

MINUTES OF THE 145TH MEETING OF THE BOARD OF TRUSTEES OF THE SEAMENS' PROVIDENT FUND ORGANIZATION (SPFO), MUMBAI, HELD ON TUESDAY, THE 27TH JUNE, 2023 AT 10.30 A.M. IN THE CONFERENCE ROOM OF SEAMEN'S PROVIDENT FUND ORGANISATION, 3RD FLOOR, 'KRUPANIDHI' BUILDING, 9, WALCHAND HIRACHAND MARG, BALLARD ESTATE, MUMBAI-400 001.

The meeting was chaired by Shri. Rajiv Jalota, IAS, Director General of Shipping and Chairman of Board of Trustees, SPFO.

Following members were present in the Board: -

1. Shri. Rajiv Jalota, IAS	...	Chairman
2. Shri. Anil Kumar Dadhich (Attended online in virtual mode)	...	Member
3. Shri. Nikhil Nagar, Representative of EPFO	...	Member
4. Capt. Mahendra Pal Bhasin	...	Member
5. Capt. Manish Verma	...	Member
6. Shri. S Kalaikovan (Attended online in virtual mode)	...	Member
7. Shri. Surendra Kumar	...	Secretary

2. Capt. Rajesh Tandon vide email dated 20.06.2023 informed that due to previous commitments it may not be possible for him to attend the meeting. Also, Shri. Ashish, Sinha, DDG(Crew) vide email dated 22.06.2023 informed that due to official tour he will not be able to attend the meeting. Accordingly, leave of absence was granted to the above members.

3. At the outset of the meeting, Commissioner welcomed the Chairman Shri. Rajiv Jalota and all the members of the Board and thereafter, the agenda items were taken up for discussion.

3. Shri. Ajit Dange, Vice President, SBIFM, Portfolio Management Services and Shri. David Das, Shri. Piyush Mihir Shah, CRISIL, Consultant, Shri. Vaibhav Kedia, Internal Auditor of SPFO were invited as special invitees for briefing on investment matters and performance evaluation report of Portfolio Manager.

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

Agenda Item No.01: Confirmation of the Minutes of the 144th Meeting of The Board of Trustees, Seamen's Provident Fund Organization, held on 6th January, 2023.

1.1 Minutes of the 144th meeting of the Board of Trustees, Seamen's Provident Fund held on 06/01/2023 was confirmed without any modifications.

Agenda item No.02: Action Taken Report

(A) Pertaining to action points that had emerged in the 144th meeting held on 06/01/2023: -

Sr. No.	Agenda	Subject	Action taken	Decision taken
1.	Agenda item No.2, Sr.No.1 (under Action Taken Report) in the 144 th Board meeting held on 06.01.2023	E-Banking & Development of New Application Software in Microsoft Visual Basic (latest version) / Microsoft VB Net or any other latest Software	(a) Commissioner informed that a letter dated 02.06.2023 were sent to NICSI, New Delhi and copy to NICSI, Mumbai & M/s. Silicon Techlab Pvt Ltd for recovery of 15.50 lakh paid for re-engineering	a) Board noted the position.

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		Development Platform and switchover from existing System with migration of existing data.	of SPF Account System of SPFO and maintaining for 3 years. (b) Commissioner informed that as decided in 144 th BoT meeting, Committee comprising representative of FOSMA, MASSA and INSA was formed to select a vendor through e-tender in GeM, accordingly, 1 st meeting of software was held on 17.04.2023 on recommendation of NICSI, Board of trustees opinionated that Silver Touch Technologies (STT) empanelled vendor of NICSI should be given an opportunity to study the work flow of SPFO. Further a meeting was held on 9 th May 2023 wherein representative of STT given a presentation on SPFO. However, a presentation will also be given by STT for the members of the Board.	b) Miss. Surbhi, representative of Silver Touch Technologies (STT) gave a presentation on SPFO. Board decided that the further details may be discussed in the next BoT meeting.										
2.	Agenda item No.2, Sr.No.2 (under Action Taken Report) in the 144 th Board meeting held on 06.01.2023	Amendment in Recruitment Rules.	Commissioner informed that follow up letters dated 02.03.2023 & 07.06.2023 were sent to DGS for their recommendations on the suggestions received from the stake holders to this office on amendment of Recruitment Rules and hence the matter is being pursued with DGS.	Board noted the position.										
3.	Agenda item No.2, Sr.No.3 (under Action Taken Report) in the 144 th Board meeting held on 06.01.2023	Settlement of unclaimed amount of Rs.47.19 crores pertaining to 4483 seafarers.	Commissioner informed the up to date status as below:- <table border="1"><tr><td>OB 2022-23</td><td>5549</td></tr><tr><td>Less :Cases settled in 2022-23</td><td>484</td></tr><tr><td>Balance</td><td>5065</td></tr><tr><td>Addition : During the year 2022-23</td><td>2575</td></tr><tr><td>Balance as on 31.03.2023</td><td>7640</td></tr></table>	OB 2022-23	5549	Less :Cases settled in 2022-23	484	Balance	5065	Addition : During the year 2022-23	2575	Balance as on 31.03.2023	7640	The Commissioner briefed that list of unclaimed PF amount was published in the newspaper & Hon'ble chairman stated that only publishing may not be sufficient. It is requested to reach to the seafarer's residence if their addresses are available. Further, stated that there is a division in postal department who is reaching to the residence of the beneficiaries through postman. These postmen are giving the forms and get it filled up from the beneficiaries. The Board decided that a contract may be given to the post office with details of seafarers along with addresses and FW form which will be duly filled by
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			the seafarers and submitted to SPFO.
4.	Agenda item No.2, Sr.No.4 (under Action Taken Report) in the 144 th Board meeting held on 06.01.2023	Non-settlement of PF dues, due to various reasons for financial year from 1999-2000 to 2008-09.	Commissioner informed that out of 15 cases of Seafarers, 8 cases are still under process. Reminder letters were sent on 30.05.2023.
5	Agenda item No.2, Sr.No.5 (under Action Taken Report) in the 144 th Board meeting held on 06.01.2023	Exemption under Section 20 of Seamen's Provident Fund Act 1966 to Shipping Companies	Commissioner informed that Exemption Committee meeting could not be held due to non-availabilities of members of employee's representatives i.e., NUSI and MUI.
6.	Agenda item No.2, Sr.No.6 (under Action Taken Report) in the 144 th Board meeting held on 06.01.2023	Seafarers Annuity Fund Scheme for Seafarers	(1) The Commissioner informed that the proposed SPF Act after vetting by DGS was uploaded in the SPFO and DGS website for comments / suggestions of the stakeholders till 24.03.2023. After receiving comments / suggestion from stakeholders, a meeting was held on 25.04.2023 at DGS to review the comments / suggestion received and accordingly changes were done & sent to DGS for information. Accordingly, an email dated 15.06.2023 received from DGS to approve the "Draft amendment of SPF Act" from the Board and then DGS will forward the same to the Ministry. Commissioner further stated that the amended SPF Act after incorporating the comments / suggestions received is placed at (Annexure 'A') .
7.	Agenda item No.2, Sr.No.07 (under Action Taken Report) in the 144 th Board meeting held on 06.01.2023	Deposit of PF of officer by Indian shipping companies	(1)(a) Action completed. It is submitted that representatives of M/s. Goa Ore Carriers and M/s. Nav Bharat Carriers attended the hearing on 09.01.2023 stating that they had barges registered under IV Act and have no article. It was also informed that they have been depositing PF with EPFO and both has stopped the operations since sale of vessels took place. b) Action completed. Representative of M/s. Kan Enterprises attended the hearing on 30.01.23 and stated that they were depositing PF with EPFO

Board noted the position.

Board noted the position.

Board decided that the 'Draft amendment of SPF Act may be placed in the next Board meeting.

Board noted the position.

Board noted the position.

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			and were not aware of SPFO. Accordingly, the company registered with SPFO and started depositing PF from January 2023. c) Representative of M/s. Reliance India Ltd attended the hearing on 16.01.23 and they informed that they are depositing PF with their trust and requested for exemption. Since company has not started depositing, this office again issued a notice dated 10.04.2023 to attend the final enquiry on 26.04.2023. On hearing, they were granted 6 months' time to start depositing PF with SPFO and parallelly seek for exemption. d) A letter dated 10.02.2023 is received from SCI stating that they are reconciling the accumulated balance of all the regular officers which will be audited by external Chartered Accountant firm and requested for 6 months' time to complete the reconciliation, audit and transfer of fund. Accumulated PF of Rs. 52.70 Cr. was deposited on 31.03.2023 but PF statement is not received yet from the company. However, an email dated 29.05.2023 and 03.04.2023 were sent to SCI to provide PF statement. (2) A final notice was issued to DCI dated 06.03.2023 to attend the hearing on 24.03.2023 and order was passed to register with SPFO before 31.05.2023 and start depositing PF with SPFO. Accordingly, letter dated 18.05.2023 is received from DCI for registration with SPFO.	
8.	Agenda item No.2, Sr.No.08 (under Action Taken Report) in the 144 th Board meeting held on 06.01.2023	हिंदी अनुवादक के रिक्त पद को भरने संबंधी प्रस्ताव	Commissioner informed that out of 39 applications received only 4 applications are eligible. So due to minimum eligible applications, letter dated 11.05.2023 was sent to employment news for re-advertisement.	Board noted the position.
09.	Agenda item No.2, Sr.No.09 (under Action Taken Report) in the 144 th Board meeting held on 06.01.2023	Annual Account for the financial year 2020-21	Action completed. Commissioner informed that Annual Account for the financial year 2020-21 was placed in Rajya Sabha on 21.03.2023.	Board noted the position.

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10.	Agenda item No.2, Sr.No.10 (under Action Taken Report) in the 144 th Board meeting held on 06.01.2023	Annual Report on the working of Seamen's Provident Fund Scheme for the financial year 2020-21	Action completed. Commissioner informed that Annual Report for the financial year 2020-21 was placed in Rajya Sabha on 21.03.2023.	Board noted the position.
11.	Agenda item No.2, Sr.No.11 (under Action Taken Report) in the 144 th Board meeting held on 06.01.2023	To avail Investment Advisory services from SBI Funds Management Ltd for managing the investments of the SPFO's Four Funds (other than main Account).	Commissioner informed that final copy of agreement is sent to SBI Fund Management on 06.06.2023.	Board noted the position.
12.	Agenda item No.2, Sr.No.12 (under Action Taken Report) in the 144 th Board meeting held on 06.01.2023	Safe Custody of Sale of Agreement and share certificate of 'Krupanidhi Ltd', SPFO	Action completed. Commissioner informed that Agreement between SPFO and the Canara bank is completed on 13.02.2023 and locker key received on 01.03.2023.	Board noted the position.
13.	Agenda item No.2, Sr.No.13 (under Action Taken Report) in the 144 th Board meeting held on 06.01.2023	Performance Evaluation Report of Portfolio Manager assessed by CRISIL, Consultant	1) Commissioner informed that a letter dated 03.03.2023 was sent to Ministry of Port, Shipping and Waterways for approval to minimize investment under category (ii) i.e., 'Debt Instruments and related category' from 35% to 20%.	Board noted the position.
14.	Agenda item No.2, Sr.No.14 (under Action Taken Report) in the 144 th Board meeting held on 06.01.2023	Extension of Tenure of Custodian	Action completed. Commissioner informed that a clause has been amended as per SPFO and finalised in meeting held in January, 2023 and agreement was signed on 20.04.2023.	Board noted the position.
15.	Agenda item No.2, Sr.No.15 (under Action Taken Report) in the 144 th Board meeting held on 06.01.2023	Annual Accounts for the financial year 2021-22	Action completed. Commissioner informed that Annual Account for the financial year 2021-22 was sent to the Ministry of Port, Shipping and Waterways on 27.04.2023.	Board noted the position.
17.	Agenda item No.2, Sr.No.17 (under Action Taken Report), in the 144 th Board meeting held on 06.01.2023	Any other item with permission to the chair	1) Commissioner informed that an email dated 27.03.2023 sent to all the Shipping Companies to furnish details of agreement entered into for foreign flag vessels. But details of agreement are received only from 6 companies so, reminder mail is sent on 25.05.2023. 2) Commissioner informed that as per the Board's decision to hire	1) Board noted the position. 2) Board noted the position.

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			Chartered accountants for verifying the seafarers whose accounts is not opened with SPFO as per DGS records and recovery of PF amount from those shipping companies who have not deposited with SPFO is under process. Accordingly, SPFO will identify and issue notice to such companies. Accordingly, Bid for appointment of Chartered accountant firm was uploaded on GeM portal and the date of opening of technical bid is 03.07.2023.	
18	Agenda item No.2, Sr.No.18 (under Action Taken Report) in the 144 th Board meeting held on 06.01.2023	Selection Committee for the post of Administrative-cum-Accounts Officers (AAO) in SPFO	Commissioner informed that Applications are opened in February, 2023 in the presence of selection committee. Total 19 applications are received for Administrative-cum-Accounts Officers (AAO). The scrutiny of the applications is completed and final list sent to committee members on 19.05.2023.	Board noted the position.
19.	Agenda item No.4 in the 144 th Board meeting held on 06.01.2023	Fixation of rate of Interest for credit to the Members Account for the year 2022-23	Action completed. A letter dated 05.04.2023 received from Ministry of Port, Shipping and Waterways approving 7.60% rate of interest for F.Y. 2022-23. Accordingly, interest 7.60% was calculated in the system.	Board noted the position.
20.	Agenda item No.5 in the 144 th Board meeting held on 06.01.2023	Revised Estimates for the Financial year 2022-23 and Budget Estimates for the Financial Year 2023-24	Action completed. Revised Estimates for 2022-23 and Budget Estimates for 2023-24 is approved by Ministry of Ports, Shipping and Waterways on 27.04.2023.	Board noted the position.
21.	Agenda item No.9 in the 144 th Board meeting held on 06.01.2023	Any other item with permission to the Chair	Action completed. A 'Nomination Mela' was organised on 23.02.23 at 'Indian Sailor' Home Society' for Seafarers to guide / encourage to fill up the nomination form with SPFO and approximately 200 forms were collected.	Board noted the position.

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3.1 The Commissioner briefed the Annual Accounts to the members of the Board meeting. Hon'ble Chairman asked the reason of increase in PF contribution. The Commissioner explained that initially Shipping companies were depositing PF of ratings only due to wrong interpretation of definition of "Seamen". However, from last few years, shipping companies are depositing Provident Fund of officers as per the decision of Board. Then, Chairman enquired about the investment fund. The Commissioner informed that SBIFM is the portfolio manager of SPFO and the PF amount received from various shipping companies is transferred to PMS after keeping aside Rs.3 crores towards obligatory payment to seafarers. The Chairman enquired why the administrative expenses increased to Rs.6.36 crores as compared to the previous F.Y. 2021-22. The Commissioner informed that expenses are administrative expenses, salary of staff and contractual employees, pension to pensioners, apart from this a sum of Rs.3.06 crores transferred to Staff Pension and Gratuity Fund. The Commissioner elaborated that there was huge deficit in the Staff Pension and Gratuity Fund which is exclusively for the retirement liability of the Staff as observed by C&AG. Gradually over the years the available fund from Administration account is transferred to Staff Pension and Gratuity Fund. Due to the provision in Staff Pension and Gratuity fund the administration expenses were increased.

3.2 Chairman further enquired about the investment of the amount in Staff pension and Gratuity Fund and Commissioner informed that at present SPFO is investing the amount in FD's. However, Board has decided that the amount lying in other accounts except main account will be invested as per the guidelines of SBIFM and the matter is under process. The Chairman stated that Life Insurance Corporation of India gives good returns on pension and gratuity fund amount invested.

3.3 SPFO may also review the option of investment of staff Pension and Gratuity fund with LIC as per advice of SBIFM who is providing advisory services to SPFO for investment of this fund.

3.4 The Board deliberated on the Financial Statements of Accounts and adopted the Annual Account for the Financial Year 2022-23 as recommended by the Finance Sub-Committee.

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Agenda item No.4:-

Annual Report on working of Seamen's Provident Fund Scheme, 1966, for the year 2022-23.

4.1 Chairman enquired about any case under review in Vigilance unit and accordingly Commissioner informed that there is no case under review presently now. Chairman suggested that the vigilance cases may be transferred to DG Shipping, vigilance unit if required. The Commissioner informed that at present there is no vigilance case in SPFO.

4.2 On the recommendations of Finance Sub-Committee, the Board adopted the Annual Report for the financial year 2022-23.

Agenda item No.5:-

Re-appropriation of Expenditure incurred during the Financial Year 2022-23.

5.1 The recommendations of Finance Sub-Committee were considered by the Board and the re-appropriation of expenditure of the SPFO incurred during the financial year 2022-23 was approved by the Board.

Agenda item No.6:-

Filling of the vacant post in SPFO

6.1 The Commissioner informed that Finance Sub-Committee has approved to fill up the vacant post of 6 Junior Assistants. Chairman enquired whether SPFO requires 6 Junior Assistants. Accordingly, Commissioner informed that SPFO is mainly to manage a huge amount of corpus fund of Rs.2800 crores and though the fund is managed by the portfolio manager the accounting is maintained by SPFO. Also, Provident Fund and Administrative charges are growing cumulatively every year.

6.2 Hon'ble Chairman enquired that whether the accounting is computerised. The Commissioner informed that SPFO has in-house SPFO system wherein PF received, credited to seafarer's account, FW / NRW payment is made but it is obsolete and hence as per Board's decision, contract was given to develop new software but they were not able to give desired results. Hence, Board decided to terminate them and appoint a new software vendor through a committee comprising of members of MASSA, INSA and FOSMA in BoT. Chairman enquired whether SPFO is having a permanent staff for looking after the work of software and hardware. Accordingly, Commissioner informed that there is no one who can look after the old and new software.

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6.3 Chairman informed that DG Shipping has appointed two persons from software company who look after the work of e-governance, so similarly SPFO can appoint someone from NICSI to look after the work of system. He further suggested that SPFO can create a post for IT department which is very much required as huge fund involved. Chairman informed that Shri.Sanjay Joglekar is adviser to DGS regarding IT and suggested to take his advice which will be neutral and valuable.

6.4 Chairman further suggested that there are readymade software's which can be purchased with minimum customization and help of NICSI can be sought. Shri. Nikhil Nagar stated that there are some of the exempted establishments under EPFO who are managing their PF funds through software. He suggested that SPFO may contact and get details from these companies.

6.5 Board approved appointment of 5 Junior Assistant and to create one post for IT department.

Agenda item No.7:

Appointment of firm of Chartered / Cost Accountants as Internal Auditor for the Seamen's Provident Fund Organization, Mumbai for a period of 2 years i.e. 2023-24 and 2024-25.

7.1 The Commissioner informed that bid for appointment of internal auditor for next two years was uploaded on GeM portal and in response 20 bids are received. However, the technical bid and financial bid evaluation is under process.

7.2 Board noted the position.

Agenda item No.8:-

Request for Damages waive-off from Shipping companies

8.1 Commissioner informed that the matter was placed before the Finance Sub-Committee on its 74th meeting held on 26.06.2023 wherein it was decided to provide detailed report for decision and then to be placed before the Board. Hence, after the decision of the FSC, the matter will be placed before the Board.

8.2 Board noted the position.

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Agenda item No.9:-

**(For information) Status of Court Cases (Including
Doubtful Investment)**

9.1 Chairman enquired regarding the case of UPCSMFL and accordingly Commissioner informed that an email dated 04.05.2023 is received from UPCSMFL for attending meeting on 18.05.2023 for one time settlement. However, an email was sent on 16.05.2023 and a letter on 31.05.2023 to reschedule the meeting. Further, an email dated 31.05.2023 is received from UPCSMFL to give consent for one time settlement wherein UPCSMFL will pay the principal amount of Rs. 46 lakhs only. Accordingly, a reply email dated 16.06.2023 is sent to UPCSMFL to reschedule the meeting for further discussion.

9.2 Board noted the position.

Agenda item No.10:-

(For information) Clearance of unposted items

10.1 Commissioner informed that as on date the total unposted items are 14679 and maximum efforts are being taken to reduce the unposted item.

10.2 Board noted the position.

Agenda item No.11 :-

**Investment made for the period from 01.04.2022 to
31.03.2023**

11.1 Shri. Ajit Dange elaborated the investment details along with presentation on Investment made for the period from 01.04.2022 to 31.03.2023.

11.2 Board noted the position.

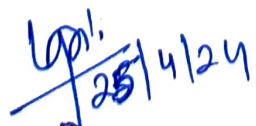
Agenda item No.12:-

**Performance Evaluation Report of Portfolio Manager
assessed by CRISIL, Consultant.**

12.1 Shri. David Das, CRISIL elaborated the PMS benchmark on investment & its present status of investment with presentation on Performance Evaluation Report of Portfolio Manager.

12.2 Board noted the position.

5. Meeting ended with vote of thanks to the Chair.


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