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ACCOUNT BOOK

Minutes from 83rd Meeting Board of Trustees SPFO
to 102nd Meeting.

List of Minutes from 83rd to 102nd Board of Trustees Meeting

Sr. No.	BoT Meeting	Date and Time of Meeting
1	83rd BoT Meeting	28th January, 2000 at 11.00 a.m.
2	84th BoT Meeting	22nd September, 2000 at 11.00 a.m.
3	85th BoT Meeting	31st January, 2001 at 11.30 a.m.
4	86th BoT Meeting	4th October, 2001 at 11.00 a.m.
5	87th BoT Meeting	31st January, 2002 at 11.00 a.m.
6	Special BoT Meeting	10th May, 2002 at 2.30 p.m.
7	88th BoT Meeting	0th June, 2002 at 11.00 a.m.
8	89th BoT Meeting	10th October, 2002 at 11.30 a.m.
9	90th BoT Meeting	16th January, 2003 at 11.30 a.m.
10	91st BoT Meeting	27th June, 2003 at 11.30 a.m.
11	92nd BoT Meeting	29th September, 2003 at 11.30 a.m.
12	93rd BoT Meeting	30th December, 2003 at 11.30 a.m.
13	94th BoT Meeting	10th March, 2004 at 11.30 a.m.
14	95th BoT Meeting	29th June, 2004 at 11.30 a.m.
15	96th BoT Meeting	22nd September, 2004 at 11.30 a.m.
16	97th BoT Meeting	28th December, 2004 at 11.30 a.m.
17	98th BoT Meeting	23rd March, 2005 at 11.30 a.m.
18	99th BoT Meeting	29th June, 2005 at 3.00 p.m.
19	100th BoT Meeting	3rd October, 2005 at 11.30 a.m.
20	101st BoT Meeting	18th January, 2005 at 11.30 a.m.
21	102nd BoT Meeting	07th June, 2006 at 11.00 a.m.

MINUTE BOOK

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Minutes of the 83rd Meeting of the Board of Trustees, Seamen's Provident Fund held on Friday the 28th January, 2000, at 11.00 AM in the Board Room of Seamen's Provident Fund Organisation, "Kruponidhi" 3rd Floor, 9, Wolchand Hirachand Marg, Ballard Estate, Mumbai - 400 001.

The following were present :-

Shri D. J. Joseph	Chairman
Shri R. D. Meena	Member
Shri D. P. Revawala	Member
Shri D. K. Mukherjee	Member
Shri M. J. Joseph	Member
Shri Anil Baran Das	Member
Shri Anup Kumar Gond	Secretary

The meeting started with the introduction of every member present to the Chairman. Shri M J Joseph and Shri A B Das while welcoming the Chairman mentioned that this Board has a very good tradition of arriving at unanimous decision which were objective. Reciprocating to the gesture, the Chairman thanked all the members present and expressed his happiness over his association with the Board. He also urged the members to extend their cooperation in conducting the proceedings of the meeting in a spirit of cordiality and goodwill.

Leave of absence was granted to the following Members who expressed their inability to attend the Meeting due to other pre-occupations.

i) Shri Joy Valentine
ii) Smt Bharti Das
iii) Capt N A Hiranandani
iv) Dr Leo Barnes.

The Board then took up the Agenda.

Item No. 1 : Confirmation of the Minutes of the 82nd Meeting of the Board of Trustees, Seamen's Provident Fund held on 26.10.1999 at 11.30 A.M. in the Board Room of Seamen's Provident Fund Organisation, Mumbai.

The amendment suggested by Shri R.P. Ravawala to the minutes was accepted by the Board and there being no other comments, the Board confirmed the minutes with the modification as under :

The word "of 24% P.A (Compound)" appearing on Page 6 on 7th line be deleted.

Item No. 2 : Action taken on the recommendations of the Board of Trustees.

En No. 1 :- Before initiating the discussion, Shri M.J. Joseph suggested that the headlines of this item required to be named as "Action on the outcome of the deliberations" instead of "Action taken on the recommendations" since the Board cannot recommend. The suggestion was accepted by the Board. As regards utilisation of surplus amount in the Interest Suspense Account many options were considered by the Board and considering the current trend in the rate of interest which is likely to affect the interest earning a stage may arise whereby even it may not be possible to give interest at the present rate. Hence it was decided to maintain the balance for the time being.

En No. 2 :- Noted by the Board.

En No. 3 :- The Chairman enquired with the Secretary as to the proposal to levy damages at fixed rate as stated in the Annexure. The Secretary explained in details and

suggested to the Board to fix the rate at 24% P.A. The members representing seamen (employees) supported the proposal while the ship owners (employers) representatives requested that the rate may be brought down to 16% or 18% as due to difficulties experienced by them in remitting the Provident Fund contributions. They also insisted that the grace period should be continued. However, employees representatives maintained that there is no valid reason on the request of ship owners as they are required to settle crews wages within four days from the date of sign off they could therefore easily remit the Provident Fund Contributions well within the stipulated period.

After hearing the views expressed by the members the Chairman suggested three options for consideration as under :

1) To retain the present scale to levy damages at 15%, 20% and 25% on delays beyond 30 days, 60 days and 90 days respectively.

2) No grace period with the rate of levy of damages at 18% P.A.

3) With grace period levy of damages at the rate of 24% P.A subject to review.

After having considered the above options it was unanimously decided by the Board to levy damages at a fixed rate of 24% P.A w.e.f. 01.04.2000 on delayed contributions beyond 30 days and will be reviewed when need arises.

Item No. 3 : Progress of work and Future plans in the Seamen's Provident Fund Organisation.

While initiating the discussion on this item, Shri M.J. Joseph mentioned that the progress of work did not highlight the recoveries made by the organisation and/or the action taken to recover the outstanding dues from the defunct companies. He cited the case of M/s. Jaisinp Maritime Ltd., Mumbai which wound up its business and still the crew engaged by the company have not been paid off their dues. He desired to know the action initiated against the company by the organisation under the relevant judicial powers vested with the Commissioner to recover the dues and also from other such companies. The Commissioner when explained the position, Shri Joseph insisted that such culprits should be booked and put behind bars. However, the Chairman while endorsing the concern expressed by the member opined that before going for such an extreme step the affected party must be given ample opportunities to defend and when it fails then only such extreme steps could be considered. He, therefore, directed the Commissioner to exercise all options under the relevant provisions in this particular case and initiate action as suggested by the member.

There being no other comments the Board noted the position as explained in the Agenda and once again complimented the Commissioner for his excellent achievements.

Item No. 4 Fixation of rate of interest for credit to the members accounts the year 1999 - 2000

After discussing the matter in detail and having considered other options to pay higher rate of interest on account of sufficient balance in the Interest Suspense Accounts the Board approved the rate of interest at 12% for credit to the members accounts for the year 1999 - 2000.

Item No. 5 Revised Estimates for the year 1999 - 2000 and Budget proposals for the year 2000 - 2001.

After having detailed discussion along with the views expressed by Capt. Hiranandani in his letter which was placed on the table, the Board approved the Revised Estimate for the year 1999-2000 and Budget proposal for the year 2000-2001.

Item No. 6 Audit Report / Certificate on the Accounts of the Seamen's Provident Fund Organisation, Mumbai, for the year 1998 - 99.

The Board noted the position.

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

CHAIRMAN
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
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31/01/2001
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Minutes of the 84th Meeting of the Board of Trustees, Seamen's Provident Fund held on Friday the 22nd September 2000 at 11.00am in the Board Room of Seamen's Provident Fund Organisation, 'Krupanidhi' 3rd Floor, 9 Walchand Hirachand Marg, Ballard Estate, Mumbai-400 001.

The following were present:-

Shri. D. T. Joseph.	Chairman
Shri. Joy Valentine	Member
Shri. R. D. Meena	Member
Capt. N. A. Hiranandani.	Member
Shri. D. P. Revawala	Member
Dr. Leo. Barnes	Member.
Shri. Anil. Baran. Das.	Member
Shri. Anup Kumar Gond	Secretary

'Leave of absence was granted to the following Members who could not attend the Meeting due to other pre-occupations.

(i) Shri. T. Srinidhi.
(ii) Shri. D. K. Mukherjee
(iii) Shri. M. T. Joseph.

The Chairman gave a warm welcome to the members present in general and in particular to Dr. Leo Barnes who attended the meeting inspite of his ill-health. He also urged the members to extend their co-operation in conducting the proceedings of the meeting in a spirit of cordiality and goodwill. Before initiating discussion on the Agenda, Dr. Barnes introduced Shri Vasant Samant and requested Chairman to take up the Agenda Item No.6 regarding introduction of Annuity Scheme for seamen first as he was not feeling well. The Chairman after having the opinion of other members permitted to take up the item No.6 after item No.1 is taken up for discussion.

Item No.1: Confirmation of the Minutes of the 83rd Meeting of the Board of Trustees, Seamen's Provident Fund held on 28-1-2000 at 11.00 A.M. in the Board Room of Seamen's Provident Fund Orgn, Mumbai.

The Board accepted the suggestion made by Dy. Secretary, Maritime Association of Shipowners, Shipmanagers and Agents to record the leave of absence granted to Capt. N. A. Hiranandani. Since there is no other suggestions/amendments from other members the Board confirmed the minutes.

Item No.6: Introduction of Annuity Scheme for seamen - suggested by Dr. Leo. Barnes.

Dr. Barnes stated that the report submitted by the Secretary is about introduction of Pension Scheme whereas his suggestion was to introduce Annuity Scheme for seamen and for creation of the Annuity Scheme, 50% of employers contribution from the total accumulations may be transferred in addition to the contributions made by the employers towards Annuity. He also suggested that no loan should be allowed from this fund and also no commutation to be allowed. Dr Barnes further stated that Annuity Scheme should be meaningful and therefore be finalised within a time frame. The Chairman and other members after going through the written submission made by Shri. A. B. Das, in this regard unanimously decided that a Committee be constituted to examine all aspects in detail keeping in view specially (i) the economic situation as to how it would be beneficial to the member seaman (ii) Inflation (iii) whether the Seamen's Provident Fund Act/Scheme permits or not (iv) administrative set up for management and (v) self financing. The Board also decided that time bound report be prepared by the Committee and submitted

to the Government before the end of current financial year i.e. 31st March, 2001

The Committee so constituted shall consist of the following members:

(i)	Shri. Joy Valentine	Convenor
(ii)	Shri. T. Srinidhi	Member
(iii)	Capt. N. A. Hiranandani	Member
(iv)	Shri. D. P. Revawala	Member
(v)	Dr. Leo. Barnes	Member
(vi)	Shri. A. B. Das.	Member
(vii)	Shri. Anup Kumar Gond	Member/Secretary

Dr. Barnes then took leave of absence from the rest of deliberations on other items due to his compelling ill health with permission of the Chair.

The Board then took up other items on the agenda for discussion.

Item No.2: Action on the outcome of the deliberations of the Board of Trustees Seamen's Provident Fund at their 83rd meeting held on 28-1-2000 in the Board Room of Seamen's Provident Fund Orgn, Mumbai.

Sr. No.1: The Chairman enquired with the Secretary whether or not the company is in existence and why eight months period was given for payment. Secretary stated that the company has become defunct and the time limit was given to clear all dues as requested by the Company. Capt. Hiranandani asked Secretary about the total outstanding amount and it was informed that around six lakhs rupees was outstanding. There being no other comments the Board noted the position.

Sr. No. 2 & 3: The Board noted the position.

Item No.3: Annual Report on the working of the Seamen's Provident Fund Scheme, 1966 for the year 1999-2000.

While initiating the discussion on this item, the Chairman enquired with Secretary about Final withdrawals and Non-refundable withdrawals. The Secretary explained in detail about Final withdrawals and Non-refundable withdrawals and the procedure for withdrawals. To another querry about Forfeiture it was explained to the Chairman that the forfeiture is made if the period of service of a seaman is less than six years while disbursing final dues and the amount so deducted is to be utilised for the welfare of the seamen and their family members in accordance with the provision of the Seamen's Provident Fund Scheme. Capt. Hiranandani and Shri A.B. Das explained the criteria for final withdrawal and non-refundable withdrawal. As regards investments of Provident Fund monies in Special Deposits, the Chairman desired to know as to why a huge amount is locked up with Reserve Bank of India. Secretary informed that in accordance with Government pattern, Provident Fund monies are invested and withdrawal from special deposits is not allowed unless specified conditions are fulfilled. The relevant provision of the Act/Scheme and Notification in this regard was shown to the Chairman. The Chairman and all other members present complimented the Commissioner, Officers and staff of the Organisation for the good work done by them. There being no other comments the Board approved the draft Annual Report for the year 1999-2000.

Item No.4: Budget Re-appropriation for the year 1999-2000.

The Board noted the position.

Item No.5: Nomination of FOSMA Maritime Institute and Research Organisation, Mumbai as Member Board of Trustees, Seamen's Provident Fund (Request from FOSMA)

While initating the discussion on this item the position regarding constitution of the Board as explained in the Agenda was read out by the Chairman, Shri A.B. Das,

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in addition to his written submission against induction of FOSMA as member once again reiterated not to consider the request for the reasons explained in his written submission. Shri. D.P. Revanvala suggested that the relevant provision of the Act may be amended to increase the composition of the members. Shri. R.D. Meena informed that amendment to the Act is a lengthy procedure and it may take considerable time. The Chairman after having considered the views expressed by all the members directed the Commissioner to find out the inflow of funds from FOSMA, MASSA and INSA and put up the same to the Board in the next meeting for discussion. Meanwhile, the Commissioner was requested to acknowledge the receipt of the FOSMA's request stating that matter is under discussion.

Item No.7: Progress of work in Seamen's Provident Fund Organisation, Mumbai.

The Chairman and other members complimented the Commissioner in particular and the staff in general towards the progress made by the organisation as explained in the agenda item. As regards introduction of Web-site the Chairman suggested to consider many options available and choose the best so that it will not confuse the user. Regarding simplification of the Provident Fund Claim forms the Board appreciated the Commissioner for his efforts and approved the format brought before the Board with suggested modifications. The Board appreciated the keen efforts taken by the present Commissioner for bringing out various improvements in the organisation especially (i) Formulating Quality Policy of the Organisation (ii) Computer training to given to Class IV employees (iii) introduction of Yoga Training (Pranayam & Meditation) among the staff

Additional Item No.1: Introduction of the Assured Career Progression Scheme for the staff of Seamen's Provident Fund Organ on the line of Central Government Civilian Employees

After having detailed discussion on this item

with the relevant provision as set out under the Seamen's Provident Fund (Staff and Conditions of Service) Regulations, the Board unanimously approved the proposal for introduction of the Assured Career Progression Scheme w.e.f. August, 1999 submitted by the Secretary for the Staff members of the Seamen's Provident Fund Organisation.

Additional Item No.2: Shri. A.B. Das with the permission of the Chair informed that there are various companies who do not deposit the Provident Fund amount to Seamen's Provident Fund. He, therefore, suggested to take penal action against such defaulters. However, Shri. D.P. Revawala and Capt. N.A. Hiranandani informed that all the employers remit the Provident Fund dues. Wherever exemption has been granted for Petty Officers from the operation of Seamen's Provident Fund Scheme, Provident Fund is maintained by the shipping companies concerned. As regards Dredging Corporation of India, Shri. Das stated that they deposit the Provident Fund dues with Employees Provident Fund instead of Seamen's Provident Fund in total violation of the relevant provisions. After hearing the views expressed by the members the Chairman requested Shri. Joy Valentine to look into the matter with regards to the relevant provisions.

Additional Item No.3: Permanent absorption of present Commissioner in Seamen's Provident Fund Organisation.

Shri. A.B. Das, with the permission of the Chairman, stated that during the tenure of the present Commissioner, the activities of the organisation has remarkably improved and as such he reiterated his demand of extending the tenure and/or considering permanent absorption of the present Commissioner with the organisation. He cited the hardships faced by Calcutta based member seamen which have been alleviated to a great extent after the present Commissioner assumed the charge. Shri. D.P. Revawala along with other members also joined in reiterating that permanent

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absorption of the present Commissioner would be a great advantageous not only to the seamen members but also the shipping industries and the organisation. He also cited the case of the Shipping Corporation of India which have been benefited with the introduction of computerisation in Seamen's Provident Fund Organisation. Shri. Meena also requested that with the present Commissioner's innovative plans and foresight the organisation will be benefited and thus the present Commissioner may be permanently absorbed. The members further stressed the need for permanent retention of the present Commissioner for formulation of Pension Scheme as with his vast experience as a Commissioner, the Pension Scheme could be formulated and introduced in a succesful manner. The Chairman after having considered all the views expressed by the members, opined that permanent absorption can only be possible if the present Commissioner agrees to get him permanently absorbed. He therefore asked the Commissioner, who has expressed his willingness for permanent absorption.

The Board therefore unanimously approved for permanent absorption of the present Commissioner in the organisation and requested the Commissioner to submit a request for consideration and meanwhile requested Shri. Joy Valentine and Shri. R.D. Meena to take necessary action in this regard.

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

4.10.2001

CHAIRMAN
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
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Minutes of the 85th Meeting of the Board of Trustees, Seamen's Provident Fund held on Wednesday, 31st January, 2001 at 11-30 a.m in the Board Room of Seamen's Provident Fund Organisation, "Krupanidhi" 3rd Floor, 9 Walchand Hirachand Marg, Ballard Estate, Mumbai - 400 001.

The following were present:-

Shri. D. T. Joseph	Chairman.
Shri. R. D. Meena	Member
Shri. D. P. Revawala	Member
Shri. Vasant P Sawant	Member
Shri. Anil Baran Das	Member
Shri. Anup Kumar Gond	Secretary.

Leave of absence was granted to the following Members who could not attend the meeting due to other pre-occupations.

(i) Shri. Joy Valentine
(ii) Shri. T. Srinidhi
(iii) Capt. N. A. Hiranandani
(iv) Capt. Somnath Pahi
(v) Dr. Leo. Barnes

Shri. Abdul Gani Serang from National Union of Seafarers of India, Mumbai was present as an observer.

Shri A. B. Das suggested that before taking up the Agenda, the Board may observe silence for a minute to mourn those who have lost their lives in the killer earthquake in Gujarat. The Board welcomed the suggestion and the Members stood in silence for a minute.

The Board then took up the agenda for discussion

MINUTE BOOK

Item No. 1: Confirmation of the 84th Meeting of the Board of Trustees, Seamen's Provident Fund held on 22-11-2000 at 11.00 A.M. in the Board Room of Seamen's Provident Fund Organisation, Mumbai.

The Chairman enquired with the Secretary as to the suggestion made by Shri. D.P. Revawala regarding penalty clause. The Secretary when explained the position the Board felt that since the words "will be reviewed when need arises" takes care no need for amendments.

There being no other comments/suggestions the Board confirmed the Minutes without any modifications.

Item No 2:- Action taken on the recommendations of the Board of Trustees, Seamen's Provident Fund at their last meeting.

Sr. No 1: The Board noted the position explained in the Agenda.

Sr. No 2: The Board noted the position.

Sr. No 3: While considering the position explained in the Agenda the Board felt that in view of FOSMA's contribution towards the shipping industry as stated by Shri Vasant P. Samant their request for inclusion as a member Board of Trustees, Seamen's Provident Fund deserves consideration. However, considering the composition of Board constituted by the Central Government, there is no possibility to increase unless the relevant Section of the Seamen's Provident Fund Act is amended which is a lengthy procedure. The Chairman however opined that they (FOSMA) could be invited as a permanent invitee.

Item No 3: Progress of work in Seamen's Provident Fund Organisation.

The Board noted the position and once again

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complimented the Commissioner in particular and the staff of the organisation in general for their best efforts to cater the needs of seaman community and also for installation of suggestion box.

Item No. 4: Fixation of rate of interest for credit to the members Accounts for the year 2000-2001.

While initiating discussion on this item the Chairman enquired with the Commissioner as to the reason for proposing reduced rate of interest @ 11%, when the rate of interest remained @ 12% for the last four years. The Commissioner explained the reason in detail for proposing the rate @ 11%. The Board then approved the interest rate @ 11% for the credit to the members accounts for the year 2000-2001.

Item No. 5: Revised Estimate for the year 2000-2001 and Budget proposals for the year 2001-2002.

The Chairman when enquired with the members whether they have any comments on this item Shri. Revawala pointed out that the expenditure on D.A. & H.R.A. appears to be higher. The Commissioner explained that the expenditure shown under this head is based on the actual as shown in the annexure. As regards provision for non-recurring expenditure the Board complimented the Commissioner for maintaining the same level as in the previous year.

The Board after having some further discussion unanimously approved the Revised Estimate for the year 2000-2001 and Budget proposals for the year 2001-2002.

Item No 6: Audit Report/Inspection certificate on the accounts of Seamen's Provident Fund Organisation for the year 1999-2000.

While initiating discussion on this item Shri Revawala opined that the reply given by the organisation to the Audit observation on

format of accounts is not correct and it should be consolidation of accounts instead of merger of accounts. The member further stated that in view of Audit observation the format of accounts of the organisation required to be modified as suggested. Shri Meena suggested seeking advice either from Chartered Accountants or Audit department in this regard.

There being no other comments the Board noted the position.

Item No.7: Amendments to Seamen's Provident Fund Act 1966 and Seamen's Provident Fund (Amendment) Act 1997.

The Board after having detailed discussion decided to await further till the legal opinion in this regard is finalised.

With the permission of the Chair Shri R D Meena informed that the tenure of the present Commissioner has been extended for a further period of one year. However the members while expressing their happiness over the extention extension requested to consider permanent absorption to which the Chairman directed the Commissioner to keep in touch with him as well as with Shri Meena.

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

CHAIRMAN
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
BOMBAY

SECRETARY
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
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Minutes of the 86th Meeting of the Board of Trustees, Seamen's Provident Fund held on Thursday, the 4th October 2001 at 11.00 a.m. in the Board Room of Seamen's Provident Fund Organisation, "Knupandhi" 3rd Floor, 9 Walchand Hirachand Marg, Ballard Estate, Mumbai-400 001

The following were present:-

Shri. D.T. Joseph	Chairman
Shri T. Sridhi.	Member
Capt. N.A. Hiranandani.	Member
Shri. D.F. Revawala	Member
Capt. Somnath Pahi	Member
Shri. Anil Baran Das	Member
Shri. Vasant P. Samant	Member
Shri Abdulgani Y. Serang	Member
Shri Anup Kumar Gond	Secretary

Leave of absence was granted to the following Members who could not attend the meeting due to other pre-occupations.

(i) Shri R.D. Meena
(ii) Shri. Naresh Salecha.

Capt. M.S. Vinod Kumar, Asst Director General of Shipping was present as an observer.

The Chairman welcomed the members present and in particular Shri T. Sridhi and Capt. Somnath Pahi who have attended for the first time.

Shri A.B. Das suggested that before taking up the Agenda the Board may silence for a minute to mourne the sudden death of Dr. Leo Barnes, associated with the Board for more than three decades. Shri Abdulgani Serang recalled Dr. Barnes struggle and contributions in the initial days towards setting up of the Seamen's Provident Fund Scheme as a social welfare measures for the Indian seafarers.

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The Board while endorsing the views expressed by the members remembered Dr. Barnes and felt that the Board lost one of its pillar who rendered valuable services to the seafarers and to the Board with his long association. The Chairman suggested that the Board might also observe silence to mourne those who lost their lives in the recent terrorist attack on the World Trade Centre, New York. The Board then stood in silence for a minute as a mark of respect to the departed souls.

Shri A.B.Das with the permission of the Chair once again reiterated the request made by the members and the Board which agreed in principle in its earlier meetings to retain the present Commissioner permanently and who has expressed his willingness to get absorbed. The member further stated that during the tenure of present Commissioner, Seamen's Provident Fund Organisation started taking positive steps towards better services to the member seamen. He cited the setting up of a computerised branch office at Kolkata with a full time employee and operating of the Bank Account. The member further stated that the Office at Kolkata provides upto date information to the seamen. It was he who took personal iniative and as a result the difficulties hitherto faced by the member seamen based at Kolkata have been alleviated to a great extent. In addition, the present Commissioner has taken the initiative to computerise the accounting system of the organisation, the benefit of which is felt not only by the organisation but also by the seamen members and the shipping companies too. Introduction of pension scheme to the seamen is under consideration. The member, therefore, stressed the need to retain the present Commissioner and requested the Chairman to pursue for permanent absorption of the present Commissioner. After hearing the views expressed by the Member, the Chairman stated that the issue was taken up with the Government which in turn informed that in the absence of specific provision in the existing Recruitment Rules (R.R.S.) governing appointment of Commissioner, the proposal in this regard could not be considered. However, based on the provision now available in the revised R.R.S being notified, a proposal afresh would be formated to the Ministry and Capt. M.S. Vinod Kumar was requested to submit the proposal afresh at the earliest.

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The Board then took up other items on the agenda for discussion.

Item No.1: Confirmation of the minutes of the 85th meeting of the Board of Trustees, Seamen's Provident Fund held on 31-01-2001.

While considering the suggestion made by Shri D.P. Revanwala, the Board also pursued the reply received from the Ministry in this regard, annexed to Item No.2, Sr. No.2, Capt. N.A. Hiranandani, stated that though he was not present at the last meeting, calling employers representatives on rotation is not agreeable. However, he stated that FOSMA could be invited as a permanent invitee. After having further discussion the Board decided to amend the last three lines in the draft minutes under Item No.2, Sr. No.3 as "The Chairman, however, opined that they (FOSMA) could be invited as a permanent invitee." The Board also decided that the Ministry may be informed of this decision.

There being no other suggestions/comments, the Board confirmed the minutes with the above modification.

Item No.2: Action on the outcome of the deliberations of the Board of Trustees, Seamen's Provident Fund, at their 85th Meeting held on 31st January, 2001 in the Board Room of Seamen's Provident Fund Organisation, Mumbai.

Sr. No.1: Noted by the Board

Sr. No.2: Discussed at length under Item No.1.

Sr. No.3: The Board noted the position explained in the Agenda.

Sr. No.4: The Board after having gone through the observations and comments of the Organisation directed the Commissioner to examine the issue of payments towards extra hours, bonus/ex-gratia, leave and amenities. Shri T. Srinidhi, Dy. Financial Adviser and Government Representative desired to know whether the organisation follows the Govt. procedures towards payment of bonus as productivity linked. Commissioner explained in detail the procedure being followed by the organisation and necessary provisions made in the annual budget and approved by the Government.

However Commissioner was asked to study whether the terminology's used by the organisation ie Extra Hours Work & Ex-gratia payment may be replaced as overtime & Bonus as used in the Government Organisations

During the discussion of Item No-2 Shri. Abdulgani-Serang stated that many shipping companies default wilfully in depositing the Provident Fund Contribution in respect of the seafarers. It is observed that inspite of the seafarers reporting the matter to the Commissioner, Seamens Provident Fund the Provident Fund dues are not deposited by the defaulting companies. Shri. Serang further stated that it seems the defaulting companies are taking the matter lightly in the absence of any deterrent. Other schemes of Provident Fund have very stringent and deterrent clause for defaulting companies in as much as legal action can be taken against officials of these companies. Therefore such type of action be initiated by the Commissioner, Seamen's Provident Fund. The Chairman advised the Commissioner, Seamen's Provident Fund to study other Provident Fund Schemes and explore the possibility of taking stringent action against the defaulting companies.

Item No.3: Annual Report on the working of the Seamens Provident Fund Scheme for the year 2000-2001.

While initiating discussion on this item, the Chairman desired to know the Provident Fund receipts at 12% of the wages appearing under the head "Year at a Glance" represent towards 80% of the seafarers wages, and as to the withdrawals ie final withdrawal and non-refundable withdrawals. Capt. Hiranandani explained in detail about the provident fund receipts while the Commissioner gave a brief account of all kind of withdrawals.

There being no other suggestions/comments, the Board approved the Annual Report for the year 2000-2001

Item No 4: Progress of work in Seamen's Provident Fund Organisation, Mumbai

The Chairman enquired with the Secretary as to the completion of computerisation work. In reply the Secretary stated that only Administration Accounts are to be computerised

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which is expected to be completed shortly. As for introduction of website the Chairman suggested the possibility of a weblist with the Director General of Shipping that would be cost effective and render all services instead of having a seperate site. The Board complimented the Commissioner, Officers and staff of the Organisation for rendering good service to the member seamen and appreciated the efforts put forth by the Commissioner during his tenure. The Board also welcomed the proposal of keeping the organisation open on all Saturdays and noted other proposals brought out in the agenda.

Item No.5: Budget Re-appropriation 2000-2001.

The Board noted that despite exceeding expenditure under the head T.A. & L.T.C. the Organisation made a saving of both four lakhs. The Commissioner stated that due to pension sub-committee meetings, the expenditure exceeded under this head and all steps are taken to prune the expenditure. The Board complimented the Commissioner in maintaining utmost economy under other heads.

Item No.6: Amendment to Seamen's Provident Fund Act, 1966 (SPF Act)

The Board while discussing the proposal submitted by the Secretary, observed that the question of extending coverage to the Officers need to be discussed in detail in view of the opinion expressed by the employees representatives. The representatives further stated that since the companies have their own well managed provident fund scheme for their officers, bringing them under the ambit of Seamen's Provident Fund Scheme might not be necessary. The officers may not be willing to join the Seamen's Provident Fund Scheme as the benefits are more or less similar. However, the Chairman, while endorsing the employers representatives views opined that in case of fifteen percent officers who may like to come under the seamen's provident fund scheme, they cannot be turned away just because there is no provision. Hence an option may be given to the Officers whether or not to join this Scheme. Capt M.S. Vinod Kumar stated that in addition to extending coverage to the Officers, a provision for audit by the Comptroller and Auditor General of India (CAG) is also required to be proposed. The Chairman enquired with the Secretary as to the auditing of the accounts at present. In reply the Secretary informed that the accounts of the organisation are audited by the Principa

Director of Audit (Central) Mumbai in consultation with the CAG. The Board therefore felt that the present system might continue. Capt. M.S. Vinod Kumar further stated that the Ministry is repeatedly asking for the amendment proposal of the Act and as such the Board may approve the proposal placed before it. After having further discussion the Chairman invited Capt. N.A. Hiranandani to further discuss this issue with him and final decision can be taken during next Board meeting which will be held in January, 2002.

Item No.7: Reactivating Suspense Dead Account.

While initiating discussion on this item the Chairman enquired with the Secretary as to the existence of these accounts. The Secretary explained in detail. The Board desired to know whether the organisation earn interest on the balance held under Dead Account and if so then why it is not given back to the concerned member when he makes his claim. The Commissioner stated that in accordance with the decision taken by the Board at its 60th & 61st meeting held on January/September, 1989, the accounts are settled without interest.

After having further discussion, the Board unanimously decided and agreed to reactivate these accounts. As for payment of interest is concerned, the Board decided to pay interest only from the date of reactivation of these accounts, since calculation of interest as discussed by the Board for those dormant periods would cause administrative inconvenience as stated by the Commissioner.

Item No.8: Review of scale of levy of damages on the delayed contributions

The Board while discussing this item Shri D.P. Revawala reiterated his stand that the damages are not leviable on the pension annuity payable to the seaman for the articled period by the employers and it is being treated as additional voluntary contribution. Hence he requested the Board to condone damages levied on pension annuity and stated that the delay in remittances is unintentional and caused due to administrative

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inconvenience faced by shipping companies. Capt. Somnath Pahi also endorsed the views expressed by Shri D.P. Revawala. While endorsing the views expressed by Mr. D.P. Revawala, Capt. N.A. Hiranandani stated that provisions of Section 18 of the Seamen's Provident Fund Act, 1966 might not be applicable for the contributions to Pension/Annuity Fund which were remitted to the Seamen's Provident Fund Commissioner as per the NMB Agreement, a bipartite agreement between the Shipowners and Seafarers. However the members representing seamen refuted the claim saying that all the employers are expected to settle the dues within four to five days time before the shipping masters concerned where sign off takes place and as such there is no valid reason to accede the demand. The Chairman after having considered the views expressed by the members opined that the Board might consider reduction in the rate of damages. The Board after having further discussion unanimously decided to levy damages at the rate of 15% per annum effective from October 2001, subject to review. As for levy of damages on contributions other than provident fund, the Commissioner was directed to examine this issue in detail and submit a report to the Board for consideration at its next meeting. Shri. Revawala and Capt. Somnath Pahi further stressed the need to extent the existing time limit of remittances from 30 days to 60 days. The Board considered the views of the members and decided to extend the time limit for remittances from 30 days to 60 days subject to review.

Item No.9: Additional Item No.1:
Withdrawal from Special Deposit Account With Reserve Bank of India.

The Board while considering the proposal for withdrawal of funds as submitted by the Secretary, Capt. Hiranandani stated that some arrangements must be made in view of the position explained in the Agenda. After having a detailed discussion on this subject, the Board unanimously decided to withdraw a sum of Rs. 12.68 crores from the Special Deposit Scheme Account maintained with the Reserve Bank of India and unanimously passed following resolutions in order to settle final and non-refundable withdrawals.

"RESOLVED that considering the low accretion to the fund which is not sufficient to meet the obligatory payments it is decided that

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a sum of Rs.12.68 crores, which is in the same proportion in which investments are made, be withdrawn from Special Deposit Scheme Account maintained with Reserve Bank of India in order to meet the obligatory payments."

"RESOLVED FURTHER that consequent to the decision of the Board of Trustees, Seamen's Provident Fund, at their 86th meeting held on the 4th October, 2001, for withdrawal of 12.68 crores from Special Deposits Scheme Account maintained with the Reserve Bank of India, Mumbai the Commissioner, Seamen's Provident Fund is hereby authorised and empowered to withdraw from the above said amount as may be necessary to make obligatory payments"

"It is FURTHER RESOLVED that the Commissioner, Seamen's Provident Fund is hereby authorised for and on behalf of the Board to correspond, sign, and furnish clarification as may be required by the Reserve Bank of India, in relation to the withdrawal of the said amount from the said Special Deposit Scheme Account maintained with the Reserve Bank of India."

Capt. Hiranandani and Shri A.B.Das, members representing Employers and Employees came forward to sign the above resolutions as required for withdrawal. The Commissioner was directed by the Board to approach the Reserve Bank of India for withdrawal of the required amount.

Shri Abdulgani Serang with the permission of the Chair, informed that the seamen reporting at the enquiry counter for settlement of non-refundable and final withdrawal claims are finding difficulty when they are informed after a couple of days that the signature/thumb impression do not match with the office records and required documents not submitted and are advised to submit a proforma prescribed by the organisation listing out the requirements. As a result, considerable time is lost in settlement of claims. He, therefore suggested that to avoid such delay the organisation may consider calling the seamen reporting at the counter after a day or two from the date of submission of documents to verify & confirm as to the compliance of requirements. The Board requested Commissioner to look

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into the matter and extend all possible help to the seamen members.

Shri. A.B.Das informed that the office set up at Kolkata needs some furniture's and fixtures, as with the existing facility it cannot function to the expectation. He therefore requested the Board to provide funds to furnish the office at Kolkata. The Board directed the Commissioner to look into this and extend assistance as may be required.

The meeting then came to an end with a vote of thanks to the Chair by Shri. D.P.Revawala.

CHAIRMAN
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
BOMBAY

6/5/02

SECRETARY
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
BOMBAY

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Minutes of the 87th Meeting of the Board of Trustees, Seamen's Provident Fund held on Thursday, the 31st January, 2002, at 11:00 a.m. in the Board Room of Seamen's Provident Fund Organisation, "Krupanidhi", 3rd Floor, 9, Walchand Hirachand Marg, Ballard Estate, Mumbai-400 001.

The following were present:-

Shri D. T. Joseph	Chairman
Shri S. R. Gaur	Member
Shri Naresh Salecha	Member
Capt. N.A. Hiranandani	Member.
Shri D. P. Revanwala	Member.
Capt Somnath Pathi.	Member.
Shri Abdulgani Y. Serang	Member
Shri Vasant P. Sawant	Member.
Shri Anil Baran Das	Member
Shri Anup Kumar Gond	Secretary

Leave of absence was granted to Shri T. Srinidhi who could not attend the meeting due to other pre-occupations.

Before initiating discussion on the Agenda, Shri A.B.Das with the permission of the Chair welcomed the new members Sarvashri S.R.Gaur and Naresh Salecha. The Chairman introduced all other members to them by name and in reciprocation the new members expressed happiness over their association with the Board and assured full co-operation in conducting the proceedings.

The Board then took up other items on the agenda.

Item No 1: Confirmation of the minutes of the 86th meeting of the Board of Trustees, Seamens Provident fund held on 31-01-2001.

Before initiating discussion on the item the Chairman stated that some members made suggestions/

amendments to the minutes and opined the Board may like to discuss in detail. As for the suggestions made by Shri A.B.Dass to replace the word "The Board considers ..... subject to review" appearing on Page 7 under Item No.8 with "The board did not consider such suggestion", it was decided by the Board to have a detailed discussion at the end regarding enhancement of period for Provident Fund remittances by the employer and maintain status-quo in the draft minutes. However the suggestions by Capt. Hiranandani and Shri. Abdulgani Serang were accepted by the Board. The minutes were confirmed with the following amendments:

add the following after the words "expressed by Mr.D.P. Revawala" in line 7 of Page 7 of the draft minutes.

"While endorsing the views expressed by Mr.D.P.Revawala Capt. N.A. Hiranandani stated that provisions of Section 18 of the Seamen's Provident Fund Act, 1966 might not be applicable for the contributions to Pension/Annuity Fund which were remitted to the Seamen's Provident Fund Commissioner as per the NMB Agreement, a bipartite agreement between the Shipowners and Seafarers" and

add the following after Sr. No.4 under Item No.2 on page

"During the discussion of Item No.2 Shri Abdulgani Serang stated that many shipping companies default willfully in depositing the Provident Fund contribution in respect of the seafarers. It is observed that inspite of the seafarers reporting the matter to the Commissioner Seamen's Provident Fund the Provident Fund dues not deposited by the defaulting companies. Shri. Serang further stated that it seems the defaulting companies are taking the matter lightly in the absence of any deterrent. Other schemes of Provident Fund have very stringent and deterrent clause for defaulting companies in as much as legal action can be taken against officials of these companies. Therefore, such type of action be initiated by the Commissioner, Seamen's Provident Fund. The Chairman advised the Commissioner, Seamen's Provident Fund to study other Provident Fund Schemes and explore the possibility of taking stringent action against the defaulting companies."

Item No.2: Action on the outcome of the deliberations of the Board at its last meeting.

Sr.No.1. The Board noted the position.

Sr.No.2: The position explained in the agenda was considered and the Board agreed with the explanations.

Sr.No.3,4,5 and 6 were noted by the Board

Item No.3: Progress of work in the Seamen's Provident Fund Organisation.

While discussing this item the Board appreciated the arrangement for seamen and also complimented the Commissioner, officers and staff for rendering good services to them. Shri Abdulgani with the permission of the Chair requested to record union's appreciation over the implementation of his suggestion at the last meeting regarding verification of requirements. Shri A.B.Das desired to know as to the arrangement for verification in respect of claims received by post to which the Commissioner gave brief details. Shri Naresh Salecha suggested as to why not accepting the signature/thumb impression certified by bank managers were the members hold their accounts. After having some discussion the Board requested the Commissioner to look into the suggestions.

Shri Abdulgani Serang with the permission of the Chair requested the Board to take up Item No.6 on the agenda before proceeding on other items, as he was required to attend another meeting. The Chairman after having the opinion of other members agreed and the Board took up Item No.6 for discussion.

Item No.6. Amendment to Seamen's Provident Fund Act, 1966 (DGS Prot).

Before initiating discussion on this item the Chairman informed the Board that due to pre-occupation he could not hold the meeting with Capt. Hiranandani. While considering the proposal Shri Serang suggested extending the coverage to the trainees and cadets as well. However, the members representing employers stated that since trainees/cadets

are paid consolidated payments and as no deductions are made during the period of training, bringing them at this stage under Seamen's Provident Fund Act/Scheme might not be necessary. Capt Hiranandani recalled that due to lukewarm response from the officers as well as their unions to the proposed coverage of Seamen's Provident Fund Act/Scheme, a detailed discussion is necessary. After having further discussion the Board unanimously decided to defer consideration of the proposal at the next meeting.

Item No.4: Fixation of rate of interest for credit to the member's Accounts for the year 2001-2002.

After considering the position explained in the agenda the Board approved the rate of interest at 9.5% unanimously for credit to the member's accounts for the year 2001-2002.

Item No5: Revised Estimate for the year 2001-2002 and Budget Proposals for the year 2002-2003.

After having detailed discussion on each item under Receipts and Expenditure the Board unanimously approved the Revised Estimates for the year 2001-2002 and the Budget Proposals for the year 2002-2003.

Item No.7: Withdrawal from Special Deposit Scheme Account with Reserve Bank of India (RBI).

The Chairman enquired with the Secretary as to the need for further withdrawals and also desired to know the reason for low accretion as stated in the agenda. In reply the Secretary explained the need for further withdrawals while the members representing employers and seamen stated that due to reduction in the number jobs flow of funds might be low. The Secretary further informed that at present the Special Deposit Scheme Account is maintained with Reserve Bank of India, which is repeatedly reminding us to get this account transferred to a nationalised bank. Accordingly, references were made to nationalised banks to which only the

State Bank of India came forward to open Special Deposit Scheme Account in the name of Seamen's Provident Fund and get the accumulations transferred from Reserve Bank of India. The Commissioner therefore stated that to facilitate opening this account with State Bank of India a resolution duly signed by all trustees is required to be submitted to State Bank of India.

The Board after having further discussion unanimously agreed with the submission made by the Commissioner and passed two Resolutions ie one for withdrawal of Rs 25/- crores from Special Deposit Scheme Account (either from RBI or SBI) and the other one for opening/operating Special Deposit Scheme Account with the State Bank of India, (GAD) Mumbai Main Branch Mumbai which are as under:

"RESOLVED" that considering the low accretion to the fund which is not sufficient to meet the obligatory payments it is decided that in order to meet the obligatory payments a sum of Rs 25/- crores (Rupees Twenty five crores only) which is in the same proportion in which investments are made be withdrawn from Special Deposit Scheme Account wherever it is maintained (either with Reserve Bank of India, Mumbai or State Bank of India, (G.A.D.) Mumbai Main Branch Mumbai".

"RESOLVED FURTHER that consequent to the decision taken by the Board of Trustees, Seamen's Provident Fund at their 87th meeting held on the 31st January, 2002, for withdrawal of Rs 25/- crores (Rupees Twenty five crores only) from Special Deposit Scheme Account the Commissioner, Seamen's Provident Fund is hereby authorised and empowered to withdraw the above said amount as may be necessary to make obligatory payments from Special Deposit Scheme Account wherever it is maintained (either with Reserve Bank of India, Mumbai or State Bank of India, (G.A.D.) Mumbai Main Branch Mumbai"

Sd/- (Anil Baran Das)

Sd/- (Naresh Salecha)

"RESOLVED that the Commissioner, Seamen's Provident Fund, for and on behalf of the Board of Trustees, Seamen's Provident Fund, is hereby authorised to open a Special Deposit Scheme Account (SDS Account) in the name of Seamen's

Provident Fund with the State Bank of India, G.A.D. Mumbai Main Branch, Mumbai and get transferred to this account all the amount standing as on date in the SDB A/c from Reserve Bank of India. The Commissioner is also authorised to operate, as may be required from time to time the SDS a/c opened with State Bank of India.

(1) Shri. D. T. Joseph	Chairman	Sd/-
(2) Shri. Gaur	Member	Sd/-
(3) Shri. Naresh Salecha	Member	Sd/-
(4) Shri. T. Srinidhi	Member	(leave of absence granted)
(5) Capt. N.A. Hiranandani	Member	Sd/-
(6) Shri. D.P. Revawala	Member	Sd/-
(7) Capt. Somnath Pahi.	Member	Sd/-
(8) Shri. Abdulgani. Y. Serang	Member	Sd/-
(9) Shri. Vasant. P. Sawant	Member	Sd/-
(10) Shri. Anil. Baran. Das	Member	Sd/-
(11) Shri. Anup Kumar Gond	Secretary/Commissioner	

Sd/-
Chairman
Board of Trustees
Seamen's Provident Fund.

Item No. 8; Information regarding receipt of Notification Published by the Government in respect of Recruitment Rules for the post of Commissioner and Seamen's Provident Fund (Staff and conditions of Service) (Amendment) Regulations 2001

The Board noted the position and desired to know whether does it have any authority either to appoint/terminate the services of the Commissioner upon absorption. In reply the Secretary read out the relevant provision of the Act in this regard. Shri. A.B. Das, once again reiterated the request made to the Board which in principle agreed for absorption of the present Commissioner. He further stated that, in view of the clear provision now available for absorption in the RRS, the Board

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might consider the present Commissioner for permanent absorption for the remarkable achievements he has made during his tenure for the welfare of member seamen. He cited the benefits of computerisation, which are not only felt by the Organisation but also by the shipping industry as a whole. He further informed that the Organisation being a pivotal one for social security scheme for member seamen and many more schemes, such as pension scheme to the member seamen are under consideration. He therefore, stressed the need to retain the present Commissioner as with his dynamic leadership and future vision the other welfare schemes could be introduced successfully. Hence, the Board might recommend to the Government for permanent absorption of the present Commissioner. The other members also joined with Shri. Das and unanimously requested the Board to consider retention of the present Commissioner. The Board after careful consideration of the views expressed by the members strongly recommended for permanent absorption of the present incumbent and the Chairman thereafter requested Sarvashri. S.R. Gaur & Naresh Salecha to take up the matter with the Government afresh as recommended by the Board and also in view of the provision now available at the earliest.

Additional Item No 1: Mode and periodicity of Provident Fund Remittances/Levy of Damages.

The Chairman invited the attention of the members as to the period of remittances which was only discussed and no decision was taken at the last meeting. Hence the Board need to decide the issue now. Shri D.P. Revawala and Capt. Somnath Pahi once again stressed the need for extention of time limit from 30 to 60 days. In support of their submission they have stated that due to administrative and procedural delays remittances could not be made within 30days time. Shri Das however pointed out that the Board always considers sympathetically and allows grace period. Besides as the employers are expected to settle the wages within a period of time there is no valid reason to consider the request and the grace period given may be withdrawn. He further stated that many shipping companies since adhere to the time limit of 30days, SCI should not be singled out for further extension. Capt Hiranandani

and other members endorsed the views expressed by Shri Das. Shri Gour opined that in the age of information technology the SCI's contention is difficult to appreciate. Shri Revawala and Capt. Hiranandani further contended that no damages should be levied on contributions other than provident fund as there is no provision to do so. The Chairman enquired with the Secretary as to the levy of damages and in reply the Secretary stated that the other contributions are accepted by the Organisation as per an agreement reached between the employers, unions and Commissioner. However, no administrative charges are collected on these contributions even though the Organisation manage these funds. Shri A.B Das suggested that in the absence of such charges the levy of damages on these contributions is justifiable. After further discussion the Chairman requested Shri Revawala to discuss this and other issues with him in order to overcome the difficulties as pointed out and till then the Board decided that the grace period of 30 days would remain in force.

The meeting then came to an end with a vote of thanks to the Chair.

CHAIRMAN
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
BOMBAY

SECRETARY
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
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Minutes of the Special Meeting of the Board of Trustees, Seamen's Provident Fund held on Friday, the 10th May '02 at 14-30hrs, in the Board Room of Seamen's Provident Fund Organisation, "Knipanidhi" 3rd Floor, 9 Walchand Hirachand Marg, Ballard Estate, Mumbai-400001.

The following were present:

Shri D. T. Joseph	Chairman
Shri T. Srinidhi.	Member
Shri S. R. Gour.	Member
Shri Nawab Saleda	Member
Capt. N. A. Hiranandani.	Member
Shri D. P. Revawala	Member
Shri Vasant P. Samant	Member
Shri Anil Baran Das	Member
Shri Anup Kumar Gond	Secretary

Leave of absence was granted to Capt Somnath Paki and Shri Abdulgani Y. Serang who could not attend the meeting due to other pre-occupations and on account of being out of India at Geneva for ILO meeting.

Background for the meeting:-

The Chairman welcomed and informed the members of the need for convening this special meeting of the Board at short notice. The Chairman then referred to the information brought to his notice by Commissioner Shri Gond on Saturday, the 4th May 2002 about the non-delivery of physical securities of the Fund by the brokers and the related matters. Chairman said three letters, one addressed to himself and four others to the four companies in Kolkata dated 3rd May 2002 have been circulated to the members. Also, the report of Special Audit carried out by M/s. S.S. Nayak and Co. as requested on 7th May 2002 by the Chairman. In this crucial meeting the Chairman requested every member to go through the letters and the Special Audit report and express views to resolve the crisis. He expressed pain and anguish at the loss of the seafarers' hard earned money to the extent of Rs. 92.78 Crores plus Rs. 6 Crores interest due as pointed out in the Special Audit report copy of which is attached to the minutes.

History of Investment of SPF monies:

The Chairman further informed that this appears to have started in around September 1998 when the Reserve Bank of India had discontinued the management of investment work of Seamen's Provident Fund organization handled by RBI since the inception of this organization. When interest was being lost on more than Rs200/- crores of the Fund in RBI's sundry account, the Board considered options of giving the management of investment work to other eligible institutions including the State Bank of India. Considering the cost quoted by the SBI and the capacity/experience of other bidders, it was decided that the SPF organization itself may do the work of managing the investment. Accordingly, the Commissioner, Seamen's Provident Fund was authorized to do work of investment of seamen's provident fund monies. This can be seen from Agenda item no.4 in the 76th meeting of the Board held in November 1996. When asked by the Chairman on 04th May 2002 why these matters regarding non-delivery of Securities were not brought to the notice of the Board, the Commissioner had shown the copy of this resolution of November 1996 and replied that this work has always been done only by the Commissioner.

The trustees observed that the Resolution passed in the 76th meeting held in November 1996 did not cover the true and factual proceedings as per the Agenda and the minutes of the meeting, the most relevant one being that the position of investments was required to be reported at the next meeting of the Board of trustees.

Companies with address in Kolkata:

It was observed from the records that the Commissioner continued to make payments towards purchase of Government Securities and Bonds, during the last two years or so through four companies ie m/s. Dalhousie securities Pvt Ltd m/s. Hoogly Trading & Investment m/s. Podder Trading Co and m/s. Pacific Finance who had neither registered with stock exchange nor have any credential. The Commissioner also did not ensure that physical deliveries of the securities were made. Inspite of non delivery of physical delivery of previous purchases, the

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organisation continued the practice of purchasing through the same four companies who have never disclosed their real identity. Nor was any verification done by the Commissioner.

Expression of Anguish at loss of money/securities of SPF:

The members present expressed their anguish on coming to know that the Organisation had not followed proper procedure or made any regular correspondence with the said firms nor had it obtained any reliable documents for the sale and purchase of G-Secs etc. Besides relevant details such as the distinctive numbers of the securities etc purchased through the said firms were also not recorded. In the absence of such relevant details the chances of recovery of these amounts have become difficult. Shri Vasant P. Samant wanted to know why the commissioner did not write any letter to these firms prior to 03-5-02. Shri Samant also wanted to know as why Shri. Gond did not bring these facts to the notice of Board earlier. Shri. Gond replied that he had developed full faith in the people who were doing this work for him, he chased verbally for delivery of physical securities, and he trusted the firms and the representatives.

Shri A.B.Das wanted to know that when physical securities did not come since 1998, then why Shri. Gond did not bring these facts to the notice of Board even once. He also mentioned that investment decisions were not brought to the notice of Board at all. Earlier he had requested that the matter should be handed over to the CBI for a thorough investigation and necessary action.

The Commissioner was asked to explain as to how the amount could be recovered. Capt. Hiranandani further stated that had he invested his own money would the Commissioner have done the same kind of transactions. The other members desired to know why these things were not brought before the Board in its subsequent meetings and had the Commissioner informed the Board when the first physical delivery was delayed and then the Board could have advised the Commissioner with remedial measures. The Board therefore felt that the Commissioner had taken the Resolution passed by the Board in the year 1996 as an excuse not to inform the Board at any subsequent meeting. However the Commissioner all through the meeting maintained that he had spoken to Mr. Ketan Seth, Mr. Sanjay Agarwal etc. who were to deal with him

on behalf of these four companies, about the non-delivery of securities. They gave assurance all the time about the deliveries and he trusted them. He never expected that nor had thought that the matters would go to this extent, as found out now. However, the Board was not ready to accept Commissioner's submission and observed that the Commissioner is not disclosing all the details relating to these investment transactions. The Commissioner was therefore repeatedly requested by the Chairman to come out with the truth so that the Board can understand what happened and take remedial measures. Capt. Hiranandani desired to know from the Commissioner whether due interest has been received for these securities, if so from whom. In reply the Commissioner stated that the Organization received interest not from the Bond issuers but from these firms. Shri A.B. Das desired to know the credentials of the four companies in Kolkata. Chairman stated that three out of four firms were not operating at the addresses given and the fourth was closed always though only a small computer generated address-label was found on the premises, as ascertained by him through Dy. Director of Marine Engineering Research Institute in Kolkata.

Maintenance of Registers and Securities:

The Board further expressed its serious concern over the way in which the records of the securities were maintained. There is no entry recorded either for purchase or sale in the register. When the dealing senior assistant Shri. C. L. Thadani was asked by the Chairman and other members repeatedly about these lapses he could not give any satisfactory reply. The Chairman also enquired of Shri. C. L. Thadani when last time securities were handed over, Shri Thadani replied that these were handed over in 1998. Shri. Thadani also could not give satisfactory reply why no correspondence was made with these four firms till 3rd May 2002 for getting these securities in physical form. In reply to how the physical securities in possession of the Organization were actually handed over without any letter or noting or file, the Commissioner replied that he would sign on the reverse of the securities on receipt of the (so-called) Contract Note and he would then hand over the physical securities to Shri Sanjay Agarwal

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or Ketan Sheth or their representative in person in office. On being repeatedly asked as to whether there were any previous letters written by him to the four companies prior to 3rd May 2002, the Commissioner vaguely answered that in the beginning some letters were written by him, but no systematic file was kept. He kept repeating that it was all done on telephone about his demanding physical delivery of securities from Sanjay Agarwal or Ketan Sheth.

Queries by Government representatives from Ministry:

Shri Srinidhi and Shri Gaur, the Shipping Ministry representatives, joined the meeting a little late. Chairman summarized the discussions so far held for their benefit. They were asked to go through the letters and special audit report. They did and sought to know about the guidelines relating the work of investment, ban on employment of broker, dealing in secondary market etc. They asked the Commissioner whether he met any owner/Representative of these four firms on any occassions. The Commissioner stated that earlier S/Shri Sanjay Agarwal, Ketan Seth and Shailesh Mehta met him regularly.

The Government representatives wondered whether this scam is also like in the banks, leading to a 'run' on the money. Chairman explained that since we are not a bank and that final settlement is possible for a seaman member only on fulfillment of conditions laid down regarding age, employment, etc there is no possibility of run on the money like banks. It was also mentioned by Govt representatives that from the account of events given it appears that statutory Auditors have actually failed in their duty to point out the absence of physical securities in the fund.

Setting up of Finance Sub-committee for advice to the Board:

After having detailed discussions, it was decided by the Board that hereafter investment of Provident Fund money would be recommended by a Finance Sub-Committee which will consists of two trustees and the Commissioner and it should report the investment proposals in the next Board Meeting for approval.

Meeting of the Board once a quarter:

The Board will from now on meeting once in a quarter and take all decisions regarding investment proposals which would include all matters

relating to securities and bonds prescribed in the notification by the Department of Economic Affairs, Ministry of finance for non-Government Provident fund from time to time.

Need for filling up the post of Accounts Officer:

Shri. S. R. Gaur and Shri. T. Srinidhi pressed the need for the appointment of Accounts Officer as well as a Deputy Commissioner. Other members opined that costs would be high and that after all the administrative expenses are borne by the seamen and their employers through 4.5% which is very high by international standards. There was definately an urgent need for Accounts Officer on deputation capable of handling accounts and administration work on permanent basis.

The Government representatives Shri. S.R. Gaur and Shri. T. Srinidhi pointed out that the Seamen's Provident Fund Act provides for the appointment of Dy. Commissioner. They enquired why Dy. Commissioner was not appointed. The Chairman expressed the view, and it was agreed by other Trustees, that the work content available does not require another officer at the level of Dy. Seamen's Provident Fund Commissioner, and especially considering the Accounts Officer's post can be filled by the method of deputation.

Discussion of investment of staff provident fund money:

Capt. Hiranandani desired to know whether there is any doubtful investment of fund of the Staff General Provident Fund of the employees of seamen's Provident Fund Organization. The Chairman while appreciating the member's concern for the staff of the organization asked Shri Goud to explain the position. Shri. Goud informed that a sum of Rs.22/- lakhs of GPF of the staff was invested in U.P. Spinning Mills, Federation and a sum of Rs.24/- lakhs invested in the same company from the Administrative Charges Account. The Board on coming to know that chances of recovery of these amounts are remote considered that GPF amount should be replenished from Administrative Charges account till the time of recovery to protect the interest

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of the staff. It was verified that the U.P. State Government had clearly given sovereign and irrevocable guarantee for these bonds. It was decided to press for recovery of the amount if the bonds were not issued, and if need be take legal action after consulting a legal firm.

Resolutions passed:

The Board discussed all issues comprehensively in view of this crisis-situation and in order to partly remedy the problem and avoid recurrence, made the following resolutions:

1. Resolved that consequent to the decision taken by Board in their special meeting held on 10-5-2002 there should be an immediate appointment of Internal Auditor for the SPFO. It should not be an individual but a firm. The firm should be on approved panel of C & AG. On such appointment all the reports of the Internal Auditor should be placed before the next Board meeting without fail, alongwith action on all such previous reports.
2. Resolved further that consequent to the decision taken by Board in their special meeting held on 10-5-2002 SPF Commissioner should keep securities in physical forms either in a nearby bank-locker or in the office itself with necessary facilities for safe custody.
3. Resolved further that consequent to the decision taken by Board in their special meeting held on 10-5-2002 all existing securities should be xeroxed immediately and registers should be maintained in accordance with auditor's suggestion e.g. certificate no., distinctive no etc. to be recorded.
4. Resolved further that consequent to the decision taken by Board in their special meeting held on 10-5-2002 with immediate effect, the authorised signatories for investment of Provident Fund money should be more than one. ie Commissioner and one of the local trustees available in Mumbai
5. Resolved further that consequent to the decision taken by Board in their special meeting held on 10-5-2002 Board considers that there is an urgent need to get the post of Accounts Officer filled up immediately. It was decided by the Board to approach the Government for immediate appointment of an Accounts Officer on deputation

6. Resolved further that consequent to the decision taken by Board in their special meeting held on 10-5-2002 the Board Resolution passed in the 76th Meeting held on 28-11-1996 authorizing Seamen's Provident Fund Commissioner to do the work relating to investment of Seamen's Provident Fund monies is rescinded with immediate effect.

7. Resolved further that consequent to the decision taken by Board in their special meeting held on 10-5-2002 the Board shall in future meet every quarter, instead of once in six months as was done till now.

8. Resolved further that consequent to the decision taken by Board in their special meeting held on 10-5-2002 that the available securities should be converted into demat form.

9. Resolved further that consequent to the decision taken by Board in their special meeting held on 10-5-2002 to pay the fees to M/s. S.S. Nayak & Co and M/s. Wadia Gandhy & Co for the services rendered by them in carrying our Special Audit of accounts and records of securities, and for obtaining necessary legal advice and for helping with a draft to file the case with the CBI within a short time respectively.

10. Resolved further that consequent to the decision taken by Board in their special meeting held on 10-5-2002 that the Chairman be authorized to nominate suitable persons from the Directorate General of Shipping to assist the Commissioner in day to day work till further orders.

11. Resolved further that consequent to the decision taken by the Board in their special meeting held on 10-5-2002 that the Board on coming to know that chance of recovery of the amount invested in U.P. Spinning Mills Federation are remote considered that GPF amount should be replenished from Administrative Charge Account in suitable instalments depending upon the availability of surplus funds in that Account till the recovery of funds or bonds from the bond-issuing authority, to protect the interests of the staff.

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Such diversion of funds will be made applicable only in case of Staff Retiring subject to availability of funds.

Filling of Case with the CBI:

The Chairman informed the Board that on the advice from M/s. Wadia Gandhy & Co, he has already filed a case with the CBI in Mumbai in accordance with the instructions from C.V.C that any fraud exceeding Rs 5/- crores has to be handed over to the Banking Securities and Fraud Cell, CBI.

Removal of Shri. Gond and replacement by Shri. Salecha:

The Chairman further informed the Board that in accordance with the instructions received from the Secretary Shipping, Govt of India earlier in the day, he has issued an order directing Shri. Anup Kumar Gond to hand over the charge of SPF Commissioner to Shri. Naresh Salecha, Sr. Dy. Director General of Shipping who is now taking over charge as Commissioner in addition to his own duties as Senior DDG, with immediate effect. Hence the Board was informed that Shri A.K. Gond now stands relieved of his charge as SPF Commissioner, Shri. Anup Kumar Gond was directed to report to Directorate General of Shipping Office and also remain in touch with new Commissioner till further orders from the Ministry concerned.

The meeting then came to an end with a vote of thanks to the Chair.

CHAIRMAN
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
BOMBAY

PRESIDENT
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
BOMBAY

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Minutes of the Special (88th) Meeting of the Board of Trustees, Seamen's Provident Fund held on Thursday, the 06th June 2002 at 11.00 A.M. in the Board Room of Seamen's Provident Fund Organisation, "Kaupanidhi" 3rd Floor, 9, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400 001.

The following were present:

Shri. D. T. Joseph	Chairman
Shri S.R. Gaur	Member
Shri. T. Srinidhi	Member
Capt. N.A. Hiranandani	Member
Shri. D. P. Revankala	Member
Capt Somnath Pahi	Member
Shri. Abdulgani Y. Serang	Member
Shri. Vasant. P. Samant	Member
Shri. Anil Bavan Das.	Member
Shri. Naresh Saluja	Secretary

Chairman gave a warm welcome to the members present. Before start of the discusion on the Agenda Shri S.R. Gaur with the permission of the Chair informed that the Government Trustees do not receive the Agenda well in advance. He further stated that as a result it becomes difficult to discuss the items on the Agenda during the meeting. Secretary however, clarified the position stating that due to intimation to all trustees are sent in advance followed by Agenda. All things are done through Courier/Speed Post services and then confirmed by telephone message. However, he assured the Trustees, that hereafter all steps taken to ensure due receipt of agenda well in time. Also Agenda would be despatched by name even though Govt. Representatives on Board are appointed by their Designation and not by name like other representatives.

Chairman informed the Board that the Commissioner Shri. Naresh Saluja has done a remarkable job within a short time after he was given the charge in addition to his duties as Sr. DDG from 10.5.2002. Chairman further observed that he has well managed the dual charge in a responsible manner during the

crisis period and therfore desired to place it on record his appreciation. The members were unanimous in joining with the Chairman and complimented Shri. Salecha.

The Board then desired to know from the Secretary the reason for using a tape-recorder during the present proceedings of the meeting. In reply the Secretary explained that it is being done in order not to omit any points while drafting the minutes. However, the member opined the minutes are confirmed in the next meeting after calling for amendments/suggestions and comments, there is no need for such recording. Therefore the Board unanimously decided not to tape-record the proceedings of the meeting. The Chairman further inquired with the members as to whether only the issues concerning policy matters, Resolution, decisions should be recorded in the minutes, or the entire discussion, including every suggestion of each member. After having some discussion the Board decided to record minutes in consensus, meaning that depending upon the circumstances minutes may be recorded either cryptically in brief conveying only the substance of the resolution, or in detail as may be seen fit by the Secretary, since in any case they will be confirmed by the Board in the next meeting.

The Board then took up the items on the Agenda for discussion.

Item No.1: Confirmation of minutes of the 87th meeting held on 31-1-2002 and minutes of the special meeting held on 10-5-2002 of the Board of Trustees, Seamen's Provident Fund held in the Board Room of Seamen's Provident Fund Organisation, Mumbai.

While initiating discussion on this item the Secretary informed that the Board had two meetings earlier, i.e on 31-1-2002 and on 10-05-2002. However the minutes of the meeting held on 31-1-2002 could not be confirmed in the Special meeting on 10-5-2002 as it was convened with a short notice period. Therefore both the minutes of the meeting are required to be

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confirmed in the meeting by the Board. The Chairman enquired with the other members whether they have any suggestions/coments. As there were no comments/suggestions other than those received which was noted by the Board, the minutes of the 87th meeting were confirmed by the Board.

(II) Confirmation of the minutes of the Special meeting held on 10-5-2002

The Board while considering the amendments suggested by Capt. Hiranandani observed that the minutes of the 76th meeting have been recorded properly and no fault could be found. However the important clause as suggested by Capt Hiranandani has been omitted. As there is no point in going back since the 10th 1996 Resolution has been rescinded. The Board agreed to amend the minutes suggested by Capt. Hiranandani. The Board then considered the comments of Shri. Abdulgani. Y. Serang and Shri. A.B. Das and had a lengthy discussion on each items suggested as under:

Points raised by Shri. Abdulgani Y. Serang:

a. Chairman expressed that the Board did not arrive at any final decision.

b. The Chairman stated that all efforts are being made to recoup the fund lost in the scam.

c. Ignored by the Board and was accepted by Shri. Vasant P. Sament

d. Regarding diversion of 2% administrative charges Secretary, stated that at present the expenditure of the organisation is likely to increase due to frequent Board meetings, legal charges, Special Audit Inspection fees, Appointment of Internal Auditor and Accounts Officer etc. As such there cannot be any immediate diversion from Administration Account towards the Staff Provident Fund Account. However as observed by Shri Abdulgani the Board agreed to reword the Resolution No.11 passed in the Special meeting by adding that such diversion of funds will be made applicable only in case of Staff Retiring subject to availability of funds.

As far as the suggestion of Shri. A.B. Das the Board agreed to that S/S S.R Gaur and Srinidhi representing Govt suggested that amendments to the minutes under the head appearing

on page No.5 of the minutes Queries by Govt. representatives from Ministry, Setting up of Finance Sub-Committee for advice to the BOT and need for filling up the post of Accounts Officer. The Board considered the suggestions and agreed to amend the minutes. After having further discussions the Chairman once again enquired with the members still any suggestions/amendments to offer. As there were no other suggestion/comments the minutes of the Special meeting were confirmed by the Board with the following modifications.

1. Add the following para after para 2 on page 2 of the minutes
"The trustees observed that the Resolution passed in the 76th meeting held in Nov. 1996 did not cover the true and factual proceedings as per the Agenda and the minutes of the meeting, the most relevant one being that the position of investments was required to be reported at the next meeting of the Board of trustees".

2. As far as the suggestion of Shri A.B. Das the Board agreed with the suggestion to amend the minutes with "two trustees" instead of 'two local trusters' and the other suggestion was considered & explained by the Chair.

3. Add the following after para 2 on page 5 of the minutes
"The Government representatives wondered whether this scam is also like in the banks, leading to a 'run' on the money. Chairman explained that since we are not a bank and that final settlement is possible for a seaman member only on fulfillment of conditions laid down regarding age, employment etc., there is no possibility of run on the money like banks.
It was also mentioned by the Government representatives that from the account of events given it appears that statutory Auditors/C AG have actually failed in their duty to point out the absence of physical securities in the fund".

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4. Add the following after para 4 of the minutes on page 5
"The Government representatives Shri S.R. Gaur and Shri T Srinidhi pointed out that the Seamen's Provident Fund Act provides for the appointment of Dy. Commissioner. They enquired why Dy Commissioner was not appointed. The Chairman expressed the view, and it was agreed by other Trustees, that the work-content available does not require another officer at the level of Dy. Seamen's Provident Fund Commissioner, and especially considering the Accounts Officer's post can be filled by the method of deputation".

5. For the word 'relief' substitute the word 'Removal' under the heading Relief of Shri Gond and replacement by for Selection appearing on page 8, Para 3 of the minutes as suggested by Shri Abdulgani, Serang.

Item No.2: Action taken Report (ATR) of the deliberations of the Board at its last Meetings (1) 87th meeting held on 31-01-2002 and (2) Special meeting held on 10-05-2002

ATR - 87th meeting
Sr. No. 1. The Board noted the position explained in the Agenda. However Shri Abdulgani opined that the process for introduction of pension annuity scheme may continue.
While discussing the annuity scheme, the chairman pointed out that the legal position of accepting this additional Voluntary contribution (AVC) an annuity and clubbing in PF account and also paying same rate of interest to the seafarers needs to be examined since this is not a part of the Seamen's Provident Fund Act 1966. The Chairman mentioned that probably a sub-committee may have to be constituted at appropriate time at later stage to examine all these issues including keeping this part of money in separate account.
Sr. No. 2. The position was noted by the Board. However the Chairman desired to know the modalities worked out to arrive at 9.5% and the financial year for which the interest is to be credited.
Sr. No. 3. and 4 were noted by the Board.
Capt. N.A. Hiranandani with the permission of the Chair

requested the Board to take the important item under 6 as he has to attend an urgent meeting at 12.30. The Chairman after having the opinion of other members agreed with the request of Capt Hiranandani. The Board accordingly took item No. 6 on the Agenda for discussion before proceeding further on item no. 2.

Item No. 6. Measures for Rehabilitation Package.

While initiating discussion on this item the Chairman elaborated the proposals explained in the Agenda. He invited the attention of the members to the recommendations proposed at Sr. No. 6 and gave detailed information on each recommendation for the convenience of the members. In conclusion of his briefing to the members the Chairman requested each and every member to express their suggestions so that a decision could be taken by the Board on the proposals placed before it. The Chairman further informed the members about the pros and cons of each recommendation. He therefore requested the members to give a concrete proposal among or covering all the three recommendations so that the Govt. could be moved accordingly. Shri Abdulgani Y. Serang stated that since the Chairman has explained in detail he hoped that the members may not have any further suggestions However Shri T. Srinidhi opined that instead of asking for complete bailout by the Govt. why not the Board consider other options. He suggested that the Industry and the seafarers Unions may come forward to bail out the organisation to the extent possible and the remaining may be considered by the Board. The Chairman partly disagreeing with the members view, stated that since the Board of Trustees constituted by the Govt under the statute of Seamen's Provident Fund Act and having Govt officer of senior rank appointed as Seamen's Provident Fund Commissioner, it is for the Govt. to come forward first to recoup. As far as the members suggestion is concerned the Chairman made it very clear that the Industry has complied with its responsibilities in contributing to the fund in accordance with the provisions of Law, and as such it may not be proper to ask the Industry

and Seamen's Unions first. Let the Govt. decide the quantum of amount to be recouped on our proposal and then we can take further action for the amount left out. Shri T. [redacted] Shri S.R. Gaur further stressed that since the [redacted] includes employer and employees Govt. alone cannot be made responsible for the recouping. All the three may share equally. This was also not accepted by the Board. Board also appreciated that the Govt has no direct responsibility for the recoupment of shortage of funds but for various factors discussed above Govt. must come forward and help SPFO. After having discussion at length, the Board unanimously decided to send following three recomendations to Govt. in order of priority:

1. One time outright grant of Rs. 93 crores by Govt.
2. Interest free loan of Rs. 243 crores for a period of 10 years by Govt.
3. GOI bonds @ 8% for 10 years of Rs. 288 crores.

The Board also unanimously authorised the Chairman to pursue this issue with the Govt. directly in his capacity as Chairman, Board of Trustees, Seamen's Provident Fund, Mumbai without further loss of time, so that the Sea going members hard earned money could be recouped.

II ATR - Special meeting

Sr. No. 1. While the position was noted by the Board Shri A.B. Das desired to know why his name was not included in the composition of the Sub-Committee. The Secretary explained that for considering any investment proposal which is not going to be frequent for the time being the member may have to come all the way from Kolkata. This will cost on the Administration charges account. However, as Shri A.B. Das desired inclusion of his name in the Committee, it was decided by the Board to include his name also making the composition to be six members Finance Sub-Committee with a proviso that any two members shall be present along with the Commissioner as and when Investment proposals are considered. The Govt. representatives on Board further desired to know whether or not does the Board have any authority to constitute sub-committee and Govt approval is not

required. The Chairman read out the relevant provision Sn. 6 of the Act in this regard which clearly gives powers to BOT & PFO to set up any Committee. Moreover the committee is only to recommend and not to take any decision on investment decisions. Sr. No. 2, 3, 4, 5, 6, 7 and 8. were noted by the Board.

Sr. No. 9. The Commissioner informed that in addition a bill for Rs. 25500/- has been received after dispatch of Agenda from M/s. Wadia Gandhy and Co, and the same is being processed for payment alongwith the bill Rs. 1,20,750/- of M/s. S.S. Nayak & Co. The Board noted.

Sr. No. 10. The Board noted.

Item No. 3: Withdrawal from Special Deposit Scheme Account (SDS) To meet the obligatory payments.

Before initiating discussions on this item the Secretary Stated that the amount of withdrawal which may be required now would be to the tune of Rs. 5 Crore and not Rs. 8 Crore as was proposed. The reason for reduction is based on the assessment carried out after dispatch of Agenda and in the meantime the Shipping Corporation of India came forward to make advance payment of Rs. 2.7 crore to tide over the crises. This was possible only because of the efforts made by the Chairman and by himself and the co-operation extended by Shri. Kamal Kothari Director (Finance) SCI & Shri D.P. Revanala, and the CMD of SCI in the hour of need. The Secretary further stated that he informed the Board about this arrangement so that the Board may consider placing its appreciation of SCI on record. The Board unanimously appreciated the role and agreed to the proposal, Shri. S.R. Gaur enquired with the Secretary as to the procedure followed earlier for withdrawal of Rs. 12.68 crores as the same was not explained in the Agenda. In addition he also desired to know as to the deployment of Rs. 12.68 crores. The Secretary gave

brief details about the procedure and the assessment. After having further discussion the Board unanimously decided for withdrawal of Rs. 5 Crores as proposed by the Secretary. A Resolution was also passed in this regard authorising Commissioner and Capt. Hiravandani, Member which is as under :-

"RESOLVED that considering the low accretion to the fund which is not sufficient to meet the obligatory payments, it is decided that a sum of Rs. 5 crores, which is in the same proportion in which investments are made, be withdrawn from Special Deposit Scheme Account maintained with Reserve Bank of India in order to meet the obligatory payments".

"RESOLVED FURTHER that consequent to the decision of the Board of Trustees, Seamen's Provident Fund at their 88th meeting held on the 6th June, 2002 for withdrawal of Rs. 5 crores from Special Deposits Scheme Account maintained with the Reserve Bank of India, Mumbai, Shri. Naresh Salecha, Commissioner Seamen's Provident Fund and Capt. N.A. Hiravandani, Member, Board of Trustees, Seamen's Provident Fund are hereby authorised and empowered to withdraw from the above said account as may be necessary to make obligatory payments."

Shri. Revanala further suggested that it should be looked into as to why Shri Anup Kumar Goud Commissioner, Seamen's Provident Fund misled the Trustees' for passing the Resolution for drawing Rs. 12.68 crores from SDS account. Chairman explained that Shri Goud claimed that it was necessary to settle the final withdrawal claims of seamen. Perhaps part of that money was invested in so called G-Sec/PSU Bonds without bringing it to the notice of the Board.

Item No. 4: Appointment of Internal Auditor for Seamen's Provident Fund Organisation, Mumbai

Before start of the discussion Shri. Gaur enquired with the Secretary as to how the list of 15 firms has been drawn

and on what basis since these details are not available in the Agenda. In reply the Secretary stated that based on the list received from the office of the Principal Director (Commercial) Audit Mumbai and after having detailed discussion with them the list was drawn up. The scope of auditing was also discussed with them and based on the discussion the chart of duties for the Internal auditors was prepared. Accordingly we have received quotations from 12 firms and comparative cost effective statement was also prepared which was read out by the Secretary to the Board. On the basis of the Cost effective Statement the Board may select any one of the firm for appointment as Internal Auditor in the SPFO. After having considered the proposal and further discussions the Board authorised the Chairman to select any one of reputed firms. The Chairman suggested that m/s. S.S. Nayak & Co. who are well known reputed firms and who had undertaken the special audit inspection of this organisation in a shot notice and completed their report. In addition they have long standing experience in this field with many reputed firms. He therefore suggested that the Board may consider that firm for appointment as Internal Auditor for a period of one year and thereafter subject to review by the Board. The Chairman also gave the reason for suggesting this firm that in view of their special audit they need no briefing about the set up of the organisation and its accounting system. The Board therefore unanimously selected m/s. S.S. Nayak & Co. as Internal Auditors in SPFO for a period of one year subject to review thereafter.

Item No.5: APPOINTMENT OF D.P. (DEPOSITORY PARTICIPANT)

The Secretary stated that in accordance with the Resolution passed by the Board in its Special meeting held on 10-5-2002 for conversion of existing physical securities into Demat form, Quotations were called for from 14 public sector banks/Financial Institutions and their subsidiaries. 4 Institutions have responded in addition to HDFC bank from whom no quotations were called. A Statement to assess the lowest rate was prepared and based on

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the statement State Bank of Indore was found acceptable. The Members opined that why not State Bank of India be entrusted with this job. The Secretary stated that quotations were also called from SBI but they did not respond. It was unanimously decided by the Board to entrust this work to State Bank of Indore, Fort Branch. The Board also made it very clear that the opening and operation of demat form account should be done by the Commissioner and any one of the trustees. A Resolution was also passed by the Board in this regard which is as under:

"RESOLVED that a Beneficiary Account of Seamen's Provident Fund Organisation be opened with State Bank of Indore, 214 D.N. Road, Fort, Mumbai in the name and style of Seamen's Provident Fund viz. 1) Seamen's Provident Fund Account 2) Seamen's Provident Fund Forfeiture Account 3) Seamen's Provident Fund Administrative Charges Account 4) Seamen's Provident Fund Staff General Provident Fund and 5) Seamen's Provident Fund Staff Pension and Gratuity Fund Account for dealing in the Depository/Electronic segment of the various Stock Exchanges. The Commissioner (Shri Naresh Salecha - at Present) and any one of the following Trustees viz. 1) Capt. N.A. Hiranandani 2) Shri D.P. Revawala 3) Shri Abdulgani Y. Serang 4) Shri Vasant P. Samant be and are hereby authorised for opening the said accounts.

Further Resolved that the Commissioner and any one of the Trustees named above be jointly and are authorised to operate the said accounts."

Shri Das protested against inclusion of two representatives from NUSI only for opening the Account at State Bank of Indore alongwith the Commissioner of SPF, Representative from MASSA and Representative from INSA

The meeting then come to an end with a vote of thanks to the Chair

CHAIRMAN BOARD OF TRUSTEES SEAMEN'S PROVIDENT FUND BOMBAY

Naresh Salecha SECRETARY BOARD OF TRUSTEES SEAMEN'S PROVIDENT FUND BOMBAY

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Minutes of the 89th Meeting of the Board of Trustees Seamen's Provident Fund held on Thursday, the 10th October 2002 at 11.30 hrs in the Board Room of Seamen's Provident Fund Organisation "Krupanidhi" 3rd Floor, 9 Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001.

The following were present:

Shri D.T. Joseph	Chairman
Shri S.R. Gaur	Member
Capt N.A Hiranandani	Member
Shri D.P. Revanala	Member
Capt Somnath Pahi	Member
Shri Vasant P. Samant	Member
Shri Abdulgani Y. Serang	Member
Shri Anil Baran Das	Member
Shri Naresh Saleda	Secretary

Leave of absence was granted to Shri T. Srinidhi, Dy. Financial Adviser Ministry of Shipping who could not attend the meeting due to other pre-occupation.

Ms Neeva Malhotra, Dy Director General of Shipping and Shri Vinod Kumar, Asst Director General of Shipping attended the meeting.

The Chairman welcomed the members present. The Secretary with the permission of the Chair requested the Board to invite Shri Gautam Nayak of M/s S.G. Nayak & Co in order to assist discussion on Internal Auditors' observations/comments on the accounts and Internal Audit Report for the quarter ending June 2002 which are placed as Item No 3(i) and 9 on the agenda. Capt Hiranandani suggested that he could be invited when the Board take up these items for discussions. The Chairman after having obtained the opinion of other members requested the Secretary to invite Shri Gautam Nayak to come over by 12.30 P.M.

The Secretary also placed Corrigendum to agenda papers of 89th meeting and three Additional on the table for the trustees consideration.

The Board then took up the items on the Agenda.

Item No 1: Confirmation of minutes of the 89th meeting of the Board of Trustees, Seamen's Provident Fund held on 06-06-2002.

Secretary informed that the Minutes of the 88th meeting were circulated to all the members and only Shri A.B Das forwarded his amendments to the minutes. The Board discussed and agreed to incorporate the amendments suggested by Shri A.B Das as there were no other comments. As there were no other comments, the minutes of the 88th Meeting were confirmed with the following amendment. Add following after Para 2 on Page 14 of the minutes: "Shri Das protested against inclusion of two representatives from NUSI only for opening the Account at State Bank of Indore along with the Commissioner of SPF, Representative from MASSA and Representative from INSA"

Item No 2: Action on the outcome of the deliberations of the Board at its last meeting.

Sr. No 1: The Board noted the position explained in the Agenda

Sr. No 2: Capt Hiranandani desired to know whether Internal Auditor has given the report from April 2002 or on quarterly basis. Secretary stated that though the letter of appointment to the Internal Auditor was issued on 12th June, 2002 they have covered their report for the period from April to June and submitted accordingly. As there were no other comments the Board noted the position. This was subsequently confirmed by Internal Auditor to Trustees while discussing Internal Audit Report.

Sr No. 3: The Board noted the position. However, Shri Revankar

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enquired about the position of Demat of securities. In reply the Secretary gave a list of securities converted into demat form along with all demat statement received from State Bank of Indore to all members. Shri. S.R. Gaur desired to know the amount as the same is not shown in the list and also enquired about the securities in physical forms. Secretary explained that once it is converted into demat form physical securities will not be available and the amount was indicated in the list itself.

The Board appreciated the efforts of Seamen's Provident Fund Organisation in this regard.

Sr. No 4: Shri S.R Gaur opined that the Organisation needs an Accounts Officer essentially considering the nature of accounting work. The Govt. can only appoint either Commissioner or Dy. Commissioner. Shri. Abdulgani also expressed the same view and suggested for appointment of Accounts Officer. The other members also felt the need for an Accounts Officer or Dy Commissioner (Accounts). However, the Chairman opined that the Board need to consider the financial implications in view of the present situation. It was pointed out that the financial implications may involve approximately Rs 3-4 lakhs per annum. After having detailed discussion, the Board unanimously agreed about the need for appointment of Accounts Officer and directed the Commissioner to submit the detailed proposal as an agenda item after thorough examination.

Sr No 5: The Board noted

Sr. No. 6: Capt. Hiranandani desired to know developments and progress of investigation by CBI. The Secretary explained that both Seamen's Provident Fund Organisation and DGS have been in continous touch with CBI. Secretary further explained that a reference was made to CBI in connection with Parliamentary questions asking for specific information regarding progress of case, people involved, property attached etc. In reply CBI however, did not give the details but mentioned that enquiry is in progress. The secretary also stated Shri Gopal has since been released on bail and has been repatriated to Ministry of Railways by Ministry of Shipping. The Chairman gave elaborate details on the developments and mentioned that after the 88th Board of Trustees meeting he has sent a detailed proposal for Rehabilitation involving the following three options.

1. One-time outright grant of Rs.92.78 crores by Government.
2. Interest-free loan of Rs.160.63 crores for a period of 10 years by Government or
3. GOI bonds @ 8% of Rs.180.71 crores for 10 years.

The Chairman also apprised that he talked to Additional Secretary Finance and Jt. Secretary, Finance in Ministry of Finance. Secretary (Shipping) had also written a D.O. letter to Ministry of Finance for approval. The Chairman informed that based on one reference from London (ITF) addressed to the Prime Minister personally, he took up the matter with PMO explaining action taken on the fraud. Meanwhile the Minister Finance had on file rejected the proposal sent by Seamen's Provident Fund Organisation. However, the PMO convened a meeting on 28th July 2002 with the representatives of Ministry of Finance and Ministry of Shipping. In the meeting it was decided that the final decision shall be taken by Union Cabinet.

Chairman also apprised the Board that Secretary (Shipping) has conveyed a meeting on 11-10-02 and has invited Chairman and Secretary of Seamen's Provident Fund alongwith the representatives of Ministry of Shipping, Ministry of Finance, Ministry of Labour and Employees Provident Fund Organisation. In this meeting the rehabilitation package alongwith structural reforms, as discussed in the meeting in the PMO are likely to be discussed.

The members unanimously appreciated the efforts being made in this regard.

Item No.3: (a) Annual Report for the year 2001-2002 on the working of the Seamen's Provident Fund Scheme, 1966.

Before initiating discussion on this item the Chairman read out the relevant provisions regarding Annual Report and Annual Accounts. Shri Abdulgani suggested that in the cover page of Annual Report the year 2001-2002 may be amended to add the word upto March 2002. However, Shri Revawala stated that 2001-2002 meant for the year upto March, 2002. Shri. S.R. Gaur enquired with the Secretary

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as to the Accounting of unclaimed accounts as no mention has been made in the contents. The Secretary explained the position. He further desired whether the number of accounts covered under Para 5.1 is correct and also suggested to mention percentage of expenditure over the receipts under Para 6.2 (Sr. No 1-3). The Chairman while endorsing the views expressed by Shri S.R. Gaur opined that the wordings under Para 5.1 may be changed to say that "covered about 26500 accounts and also incorporate the other suggestion. S/Shri Gaur, Revawala and Capt Somnath Pahi enquired with the Secretary as to the details of Interest-Suspense account under Para 7.1. The Secretary explained the position in detail. Shri Revawala further enquired why the date of audit under para 22 is left blank. The Secretary states that normally the statutory audit should have been completed while preparing the Annual Report. However, this time inspite of persistent request, the Principal Director of Audit under CAG insisted that unless the Annual Accounts are approved by the Board they will not undertake the audit of the organisation. When Shri Revawala suggested to delete this Para the Secretary explained the need to retain and informed that before forwarding to the Ministry the Audit would be done and the details filled. In case if the Audit is not completed by that time then this para will be modified/deleted accordingly. Shri. Sarang suggested to add the word "Seafarers Union" under para 24 instead of the seafarers. However, Capt Hiranandani suggested "and Representatives of Seafarers" after the word Employers which would be appropriate. The Board agreed with the suggestion and Shri Sarang also accepted. The Secretary drew the attention of the members to the Para on Post Report on the latest developments after 01-04-2002. He further mentioned that though the report relates for the previous financial year this para has been added so as to give current status of the organization. However the Board decided to omit the word "Post" and retain the para as "Report on the latest developments after 01-04-2002."

Shri Revawala enquired about the Foot note on page 36, 38 & 40. The Secretary clarified the position and stated that the corrigendum in the regard has since been placed on the table. Shri Gaur suggested to put * mark and amend the word as value of asset on page 41 instead of other assets under Sr. No III to give correct position. The Secretary suggested to add "of assets"

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after the words "The value" in the last para of Sr.No.III. This was accepted by the Board. The Chairman appreciated the members for having gone through page by page and para by para in details on the report and specially complimented Shri. Revawala for his meticulous reading of not only the report but also the whole agenda.

After having further discussion the Board unanimously approved the Annual Report for the year 2001-2002 and requested the Commissioner to incorporate all suggestions/corrections made by the members before forwarding to the ministry duly printed.

Item No.3:(b) Annual Accounts for the year 2001-2002.

While initiating discussion on this item the Chairman opined that in the absence of a clear provision under the SPF Act/Scheme a question may arise as to whether does the Board require to approve the accounts. He therefore called for the opinions of the members. Capt. Hiranandani and Shri Revawala employers representatives gave details of the existing practice of finalisation of accounts being followed in some of their organisations, Shri Gautam Nayak Internal Auditor of Seamen's Provident Fund Organisation who was permitted by the Board to assist the members also endorsed the views of employers representatives i.e Board should approve the Annual Accounts. The Board then took up this item. Capt. Hiranandani stated that under Pension and Gratuity account different amount has been shown under the Head Pension and Gratuity Rs.531486/- and Rs.600000/- as transfered to Pension and Gratuity Fund. He therefore desired to have the details. Secretary explained that Rs.531486/- is the actual amount of disbursement to retired staff as pension and Rs.600000/- is provision transfered to Pension and Gratuity account maintained seperately for future.

The Board finally approved the accounts.

Item No.3:(c) Internal Auditors' observations/comments on the accounts and Organisations reply thereof.

The Secretary while initiating discussion under this

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item mentioned that the auditors observations/comments and organisations reply are furnished side by side. He therefore suggested that for members convenience he may like to read both. The Chairman agreed with the suggestion. On Para1 as for making a provision for the pracipal amount and interest which is at risk as suggested by the Internal Auditor, the Secretary stated that the accounts relates for the previous financial year and the scam came to notice during May 2002. Hence, it would not be proper or advisable to make such provision in the previous year. However the board might decide for the future.

Internal Auditor, however, mentioned that according to the Institute of Chartered Accountant's guidelines on disclosure after finalising of balance sheet, in case the losses are confirmed the same should be reflected in the final accounts of the concerned year i.e. in this case Final Accounts of the year 2001-02. While appraising the position, the Chairman opined that in case if a provision is made for the entire amount, it may lead to the conclusion that the Board has absorbed the loss and there may not be any case for rehabilitation package submitted to the Govt. He further mentioned that this may also have an impact on the Interest Suspense Account and the Board may not be in a position to declare any Interest to the seafarer's in the years to come leading to Potential Industrial unrest. Since the Board is hopeful of getting Rehabilitation Package from the Govt. due to intervention of PMO and similarly recovery from CBI may also be forthcoming. Under the situation it would not be prudent to make a provision for the entire amount of Rs.92/78 crores or reduce the amount from the funds balances. Board unanimously agreed with the Chairman's opinion.

However, as suggested by the Internal Auditor to make provision for the interest amount of Rs.4669251/- from the Seamen's Provident Fund Interest Suspense Account and Rs.890000/- from the Forfeiture Interest Suspense Account and as chances of getting the interest from the parties involved in this scam are very remote, the Board deliberated on this issue and found it prudent to such provisions in order to avoid excessive payment of interest from the funds to the seafarer's which has

actually not been received. The Board unanimously agreed to make such provisions.

Item No.4: Budget Re-appropriation 2001-2002.

The Secretary stated that this item could not be placed for information of the Board earlier and it is related to the previous year. The Board noted the Budget re-appropriation and advised to ensure that delay is avoided.

Item No.5: Discussion on filing Civil Suit for recovery of amount lost in the Scam of Seamen's Provident Fund Organisation.

The Secretary explained in detail the need for filing civil suit. He further mentioned that Branch Secretariat of Ministry of Law, Mumbai did not consider the request as Seamen's Provident Fund Organisation is not drawing funds from the consolidated funds of the Govt. Therefore, Seamen's Provident Fund Organisation is left with no option but to appoint Private Legal firms at a cost which may, to begin with, be around Rs.7-8 lakhs including Rs 3 lakh (approx) Court fee. The Secretary further informed that based on the advise of Branch Secretariat, Ministry of Law, Mumbai he has already approached Ministry of Shipping to take up the matter with Ministry of Law at New Delhi. Shri Gaur also apprised the Board that the matter has been referred to the Ministry of Law and hopeful of getting a positive response in due course. Upon queries as to the need by the members the Chairman explained the pros and cons on filing as well as non-filing of a civil suit. The members representing employers and seafarers opined that the Govt. may extend assistance so as to avoid this additional expenditure which are likely to be met from the Administration account. After having some discussion the Board "In-principle" agreed for filing civil suit for recovery of amount lost in the scam which is at risk through reputed private firms in case Ministry of Law does not agree to the request.

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Item No. 6: Receipts, Payments, settlement of claims and investment position

The Secretary explained in detail the receipts and payment of seamen's claims for the period of four years. The Secretary further mentioned that these are basically managerial information for appreciation of the Board as to what have been the receipts and payments made during the last 3 years various types of settlements with their break up according to cause wise etc. He therefore suggested that in case if further information is needed by the Board, the same may kindly be indicated so that this can be brought as a permanent feature in the Board of Trustees meeting. Capt. Hiranandani appreciated the Secretary and opined that such type of clear information on accounts generally may not be available anywhere.

Members also observed that the Commissioner Shri. Naresh Salecha has submitted a well conceived information Agenda and as a result the members could have all the informations in respect of all aspects. The members therefore unanimously complimented the Commissioner and the Chairman also joined with the members in complimenting the Commissioner for his efficient management of dual charge.

Item No.7: Withdrawal of Rs.10 crores from SDS account with Reserve Bank of India

The Secretary explained that though the Board approved withdrawal of Rs.5 crores from SDS account in the last meeting held on 06-6-2002, the organisation could get only Rs.3-46 crores as admissible under the SDS rules. The organisation is still experiencing rough sailing in the matter of settlement of obligatory payments due to dwindling inflow to the fund while outflow requests pouring in day to day for final withdrawal. Hence he made a proposal to withdraw a sum of Rs.10 crores once again from SDS Account to bridge the gap between inflow and outflow, which is expected to widen in the days to come.

The Chairman expressed that there are certain rules for withdrawal from the SDS Account and accordingly Reserve Bank of India allows to withdraw only 80% of the Account. However the

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organisation is not in a position to observe such rule.

Capt. Hiranandani opined that under the circumstances the Board has no other choice but to agree to the proposal for withdrawal of Rs.10 crores from SDS Account. The Board unanimously agreed for withdrawal of Rs.10 crores and passed a Resolution in this regard as under:

"RESOLVED that considering the low accretion to the fund which is not sufficient to meet the obligatory payments it is decided that a sum of Rs.10 crores which is in the same proportion in which investments are made, be withdrawn from Special Deposit Scheme Account maintained with Reserve Bank of India in order to meet the obligatory payments".

"RESOLVED FURTHER that consequent to the decision of the Board of Trustees, Seamen's Provident Fund at their 89th meeting held on the 10th October 2002 for withdrawal of Rs.10 crores (Rupees Ten Crores only) from Special Deposits Scheme Account maintained with the Reserve Bank of India, Mumbai, Shri. Naresh Salecha, Commissioner Seamen's Provident Fund and Capt. N.A. Hiranandani, Member Board of Trustees, Seamen's Provident Fund are hereby authorized and empowered to withdraw from the above said account as may be necessary to make obligatory payments".

Item No.8: Seperation of Annuity Scheme Fund from Provident Fund Account

The Secretary stated that the Board at its meeting held in 1994 decided to accept the contribution towards annuity and maintain a seperate pension fund for seamen as Pension Annuity fund. The Secretary further stated that this extra work is cost on this organisation without any administrative charge on it. Shri Revawala opined that it is being bipartite agreement between employers and seafarers is binding on Seamen's Provident Fund Organisation. The Chairman however did not agree to this view. The amount collected under this scheme is presently lying with Provident Fund contribution and there is no seperate account maintained. The Internal Auditors commented on this fund and suggested to maintain a seperate account for annuity fund in the

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internal audit report. To a query by the Chairman as to why this has not been kept seperate and about the decision which took place in 1994 Capt. Hiranandani stated that it was only a record note of the meeting. Shri S.R. Gaur opined that since AVC is not a requirement of SPF Act/Scheme, Seamen's Provident Fund Organisation may not accept the same. The Chairman however felt that Seamen's Provident Fund Organisation being a welfare organisation for seafarers and well set-up, Seamen's Provident Fund Organisation may be allowed to collect. All other members endorsed the views of the Chairman.

The Secretary however pointed out that in view of Internal Auditors comments the Board may consider the four points mentioned in the Agenda. The Chairman opined that since AVC being a welfare amount to the seafarer the same may be continued. The Board also agreed to the need for seperation of this account and invest seperately. The rate of interest to be paid seperately for both Provident Fund contribution and AVC amount. However before arriving at a final decision it will be essential to have a detailed study by Seamen's Provident Fund Organisation as to how seperation of annuity fund from Provident Fund can be done, what sort of software modifications needed, cost implication thereof, time required, recurring and non-recurring cost for maintenance of this seperate account. On point No.4 ie to levy charges on annuity scheme contribution, the Board decided to defer this issue till getting a detailed report for separating this account as above. Board also requested the employers representatives to consider absorption of cost for the software modification and maintenance etc of the same at an appropriate time.

Item No.9: Discussion on First Internal Audit Report

The Secretary read out the quarterly Internal Audit Report and the remarks of SPF thereof parawise.

Para ~~4~~ 1 & 2 noted by the Board

Para. 3, 4 and 5 The matter should be pursued closely with the concerned authorities and progress should be brought to the notice of the Board.

Para 6, 7 and 8 were noted by the Board with a minor correction in para 6. "Shri Thadani ____ interest has been received regularly into Staff General Provident Fund Account every six months"

Para 9 the latest position with regard to dematerialisation was explained to the Board by the Secretary. The list/statement of securities demated by State Bank of Indore was placed on the table for kind perusal of the Board.

Further, the remaining paras were noted by the Board with the suggestion that wherescever the remarks "No Comments" has been given should be replaced by NOTED as "No Comments" does not sound proper.

Under Para 31 and 32 the Chairman directed Secretary to check the system of tallying/checking the signatures of the account holders with Banks especially foreign banks and report to the Board.

Under Para 34 the Chairman directed NUSI to look into the genuineness of the cases, guide the seamen and advise them to apply for actual purposes.

All the remaining paras were noted by the Board and as it was the first Internal Audit Report the Board thanked Mr. Gautam Nayak and appreciated the job done within a short period.

Item No.10: Guidelines in respect of investment of Trust's Funds to ensure safety of the Funds - Proposal forwarded by Shri D. P. Revawala, Member.

The guidelines in respect of investment of Trust Funds and remarks given by the Seamen's Provident Fund Organisation was accepted by the Board and agreed by Shri Revawala.

Additional Item No.1: Closure of Administrative Charge Account No.25565 maintained with Punjab National Bank.

The Board agreed with the same and accordingly a resolution was passed in this regard as follows:

"RESOLVED that considering the transaction on Administrative Charge Account No.25565 maintained with Punjab National Bank, PNB House, Fort, Mumbai, which

remains in-operative, the Board of Trustees Seamen's Provident Fund have decided to close this Account and hereby authorise the Commissioner (Shri Naresh Salecha at present) Seamen's Provident Fund, Mumbai to get the accumulations standing as on date on this account transferred to the Administrative Charge Account No.01100010345 with State Bank of India, Mumbai Main Branch, Mumbai.

Additional Item No.2: Collection of maturity proceeds of IFCI Bonds of Rs.3,02,500/- matured on 20th December, 1999 from Reserve Bank of India.

The Board agreed with the same and accordingly a resolution was passed by the Board as follows:

"RESOLVED that considering the instructions for collection of maturity proceeds of IFCI Bonds amounting to Rs.302500/- from Reserve Bank of India, Mumbai, the Board of Trustees, Seamen's Provident Fund, Mumbai hereby authorize the Commissioner, Seamen's Provident Fund (Shri. Naresh Salecha at present) Mumbai to collect the maturity proceeds of IFCI Bonds amounting to Rs.302500/- from Reserve Bank of India, Mumbai".

Additional Item No.3: Merger of M/s S.S. Nayak & Co with other firms - reg.

The Board noted the merger of M/S. S.S Nayak & Co. with other firms and requested Shri. Gautam Nayak to audit Seamen's Provident Fund Organisation personally.

Shri Abdulgani stated that on 25th October 2002 a symbolic protest day will be observed throughout India. The Chairman expressed that the Govt is already aware of the problem and advised NUSI not to do so.

The meeting then came to an end with a vote of thanks to the Chair.

CHAIRMAN
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND

SECRETARY
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
MUMBAI

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Minutes of the 90th Meeting of the Board of Trustees, Seamen's Provident Fund held on Thursday, the 16th January, 2003 at 11.30 a.m. In the Board Room of Seamen's Provident Fund Organisation "Krupanidhi", 3rd Floor, 9, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400 001.

The following were present:-

Shri. D. T. Joseph	Chairman
Shri. S. R. Gaur	Member
Capt. N. A. Hiranandani	Member
Shri. T. Srinidhi	Member
Shri. Vasant P. Samant	Member
Shri. Abdulgani. Y. Serang	Member
Shri. Anil Baran Das	Member
Shri. Naresh Salecha	Secretary

Chairman welcomed the members present.

Shri S. R. Gaur who came for the meeting from New Delhi informed the Chairman that he received a call to rush home immediately as his younger brother has been hospitalised due to brain hemorrhage and sought permission to leave. After informing other members and considering the circumstances Chairman granted leave of absence and advised Shri Gaur to leave immediately. The Chairman also read out the fax message received from Capt. Somnath Pahi who has expressed his inability to attend the meeting due to preoccupations. Shri D. P. Rewawala also could not attend the meeting due to his hospitalisation.

Leave of absence was granted to both of them.

Ms. Neena Malhotra, Dy. Director General of Shipping attended the meeting.

The Chairman permitted Shri P. R. Chery to attend the meeting as an observer, as requested by the Secretary General of Indian National Shipowners Association.

The Board then took up the agenda for discussion.

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Item No.1: Confirmation of the Minutes of 89th Meeting of the Board of Trustees, Seamen's Provident Fund held on 10-10-2002 in the Board Room of Seamens Provident Fund Organisation, Mumbai.

Secretary informed that the Minutes of the 89th Meeting were circulated to all the members and only Shri S.P. Gaur, ~~is~~ Director, forwarded his comments to the minutes. The Chairman enquired with the other members whether they have any suggestions/comments to the draft minutes. As there were no other comments the Board after having discussion on the comments of Shri. S.R. Gaur agreed with the same and confirmed the draft minutes of the 89th Meeting with the following amendments:

Para 3, 4 and 5 of Item No.9 page No.17 of the Minutes to be read as under:

"The matter should be pursued closely with the concerned authorities and progress should be brought to the notice of the Board."

Item No.2: Action taken Report on the outcome of the deliberations of the Board at its last Meeting held on 10th October 2002.

Sr.No.1: The Board noted the position. However, the Chairman opined that when investments are not made there is no point to include this item on the agenda repeatedly and suggested to bring it to the notice of the Board as and when investment transaction takes place. The Board agreed with the suggestion of the Chairman.

Sr.No.2, 3 and 4 were noted by the Board.

Sr.No.5: The Secretary stated that the Seamen's Provident fund Organisation's request for filing Civil Suit was turned down by the Ministry of Law, Mumbai Branch, on the ground that Seamen's Provident Fund Organisation is neither a Government Organisation nor drawing any funds from the consolidated funds of the Government of India. However, they have stated that if they get a directive from the Ministry of Law, New Delhi they may consider our request. Accordingly Ministry of Shipping was requested to take up the issue with the Ministry of Law, New Delhi.

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followed by personal discussion. However a favourable reply is still awaited. The Chairman further informed that he too has pursued the matter and as no response is forth coming he directed Secretary to write a D.O. letter to Secretary (Shipping), Ministry of Shipping, from his side, giving a brief of our requirements.

The Secretary requested the Chairman to grant permission for Shri Gautam Nayak to attend the meeting like 89th Board Meeting at 12.30 p.m. The Board agreed.

Sr.No.6: The Secretary explained that in the last Board meeting a resolution was passed to withdraw Rs.10 crores from SBS Account with Reserve Bank of India. But Reserve Bank of India sanctioned only Rs.7.71 crores as admissible under the rules. The Chairman however, desired to know that when the Board passed a resolution for Rs.10 crores, how could the RBI sanction only Rs.7.71 crores and under what authority. In case if the Commissioner approaches the RBI for the remaining amount of Rs.10 crores based on the resolution will RBI insist for fresh resolution? In reply the Secretary explained that for every withdrawal Board resolution of such is required. The Chairman further desired that if so what is the position of earlier resolution, does it stand or not? If yes, may lead into fraudulent withdrawal of the left over amount. Hence, requested Secretary to get it clarified from RBI.

Sr.No.7, 8 and 9 were noted by the Board.

Item No.3: Fixation of rate of interest for credit to the members accounts for the year 2002-03.

The Secretary while initiating discussion on this item stated that he has proposed the interest rate at 9% for the year 2002-03 after accounting for all adjustments. He also circulated a statement depicting interest outflow at various rates and subsequent balance available. He therefore drew the attention of the members to the relevant provisions under which rate of interest to be fixed. The Chairman enquired whether the provisions made for loss of interest amounting to Rs.45 crores includes principal amount and whether the interest is for the

year only. If so, what about the previous year's interest on the principal amount which is at risk. In reply the Secretary stated that since the scam came to notice in May 2002 and the amount of interest arrived on the principal amount on that date which is at risk and might include interest of the previous years also. The Chairman further observed that the interest earnings is projected as Rs.30.26 crores, while the proposed outflow would be around Rs.35.23 crores. Thus, this would cause an impact on the balance in the near future affecting the seamen who come later for withdrawal. He therefore called for opinion of the other members with a suggestion as to why not the Board restrict the rate of interest depending on the interest earnings. Capt. Hiranandani endorsed the views of the Chairman and suggested that considering the present scenario of the market condition where even Banks give not more than 6%, the Board may consider to fix the rate of interest at 8% which seems to be reasonable with the interest earnings. However, the members representing seamen stressed the need either to retain the rate at 9% as proposed or to consider declaring the rate at 9.5% in line with EPFO rate. They also expressed apprehension over the reduction which may send a wrong signal to their members that due to the security scam rate of interest is lowered. Shri A.B.Das further stated that since surplus amount is available in the Interest Suspense Account the Board should consider giving the same rate of interest (9.5%) rather than reducing it. However, the Chairman stated that since the EPF is considering the rate at 9% as of now, we cannot declare more. The seamen's representative further expressed the view that the Govt. should convert the rehabilitation package immediately and released the amount so as to earn interest on that amount also whereby the interest earnings would be sufficient to maintain the rate of interest at 9% or more. However the Chairman expressed that it is not clear as to when the rehabilitation package will be materialized nor the quantum of amount.

After having further discussion in detail the Board fixed the rate of interest at 9% for credit to the seamen members

account for the year 2002-2003.

Item No.4: Revised Estimates for the year 2002-2003 and Budget proposals for the year 2003-2004

The Secretary while initiating discussion on this item informed the Board that in the revised estimate for the year 2002-03 the members may observe reduction of Rs.780627/- in the expenditure as against the sanctioned budget of Rs.8907127/- while in the budget proposal for the year 2003-04 the proposed expenditure would be around Rs.93 lakhs. The reason for the proposed increase in the expenditure is mainly on account of making provision of Rs.5 lakhs under the head legal charges, convening quarterly board meetings and routine administrative expenditure as explained in the note appended to the Agenda. The Secretary further clarified the need for the provision of Rs.5 lakhs on legal charges which is required for filing civil suit to recover/claim the amount at risk due to security scam. The Chairman, however observed that a mere Rs.5 lakhs may not be sufficient and therefore opined that the Board may consider to increase it to Rs.6 lakhs. The Secretary stated that even after increase the amount would still not adequate as minimum of Rs.4 to Rs.5 lakhs would be spent on stamp duty alone and for engaging lawyers in the state of U.P. and Gujarat will involve additional expenditure which will be around Rs.5 to 6 lakhs. The Secretary further apprised the Board for additional requirement to file civil suit in three cases involving U.P and Gujarat states. He therefore requested the Board to consider sanction around Rs.12 to 15 lakhs in the budget proposal. When Shri.Srinidhi enquired as to the need for filing the civil suit in these states, Secretary explained the position in detail. The Secretary further mentioned that without corresponding increase in the receipt, the proposed increase in the expenditure would result a deficit in the budget. Shri.Srinidhi pointed out that increase in the receipt is not possible unless some way is found out. Capt. Hiranandani desired to know whether such legal expenditure could be charged to the administrative account since the administrative charges are borne by the employers and increase burden on them if so.

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In reply the Chairman and Secretary explained that in order to administer the Scheme all administrative expenditures including legal charges are required to be charged to that account as provided under the provisions of Seamen's Provident Fund Scheme. Capt Hiranandani further suggested that if such charges are one time expenditure the employer might agree to share for a specific period only by increasing the rate of administrative charges from existing 4.5% to 5%. The Secretary requested the Board for effective date of implementation to which the Board agreed for with immediate effect. The Secretary however pointed out by reading relevant provision in the Scheme that the Govt may fix the percentage of administrative charges in consultation with the Board and as such the decision of the Board is required to be conveyed to the Govt for issue of requisite notification in this regard. He therefore requested Mr. Srinidhi to ensure that the same is issued expeditiously on receipt of request from Seamen's Provident Fund Organisation which was agreed by him. The Secretary further mentioned that in view of this position, the effective date of implementation may be made as from 01-04-2003 and the board agreed. Shri Srinidhi further desired to know the details of recurring/non-recurring expenditures and in reply the Secretary stated that the same is given as annexures. He further enquired as to the expenditures under payment to Karupaswami and maintenance of office premises. The Secretary explained the position in detail. The enhanced rate of administrative charge from 4.5% to 5% will remain in force for a period of one year from 01-4-2003 to 31-3-2004.

The Secretary further informed the Board that the MOS has requested the Seamen's Provident Fund Organisation to insert an advertisement by forwarding a copy of the text in the leading dailies all over the countries and in vernacular languages stating the action taken by the Govt. for recovery of the amount which is at risk on account of the security scam. The Ministry also informed that thousands of representation are being received by the Govt in this regard and as reply to each one is not possible, hence the request. Shri Srinidhi opined that as already eight months elapsed and many people are almost aware of the action and as such inserting an advertisement as suggested by the Govt may not serve the purpose at this stage. The representatives of

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the Seamen members while endorsing the views stated that position has already been published in their respective journals/magazines published by the unions. The Secretary when apprised the estimated over all expenditure throughout the country on this account even at the nearest minimum would be around Rs.3 to 4 lakhs. He also circulated the copy of the rate list of leading dailies and its place of publications. The seamen's representatives volunteered to insert the text of the Govt. in their respective unions journals/magazines.

The Board after having discussions decided to accept the Govt's request for publication of its text in the following dailies. Indian Express (all its publications), Loksatta – Marathi (Maharashtra, Goa), Hindu, Dinamalar – (Chennai), Gujarat Samachar (Gujarat) and Malayala Manorama (Kerala). Shri. Srinidhi suggested that the cost towards this advertisement may be recovered from The Shipping Corporation of India Ltd who will forward it to the Ministry.

Shri Das requested the Board to sanction Rs.25000/- for purchase some items for Kolkata liaison office of Seamen's Provident Fund Organisation. The Board sanctioned Rs.25000/- for the purpose.

After having further discussion in detail the board approved the Revised Estimate for the year 2002-03 and Budget Proposal for the year 2003-04 with the required modifications in the receipt and expenditure for 2003-04 on account of revision in the rate of administrative charges, legal charges, and other related expenses and forward the same to the Govt. for sanction.

Item No.5: Collection of maturity proceeds of IFCI Bonds of Rs.302500/- matured on 20th December, 1999 from IFCI

The Board noted the position explained in the agenda and passed a resolution as under:

"RESOLVED that in supersession of earlier Resolution passed at the 89th meeting held on 10-10-2002 for collection of maturity proceeds of IFCI Bonds amounting to Rs.302500/- from Reserve Bank of India, the Board of Trustees, Seamen's Provident Fund Mumbai hereby authorise the Commissioner, Seamen's Provident Fund Organisation (Shri Manish Saksena at present), Mumbai to receive the maturity proceeds of IFCI Bonds amounting to Rs.302500/- from IFCI, Mumbai on behalf of

the Board of Trustees, Seamens Provident Fund, Mumbai".

Item No. 6: Measures for Rehabilitation Package - Developments.

The Chairman and Secretary informed the members of the developments elaborately after the meeting held on 31-10-2002 followed by discussions subsequently with the officials of the concerned ministries. The Chairman further mentioned that the DGS is working on the required proposal sought by the ministry which is expected to be forwarded shortly. Shri. Gani requested the Chairman to enlighten the Seamen's representatives on the proposal before forwarding to the Ministry. The Chairman gladly agreed to it and requested to write a letter in this regard. However, the Chairman made it very clear that if the members representatives express their dis-agreement on any clause on the proposal at this point of time the chapter of rehab package will either be closed or delayed indefinately and hope of recovery in the near future through other sources which is a long drawn process may be uncertain.

Shri A.B. Das drew the attention of the members to the repealing of SPF Act, and protested over the way of the Govt. in singling out SPF in the name of restructure leaving other similar Provident Funds untouched. Shri. V.P. Samant expressed apprehension over repealing of SPF Act and stated that under the present setup the fund lost considerable amount and once the Govt. decide to distance itself the safety of around Rs.400 crores would be in jeopardy. He therefore requested not to repeal the act.

Shri Srinidhi mentioned that Govt. may be cautious to future responsibility if such scam occurs. In reply Shri. A.B. Das stated that it is the sole responsibility of the Govt. to grant rehab package by justifying the appointments made by it to the Board and Commissioner Seamen's Provident Fund Organization. He further expressed his anguish over the audit done by C.A.G. He therefore, stressed the need that Govt. should not repeal the act under any circumstances and grant rehab package without any further delay. S/s Gani and Samant supported the views expressed by Shri. Das. Shri Gani further stated that the

Govt. instead of repealing the act may put a condition that it will not be responsible for future scam and grant the rehab package. He also expressed caution that once the act is repealed there would be no control on the defaulters and no way to ensure proper deduction/remittances etc. towards Provident Fund. He along with his counterparts requested the Chairman to reconsider the issue even though they are agreeable to the restructuring of Seamen's Provident Fund Organisation but without repealing the Act. The Chairman after hearing the views expressed by the seamens representatives reiterated that the prime intention is to get rehab package at the earliest in order to protect the seamens hard earned money which is already delayed. If the seamen members representatives have any second thoughts on the post developments even after making it very clear to all concerned, he has no option but to convey it to the Govt. He once again made it very clear that the matter will get delayed further and in any case they are free to come with their suggestion in writing to him. Till then he would hold the proposal for a week.

Item No. 7: Receipts Payments settlement of claims and investment position.

The Secretary stated that the statement of receipt, payment, settlement of claims are just for the information of the members on the affairs of the organisation. However, he drew attention towards settlement of final withdrawal claims which are increasing may be due to the fear of scam. He also stated that the reason for claiming withdrawal under the pretext of permanently unfit is a cause of concern as seamen opt this route either in order to get the package announced by the NUSI nor he is prevented from going on voyage since the CDC is not endorsed as permanently unfit. In reply Shri. Gani stated that the NUSI package is like Golden Shake hand given to those who are 50 plus and there is no likelihood of job opportunities. When the Secretary pointed out that the CDC of such seamen remains active seamen's representative stated that there is no need to cancel the CDC once they reach the age of 50 plus. The Chairman also endorsed the views expressed by the seamens representatives and stated that after all it is their own accumulations and they are free to take it at any time. After having some discussion the Board

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noted the position.

Item No. 8: Annual Accounts for the year 2001-02 - Audit Inspection Report and reply of the Organization.

The Secretary read out the Audit Inspection Report received from the Principal Director of Audit (Central) and along with the reply of the Organisation given side by side. Copy of the same was circulated to the members.

Para 1, 2, 3, 4, 5, 6 and 7 were noted by the Board which directed to comply wherever required given in the reply.

Para 8: In view of Audit observation a Show Cause Notice was issued to the dealing Assistant to which the reply is awaited.

The remaining paras were noted by the Board.

As for Audit observation regarding non-provision on fixed assets Secretary stated that as on date since inception maintaining the system of charging depreciation is not followed and is proposed to introduce in consultation with the Internal Auditors from the current year positively. Regarding revising existing accounting system it is proposed to revise as suggested by the CAG in consultation with Internal Auditors. The same would be placed before the Board for consideration and will be introduced subject to approval by the Govt. in accordance with the provision of Para 47 of the Seamen's Provident Fund Scheme, which was read out by the Secretary.

Item No 9: Discussion on Second Internal Auditor's Report for the period from July 2002 to September 2002

The Internal Auditors' report and the reply of the organisation were read out by the Secretary. Though the Board noted all the paras Shri Srinidhi enquired about the huge number of mismatch entries and the reason for its increase. The Chairman also enquired as to these accounts. In reply Secretary explained the position by explaining the details and the steps taken for its speedy clearance.

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To a query from Shri Srinidhi as to the Complaint Section the Secretary replied that it pertains to seamen's complaints regarding non receipt/accounting of provident fund contribution in respect of voyages performed by them.

As for Damages the Chairman expressed concern over the delay in recovery and directed Secretary to initiate penal action provided under relevant provisions of the Act/Scheme without further delay.

Shri Das requested that the Non-Refundable withdrawal claims may be liberalized. Chairman while endorsing stated that though it is their own accumulation they should not be encouraged for such kind of withdrawals unless there is no other way. Secretary pointed out that in accordance with the rules limited withdrawals are allowed for various reasons. However, the Chairman opined that in exceptional cases the Commissioner can consider further withdrawals if he deems fit.

The Secretary with the permission of the Chair requested the Board for an independent Commissioner as due to holding dual charge, at times he is unable to cope up the work load despite his efforts. Secretary further pointed out to the Board he has not been granted dual charge allowance as perhaps he is not entitled. Shri Srinidhi opined that a suitable proposal may be forwarded to the Ministry. Chairman while endorsing the views expressed by both the Secretary and Shri Srinidhi, he requested Shri Srinidhi to look into it at the earliest.

The meeting then came to an end with a vote of thanks to the Chair.

CHAIRMAN
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
BOMBAY

SECRETARY
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
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Minutes of the 91st Meeting of the Board of Trustees Seamen's Provident Fund held on Friday the 27th June 2003 at 11:30 a.m. In the Board Room of Seamen's Provident Fund Organisation, "Krupanidhi" 3rd Floor, 9 Walchand Hirachand Marg Ballard Estate, Mumbai - 400 001

The following were present:

Shri G. S. Sahni	Chairman
Shri S. R. Gaur	Member
Capt. N. A. Hiranandani	Member
Shri D. P. Revanwala	Member
Shri Abdulgani Y. Serang	Member
Shri Vasant P. Samant	Member
Shri Anil Baran Das	Member
Shri Naresh Salecha	Secretary

The Chairman was welcomed by the Secretary and other members present. The Chairman while thanking the trustees urged them to extend their co-operation in conducting the proceedings of the meeting in a spirit of cordiality and goodwill.

Leave of absence was granted to Shri T. Srinidhi Dy. Financial Adviser, Ministry of Shipping and Capt. Somnath Pahi representative of Ship owners who could not attend the meeting due to other pre-occupations. FOSMA was not represented despite invitation as a permanent invitee.

Shri V. Venugopal, Asst. Director General of Shipping attended the meeting.

The Board then took up the items on the Agenda.

Item No.1: Confirmation of Minutes of the 90th meeting of the Board of Trustees, Seamen's Provident Fund held on 16-01-2003.

The Secretary informed that the 90th meeting of Board of Trustees was held on 16-1-2003 and draft minutes were circulated to the members for comments/ amendments on 23-01-2003. The Chairman appreciated Secretary for circulation of minutes within a short period. The amendments suggested by Shri Revawala were discussed. Capt. Hiranandani also mentioned that in the draf minutes, the period of enhanced Administrative Charges from 4.5% to 5% was not mentioned and as it may be included in the minutes. As regards recovery of advertisement cost, the Secretary stated that the same has since been reimbursed to the Organisation by The Shipping Corporation of India Ltd. Board appreciated the gesture of the Shipping Corporation of India Ltd. As there were no other comments the draft Minutes of the 90th meeting were confirmed with the following amendments:

Item No.1 Page 2 of the minutes for the words "Shri. D.P. Revawala ..... preoccupation," on first line the words "Shri. D.P. Revawala could not attend the meeting due to his hospitalization" may be substituted.

Item No.4 page No.9 of the minutes add the following before Para No.2:

"The enhanced rate of Administrative Charge from 4.5% to 5% will remain in force for a period of one year from 01-4-2003 to 31-3-2004.

Item No.2: Action taken Report on the deliberations of the Board at its last meeting.

Sr. No.1: Noted by the Board and discussed with Additional Item No.1

Sr. No.2: The Secretary informed that Shri Rajguru, Government Counsel Mumbai Branch has been selected to draft the

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Civil Suit which has since been prepared. However based on a report received from CBI recently the draft Civil Suit is required to be modified and on approval by Senior Counsel Shri Rana, the suit will be filed shortly. The Board unanimously appreciated the efforts made by the Secretary in this regard.

Sr. No.3: The position was Noted by the Board.

Sr. No.4: The Secretary informed the Board that M/s SBN Technologies have informed that the charges will be reduced from Rs.7.5 lacs to Rs.5.0 lacs for modification. The Board authorized the Commissioner to negotiate further and also with other consultants. The Board also felt that during negotiations options to retain "source code" with the organisation may also be discussed. Shri. Abdulgani Serang volunteered to depute their software consultants who have got knowledge of Foxpro in this regard.

Sr. No.5: The Board noted the position.

Sr. No.6: The Chairman expressed concern over the delay in getting the Government approval and requested Shri. Gaur, Dy. Secretary, MOS to look into this. Shri. Gaur mentioned that a meeting has been fixed between the Commissioner and MOS (Finance Wing) for further discussions and Government of India's approval will be communicated very shortly.

Sr. No. 6(a), (b) and 7: The position explained in the agenda were noted by the Board.

Sr. No. 8: Shri Gaur gave a brief account on the developments that took place after a meeting in the P.M.'s office which was Chaired by the then Secretary (Shipping). The Government is seized of the matter and actively considering the proposal for Rehabilitation Package. He expected that Rehabilitation proposal may come through shortly.

Sr. No.9: Noted by the Board.

Sr. No.10: The Board unanimously felt that the charge of Commissioner, Seamen's Provident Fund Organisation was given to the incumbent during such a critical period in addition to his own duties as Senior Deputy Director General of Shipping. Since then he has been discharging both the duties diligently in a responsible manner as noted by the Board in its earlier meetings. Shri Gaur suggested that since the Board have the powers to consider honoraria to the Commissioner, he requested the Board to consider the grant

of honoraria and decide the quantum of amount. The Board unanimously decided and agreed to sanction a sum of Rs.1750/- P.M. retrospectively w.e.f. 10-05-2002 till holding the additional charge as a Commissioner to Shri Naresh Salecha. Meanwhile Shri Das requested that a regular Commissioner may be appointed. The Chairman requested Shri. Gour to pursue the matter with the Government for an early appointment

Item No.3: Receipts, Payments, settlement of claims and investment position.

The position was noted by the Board.

Item No.4: Withdrawal of Rs 15 Crores from SDS account with Reserve Bank of India.

The Secretary informed the Board that even after withdrawal of Rs.7.71 crores the situation remains same in the matter of settlement of obligatory payments which has been pouring in day by day without any corresponding increase in the inflow to the fund. Hence the Board may consider the proposal for withdrawal of Rs 15 crores from SDS Account maintained with Reserve Bank of India. The Board after having further discussions on the proposals unanimously agreed for withdrawal of Rs.15 crores from SDS account maintained with Reserve Bank of India in order to tide over the situation as explained by the Secretary.

The Board also passed the following resolution in this regard

"RESOLVED that considering the low accretion to the fund which is not sufficient to meet the obligatory payments it is decided that a sum of Rs.15 crores, which is in the same proportion in which investments are made, be withdrawn from Special Deposit Scheme Account maintained with Reserve Bank of India in order to meet the obligatory payments".

"RESOLVED FURTHER that consequent to the decision of the Board of Trustees, Seamen's Provident Fund at their

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91st meeting held on 27th June, 2003 for withdrawal of Rs.15 crores from Special Deposits Scheme Account maintained with the Reserve Bank of India, Mumbai, Shri Naresh Salecha, Commissioner Seamen's Provident Fund and Capt. N.A. Hiranandani, Member, Board of Trustee, Seamens Provident Fund are hereby authorized and empowered to withdraw from the above said account as may be necessary to make obligatory payments".

Item No.5: Budget Re-appropriation 2002-2003

The position noted by the Board.

Item No.6: (a) Approval of Annual Accounts for the year 2002-03
(b) Approval to new format of accounts prepared in consultation with Internal Auditors and approval of Annual Accounts for the year 2002-03 in the revised format.

Before initiating discussions on these items the Secretary with the permission of the Chair requested the Board to invite Shri Nayak, Internal Auditor to brief the members on the Accounts for the year 2002-2003 prepared in the traditional format and in the revised format as well. The Board permitted Shri Nayak thereupon. The Chairman desired to know whether provision have been made in the accounts for amount lost in the security scam, depreciation and doubtful debts etc as observed by the Principal Director of Audit in their Audit in their Audit Report. Shri Gour enquired whether certificate on physical verification of securities is available. As for these queries Shri Nayak mentioned that all observations of the auditors have been taken care of in the accounts on both formats, except for the amount lost in the security scam. Regarding physical verification Shri Nayak stated that Internal Auditors have verified all the certificates available in physical form. After further discussion it was decided that the Board may issue such certificate based on the Internal Auditors' Report on physical verification of securities. Shri Revanuka stated that changes in accounting policies may be elaborated and Board agreed to that.

The Chairman desired to have information on Medical

Bills. In reply the Secretary explained the position in detail. The Chairman opined that considering the staff strength the expenditure on this account appears to be on higher side and as such the Board may consider introduction of Mediclaim or Group Insurance Policy for the members of the staff. Secretary was advised to examine this issue. The Chairman further desired to know as to the expenditure towards honoraria. In reply the Secretary stated that at present honoraria is being remitted to the Shipping Master, Kolkata which is distributed amongst his staff for liason purpose. This being paid in addition to the posting of a staff at Kolkata on payment of montly salary. After further discussion, the Board decided that the assistant posted at Kolkata shall submit a daily work report via e-mail to the Commissioner and continue honoraria to Shipping Master, Kolkata. However distribution shall be between Shipping Master and Peon not for other staff members.

After having further discussions, the Board adopted both sets of accounts and also approved the same in both the formats. The Chairman further requested Shri Gaur to expedite Government approval to the new format of accounts, so as to avoid delay in submission of final accounts duly audited for placing on the Tables of the Houses of Parliament.

Item No 7: Discussion on Third Internal Auditor's Report for the period from October, 2002 to December, 2002.

While initiating discussion, the Chairman requested Secretary to brief the action on the Third Internal Auditor's Report. The Secretary stated that the fourth quaterly report covering the period from January 2003 to March 2003 has also been received and since the observations are more or less similar to that of third report the same has not been placed. The Board expressed its concern as regards to Audit observation in initiating legal action for recovery of amount and growing number of unpasted items. The Secretary stated that the legal action has been initiated and as for clearance of unpasted

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items gave a brief account. He further informed about the steps taken for clearance by soliciting required information from INSA, MAASA, FOSMA, NUSI and FUSI. In addition Shipping Masters have been requested to cooperate in this regard. A CD containing required information has been provided by the Shipping Master, Mumbai and based on that number of items could be cleared. The Board appreciated the efforts made by the Organisation in this regard. The Board also noted the audit observation and reply thereto for refunding the interest to the buyer Cyanamid Officers Provident Fund, received against 14% G.O.I. 2005 Bonds which was sold to Kotan Sheth & Co, unanimously decided not to refund the same till recovery of the amount lost in the securities scam since it also forms a part of the said amount.

Item No. 8: Audit Report/Certificate on the accounts of Seamen's Provident Fund Organization for the year 2001-2002.

The Secretary explained the position during the discussion of Item No 6 (a) and (b) and 7 and the Board noted.

Item No 9: Review of Appointment of Internal Auditors for the year 2003-04.

The Secretary stated that it is proposed to renew the appointment of m/s CNK as Internal Auditors for Seamen's Provident Fund Organisation for a further period of one year from 01-4-2003 to 31-3-2004 on the existing terms and conditions. By doing so the payment will be made quarterly at the rate of Rs.15000/-. The Secretary further stated that the manual for Seamen's Provident Fund Organisation has been drafted by m/s CNK which is under discussion and for which payment has not been made so far. The Chairman advised Secretary to finalize the same at the earliest.

The Board complimented the Internal Auditors the quality of Auditing and the efforts made by them.

Item No.10: Appointment of Legal Adviser in Seamen's Provident Fund Organisation.

The Secretary emphasized the need for appointment of Legal Adviser on retainership basis. He also mentioned that a reference has already been made to Employees Provident Fund Office, Bandra, calling for the process of such appointment in their organisation. The Board in principal approved the proposal for appointment of Panel of Advocates/Legal Adivisers on retainership basis on the pattern of Employees Provident Fund Office.

Additional Item No.1: Appointment of Accounts Officer in Seamens Provident Fund Organisation {Refer Item No.2 (Sr.No.1)}

The Board unanimously approved the draft Recruitment Rules for appointment of Accounts Officer in the Seamens Provident Fund Organisation and requested Secretary to get approval of the Government at the earliest.

Additional Item No.2: Proposal for fixation of rate of interest for credit to the members accounts before the start of financial year and fixation of interest for the year 2003-04.

While initiating discussion the Chairman enquired with the Secretary as to the rate to be fixed for the financial year 2003-2004, since no specific mention has been made in the proposal. The Secretary stated that after having considered the resources available as mentioned in the agenda, the Board may consider the rate of 7.5% for fixation. However, the members representing employees suggested to consider higher rate commensurate with what is being paid now. After having further discussion at length and considering the fund position, the Board unanimously approved the rate of interest at 8% for credit to the members accounts for the year 2003-2004. In case, the fund position improves and the rehabilitation package is approved by the Government of India there may be

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consideration on this issue. Secretary was also requested to get Government approval at the earliest.

Additional Item No.3: Levy of damages for delay in payment of Additional Voluntary Contributions (AVC)

As this item was placed on table, the Board decided to defer this item for the next meeting.

The meeting then came to an end with a vote of thanks to the Chair.

CHAIRMAN
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
BOMBAY

SECRETARY
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
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Minutes of the 92nd Meeting of the Board of Trustees Seamen's Provident Fund held on Monday, the 29th September, 2003 at 11.30 HRS. In the Board Room of Seamen's Provident Fund Organization 'Krupanidhi', 3rd Floor, 9 Walchand Hirachand Marg, Ballard Estate, Mumbai-400001.

The following were present:

Shri G.S. Sahni	Chairman
Shri T. Srinidhi	Member
Capt. N.A. Hiranandani	Member
Shri D.P. Revawala	Member
Capt Somnath Pahi	Member
Shri Abdulgani Y Serang	Member
Shri Vasant P. Samant	Member
Shri Anil Baran Das	Member
Shri Naresh Salecha	Secretary

The Chairman welcomed the members present.

Secretary informed that Shri S.R Gaur could not attend the meeting due to illness. Accordingly leave of absence was granted to Shri S.R Gaur. Capt. Rajesh Tandon, Chairman, FOSMA attended the meeting as an invitee. Shri V Venugopal, Asst. Director General of Shipping also attended the meeting.

The Board then took up the items on the Agenda.

Item No.1: Confirmation of Minutes of the 91st meeting of the Board of Trustees, Seamen's Provident Fund held on 27-6-2003

The Board discussed on the amendments and comments suggested by Capt Hiranandani and Shri Abdulgani and agreed with the same. As there were no other comments the draft minutes of the 91st meeting were confirmed with the following amendments:

Item No.1 Page No.2 line 9 of the minutes for the word "As there were _____ following amendments" the following may be substituted by

"As there were no other comments the draft Minutes of the 90th Meeting were confirmed with the following amendments".

Item No. 6 Page No. 6 Para No. 2 line 7 of the minutes the word "Kolkata" may be inserted after the word "the Shipping Master" though the suggestion was to insert as Calcutta.

Additional item No. 2 Page No. 9 of the minutes, for the last line "In case, the fund position improves - - - - - approval at the earliest" the following line may be substituted.

"In case, the fund position improves, and the rehabilitation package is approved by Government of India there may be consideration on this issue. Secretary was also requested to get Government approval at the earliest".

Item No. 2: Action taken Report on the deliberations of the Board and its last meeting held on 27-06-2003.

Before initiating discussion on this item the Board decided to mention the subject of the ATR on the minutes in brief hereafter.

Sr. No. 1: Discussion on filing Civil Suit for recovery of the amount lost in the Scam.

The Secretary apprised the Board of the developments. Shri. Revawala however desired to know why the civil suit is restricted to seven persons instead of fifteen persons named in the CBI report. The Secretary explained in detail as to the reason. The Board requested Secretary to file the suit quickly.

Sr No. 2: Seperation of Annuity Scheme Fund from Provident Fund

Action taken in this regard was informed to the Board. Shri. Grani also confirmed that in absence of source code, the consultant sent by him could not make headway. Capt Hiranandani volunteered that he will be talking to

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Shri. Nair of SBN Technologies and come to some conclusion. Shri. Grani suggested that since the source code is not available, it will be worthwhile rewriting the entire programme. Capt. Tandon also supported the views and mentioned that new environment like Oracle can be used. Commissioner however, mentioned that it may have a high cost implication. After deliberate discussion, Chairman advised Commissioner alongwith Capt Hiranandani, Capt. Rajesh Tandon and Shri. Grani to examine the proposal further.

Sr. No. 3: Fixation of rate of interest for credit to the members accounts for the years 2002-03

Shri. Srinidhi mentioned that approval has been given for fixation of rate of interest for credit to the members accounts for the years 2002-03 and Government orders will be issued shortly.

Sr. No 4: Revised Estimate for the year 2002-03 and Budget proposal for the years 2003-04.

Board noted the position.

Sr No. 5: Measures for rehabilitation package - developments.

The Board noted the position. The Secretary further informed that two meetings were held with the employers and employees' representative. Chaired by the Chairman on 19-08-03 and 01-09-03 and as agreed by all concerned a proposal for insertion of additional Section in the Seamen's Provident Fund Act has since been forwarded to Ministry and is under consideration by the Government.

Sr. No 6: Grant of dual charge allowance to Shri. Naresh Salecha, Sr. Dy. Director General of Shipping for holding additional charge as Commissioner Seamen's Provident Fund Organisation

Board noted the position.

Sr.No.7: Withdrawal of Rs.15 crores from SDS account with Reserve Bank of India

The position was noted by the Board.

Sr.No.8: (a) Approval of Annual Accounts for the year 2002-03
(b) Approval of new format of accounts prepared in consultation with Internal Auditors and approval of Annual Accounts for the years 2002-2003 in the revised format.

The Board noted the position.

Sr.No.9: Review of Appointment of Internal Auditors for the year 2003-04

The position was noted by the Board.

Sr.No10: Appointment of Legal Advisers in Seamen's Provident Fund Organisation

Secretary informed that EPFO has given the list and procedure to be followed for appointment of legal advisers. Chairmen directed to examine the same and take further action.

Sr.No11: Additional Item.

(1) Appointment of Accounts Officer in Seamen's Provident Organisation.

Board noted the position.

(2) Proposal for fixation of Rate of Interest for credit to the members accounts before the start of financial year and fixation of rate of interest for the year 2003-04.

Shri Srinidhi stated the Government orders will be issued shortly.

Sr.No12: Levy of damages for delay in payment of Additional Voluntary Contributions

This point was discussed as Item 7 separately.

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Item No.3: Approval of Annual Report on the working of the Seamen's Provident Fund Scheme 1966 for the year 2002-2003.

Before initiating discussion the Chairman enquired with Secretary as to the exclusion of a para on the scam like in the last year report. In reply the Secretary explained that since it appeared in the last year, it has not been repeated again. Shri Abdulgani desired whether the provisions on Page No.4 for Sr No.1 under para 2 is a part of the security scam. Secretary informed that this is not a part of the security scam. Secretary replied that the investment of these amounts are at risk due to non-payment by GSIDC and UP Yarn Spinning Mills Federation Ltd. Shri Revawala pointed out that there is typographical error on page No.31 of grand total and the same should be corrected. Capt. Rajesh Tandon enquired that whether the value of assets reflected at page No.36 of the agenda is depriciated value or not. The position was explained to him.

After further discussion the Board with the following amendments approved the Annual Report for the year 2002-03.

(1) A para on the scam to be added as done last year.
(2) To be corrected as noted by Shri. Revawala.
(3) Para 22 of the report be revised as may be required in the absence of Audit Certificate.

Item No.4: Annual Accounts for the year 2002-03 Audit Inspection Report and reply of the Organisation.

The position was noted and it was also decided that on receipt of Audit Inspection Report the same may be replied and forwarded to the Principal Director of Audit. On receipt of Audit Certificate the same may be forwarded to the Government with suitable remarks against audit objection alongwith Annual Accounts duly printed. If not received, the annual report may be sent with annual accounts.

Item No.5: Appointment of Accounts Officer in Seamen's Provident Fund Organisation

The draft Regulation proposed by the Secretary was approved by

the Board by amending the classification of the post as Group A wherever necessary instead of Group B in view of the proposed scale of pay for the post of Accounts Officer as observed by the members. The Board also passed the following resolution and requested Secretary to forward the draft regulations amended as above to the Government for its approval.

"RESOLVED that consequent to the approval of the draft Regulation as amended for appointment to the post of Accounts Officer in Seamen's Provident Fund Organisation, Mumbai by the Board of Trustees, Seamen's Provident Fund at their 92nd meeting held on Monday, the 29th September, 2003 be forwarded to the Ministry of Shipping for further necessary action by the Commissioner, Seamen's Provident Fund, Mumbai".

Item No.6: Receipts, Payments, settlement of claims and investment position

While discussion the Chairman wondered as to the quick jump on the percentage of settlement for five months period. Secretary stated that there are many factors resulting such jump ie 60 plus, VRS, Golden Hand Shake offered by Unions and Medically unfit. Shri Das also mentioned that lack of job opportunity is also one of the factors. After detailed discussion the Chairman directed on the advice of Capt. Hiranandani that analysis can be done to bifurcate this amount into the 3 heads ie normal superannuation, medically unfit and VRS. The Board agreed for the same and decided that henceforth this analysis should be put up to the Board.

Item No.7: Levy of Damages for delay in payment of Additional Voluntary Contribution (AVC)

The Secretary drew the attention of the members on the discussion in the earlier Board meetings and suggested that Board may deliberate on the main issue concerning levy of damages on AVC. Shri Ravanala expressed his protest on the percentage of damages and requested to reduce the same. Capt. Somnath Pakhi pointed out that it is already reduced and now the rate is 15%.

Shri Abdulgani suggested that Board might consider one time an amnesty scheme.

After further discussion the Board decided that damages should be levied on AVC also as in the case of Provident Fund for delayed remittance on expiry of the amnesty period in the absence of Administrative Charges on AVC till such time the Annuity Scheme is framed or modification in the Computer software is made whichever is earlier. In addition, the Commissioner was also authorised to examine case by case and submit to the Board for consideration of waiver.

Item No.8: (1) Registration of signature of Commissioner, Seamen's Provident Fund Organisation with Reserve Bank of India and other Banks.

After discussion the Board authorized the Commissioner to register his signature and passed the following resolution.

"RESOLVED that consequent to the decision taken by Board of Trustees, Seamen's Provident Fund, Mumbai at their 92nd meeting held on Monday, 29th September, 2003 the Commissioner, Seamen's Provident Fund Organisation, Mumbai appointed by the Central Government on deputation is hereby authorized to register his signature with all Banks where the Seamen's Provident Fund Organisation, Mumbai maintains its accounts including Reserve Bank of India on the date of assuming charge as Commissioner, Seamen's Provident Fund Organisation, Mumbai".

(2) Collection of duplicate certificate of 14% GOI 2005 face value of Rs 3 lakh from Reserve Bank of India.

The Board discussed and passed a resolution as under authorizing the Commissioner to collect duplicate certificate.

"RESOLVED that the Board of Trustees, Seamen's Provident Fund, Mumbai, while considering the requirements of Reserve Bank of India, Mumbai at their 92nd meeting held on Monday, the 29th September, 2003 decided and authorized the Commissioner, Seamen's Provident Fund Organisation, Mumbai (at present Shri Nimish Solecha) to obtain duplicate certificate of 14% GOI 2005 face value of Rs 3 lakh from Reserve Bank of India".

Item No.9: Discussion on Fourth Internal Auditor's Report for the period from January, 2003 to March, 2003

Shri Abdulgani desired to know whether the Gujarat Government guarantees the investments in GSIC99. The Secretary explained the position. As for legal charges concerned for filing suit against GSIC, UP Yarn and UP Spinning Mills the Commissioner was authorized to negotiate with legal firms to reduce legal charges further. The Board expressed satisfaction on the action initiated for clearance of unposted entries. It was also decided by the Board to write letters to all the shipping companies at the time of feeding the data before classifying such thrown out items as unposted items. Shri Das also requested to forward a copy of letter to JUSI. Chairman advised that since SCI is the largest employer, letters should be addressed to SCI inviting attention of Shri D.P. Revawala. The same procedure may be followed in the case of recovery of damages. Board agreed for the same. The Board further noted the observations and replies on other paras.

Additional Item No.1: Introduction of Mediclaim or Group Insurance Policy for the members of the staff (Please refer Item No.2 Sr. No.6)

The Board discussed in detail and felt that the existing system being economical decided to retain the existing system. However Shri Revawala requested the Board to defer decision as he would like to go in detail further. It was agreed for the same.

Additional Item No.2: Transfer of Funds for investments from Saving Accounts to Fixed Terms Deposit in respective bank account.

The Board agreed the proposal for transfer of funds for investment for a period of three years and authorize the Commissioner to invest accordingly with respective banks as mentioned in the agenda.

The meeting then came to an end with a vote of thanks to the Chair.

CHAIRMAN
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
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SECRETARY
BOARD OF TRUSTEES
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Minutes of the 93rd Meeting of the Board of Trustees Seamen's Provident Fund held on Tuesday the 30th December, 2003 at 11:30 am. In the Board Room of Seamen's Provident Fund Organisation 'Krupanidhi', 3rd Floor, 9 Walchand Hirachand Marg, Ballard Estate, Mumbai-400 001.

The following were present:

Shri G.S. Sahni	Chairman
Capt N.A Hiranandani	Member
Shri D.P Revawala	Member
Shri Abdulgani Y. Serang	Member
Shri Vasant P. Samant	Member
Shri Amil Baran Das	Member
Shri Naresh Salecha	Secretary

The Chairman welcomed the members present.

Secretary informed that S/S S.R. Gaur, T. Sridhi and Capt. Somnath Pathi cannot attend the meeting due to pre-occupations as conveyed by them. Leave of absence was granted to them. Capt Rajesh Tandon Chairman FOSMA attended the meeting as an invitee.

The Board then took up the items on the agenda.

Item No.1: Confirmation of the Minutes of 92nd meeting of the Board of Trustees, Seamen's Provident Fund held on 29-09-2003 in the Board Room of Seamen's Provident Fund Organisation, Mumbai.

The Board discussed the points suggested by Shri D.P Revawala and agreed to the following amendments.

Page No.1 line 3 on the heading add the word "Hiranandani" in between Walchand and Marg.

On page 3 of the minutes delete the repeated word "that" appearing on first line under Sr. No.3.

On page No.4 in Sr. No.12 For the word "The position was noted by the Board" substite the word "This point was discussed as item 7 separately"

On the same page omit the word "accordingly" in last line under item No.3.

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On page 6 item No.7 suggestion by Shri Ravawala was discussed at length by the Board and agreed to add the word "one time" between the word "consider" and "an amnesty" on sixth line and the words "available for ..... upto December 2003" be deleted as suggested by Capt. Tandon.

In second para the word "unanimously" after the Board on first line be deleted.

As there were no other comments, the draft minutes were confirmed with above mentioned amendments.

Item No.2: Action taken report on the outcome of the deliberations of the Board at its last Meeting.

Sr.No.1: Discussion on filing Civil Suit for recovery of the amount lost in the Scam of Seamen's Provident Fund Organisation.

Board noted the position.

Sr.No.2: Seperation of Annuity Scheme Fund from Provident Fund.

Position noted by the Board, Shri Goni and Capt. Tandon agreed to depute their computer programmer who will examine the modification needed, by first week of January, 2004.

Sr.No.3: Fixation of rate of interest for credit to the members accounts for the year 2002-03.

Chairman informed the members that he had a talk with Additional Secretary and Financial Advisor, MOS and Government orders will be issued shortly.

Sr.No.4: Measures for rehabilitation package - devedopments.

Board noted the position.

Sr.No.5: Appointment of Legal Adviser in Seamen's Provident Fund Organisation.

The Secretary proposed to the Board to consider the

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appointment of Ms.S.Priya Advocate as Legal Adviser. Board agreed to the proposal.

Sr.No.6: Proposal for fixation of rate of interest for credit to the members accounts before the start of financial year and fixation of rate of interest for the year 2003-04.

Chairmen informed the members that he had a talk with Additional Secretary and Financial Advisor MOS and Government orders will be issued shortly.

Sr.No.7: Approval of Annual Report on the working of the Seamen's Provident Fund Scheme, 1966, for the year 2002-03.

Discussed under item No.6 of the agenda.

Sr.No.8: Annual Accounts for the year 2002-03 Audit Inspection Report and reply of the Organisation.

Discussed under item No.6 of the agenda.

Sr.No.9: Appointment of Accounts Officer in Seamen's Provident Fund Organisation.

Board noted the position.

Sr.No.10: Receipts Payments settlement of claims and investment position.

Board noted the position.

Sr.No.11: Levy of Damages for delay in payment of Additional Voluntary Contribution (AVC)

Board considering the period for amnesty which is very short as felt by the employers' representatives and as requested by them, it was decided by the Board to extend the period upto 31st March, 2004.

Sr.No.12: 1. Registration of signature of the Commissioner Seamen's Provident Fund Organization with Reserve Bank of India and other Banks

2, Collection of duplicate certificate of 14% GOI 2005 face value of Rs.3 Lakh From Reserve Bank of India.

Discussed under item No.8 of the agenda.

Sr. No.13: Discussion on Fourth Internal Auditor's Report for the period from January, 2003 to March, 2003.

Board noted the position.

Sr.No.14: Introduction of Mediclaim or Group Insurance Policy for the members of the staff.

Shri Rerawala informed that he has examined the issue and suggested to retain the existing medical facilities. In view of this the Board decided to drop this item.

Sr.No.15: Transfer of Funds for Investment from Saving Accounts to Fixed Terms Deposit in respective bank account.

Position was noted by the Board

Item No.3: Fixation of rate of interest for credit to the seamen members account for the year 2004-05.

The Commissioner explained the scenario in detail and suggested to fix the rate of interest @ 5% as proposed. Sarvashri Das, V.P. Samant and Abdulgani Serang of FUSI and NUSI representing seafarers protested for lowering the rate of interest as this might leave seafarers aggrieved and discontended. Secretary intervened by giving market scenario in the rate of returns as explained in the Agenda. Capt Hiranandani suggested that the balance in the Interest Suspense Account be maintained to the extent

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as available on 01-4-03. He suggested that the board may consider the rate @ 5.75%. After hearing all the members, the Chairman opined that the Board may consider the rate at 6% subject to revision, if the market condition improves in the interest earnings and/or Government reimburse Rs 92.78 crores. This was unanimously agreed.

The Board accordingly fixed the rate @ 6% for credit to the Seamen members account for the year 2004-05 and instructed to approach Government immediately and also credit interest to members' account at the rate of 6% for 2004-05.

Item No.4: Revised Estimates for the year 2003-2004 and Budget Proposal for the year 2004-2005.

The Board discussed in detail and observed that the revised estimate and expenditures has been brought down from the sanctioned Budget and expenditures of Rs.1,03,00,000/-. Similarly Budget proposal for the year 2004-05 has also been brought down based on the revised estimate. After further discussion and considering the expenditures as explained by the Secretary the Board approved the Revised Estimate for the year 2003-04 and Budget proposal for the year 2004-05.

Item No.5: Review of rate of Administrative Charges

The Secretary explained the need for retaining the administrative charges at 5% for one more year. After detailed discussion the Board decided to retain the administration charges @ 5% for one more year i.e. 2004-2005.

Item No.6: Annual Accounts for the year 2002-03 - Draft Audit Report and replies/comments of the Organization thereof.

Board noted the position.

Item No.7: Proposal for investment of Provident Fund monies.

It was brought to the notice of the board that RBI is likely to give Rs.28 crores as interest on SDS account in the first week of January as per the letter received from Ministry of Finance

Despite our request to RBI, they have not agreed to retain the amount in SDS account. Secretary pointed out that finance sub-committee had three meetings and have short listed four basic financial institutions who can do the work of investment either on complete turn key basis or on advisory basis.
The four short listed names are as follows:-

1. IDBI Capital
2. SBI.
3. SICOM
4. PNB Gilt

Secretary briefed that the finance sub-committee had short listed these 4 institutions since these are pre-dominantly controlled by Government. After detailed deliberations, it was decided that the finance sub-committee may discuss further and finalise the agency and put up to board for approval. Meantime the board approved and authorised the finance sub-committee to invest the funds received from RBI in term deposit with bank for short term till decision is taken regarding finalization of one of the above mentioned financial institution. Board also directed that the deposit must be made in nationalized bank ~~with~~ which will give the best return. Board also authorized that the funds may be first utilized for making obligatory payment.

Item No 8: a) Registration of signature of the Commissioner, Seamen's Provident Fund Organisation with Reserve Bank of India (RBI) and other Banks.
b) Collection of duplicate certificate at 14% GOI 2005 face value of Rs 3 Lakh from Reserve Bank of India.

Board noted the position explained in agenda and passed the following resolutions for a) and b).

Registration of signature of the Commissioner, Seamen's Provident Fund Organisation with Reserve Bank of India (RBI) and other Banks.

"RESOLVED that in supersession of earlier resolution passed at the 92nd meeting of the Board of Trustees Seamen's Provident Fund held on 29th September, 2003 for registration of

Commissioner's signature with all Banks including Reserve Bank of India and consequent to the decision taken by the Board of Trustees, Seamen's Provident Fund, Mumbai at their 93rd meeting held on 30th December 2003, the Commissioner, Seamen's Provident Fund (at present Shri Naresh Salecha) is hereby authorised to sell, purchase, transfer, endorse, negotiate and or/otherwise deal in Securities and sign letter of idemnity, execute bond of indemnity, guarantee, sign declaration and also authorized to receive interest and principal thereof on behalf of Seamen's Provident Fund Organisation".

Collection of duplicate certificate of 14% GOI 2005 face value of Rs 3 Lakh from Reserve Bank of India

"RESOLVED that in supersession of earlier resolution passed at the 92nd meeting of the Board of Trustees, Seamen's Provident Fund held on 29th September, 2003 for collection of duplicate certificate of 14% GOI 2005 face value of Rs 3 Lakh from Reserve Bank of India and consequent to the decision taken by the Board of Trustees, Seamen's Provident Fund, Mumbai at their 93rd meeting held on 30th December, 2003, the Commissioner, Seamen's Provident Fund (at present Shri Naresh Salecha) is hereby authorized to obtain duplicate certificate of 14% GOI 2005 face value of Rs 3 Lakh from Reserve Bank of India".

Item No 9: Receipts, Payments, settlement of claims and investment position

Board noted the position.

Item No 10: Discussion on Post Internal Auditors Report for the year 2003-04 (From April 2003 to June 2003)

Board noted the position.

Item No 11: Procedure Manual for Seamen's Provident Fund Organisation.

Board appreciated the "Procedure Manual" compiled by m/s Contractor, Nayak and Kolmadwala and decided to release the payment to them in this regard.

MINUTE BOOK

Additional Item No.1: a) Telephone - Official and residential - Audit H.M.No.61 Dated 25-09-03.

b) Irregular grant of Five Additional Increments to Shri Lalchand Ram (AAO) - Audit H.M. No.96 and one Additional Increment to 23 staff - Audit H.M. No.95.

The Board after having detailed discussions on the audit observations and considering the request of the staff sympathetically decided as under:

a) 1. Retain telephone at Administrative/Asst. Accounts Officer's residence with local call facilities.

2. Recover the STD charges incurred at the rate of Rs.1000/- per month from salary of the incumbent as pointed out by CAG.

The Board noted the observation of CAG with concern that the additional increment granted to 23 staff, increment given with effect from 01-02-1999 and 5 additional increments granted to Shri Lal Chand Ram, AAO je 2 increments w.e.f. 01-01-1996 and 2+1 increment w.e.f. 01-02-1999. The board also noted that it is not true to say that Board of Trustees has approved the additional increment earlier. After perusing the original agenda item No.6 and the minutes of the 81st meeting held on 28-01-1999, the board observed that there was only indicative suggestion regarding special pay of Rs.500/- to Shri. Lalchandram subject to the following govt. Rules and Procedures. The board observed that however these have been un-necessarily converted into additional increments.

After detailed deliberations and also keeping in view the circumstances of grant of such additional increment and due recovery from the staff, the board decided to take following course of action.

1. To reduce the additional increments of all concerned and bring it at par as it should have been for all concern w.e.f. 01-01-2004.
2. The two advance increment given by the then Commissioner in 1996 to Shri Lalchandram without any authorization will be treated as irregular and recovery should be started from January 2004 @ Rs.2000/- p.m. In case the money is not recovered the same should be adjusted in settlement dues.

MINUTE BOOK

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3. It was noted that the staff has been given increment due to work done in respect of reducing time taken in NRW and Final Withdrawal cases and hence the board felt that it would not be appropriate to recover the amount. It was decided that a suitable reference may be made to Ministry of Shipping for regularizing the same stating that increment has been stopped with effect from 01-01-2004.
4. As regard 2+1 additional increment of Shri Lalchandram with effect from 01-02-1999 a reference be made to Govt. for giving one time sanction for not recovering.

The Board decided not to pursue recovery from pensioners and directed to ascertain the approximate amount of overpayment alongwith number of such pensioners. The Board also deferred decision for the next meeting.

The meeting then came to an end with a vote of thanks to the Chair.

CHAIRMAN BOARD OF TRUSTEES SEAMEN'S PROVIDENT FUND BOMBAY

SECRETARY BOARD OF TRUSTEES SEAMEN'S PROVIDENT FUND BOMBAY

29/6/04

MINUTE BOOK

Minutes of the 94th Meeting of the Board of Trustees, Seamen's Provident Fund held on Wednesday, the 10th March, 2004, at 11.30 a.m. in the Board Room of Seamen's Provident Fund Organisation, "Kirupanidhi", 3rd Floor, 9, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400 001

The following were present:-

Shri e.g. S. Sahni	Chairman
Shri S. R. Gaur	Member
Capt. N. A. Hiranandani	Member
Shri D. P. Revawala	Member
Shri Abdulgani Y. Serang	Member
Shri Vasant P. Samant	Member
Shri Anil Baran Das	Member
Shri Naresh Salecha	Secretary

Special Invitees

Ms. Neena Malhotra	OSG
Shri Prasanta Deb	SCS
Shri Gautam Nayak	Internal Auditor

Chairman welcomed the members present.

Secretary informed that Shri J. Surendra and Capt. Somnath Pabi could not attend the meeting due to pre-occupations. Leave of absence was granted to them.

The Board then took up the items on the agenda.

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Item No 1: Confirmation of the Minutes of 93rd Meeting of the Board of Trustees, Seamen's Provident Fund, held on 30.12.2003 in the Board Room of Seamen's Provident Fund Organisation, Mumbai.

The Secretary informed the Board that the minutes of the 93rd meeting of BOT were circulated on 09.01.2004 the Board appreciated prompt circulation of the minutes. The Board discussed the amendments proposed by Shri D.P Revawala related to the minutes of 92nd meeting, but not agree with the proposed amendments, since once these have been confirmed, it stands. However, other amendments to the 93rd minutes, proposed by him and by other members during confirmation, were agreed.

The draft minutes of 93rd meeting were confirmed with the following modification:

On Page 4 of the minutes On No 12 (1) on second line of the heading add the word "Reserve" before the word Bank of India.

On Page 4 of the minutes On No 13, substitute the word "Fourth" for the word 'Forth' before the word Discussion on the first line of the heading.

On Page 4 of the minutes under item No 2 for the sentence on second line "However, members representing requested to fix a higher rate." substitute the following "Sarvashri Das, V.P Samant, and Abdulgani Serang, of NUSI & NUSI representing seafarers protested for lowering the rate of interest as this might leave seafarers aggrieved and discontented."

On Page 5 of the minutes under item No 4 on the first line of the heading and on the third line of the para for the word 'proposals' & proposal substitute the word

"proposal" after the word "Budget."

On Page 8 of the minutes Additional item No.1 on the third line of the para after Sr No. 2 under (a) for the figure '1' substitute by the '2' increments' between the word "A.A.O i.e. --- w.e.f"

The proposal to record the decision on the question of recovery of overpayment on account of additional increments in respect of pensioners retired during the relevant period after Sr No.4 on page 9 of the minutes. the Board decided not to pursue recovery from pensioners and directed to ascertain the approximate amount of overpayment along with number of such pensioners. The Board also deferred decision for the next meeting.

Item No.2: Action taken Report on the outcome of the deliberations of the Board at its last Meeting.

Sr No 1 : Discussion on filing Civil Suit for recovery of the amount lost in the Scam of Seamen's Provident Fund Organisation.

Board noted the position.

Sr No 2 Separation of Annuity Scheme Fund From Provident.

Discussed under item No 3 of the agenda.

Sr No 3 Fixation of rate of interest for credit to the members accounts for the year 2002-2003

Secretary stated that effort orders since received on 09.03.2004.

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Sr No 4 : Measures for rehabilitation package - development

Board noted the position.

Sr No 5 : Appointment of Legal Adviser in Seamen's Provident Fund Organisation.

Discussed under item No.4 of the agenda.

Sr No 6 : Proposal for fixation of Rate of Interest for credit to the members accounts before the start of financial year and fixation of rate of interest for the year 2003-2004.

Secretary stated that effort orders since received on 09.03.2004.

Sr No 7 Appointment of Accounts Officer in Seamen's Provident Fund Organisation.

Board noted the position.

Sr No 8 : Levy of Damages for delay in payment of Additional Voluntary Contribution (AVC).

The Board directed that one more Circular be issued to all shipping companies in this regard. Shri Abdul Ghani desired to know as to the response, number of companies and the amount so far received. Secretary clarified that since the scheme is open till 31.03.2004 the position will be known after expiry of the period and the same will be placed before the Board during next meeting.

Sr No 9 : Fixation of rate of interest for credit to the members accounts for the year 2004-05

Secretary stated that effort orders since received on 09.03.04

Sr No 10 : Revised Estimates for the year 2003-04 & Budget Proposals for the year 2004-05

Shri S R Ghaur informed that Govt orders will be issued shortly.

Sr No 11 Review of rate of Administrative Charges.

Shri S R Ghaur informed that Govt. orders will be issued shortly.

Sr No 12: Annual Accounts for the year 2002-03. Draft Audit Report and replies/comments of the Organisation.

Board noted the position.

Sr No 13 Proposal for investment of Provident Fund monies

Shri S R Ghaur desired to know categorically whether or not the approved amount of Rs 13 crores has been utilized for making payments. Commissioner clarified that a relevant line has been mentioned, which reads as follows :-

"The entire amount has been paid to seaman and their beneficiaries"

Sr No 14: Registration of signature of the Commissioner, Seamen's Provident Fund Organisation with Reserve Bank of India and other Banks.

Collection of duplicate certificate of 14% GOI 2005 face value of Rs 3 Lakh from Reserve Bank of India

The Board noted the position.

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Sr No 15 Procedure Manual for Seamen's Provident Fund Organisation.

The position noted by Board.

Sr No 16 Addl Item No 1(a) Telephone - Official and residential - Audit # M No 61 dated 25.09.2003 (b) Irregular grant of Five Additional increment Audit # M No 96 and one additional increment to 23 staff - Audit # M. No 95.

The position noted by Board.

Item No 3 : Separation of Annuity Scheme Fund from Provident Fund.

The Board deliberated and opined that further expert opinion may be obtained before taking any decision. The Board deferred this item for the next meeting.

Item No 4 : Appointment of Legal Adviser in Seamen's Provident Fund Organisation.

The Board noted the position and directed that 3-4 quotations may be called for. In the meantime the Board also directed that the present arrangement shall continue for the time being till final decision is taken.

Item No 5 : Proposal for investment of Provident Fund monies and Appointment of Portfolio manager/advisor to Seamen's Provident Fund Organisation, Mumbai.

(A) Discussion on appointment of Portfolio Manager/ Advisor.

Secretary apprised the Board in detail on the outcome of the 7 meetings of the Finance Sub-Committee. He also informed that the minutes of the first 3 meeting and of the 4th and 5th meeting were circulated with the 93rd and 94th Agenda. The minutes of the 6th and the 7th meeting with Recommendations of the Finance Subcommittee, a comparative statement and various enclosures have been placed on the table on 10.03.2004 at 94th BOT meeting. Secretary, highlighted the recommendations of the Finance Subcommittee. He further stated that after detailed deliberations on the aspect of appointing Advisory Services/Portfolio Manager Services and various advantages and disadvantages of each of the services provided by the institutions in its earlier meetings, the Finance Subcommittee in the 7th meeting came to the conclusion that the Board may consider appointing IDBI Capital Services as 'portfolio Manager Services' on Discretionary basis. The Committee also recommended that SICOM may be appointed as in-house consultant.

Shri S.R. Iyer, desired to know whether any competitive biddings were invited for selection of these Organisations. In reply the Secretary and the other members of Finance Subcommittee clarified that this issue was discussed in the second meeting of the Finance Subcommittee where short-listing of organisations was done but no competitive biddings were invited. These short-listing was done keeping the following factors into Consideration.

1. That these were largely Govt. controlled Organisations with known experience of Portfolio Managers Services/Investment Advisors.

2. That no Private Players would be allowed.

3. That Organisations were required to quote for

Portfolio Manager Services as well as Advisory Services and make a presentation to the Finance Subcommittee.

4. That they are providing services to [redacted] of the Govt. Controlled Organisation.

5. That these organisations should have approval from the concerned authority to provide Portfolio Manager Services/Advisory Services.

6. That two large Provident Fund Organisation viz. EP30 and Coal Miners, have also (understood to have) appointed State Bank of India and IDBI Capital Services respectively as 'Portfolio Manager Services' on 'Discretionary basis'.

7. That EP30 and Coal Miners Provident Fund have appointed Portfolio Manager Services despite having in-house financial expert and to the best of the knowledge of the committee members and on the information gathered, these two organisations have been doing well in the Financial Market.

8. That even the present legal mandate with the trust does not deny in toto to engaging such services. However, prior approval of Central Government is required to be obtained. Further, Secretary brought to the notice of the Board that this issue was discussed in the 93rd meeting of the Board and the Board of Trustees had approved the 4 short-listed organisations. The Board had also authorized the Committee to go in detail for its suitable recommendation and submit to the Board for consideration/approval.

Mr. Revanala also mentioned that IDBI Capital Services have been managing the provident fund of large number of organisations on discretionary basis and also providing advisory services to some of the Trusts including Tool Trusts.

Board noted that SICOM and PNB are not authorized to do Portfolio Manager Services and can do only advisory work. Board noted that since SP30 does not have requisite expertise it would be desirable to go for Portfolio Manager Services. On the issue of appointing Fund Manager on discretionary basis, the trustees deliberated whether to consider SBI or IDBI Capital Services. It was clarified that SBI vide their letter dated 26.02.2004 have informed that as they are still awaiting renewal of their SEBI approval for Portfolio Management Services and as soon as they receive, it they shall revert back. Therefore, the Board noted that as on date only one option is left i.e. IDBI Capital Services, who can undertake this job. The Board also noted that perhaps looking to the nature and size of the Organisation, IDBI Capital Services will be able to provide more personalized and focussed services to the fund.

Chairman suggested to restrict the Board recommendations only for appointment of IDBI Capital Services as Portfolio Managers on Discretionary basis initially for a period of one year while forwarding the proposal to the Govt. and keep the proposal of inhouse consultant on hold.

B. Discussions on Investment

1. The Secretary stated that an amount of Rs 15.74 crores plus interest from Term Deposit (i.e. Rs 15 Lakhs approximately) is due to mature on 11.03.2004 and required to be invested in accordance with the pattern of investment prescribed by MoF notification dated 06.03.04 which reads as under :-

"The pattern of investment for incremental accretions by the non-Government Provident Funds, Superannuations Funds and Gratuity Funds shall be as follows effective from 01.04.2003

Central Govt.	25%
State/State Guaranteed	15%
PSU	30%
Any one of the above category	30%

2. Secretary further mentioned that as per IDBI Capital Services, primary issues in respect of Central Govt. and State Govt. securities have been closed in February 2004 and no primary issues are likely to take place for these securities. He therefore requested that Board may deliberate on this particular issue whether to buy these securities from Secondary market or not and requested the Board to give suitable direction to the Trust. Shri Gaur, opined that the Board may not go for secondary market. Capt. N.A. Hiranandani stated that the Trust has limited options at this moment to fulfill the requirement as stipulated by MoF letter dated 06.03.2003 or to keep the fund idle for want of primary issue.

3. Shri Gautam Nayak, Internal Auditor who attended the meeting as special invitee, advised that the Board may consider to invest in secondary market through primary dealer approved by RBI/SEBI and not through other brokers. After prolonged deliberations further, the Board unanimously decided to buy the security as available in the market through primary dealers approved by RBI/SEBI i.e. IDBI Capital Services.

4. The Board perused through the quotes received from IDBI Capital Services, PNB Gilt and SICOM. SBI had not sent any quote. It was noted that SICOM has not given any

quote and therefore based on the quotes available from PNB eGilt and IDBI Capital Services, it was decided to invest 25% of incremental accretions i.e Rs. 3.94 crores (approximately) be invested in 10.18% CeG 2026 yielding 6.20% as per IDBI Capital Services quote as on 10.03.2004. Board also noted that the annual yield on these quotes may marginally go up or down on the day of actual investment being the quote of the secondary market.

5. As regards 15% investment in the State Govt. securities, The Board decided to invest in 6.35% AP 2013 and 6.35% KAR 2013 which shall give annual yield of 5.96%. The Board also noted that this State Govt. security is backed by RBI.

6. Secretary, further drew the attention on the important aspect of this notification and stated that the mentioned percentage is required to be adhered to as on 31-03-2004 for net incremental accretions. He also requested the Board to deliberate on the aspect of investment of residual 30% which can be invested either in Central Govt, State Govt. or PSU bonds and to take decision about category where to invest.

7. Ms Neera Malhotra suggested that this entire residual 30% can be deposited in short term deposits for a period less than one year. Other members pointed out that the yield on such deposits will be very low. The Board also perused the 3 primary market quotes received from IDBI Capital Services available at the moment viz. 6.00% Syndicate Bank 2014, 6.20% IDBI 2014 and eGail 2014 (STRIPS). The Board noted that eGail 2014 (Strips) is ranging from 5.80 - 6.25% and therefore it may not be advisable to go in for the same. Therefore the Board considered

that 60% of the total net accretions of Rs. 13.74 crores plus interest from Term Deposit (i.e. Rs 13 Lakhs approximately) in 6.00% Syndicate Bank 2014 and 6.20% IDBI 2014. Thus, for the total investment in accordance with the MoF guidelines i.e 30% investment in PSU and 30% investment in either Central Govt or State Govt. or PSU, be made in PSU Bonds. It was decided that Rs 5 crores shall be invested in 6% Syndicate Bank 2014 and remaining Rs. 4.55 crores (approximately) in 6.20% IDBI 2014.

8. Shri Gaur, raised the point regarding Commission being received by these organisations if any. BoT deliberated on this and decided that while entrusting the job to IDBI Capital Services for the present investment, an undertaking should be obtained that no commission will be received by them on these investment and if any, the same should be passed on to GPF0 account.

9. The Commissioner also requested the Board to decide about mode in which these should be procured i.e. CSGL/DMAT/Physical form etc. Shri Gautam Nayak clarified that the SGL account is opened by RBI only for big players or bankers. He further stated that in case IDBI Capital Services were given the job for investment, the GPF0 will be required to open CSGL account in favour of IDBI Capital Services for this investment who are the Primary dealer approved by RBI/SEBI. The Board approved to the same and decided to open CSGL account with IDBI Capital.

In view of the above a Resolution was passed by the Trust as under"-

"Resolved that a Beneficiary Account of Seamen's Provident Fund Organization be opened Constituent Subsidiary General Ledger Account (CSGL) Account with IDBI Capital Market Service Ltd. for dealing the transaction of Govt. of India Securities, State Development Loan and Treasury Bill etc. The Commissioner (Shri Naresh Salecha at present) and anyone of the following Trustees viz. (1) Capt. N. A. Hiranandani (2) Shri D. P. Revawala (till Shri P. Deb is nominated as Trustee in place of Shri Revawala (3) Shri Abdul Gani Y. Serang (4) Shri Vasant P. Samant be and are hereby authorized for opening the said account.

Further Resolved that the Commissioner and anyone of the Trustees named above be jointly authorized to operate the said accounts."

Item No 6. Discussion on Second Internal Auditor's Report for the year 2003-04 (July 2003 to September, 2003).

Para 1. Verification of Investments

The Annexure referred in this Para was placed on the table.

New Investments

During discussion Shri Gaur opined that a concept paper on investment strategy be prepared as recommended by Internal Auditors. He also suggested that this job may be entrusted to SBICOM/IDBI Capital Services on a nominal payment if any The Board agreed.

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IDBI Deduction.

The Chairman, directed that care should be taken in future.

Collection of Contributions From Shipping Companies

Shri Gaur desired to know the reason for reduction in contribution from the shipping companies and specifically enquired whether it is due to reduction in salary structure or lack of employment. He also opined that perhaps this may be due to seafarers opting for jobs in other sectors.

Shri A B Das clarified that there is no reduction in the salary structure. However, employment opportunities has come down and also newer ships require minimum manning scale.

Capt. N A Hiranandani however observed that the Audit observation may not be relevant and clarified that the wages depend on the length of sea service and are payable after either 6 months, 9 months i.e after completion of the voyages. As such, fluctuations in the collection of contributions will remain.

Interest on Provident Fund Contribution to Seamen

The Board directed the Commissioner to implement Board's decision regarding crediting of interest to the seafarers at the rate as may be fixed by the Board without awaiting for formal Orders from Govt. which may take time to come.

Administration Charges

The Chairman, desired to know the action taken for reconciling the amount of Rs. 1903/- as observed by Audit.

Damages

The Chairman directed that henceforth list of shipping companies along with the damages levied/recovered should be put up to the Board.

Unposted Section

The Chairman, expressed serious concern on the slow progress on clearance of unposted items and directed the Commissioner to conduct a drive to bring down the number of cases. If need be fresh hands may be recruited for this particular job till the figure is brought down considerably.

The other paras were noted by the Board.

Item No 7: Receipts, Payments, Settlement of claims and investment position.

Position noted by Board.

With the permission of the Chair, the Secretary brought to the notice of the Board that NUSS played a major role in the recovery of Provident Funds dues from M/s Radiant Shipping Company who was a regular defaulter.

The Board appreciated the gesture by NUSS in this regard.

The meeting then came to an end with a vote of thanks to the chair.

CHAIRMAN
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
BOMBAY

SECRETARY
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
BOMBAY

Minutes of the 95th Meeting of the Board Of Trustees, Seamen's Provident Fund held on Tuesday the 29th June, 2004, at 11.30 A.M. in the Board Room of Seamen's Provident Fund Organisation, 'Kaugandhi', 3rd Floor, 9, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400 001.

The following were present :-

Shri G. S. Sahni	Chairman
Shri S. R. Gaur	Member
Capt. Somnath Pahi	Member
Shri Vasant P. Samant	Member
Shri Anil Baran Das	Member
Shri Naresh Salecha	Secretary

Special Invitees :

Ms Neera Malhotra	D.D.G
Shri P. Deb.	C.C.I

Chairman welcomed the members present.

Secretary informed that Shri T. Srinidhi, Capt N. A. Hiranandani, Shri D. J. Revawala and Shri Abdulgani Serang could not attend the meeting due to pre-occupation as conveyed by them. Leave of absence was granted to them. Capt. Rajesh Jandon, Chairman, JNSMA, Special Invitee also could not attend the meeting due to pre-occupation.

The Board then took up the items on the agenda

Item No. 1: Confirmation of the Minutes of 94th Meeting of the Board of Trustees, Seamen's Provident Fund, held on 10.03.2004 in the Board Room of Seamen's Provident Fund Organisation, Mumbai.

1) Secretary informed that the Minutes of the 94th meeting held on 10.03.2004 were circulated on 17.03.2004. The Board appreciated prompt circulation of the minutes and discussed the amendments proposed by Shri Gaur, Shri Revawala and Shri P. Deb.

The draft minutes of 94th meeting were confirmed with the following modifications.

On page 2 of the minutes the date "31.12.2003" be substituted as "30.12.2003" appearing on the second line of the heading. On page 10 of the minutes the word "Fourth" appearing on the first line of the heading under item No. 6 be substituted as "Second" as proposed by the Secretary.

On page 4 of the minutes under Sr. No. 13 for the word "The entire amount..... their Beneficiaries" the word "The entire amount has been paid to seamen and their Beneficiaries." be substituted.

On page 7 of the minutes in para 3 the word "focused" on the last line be changed as "focussed".

In para 4 on page 7 of the minutes for the word "Shri Gaur" the word "Chairman" be substituted on first line.

Item No 2: Action taken Report on the outcome of the deliberations of the Board at its last Meeting.

Sr. No 1: Confirmation of the Minutes of 93rd meeting of the Board of Trustees, Seamen's Provident Fund, held on 31.12.2003 in the Board Room of Seamen's Provident Fund Organisation, Mumbai.

The Board noted the position. Secretary informed

further that it is proposed to discuss the issue with the Director, Finance, as per MoS advise on the question of recovery of over payment from pensioners. The Board therefore deferred decision till the outcome is known.

Sr. No. 2: Appointment of Accounts Officer in Seamen's Provident Fund Organisation.

Board noted the position. The Chairman requested Shri Gaur to expedite the matter.

Sr. No. 3: Levy of Damages for delay in payment of Additional Voluntary Contribution (AVC).

Board noted the position and closed the item from ATR since discussed under item No 6 of the agenda.

Sr. No. 4: Revised Estimate for the year 2003-04 and Budget Proposals for the year 2004-05.

Board noted the position and closed the item from ATR.

Sr. No 5: Review of rate of Administrative Charges.

Board noted the position and closed the item from ATR.

Sr. No 6 1) Registration of signature of the Commissioner, Seamen's Provident Fund Organisation with Reserve Bank of India and other Banks.
2) Collection of duplicate certificate of 14% of 03 2005 face value of Rs 3 Lakh from Reserve Bank of India.

Board noted the position.

Sr. No. 7 : Irregular grant of Five Additional Increments to Shri Lakhand Ram A/Stat0 and one additional increment to 23 staff.

Secretary stated that the MoES has advised to discuss this issue with the Director, Finance on the question of recovery of over payment and outcome would be placed before the Board.

Sr. No. 8 : Separation of Annuity Scheme Fund from Provident Fund.

Board noted the position.

Sr No 9 : Appointment of Legal Adviser in Seamen's Provident Fund Organisation.

Board discussed under Item No. 9 of the Agenda and closed from ATR.

Sr No. 10 : Proposal for investment of Provident Fund monies and Appointment of Portfolio manager/ advisor to Seamen's Provident Fund Organisation Mumbai.

1) Board noted the investment position along with the records of S.G.Z and Demate and decided to close the item from ATR.

2) Chairman requested Shri Gaur to expedite the matter for appointment of IDBI Capital Services as portfolio managers.

Sr No 11 : Discussion on Fourth Internal Auditors Report for the year 2003 - 04 (July, 2003 to September, 2003).

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1) New Investments :

Board directed Secretary to expedite the process of concept paper on investment strategy and put up in the next meeting.

2) Interest on Provident Fund Contribution to seamen

Board noted the position and closed the item from ATR.

3) Administration Charges.

Board noted the position and closed the item from ATR.

4) Damages.

Board noted the position and closed the item from ATR since discussed under item No 10 of the agenda.

5) Unposted Section.

Board noted the position and closed the item from ATR since discussed under Item No 7 of Principal Director of Audit (P&A) Inspection Report.

The Board also decided to add one more column to the existing columns under Item No 2 i.e. ATR, giving reference of agenda item and meeting number henceforth in the ATR.

Item No. 3 Approval of Annual Report on the working of the Seamen's Provident Fund Scheme, 1966 for the year 2003 - 2004.

After discussion the Board decided to add a para

on the latest development on the rehabilitation package submitted to the Government. The Board also decided to revise Para 22 on Audit, as may be required depending upon receipt of Audit Certificate from PSU or otherwise and approved the Annual Report for the year 2003-2004.

Item No.4. Approval of Annual Accounts for the year 2003-2004

The Board sought several clarifications on various items of Annual Accounts and the Secretary clarified these. Secretary further stated that it was decided that the Board will issue certificate on physical verification of investments based on Internal Auditors physical verification of investments. Accordingly, the same was placed on the table, which was accepted by the Board as on 31.03.2004 submitted by Internal auditors.

After discussion Board approved the Annual Accounts for the year 2003-2004.

Item No 5. Budget re-appropriation 2003-2004.

Board noted the position and closed the item from Agenda of this meeting.

Item No 6. Levy of damages on delayed payment of Additional Voluntary Contributions (AVC) (Item suggested by S/Shri D.P. Revawalar & Prasanta Deb)

The Board decided to defer discussion to the next meeting as requested by Capt. Hiranandani.

Item No.7. Discussion on Inspection Report of the Principal Director of Audit (Central) Mumbai, for the period from 01.07.1999 to 31.03.2003.

The Board discussed the Audit Inspection Report (IR) and took the following decision:

1) On Unposted items (Part I A of IR), Board expressed its concern and directed to conduct a drive to bring down number of cases substantially. It was also decided to issue letters to Shipping Masters, Chennai, Kolkata, Cochin and Port Blair specifying requirements for clearance of unposted entries. A copy be forwarded to the ISTS assistant posted at Kolkata.

2) The Board noted that only the minutes of the 89th meeting held on 10.10.2002 was not signed and "not onwards as observed by the Audit under "Audit Constraints" (Para 3 of IR). Therefore decided to inform PSU accordingly.

3) On Loopholes in the system of Internal Control (Para 7 of IR)

(a) Non maintenance of proper records. The Board directed to maintain the same as advised by the PSU.

© Pattern of investment.

The Board decided to issue letter to MoS to take up the matter with Ministry of Finance by forwarding extract of audit observation for further action.

4) Steps taken for recovery (Para 8 of IR)

© Departmental Enquiry: The Board directed to expedite action.

5) Suggestions on investment (Para 11 and 17 of IR)

(a) Training Programme : The Board decided to introduce the training programme in phased manner.

6) Books and Periodicals (Para 19 of IR).

The Board directed to maintain records of the Books and Periodicals of then Commissioner and return the same on request.

It was decided that Secretary would submit a note in the next BOT on the suggestion contained in the PDA Inspection Report.

Item No. 8. Discussion on Fund Internal Auditors' Report for the year 2003 - 04.
(From October, 2003 to December, 2003)

Board noted the position, directed to take appropriate action on recommendations as per Internal Audit Report and decided to close the item.

Item No. 9 Appointment of Legal Adviser in Seamen's Provident Fund Organisation.

The Board decided to appoint Ms. S. Priya, Advocate, as Legal Adviser for Seamen's Provident Fund Organisation for a period of one year on the terms & conditions quoted by her being lowest and suitable.

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Item No. 10 Recovery position of Damages for the period from 01.04.2003 to 31.03.2004.

On enquiry Secretary clarified that damages are waived on sickness/illness and difference of wages. The Board directed Commissioner to exercise waiver of damages very discretely.

Item No. 11 Receipts, Payments, Settlement of Claims and Investment position.

Board noted the position and closed the item from Agenda.

S/Shri A. B. Das and Vasant Samant representing seafarers from NUSI/FOSU, with the permission of Chair, informed the Board that they have taken up the rehabilitation package matter with the new eGovernment. Shri Samant also read out the contents of NUSI letter dated 20th June '04 addressed to the Commissioner in this regard.

Board appreciated the gesture of NUSI/FOSU and requested them to follow up and use their influence for getting the grant from eGovernment of India.

The meeting then came to an end with a vote of thanks to the Chair.

CHAIRMAN
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
BOMBAY

29/10/04
SECRETARY
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
BOMBAY

Minutes of the 96th Meeting of the Board of Trustees, Seamen's Provident Fund held on Wednesday, the 22nd September, 2004, at 11.30 A.M. in the Board Room of Seamen's Provident Fund Organisation, 'Krupanidhi' 3rd Floor, 9, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001.

The following were present :-

Shri e/y. S. Sahni	Chairman
Capt. N.A. Hiranandani	Member
Capt Rajesh Tandon	Member
Shri Prasanta Deb	Member
Shri Amal Baran Das	Member
Shri Naresh Salecha	Secretary

With the permission of the Chair, Secretary informed that the Government have since notified the appointment of Capt. Rajesh Tandon and Shri Prasanta Deb as members representing FOSMA and INSA respectively. Chairman welcomed all members especially new members.

Shri Ashutosh Shukla, Asst. Director-General of Shipping (Crew) attended as a Special invitee.

Secretary further informed that S/Shri S.R. Gaur, T. Srinidhi, Abdulgani Serang and Vasant P. Samant could not attend the meeting due to pre-occupation as conveyed by them. Leave of absence was granted to them.

The Board then took up the items on the agenda.

Item No.1: Confirmation of the Minutes of 95th Meeting of the Board of Trustees, Seamen's Provident Fund, held on 29-06-2004 in the Board Room of Seamen's Provident Fund Organisation, Mumbai.

Secretary informed that the draft Minutes of the 95th meeting held on 29-06-2004 were circulated on 06-07-2004. Board discussed the observation of Shri S.R. Gaur and decided to continue the existing system except abbreviation shall be given in full form when used for the first time. The draft minutes of the 95th meeting were confirmed without any modifications.

Item No2: Action taken report on the outcome of the deliberations of the Board at its last meeting.

Sr No 1 Recovery of over payment on account of additional increment from 7 Pensioners.

Secretary stated that the matter was discussed with Shri T. Srinidhi, Director Finance and Shri S.R. Gaur, Director (MM) of MoS. Formal Government approval is expected shortly to give one time waiver of over payment.

Sr No 2 Appointment of Accounts Officer in Seamen's Provident Fund.

Secretary informed that he had discussed the matter with the MoS officials. Formal order in this regard will be issued shortly.

Sr No 3 (1) Registration of signature of Commissioner, Seamen's Provident Fund Organisation with Reserve Bank and other Banks.

(2) Collection of duplicate certificate of 6% GoI

2005 face value of Rs. 3 Lakh from RBI.

Board discussed under item No. 3 of the agenda and closed the Item from ATR.

Sr No 4 Irregular grant of Five Additional increments to Shri Laichand Ram, A/AAO and one additional increment to 23 staff members.

Secretary stated that the matter was discussed with Shri T. Srinidhi, Director Finance and Shri S. R. Gaur, Director (MM) of MOS. Formal Government approval is being issued shortly to give one time waiver of over payment.

Sr No 5 Separation of Annuity Scheme Fund from P.F.

Board noted that M/s Readyware Solution has not yet responded and requested Capt. Tandon to pursue with the said firm to furnish the detailed information. Therefore Board deferred decision to the next meeting.

Sr No 6 Proposal for investment of Provident Fund monies and appointment of Portfolio manager/ Advisers to Seamen's Provident Fund Organisation

The Chairman stated that a D.O. letter may be sent to MOS under his signature.

Sr No 7 Discussion on second Internal Auditors Report for the year 2003-04 (July 2003 to September 03)

(i) New Investment

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Board directed the Secretary to expedite the process of concept paper for consideration/approval of the Board.

Sr No 8 Approval of Annual Report on the working of the Seamen's Provident Fund Scheme, 1966 for the year 2003-2004.

Board noted the position. However, the Chairman desired that the amount of Rs. 97 lakhs regarding attachment of properties should be reconciled exactly as per Special Court Orders i.e. Rs. 96,96,232.84 in the para on Rehabilitation Package.

Sr No. 9 Approval of Annual Accounts for the year 2003-2004.

Board noted the position and directed to forward the same to Ministry of Shipping with Audit certificate duly printed.

Sr No 10 Levy of damages on delayed payment of Additional Voluntary Contributions (AVC) (Item suggested by S/Shri D. P. Revawala & Prasanta Dey)

Separate agenda item under item No 4 of the agenda has been put up for consideration by the Board.

Sr No. 11 Discussion on Inspection Report of the Principal Director of Audit (Central), Mumbai, for the period from 01.07.1999 to 31.03.2003.

(1) On Unposted Items (Part IA of IR)

Separate agenda item under item No 6 of the agenda has been put up for consideration by the Board

(2) The Board decided to inform PEx that only minutes of 89th Meeting held on 10.10.2002 was not signed and not onwards as observed under "audit constraints" (Para 3 of IR)

Board noted the position and closed the Item from ATR.

(3) On loopholes in the system of Internal Control (Para 7 of IR).

(a) Non-maintenance of proper records.

To be discussed under item No. 6.

(b) Pattern of Investment.

Chairman directed to issue reminder to MOS.

(4) Steps taken for recovery (Para 8 of IR)

(c) Departmental Enquiry.
Board directed to expedite action

(5) Suggestion on Investment (Para 11 & 17 of IR)

(6) Training programme:

Board directed to expedite the process of training programme.

(e) Books and Periodicals (Para 19 of IR)

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Position noted by the Board and closed the item from ATR.

Sr. No. 12 Appointment of Legal Adviser in Seamen's Provident Fund Organisation, Mumbai.

Board noted the position and closed the item from ATR.

Item No. 3 (a) Registration of Signature of Commissioner, Seamen's Provident Fund Organisation with Reserve Bank of India and

(b) Collection of Duplicate certificate of 14% GOI 2005 face value of Rs 3 Lakh from RBI.

The Board after detailed discussion on the subject felt that it is necessary to have legal opinion before considering to return the duplicate certificate to the buyer i.e. M/s Cyanamid Officers Provident Fund along with interest received so far.

Item No 4 Levy of damages on delayed payments of Additional Voluntary Contributions (AVC).

After discussion, the Board unanimously decided to continue the existing system to levy damages on AVCs as a deterrent to defaulters. However, if the reason is genuine for the delay in returns, same may be brought to the notice of the Board for consideration.

It was decided to close the item.

Item No. 5 Appointment of Internal Auditors for Seamen's Provident Fund Organisation for the year from 01.04.2004 to 31.03.2005.

The Board while appreciating the services rendered by M/s Contractor, Nayak and Kishnadwala, Chartered Accountants as Internal Auditors decided to appoint the said firm for the year 2004-2005 on the existing terms and conditions i.e. Rs. 15,000/- per quarter for internal auditing. The Board also felt that revision at this stage may not be reasonable. The Board decided to pay actual fees on need basis for rendering other services such as reply to C.A.G and legal matters etc. as may be required.

Item No. 6 A note on the suggestions contained in the Inspection Report of the Principal Director of Audit (Central) Mumbai, for the period from 01.07.1999 to 31.03.2003.

i) On unposted items :

The Board noted the clearance of unposted items considerably and appreciated the same. However, the Board felt that there is still a long way to reduce it further. Capt. Jandon requested that the Organisation may provide companywise computerized list of statement in the lines of Accounts Ships issued to seamen on the annual basis, the same could be reconciled to pin point the error which will assist in eliminating the number of items. In reply Secretary stated that the feasibility of the same will be examined.

ii) Loopholes in the system of Internal Control (Para 7)

(a) Non maintenance of proper records.

1. Adjustment of sales against purchases (Para 5 (a))
Board noted the position and closed the item from Agenda.

2. Adjustment of Interest : (Para 5(c))
Board noted the position and closed the item from Agenda.

3. Delegation of authority for investment: (Para 5(d))
Board noted the position and closed the item.

4. Non monitoring of investment decisions by the Board (Para 5(e))
Board noted the position and closed the item from Agenda.

5 Irregular utilization of funds withdrawn and excess withdrawal from SBS a/c with RBI (Para 5(f))
Board noted the position and closed the item from Agenda.

6. Lacuna in the Scheme regarding accounts (Para 7(b))
Board noted the position and closed the item.

7. Measures to be taken for recovering any part of loss. (Para 9)

i) (a) Rehabilitation Package :
Board noted the position and closed the item.

ii) (b) Taking up matter with MKVDC & RBI.
Board noted the position and closed the item.

8. Increase in interest burden : (Para 10 (a))

Board noted the position and closed the item.

9. Short credit of interest in SDS A/c with RBS (Para 10 (d))

Secretary stated that he had discussed with Shri Vishal Bansal, Director of Audit who has stated that the organisation is likely to receive some amount since the method of calculation of interest by Reserve Bank of India's is not correct. The same is being communicated by the PAO in due course.

10. Loss to the SPF on account of administrative charges (Para 13)

The Board noted the position and closed the item.

Item No 7. Recovery position of Damages for the period from 01.04.2004 to 31.08.2004.

Board noted the position and closed the item from the Agenda.

Item No 8. Receipts, Payments, Settlement of claims and Investment position.

Board noted the position and closed the item from the Agenda.

Item No 9. Discussion on Fourth Internal Auditor's Report for the year 2003-2004 (from January, 2004 to March, 2004.)

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The Board noted the position and directed that complaints should be redressed on top priority and shifting of the person in that section should not be done without approval of the Commissioner.

Any other item : Shri Abdul Gani Serang mentioned about the agitation by NUSS and a letter to Commissioner to protest against the Seamen's Provident Fund Organisation Scam of Rs 92.78 crores. On the assurance from the Minister, NUSS withdrew the agitation. The Board took note of this development.

The meeting then came to an end with a vote of thanks to the Chair.

CHAIRMAN
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
BOMBAY

SECRETARY
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
BOMBAY

Minutes of the 97th Meeting of the Board of Trustees, Seamen's Provident Fund held on Tuesday, The 28th December, 2004, at 11.30 a.m. in the Board Room of Seamen's Provident Fund Organisation, "Krupanidhi", 3rd Floor, 9, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400 001

The following were present :

Shri S. S. Sahni	Chairman
Capt. N. A. Hiranandani	Member
Capt. Rajesh Tandon	Member
Shri Abdulgani Y. Serang	Member
Shri Vasant P. Samant	Member
Shri Amit Baran Das	Member
Shri Naresh Salecha	Secretary.

Chairman welcomed the members present.

Before start of the proceedings the members observed two-minute silence as a mark of respect to thousands of people who lost their lives and those rendered homeless by the December 26 killer quakes (Tsunami) in India and other countries.

Secretary informed that S/Shri S. R. Gaur T. Srinidhi and Prasanta Deb could not attend the meeting due to pre-occupations. Leave of absence was granted to them.

The Board then took up the items on the agenda

Item No 1: Confirmation of the Minutes of 96th Meeting of the Board of Trustees, Seamen's Provident Fund held on 22nd September, 2004 in the Board Room

of Seamen's Provident Fund Organisation, Mumbai.

Secretary informed that the Draft Minutes of the 96th meeting held on 22nd September 2004 were circulated on 28.09.2004. Shri Abdul Gani Serang mentioned about the agitation planned by NUSI and a letter to the Commissioner to protest against the Seamen's Provident Fund Organisation Scam of Rs. 92.78 crores. On the assurance from the Minister, NUSI withdrew the agitation. He requested to incorporate the same in the minutes under any other item that was agreed by the Board.

As there were no other comments the draft minutes of the 96th meeting were confirmed with the following modifications.

Add the following after Item No. 9 as any other item in the draft Minutes.

"Shri Abdul Gani Serang mentioned about the agitation by NUSI and a letter to the Commissioner to protest against the Seamen's Provident Fund Organisation Scam of Rs. 92.78 crores. On the assurance from the Minister, NUSI withdrew the agitation. The Board took note of this development."

Item No 2 Action taken Report on the outcome of the deliberations of the Board at its last Meeting.

Sr. No. 1 : Recovery of over payment on account of additional increment from 7 pensioners.

Board noted the position and directed to issue reminder.

Sr No. 2 : Appointment of Accounts Officer in Seamen's Provident Fund.

The Item came up for discussion under item No. 6 of the agenda.

Sr No. 3 : Irregular grant of Five Additional increments to Shri Lalchand Ram, Administrative / Asst. Accounts Officer and one additional increment to Staff members.

Board noted the position and directed to issue reminder.

Sr No. 4. : Separation of Annuity Scheme Fund from Provident Fund.

Discussed under item No. 10 of the agenda.

Sr No. 5 : Proposal for investment of Provident Fund monies and appointment of Portfolio Managers /adviser to Seamen's Provident Fund Organisation

Board noted the position.

Sr No. 6 : Discussion on second Internal Auditors Report for the year 2003 - 04 (July, 2003 to September, 2003).

1 New Investment.

Board decided to consider annex on concept paper as additional item and closed the item from

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ATR

Sr. No. 7 : Approval of Annual Report on the working of the Seamen's Provident Fund Scheme, 1966 for the year 2003 - 2004.

Board noted the position and closed the item from Action Taken Report.

Sr. No. 8 : Approval of Annual Accounts for the year 2003 - 04.

Board noted the position and closed the item from Action Taken Report.

Sr. No. 9 : Discussion on Inspection Report of the Principal Director of Audit (Central), Mumbai, for the period from 1.07.1999 to 31.03.2003.

1) Pattern of Investment.

Board noted the position and directed to issue reminder.

2) Steps taken for recovery

Board noted the position and directed to place separate item on all recovery position in all future Board meetings.

3) Departmental Enquiry

Board noted the position and directed to submit the follow up in the next meeting.

4) Suggestion on Investment.

Board noted the position and closed the item from Action Taken Report.

5) Training programme :

Capt. Tandon suggested that to have result-oriented training, training requirements i.e. Computer Programming, Legal Practice, Cash dealing, investment, tax matters may be identified and option may be asked from the staff for their area of interest & report may accordingly be submitted for consideration in the next meeting.

Sr. No. 10: a) Registration of signature of Commissioner, SPFO with RBI.

and

b) Collection of duplicate certificate of 14% GOI 2005 face value of Rs 3. Lakh from RBI.

Board noted the position.

Sr. No. 11 : Appointment of Internal Auditors for SPFO for the year from 01.04.04 to 31.03.2005.

Board noted the position and closed the item from Action Taken Report.

Sr. No. 12: A note on the suggestions contained in the Inspection Report of PSA (Central), Mumbai for the period from 01.07.1999 to 31.03.2003.

D On Unposted items.

Board noted the position. Chairman directed

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that the balance may be brought down to around 5000 by March 2005.

ii) Short credit of interest in SBS A/c with RBI.

Board noted the position and directed to issue reminder.

Sr. No. 13: Discussion on Fourth Internal Auditor's Report for the year 2003-2004 (from January 2004 to March, 2004)

Board noted the position and closed the item from Action Taken Report.

Item No 3: Fixation of rate of interest for credit to the member's accounts for the year 2005-06

The Commissioner explained the scenario in detail stating that prior to the securities scam the balance in the interest suspense account was Rs. 16.85 crore and dwindled thereafter besides loss of interest earnings on the amount of Rs 92.78 crores lost in the scam subsequently as can be seen from the details on the agenda. He therefore suggested to fix the rate of interest @ 4% as proposed. However, Sarvashri A. B. Das, V. P. Samant and Abdulgani Serang representing members of FUSI and NUSI vehemently protested for lowering the interest rate. Shri Das further pointed that EPFO is considering the interest rate at 9.5%. The Secretary, however, clarified that considering the dwindling interest earnings and to maintain financial improvement the Board should agree to the proposed 4% rate. Further the rehabilitation package is still under consideration of the Government. Capt. Hiranandani mentioned

that the overall funds position may also be kept in view while deciding the rate of interest. After detailed discussion the Board fixed the rate of interest at 5.5% for the year 2005-2006 for credit to members account. At 5.5% interest, the interest suspense account would be of the order of Rs. 9,84,84,234.99 approx. If the Government reimburse Rs. 92.78 Cr. this may be reviewed.

Item No. 4: Revised Estimates for the year 2004-05 and Budget Proposal for the year 2005-2006

The Secretary clarified that though saving has been projected in the Revised Estimates, still there exist expenditure on account of activities like replenishment of computers, legal charges and for the ensuing visit of the Lok Sabha Committee. Hence there may not be any savings. As regards increase in the Budget Proposal, Secretary stated that in view of merger of Dearness Pay with the Basic and related increase in allowances, salary to the Commissioner, Accounts Officer increase has been proposed in the Budget Proposal for the year 2005-06.

After discussion and considering the position clarified by the Secretary the Board approved the Revised Estimate for the year 2004-2005 and Budget proposal for the year 2005-2006.

Item No. 5: Review of rate of Administrative Charges.

The Secretary explained the need for retaining the Administrative Charges at 5% for one more year that is for 2005-2006. The likely expenditure is due to merger of dearness pay with basic pay, salary of Commissioner and Administrative-cum-Accounts

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Officer with allowances, computer modification, replacement of old computers etc. However, Capt. Hiranandani and Capt. Jandon mentioned that last retention for 5% was agreed for one year only.

The Board after detailed discussion and considering the expenditure unanimously decided to retain the administrative charges @ 5% specifically for a further period of one-year i.e. 2005-2006.

Item No. 6: Appointment of Accounts Officer

Secretary stated that the proposal for appointment of Accounts Officer as resolved by the Board in 2002, was submitted to the Government for approval. Since then approval has been received for creation of the post of Administrative-cum-Accounts Officer (A.A.O) in the scale of Rs. 8000-Rs 13,500 instead of Rs 10,000 - Rs 15,200. Ministry may be requested to reconsider for appointment of Accounts Officer in lieu of creation of a new post. However, Chairman opined that since the approval has been delayed considerably the Board may accept the same for creation of the post of Administrative-cum-Accounts Officer in the scale of Rs. 8000-13,500 but there shall not be abolishment of any five posts as suggested by the Ministry. It was decided that the Trust will write to Ministry of Shipping, Road Transport and Highways for confirmation and that instead of surrender of post, the post will be frozen till the post of Administrative-cum-Accounts Officer will be operated. It was also decided simultaneously that the vacancy of the post of A.A.O may be advertised in Employment News with clear terms and conditions. A panel of Candidates may be selected for interview. The draft for publication of the advertisement be submitted to the Chairman for approval.

Item No.7: Receipts, Payments, Settlement of Claims and Investment position.

Board noted the position.

Item No.8: Discussion on First Internal Auditor's Report for the year 2004-2005 (from April 2004 to June 2004)

1) Investments (Court Cases)

Before discussion on the Internal Auditor's report, the Board decided to invite Shri Gautam Nayak, Internal Auditor. Shri Nayak was requested to highlight his observation on the audit. He stated that first of all an update on progress on all pending court cases are not available nor monitored properly. In respect of all pending court cases towards recovery of the amount lost in the securities scam the Board decided and directed as under.

1. to place separate item on the agenda hereafter with progress in all pending court cases towards recovery including court hearings.

2. to appoint Office Superintendent, Seamen's Provident Fund Organisation as Liaison Officer who shall monitor and report to the Commissioner after each hearings.

3. NUSI/FUSI to become intervener in consultation with their legal wing and reported to the Board as agreed by them.

4. NUSI/FUSI be requested to depute their representatives in all court hearings.

II. Verification of Expenses:

Suggestion by the internal auditor in respect of swiping cards machine will be taken up during modification of computer program.

Item No.9: Recovery position of Damages for the period from 01.04.2004 to 30.11.2004.

Board noted the position. It was also decided that damages amounting to above Rs.25,000/- may be followed on fast track basis and a list of such defaulting companies shall be forwarded to Shipping Development Branch (SDB) of the Directorate General of Shipping with a request to help in recovering. Similar list shall also be forwarded to NUSI/FUSI for speedy recovery that was agreed by them.

Item No.10: Separation of Annuity Scheme Fund from P.F. Accounts.

Capt. Jandon volunteered to depute their software consultant to ascertain the requirement for modification to the existing system and at lower cost if possible in this regard. The Board agreed with the suggestion and decided not to pay annual maintenance charges for the time being.

Additional Item (1) Recommendations of the Finance Sub-Committee.

The recommendations of the 11th finance Sub-Committee for investment of 20 crore being SBS interest, in Fixed Deposit Receipt with any Nationalised

Bank for a period of 60-90 days, fetching interest not less than five percent were considered by the Board. However, consequent to a letter dated 23.12.2004 received from Shri Amit, IDBI Capital Market Services, (copy placed on the table) suggesting that the market conditions may rally during first week of January '05 and hence SES interest may be invested in the first fortnight of January '05 itself instead of waiting till March '05, Shri Gautam Nayak, Internal Auditor also confirmed the same. The Board therefore directed to convene the finance sub-committee meeting in the first fortnight of January '05 for decision as it may deem fit and report to the Board in the next meeting.

(2) Concept of Investment Policy.

The Board considered the Concept of Investment Policy and after discussion decided to accept the same since the strategy concerning investment is that safety, return and liquidity.

(3) Appointment of Commissioner, Seamen's Provident Fund, Mumbai.

The Secretary informed the Board that the Ministry of Shipping, Road Transport and Highways vide letter dated 29.10.2004, have conveyed the appointment of Shri. Bhumesh Chandra, Joint Manager (General), Central Warehousing Corporation as Commissioner, Seamen's Provident Fund Organisation on short term contract basis for a period not exceeding four years.

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

CHAIRMAN BOARD OF TRUSTEES SEAMEN'S PROVIDENT FUND BOMBAY

SECRETARY BOARD OF TRUSTEES SEAMEN'S PROVIDENT FUND BOMBAY

Minutes of the 98th Meeting of the Board of Trustees, Seamen's Provident Fund held on Wednesday, the 23rd March, 2005 at 11.30 a.m. in the Board Room of Seamen's Provident Fund Organisation, "Krupanidhi", 3rd Floor, 9, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400 001.

The following were present:

Shri G. S. Sahni	Chairman
Ms. Neeta Malhotra	Member
Capt. N. A. Hiranandani	Member
Capt. Rajesh Jandon	Member
Shri Prasanta Deb	Member
Shri Vasant P. Samant	Member
Shri Anil Baran Das	Member
Shri Bhumesh Chandra	Secretary

Chairman welcomed the members present and introduced Shri Bhumesh Chandra, the new Commissioner to Seamen's Provident Fund Organisation to the members.

The Board placed on the records appreciation for Shri Naresh Salecha, the out going Commissioner for his valuable contribution from 10.05.2002 to 31.01.2005, particularly during the turbulence period through which Seamen's Provident Fund Organisation went through soon after the detection of security scam in May, 2002.

Secretary informed that S/Shri S.R Gaur, T. Srinidhi and Abdulgani Serang could not attend the meeting due to pre-occupations. Leave of absence was granted to them.

The Board then took up the items on the Agenda

Item No.1: Confirmation of the Minutes of 97th Meeting of the Board of Trustees, Seamen's Provident Fund held on 28th December, 2004 in the Board Room of Seamen's Provident Fund Organisation, Mumbai

Secretary informed that the Draft Minutes of the 97th meeting of the Board of Trustees, Seamen's Provident Fund held on 25th December, 2004 were circulated amongst the members on 01-01-2005. A response was received only from Shri A. B. Das, which was taken up for discussion. After deliberations, the Board agreed to delete the word "unanimously" in Item No. 3 second Para first line which read as "After detailed discussion the Board unanimously fixed the rate of interest ..... ' It shall Be now as under :-

'After detailed discussion the Board fixed the rate of interest at 5.5% for the year 2005-06 for credit to members account.

Board also agreed to amend the scale of pay of Administrative - cum - Accounts Officer to Rs 8,000/- Rs. 13,500/- instead of Rs 8000/- to Rs 13,000/- mentioned in the draft minutes of 97th Board meeting under item No. 6, since the scale is prescribed by the Government.

As there were no other comments, the draft minutes of the 97th meeting were confirmed with above modification.

Item No.2 Action Taken Report on the deliberations of the Board at its last meeting.

Sr No.1: Recovery of over payment on account of additional increment from 7 pensioners.

The Board noted the position and directed the Secretary to pursue the matter with the Ministry more vigorously.

Sr No.2: Irregular grant of Five Additional increments to Shri Lalchand Ram, Admn/Asst. Accounts Officer and one additional increment to 23 Staff members

The Board noted the position and directed the Secretary to pursue the matter with the Ministry more vigorously.

Sr No.3: Proposal for investment of Provident Fund monies and appointment of portfolio Manager/adviser to Seamen's Provident Fund Organisation.

The Board approved the draft agreement on the recommendation of 14th Finance Sub-Committee meeting held on 22.03.2005. The Board further directed that while issuing the operating norms to the Fund Manager it should include mediate for not investing the fund in companies indulging in anti workers activities and also for obtaining of prior approval before investing in private sector Bonds. as suggested by the representatives of NUSI & FUSI respectively.

Sr No.4: Discussion on Inspection Report of the Principal Director of Audit (Central) Mumbai, for the period from 01.07.1999 to 31.03.2003.

1) Pattern of Investment.

The Board noted the position.

ii) Steps taken for recovery.

The Board noted the position.

iii) Departmental Enquiry.

The Board noted the position.

iv) Training Program.

The Board directed the Secretary to work out the cost involving thereon for 20%, 15% and 10% of the staff if deputed for training every year. The analysis be placed for consideration of the Board in its next meeting.

Sr No 5: a) Registration of signature of Commissioner Seamen's Provident Fund Organisation with Reserve Bank of India and

The Board noted the position and closed the item in ATR.

b) Standing user of duplicate certificate of 14% GOI 2005 face value of Rs 3 Lakh from Reserve Bank of India.

The point discussed under agenda Item No 15 and closed the item in ATR.

Sr No 6: i) On Unposted Items

The Board has taken a serious view on large number of Unposted items. Since most of the large number of entries pertains to the Shipping Corporation

of India, the Chairman directed Secretary to have separate meeting with Shri Prasanta Deb, Trustee representing the Shipping Corporation of India, to work out time bound programme to reduce the number to minimum.

ii) Short credit of Interest in SBS Account with RBI.

The Board noted the position.

Sr No 7: Fixation of rate of interest to be credited to the members accounts for the year 2005-06

The Board noted that the Government approval has since been received fixing the rate of interest @ 5.5% for the year 2005-2006 and decided to drop the item from ATR.

Sr No 8: Revised Estimates for the year 2004-2005 and Budget proposals for the year 2005-2006

The Board directed Secretary to send a reminder to the Ministry.

Sr No 9: Review of Rate of Administrative Charges

The Board directed Secretary to send a reminder to the Ministry.

Sr No 10: Appointment of Accounts Officer.

The Board noted the position as separate agenda placed under Item No 4 and closed the item from ATR.

Sr. No 11: Discussion on First Internal Auditors report for the year 2004-2005 (From April 2004 to June 2004)

The Board decided as under.

D Investments (Court Cases):

1. Discussed under Item No. 14 and closed the item from ATR.
2. The Board noted the position.
3&4. The Board noted the position and directed to issue reminders to NUSS/FUSS.
5. The Board noted the position.

Sr. No 12: Recovery position of Damages for the period from 01-04-2004 to 30-11-2004.

The Board directed Secretary to Compile the information companywise which have to pay damages of Rs. 10,000/- or more. The list of such companies be forwarded to Shipping Development Branch of Directorate General of Shipping and also to NUSI/FUSI to assist in recovery of outstanding dues.

Sr. No 13: Separation of Annuity Scheme from Seamen's Provident Fund Accounts.

The Board discussed the matter under Item No 16 and closed the item in ATR.

Sr. No 14: D Additional Item

D Recommendations of the Finance Sub-Committee

The Board noted the Position.

Item No 3: Audit Report/Certificate on the accounts of Seamen's Provident Fund Organisation for the year 2003-04

The Board noted the position. The Board after perusal of Audit Observation and replies of the Office against para No 7.3, directed the Secretary to provide details of investment made by the Fund to the audit team from CAG in future.

Item No 4: Appointment of Accounts Officer.

The Board approved the proposed amendment in Seamen's Provident Fund (Staff and Conditions of Service) Regulations, 1972 thereby incorporating Recruitment Regulations, method of appointment for the post of Administrative-cum-Accounts Officer, sanctioned by Ministry of Shipping, Road Transport & Highways. The Board further directed the Secretary to pursue the matter with the Ministry for getting the approval of the eGovernment expeditiously and gazette notification of the same thereafter.

Item No 5: Appointment of Internal Auditors for Seamen's Provident Fund Organization for the year 2005-06

The Board found the request of enhancement of fee from Rs 15,000/- to Rs 20,000/- by the Internal Auditors on high side. After detailed deliberations approved the fees @ Rs 18,000/- per quarter on the existing terms and conditions.

Item No 6: Enhancement of Medical Allowance.

The Board deferred this item. The Board directed the Secretary to bring the agenda in the next

meeting along with details like expenditure on medical allowance and reimbursement during the last five years, basic pay plus Dearness Allowance of the employees, for consideration.

Item No. 7: Housing Accommodation for the Commissioner.

The Secretary informed the Board that his parent office (Central Warehousing Corporation) has decided to allot one of its flat, for a period of two years for which the HRA admissible to him will have to be paid to Central Warehousing Corporation plus flat license fee as applicable. The license fee will be recovered from the salary of Commissioner.

The Board accepted the terms and conditions of Central Warehousing Coporation for allotment of flat of the Commissioner.

Item No 8: One Time settlement of principal amount of Rs. 46 Lakhs invested in State Guaranteed Bonds with U.P. Co-Operative Spinning Mills Federation Ltd.

The Board on the advise of Legal Adviser, opinion of Internal Auditors and on the recommendations of 15th Finance Sub-Committee approved one time settlement of Rs. 46 Lakhs which was invested with U.P. Co Operative Spinning Mills Federation Ltd. without interest.

Item No 9: Medical facilities to the Commissioner.

The Board approved reimbursement of expenses on medical treatment of self and family members of the Commissioner as per limit on expenditure, admissibility of medicines etc. prescribed under the Central Government Health Scheme (C.G.H.S).

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Item No 10: Receipts Payments settlement of claims and Investment position.

The Board noted the position.

Item No 11: Recovery position of Damages during the period from 01.12.2004 to 28.02.2005.

Board noted the position.

Item No 12: Appointment of Commissioner in Seamen's Provident Fund Organisation.

The Board noted the position.

Item No 13 Discussion on Second & Third Internal Auditors Report for the year 2004-2005 (October, 2004 to December, 2004).

The Board observed that in some cases the discrepancies of Report No. 2 are re-appearing in Report No. 3. Although the office noted the position yet the discrepancies continued. The Board directed that the discrepancies should be noted and complied within reasonable time. In future, position reported to Board should specifically mention whether discrepancy/advice is rectified/complied.

The Board also directed the Secretary to ask the Internal Auditor to provide summary of each report to the Chairman directly highlighting major/serious discrepancies and/or deviation. The Board also has taken a serious view of late receipt of 2nd and 3rd report of 2004-2005 and directed the Secretary to convey the same to the Internal Auditors.

It was also decided that while conveying the renewal of their appointment for the year 2005-2006 the Internal Auditors should be asked to ensure

submission of their quarterly report and summary to the Chairman within the month succeeding that quarter positively.

Item No 14: Position of Court Cases towards recovery of the amounts lost in the Securities Scam.

The Board noted the position.

Item No.15: a) Registration of Signature of Commissioner, Seamen's Provident Fund Organisation with Reserve Bank of India and

The Board noted the position.

b) Handing over of Duplicate Certificate of 14% GOI 2005 face value of Rs. 3 Lakh from Reserve Bank of India.

The Board on the legal advice of the Advocate and the recommendation of the Commissioner approved handing over of Duplicate Certificate of 14% GOI 2005 - face value of Rs 3 Lakhs to M/s Cyanamid Officers Provident Fund.

Item No 16: Seperation of Annuity Scheme from Provident Fund Accounting system.

The Board directed the Secretary to obtain further information/clarification from M/s Atash Holdings Pvt Ltd like list of their clients who are utilising their services, annual maintenance charges for three years, their acceptance to place the services of one engineer in the office during the office hours to render the assistance training to the officials of SPFO.

The Board also authorised Finance Sub-

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Committee to consider M/s. Atash Holdings Pvt Ltd., may negotiate necessary rates and decide the matter urgently.

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

CHAIRMAN
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
BOMBAY

SECRETARY
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
BOMBAY

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Minutes of the 99th Meeting of the Board of Trustees, Seamen's Provident Fund held on Wednesday, the 29th June, 2005 at 15.00 hours in the Board Room of Seamen's Provident Fund Organisation, "Krupanidhi", 3rd Floor, 9 Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001

The following were present:

Shri. G.S. Sahni	Chairman
Shri. Prasanta Deb	Member
Capt. Rajesh Tandon	Member
Shri. Abdulgani Y. Serang	Member
Shri. Vasant P. Samant	Member
Shri. Anil Baran Das	Member
Shri. Bhumesh Chandra	Secretary.

Chairman welcomed the members present.

Secretary informed that S/Shri. S.R. Gaur, T Srinidhi and Ms Neera Malhotra could not attend the meeting due to pre-occupations. Capt. N.A Hiranandani also could not attend as he is away from Mumbai. Leave of absence was granted to them.

The Board then took up the items on the agenda.

Item No.1: Confirmation of the Minutes of 98th Meeting of the Board of Trustees, Seamen's Provident Fund held on 23rd March, 2005 in the Board Room of Seamen's Provident Fund Organisation, Mumbai.

Secretary informed that the draft minutes of the 98th meeting of the Board of Trustees, Seamen's Provident Fund held on 23rd March, 2005 were circulated amongst the members on 05-4-2005. The Board noted the response received from Shri. A.B. Das and the reply given by the Organisation. As there were no comments the draft

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minutes of the 98th meeting were confirmed without any modifications.

Item No.2: Action taken report on the outcome of the deliberations of the Board at its last meeting

Sr.No.1 : Recovery of over payment on account of additional increment from 7 pensioners.

Board noted the position and directed Commissioner to personally look into the matter for obtaining Government approval at the earliest.

Sr.No.2 : Irregular grant of Five Additional increments to Shri. Lalchand Ram, A/AAO and one additional increment to 23 staff members.

Board noted the position and directed Commissioner to personally look into the matter for obtaining Government approved at the earliest.

Sr.No.3: Proposal for investment of Provident Fund monies and appointment of Portfolio Manager/adviser to Seamen's Provident Fund Organisation.

NOTED the position.

Sr.No.4: Discussion on Inspection Report of the Principal Director of Audit (Central), Mumbai for the period from 01-07-1999 to 31-03-2003.

(1) Departmental Enquiry.

Board noted the position and directed to expedite the process at the earliest.

(3) Training Program

The Board noted the position and directed to acquire with the Director, National Academy for Training and Research

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in Social Security about the feasibility of imparting training to Seamen's Provident Fund Organisation staff in Mumbai and if so the cost for the same, for taking a decision in this regard.

Sr.No 5: A note on the suggestions contained in the Inspection Report of the PDA, (Central), Mumbai for the period from 01.07.1999 to 31.03.2003.

On Unposted Items.

The Board discussed this issue seriously and observed that no appreciable progress is made to reduce the number of unposted items and amount involved. Shri Prasanta Deb stated that if the items cannot be cleared, the amount involved in such cases may be remitted to the respective companies instead of keeping it uncleared.

After further discussion the Board directed to carry out a campaign to reduce the balance of unposted items to around 2,000 and that the Administrative/Asst. Accounts Officer be made personally responsible for achieving this target before the next meeting of the Board of Trustees.

Short credit of interest in SDS Account with RBI.

Board noted the position and closed the item from ATR.

Sr.No.6: Revised Estimates for the year 2004-2005 and Budget Proposals for the year 2005-2006.

Board noted the position and directed the Secretary to pursue the matter more vigorously with the Ministry to expedite approval of the Govt.

Sr.No.7: Review of Rate of Administrative Charges.

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Board noted the position and directed the Secretary to pursue the matter more vigorously with the Ministry for obtaining the Govt. approval.

Sr.No.8: Discussion on First Internal Auditor's Report for the year 2004-05 (from April 2004 to June 2004).

1 i) Investments: (Court Cases)

The Board noted that reply from NUSI/FUSI is awaited for becoming intervener in all Court hearings in consultation with their legal wing. However, Shri A.B. Das stated that their legal wing has opined that if Unions become intervener then other methods like agitation etc. will not be available for recoupment of lost amount from other sources. The Board considered the above views and after further discussion decided to close the item from ATR as the status of court cases will continue to be an independent item in all meetings.

2) Suggestion in respect of swiping card machine be taken up during modification of computer programs

Board noted that modification of computer programme is still under process.

Sr.No.9: Recovery position of Damages for the period from 01-04-2004 to 30-11-2004.

Board noted the position and closed the item from ATR.

Sr.No.10: Additional Item i) Recommendations of the Finance Sub-Committee.

Board noted the position and closed the item from ATR.

Sr.No.11: Appointment of Accounts Officer.

The position was noted by the Board and directed

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Commissioner to pursue the matter vigorously with the Ministry.

Sr.No.12 : Appointment of Internal Auditors for Seamen's Provident Fund Organisation for the year 2005-2006.

Board noted the position and closed the item from ATR.

Sr.No.13: Enhancement of Medical Allowance.

Discussed under under Item No.8 and closed the Item from ATR.

Sr. No.14: Housing Accommodation for the Commissioner.

Board perused the lease deed and closed the item from ATR.

Sr No15: One time settlement of principal amount of Rs.46 Lakhs invested in State Guaranteed Bonds with U.P. Co-operative Spinning Mills Federation Ltd.

Board noted the position and directed the Secretary to monitor the matter and report to the Board as and when any further development takes place. Till then the item is closed from ATR.

Sr.No.16: Medical facilities to the Commissioner.

Board noted the item and closed the item from ATR.

Sr.No.17: Discussion on Second & Third Internal Auditor's Report for the year 2004-2005 (October 2004 to December 2004).

Board noted the position and closed the item from ATR.

Sr.No.18: Handing over of Duplicate Certificate of 14% GOI 2005 face value of Rs.3 lakhs from Reserve Bank of India

Discussed under Item No.6. The Secretary stated that after registering the signature with RBI the duplicate

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certificate of 14% GOI 2005 face value of Rs.3 Lakhs will be returned to m/s. Cynamid Officers Provident Fund as approved by the Board.

Sr.No.19: Separation of Annuity Scheme from Provident Fund under Accounting system.

The Board discussed the clarification received from m/s. Atash Holdings Pvt Ltd. Capt. Tandon stated that during his discussion with them, he understood that they would be agreeable to extend the warranty upto 12 months and that we should once again write to reiterate our request for the same. After discussion the Board authorized the Finance Sub-Committee to discuss and decide the matter after getting confirmation from m/s. Atash Holdings Pvt Ltd enhancing warranty period to one year.

Item No.3: Approval of Annual Report on the working of Seamen's Provident Fund Scheme, 1966 for the year 2004-2005.

After detailed discussion, the Board approved the draft Annual Report for the year 2004-05 with the following modification.

Under Para 4.1 for the word on the first line "Director Seamen's Employment Office" the word "Shipping Master" be substituted. On the same line for the word "his staff" be substituted by "the staff member of Seamens Provident Fund Organisation".

Para No.5 Under Coverage be deleted and succeeding para be revised as para 5 instead of para 5.1.

In the Appendix referred under Para-4 the last two columns ie SC employees and ST employees be deleted.

Item No.4: Approval of Annual Accounts for the year 2004-2005.

After detailed discussion, the Board approved the Annual Accounts for the year 2004-05 and accepted the physical verification certificate of investment as on 31-03-2005 made by the Internal Auditors in their Internal Audit Report No.4 of 2004-2005 that was placed as an item on the agenda.

Item No.5: Budget Re-appropriation 2004-2005.

Board noted the position and closed the item.

Item No.6: Registration of signature of the Commissioner, Seamen's Provident Fund Organisation with Reserve Bank of India (RBI) and other Banks.

The Board considered the agenda and passed the following resolution for registration of Commissioner's signature in the format supplied by Reserve Bank of India that was attached with agenda.

SPECIMEN OF RESOLUTION

Place of meeting with full address : Seamen's Provident Fund
"Kruparidhi" 3rd Floor,
9 Walchand Hirachand Marg,
Ballard Estate, Mumbai - 400 001.

**Date of meeting : 29th June, 2005.

Convened by : Chairman, Board of Trustees

Resolved that S/Shri @ : Shri Bhumesh Chandra
Commissioner

Trustees/Officials/Directors of ~~M~~ Officials of the Seamen's Provident Fund Organisation.

(Bank/Trust's/Company's Name)

or any two of them jointly are hereby authorized to sell, purchase, transfer, endorse, negotiate and or/otherwise deal in Securities and sign letter of indemnity, execute bond of indemnity, guarantee, sign declaration and also authorised to receive interest and principal thereof on behalf of *

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Board of Trustees, Seamen's Provident Fund Organisation

Bank's/Trust's/Company's Name

True Copy

Signature

Chairman of the Fund/Company/Bank/
Company Secretary/Director
Board of Trustees, Seamen's Provident Fund
Bank/Fund/Trust/Company

Note: Names in Resolution, G.P. Notes and PDO form 44 must be identified.

(d) Please state here personal/individual name/s of the Trustee/s.

* Name of the fund/Trust should be stated here. Name stated here should be in conformity with that stated in Registration/Recognition

* Certificate issued by Income Tax Commissioner/Charity Commissioner.

** Resolution should be submitted within six months from the date of Meeting.

Item No.7: Appointment of Legal Adviser for Seamen's Provident Fund Organisation for the year 2005-2006.

The Board approved extension of the appointment of Ms. S. Priya as Legal Adviser of Seamen's Provident Fund Organisation for a further period upto 31st July, 2006, on the same terms and conditions.

Item No.8 : Enhancement of Medical Allowance to staff of Seamen's Provident Fund Organisation

After due consideration the Board agreed to enhance the medical allowance to Rs.600/- from Rs.450/- at present per month. The Board, however, directed the Secretary to ascertain if Government approval is required. If so, the same be obtained.

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Item No.9: Receipts, Payments settlement of claims and Investment position.

The Board considered the statement of details and desired to have quarterly comparison ie from April to June, July to September instead of broken period ie from March to May as given now, in future.

Item No.10: Recovery position of Damages during the period from 01-03-2005 to 31-05-2005.

After perusal of statement of damages the Board directed Secretary to refer cases of damages in respect of INSA members to Shri. P.K. Srivastava, President, INSA and CMD, the Shipping Corporation of India Ltd, for expeditious action.

Item No.11: Discussion on Internal Auditor's Fourth Report for the year 2004-2005 (January 2005 - to March 2005)

The Board noted the audit observations with replies of the Organisation and decided as under:-

1) The cash advance taken by the staff is required to be settled every month.
2) No second advance be given unless first one is settled.

As far as swiping machine the Secretary clarified that it can be considered only on implementation of computer modification programme.

Capt. Tandon however inquired as to non submission of reconciliation in respect of shortfall of Rs.6,00603/- on Administration Charges. The Secretary clarified that he is personally looking into this issue and ensure that reconciliation will be done before the next Internal Audit.

The Board also accepted the verification of investment as on 31st March, 2005 vide Annexure I.

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Item No.12: Position of Court Cases towards recovery of the amounts lost in the securities scam.

Position was noted by the Board. Capt. Tandon suggested that if there is any Web site which show listed cases in the court, the same be utilised so as to avoid ex-parte judgement. The Board further directed that the liason officer of Seamen's Provident Fund Organisation should give a fortnightly report on the development of court cases for submission to the Board in its meetings hereafter.

Additional Item No.1:

With permission of the Chair Shri A.B. Das recalled his request made in the 90th meeting held on 16-01-2003 regarding liberalisation of Non-Refundable Withdrawal (NRW) claims in general and for sister's marriage in particular. The Chairman enquired with the Secretary about the position. In reply Secretary clarified that earlier the NRW was allowed for sister's marriage but after the Internal Auditor's observation vide their second report for the period from July, 2002 to September, 2002 this was discontinued. Secretary further stated that on an enquiry from the Employees Provident Fund Organisation (EPFO) it is revealed that EPFO considers NRW for dependent sister's marriage. After further discussion it was decided by the Board that the same procedure be followed in respect of member seaman for dependent sister's marriage subject to the limit for grant as provided under relevant provision of Seamen's Provident Fund Scheme, 1966.

The meeting then came to an end with a vote of thanks to the Chair.

CHAIRMAN
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
BOMBAY

SECRETARY
BOARD OF TRUSTEES
SEAMEN'S PROVIDENT FUND
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Minutes of the 100th Meeting of the Board of Trustees, Seamen's Provident Fund held on Monday the 3rd October, 2005 at 11.30 hours in the Board Room of Seamen's Provident Fund Organisation, "Krupanidhi," 3rd Floor, 9 Walchand Hirachand Marg, Ballard Estate, Mumbai. 400 001.

The following were present:

Shri. G.S. Sahu	Chairman
" Prasanta Deb	Member
Ms. Neera Malhotra	Member
Capt. Rajesh Tandon	Member
Shri. Vasant. P. Samant	Member
Shri Anil Baran Das	Member
Shri. Bhumesh Chander	Secretary

Before start of the proceedings the Secretary welcomed the Chairman and other Trustees on the Board for 100th meeting. In his welcome address he mentioned about background leading to enacting of Seamen's Provident Fund Act, 1966 and thereafter formulation of Seamen's Provident Fund Scheme, 1966, setting up of Seamen's Provident Fund Organization with the aim and objectives to implement various provisions of the said Act/Scheme. He also narrated the brief history of the organization, its achievements, future plan for improving its services to the members of Seaman's Provident Fund.

The Chairman joined by other members complemented the officers and staff of the organization for efficient services being rendered to seafarers and their families. Members, however, raised concern over the money lost in the unfortunate scam which has shaken the faith of seafarers on the Trust and vouched to make all out efforts to realize the money from Government as per assurances given by Minister and others.

Secretary with the permission of the Chair expressed the desire that the Organization proposed to present Memento to the Trustees on the occasion of 100th meeting. There after formal agenda was taken up.

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Secretary further informed that S/Shri. Pradip Kumar, T. Sivindhi, Abdulgani Y. Serang and Capt. N.A. Hiranandani could not attend the meeting due to pre occupation. leave of absence was granted to them.

The Board then took up the items on the agenda.

Item No.1: Confirmation of the Minutes of 99th Meeting of the Board of Trustees, Seamen's Provident Fund held on 29th June 2005 in the Board Room of Seamen's Provident Fund Organization, Mumbai.

The Board confirmed the draft minutes of the 99th meeting with the following modifications proposed by Capt. Rajesh. Tandon.

On Item No.2 Sr No.19 for the 1st two sentences the following sentences be substituted. "The Board discussed the clarification received from m/s Atash Holdings Pvt Ltd. Capt. Tandon stated that during his discussion with them, he understood that they would be agreeable to extend the warranty upto 12 months and that we should once again write to reiterate our request for the same".

On item No 11 for the word "desired" on first line in 3rd paragraph of sub paragraph (2) the word "inquired" be substituted.

Item No 2: Action on the deliberations of the Board at its last meeting.

Sr No. (1) ~~Departmental Enquiry~~ Recovery of over payment on account of additional increment from 7 pensioners.

The Board perused the explanatory note with Govt letter which stated that granting of advance increment and regularization of payment is itself against the rules. Therefore, Board directed to start recovery from all concerned immediately.

Sr. No.2: Irregular grant of five additional increments to Shri Walchand Ram, A/AAO and one additional increment to 23 staff members

The Board perused the explanatory note with Govt. letter which stated that the granting of advance increment and regularization of payment is itself against the rules. Therefore, Board directed to start recovery from all concerned immediately.

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Sr.No.3: Discussion on Inspection Report of the Principal Director of Audit (Central), Mumbai for the period from 01-7-1999 to 31-03-2003.

(1) Departmental Enquiry

Board directed to expedite the process

(2) Training programme.

Board noted the position. Secretary further informed that it is seen from office records that officials of EPFO were given training by RBI when work relating to SDS was decentralized by them. Further, NIC, a Government body, also imparts training in computer at Mumbai. The Board therefore, directed to make further enquiries from these organizations and submit the proposal in the next meeting.

Sr.No.4: A note on the suggestions contained in the Inspection Report of the PDA (Central), Mumbai for the period from 01-07-1999 to 31-03-2003.

Secretary informed that internal target has been given to clear existing unposted items before 31st March, 2006. Board agreed and instructed to show fifty percent progress by next meeting. Board also appreciated the efforts made by the organization in clearance.

Sr.No.5: Revised Estimates for the year 2004-2005 and Budget Proposals for the year 2005-2006.

Board noted the Govt. approval that was placed on the table and decided to close the item from ATR.

Sr.No.6: Review of Rate of Administrative Charges:

Board noted the position and directed Secretary to pursue the matter more vigorously with the Ministry for Govt. approval.

Sr.No.7: Discussion on First Internal Auditor's Report for the year 2004-05 (from April, 2004 to June, 2004)

2) Suggestion in respect of swiping card machine be taken up during modification of computer programme.

Secretary clarified the position and Board agreed to the same

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and decided to close the item from ATR.

Sr.No.8: Appointment of Accounts Officer.

Board noted the position and directed to expedite the submission of draft notification to the Ministry.

Sr.No.9: Handing over of Duplicate Certificate of 14% GOI 2005 face value of Rs 3 Lakhs from Reserve Bank of India

Board noted the position. The Board further observed that the securities has not yet been transferred in the name of M/s. Cynamid Officers' Provident Fund. The payment of interest to that organization depends upon date of transfer etc and will be considered if necessary, thereafter.

Sr.No.10: Seperation of Annuity Scheme from Provident Fund under Accounting system.

Board noted the position and directed to expedite execution of Agreement at the earliest.

Sr.No.11: Approval of Annual Report on the working of Seamen's Provident Fund Scheme, 1966 for the year 2004-2005.

The position was noted by the Board and requested to ensure submission to the Ministry before due date. The Board also agreed the proposal for modification of Para 21 regarding Audit as under In view of fact that it has since been conducted by the Principal Director of Audit (Central), Mumbai.

Para 21: Audit.

The Principal Director of Audit (Central) Mumbai has conducted the Audit of Annual Accounts of the organization for the year 2004-05. Audit Certificate is awaited.

Board also agreed to revise last sentence depending on receipt of Audit Certificate.

Sr.No.12: Approval of Annual Accounts for the year 2004-2005

Board noted the position and requested to ensure submission to the Ministry before due date.

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Sr.No 13: Registration of Signature of the Commissioner Seamen's Provident Fund Organisation with Reserve Bank of India (RBI) and other Banks.
Position noted by the Board and decided to close the item from ATR.

Sr.No 14: Appointment of Legal Adviser for Seamen's Provident Fund Organisation for the year 2005-2006.
Board noted the position and decided to close the item from ATR.

Sr.No 15: Enhancement of Medical Allowance to staff of Seaman's Provident Fund Organization.
The position noted by the Board but the enhancement of Medical Allowance from Rs.450/- to Rs.600/- will be effective from 1st July, 2005 only.

Sr.No 16: Receipts, Payments settlement of claims and Investment position
Discussed under item No 5 and decided to close the item from ATR.

Sr.No 17: Recovery position of Damages and during the period from 01-03-2005 to 31-05-2005.
Board noted the position and decided to close the item from ATR.

Sr.No 18: Discussion on Internal Auditor's Fourth Report for the year 2004-05 (January 2005 to March 2005)
Board noted the position and decided to close the item from ATR

Sr.No 19: Position of Court cases towards recovery of the amounts lost in the securities scam.
Discussed under item No 8 of agenda and closed the item from ATR.

Sr.No 20: Additional Item No.1 request made by Shri. A.B.Das regarding liberalization of Non-Refundable Withdrawal (NRW) claims in general and dependent sister's marriage.
Board discussed the position and decided to close the item from ATR.

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Item No.3: The Right to Information Act, 2005 - Implementation there of -
Board noted the position. Secretary further informed that the web-site hosting charges for one financial year (10 MB) is Rs.6,500/- and one time development of the web-site cost is Rs.10000/- have been sanctioned and paid due to paucity of time in anticipation of approval by Board. The Board ratified the sanction accordingly.

Item No.4: Draft Audit Report on the accounts of Seamen's Provident Fund Organization for the year 2004-05 received from the Principal Director of Audit (Central) (PDA), Mumbai.
The Board perused the draft Audit Report and replies given by the organization. Board also directed Secretary to pursue the Director of Audit for issue of Audit Certificate for submission of accounts to the Ministry before due date.

Item No 5: Receipts, Payments settlements of claims and Investment position.
Board noted the position.

Item No.6: Recovery position of Damages during the period from 01-06-2005 to 31-08-2005.
The position was noted by the Board. The Board further instructed that non-payment of damages by Indian shipping companies be reported to the President of INSA.

Item No.7: Discussion on 1st Internal Auditor's Report for the year 2005-2006 (01-04-2005 to 30-06-2005)
Board perused the Internal Auditor's Report and the compliance by the organization.

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Item No.8: Position of Court Cases towards recovery of the amounts lost in the securities scam

The position noted by the Board

Additional Item No.1: Special Audit Report on the irregularities in investment of funds by Seamen's Provident Fund Organisation (SPFO), Mumbai.

The Board deferred discussion on this item for the next meeting since it was placed on the table.

The meeting then came to an end with a vote of thanks to the Chair.

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Minutes of the 101st Meeting of the Board of Trustees, Seamen's Provident Fund held on Wednesday, the 18th January, 2006 at 11.30 hours in the Board Room of Seamen's Provident Fund Organisation, "Krupanidhi", 3rd Floor, 9, Walchand Hirachand Marg, Ballard Estate, Mumbai-1

The following were present:

Shri. G.S. Sahni	Chairman
" T. Srinidhi	Member
Capt. N.A. Hiranandani	Member
Capt. Rajesh Tandon	Member
Shri. Abdulgani. Y. Serang	Member
Shri. Vasant P. Samant	Member
Shri. Anil Baran Das.	Member
Shri. Bhumesh Chandra	Secretary

Secretary informed that Shri Pradeep Kumar, Ms. Neena Malhotra and Shri Prasanta Deb could not attend the meeting due to pre-occupations. Leave of absence was granted to them.

Item No.1: Confirmation of the Minutes of 100th Meeting of The Board of Trustees, Seamen's Provident Fund held on 3rd October, 2005 in the Board Room of Seamen's Provident Fund Organisation, Mumbai.

As there was no amendments/comments suggested by the members, the Board confirmed the Draft Minutes of 100th meeting held on 3rd October, 2005.

Item No.2: Action taken report on the outcome of the deliberations of the Board at its last meeting.

Sr. No.1: Recovery of over payment on account of additional increment from 7 pensioners.

And.

Sr.No.2: Irregular grant of five additional increments to Shri. Lalchand Ram, A/AAO and one additional increment to 23 staff members.

Discussed under agenda Item No.13. Therefore, it was decided to close the Item from ATR.

Sr.No.3: Discussion on Inspection Report of the Principal Director of Audit (Central), Mumbai for the period from 01-07-1999 to 31-03-2003

(1) Departmental Enquiry.

The Board directed Secretary to expedite finalization of Charge Sheet against Shri. C.L. Thadani, Sr. Assistant of Seamen's Provident Fund Organisation after collection of evidence from CBI.

(3) Training Programme

The Board directed to contact concerned college at Pune to enquire about training of the staff members. If necessary, the Chairman may also talk to the concerned authorities in this regard.

Sr.No.4: A note on the suggestions contained in the Inspection Report of the PDA, (Central) Mumbai for the period from 01-07-1999 to 31-03-2003.

The Board directed Secretary to analyse the reasons for Unposted entries as on 31-03-2006 and put up to the Board as an Item, for decision. The Chairman further directed to obtain name and PPC No. of seafarers ~~and~~ as on a CD from Shipping Masters for minimizing/eliminating the Unposted entries.

Sr.No.5: Review of Rate of Administrative Charges.

Board perused the Government Notification and decided to close the item from ATR.

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Sr.No.6: Appointment of Accounts Officer.

The Board noted the position.

Sr.No.7: Handing over of Duplicate Certificate of 14% GOI 2005 face value of Rs.3 Lakhs from Reserve Bank of India.

The Board noted the position

Sr.No.8: Separation of Annuity Scheme from Provident Fund under Accounting system.

The Board directed that on receipt of SRS - Software Requirement Specification from m/s. Atash Holding Pvt Ltd, a special Board meeting be convened. The firm may be asked to give a presentation at that time.

Sr.No.9: Approval of Annual Report on the working of Seamen's Provident Fund Scheme, 1966, for the year 2004-05

Board noted the position and decided to close the item from ATR.

Sr.No.10: Approval of Annual Accounts for the year 2004-05.

Discussed under Item No.11 and decided to close the item from ATR

Sr.No.11: The Right to Information Act, 2005 - Implementation thereof -

The Board noted the position and decided to close the item in ATR.

Sr.No.12: Recovery position of Damages during the Period from 01-6-2005 to 31-8-05

The Board noted the position and directed Secretary to e-mail shipping company-wise position to Directorate General of Shipping for assistance as to how damages could be curtailed/recovered

Sr.No.13: Additional Item No.1: Special ~~Report~~ Audit Report on the irregularities in investment of funds by Seamen's Provident Fund Organization (SPFO), Mumbai.

Discussed under agenda item No.6. Therefore closed from ATR.

Item No.3: Fixation of rate of interest for credit to the seamen members accounts for the year 2006-2007

The Board decided to defer discussion since the Government is seized

of the issue.

Item No 4: Revised Estimates for the year 2005-2006 and Budget proposals for the year 2006-2007.

The Board approved the Revised Budget for the year 2005-06 and Budget Estimate for the year 2006-07 except for amount under Recurring and Non-recurring expenditure. For these Heads, Chairman directed the Secretary to E-mail the details by 23-01-2006.

Item No 5: Review of rate of Administrative Charges.

Secretary stated that the rate of Administrative Charges was increased from 4.5% to 5% w.e.f. 01-04-2003. The increase was necessitated on account of filing of Court cases for recovery of amount lost in the Scam and increase in other administrative expenditures. Secretary further stated that though the hearing has not been coming up and payment of legal fee is unlikely during the financial year 2006-2007, he suggested to retain the rate @ 5% due to increase in Administrative expenditure. The members representing employers did not agree with the suggestion. The Chairman after hearing the views decided to fix the rate of Administrative Charge @ 4.5% w.e.f. 01-04-2006 subject to review in October 2006. The Secretary was directed to account for legal expenditure seperately to ascertain its effect on administrative expenditure. Government may be approached for issue of requisite notification.

Item No. 6: Special Audit Report on the irregularities in the Investment of funds by Seamen's Provident Fund Organization, Mumbai.

The Board perused the suggestion of CAG based on their Speral Audit Report contained in the Ministry of Finance note dated 28-02-2005. After due deliberations the following decision was taken by the Board.

1) Advice of CAG to modify Seamen's Provident Fund Scheme to provide for seperate accounting of brokerage/commission and sale/purchase prices so as to verify the transaction with market price be implemented with immediate effect.
2) The Fund Manager be asked to specify about the source of investment such as primary or secondary.
3) The confirmation of RBI regarding physical availability of 10.7% GOI security obtained on 11-05-2002. Hence no action is required.
4) The suggestions of CAG are accepted. The Secretary was directed to take immediate action for training of officials and to place in Board meeting the MIS reports received from the Fund Manager as per CAG directives.

Item No 7: Receipts, Payments, settlement of claims and Investment position.

The Board noted the position

Item No 8: Recovery position of Damages during the period from 01-09-2005 to 31-12-2005.

The Board perused the statement of outstanding damages. The Board directed the Secretary to e-mail shipping company wise position to Directorate General of Shipping for assistance as to how damages could be recovered.

Item No 9: Discussion on 2nd Internal Auditor's Report for the year 2005-06 (01-07-2005 to 30-09-2005)

The Board perused the Report No. 2 for the year 2005-06 of Internal Auditors. The Board directed monthly follow up in the Court cases related to missing securities and recovery status pending in various courts and also one time payment offer from UP Co-operative Spinning Mills and UP State Yarn company.

The Board directed that outstanding cash advances as on the

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last day of the month be recovered from the salary of the concerned staff if not settled.

The Board also directed to fulfill all the legal requirements related to tax rebates. It was made clear that the Board will not condone any delay in filing the return.

Item No.10: Position of Court Cases towards recovery of the amounts lost in the Securities Scam.

The Board noted the position.

Item No.11: Audit Certificate/Report on the Accounts of Seamen's Provident Fund for the year 2004-05 received from PDA Mumbai.

The Board considered the Audit Report and replies thereto. After detailed discussion, the Board directed the Secretary to have a discussion with PDA regarding non preparation of accounts on accrual basis and over statement of fixed assets due to non-charging of depreciation with retrospective effect from the date of acquisition of assets. The PDA may be convinced to drop these observations in audit for the year 2006-07.

Item No.12: Computerization of Seamen's Provident Fund accounts - switchover from existing system SQL base Centura to Front End (data Entry) VB 6.0 AND back end (to store data) MS SQL Server 2000 and grant of Special Allowance to one of the Computer Staff Member to act as System Administrator.

The Board after detailed discussion on the item agreed with the proposal to grant an allowance equivalent to 10% of basic pay plus D.P. to Shri M.M. Barthwal, Jr. Assistant w.e.f. 01-01-2006 for a period of one year or till switch over to new software system whichever is earlier.

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Item No.13: Recovery of over payment on account of Additional Increment from 7 Pensioners and 23 Staff Members and Five Additional Increments to Shri. Lalchand Ram, Admn/Asst. Accounts Officer.

The Board did not agree with the staff members request for reconsideration since the Government has directed to recover the over payment despite recommendation by the Board.

The meeting then came to an end with a vote of thanks to the Chair.

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MINUTE BOOK

Minutes of the 102nd Meeting of the Board of Trustees, Seamen's Provident Fund held on Wednesday the 07th June, 2006 at 11.00 hours in the Board Room of Seamen's Provident Fund Organisation, "Krupanidhi, 3rd Floor, 9 Walchand Hirachand Marg, Ballard Estate, Mumbai-1.

The following were present:

Mrs. Kiran Dhingra	Chairperson
Shri R.N. Tripathy	Member
Capt. N.A. Hiranandani.	Member
Capt Rajesh Tandon	Member
Shri Abdulgani, Y. Serang	Member
Shri. Anil Baran Das.	Member
Shri. Bhumesh Chandra	Secretary.

The Secretary and the Board warmly welcomed the Chairperson and also placed on records its appreciation for Shri G.S. Sahni the outgoing Chairman, for his valuable contribution during his tenure as Chairman.

Leave of absence was granted to Shri T. Srinidhi, Ms. Meera Malhotra, Sarvashri. Prasanta Deb and Vasant Samant who could not attend the meeting due to other pre-occupations.

The Board then took up the items on the Agenda.

Item No 1: Confirmation of the Minutes of 101st Meeting of the Board of Trustees, Seamen's Provident Fund held on 18th January, 2006 in the Board Room of Seamen's Provident Fund Organization, Mumbai.

As there were no amendments/comments suggested by the members the Board confirmed the draft minutes of the 101st meeting held on 18th January, 2006.

Item No 2: Action taken report on the outcome of the deliberations of the Board at its last meeting.

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Sr. No 1: Discussion on Inspection Report of the Principal Director of Audit (Central), Mumbai for the period from 01-07-1999 to 31-03-2003.

1) Departmental Enquiry: The Board noted the position and advised the Secretary to pursue the matter with CBI for its concurrence or otherwise to conduct enquiry.

3) Training Program: The Board noted the position. Since the College of Agriculture Banking (RBI) has not included in its schedule a training programme for Provident Fund Managers, the Chairperson instructed the Secretary to obtain training schedule etc from SEBI/BSE/NSE and finalize the training programme. The Secretary was further instructed to draw up a computer training programme for implementation in a phased manner to all the staff members in order to get their skill updated in on line working systems. The training programmes be placed before the Board for its perusal/approval.

Sr. No 2: Appointment of Accounts Officer.

The Board noted the position. Shri. R.N. Tripathy, Dy. Secretary (MM) who is looking after this matter in the Ministry explained the present status in this regard. Chairperson advised the Secretary to undertake a tour to Delhi to pursue the vetting of the draft notification by Ministry of Law and to associate the Dy. Secretary (MM) with it.

Sr. No 3: Handing over of Duplicate Certificate of 14% GOI 2005 face value of Rs 3 Lakhs from Reserve Bank of India.

This was discussed under Item No 13 and decided to close the item from ATR.

Sr. No 4: Seperation of Annuity Scheme from Provident Fund under Accounting system.

The Board while noting the position explained in the Agenda

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expressed its concern over the delay in finalization of SRS report. Capt. Rajesh Tandon presented a copy of e-mail received by him from m/s Atash Holding Pvt Ltd, wherein the firm has attributed the delay due to non availability of concerned officer for 8 hours a day. The Chairperson instructed the Secretary to associate himself to ensure that the firm submits SRS report by 12-06-2006 as assured by the firm in e-mail. Capt. Tandon suggested that a copy of SRS Report may be circulated to all Trustees for their comments/suggestions for modification if needed. He further suggested for a presentation by the firm before the Finance Sub-Committee. The suggestions were accepted by the Board and the Secretary was instructed to take action accordingly. It was further instructed that factual position on the contents of e-mail may also be circulated to trustees for their perusal/decision.

Sr.No 5: Recovery position of Damages during the Period from 01-06-2005 to 31-03-2006.

The Board perused the position and instructed Secretary to endorse a copy of notice to the concerned associations. (viz INSA, MAASA & FOSMA) for expeditious recovery.

Sr.No 6: Fixation of rate of interest for credit to the seamen member's accounts for the year 2006-2007.

Discussed under Item No 3 and decided to close the item from ATR.

Sr.No 7: Revised Estimates for the year 2005-2006 and Budget proposals for the year 2006-2007.

Board noted the position and decided to close the item from ATR.

Sr.No 8: Review of rate of Administrative Charges.

Board noted the position and decided to close the item from ATR

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Sr.No 9: Special Audit Report on the irregularities in the Investment of funds by Seamen's Provident Fund Organization, Mumbai.

(i) Noted the position
(ii) Board noted that MIS report from Fund Manager was not placed as instructed. The Secretary was instructed to ensure that the same is placed in future.
(iii) Discussed under Sr.No. 1 (3) under Item No. 2 of agenda and decided to close this item.

Sr.No 10: Discussion on 2nd Internal Auditors Report for the year 2005-2006 (01-07-2005 to 30-09-2005)

The Board noted the position

Sr.No 11: Audit Certificate/Report on the Accounts of Seamen's Provident Fund for the year 2004-05 received from PDA Mumbai.

Board noted the position and decided to close the Item from ATR

Sr.No 12: Computerization of Seamen's Provident Fund accounts - switchover from existing system SQL base Centura to Front End (data Entry) VB 6.0 AND back end (to store data) Ms SQL Server 2000 and grant of Special Allowance to one of the Computer Staff Member to act as System Administrator.

Position noted by the Board and decided to close the Item from ATR.

Sr.No 13: Recovery of over payment on account of additional increment from 7 pensioners.

Board noted the position and instructed Secretary to initiate recovery immediately.

Sr No 14: Irregular grant of Five additional increments to Shri. Lalchand Ram, A/AAO and one additional increment to 23 Staff members.

Position noted by the Board and instructed Secretary to initiate recovery immediately.

Item No 3: Fixation of rate of interest for credit to the Members account for the year 2006-07

Board discussed this item in detail. Board also considered the submissions made by Sarvashri A.B. Das and Abdulgani representing seafarers on Board for higher rate of interest, Shri A.B Das further mentioned that any rate lower than 8.5% (rate declared by Employees Provident Fund Organization) is not acceptable. In support of his submission, he further stated that even after crediting interest at this rate the balance available in the Interest Suspense Account would be around Rs.4 crores. He also cited past instances wherein the balance was as low as Rs 40 lakhs. Capt. Hiranandani suggested that the rate may be fixed at 7.5%. Further he stated that out of the total corpus of Rs.513 crores 70% has been invested in SDS yielding 8%. The annual interest yield on remaining securities is 6-9%. He stated that the seamen members employed by foreign employers are reluctant to subscribe Seamen's Provident Fund for the low rate of interest at 5.5% for the year 2005-06. The Seamen's Provident Fund Act, 1966 is not enforceable on these employers. Therefore, any rate lower than the banks Fixed Deposits' rate will have an adverse impact on seafarers not legally come under the purview of Seamen's Provident Fund Act and may opt out Seamen's Provident Fund Scheme. Shri R.N. Tripathy, representing Government intervened to clarify that fixing rate of interest more than 6.5% will amount to violation of Para 31 of the Scheme that stipulates no overdrawal in the Interest Suspense Account. Considering the sentiments of seafarers on

prevailing bank deposits rates and keeping in view of fund position the majority of the Trustees recommended to fix the rate at 7.5% for the year 2006-2007. The seafarers representatives however expressed their protest and reiterated at any rate lower than 8.5% is not acceptable.

After further discussion the Board fixed the rate of interest at 7.5% to the seamen members accounts for the year 2006-07 subject to Government approval.

Item No 4: Approval of Annual Report on the working of Seamen's Provident Fund Scheme, 1966 for the year 2005-2006.

The Board approved the draft Annual Report for the year 2005-2006 with following amendments/corrections.

Sr. No	Para	Corrections/amendments
1	6.1	12% of wages to be deleted
2	7.1	Total amount of Rs 480.45 Crores in the first para be substituted by Rs 519.49 crores being the correct position
3	Annexure-3 (Para 9)	Under the Column Interest Earned for the year 2005-06 the amount of Rs 31,034,539.34 with provision of amount be added

The Board while approving the Draft report expressed its concern over these avoidable errors and directed Secretary to ensure such errors are not repeated.

Item No 5: Approval of Annual Accounts for the year 2005-2006

The Board approved the Annual Accounts for the year 2005-06 and accepted the physical verification certificates of investments made by the Internal Auditor that was placed on the table with their Report No IE

The Board also considered the review report and

observations of the Internal Auditors on annual accounts contained in their letter dated 22-05-2006. While the Board noted compliance regarding revised rate of depriciation on Fixed assets, Further it accepted the observation to treat premium or discount by amortizing the premium or discount over the remaining life of investment to reflect the real income of the fund for implementation from 01-04-2007 subject to approval of the Government.

Item No.6: Budget Re-appropriation 2005-2006.

The Board noted the position.

Item No7: Appointment of Internal Auditors for Seamen's Provident Fund Organization for the year 2006-2007

The Board considered the request of Internal Auditors for enhancement of Audit fee from Rs.18000/- to Rs.22000/-. It was noted by the Board that the fee was increased from Rs.15000/- to Rs.18000/- during last year. Hence considering an increase now is unreasonable, further the fee requested by them is rather on higher side. After prolonged discussion the Board agreed to enhance the fee from Rs.18000/- to Rs.20000/- per quarter and decided to appoint m/s. Contractor Nayak & Kishnadwala as Internal Auditors for a further period of one year from 01-04-2006

Item No8: Appointment of Legal Consultant for Seamen's Provident Fund Organization for the year 2006-2007

The Board agreed to extend the appointment of Ms. S. Priya, Advocate as Legal Consultant for a further period of one year from July, 2006, on existing terms and ~~conditions~~ conditions.

Item No.9: Receipts Payments and settlement of claims position

Noted by the Board

Item No.10: Discussion on Internal Auditor's Report No.3 for the year 2005-2006 (From October 2005 to December 2005)

The Board considered Internal Auditor's Report together with their report No.4 for the year January, 2006 that was placed on the table. The Board inquired about the refund of tax deducted at source by m/s. Can Bank Computer Services Ltd, Bangalore. The Secretary informed that for obtaining refund PAN is required and even EPFO does not have pan. He further informed that an application has been made the Income Tax Department for fresh exemption on the advice of Income Tax authorities as the earlier exemption was obtained in 1996. Capt. Hiranandani pointed that he is a member of various societies which are exempted by Income Tax Department and obtained PAN and are filing NIL return every year. The Board then decided that the Seamen's Provident Fund Organization should also obtain PAN and file NIL return.

Noting that several audit comments had not been replied to or corrective action completed the Board decided that the finance Committee of the Board should be called together every quarter or more frequently if need be, and audit repots with action in each point put up before it.

It was also desired that Secretary inform the audit Company that its reports should be submitted on time.

Item No.11: Delay in payment of Provident Fund Contributions - Levy of Damages - Show Cause Notice

The Board considered the request of the Directorate of Shipping Services, Andaman and Nicobar Administration, Port Blair to extend the time limit for remittances of Provident Fund dues from 30 days to 60 days. The Board further noted that 15 days over and above the stipulated period of 15 days is available even at present. There is no justification in the request and therefore the Board did not accede the request for the enhancement of period from 30 days to 60 days.

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Item No.12: Handing over of Duplicate Certificate of 14% GOI 2005 Face value of Rs.3 Lakhs from Reserve Bank of India.

The Board considered the request of m/s. Cyanmid Officers Provident Fund for refund of interest amounting to Rs.147000/- and decided to refund the same to them.

Item No.13: Appointment of IDBI Capital Market Services Ltd as Portfolio Managers of Seamens Provident Fund Organization for the year 2006-07

The Board accepted the recommendations of the Finance Sub-Committee and approved the appointment of m/s IDBI Capital Market Services Ltd. as Port Folio Manager for further a period upto 31-03-2007 subject to approval by the Government.

Item No.14: Position of Court Cases towards recovery of the amounts lost in the securities scam.

The Board noted the position.
The Board instructed the Secretary to meet the advocate in Civil Suits for recovery of security scam amounts and to find out the ways and means to expedite the courts decision in the matter. The Board further reiterated its earlier instructions to have regular and periodic liaison with the advocates in all court cases for follow up actions.

Item No.15: Recovery position of Damages during the period from 01-01-2006 to 31-03-2006 (Placed on Table)

The Board perused the statement.
The meeting then came to an end with a vote of thanks to the Chair.

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