

MINUTES OF THE 148TH MEETING OF THE BOARD OF TRUSTEES OF THE SEAMENS' PROVIDENT FUND ORGANIZATION (SPFO), MUMBAI, HELD ON THURSDAY, THE 15TH APRIL, 2024 AT 04.30 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.

Shri. Shyam Jagannathan, IAS, Director General of Shipping and Chairman of Board of Trustees, SPFO informed that he is busy in urgent meeting and directed to proceed with the meeting.

Following members were present in the Board: -

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|---|-----|-----------|
| 1. Shri. Rajesh Sharma, Dy. Secretary, Finance, MoPSW | ... | Member |
| 2. Shri. Nikhil Nagar, Representative of EPFO | ... | Member |
| 3. Capt. Rajesh Tandon | ... | Member |
| 4. Capt. Mahendra Pal Bhasin | ... | Member |
| 5. Shri. Surendra Kumar | ... | Secretary |

2. Shri. Daniel Joseph, DDG Crew and Shri. S Kalaikovan informed that due to some personal reasons it may not be possible for them to attend the meeting. Accordingly, leave of absence was granted to them.

3. At the outset of the meeting, Commissioner welcomed and introduced Shri. Rajesh Sharma, Director (Finance), Ministry of Ports, Shipping and Waterways (MoPSW) to all the members of the Board and thereafter, the agenda items were taken up for discussion.

3. Ms. Puja Kasat, Portfolio Management Services and Shri. David Das, Shri. Piyush Gupta, CRISIL, Consultant 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 147th Meeting of The Board of Trustees, Seamen's Provident Fund Organization, held on 4th January, 2024.

1.1 Commissioner informed that under Para 3.2 "The Commissioner clarified that no written commitment has been made to make this payment nor SBI consulted SPFO for finalizing the budget of the event' may be replaced with 'The Commissioner stated that an email dated 22.09.2023 was sent to SBI stating that the advance will be released after the approval of Competent Authority and SBI did not consult SPFO for finalizing the budget of the event'.

1.2 Minutes of the 147th meeting of the Board of Trustees, Seamen's Provident Fund held on 04/01/2024 was confirmed with the above minor modifications.

Agenda item No.02: Action Taken Report

(A) Pertaining to action points that had emerged in the 147th meeting held on 04/01/2024: -

Sr. No.	Agenda	Subject	Action taken	Decision taken
1.	Agenda item No.2, Sr.No.1 (under Action Taken Report) in the 147 th Board meeting held on 04.01.2024	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 the M/s. NT works will look after the source code handing over and taking over as expert on behalf of SPFO. (b) Commissioner informed that a presentation was made by two consultants on 20.03.2024. Accordingly, a separate Table Paper 4 is placed for decision of the Board.	(a) Board noted the position. (b) The matter is discussed at Table Paper No.4.
2.	Agenda item No.2, Sr.No.2 (under Action Taken Report) in the 147 th Board meeting held on 04.01.2024	Amendment in Recruitment Rules.	Commissioner informed that various letters are sent to DGS and the matter is still pending with DGS. Hon'ble Chairman directed Shri. Ash Mohammad, DDG to look into this matter expeditiously.	Board noted the position.
3.	Agenda item No.2, Sr.No.3 (under Action Taken Report) in the 147 th Board meeting held on 04.01.2024	Settlement of unclaimed amount of Rs.47.19 crores pertaining to 4483 seafarers.	1) Commissioner informed that SPFO has received a letter dated 19.01.2024 from Assistant Postmaster General regarding proposal to identify & reach the resident of the beneficiaries to get the required forms filled up. Accordingly, a letter dated 07.03.2024 was sent to the Assistant Postmaster General for Agreement & SOP. 2) Commissioner informed that as per Board's decision to start sending details of last voyage performed by seafarers in excel format for 100 / 200 seafarers, every month instead of 5000 unclaimed list, an email dated dated 01.03.2024 was sent to NUSI, MASSA, INSA along with a list of 280 seafarer's for further necessary action.	1) Board noted the position. 2) Board noted the position.
4.	Agenda item No.2, Sr.No.4 (under Action Taken Report) in the 147 th Board meeting held on 04.01.2024	Non-settlement of PF dues, due to various reasons for financial year from 1999-2000 to 2008-09.	Commissioner informed that 7 cases will be forwarded to the Postmaster General to identify and reach the residence of the beneficiaries once the agreement finalize between SPFO and Assistant Postmaster General.	Board noted the position.
5	Agenda item No.2, Sr.No.5 (under Action Taken Report) in the 147 th Board meeting held on 04.01.2024	Exemption under Section 20 of Seamen's Provident Fund Act 1966 to Shipping Companies	Commissioner informed that as decided in the 147 th BoT meeting, a proposed exemption guidelines are again circulated vide email dated 07.02.2024 for any suggestion/comments.	Capt. Rajesh Tandon requested to send the proposed exemption guidelines again.

			However, it is informed that comment is received from INSA vide email dated 09.01.2024. After receiving comments from other members, a meeting will be scheduled for further discussion.	
6.	Agenda item No.2, Sr.No.6 (under Action Taken Report) in the 147 th Board meeting held on 04.01.2024	Seafarers Annuity Fund Scheme for Seafarers	Commissioner informed that a reply to the queries raised by the Additional Secretary, MoPSW is sent vide letter dated 29.01.2024 along with SPF Amendment bill vetted by MSL Brach, DGS. Further, an email dated 09.02.2024 is received from MoPSW to draft cabinet note as per Handbook and provide a clarification on few points. Accordingly, a clarification is sent vide email dated 28.02.2024 along with revised draft cabinet note.	Capt. Rajesh Tandon stated that the associations (MAS and FOSMA) had submitted their comments / suggestions on the SPF Act but they have not received any updates from them. Commissioner informed that the comments received were discussed in the meeting with the Hon'ble Chairman on 25.04.2023 and was submitted to the Board in the 145 th Board meeting held on 27.06.2023 along with revised proposed amendment of SPF Act. Capt. Rajesh Tandon stated that their contention is also required to be sent to the Ministry and accordingly Commissioner informed that in the 146 th BoT meeting held on 31.08.2023, Hon'ble Chairman directed that the contention of the Employers must be recorded in the minutes. However, SPFO will forward their contention minuted to the Ministry with approval of Chairman.
7.	Agenda item No.2, Sr.No.08 (under Action Taken Report) in the 147 th Board meeting held on 04.01.2024	हिंदी अनुवादक के रिक्त पद को भरने संबंधी प्रस्ताव	Commissioner informed that Payment to outreach communication Bureau was released on 08.03.2024 and advertisement was published in Employment newspaper in Hindi spoken states from 23-29 March, 2024.	Board noted the position.
8.	Agenda item No.2, Sr.No.09 (under Action Taken Report) in the 147 th Board meeting held on 04.01.2024	Performance Evaluation Report of Portfolio Manager assessed by CRISIL, Consultant	Commissioner informed that a reminder email dated 13.12.2023 and 02.03.2024 is sent to the Ministry of Ports, 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.
9.	Agenda item No.2, Sr.No.10 (under Action Taken Report), in the 147 th Board	Recovery of PF amount	Commissioner informed that M/s. Chandra Gupta and Associates are appointed as Internal Auditor for two years i.e., 2023-24 and 2024-25 and agreement is signed on	The Board noted the position

	meeting held on 04.01.2024		06.03.2024. Accordingly, internal auditor will work out and provide the details after proper examination.	
10.	Agenda item No.2, Sr.No.11 (under Action Taken Report) in the 147 th Board meeting held on 04.01.2024	Selection Committee for the post of Administrative-cum-Accounts Officers (AAO) in SPFO	Commissioner informed that in the 146 th meeting the following members may be nominated in Selection Committee-: i) Director (Finance) Ministry of Shipping. ii), DDG Crew Ashish Sinha. iii) KSS Kowshik, INSA iv) Capt. M. P. Bhasin, MASSA As the members of selection Committee are not available, the further process could not be carried out.	Board noted the position.
11.	Agenda item No.2, Sr.No.12 (under Action Taken Report) in the 147 th Board meeting held on 04.01.2024	Annual Account for the Financial year 2022-23.	Commissioner informed that Annual Account for the Financial Year 2022-23 is placed before the Lok Sabha on 18.12.2023 and in Rajya Sabha on 19.12.2023.	Board noted the position.
12.	Agenda item No.2, Sr.No.13 (under Action Taken Report) in the 147 th Board meeting held on 04.01.2024	Annual Report on working of Seamen's Provident Fund Scheme, 1966, for the year 2022-23.	Commissioner informed that Annual Report for the Financial year 2022-23 is placed before the Lok Sabha on 18.12.2023 and in Rajya Sabha on 19.12.2023.	Board noted the position.
13.	Agenda item No.2, Sr.No.15 (under Action Taken Report) in the 147 th Board meeting held on 04.01.2024	Formation of Recruitment Committee for Recruitment of 5 Junior Assistants in SPFO	Commissioner informed that Board decided to form the Recruitment Committee constituting of following members: - 1. Representative from NUSI 2. DDG Crew 3. Representative from MASSA 4. Commissioner, SPFO However, a letter dated 13.12.2023 is issued to liaison officer, DGS for vetting the roaster. The matter is discussed with Liaison Officer of DG Shipping and as per his guidance L-type roaster is required to be prepared for further recruitment process which is under submission.	Board noted the position.
14.	Agenda item No.2, Sr.No.17 (under Action Taken Report) in the 147 th Board meeting held on 04.01.2024	Formation of Consultancy Evaluation Committee for Appointment of Consultant, Portfolio Manager and Custodian	The Commissioner informed that a letter dated 22.01.2024 is sent to CRISIL for initiating the process of engagement of Portfolio Manager and Custodian for SPFO. Accordingly, CRISIL informed the RFP will be submitted as on 07.03.2024.	Commissioner informed that the draft RFP will be submitted to CEC for approval after finalization.

15.	Agenda item No.2, Sr.No.19 (under Action Taken Report) in the 147 th Board meeting held on 04.01.2024	Clearance of Un-posted item	Commissioner informed that as requested by Capt. M P Bhasin an email dated 01.03.2024 is sent to MASSA with company wise unposted list. Further, an email dated 08.03.2024 is sent to INSA, FOSMA and copy to NUSI to provide their member shipping companies in order to send Company wise unposted list.	Board noted the position.
16.	Agenda item No.3, in the 147 th Board meeting held on 04.01.2024	Revised Estimates for the Financial Year 2023-24 and Budget Estimates for the Financial Year 2024-25	Commissioner informed that letter dated 12.02.2024 is sent to the Ministry for approval of the Revised Estimates for the Financial Year 2023-24 and Budget Estimates for the Financial Year 2024-25.	Board noted the position.
17.	Agenda item No.4, in the 147 th Board meeting held on 04.01.2024	Fixation of Rate of Interest for Credit to the Members Account for the Year 2023-24	a) Commissioner stated that a letter dated 12.02.2024 is sent to Ministry for approval of the Fixation of Rate of Interest for Credit to the Members Account for the Year 2023-24. b) Also, a letter dated 27.02.2024 was sent to the Portfolio Manager to sell some portion of the equity investments so that of may earn capital gain of may Rs.20 crores. Accordingly, the Portfolio Manager vide email dated 06.03.2024 informed that they have sold 15,50,000 units of Nifty ETF to book equity profit of Rs.20.31 crores.	Board noted the position.
18.	Agenda item No.6, in the 147 th Board meeting held on 04.01.2024	Approval for Expenditure for the Amount Exceeding the Delegation of the Financial Powers of the Commissioner	a) Commissioner informed that a separate Agenda regarding Resolution for recurring expenditure to be approved at the level of Commissioner is placed at agenda item no. 04. b) A separate agenda regarding approval of expenditure for the amount exceeding the Delegation of the Financial Powers of the Commissioner from October 23 to December 23 is placed at agenda item no. 06.	a) The matter was discussed under agenda item No.04. b) The matter was discussed under agenda item No.0.

19.	Agenda item No.7, in the 147 th Board meeting held on 04.01.2024	Closure of Canara Bank Accounts	Commissioner informed that a complaint was lodged with RBI Ombudsman portal regarding double payment of Rs.65,62,117.92 made by Canara Bank on 17.01.2024 but all the amount is still not received. Hence, it was decided to appeal with RBI Ombudsman however while applying for appeal it is stated that the matter is still pending with RBI and therefore cannot be processed for appeal.	Board noted the position.
20.	Agenda item No.8, in the 147 th Board meeting held on 04.01.2024	Appointment of Internal Auditor for the Seamen's Provident Fund for a period of 2 years i.e. 2023-24 and 2024-25	Commissioner informed that Board approved in its 147 th BoT meeting to appoint M/s. Chandra Gupta and Associates as internal auditor for Seamen's Provident Fund Organisation, Mumbai for a period of 2 years i.e. 2023-24 and 2024-25 for an amount of Rs.1,40,420/- p.a. Accordingly, Agreement is signed between M/s. Chandra Gupta and Associates and Seamen's Provident Fund Organisation on 06.03.2024.	Board noted the position.
21.	Agenda item No.9, in the 147 th Board meeting held on 04.01.2024	Board Resolution of Authorized Signatory for Investment of SPFO's Four Accounts in Fixed Deposits	1) Commissioner informed that in the 147th BoT meeting held on 04.01.2024, Board decided to place new draft resolution to authorize two officers as per normal practice for Government transactions to invest in SPFO's Four accounts i.e. Seamen's Staff General Provident Fund Account, Seamen's Provident Fund Staff Pension and Gratuity Account, Seamen's Provident Fund Forfeiture Account, Seamen's Provident Fund Administrative Account in the next Board meeting. Accordingly, a separate agenda is placed at agenda item No.3. 2) Commissioner informed that Board further decided to place details of the transaction of investments before the Board for information and accordingly a separate agenda is placed at agenda item No.12.	1) The matter is discussed under agenda item No.3. 2) The matter is discussed under agenda item No.12.
22.	Agenda item No.10, in the 147 th Board meeting held on 04.01.2024	Creation of 01 post of Deputy Commissioner and 01 post of Inspector in SPFO	Commissioner informed that a letter forwarding recruitment Rule for the post of Deputy Commissioner and inspector in SPFO is sent to Ministry with justification.	Board noted the position.

23.	Agenda item No.18, in the 147 th Board meeting held on 04.01.2024	Formation of Finance Committee.	1) Commissioner informed that a proposal for formation of Finance Committee was sent to the Hon'ble Chairman. However, it was directed to suggest member for Finance Committee. Therefore, email is sent to FOSMA, MASSA and INSA on 07.03.2024 to suggest a person who are specialist in finance and investment matters. Also, letter dated 14.03.2024 was sent to IIM Kolkata, Bangalore and Ahmedabad. Reply is awaited. 2). Further, in the 147th BoT meeting held on 04.01.2024 Chairman stated that DDG (Crew) will review the SPF Act and legal provision for introducing Seafarer's welfare schemes which can be brought in to implementation after proper examination i.e. when SPFO should reach out to seafarers for welfare scheme under legal framework. Accordingly, an email dated 05.03.2024 is sent to DDG (Crew) to update on the same.	1) Commissioner stated that there is no response received from any of the IIM's. Cap Mahendra P Bhasin stated SPFO to send the email to him. Board decided to send the mail to EPFO, head office also to suggestion of members Finance Committee. 2) Board noted the position.
24.	Table Paper No.2, in the 147 th Board meeting held on 04.01.2024	Engagement of Software consultant firm for Annual Maintenance Contract for SPFO website and application for Seamen's Provident Fund Organization, Mumbai for a period of 1 year	1) Commissioner informed that an email is sent to the present AMC vendor to vet the scope of work and reply is awaited. 2) Further, Commissioner informed that the Hon'ble Chairman approved the SPFO's proposal of updating the SPFO's website in bilingual and accordingly the work is awarded to M/s. N T works which is completed.	Board noted the position.

Agenda item No.3 :-

Board Resolution of Authorized Signatory for Investment of SPFO's Four accounts in Fixed Deposits.

3.1 Commissioner informed that in the 147th Board meeting, it was decided to place a resolution to give authorization two officers as authorized signatories for investment in other four accounts.

3.2 Board approved and the following Resolution is passed: -

RESOLUTION

AUTHORITY TO INVEST IN FIXED DEPOSITS

"RESOLVED THAT approval of the Board of Trustee of the SPFO be and is hereby accorded to make investment of surplus funds not immediately required for payment in the Fixed Deposits issued by banks, in respect of investment of SPFO's undermentioned four accounts:

1. Seamen's Staff General Provident Fund Account
2. Seamen's Provident Fund Staff Pension and Gratuity Account
3. Seamen's Provident Fund Forfeiture Account
4. Seamen's Provident Fund Administrative Account

RESOLVED FURTHER THAT, in supersession of all the earlier resolutions passed by the Board, the following shall be the signatories authorized to give instructions, sign and submit to invest redeem fixed term deposits of banks.

Name	Designation	Limit
Surendra Kumar	<u>Commissioner</u>	Jointly without any Limit
Bharat Parab	<u>Administrative/Assistant Accounts Officer (A/AAO)</u>	Jointly without any Limit

RESOLVED FURTHER THAT the specimen signature of the aforesaid signatories of the SPFO along with a certified True Copy of the Resolution duly certified by any of the Member of Board of Trustees, SPFO be furnished to the Banks for their reference and record."

(Specimen Signature)
Surendra Kumar
Commissioner

(Specimen Signature)
Bharat Parab
(A/AAO)

CERTIFIED TO BE TRUE FOR SEAMEN' SPROVIDENT FUND ORGANISATION

Chairman,
Board of Trustees,
Seamen's Provident Fund Organisation,
Mumbai

Agenda item no. 4:-

**Board Resolution for Approval of Expenditure for the
Amount Exceeding the Delegation of the Financial Powers
of the Commissioner**

4.1 Commissioner informed that in the 147th Board meeting, Board decided to place a separate Agenda regarding Resolution for recurring expenditure to be approved at the level of Commissioner.

4.2 Board approved and accordingly following Resolution is passed :-

RESOLUTION

AUTHORITY TO APPROVE RECURRING EXPENSES OVER AND ABOVE THE DELEGATION OF FINANCIAL POWER OF COMMISSIONER

"RESOLVED THAT Board of Trustee of the SPFO be and is hereby accorded to approve the recurring expenses at the level of Commissioner. The list of the expenses are as under:-

1. Salary of staff/officers & Pension
2. Salary of Contractual employees
3. Tax
4. Telephone / Mobile Bills
5. Maintenance of Office Building
6. Conveyance
7. Other Contingent Expenses

CERTIFIED TO BE TRUE

FOR SEAMEN' SPROVIDENT FUND ORGANISATION

Chairman,
Board of Trustees,
Seamen's Provident Fund Organisation,
Mumbai

Agenda item no. 5:-

Damages on late receipt of PF statement

5.1 Commissioner informed that in the 142nd meeting of the Board of Trustees held on 18.07.2022, an agenda was placed wherein it is proposed to levy damages at par with damages charges levied for delayed payment of PF contribution i.e. 15% p.a. on the companies who are depositing amount in SPFO's account but not uploading PF return statement. The Board decided to give 30 days' grace period as applicable to PF contribution to the shipping companies those who are depositing PF amount directly in the SPFO bank account but not uploading / submitting PF return statement in SPFO. Thereafter penalty to be levied on the companies for late submission of PF return statements @Rs.10,000/- per month for first three months and Rs.20,000/- per month after 3 months till submission of PF statements.

5.2 Commissioner further informed that Comptroller Auditor General (CAG) observation in their performance audit conducted for 01.04.2017 to 31.03.2022 was that the Board decision pertaining to SPF Act and Scheme, 1966 should be endorsed to the Ministry. Hence, the agenda is placed to decide that; SPFO may send the proposal to issue Gazette Notification informing the decision of the Board and till then hold the decision of penalty to shipping companies.

5.3 Board decided that SPFO may send a proposal to Ministry to issue Gazette Notification regarding penalty on late submission of PF statement and till then hold the decision of Board.

Agenda item no. 6:-

Approval for Expenditure for the Amount Exceeding the Delegation of the Financial Powers of the Commissioner

6.1 Commissioner informed that the expenditure incurred over and above the financial delegation of power under Para 21 of SPF Act & Scheme, 1966 for the period from 01.10.2023 to 31.12.2023 is submitted for information of the Board.

6.2 Board approved the expenditure.

Agenda item no. 7: - **Enhancement of Financial Powers Delegated to Commissioner and Chairman, SPFO**

7.1 Commissioner informed that the financial powers of Commissioner is not enhance since 2010 as ascertained from available records and hence it is proposed to enhance the financial powers delegated to Commissioner and Chairman.

7.2 Board deferred the matter to the next Board meeting.

Agenda item no. 8: - **One time settlement of UP Co-operative Spinning Mills Federation Ltd. (UPCSMFL)**

8.1 Commissioner informed that in the 146th Meeting of Board of Trustees held on 31.08.2023, the Board has approved the proposal of one time settlement of UPCSML offered by the Government of UP on principal amount of Rs. 46,00,000/- @ 16% for first 5 years and 9.5% for the remaining period till the date of realisation of amount and accordingly a letter was sent on 18.09.2023.

8.2. However, a letter dated 07.02.2024 is received from UPCSML to submit documents duly signed by the authorized signatory along with agreement for final settlement of debenture bonds wherein it is observed that in the agreement the date of receipt of interest is till 31.03.2023 whereas in the meeting held on 03.08.2023 at Lucknow with Commissioner, SPFO & UPCSML, UPCSML had informed that interest will be received till the realisation of amount. Hence, an email dated 01.03.2024 was sent to UPCSML to clarify on the issue. Accordingly, an email dated 04.03.2024 is received from UPCSML informing that Government of UP has decided the payment of interest to the bond holders will be made @9.5% after maturity up to 31.03.2023 and accordingly funds has been released.

8.3 Board decided to accept the proposal offered by UPCSML for payment of interest to the bond holders @9.5% after maturity up to 31.03.2023.

Agenda item no. 9:- **Extension of Tenure of Portfolio Manager and Custodian**

9.1 Commissioner informed that SBI FM was appointed as Portfolio Manager of SPFO and SBI SG as Custodian of SPFO vide agreement dated 01.04.2021 for 2 years i.e., 2021-22 and 2022-23, which was further extended for a period of one year i.e., till 31.03.2024. Also, the work pertaining to engagement of Portfolio Manager and Custodian has been assigned to M/s CRISIL and SPFO is in process of placing the draft Request for Proposal (RFP) to CEC Committee for approval.

9.2 Meanwhile M/s CRISIL, Consultant vide their email dated 26.02.2024 intimated that a period of 05 months is required for completing the process of onboarding of Portfolio Manager and Custodian.

9.3 Board approved the proposal to extend the tenure of Portfolio Manager and Custodian for a period of 5 months or till onboarding of new Portfolio Manager and Custodian is done whichever is earlier.

Agenda item no.10(For information):- **Status of Court Cases (Including Doubtful Investment).**

10.1 Commissioner informed that Adv. Uma Wagle informed that the court case for recovery of Rs.92.78 crores is now verified by the Hon'ble Court and all the requirements for the next step to move the matter before the Court is completed.

10.2 Board noted the position.

Agenda item no.11(For information):-

Clearance of Un-posted Items

11.1 Commissioner updated the members on the un-posted items and Board note the position.

Agenda item no.12(For information):-

Details of Investment Made of 4 Accounts

12.1 Commissioner informed that the agenda is placed for information to the Board regarding various investments made in the other 4 Accounts.

12.2 Board noted the position.

Agenda item no. 13(For information): -

Investment made for the period from 01.04.2023 to 31.10.2023

13.1 Capt. Rajesh Tandon requested Ms. Puja Kasat, Portfolio Management Services to elaborate on the investment till 31st March 2024 and whether the pattern of investment is maintained in March 2024. Ms. Puja Kasat elaborated the portfolio performance as on 28.03.2024 stating that 28th was the last working day in March 2024 and further mentioned that in 2022-23 the annualized returns were 6.55% due to investment in DHFL. However, in 2023-24 the annualized returns are 10.39%. Ms. Puja Kasat informed that the pattern of investment was maintained in March 2024. Ms. Puja also mentioned that they have purchased securities of AAA in March 2024.

13.2 Board noted the position.

Agenda item no.14:-

Performance Evaluation Report of Portfolio Manager assessed by CRISIL, Consultant

14.1 Shri. David Das, representative of CRISIL Ltd, consultant, elaborated the PMS benchmark on investment & its present status of investment with presentation on Performance Evaluation Report of Portfolio Manager till February, 2024. Capt. Rajesh Tandon stated that the portfolio manager elaborated on investment till March 2024 and therefore he informed to do the same. Shri. David Das informed that they have received the details of investment today and it takes time to verify hence he is updating till February 2024.

14.2 Board decided that the Performance Evaluation Report of Portfolio Manager assessed by CRISIL for the month of March 2024 should be sent to all the members.

Table Paper No. 1:-

Members of Audit Committee of SPFO

T.P.1.1 Commissioner informed that an Audit Committee of SPFO is reviewing the audit reports of SPFO and providing their suggestions / comments on the report is consisted of Capt.Rajesh Tandon and representative of INSA and NUSI which are vacant. Commissioner further informed that a letter is already sent to the Ministry to change the nomination in Gazette Notification for the vacant members of Indian National Shipowners' Association (INSA) and National Seafarers of India (NUSI) which is under consideration.

T.P.1.2 Board decided that the matter may be sent to the Hon'ble Chairman for recommendation and approval.

Table Paper No.2:-**Payment to State Bank of India towards meeting of Committee on Subordinate Legislation (COSL), Lok Sabha Secretariats in Andaman and Nicobar Island.**

T.P.2.1 Commissioner informed that an email dated 22.09.2023 was received from SBI Port Blair requesting to pay Rs. 20 Lakhs as advance towards expenditure towards COSL. Accordingly, SPFO in its reply via email dated 22.09.2023 stated that the advance will be released after the approval of the competent authority.

T.P.2.2 However, a letter dated 23.10.2023 was received from SBI Port Blair towards actual expenses incurred for COSL in which SPFO's share is Rs. 13.17 Lakhs. Reminder emails dated 19.01.2024, 06.03.2024 and 14.03.2024 are received from SBI Port Blair for payment of expenses incurred.

T.P.2.3 Board directed SPFO to take guidance from the Hon'ble Chairman.

Table Paper No. 3:-**Delay in payment of Provident Fund Contributions**

T.P.3.1 Commissioner informed that in the 142nd BoT meeting held on 18th July, 2022 the Board decided that damages / penalty / charges on late receipt of PF contributions should be levied with effect from the end of succeeding calendar month instead of 30 days in which seafarer has signed off. Further, as per Section 3(1) which is read as "The Government may, by notification in the Gazette Notification add to, amend, vary or rescind the Scheme. Accordingly, a letter dated 23.11.2023 was sent to the MoPSW to issue Gazette Notification to that effect.

T.P.3.2 Commissioner further informed that it is proposed that till the Gazette notification is received from the Ministry, SPFO may levy damages on late receipt of Provident Fund beyond 30 days and issue penalty/interest letter to shipping companies accordingly.

T.P.3.3 Board approved the proposal.

Table Paper No. 4:-**Development of New SPFO Software**

T.P.4.1 Board decided to defer the matter to next Board of trustee meeting.

Table Paper No. 5:-**Amendment in Investment policy of SPFO**

T.P.5.1 Commissioner informed that an email dated 9th April 2024 is received from SBI, Funds Management Ltd, portfolio manager of SPFO wherein it is proposed to increase the issuer limits for AAA rated PSUs to 10% of AUM. Accordingly, an email dated 10.04.2024 has been sent to the CRISIL, Consultant and in response an email is received stating that as per the investment policy of SPFO, investment in corporate bond is allowed into AAA / AA+ rated PSU issuers. The limit for investment in Category II is 35% - 45% of the incremental funds received during the year which is to be adhered at the end of financial year.

T.P.5.2 Further, Shri.David Das informed that currently around 35% of overall SPFO portfolio is invested in Cat II as on February'24 which translates to single issuer limit of 3.5% (for AAA PSU issuer) as a percentage of total portfolio of SPFO. The proposed recommendation by portfolio manager to increase the single issuer limit to 10% as a percentage of total portfolio of SPFO will result into two-fold increase in the single issuer limit. This will lead to higher concentration risk in the SPFO's corporate bond portfolio. We would like to highlight that the prudential norm to keep single issuer limit at 10% for AAA and 5% for AA+ rated PSU issuers was adopted in the investment policy of SPFO with the objective of addressing the concentration risk in the corporate bond portfolio. Based on the above scenario, SPFO may review the lower limit for category II investments from 35% to 20% (which is also adopted by institutional investor like EPFO). Accordingly, the upper limit for Category I

may be revised to provide for the benefit of reduced category II limit. This will address the concern raised by the portfolio managers and also provide the following benefits:

1. Flexibility to portfolio manager in investment management through asset allocation.
2. Improvement in the overall credit quality of the SPFO portfolio.

T.P.5.3 Commissioner informed that a proposal to lower the limit for category II investments from 35% to 20% is already sent to the Ministry for approval.

T.P.5.4 Board deferred the matter to the next Board of Trustee meeting.

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


05/11/2024
सचिव
न्यासी मंडल
न्यायिक अधिकार निधि
मुंबई


05/11/24
अध्यक्ष
न्यासी मंडल
न्यायिक अधिकार निधि
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