provide their opinion to make provision in the fund in the next 3 years so that the deficit can be recouped. 2) Board noted position
6	Agenda item No.2, Sr.No.6 (under Action Taken Report) in the 136 th Board meeting held on 30.07.2020	Internal Repair / Renovation of office premises of SPFO.	A letter dated 14.08.2020 is sent to CPWD to finish the minor pending work. Reply is awaited.	Board noted the position
7	Agenda item No.2, Sr.No.7 (under Action Taken Report) in the 136 th Board meeting held on 30.07.2020	Administrative charges.	(1) List of companies issued letter to deposit PF of officers, list of companies responded and not responded is prepared and placed at 'Annexure 'C'. 2) The agenda item for amendment of SPF Act & Scheme is placed at agenda No.3.	(1) Board noted the position. (2) Details of discussion minuted under agenda No.3.
8	Agenda item No.2, Sr.No.8 (under Action Taken Report) in the 136 th Board meeting held on 30.07.2020	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.	The list of 10 seafarers whose PF payment is not settled is uploaded in the website on 08.12.2020. The website of SPFO was under construction.	Board decided to provide list of 10 seafarers to NUSI.
9	Agenda item No.2, Sr.No.9 (under Action Taken Report) in the 136 th Board meeting held on	Exemption under Section 20 of Seamen's Provident Fund Act 1966 to Shipping Companies	A letter dated 16 th July, 2020 was issued to Tolani to provide the details of the representation of Seafarer in Trust and date of their inclusion as member in trust with address and if not provided within 15 days, the	The Commissioner informed that an email dated 19.08.20 was received from M/s. Tolani Shipping stating that due to on-going pandemic there was delay in replying the letter and

	30.07.2020		matter will not be considered. It is submitted that an email dated 19.08.2020 is received from M/s.Tolani Shipping stating that due to ongoing Covid pandemic there was delay in submitting their reply and forwarded a letter providing details of representation of Seafarer in Trust which is placed at "Annexure 'D'". The Board may decide.	requested to condone the delay. Shri. Abdulgani Y Serang stated that they are not in favour of giving exemption to any shipping companies after noticing out that M/s.Great Offshore was having its own trust for PF and now due to loss in business, they are not remitting PF to the Seafarers. Board decided that the delay in replying by M/s.Tolani Shipping is condoned and matter may be considered first by the exemption committee and then submit to Board their recommendation.
10	Agenda item No.2, Sr.No.10 (under Action Taken Report) in the 136 th Board meeting held on 30.07.2020	Appointment of Portfolio Manager for the period of two years 2018-19, 2019-20 and 2020-21.	1) As per Board's decision Shri.Vivek Ashish, Deputy Secretary is added in the CEC. The RFP sent to him and subsequently it was recommended by CEC and approved by the Hon'ble Chairman. 2) A separate item for appointment of Portfolio manager is placed at agenda No.4.	1) Action completed. 2) The matter discussed is minuted agenda item No.4.
11	Agenda item No.2, Sr.No.11 (under Action Taken Report) in the 136 th Board meeting held on 30.07.2020	Contributory Annuity Fund Scheme for Seafarers	The agenda item for amendment of SPF Act & Scheme is placed at agenda No.3.	The matter discussed is minuted under Agenda item no 3.
12	Agenda item No.2, Sr.No.12 (under Action Taken Report) in the 136 th Board meeting held on 30.07.2020	Dewan Housing Finance Corporation Ltd : Rating Downgraded by rating agency CARE	1) An email dated 12.11.2020 was issued to M/s.Goyal Parul & Co to make provision in Interest Suspense account to take care of loss incurred due to bad investment. 2) It is submitted that an email dated 23.11.2020 is received	1) Certain information is sought by the Internal auditor and the same is forwarded to Fund Manager and work is in progress. 2) Board decided that the matter will be examined

			from SBI FM regarding E-voting on behalf of SPFO in respect of new resolution details in matter of Dewan Housing Finance Corporation Ltd which is annexed at (Annexure 'E'). This is for information to the Board.	by Finance Sub-Committee on 12/01/2021 and decide about the e-voting.
13	Agenda item No.2, Sr.No.13 (under Action Taken Report) in the 136 th Board meeting held on 30.07.2020	Implementation of rate of interest with prospective effect.	It is submitted that SPFO has not received approval from the Ministry for Rate of interest for the financial year 2019-2020 till date. Once the approval is received from Ministry of Shipping the accounts for the Financial year 2019-2020 will be finalized after crediting due interest to the accounts of the seafarer members and then a proposal for approval of rate of interest for financial year 2020-21 based on accrual basis shall be placed to Board of trustees prior to forwarding the same to MoS.	The Commissioner informed that the approved rate of interest for financial year 2019-2020 is received on 06.01.2021 and after calculating the interest, the account will be closed in SPF system for the f.y 2019-2020. A proposal for approval of rate of interest of financial year 2020-21 based on the accrual shall be placed to Board of trustees prior to forwarding the same to MoPSW. Board noted the position.
14	Agenda item No.2, Sr.No.15 (under Action Taken Report) in the 136 th Board meeting held on 30.07.2020	Filling of the vacant post in SPFO	1) It is submitted that for appointment of four Junior Assistants, a revised reservation roster for SC/ST/OBC/EWS, approved by LO. DGS on 29.12.2020 and is being forwarded to Employment News for advertisement.. 2) Application for the post of MTS /Peon are scrutinised and placed before the Recruitment Committee.	Board noted the position
15	Agenda item No.2, Sr.No.16 (under Action Taken Report) in the 136 th Board meeting held on 30.07.2020	Minutes of 22 nd Audit Committee meeting held on 07.10.2019 for the 3 rd and 4 th quarter ending 31.12.2018 and 31.03.2019 respectively.	The SBI email dated 3 rd August, 2020 has informed that to avail TDR benefits a minimum amount needs to be maintained in SB Account, the balance amount in multiples of thousands gets transferred to a term deposit for which the period can be mandated by account holder. On going through the scheme in detail it is learnt that SB account in	Board decided that as per recommendation of Finance Sub-committee the CLTD account may be closed.

			Syndicate bank earns more interest than the TDR for six months in CLTD. Anyway, it is brought to the notice of Hon'ble members that SPFO is not parking its funds in SB account for a longer period such as six months, the funds are transferred to fund manager from time to time after meeting the commitment. Hence, it is proposed to close the CLTD account in SBI and maintain SB Account in Syndicate bank as this would be beneficial.	
16	Agenda item No.2, Sr.No.17 (under Action Taken Report) in the 136 th Board meeting held on 30.07.2020	Final Payment of Provident Fund to seafarer, who voluntarily leaves the seafaring profession	A list of Seafarers who has voluntarily left the Seafarers profession was sent to DGS on 22.09.2020.	Action completed. Board noted the position.
17	Agenda item No.3 in the 136 th Board meeting held on 30.07.2020	Fixation of rate of interest for credit to the members Account for the year 2019-20.	Letters dated 11.08.2020, 15.10.2020, 10.11.2020 and 02.12.2020 were issued to the Ministry of Shipping to approve 7.25% rate of interest for the financial year 2019-20. The approval is still awaited.	It was informed that a letter dated 06.01.2021 is received from the Ministry approving rate of interest @ 7.25% for the financial year 2019-2020. Board noted the position.
18	Agenda item No.5 in the 136 th Board meeting held on 30.07.2020	Enhancement of investment in Equity from 5% to 15%	A letter dated 17.08.2020 was issued to SBI Fund Management Pvt Ltd to enhance investment in equity from 5% to 15% in SBI nifty.	Action completed. Board noted the position.
19	Agenda item No.6 in the 136 th Board meeting held on 30.07.2020	Clearance of Un-posted Items.	The clearance of un-posted item is under process. The details of unposted item clearance is placed at agenda item No.6.	The matter discussed is minuted under Agenda item no 6.
20	Agenda item No.7 in the 136 th Board meeting held on 30.07.2020	Status of Court Cases (Including Doubtful Investment).	A separate agenda item is placed at agenda No.5.	The matter discussed is minuted under Agenda item no 5.
21	Table Paper No.1 in the 136 th Board meeting held on 30.07.2020	Minutes of the 65 th Finance Sub-Committee meeting.	1) Shri.Amar Singh Thakur has been included in the Finance Sub-Committee. 2) It is submitted that Ministry of Shipping has vide letter No.G-20017/2/2019-MA(C.No.-335588) dated 4 th	1) Action completed. 2) Board noted position.

		September, 2020 approved the revised estimate for the F.Y 2019-20 and Budget estimate for the F.Y 2020-21.	
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Agenda item No.3

Amendment of SPF Act

3.1 Commissioner stated that in the 6th Special meeting of BoT, it was decided by the Board that the working out of modalities of Pension Scheme, Gratuity, its funding by contribution should be discussed in detail at first by Employer and Employee unions.

3.2 Shri.Abdulgani Y Serang stated that NUSI is trying to introduce Annuity Scheme for the last 20 to 25 years but it is still in approval stage. Shri.Abdulgani Y Serang stated that presently all the PF amount is given to seafarer including Ex-gratia, Annuity and Gratuity due to no viable Act and Scheme. Further, he stated that all ranks of seafarers in Indian and foreign vessels should be brought in to the ambit of SPFO Act as the bilateral Agreement is not having mandatory effect.

3.3 Shri.Abdulgani Y Serang further stated that they have submitted a proposal stating that 12 percent of Provident fund each from employer and employee can be split into two parts each 8 percent towards PF & 4 percent towards pension (the total 8% will go to Pension Fund and remaining 16% will go to PF) and 8.33 percent towards gratuity paid separately as the same is being paid even on this date to Seafarer Welfare Fund Society. Shri.Abdulgani Y Serang further stated that the total required to be paid by the shipping company will be 20.33% towards the social benefit of seafarers. Shri.Abdulgani Y Serang stated that the foreign flag ships crew are paid in dollar therefore the amount will be higher. Hence, it is proposed to keep an upper limit of Rs.30,000/- wherein the total amount will be Rs 6000 including PF, Annuity and Gratuity. Chairman enquired whether lower limit of the same is worked out as shipping companies will deposit Rs.1000 and go with it.

3.4 Shri.Abdulgani Y Serang stated that as per the SPF Act & Scheme, provision for deposit of PF to foreign employer does not exist and they adopt NMB agreement. Therefore lower limit is not fixed. Shri.Abdulgani Y Serang further stated that the EPFO has upper limit of Rs.15000/- which would be revised soon. The nature of work of seafarer is on contractual basis not on regular basis. Shri.Abdulgani Y Serang further stated that SPFO is exclusively for seafarer so we can take the inspiration from EPFO but cannot adopt their schemes in toto.

3.5 Capt.Mahendra Pal Bhasin stated that the employer's group support the initiative of Seafarers social benefits implementation using the law of the land and spirit of the MLC prescribing no less favourable protection that is enjoyed by shore workers. Capt.Mahendra Pal Bhasin further stated that they are paying for JSU/ Singapore in similar schemes and same may be kept in mind while the quantum is being specified in welfare schemes as it is the additional cost. Capt.Mahendra Pal Bhasin also stated that they have earlier proposed for adopting EPFO model.

3.6 Capt.Rajesh Tandon stated that employers representatives are on record in support the PF element suggesting that the principles applied to shore workers under the EPFO scheme is replicated. He further pointed out that the EPFO Rules provides equal payment of 12% by both the employer & employee and where the maximum cap to apply the 12% is capped at Rs.15000.

3.7 Commissioner informed that from table showing PF, AVC, Ex-gratia and Annuity contributions received by SPFO for the year 2017-18 to 2019-20 (3 Years) it can be seen that Rs.101.41 Crores is received against statutory dues i.e Provident Fund and Rs.42.16 Crores against AVC, Ex-gratia and Annuity in the year 2019-20. Also out of Rs.101.41 Crores, 48.85 crores is received from Indian flag vessels and Rs.52.56 Crores from foreign vessel.

3.8 Chairman suggested that a practical solution should be worked out in terms of social security benefit of seafarers. Hence a legal entity should be given for making the payment by Indian and foreign flag ships. After prolonged discussions, the Board principally agreed to implement the welfare schemes i.e. Provident Fund Scheme, Pension Scheme and Gratuity scheme for all ranks of Seafarers serving on Indian and foreign flag ships.

3.9 Board directed that a proposal for amendment in SPF Act & Scheme with the inclusion of Annuity Scheme and Gratuity Scheme should be vetted jointly by DDG Shri.Ash Mohammed, Employer and Employee Unions, after deciding the modalities of payment of PF, Annuity and Gratuity by the unions and language properly deliberated. The Amendment of Act proposed needs to be finalised by second week of February, 2021, so as to place it in public domain for their comment / suggestion.

3.10 Board decided that the Schemes may be named as Seafarers' Provident Fund Scheme, Seafarer's Annuity Fund Scheme and Seafarers' Gratuity Fund scheme as proposed.

Agenda item No.4

Appointment of Portfolio Manager

4.1 Commissioner informed that as per directives of Ministry of Port, Shipping and waterways, Appointment of portfolio manager is processed as per GF Rule 2017. Commissioner also informed that CEC / FSC has approved the appointment of SBI Fund Management as Portfolio Manager of SPFO for the period of two year w.e.f 01.04.2021 on Fund Management Fee @ Rs. 0.07 percent of the Incremental investment per annum plus applicable taxes and Board's approval is requested.

4.2 The Chairman enquired what will be the cost implication ? The Commissioner informed that the projected cost is worked out and placed at Annexure 'D' to agenda item placed. As per this table the cost would be Rs.16/- Lakhs and Rs.17/- Lakhs (approximately) for the financial year 2021-22 and 2022-23 respectively. Further, Chairman enquired about the cost incurred presently, to which Commissioner informed that presently 0.01% fee is applicable, which is approximately 3 Lakhs per annum. Chairman desired to know the reason for huge difference in costs. Commissioner requested Shri Ajit Dange to give his view. Shri Ajit Dange informed that 0.01% is not workable with SBI(FM). Further, Shri.Dange also informed that 0.01% of fee was charged by their predecessor SBISB on nomination basis and they had taken over on the same terms and conditions as a stop gap arrangement. He also stated that the total fee quoted is Rs.30 Lakhs but due to old relationship they have come down to 19 to 20 Lakhs on the basis of total portfolio of Rs.1900 crores. He further stated that such a large portfolio is required to be monitored on day to day basis.

4.3 Shri.Vivek Ashish stated that in the CEC meeting held on 04.12.2020, negotiation was done with the lone bidder wherein SBIFM offered a choice between revised annual fee quote of 0.01% on average total AUM or 0.07% of incremental investments. Shri.Vivek Ashish stated CEC has recommended 0.07% of incremental investment as it would be beneficial for SPFO.

4.4 Board approved the proposal of CEC.

4.5 Commissioner informed that EPFO is giving rate of interest at 8.65% in 2019-2020. SPFO has proposed 7.25%. Commissioner enquired with Shri. Ajit Dange whether they can sell equity share to improve the rate of interest for the f.y 2020-21 ? Mr. Dange stated that the accounting treatment of equity is not clear as actual sale and profit is booked. In case SPFO requires to declare higher rate of interest, then SPFO can sell equity and book profit. He further stated that the EPFO is been treating sale of equity as sale of asset. He further stated that equity is all time high after pandemic. Chairman stated if its benefit to us then can sell them.

4.6 Board decided that the Finance Sub-committee may look into the matter and book profit.

4.7 Chairman enquired whether M/s.CRISIL will help in agreement also. Accordingly Mr. Piyush informed that they will work with SPFO and prepare agreement though large clauses were covered in RFP. Board suggested that a separate agreement should be prepared including all the clauses.

Agenda item No.5

Status of Court Cases

5.1 Commissioner informed that there was no further progress in court cases except Rs 92.78 Crores which was lost in scam from Shri A.K Gond & Ors that Adv. Anil C Singh, Ld. ASG, Adv. Y.S Bhate, Sr.P.C and Adv.Atul Singh, P.C (ADR) are engaged to appear and conduct the case Accordingly, docket is sent to Adv Y.S Bhate on 19.11.2020 and Law Ministry on 09.12.2020 for Adv. Atul Singh.

5.2 Board noted the position.

Agenda item No.6

Clearance of un-posted items.

6.1 The un-posted items cleared during the period 18.07.2020 to 30.11.2020 was placed in agenda.

6.2 Board noted the position.

Agenda item No.7 Investment made for the period from 01.04.2020 to 30.06.2020.

7.1 Commissioner requested Shri.Ajit Dange to provide his view on investment. Accordingly Mr. Ajit Dange informed that the return annualized for the quarter ending June 2020 is 10.60% and quarter ending December 2020 is 10.52%. He further informed that they have received approval to enhance investment in equity from 5% to 15% in the month of August 2020. Therefore they have not taken aggressive call on private sector. He further stated that the 15% limit of investment benefits in longer period of 10 years.

7.2 Shri. Ajit Dange informed regarding IL&FS that the asset include Education, Waste management, Technolony, Real estate and Key International and IL & FS are currently underway and binding financial bids are expected stages over the next few month. He further stated that RBI appointed administrator Mr.R.Subramania Kumar and initiated proceedings of DHFL under the IBC Rule 2019. RBI has filed petition on 29.11.2019 with NCLT, Mumbai for initiation of corporate insolvency resolution process against DHFL. NCLT has passed an order dated 03.12.2019.

7.3 Shri.Dange informed that in respect of DHFL, NCLT has granted 90 more days to DHFL for resolution process of the company i.e. till 05.01.2021. He further stated that DHFL has been in default and pursuant to an order dated December 03, 2019 of the National Company Law Tribunal (NCLT), Mumbai Bench, the Corporate Insolvency Resolution Process (CIRP) has been initiated by the Reserve Bank of India (RBI) against the company as per the provisions of the Insolvency and Bankruptcy Code, 2016 (Code). The RBI has superseded DHFL's board of directors and appointed an Administrator, who is assisted by an Advisory Committee. Under the process, Expression of interests/Bids or resolution plans were sought for acquiring the company as a whole or in parts (retail/Wholesale/SRA). A ppt regarding various resolutions plans submitted by the entities ie. Oaktree capital, Piramal capital and Adani capital was explained in detail by Shri.Ravi Ratanpal, SBIMF. He further stated that SBIMF is required to participate in e-voting on behalf of SPFO towards the lenders of DHFL and the last date of submission is 13th January, 2021.

7.4 Board decided that Finance Sub-committee may meet tomorrow and recommend their proposal for e-voting by the lenders to SBIFM.

Agenda item No.8

Constitution of Board of Trustee .

8.1 A Revised Gazette Notification dated 19.10.2020 incorporating the changes requested by SPFO was placed for information.

8.2 The Board noted the position.

Table Paper No.1 :

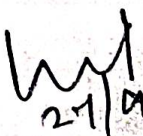
**Revised Estimates for the Financial year 2020-21 and
Budget Estimates for the Financial year 2021-22.**

T.1 The normal procedure is to prepare and place the budget with audited figures by November / December so that the same will be forwarded to the Ministry of Ports, Shipping and waterways for their approval prior to the commencement of ensuing financial year. Since, the rate of interest for the financial year 2019-2020 is received on 06.01.2021 the figures in revised estimates are un-audited.

T.2 As per the recommendation of Finance Sub-Committee, Board approved to forward the Revised Estimates for the financial year 2020-21 and Budget Estimates for the financial year 2021-22 to MoPSW for their approval.

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


23/01/2021
सचिव
न्यासी मंडल
नाविक अविष्य निधि


21/01/21
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