

MINUTES OF THE 146TH MEETING OF THE BOARD OF TRUSTEES OF THE SEAMENS' PROVIDENT FUND ORGANIZATION (SPFO), MUMBAI, HELD ON THURSDAY, 31ST AUGUST, 2023 AT 03.00 P.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. Shyam Jagannathan, IAS, Director General of Shipping and Hon'ble Chairman of Board of Trustees, SPFO.

Following members were present in the Board: -

1. Shri. Shyam Jagannathan, IAS	...	Chairman
2. Shri. Anil Kumar Dadhich (Attended online in virtual mode)	...	Member
3. Shri. Ashish Sinha, DDG Crew	...	Member
4. Shri. Nikhil Nagar, Representative of EPFO	...	Member
5. Capt. Rajesh Tandon	...	Member
6. Capt. Mahendra Pal Bhasin	...	Member
7. Shri. S Kalaikovan	...	Member
8. Shri. Surendra Kumar	...	Secretary

2. At the outset of the meeting, Commissioner welcomed the Hon'ble Chairman Shri. Shyam Jagannathan and all the members of the Board and thereafter, the agenda items were taken up for discussion. He also introduced Hon'ble Chairman to Board Members and vice-versa.

3. Shri. Ash Mohamad, DDG and Ms. Sindhura Polepalli were invited as special invitee to discuss Amendment of SPF Act and Scheme, 1966. Shri. Ajit Dange, Vice President, SBIFM, Portfolio Management Services and Shri. David Das, Shri. Piyush Mihir Shah, CRISIL, Consultant 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 145th Meeting of The Board of Trustees, Seamen's Provident Fund Organization, held on 27th June, 2023.

1.1 Shri. Nikhil Nagar stated that under para 6.4. "there are some of the exempted companies of EPFO who are managing the PF fund through software. He suggested that SPFO may contact and get details from those shipping companies" should be replaced with "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. "

1.2 Minutes of the 145th meeting of the Board of Trustees, Seamen's Provident Fund held on 27/06/2023 was confirmed with above modifications.

Agenda item No.02: Action Taken Report

(A) Pertaining to action points that had emerged in the 146th meeting held on 31/08/2023: -

Sr. No.	Agenda	Subject	Action taken	Decision taken
1.	Agenda item No.2, Sr.No.1 (under Action Taken Report) in the 145 th Board meeting held on 27.06.2023	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.	(a) Commissioner informed that a reminder email dated 22.08.2023 was 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 of SPF Account System of SPFO and maintaining for 3 years. (b) A separate Agenda is placed at	(a) Board noted the position. (b) The Matter was discuss

			Agenda no. 3.	further under Agenda no. 3.
2.	Agenda item No.2, Sr.No.2 (under Action Taken Report) in the 145 th Board meeting held on 27.06.2023	Amendment in Recruitment Rules.	Commissioner informed that letters dated 30.10.2021, 05.04.2022, 18.08.2022, 29.12.2022, 02.03.2023, 07.06.2023 & 14.08.2023 were sent to DGS to pursue with DGS.	Hon'ble Chairman directed Shri. Ash Mohamad, DDG to look into this matter expeditiously.
3.	Agenda item No.2, Sr.No.3 (under Action Taken Report) in the 145 th Board meeting held on 27.06.2023	Settlement of unclaimed amount of Rs.47.19 crores pertaining to 4483 seafarers.	Commissioner informed that a proposal vide letter dated 14.08.2023 is issued to Assistant Postmaster General for applicable service charges to identify and reach to residence of the beneficiaries through skilled services of Postal Department and get the requisite form filled up and submit to SPFO Commissioner. However, acceptance letter mentioning services charges is awaited.	Hon'ble Chairman enquired whether there is any provision in the Act or Scheme to address Unclaimed cases. Commissioner replied that no such provision exists. Hon'ble Chairman further said that concerned section should make year wise chart so that it will give the idea from when amount is unclaimed. Capt. Rajesh Tandon stated that Ageing should also be there and year wise data should also be given to NUSI, FOSMA & MASSA, INSA to search for seafarers. Shri. Nagar stated that Unclaimed data is sensitive, so EPFO contacts employee's last establishments providing only necessary data, not whole data. Capt. Bhasin further stated that SPFO should also contact shipping companies from seafarers last voyage details and try to contact them. Board directed the Commissioner to personally visit post office to expedite this matter and also check added level of scrutiny in EPFO's Internal process and submit in the next meeting for discussion. Board noted the position.
4.	Agenda item No.2, Sr.No.4 (under Action Taken Report) in the 145 th Board meeting held on 27.06.2023	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, eight cases are settled and reminder letters to remaining 7 cases were sent on 17.08.2023.	
5.	Agenda item No.2, Sr.No.5 (under Action Taken Report) in the 145 th Board meeting held on 27.06.2023	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.	Capt. Rajesh Tandon explained that intention to form this Committee was that some of the Shipping Companies have their own PF trust so they don't deposit in SPFO, hence seek exemption. Some of the Shipping companies wants to present their case, therefore this Committee need to be formed. Commissioner informed that

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			member is available. pending as no Capt. Bhasin said that one member from INSA & MUI should be called to discuss this matter for limited task for publication of a gazette notification of engagement of vacant posts of BoT member belongs to INSA and MUI. The Board agreed on the above proposal of Capt. Bhasin & decided to frame draft guidelines in line with EPFO exemption guidelines and put up this in the next Board meeting.
6. Agenda item No.2, Sr.No.6 (under Action Taken Report) in the 145th Board meeting held on 27.06.2023	Seafarers Annuity Fund Scheme for Seafarers	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 145th BOT Meeting. Board decided that the 'Draft amendment of SPF Act may be placed in the next Board meeting. It is informed that a PPT of "Draft amendment of SPF Act" is presented to the Hon'ble Chairman on 30.08.2023. The Board may approve the draft amendment of SPF Act.	1. Commissioner informed that Meeting regarding Amendment of SPF Act was held on 30th August, 2023 in the office of Directorate General of Shipping. Commissioner stated that it is a Central Legislation therefore requires to be sent to Government of India for necessary action. Hon'ble members if have any query regarding legal provision, they can discuss with DDG Shri. A. Mohomad who is present here. 2. Capt. Rajesh Tandon stated that they have agreed to pay 12% of wages as within capping of Rs. 15,000/- as PF, 8.33% as Gratuity but concerned about 10% Annuity which is as per bilateral agreement between employer and union. Annuity means self-financed from employees' contribution and there should not be mandatory contributions from employers towards Annuity. Therefore, only the employee has to contribute. If EPFO increases basic salary then SPFO should also follow the same for PF contribution and gratuity but annuity should not be additional obligation to the employer. Hon'ble Chairman stated that it will be recorded. 3. Shri. Nagar, Regional Provident Fund Commissioner – II, EPFO explained that 10 years back wage ceiling was determined at Rs.15,000/- which is inadequate, ESIC has wage ceiling of Rs.21,000/- EPFO can be used as a Benchmark but EPFO & ESIC also have high / low convention.

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				After detailed deliberation Hon'ble Chairman directed that the contention of the Employers must be recorded in the Minutes. The Board approved the draft proposal of Amendment of SPF Act and decided to send to the Government for further necessary action.
				Board noted the position.
7.	Agenda item No.2, Sr.No.07 (under Action Taken Report) in the 145 th Board meeting held on 27.06.2023	Deposit of PF of officer by Indian shipping companies	a) On hearing date 26/04/2023, M/s. Reliance India Ltd were granted 6 months' time i.e., till 26.11.2023 to start depositing PF with SPFO and parallelly seek for exemption. b) Action completed. Commissioner informed that PF return statement against PF deposited of Rs. 52.70 Cr is received from SCI on 22.08.2023. c) Commissioner informed that DCI is registered with SPFO however, an email dated 19.07.2023 is received before 31.05.2023 from DCI requesting to provide a clarification / information on queries regarding PF contributions, Pension Fund etc. Accordingly, a reply email 28.07.2023 is sent to DCI.	a) Board noted the position. b) Board noted the position. c) Board noted the position.
8.	Agenda item No.2, Sr.No.08 (under Action Taken Report) in the 145 th Board meeting held on 27.06.2023	हिंदी अनुवादक के रिक्त पद को भरने संबंधी प्रस्ताव	Commissioner informed that advertisement is again published in employment news from 20.05.2023 to 26.05.2023 and 8 new applications were received. However, in the initial scrutiny it is found that none of application is eligible for the post. Further, it is informed that advertisement was published in employment news on 8-14 January, 2022 and 17-23 September, 2022 wherein out of 39 applications received only 4 applicants were eligible.	Board directed to publish this advertisement in the Hindi regional newspapers of northern region.
9.	Agenda item No.2, Sr.No.11 (under Action Taken Report) in the 145 th Board meeting held on 27.06.2023	To avail Investment Advisory services from SBI Funds Management Ltd for managing the investments of the SPFO's Four Funds (other than main Account).	A final agreement is signed on 27.06.2023 and further, it is informed that KYC is necessary to avail investment advisory services from SBI Funds Management. Hence, form for up-dation of KYC is submitted to SBI Funds Management & further procedure is still in process.	The matter was discussed under Agenda no.6.
10.	Agenda item No.2, Sr.No.13 (under Action Taken Report) in the 145 th Board meeting held on 27.06.2023	Performance Evaluation Report of Portfolio Manager assessed by CRISIL, Consultant	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%. In this connection, representative of	Board noted the position.

			Ministry of Finance has scheduled a meeting on 02.08.2023 wherein it was decided that representative of SEBI and portfolio manager of SPFO may conduct a meeting in the presence of the Commissioner and inform the result to the Ministry. Accordingly, a meeting was held on 2 nd August, 2023 wherein Shri. Pradeep Ramakrishnan agreed with the SPFO's proposal to reduce investment under category (II) i.e. Debt instruments and related category from 35% to 25%. Accordingly, an email was sent to the Ministry of Finance on 21.08.2023 to approved the proposal.	
11.	Agenda item No.2, Sr.No.15 (under Action Taken Report) in the 145 th Board meeting held on 27.06.2023	Annual Accounts for the financial year 2021-22	The Annual Accounts and Annual report for the financial year 2021-22 were sent by the Ministry of Ports, Shipping & Waterways to place before the Lok Sabha & Rajya Sabha on 28.07.2023.	Board noted the position.
12.	Agenda item No.2, Sr.No.17 (under Action Taken Report), in the 145 th Board meeting held on 27.06.2023	Any other item with permission to the chair	Commissioner informed that as per the Board's decision to hire 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. The bid was cancelled due to technical reason and new terms and conditions were added in the appointment of internal auditor and the bid is uploaded on GeM portal. The date of opening of technical bid is 04.09.2023.	Board noted the position.
13.	Agenda item No.2, Sr.No.18 (under Action Taken Report) in the 145 th Board meeting held on 27.06.2023	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. An email was received from Shri Anil K Dadhich, Deputy Secretary, Government Representative, member of the selection Committee regarding eligibility and ineligibility of the candidates. In this connection, reply dated 15.06.2023 was sent to Shri Anil K Dadhich. Further, email was sent to the selection Committee on 20.07.2023 and 23.08.2023 for latest updates and reply is awaited.	Commissioner informed that there is 5 Members Selection Committee and S A.K. Dadhich had some do regarding age criteria which now clarified. Nomination in place of Man Verma and MUI should be sent to the Ministry. Board noted the position.

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14.	Agenda item No.3, in the 145 th Board meeting held on 27.06.2023	Annual Account for the Financial year 2022-23.	Commissioner informed that CAG audit is completed for the financial year 2022-23 and Audit Certificate is awaited.	Board noted the position.
15.	Agenda item No.4 in the 145 th Board meeting held on 27.06.2023	Annual Report on working of Seamen's Provident Fund Scheme, 1966, for the year 2022-23.	On the recommendations of Finance Sub-Committee, the Board adopted the Annual Report for the financial year 2022-23. CAG audit is completed for the financial year 2022-23 and Audit Certificate is awaited.	CAG audit is completed for the financial year 2022-23 and Audit Certificate is awaited.
16.	Agenda item No.6 in the 145 th Board meeting held on 27.06.2023	Filling of the vacant post in SPFO	A separate agenda is placed at agenda item no. 04.	The matter was discussed under agenda item No.4.
17.	Agenda item No.7 in the 145 th Board meeting held on 27.06.2023	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.	The Commissioner informed that previous bid for appointment of internal auditor for next two years was uploaded on GeM portal was cancelled due to technical reason. However, new terms and conditions were added in the appointment of internal auditor and the bid is uploaded on GeM portal. The date of opening of technical bid is 04.09.2023.	Board noted the position.

Agenda item no. 3:

Development of SPFO Software

3.1 Commissioner briefed Hon'ble Chairman about the developments of SPFO software issue. Capt. Rajesh Tandon said that we had given all inputs / suggestions in the Software Committee meeting and on that basis Silver Touch Technologies has already given presentation.

3.2 Further, Hon'ble Chairman enquired that whether User Acceptance Documents are prepared? who are the technical members from SPFO and what work has been done till date? Also asked about the work order and deliveries by NICSI, whether any technical and financial report is available?

3.3 Hon'ble Chairman advised that " Since presently multiple initiatives under I.T and E-Governance are being pursued for implementation at the Directorate General of Shipping and there are multiple platforms for E- Governance/ Examination Reform/ Comprehensive Grievance Redressal portal etc. It has been decided that three technical consultants shall be onboarded to study independently the technological aspects and present status of implementation and propose what should be the proposed technical solution there after the same shall be examined by senior strategic advisors (I.T and E Governance) and decision taken. This activity shall also encompass the SPFO and shall be undertaken without any cost implication to SPFO by the D.G Shipping establishment." Thereafter hiring of vendor will be done by SPFO.

3.4 The Board decided to process the development of software, as per the advice of the Hon'ble Chairman.

Agenda item no. 4

Formation of Recruitment Committee for Recruitment of 5 Junior Assistants in SPFO

Board decided that Recruitment Committee may be formed constituting of following members: -

1. Representative from NUSI

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2. DDG Crew
3. Representative from MASSA
4. Commissioner SPFO

**One time settlement of UP Co-operative Spinning Mills
Federation Ltd (UPCSMFL)**

Agenda no. 5

5.1 The Commissioner informed that a meeting was held in Lucknow on 3rd August, 2023 regarding proposal of one time settlement from UPCSML where in it was informed that UPCSML will disburse principal plus interest @16% for first 5 years and 9.5% for the remaining period till the date of realisation of amount. Accordingly, UPCSML has provided proposal of one time settlement along with interest on investment till 31.03.2023 amounting to Rs.1.60 crores. However, an email was sent to the Advocate S Priya on 16.08.2023 for legal opinion / suggestion on the matter and she in response vide email dated 17.08.2023 stated that "the decree which has been obtained against Defendant, the state of UP which had guaranteed the payment under the Bonds. The decree is for the principal claim in the suit is Rs. 46,00,000/- plus accrued interest till date of filing of suit which is approximately Rs. 79,00,000/- and the Court has awarded interest at the rate of 9% p.a. from the date of filing of suit till payment / realization. "Both the decretal amount and the settlement amount is more or less similar. Since the Defendant is offering to make payment to you under a onetime settlement offer, which will not entail further legal costs for enforcement etc., it is recommended by the FSC that the settlement offer be accepted and put an end to this long-standing dispute/ matter".

5.2 Board approved the recommendation of the Finance Sub-Committee on the proposal of one time settlement of UPCSML which is offered by the Govt. of UP as stated in 5.1 above.

Agenda no.6

**Board Resolution for Investment of SPFO's Four Accounts in
Mutual Funds**

6.1 Commissioner elaborated the whole process to Board that how fund is deployed on the basis of SBIFM advice.

6.2 Board decided to continue investing in Fixed deposits as per SPFO SOP and keep advisory services agreement on hold for time being as rate of interest on FDs is also increased and this will also results in saving advisory cost of Rs.1 lakh per annum plus taxes.

Agenda no. 7

**Formation of Consultancy Evaluation Committee for
Appointment of Consultant, Portfolio Manager and Custodian**

7.1 The Hon'ble Chairman enquired about bid value, how much fee PMS charged. AAAO replied that total Rs.39 lakh was paid to Portfolio Manager in the F.Y. 2022-23, Hon'ble Chairman directed to follow procedure of GFR Rule 183 (ii) Identification of likely sources - Where the estimated cost of the consulting services is above Rupees twenty-five lakhs, in addition to (i) an enquiry for seeking 'Expression of Interest' from consultants should be published on Central Public Procurement Portal (CPPP) at www.eprocure.gov.in and on GeM. An organisation having its own website should also publish all its advertised tender enquiries on the website. Enquiry for seeking Expression of Interest should include in brief, the broad scope of work or service, inputs to be provided by the Ministry or Department, eligibility and the pre-qualification criteria to be met by the consultant(s) and consultant's past experience in similar work or service. The consultants may also be asked to send their comments on the objectives and scope of the work or service projected in the enquiry. Adequate time should be allowed for getting responses from interested consultants".

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Board decided to form following members in the Consultancy Evaluation Committee (CEC)

1. Dy. Director General of Shipping (Crew)
2. Representative of MUI
3. Capt. Rajesh Tandon

Agenda item No. 8:- Status of court cases (Including Doubtful Investments)

8.1 The Commissioner informed that one court case of UPCSMFL was discussed in agenda item No.3 and the case of seaman "Shri. Brojen Chandra Dey" is further adjourned to 26.09.23.

8.2 Hon'ble Chairman stated that under consumer protection act there is timeline for original complaint and disposal time hence petition against them can be filed. Commissioner stated that advice will be taken from the Lawyer.

Agenda no. 9:- Clearance of Unposted Item

9.1 Hon'ble Chairman enquired from where CDC details are checked and Commissioner informed that we are verifying CDC data from DG shipping office.

9.2 Board decided that a list of unposted may be sent to FOSMA, MASSA, NUSI and INSA along with definition of 3 categories viz. Mismatch, Overlapping and Duplicate.

Agenda no. 10:- Investment made for the period from 01.04.2023 to 30.06.2023

10.1 Shri. Ajit Dange, representative of Portfolio Manager had presented Investment made of SPFO from 1st April to 31st July, 2023. The Board noted the position.

Agenda no. 11:- Performance Evaluation report of Portfolio Manager assessed by CRISIL, Consultant

11.1 Shri. David Das and Shri. Piyush Shah gave the presentation about benchmark achieved by Portfolio Manager, SPFO. Hon'ble Chairman instructed CRISIL to highlight benchmark in percentage form for better clarity to everyone. The Board noted the position.

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

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