10



MINUTES OF THE 133rd MEETING OF THE BOARD OF TRUSTEES OF THE SEAMENS' PROVIDENT FUND ORGANIZATION (SPFO), MUMBAI, HELD ON MONDAY, THE 18th FEBRUARY, 2019 AT 03.30 P.M IN THE CONFERENCE ROOM OF THE DIRECTORATE GENERAL OF SHIPPING, MUMBAI–400 042.

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. Capt. Rajesh Tandon ... Member
2. Shri.Kalaikovan ... Member
3. Shri. SubhashBarguzer ... Member / Secretary
4. Shri.D.S. Ramesh ... Admn-cum-Accounts Officer

2. Shri.Shambu Singh, Financial Adviser, MoS telephonically on 14.02.2019 and Shri.Abdulgani Y Serang vide letter dated 12.02.2019 informed that they will not be able to attend the meeting as they would be out of station during the time of meeting. Shri. S. K Aggarwal, Central Provident Fund Commissioner, EPFO vide email dated 18.02.2019 informed that he will not be able to attend the meeting due to urgent official assignment. Shri.Amar Singh Thakur vide email dated 03.09.2018 informed that due to preoccupied assignments he will not be able to attend the meeting and Shri.Balakrishna M Ranade attended the meeting on his behalf. Capt. S .M Hathe attended the meeting in place of Shri.Vinay Singh and Ms.Vaishali S Ladi attended the meeting in place of Shri.N.R.Saraiya. Accordingly leave of absence was granted to the above members. Shri A. Srinivas Ramaseshu (AGM & Chief Dealer) of SBI, portfolio manager of SPFO was invited as a special invitee for briefing on IL&FS and DHFL and other investment matters.

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

4. Thereafter, the following Agenda Items were taken up for discussion.

Agenda Item No. 1: **Confirmation of the Minutes of the 132nd Meeting of the Board of Trustees, Seamen's Provident Fund Organization, Mumbai held on 04/09/2018.**

1.1 Capt.Rajesh Tandon stated that under Agenda item No.2, S.No.14, the words should be "Indian Shipping Companies" in place of "all the Shipping companies" for depositing PF contribution of Officers.

1.2 Minutes of the 132nd meeting of the Board of Trustees, Seamen's Provident Fund held on 4th September, 2018 was confirmed with above modification.

Agenda item No.2 : **Action Taken Report**

(A) Pertaining to action points that had emerged in the 132nd meeting held on 04/09/2018:-

S. No.	Agenda	Subject	Action taken	Decision taken
1	Agenda item No.2, Sr.No.1 (under Action Taken Report) in the 132nd Board meeting held on 04.09.2018	(Digitization of old records of SPFO).	Secretary briefed the members that the work of digitization commenced on 13.07.2018 and under 'A' category 1,46,000 records has been digitized. The Board noted the position. The proposal for digitization of category 'B' and 'C' has been sent to the NICSI on 08.01.2019.	The Board decided that all records to be digitized should be classified in to three categories "A" - Permanent records, "B" - scanned form of record and "C" - disposed after scan. Digitization of records shall be done on priority as per above category wise i.e. category "A" first then category "B" and if budget permits category "C" shall be digitized. The Board deliberated on the decision of "Digitizing Records classified as 'C' if budget permits" and on learning that provision has been made in the revised budget in the financial year 2018-19 and Budget estimates for the F.Y 2019-20 decided that all categories of records including "C" should be digitized.
2	Agenda item No.2, Sr.No.2 (under Action Taken Report) in the 132nd Board meeting held on 04.09.2018	E – Banking & Development of New Application Software in Microsoft Visual Basic (latest version) / Microsoft VB Net or any other latest Software Development Platform and switchover from existing System with migration of existing data.	(1)Request was placed with NICSI for providing cloud space. The PI Performa was raised for the same by NICSI and an amount of Rs.1,92,633/- has been released on 18.01.2019 for the period of 1st January, 2019 to 31st March, 2019. 2) M/s.STPL demonstrated the new SPFO software developed by them on 02.11.2018 in the conference	(1) It was decided in the previous meeting that DGS will facilitate cloud services to SPFO. But as of now temporary arrangement is being made for storage in server cloud with NICSI. Chairman informed that the E-gov may take approx 1 year for development. Board noted the position. (2)(a) Board enquired if vendor has crossed the deadline then is there any

			room of the Principal Officer, MMD, at Pratistha Bhavan in the presence of Chairperson and Commissioner, SPFO. Shri.Ajit Sarangi, Director of M/s.STPL displayed 2 online user module as shown below:- 1) Seafarer Login 2) Shipping Company Login It was decided for testing the software and preparing the user manuals within stipulated time. Chairperson instructed M/s.STPL to organise a demonstration for all the members of Board of Trustees and representatives of Shipping companies and Seafarers to know the view of them after completing / modify the module. Further Chairperson directed to issue circular/ guidelines/ user manual of SPFO software wherein the official from DGS, Shipping Master's Office, MMD Officer, SWFS are directed to refer seafarers, ship owners and RPSL agents to visit the SPFO website and to share their views on e-mail Phani.kiran@silicontechlab.com which will be placed in DGS website. Testing and modifying of the software is under process. 3) An email dated 18.01.2019 was sent to STPL to visit EPFO office for studying the software and accordingly STPL vide email dated 22.01.2019 stating that they will send one of the team member there and will let us know accordingly.	penalty provision in the agreement. AAAO informed that the payment is made through NICSI to the vendor as per the work order dated 18.01.2018 by NICSI. "Any delay, not condoned by NICSI, on the part of agency in the performance of its obligations shall attract penalty as detailed in the work order. Board decided that penalty to be charged may be informed to NICSI for the delay in development of software by the vendor. (2)(b) After prolonged discussion it was decided that a demo to be organised to the Commissioner and staff of SPFO and then to representatives of all stakeholders and trustee members. (3) Secretary informed that they will be visiting EPFO office for studying their software.
3	Agenda item No.2, Sr.No.3 (under Action Taken Report) in the 132nd Board meeting held on 04.09.2018	Changes Suggested in SPF Act / Scheme on the basis of EPF Act / Scheme - Formation of Investment Monitoring Cell & Appointment of Concurrent Auditor.	A letter dated 14.08.2018 and an email dated 07.09.2018 was sent to EPFO, New Delhi and again a reminder on 6th February, 2019 was sent to EPFO for nominating a relevant expert authority as a member of the Committee to monitor investment. The matter is being followed up regularly. Reply is awaited.	Secretary stated that a Finance Sub-Committee looks after the monitoring of investment wherein 5 members are nominated from the members of BoT. However, there is no expertise in SPFO for monitoring investment therefore it was earlier decided by the Board that one member from EPFO who

				is expert in investment matter is required to be nominated. In this connection, Shri A. Srinivas Ramaseshu (AGM & Chief Dealer) of SBI, portfolio manager of SPFO informed that SBI is given power of attorney to invest the fund of SPFO and investment is done as per pattern prescribed by the Government. He further informed that they provide breakup of investment, inputs to SPFO on monthly basis for information. The Board decided to maintain status quo in this connection.				
4	Agenda item No.2, Sr.No.4 (under Action Taken Report) in the 132nd Board meeting held on 04.09.2018	Amendment in Recruitment Rules.	(1)A letter dated 12.07.2018 has been sent to DGS, Mumbai to intimate latest status of the proposal of general pool accommodation to Commissioner and the reply is awaited. 2) The proposal for amendment of RR of SPFO staff members is under submission to DGS.	(1)The Board noted the position. (2) Secretary informed that RR for staff has been already submitted to DGS for approval. Chairman enquired whether it is required to be sent to Ministry for approval. Accordingly, it was informed that only DGS approval is required for RR of staff and thereafter the same may be notified in Gazette of India.				
	Agenda item No.2, Sr.No.5 (under Action Taken Report) in the 132nd Board meeting held on 04.09.2018	Clearance of Un-posted Items.	(1)As per the instructions to submit progressive report, a noting for clearance of un-posted items as on 31.10.2018 was submitted to the Chairperson on 29.11.2018 wherein she has given remark "Good". (2) As per the Board's decision, timely extra manpower was provided to expedite for clearing un-posted items and the latest position is placed at agenda item No.07.	Board noted the position.				
	Agenda item No.2, Sr.No.6 (under Action	Settlement of unclaimed amount of seafarers of the unclaimed amount of	A list of age wise and amount wise data of seafarers' unclaimed amount is annexed as **annexure**	Secretary briefed the members and stated that addresses of Seafarers who				

Taken Report) in the 132nd Board meeting held on 04.09.2018	Rs.47.19 crores.	**'A'**for information to Board. The Board may decide.	have not claimed PF are no available with SPFO and the list was forwarded to DGS and NUSI. Capt.Rajesh Tandon enquired as to how many cases have been settled and accordingly AAAO informed that 553 cases amounting Rs.15.38 crores has been settled as on date. Chairman enquired whether the same was uploaded in website and accordingly Secretary informed that the list of unclaimed records has been uploaded in SPFO website. Chairman observed that the amount lying as unclaimed for Rs.100 to Rs.2000 was only Rs.10 lakhs but the major amount of unclaimed is from Rs.5000 to Rs. 20 lakhs amounting to Rs.46 crores. Board decided to send the list of Seafarers of unclaimed amount to all the shipping Masters and DGS E-gov for obtaining data of Seafarers to settle the unclaimed amounts.
7 Agenda item No.2, Sr.No.10 (under Action Taken Report) in the 132nd Board meeting held on 04.09.2018	Actuarial Valuation for SPF Staff / Officers, Pensioners, Gratuity, Leave Encashment, etc.	(1)No further letters are received from the Ministry of Shipping regarding recoupment of 11.23 crores under the head "Staff Pension Gratuity Fund Account" as per Actuarial valuation report as on 31.03.2016. However a reminder was sent to them on 23rd August, 2018. Reply is awaited. (2) Global Risk Consultants has submitted actuarial valuation of Rs.14.58 crores for the financial year 2016-17. Further, data for actuarial valuation for the financial year 2017-18 has been sent to the Global Risk Consultants on 03.01.2019.Reply is awaited.	Chairman enquired as to how many pensioners are there for actuarial valuation and accordingly AAAO informed that there are 32 pensioners and C&AG is raising query on making provision for "Staff Pension Gratuity Fund Account" to fill up the gap which was 11.23 crores as per actuarial valuation for the F.Y 2015-16. AAAO further informed that provision is being made in the budget every financial year for transfer of some amount to "Staff Pension Gratuity Fund Account" within the budget. AAAO further stated that as per actuarial valuation 31.03.2017, the total liabilities in "Staff Pensio

				Gratuity Fund Account" is Rs.14.58crores however the total investment as on 31.03.2018 is Rs.7.37 crores. However, the shortage of the fund may be recouped every year after making the provision within the budget. In the F.Y 2018-19 Rs.1.40 crore has been transferred to "Staff Pension Gratuity Fund Account". The actuarial valuation for the F.Y 2017-18 is under process. Board decided to take up the matter with CA to work out to achieve the goal in 3 years time. Board also decided that the Unions may write to their members to send PF of officers which will increase admn charges income.			
	Agenda item No.2, Sr.No.11 (under Action Taken Report) in the 132nd Board meeting held on 04.09.2018	Appointment of one Hindi translator on contract basis.	A fresh contract is awarded to M/s.Shree Consultancy for the work of Hindi translation w.e.f.01.12.2018 but till date the firm has not provided the service. The work presently is being done from outside on payment.	Board noted the position.			
	Agenda item No.2, Sr.No.12 (under Action Taken Report)in the 132nd Board meeting held on 04.09.2018	Internal Repair / Renovation of office premises of SPFO.	(1) The work of renovation / repair is under process by CPWD. The expected time for completion of work is June 2019. (2) It is submitted that the reply is awaited from MbPT.	Chairman enquired as to why the contract for renovation / repair was given to CPWD. Accordingly, Secretary informed that the matter was placed in the Board and the Board awarded the contract to CPWD. (2) Secretary briefed that in spite of correspondence and continuous follow-ups with MbPT for providing space for office premises in their area, the matter was delayed. Therefore, it was decided to shift the office in "Nav Bhavan' because the SPFO premises was endangered witnessing heavy leakage and failure of false ceiling etc.			

10	Agenda item No.2, Sr.No.13 (under Action Taken Report) in the 132nd Board meeting held on 04.09.2018	Revision of Pay Scales as recommended by the 7th Pay Commission for the Officers, Staff and Pensioners of the organization.	**Action completed.** The arrears to the pensioners of SPFO amounting Rs.26,27,437/- has been transferred through RTGS to respective pensioners account on 12.10.2018.	Board noted the position.
11	Agenda item No.2,Sr.No.14 (under Action Taken Report) in the 132nd Board meeting held on 04.09.2018	Administrative charges.	Reminders vide letter dated 07.12.2018 were sent to the Shipping companies:- 1) Who are under Indian flag and are not registered with SPFO. 2) Who are registered but not depositing PF for ratings and officers. 3) Who are not depositing PF of officers.	After prolonged discussio about provision unde Section 10,16 & 18 of SPF Act, 1966 Board decided tha as per the SPF Act an Scheme, notices to be ser in regular intervals to th defaulting shippin companies for depositing P contribution for ratings an officers for increasing Adm charges.
12	Agenda item No.2,Sr.No.15 (under Action Taken Report) in the 132nd Board meeting held on 04.09.2018	Appointment of one Multi tasking staff on regular basis.	The appointment of one multitasking staff is under process.	Since the work of MTS is nc of serious nature with lighte responsibilities the Boar decided that the decision c appointing MTS on regula basis may be reviewed.
13	Agenda item No.2,Sr.No.16 (under Action Taken Report) in the 132nd Board meeting held on 04.09.2018	Non-settlement of PF dues, due to various reasons. Financial year from 1999-2000 to 2008-09.	Out of 15 cases of Seafarers, 5 cases are settled and letters & reminders have been issued to remaining Seafarers.	Secretary briefed that th cases are not settled due t no-submission of declaratio and nomination form by th deceased seafarer. Variou letters are sent to collecto office for sending legal heir c the seafarers but are n received. Board noted the position.
14	Agenda item No.4 in the 132nd Board meeting held on 04.09.2018	Annual Accounts and Annual Report for the year 2017-18.	**Action completed.** After receiving Audit certificate from C&AG, the printed Annual Report and Annual accounts in bilingual was sent to the Ministry on 27.11.2018. Accordingly, Ministry of Shipping vide letter dated 26.12.2018 has informed that the 52nd Annual Report and Annual Accounts of Seamen's Provident Fund for the year 2017-18 has been laid on the table of Rajya Sabha on 17.12.2018 and Lok Sabha on 20.12.2017 .	Board noted the position.

5	Agenda item No.2,Sr.No.18 (under Action Taken Report) in the 132nd Board meeting held on 04.09.2018	Fixation of rate of interest for credit to the Members accounts for the year 2018-19	Secretary informed that a letter dated 13.08.2018 is received from the Ministry of Shipping stating that the rate of interest for the financial year 2018-19 will be approved after providing the actual interest earned on total investment of SPFO main account during the financial year 2018-19 as was done for the financial year 2017-18. As per Ministry of Shipping's order the actual interest earned on total investment of SPFO main account during the financial year 2018-19 will be provided to the Ministry after reconciliation of actual interest received on the investment during the financial year 2018-19. The same will be sent in the month of April / May 2019 and thereafter Ministry will approve the rate of interest as per Board's recommendations.	Discussed under agenc item No.3.
6	Agenda item No.2,Sr.No.20 (under Action Taken Report) in the 132nd Board meeting held on 04.09.2018	Exemption under Section 20 of Seamen's Provident Fund Act 1966 to Shipping Companies	A meeting of the Sub-committee was held on 24.01.2019 and minutes are placed at **annexure 'B'.**	Board noted the position an instructed to submit the report in the next meeting after conducting the Sub-Committee meeting for exemption.
7	Agenda item No.9, in the 132nd Board meeting held on 04.09.2018	Status of Court cases (Including doubtful investment)	Two letters dated 07.11.2017 and 22.02.2018 issued to Law Ministry by SPFO regarding appointment of Govt Council was forwarded via email. Reply is awaited. Besides, a reminder dated 16.01.2019 was also sent to Advocate Jyotsna Pandhi for providing the latest status. Reply is awaited. (2) A letter dated 04.10.2018 was sent to the Advocate to settle the matter at the earliest as per Board decision. Accordingly, the Advocate has informed that the court has called for final hearing on 21.05.2019.	Board noted the position.

18	Agenda item No.7 in the 132nd Board meeting held on 04.09.2018	Appointment of Port folio Manager for the period of two years 2018-19, 2019-20 and 2020-21.	A letter dated 25.10.2018 was sent to the Ministry to approve the appointment of M/s.SBI Fund Management Pvt. Ltd as portfolio manager of SPFO for the period of January 2019 to March, 2019 and thereafter, for extension further for 2019-20 and 2020-21 on financial year basis based on performance. Accordingly, a letter dated 26.12.2018 is received from the Ministry of Shipping, GoI instructing to appoint portfolio manager through open bidding process only through e-purchase mode on CPP Portal. Accordingly, the matter is under process as per the guidelines of the Ministry. However, a circular was circulated amongst the members of BoT for their approval for appointment of M/s.SBI Fund Management Pvt. Ltd, to provide their services till appointment of new portfolio manager as a time gap arrangement. Accordingly, three BoT members i.e. NUSI, MUI and Financial Adviser & Additional Secretary, MoS, GoI has responded giving their approval and the same was submitted to the Chairperson stating that if the existing portfolio manager SBI is not agreed then we may temporarily appoint SBI Mutual Fund Mgt P Ltd. Accordingly, SPFO has approached to SBI, existing portfolio manager requesting them to extend their services for further three months I,e, till March 2019. They have accepted our request for extending the tenure till 31.03.2019 on the same terms and conditions.The agreement is already made with them till 31.03.2019. Since, bidding process as directed by MoS is time consuming, it is proposed to appoint SBI Mutual Fund Management Pvt Ltd as portfolio manager w.e.f 01.04.2019 till completion of bidding process and appointment of new portfolio manager.	Secretary stated tha M/s.SBI Mutual Fun Management Pvt Ltd will b appointed as the fun manager from 01.04.201 onwards on nomination basi till appointment of regula fund manager. The Board decided that :- (1) SBI Fund Managemen (P) Ltd may be appointed a time gap arrangement t appointment of a Fun Manager by open bidding. (2) The draft RFP fo appointment of a consultan for selection of Portfoli Manager, custodian and fo monitoring performance o portfolio manager may b published after inviting receiving views, comment and suggestion from all th BoT members by circulation.

19	Agenda item No.8 in the 132nd Board meeting held on 04.09.2018	Appointment of Internal Auditor for SPFO	**Action completed.** A letter dated 05.10.2018 was sent to M/s.R. Seth & Associates appointing them as internal auditor of SPFO for 2 years i.e. 2018-19 and 2019-20.	Board noted the position.
20	Agenda item No.11 in the 132nd Board meeting held on 04.09.2018	Investment made for the period from 01.04.2017 to 31.03.2018.	Shri.Monu Kumar, Manager of SBI Security service branch (portfolio manager of SPFO) vide email dated 25.09.2018 forwarded a letter dated March 2012 received from Department of Financial Services, Ministry of Finance, GoI, wherein it is mentioned that investment pattern is to be followed on the incremental accretion made during the year and not on the entire corpus. Board may kindly approve.	Board noted the position.
21	Table paper No.1 placed inthe 132nd Board meeting held on 04.09.2018	Contributory Annuity Fund Scheme	The matter is placed under agenda item No.06.	The matter is discussed under agenda item No.06.

Agenda item No.03. **Revised Estimates for the Financial year 2018-19 and Budget Estimates of the financial year 2019-20**

3.1 Chairman enquired about total PF contribution received in the financial year 2017-18 and accordingly AAAO informed that total Provident Fund contribution received was Rs.122.55 crores which includes statutory dues, ex-gratia, voluntary contribution and Annuity Fund and Admn charges was Rs.4.21 crores on statutory dues of Rs.84.01 crores. Chairman further enquired about other income of Rs.50.04 lakhs? Accordingly AAAO informed that Rs.50.04 lakhs is the receipt of interest on investment under the head of Admn account, damages. Hence total income is Rs.4.71 crores (Rs.4.21 crores plus Rs.50.04 lakhs). However, approximately Rs.9 lakh was refunded during the financial year to the shipping companies towards the excess amount which was received.

3.2 Chairman further enquired about Rs.1.07 crores in surplus. AAAO informed that it is due to savings in salary on account of AAO, Commissioner and saving on various heads (non-recurring and recurring expenditure). The surplus amount is transferred to corpus fund at the end of the financial year. Chairman stated that a new Commissioner will be appointed

then what? AAAO informed that in the budget estimate for the F.Y 2019-20, provision has been made for the salary of Commissioner and Admn-cum-Accounts Officer within the budget. Besides 3 officials of SPFO would be superannuating in next 5 months and though pension will increase the salary payable will decrease. Board decided to put a cap on the recurring and non-recurring expenditure.

3.3 After prolonged discussion the Board approved the revised estimate for the financial year 2018-19 and budget estimate of the financial year 2019-20.

Agenda item No.04 **Fixation of rate of interest for the financial year 2019-20**

4.1 Chairman enquired the total corpus of SPFO and accordingly AAAO informed that SPFO has total corpus of Rs.1677.63crore as on 31.03.2018. Chairman enquired as to how much amount was earned on investment and how much interest was credited to Seafarers account during the F.Y 2017-18. Accordingly AAAO informed that interest of approximately Rs.125.98 crore was earned on investment of various securities / bonds and approximately Rs.125.86 crores was credited to Seafarer account @8.5%. Chairman enquired as to how much interest will be earned on investment and how much amount will be credited to the Seafarers account for the F.Y 2018-19. In reply Secretary stated that the actual interest earned on total investment and interest credited to seafarers account will be ascertained after completion of the financial year 2018-19. After completion of the financial year and reconciliation of the accounts, the same will be provided to the Ministry for approving the rate of interest as per Board's recommendations.

4.2 Capt.Tandon enquired as to how much amount is invested in IL&FS and if the amount is not recovered from IL&FS then how to manage the losses. Accordingly AAAO informed that Rs.18.30 crores is invested in IL &FS. He further informed that as per Para 43 of SPF Scheme, 1966 under the head 'Interest Suspense Account" read as "All interest, rent and other income realised, and not profits or losses, if any, from the sale of investments not including therein the transactions of the Administration Account, shall be credited or debited, as the case may be to an Account called the 'Interest Suspense Account." Brokerage and commission on the purchase and sale of securities and other investments shall be included in the purchase or sale price, as the case may be, and not separately charged to the 'Interest Suspense Account.' Hence, it is seen that the amount of loss / profit on account of investment of PF corpus may be adjusted against the fund lying in 'Interest Suspense Account'.

4.3 AAAO further stated that as on 31.03.2018 the audited figure (audit by C&AG) total amount of Rs.44.98 crore is lying in Interest suspense account on accrual basis. However, on actual basis Rs.3.41 crore is balance in interest suspense account.

4.4 Board decided to formulate a provision in interest suspense account to take care of loss incurred due to investment in market in consultation with a CA.

Agenda item No.5 **Laying of Annual Accounts & Annual Report 2017-18 in Both the Houses of Parliament**

5.1 After receiving Audit certificate from C&AG, the printed Annual Report and Annual accounts in bilingual was sent to the Ministry on 27.11.2018. Accordingly, Ministry of Shipping vide letter dated 26.12.2018 has informed that the 52nd Annual Report and Annual Accounts of Seamen's Provident Fund for the year 2017-18 has been laid on the table of Rajya Sabha on 17.12.2018 and Lok Sabha on 20.12.2017.

5.2 The Board noted the position.

Agenda item No.06 **Contributory Annuity Fund Scheme for Seafarers**

6.1 Secretary briefed that shipping companies have been remitting Pension / Annuity of Seafarers and the Board formed a Committee to examine all aspects of introduction of 'Contributory Annuity Scheme for Seafarers' and accordingly in 2014 a draft proposal was sent to the Ministry. Ministry in response stated that 'a Seamen's Provident Fund Amendment Bill, 2007 is still pending in Rajya Sabha since 2007 the second amendment bill cannot be processed. But in 2017 pursuant to cabinet approval, the SPF (Amendment Bill), 2007 has been withdrawn by the Ministry from Rajya Sabha on 07.04.2017.

6.2 Chairman suggested to explore the possibilities of using existing schemes such as NPS etc instead of heading for CAFS scheme.

6.3 Capt.Rajesh Tandon stated that this issue was taken up by NUSI and therefore we may discuss it when Shri.Abdulgani Y Serang is present in the meeting.

6.4 The Board decided to discuss the issue in next meeting.

Agenda item No.07 **Dewan Housing Finance Corporation Ltd : Rating Downgraded by rating agency CARE**

7.1 The secretary briefed the members stating that SBI, the Portfolio Manager vide their e-Mail dated 04thFebruary,2019 have informed that the ratings of Dewan Housing Finance Corporation Ltd. has been downgraded by rating agencies for investments wherein

Rs.107.3650 crores is invested by SPFO through SBI on various occasions. Secretary requested SBI representative to further give his view on the issue.

7.2 SBI Fund Manager stated that DHFL's ratings have been downgraded to AA+ in the last few days, and it has also been placed on a watch with developing / negative implications. DHFL management has been communicating its stance to reassure all the stakeholders regularly.

7.3 SBI Fund Manager mentioned that there were certain allegations by media entity Cobrapostagainst DHFL. However, DHFL issued a press release to various exchanges where it has denied all allegations. To allay investors' concern after the allegations, the company organized an investor call on 30.01.2019.The gist of the DHFL management's comments, made during the investor call, is given below:

(a) Management rebutted the allegations as unfounded/malicious.
(b) The company is aiming to sell Rs. 10,000 crs of developer book portfolio by Mar 19, recently sold Rs. 1375 crs in Project Finance loans to Oaktree Capital.
(c) The company is in the process of selling non-core assets (housing, education and life insurance business).Indicated sale of Aadhar Housing Finance could be closed in few days. No timeline for Life Insurance business monetization.
(d) Management indicated that in future they would be focusing on higher loan origination and sell downs, thereby deleveraging their balance sheet.
(e) On ALM front - Rs. 1,500 cr CP and Rs. 6,850 crs NCD are maturing in the next 12 months. The company is liquid in terms of repayments and current Investments.
(f) Top 20 borrowers worth Rs. 13,000 crs consist of 15 entities. The company does not have large exposure to a single group.
(g) Management of the company stated that there is no contingent liability towards DHFL from the holding company and DHFL is insulated from any liabilities (if any) arising from the holding company.
(h) The company has not invested/disbursed in any shell company.
(i) All loans are disbursed as per the guidelines, also large ticket size loans are disbursed after getting reviewed from the finance committee (3 members).

7.4 SBI Fund Manager further stated that the leverage ratio of the Company had come down to 8.03x as on 31st December 2018. He added that the present rating of the instruments, even after the downgrade, falls within the investment grade as per the prescribed investment pattern.

7.5 The chairman asked about the present status of IL&FS to which the SBI Fund Manager replied that the matter is subjudice and is with the NCLAT. The board was reconstituted as per the NCLT judgement on 1st October 2018, allowing the government to assume control. The Union of India and the IL&FS approached NCLAT for declaring moratorium on recovery and repayments. NCLAT on 15th October had stayed all proceedings against IL&FS Group and its 348 firms till further orders. IL&FS had submitted its first report on Resolution Plan of NCLT on 31.10.2018 and second report of resolution plan to NCLT on 03.12.2018. NCLAT, vide its order dated 04.02.2019, had called for filing of "Intervention Applications" by financial / operational creditors. The debenture trustee for the NCDs of IL&FS in which we have invested is Cent bank Financial Services Ltd. (CFSL). CFSL, vide their e-mail dated 14/02/2019, has confirmed that the intervention application has been filed by them on behalf of NCD investors. In NCLAT hearing held on 11.02.2019, the NCLAT allowed the appointment of Retired Supreme Court Justice D.K.Jain to supervise the operation of the resolution process. Further, the Government of India submitted:

(a) A list of 302 IL&FS Group entities has been filed, out of which 169 are Indian IL&FS Group Entities and 133 Companies are classified as Overseas IL&FS Group entities.
(b) Out of 169 Indian IL&FS Group entities, 22 have been marked as "Green entities", 10 as "Amber Companies" and 38 as "Red Companies".
(c) The remaining 99 Indian IL&FS Group entities are yet to be classified.
(d) The NCLAT allowed the Green Companies to service their debt obligations as per scheduled repayment, subject to supervision of Hon'bl Justice (Retd.) D.K. Jain.
(e) In respect of Amber & Red Companies, **the NCLAT will hear the matter in the next hearing to be held on 12.03.2019**. Both IL&FS Ltd. and IL&FS Financial Services Ltd., the two Companies in which we have exposure on behalf of various clients, are marked as Red Companies.

7.6 The Board noted the position.

Agenda item No.08 **Clearance of Un-posted Items**

8.1 Capt Rajesh Tandon enquired regarding the current status of the un-posted items. Accordingly, AAAO informed that 608 cases amounting Rs.68.24 lakhs has been cleared till 31.01.2019. He further informed that some of the un-posted items are due to non-mention of CDC no, name in the PF statement and is pending from a long period. He further stated that list of un-posted items are sent to the concerned shipping companies and also to NUSI to provide correct details of Seafarers so that un-posted items may be cleared. Capt.Rajesh

Tandon informed that previously it was around 7,000 cases which has come down to 2805 cases. Capt. S .M Hathe enquired as to what is overlapping and accordingly AAAO informed that some of the shipping companies has sent PF contribution twice and whose period is overlapping, however, such cases are being verified from SPFO accounting system. Where the amount is received in duplicate the same is refunded to the respective shipping companies. Where the period is overlapping due to wrong mention of date by the shipping company, the same is posted to the seafarer account after confirming details from the shipping company.

8.2 After prolonged discussion, Board decided the un-posted items should be reduced.

Agenda item No.09 **Status of Court Cases (Including Doubtful Investment)**

9.1 The present status of all the court cases was explained in detail to the Board in agenda. Board noted the position.

Agenda item No.10:- **Investment made for the period from 01.04.2018 to 30.11.2018**

10.1 The secretary briefed the members stating that SBI, the Portfolio Manager looks after the investments on behalf of SPFO. Secretary requested SBI representative to further give his view on the investments made during the current financial year on behalf of SPFO.

10.2 SBI Fund Manager stated that a total of Rs 232.33 crores in the current financial year had been invested on behalf of SPFO in different asset classes as on 30th November 2018. He further informed the members that the investment pattern is to be maintained at the end of the Financial year. He further assured that the mandated investment pattern would be achieved at the end of the financial year. He further informed that the yield generated on the investments made in the current F.Y will be 8.69% (approx).

10.3 Board requested SBI to provide the advice on the basis of factual so as to decide on the matter.

Table paper No.1:- **Appointment of Custodian for Investment of SPFO Fund**

T1.1 The secretary briefed the members stating that the agreement with SBI, the Portfolio Manager will be expiring on 31st March 2019. It has been informed by SBI that RBI has advised them to shift the PMS activity to its subsidiary or any other fund manager. Hence, SBI would not be able to provide Portfolio Management Services beyond 31st March 2019.

T1.2 The secretary further informed the members that it has been decided to appoint SBI Funds Management Pvt Ltd, which is a subsidiary of SBI, as a Portfolio Manager on a

nomination basis as a time gap arrangement until the bidding process is completed and a full-time Portfolio Manager is appointed. The process of appointing a consultant to oversee the whole process is in process.

T1.3 The secretary further informed the members that SBI has been providing Portfolio Management Services as well as Custodial Services as a package. However, the agreement would come to an end on 31st March 2019. SPFO would therefore, need to appoint a Custodian as a stop gap arrangement for the interim period until the process for selection of Portfolio Manager and Custodian is completed. The secretary recommended to appoint SBI SG Global Securities Pvt Ltd, which is also a subsidiary of SBI, as Custodian on a nomination basis till a full time Custodian is appointed through open bidding as per GFR.

T1.4 SBI Fund Manager requested that SPFO share the details of Fund Manager and Custodian to which the Portfolio and the Holding is to be transferred to. It was also requested that the relevant particulars like account mapping, demat details, CSGL particulars and other operational details may be kept in place before the due date of 31st March 2019, so as to enable a smooth transactional process from 1st April 2019 and avoiding any possibility of idle fund.

T1.5 The Board approved the appointment of SBI SG Global Securities Pvt Ltd, as Custodian on a nomination basis till a full time Custodian is appointed through open bidding as per GFR.

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

सचिव
न्यासी मंडल
नाविक भविष्य निधि
मुंबई

24/9/2019
अध्यक्ष
न्यासी मंडल
नाविक भविष्य निधि
मुंबई

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

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

Following members were present in the Board:-

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

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

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

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

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

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

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

Agenda item No.2 : **Action Taken Report**

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

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

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

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

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

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

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

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

Agenda item No.3:- **Annual Accounts for the year 2018-19**

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

Agenda Item No.4:- **Annual Report on working of seamen's Provident Fund Scheme, 1966 for the year 2018-19.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10.2 Board decided to maintain status quo on the matter

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

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

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

Agenda item No.12:- Enhancement of Medical allowance

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

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

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

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

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

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

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

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

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

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

14.2 Board noted the position.

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

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

15.2 The Board noted the position.

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

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

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

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

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

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

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

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

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

14/09/2020

सचिव
न्यासी मंडल
नाविक भविष्य निधि
मुंबई

14/9/2020

अध्यक्ष
न्यासी मंडल
नाविक भविष्य निधि
मुंबई

MINUTES OF THE 5th SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE SEAMENS' PROVIDENT FUND ORGANIZATION (SPFO), MUMBAI, HELD ON WEDNESDAY, THE 18th DECEMBER, 2019 AT 12.00 P.M IN THE CONFERENCE ROOM OF THE DIRECTORATE GENERAL OF SHIPPING, MUMBAI–400 042.

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. Subhash Barguzer ... Member
2. Capt. Rajesh Tandon ... Member
3. Shri. Abdulgani Y. Serang ... Member
4. Shri. S. Kalaikovan ... Member
5. Shri. Surendra Kumar ... Secretary

2. Shri.Shambu Singh, Financial Adviser, MoS telephonically informed that he will not be able to attend the meeting as he would be out of station during the time of meeting. Shri. S. K Aggarwal, Additional Central Provident Fund Commissioner, EPFO vide email dated 18.12.2019 informed that he will not be able to attend the meeting due to pre-fixed schedules. Shri.Amar Singh Thakur vide email dated 17.12.2019 informed that due to preoccupied assignments he will not be able to attend the meeting and Shri.Balakrishna M Ranade attended the meeting on his behalf. Capt. S .M Halbe attended the meeting in place of Capt. Vinay Singh. Mrs.Vaishali S Ladi telephonically informed that she is abroad and not able to attend the meeting. Accordingly leave of absence was granted to the above members.

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

AGENDA ITEM NO.1: Appointment of Consultant for selection of Portfolio Managers, Custodian, Monitoring and Performance Evaluation of selected Portfolio Manager.

1.1 The Secretary briefed the members stating that as per the directives of Ministry's letter, the appointment of consultant for selection of portfolio Manager is to be made as per GFR 2017 (Rule 177 to 190). Accordingly, e-RFP was uploaded on the websites of SPFO and DGS and only one bid from M/s.CRISIL Limited was received which was evaluated by the Consultancy Evaluation Committee on 29.11.2019. The Secretary briefed that the Consultancy Evaluation Committee (CEC) in a meeting held on 29.11.2019 observed that only one bidder i.e. M/s. CRISIL Limited has participated in the bidding. The Committee examined the rule position i.e GF Rules, 2017 173(xx), (xxi) and confirmed that the single tender may be accepted as per rules mentioned above. Further Committee examined all documents submitted by the CRISIL limited as per RFP and satisfied. After prolonged discussion Committee recommended that M/s.Crisil Limited may be appointed as consultant for selection of Portfolio Manager, custodian, monitoring and performance evaluation of selected Portfolio Manager and other assignments as per scope of work detailed in e-RFP for a period of two years, Chairman decided that now it has become a single tender as per GFR 194.

1.2 Chairman enquired about the fees of the consultant and accordingly Secretary explained that Rs.32,00,000/- is one time fees for preparation / finalization of (draft) Request for proposal and in evaluating for the technical and financial bid for selection of Portfolio Manager, Custodian. Further, fees of Rs.50,00,000/- for two years (Rs. 25,00,000/- per annum) in respect of monitoring the performance of the selected portfolio managers, strengthening in-house investment monitoring committee of SPFO and training the officials of on investment practices from time to time and providing research based assistance to SPFO.

1.3 Capt.Rajesh Tandon stated that the CEC had negotiated with the official of M/s.Crisil Limited, whether there is any scope for discount, the Representative of M/s.Crisil Limited stated that the price quoted is the best at their end and as per their policy, they work at pre-determined non differentiated flat fee structure with all Government and quasi Government relationship. Thereafter same has been confirmed by an email dated 02.12.2019.

1.4 The Secretary enquired whether is it required to obtain approval of the Ministry for appointment of Consultant. The Chairman asked whether in the Ministry's guidelines dated 26.12.2018 is it mandatory to take approval of Ministry of Shipping before appointment of the Consultant. Secretary explained that it is precisely stated that as per GFR SPFO may appoint consultant and portfolio manager services for a period of 01.01.2019 to 31.03.2021 through open bidding process only via e-purchase mode on CPP portal.

1.5 After prolonged discussion BoT, SPFO decided that, since, BoT has power to appoint consultant, no need to forward the proposal to the Ministry for approval. The Board may inform the Ministry after the appointment of the portfolio manager. It was also decided that since the year 2019 is going to be completed, the Fund Manager may be appointed for the period of Two years from the date of appointment of the Consultant / Fund Manager.

Table Paper No. 01 – Sub : Register signatories of Legal Entity Identifier Code (LEI) –

T. 1.1 Secretary informed that as per RBI directives Legal Entity Identifier (LEI) code has been conceived of as a key measure to improve the quality and accuracy of financial data systems for better risk management post the Global Financial crisis. Accordingly, SPFO has formally applied for the same wherein following mandatory documents from SPFO is required :-

i) Board Resolution

ii) Duly executed Undertaking Cum Indemnity on Rs.600/- stamp paper

T. 1.2 Secretary informed that two Members from Board of Trustees i.e. a representative of employer and employee's along with Commissioner of SPFO are proposed as authorized signatories of SPFO to sign all documents from time to time for obtaining LEI.

T. 1.3 Capt. Rajesh Tandon , Representative of FOSMA suggested that their should be a member from INSA in LEI Authorised Signatories, as it represents Indian Shipping Companies & also it has its own legal department for consultation in the matters required, if any. Accordingly, The Board nominated Shri.Abdulgani Y Serang ,from Employee and Representative of INSA from Employer, and Commissioner,SPFO as authorized signatories in LEI.

4. The Meeting ended with Vote of Thanks to the Chair.

14/09/2020
सचिव
न्यासी मंडल
नाविक भविष्य निधि
मुंबई

14/9/2020
अध्यक्ष
न्यासी मंडल
नाविक भविष्य निधि
मुंबई

MINUTES OF THE 135th MEETING OF THE BOARD OF TRUSTEES OF THE SEAMENS' PROVIDENT FUND ORGANIZATION (SPFO), MUMBAI, HELD ON THURSDAY, THE 12th MARCH, 2020 AT 02.30 P.M IN THE CONFERENCE ROOM OF DIRECTORATE GENERAL OF SHIPPING, MUMBAI.

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. Subhash Barguzer	...	Member
2.	Capt.Rajesh Tandon	...	Member
3.	Capt.Mahendra Pal Bhasin	...	Member
4.	Ms.Vaishali Ladi	...	Member
5.	Shri. S Kalaikovan	...	Member
6.	Shri.Surendra Kumar	...	Secretary

2. Shri.Vivek Ashish, Deputy Secretary (Finance), MoS vide email dated 11.03.2020 informed that due to other pressing engagements in office he will not be able to attend the meeting. Shri. S. K Aggarwal, Additional Central Provident Fund Commissioner, EPFO vide email dated 12.03.2019 informed that due to pre-occupation, he will not be able to attend the meeting and therefore he is authorising Shri Avinash Gandhi, Regional P.F. Commissioner (I), Zonal Office to attend the meeting. Shri.Abdulgani Y Serang vide email dated 12.03.2020 informed that due to pre-occupation with other meetings, he will not be able to attend the meeting. Shri.Amar Singh Thakur vide email dated 12.03.2020 informed that due to pre-occupation with other meeting, he will not attend the meeting and authorising Mr.Balakrishna Ranade to attend the meeting. Accordingly leave of absence was granted to the above members. Shri. Ajit Dange (Vice President – Portfolio Management Services) of SBI Fund Management Pvt Ltd, portfolio manager of SPFO was invited as a special invitee for briefing on IL&FS, DHFL and investment matters.

3. Thereafter, the following Agenda Items were taken up for discussion.

Agenda Item No. 1: **Confirmation of the Minutes of the 134th Meeting of the Board of Trustees, Seamen's Provident Fund Organization, Mumbai held on 09/10/2019.**

1.1 Capt.Rajesh Tandon pointed out the following :-

a) Under Agenda item No.2, Sr.No.9 it should be mentioned as "Approximately 40 Indian flag vessels shipping companies are depositing PF of officers".

1.2 Chairman advised that SPFO Act be amended as "for all vessels irrespective of Indian / Foreign flag vessels".

1.3 Minutes of the 134th meeting of the Board of Trustees, Seamen's Provident Fund held on 9th October, 2019 was confirmed with above modifications.

Agenda item No.2 : **Action Taken Report**

(A) Pertaining to action points that had emerged in the 134th meeting held on 09/10/2019:-

S. No.	Agenda	Subject	Action taken	Decision taken
1	Agenda item No.2, Sr.No.1 (under Action Taken Report) in the 134th Board meeting held on 09.10.2019	(Digitization of old records of SPFO).	(1) Digitization of office records of SPFO is 90% completed till 31.01.2020. (2) A letter dated 03.02.2020 was issued to E-Gov, DGS to provide date and time to visit DGS to store the data.	(1) Chairman enquired that why not 100% completed. It was informed by the Commissioner that some of the big registers like cash book, expense registers requires big machine which will be brought by the vendor for digitizing the same. (2) Secretary informed that the digitized records of SPFO are stored with DGS also on 6th March, 2020 as back-up.
2	Agenda item No.2, Sr.No.2 (under Action Taken Report) in the 134th Board meeting held on 09.10.2019	E–Banking & Development of New Application Software in Microsoft Visual Basic (latest version) / Microsoft VB Net or any other latest Software Development Platform and switchover from existing System with migration of existing data.	A demo was organised for the stake holders on 05.11.2019 in the Conference Room of the DGS certain corrections / modifications were suggested by them. After necessary correction, a demo was organised for the members of the BoT wherein further modifications were advised by the members. After making necessary corrections, a demo was organised for the Chairman and members of BoT on 18th November 2019. New SPFO software is audited by NICSI and is uploaded in the cloud server by NIC. However, for testing purpose old data is to be migrated and	Board decided that a webinar / seminar should be organised for the shipping companies to get familiar with the system and manuals should be provided to the shipping companies for better understanding.

			some discrepencies are noted. The corrections were intimated to STPL which is under process. After the necessary corrections, new data will be migrated and link will be provided to all the stake holders.	
3	Agenda item No.2, Sr.No.3 (under Action Taken Report) in the 134th Board meeting held on 09.10.2019	Changes Suggested in SPF Act / Scheme on the basis of EPF Act / Scheme - Formation of Investment Monitoring Cell & Appointment of Concurrent Auditor.	The consultant has been appointed by SPFO. Further, SPFO has e-tender for appointment of Internal auditor for two years from 2020 to 2022 and under the 'scope of work' internal auditor is required to perform the work of concurrent Audit of investment done by Portfolio Manager.	Finance Sub-Committee will continue to guide SPFO. Hence formation of IMC is dispensed. Board noted the position.
4	Agenda item No.2, Sr.No.4 (under Action Taken Report) in the 134th Board meeting held on 09.10.2019	Amendment in Recruitment Rules.	The RR for staff has been submitted to DGS for approval vide this office letter dated 17th February, 2020. Reply is awaited.	Board noted the position.
5	Agenda item No.2. Sr.No.6 (under Action Taken Report) in the 134th Board meeting held on 09.10.2019	Settlement of unclaimed amount of 4483 seafarers of the unclaimed amount of Rs.47.19 crores.	Secretary informed that 553 cases amounting Rs.15.38 crores has been settled as on date. Again an email was sent to E-Gov, DGS, Shipping Master (Mumbai, Kolkata, Chennai) on 13.01.2020 to provide addresses of the Seafarers. Follow up action will be initiated with the above authorities.	Board decided that a list may also be sent to NUSI, Chennai to Shri.S Kalaikovan for the addresses confirmation.
6	Agenda item No.2, Sr.No.7 (under Action Taken Report) in the 134th Board meeting held on 09.10.2019	Actuarial Valuation for SPF Staff / Officers, Pensioners, Gratuity, Leave Encashment, etc.	It is stated that SPFO has e-tender for appointment of Internal auditor for two years from 2020 to 2022 and under the 'scope of work' internal auditor is required to advise as to how the goal can be achieved by making provision of staff liability in a span of 3 years time with its available resources. 2) The work of Actuarial valuation for the financial year 2018-19 is awarded to M/s.Global Risk Consultant on 6th January 2020. Further information was required by M/s.Global Risk Consultant and the same is provided on 13.02.2020. Report is awaited.	Secretary stated that the funds will be transferred on and when budget permits so that the gap in fund position be bridged. The Board decided that fund position should be planned to fill the gap within a span of two years with the help of CA / Internal Auditor.

7	Agenda item No.2, Sr.No.9 (under Action Taken Report) in the 134th Board meeting held on 09.10.2019	Internal Repair / Renovation of office premises of SPFO.	1)Estimated amount is Rs.2,20,743/- and made the payment of the amount on 22.10.2019 to CPWD for repairing of leakage of terrace. The work is not started by CPWD till now. However, on constant monitoring by the SPFO, CPWD assured that the work will be completed before 31st March 2020. 2) The Internal Repair / Renovation of office premises of SPFO is 90% completed and have shifted in first week of January 2020.	Secretary informed that SPFO has made the payment for leakage of terrace to CPWD but they have not started the work. Apart from this, there is few pending minor work but SPFO is functioning at M/s.Krupanidhi Ltd. Board noted the position.
8	Agenda item No.2, Sr.No.11 (under Action Taken Report) in the 134th Board meeting held on 09.10.2019	Administrative charges.	A reminder dated 17.12.2019 was again issued to 191 shipping companies to deposit the PF of officers.	Secretary informed that some of the shipping companies are depositing PF of officers. Capt.Rajesh Tandon stated that payment of PF dues of officers is not mandatory to the shipping companies manning foreign flag vessels therefore notices should be issued to the Indian flag vessels. DDG (Crew) stated that Maritime Union of India should be provided with the copy of the letter dated 17.12.2019 so that they can inform their members companies to deposit PF of officers. Board decided to issue notices to the shipping companies not depositing PF of officers and a copy of the letter also to be handed over to MUI.
9	Agenda item No.2,Sr.No.13 (under Action Taken Report) in the 134th Board meeting held on 09.10.2019	Non-settlement of PF dues, due to various reasons. Financial year from 1999-2000 to 2008-09. Out of 15 cases of Seafarers, 5 cases are settled.	Reminders are issued to remaining 10 Seafarers and their beneficiaries in the month of January, 2020	Board decided to take the help of NUSI, Mumbai and Chennai for the latest addresses.
10	Agenda item No.2,Sr.No.16 (under Action Taken Report) in the 134th Board meeting held on	Exemption under Section 20 of Seamen's Provident Fund Act 1966 to Shipping Companies	4th Committee meeting was held on 7th October 2019 it was decided to arrange a standalone meeting as guidelines to frame exemption of PF cannot be decided in short period. Accordingly, a standalone meeting was held on 29th	Board decided to send a reminder to M/s.Tolani Shipping giving time period of 15 days or so and if no reply is received then this matter may be closed.

	09.10.2019		November, 2019 wherein it was decided to call rate of interest for the last five years and to provide details of Seafarer's representation in the Trust of M/s.Tolani Shipping. Reply is awaited	
11	Agenda item No.2, Sr.No.18 (under Action Taken Report) in the 134th Board meeting held on 09.10.2019	Appointment of Port folio Manager for the period of two years 2018-19, 2019-20 and 2020-21.	M/s.CRISIL has been appointed by the BoT in its special meeting held on 18th December, 2019 as a consultant to appoint Portfolio manager of SPFO. RFP for appointment of portfolio manager is under process.	The Board noted the position.
12	Agenda item No.5 in the 134th Board meeting held on 09.10.2019	Fixation of rate of interest for the financial years 2018-19 and 2019-20	The proposal for fixation of rate of interest will be forwarded to Ministry of Shipping for their approval on closing of accounts for the financial year 2019-20 as per the Ministry's directives with the approval of BoT.	Board noted the position.
13	Agenda item No.6 in the 134th Board meeting held on 09.10.2019	Contributory Annuity Fund Scheme for Seafarers	Board decided to conduct stand alone meeting on the matter which may be studied by the Finance Sub-Committee in terms of more benefits to Seafarers and submit the same in next Board meeting.	The matter is discussed under Agenda item **No.05.**
14	Agenda item No.7 in the 134th Board meeting held on 09.10.2019	Dewan Housing Finance Corporation Ltd : Rating Downgraded by rating agency CARE	It is stated that SPFO has notified an e-tender for appointment of Internal auditor for two years from 2020 to 2022 and under the 'scope of work' internal auditor is required to formulate a provision in Interest Suspense account to take care of loss incurred due to investment in market.	The Board noted the position.
15	Agenda item No.6 in the 134th Board meeting held on 09.10.2019	Implementation of rate of interest with prospective effect.	The matter was taken up with STPL and they have stated that provisional rate of interest can be calculated for closing the financial year. Further, after the declaration of rate of interest by the Ministry, the difference rate of interest will be again calculated. STPL informed that the work is under process.	Secretary informed that EPFO is settling the case for outgoing members in the current financial year as per rate of interest declared in the previous financial year. However, SPFO is settling the cases of outgoing members at the rate of 7% as against 8.25% for safer side. The difference rate of interest will be paid to the Seafarer on receipt of approval from Ministry of Shipping to disburse rate of interest for the current financial year. Board noted the position and decided to maintain

				status quo as of 134th Board of Trustee meeting in this matter.
16	Agenda item No.9 in the 134th Board meeting held on 09.10.2019	Appointment of firm of Chartered/ Cost Accountants as Internal Auditors for the Seamen's Provident Fund Organization, Mumbai for a period of 2 years i.e. 2020-21 and 2021-22.	23 technical bids were received from the various CA firms and the scrutiny is under process.	Chairman directed to complete the process as early as possible.
17	Agenda item No.11 in the 134th Board meeting held on 09.10.2019	Filling of the vacant post in SPFO	The matter is placed before the Finance Sub-Committee and the outcome is placed as Table paper No.1.	Secretary informed that the Finance Sub-Committee meeting was held on 03.03.2020 wherein the Committee recommended appointment of four Junior Assistants and one MTS post on direct recruitment basis. Board approved the recommendations of Finance Sub-Committee.
18	Agenda item No.12 in the 134th Board meeting held on 09.10.2019	Enhancement of Medical allowance	Chairman stated that there are many medical insurance schemes which can be studied for better medical benefits. Therefore Board decided to seek details of medical insurance scheme as against the expenses to Board in the next meeting.	The matter was discussed under agenda **item No.06**.
19	Table paper No.1 in the 134th Board meeting held on 09.10.2019	Minutes of 22nd Audit Committee meeting held on 07.10.2019 for the 3rd and 4th quarter ending 31.12.2018 and 31.03.2019 respectively.	A letter dated 17.12.2019 is received from Syndicate bank stating that they have withdrawn the facility of auto-swipe option. Further, a letter dated 15.01.2020 was sent to SBI for their option in the matter. Accordingly, a letter dated 07.02.2020 is received from State Bank of India stating that CLTD facility is available at SBI Branch, Samachar Marg. To avail the facility the bank requires account No to which the facility to be availed, threshold balance above which the sweep to be implemented and period of sweep. In this connection, it is informed that SPFO main account is not opened in SBI but it is opened in Syndicate bank where CLTD facility is not available. Board may decide.	Mrs.Ladi pointed out that CLTD facility is not available with Syndicate bank then SPFO can open account with SBI to avail CLTD facility. Secretary stated that SPFO transfers the fund to SBI for investment and only Rs.2 to 3 crores are kept for obligatory payment to Seafarers. Mrs.Ladi stated that the amount lying idle will be kept in fixed deposit which fetches more interest. Mrs.Ladi stated that whenever fund is required the bank will break the last FD done and the old FD's are not broken which provides good interest. After prolonged discussion, the Board decided to open a current account in SBI with CLTD facility.

Agenda item No.3: **Minutes of the Audit Committee on the Internal Auditor's Report for the 1st quarter Period from 01/04/2019 to 30/06/2019 and 2nd quarter period 01/07/2019 to 30/09/2019.**

3.1 The Chairman enquired whether there are any adverse remarks / observations of the Internal Auditor. It was informed that the Audit Reports were satisfactory and without any adverse remarks.

3.2 The Board of Trustees accepted the same.

Agenda item No.4: **Revised Estimates for the Financial year 2019-20 and Budget Estimates of the Financial Year 2020-21.**

4.1 Secretary briefed the members about Revised Estimates for the Financial Year 2019-20 and Budget Estimates for the financial year 2020-21. Income of Revised Estimate for the F.Y 2019-20 i.e. Admn charges including interest and Misc receipts projected is Rs.5.18 crore which is same as sanctioned in Budget Estimate of 2019-20 of Rs.5.18 crores and there is no major changes in expenditure for the F.Y 2019-20.

4.2 Chairman enquired as to how the budget is more for the financial year 2020-21 ? Capt.Rajesh Tandon pointed out that the major expense of Rs.3.17 crore is higher in the budget proposal for the year 2020-21. Accordingly, Secretary informed that Rs.3.17 crore is the Admn charges amount transferred to Staff Gratuity and Pension Fund. Capt.Rajesh Tandon stated that this may attract C&AG query in the audit. Secretary informed that it was the query of C&AG to re-coup the Staff Pension and Gratuity Fund therefore every year the excess amount in Admn charges is transferred to Staff Pension and Gratuity Fund.

4.3 The Board considered the recommendations of the Finance Sub Committee and adopted the Revised Estimate for the financial year 2019-20 and Budget Estimates for the financial year 2020-21.

Agenda item No.5: **Contributory Annuity Fund Scheme for Seafarers**

5.1 Secretary briefed the members and stated that in the standalone meeting held on 27.11.2019 it was advised to explore the possibility whether the Pension Annuity Fund Scheme may be notified through Gazette Notification as was done in case of Welfare Fund under RPSL notification dated 15.02.2016 or pursue the amendment of Act with MoS which was sent in the September 2014. Accordingly, a meeting was held with DDG (Crew) DGS,

DDG (MSL) and Commissioner to discuss. In the meeting, it was decided that CAFS cannot be introduced within the SPF Act, 1966 but may be implemented under MS Act as 'Welfare of Seafarer'. Hence, a letter dated 17.02.2020 was issued to DGS to explore the feasibility to implementation of CAFS for Seafarers' within the frame of MS Act, 1956 by issuing Gazette Notification as was done for SWFS / RPSL. Chairman enquired whether the fund was of SWFS and accordingly Secretary informed that it is not the fund of SWFS.

5.2 Chairman enquired whether the SPF Act permits the Contributory Annuity Fund Scheme and accordingly Secretary informed that the Act does not permit and therefore a proposal for amendment of SPF Act was sent earlier to Ministry. But due to Seamen Provident Fund Amendment bill, 2007 pending in Rajya Sabha since 2007, the second amendment bill was not processed". Chairman asked then as to how SPFO is receiving the fund from the Shipping companies. Accordingly, Secretary informed that it is bilateral agreement between NUSI and shipping companies to remit the money of Pension/Annuity Contributions, Additional Voluntary Contributions and Ex-gratia to the Seamen's Provident Fund. These amount is accepted by the SPFO Commissioner as per the decision taken by Board in 1994 and posted in individual accounts of seamen under the heads 'Pension/Annuity Contributions', 'Additional Voluntary Contributions' and 'Ex-gratia'. DDG (Crew) informed to the Board that till date no Pension Scheme is introduced and amount invested with Provident Fund and paid to the Seafarers along with PF at the time of their final withdrawal.

5.3 The Hon'ble Chairman informed that the Seafarer Welfare Scheme can be introduced by the Seafarer Welfare Fund Society and not by Seamen's Provident Fund Organisation. Therefore, amendment in Act is required to be introduced for Contributory Annuity Fund Scheme for Seafarers.

5.4 After prolonged discussion, the Board decided to send a proposal for amendment of Act to the Ministry.

Agenda Item No.6 : **Enhancement of Medical Allowance.**

6.1 Secretary stated that the Finance Sub-Committee deliberated on the issue and recommended to the Board to enhance medical allowance from Rs.1,200/- to Rs.2,000/- per month form the F.Y 2020-21 in the lines of EPFO.

6.2 Board approved the recommendation of Finance Sub-Committee i.e. enhancement of Medical Allowance from Rs.1,200/- to Rs.2,000/- from the financial year 2020-21.

Agenda Item No.7 : **Final Payment of Provident Fund to seafarer, who voluntarily leaves the seafaring profession**

7.1 Secretary informed that as per Para 59(2), a cancellation letter from Shipping Master was required while applying for voluntary retirement. But as per SPFO order No.7 of 2018, it was decided to not ask for such documents from Seafarers. Accordingly, it is noticed that many Seafarers are withdrawing Provident Fund amount on voluntary retirement basis before superannuation and simultaneously performing voyage after the settlement of Provident fund dues. Secretary stated that the purpose of Provident Fund is not served.

7.2 DDG (Crew) pointed out that as per new CDC Rule, 2016, there is a provision for cancellation of CDC if Seafarer wants to leave the Seafaring profession on voluntary basis. Accordingly, SPFO can ask for CDC cancellation confirmation if Seafarer approached for final withdrawal under voluntary grounds. Chairman enquired about the number of Seafarers who have applied for voluntary in the last 2 years. Accordingly, Office Superintendent informed that approximately 1020 cases were settled.

7.3 The Board decided that SPFO may comply with the documents required under Para 59(2) while applying for final withdrawal i.e. cancellation of CDC and further suggested to block such CDC's in the DGS e-system who have already taken voluntary retirement for further migration by providing a list to E-Gov of DGS and concerned Shipping Masters.

Agenda Item No.8 (For information): **Clearance of Un-posted Items.**

8.1 Secretary informed that the un-posted work has been allotted to the official to clear the un-posted at the earliest.

8.2 Board noted the position.

Agenda item No.9 (For information): **Status of Court Cases (Including Doubtful Investment).**

9.1 **Recovery Suit No.633/2004** : Secretary informed that in the Finance Sub-Committee meeting it was decided to change the Advocate and hence the matter may be pursued with Ministry of Law.

9.2 **Order No. 37 of 29/09/2010 (Shri. Brojen Chandra Dey) –** Secretary briefed the members that initially the State Bank of India stated that they are not having records of the financial year 2000 therefore the matter was lost from District Consumer Redressal Forum. Afterwards, due to efforts taken by the then Director General of Shipping, DGS State Bank of India provided all the details i.e. xerox of pass book, cheque etc. But still National Consumer Redressal Forum dismissed the matter. Thereafter, Special Leave petition (SLP) was filed with Hon'ble Supreme Court wherein the matter was dismissed. The District Consumer Redressal Forum, Murshidabad had issued an execution order which was pending on the ground that the matter is in Hon'ble Supreme Court. The next date is on 16.05.2020 in District Consumer Redressal Forum, Murshidabad.

Agenda Item No.10 (For information: <u>Investment made for the period from 01.04.2019 to 30.09.2019</u>

10.1 Shri.Dange, Vice President, SBI Fund Management Pvt Ltd stated that they have started the investments on board from August 2019 as the transfer of investment from M/s.SBI Security Service Branch, Mumbai (previous portfolio manager). It was delayed due to various compliances required as per RBI instructions eg. Politically exposed people (PEP), KYC etc. Further, he informed that before August 2019 they had parked the fund in liquid fund. They have invested Rs.164 crores from August 2019 to January 2020 in view of maintaining pattern of investment at the end of the financial year.

10.2 Chairman enquired how much interest will Seafarer get if the funds were parked in liquid fund. Accordingly, Shri,.Dange informed that after July 2019 they have invested in better securities e.g. 8.69% Bank of Baroda, 7.5% Air India, 7.2% NHI etc. Shri.Dange assured the members that in such unstable security Market they are not investing in private sector and giving preference to Government securities like IRFC, NHAI, NABARD etc. Shri.Dange informed that for better returns, SPFO should enhance their investment in equity which is allowed 15% as per pattern of investment as done by EPFO. He stated that SPFO instructed SBIFM to invest in equity not more than 5%. Chairman enquired that when as per pattern, it is minimum 5% to 15% then why is it limited to 5%. Accordingly, Secretary informed that due to scam in 2000, Board decided to restrict investment in equity to 5% only. Shri.Dange stated that all the other PF and other Government sectors like ESIC, EPFO and Coal Mines Provident Fund etc are maintaining their investment in equity at 15%. He further stated that in Finance Sub-Committee meeting also the members were informed about the same.

10.3 Shri.Dange further briefed the members as follows :-

i) Government has appointed Administrator in DHFL in this connection already since, investors do not trust the management but ultimate decision will be taken by NCLT and 25 bids are received. The distribution of amount will be decided after the finalization of bidding.

ii) SBIFM(P) LTD have filed required claims with NCLT in respect of DHFL and ILFS. DHFL matter will be settled within few months' time. ILFS structure is very complicated and it may take some time and chances are less to recover the money.

iii) "India Bulls" is in good condition and the invested fund will be available at the time of maturity. "Shriram Finance" is also in sound position and not advisable to sell.

iv) For 'Yes Bank' strategic investors like SBI, HDFC and Kotak Mahindra have been found and therefore chance of recovery is there.

10.4 Secretary enquired whether the securities can be sold out now ? Accordingly Shri. Dange informed that when such trouble arises then secondary market is also not available for sale. Securities will fetch Rs.20 to Rs.25 each and hence it is better if we atleast get 50% recovery from the companies. Therefore, it is advisable not to sell at present.

10.5 (a) The Board decided that the matter may be reviewed by the Finance Sub-Committee where representation of Ministry of Shipping to be ensured in the meeting to enhance equity from 5% to 15% as soon as possible and place the same to the Board

(b) Hold the securities as advised by the fund manager as discussed in Para 10.3 (i), (ii), (iii) & (iv) above.

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

14/9/2020
सचिव
न्यासी मंडल
नाविक भविष्य निधि
मुंबई

14/9/2020
अध्यक्ष
न्यासी मंडल
नाविक भविष्य निधि
मुंबई