

MINUTES OF THE 132nd MEETING OF THE BOARD OF TRUSTEES OF THE SEAMENS' PROVIDENT FUND ORGANIZATION (SPFO), MUMBAI, HELD ON TUESDAY, THE 4th SEPTEMBER, 2018 AT 4.00 P.M IN THE CONFERENCE ROOM OF THE DIRECTORATE GENERAL OF SHIPPING, 9TH FLOOR, BETA BUILDING, I-THINK TECHNO CAMPUS, KANJURMARG-EAST, MUMBAI-400 042.

The meeting was chaired by Dr. Malini V. Shankar, IAS Director General of Shipping and Chairperson of Board of Trustees, SPFO.

Following members were present in the Board:-

1.	Shri. N.R Saraiya	...	Member
2.	Capt. Rajesh Tandon	...	Member
3.	Shri. S. Kalaikovan	...	Member
4.	Shri. Subhash Barguzer	...	Member / Secretary

2. Shri.Abdulgani Y Serang vide letter dated 27.08.2018 informed that he will not be able to attend the meeting as he would be out of station during the time of meeting. Shri. S. K Aggarwal, Central Provident Fund Commissioner, EPFO vide email dated 04.09.2018 informed that he will not be able to attend the meeting due to urgent official assignment and has authorized Shri.Ankit Goel, Asst Commissioner, EPFO to attend the meeting on his behalf. Shri.Shambu Singh, Financial Adviser, MoS vide email dated 30.08.2018 and Shri.Amar Singh Thakur vide email dated 03.09.2018 informed that due to preoccupied in assignments they will not be able to attend the meeting. Shri.Vinay Singh telephonically informed that he will not be attending the meeting. Accordingly leave of absence was granted to the above members. Shri.Jayaseelan Idas, Director, Ministry of Shipping attended the meeting as an special invitee.

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

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

Agenda Item No. 1: Confirmation of the Minutes of the 131st Meeting of the Board of Trustees, Seamen's Provident Fund Organization, Mumbai held on 20/03/2018.

1.1 Minutes of the 131st meeting of the Board of Trustees, Seamen's Provident Fund held on 20th March, 2018 was confirmed without any modification.

Agenda item No.2 : Action Taken Report

(A) Pertaining to action points that had emerged in the 131st meeting held on 20/03/2018:-

S. No.	Agenda	Subject	Action taken	Decision taken
1	Agenda item No.2, Sr.No.1 (under Action Taken Report) in the 131 st Board meeting held on 20.03.2018	(Digitization of old records of SPFO).	An amount of Rs.166,752/- was released to NICS I for digitization of 'A' category records on 20.04.2018. However, the work order was issued on 29.06.2018 by NICS I to M/s.Writer Business Services Pvt Ltd. Accordingly, the work has been started on 13.07.2018. As on date 24.08.2018, 1,25,000 records under the category 'A' has been digitized.	Secretary briefed the members that the work of digitization commenced on 13.07.2018 and under 'A' category 1,46,000 records has been digitized. Members noted the position.
2	Agenda item No.2, Sr.No.2 (under Action Taken Report) in the 131 st Board meeting held on 20.03.2018	E – Banking & Development of New Application Software in Microsoft Visual Basic (latest version) / Microsoft VB Net or any other latest Software Development Platform and switchover from existing System with migration of existing data.	A letter dated 21.05.2018 was sent to DGS regarding facilitation of cloud services to SPFO (Enclosed as Annexure A'). Matter is being followed up with DGS. Further, an email dated 14.08.2018 was received from NICS I stated that validity period of PI has expired and if required to retain these services then to re-initiate the process to validate the PI and payment. They further stated that the reserved space will be allocated to some other user if not reverted. Accordingly, an email dated 14.08.2018 was sent to NICS I for extending the validity period. However, NICS I informed that they cannot hold the PI beyond the validity period and whenever SPFO requires the resources a fresh request can be placed. The Board may decide. Further, it is informed that a demonstration by M/s.STPL was conducted on 31.05.2018 by Shri.Phani Kiran, software engineer of M/s.STPL, Smt.Savita Gawli, General Manager, NICS I, Mumbai and staff members of SPFO	1)Shri.N.R Saraiya stated that the validity period of PI has expired (valid for 3 months) and if the process is re-initiated then will the cloud service charges of Rs.7.70 lakhs p.a. be same as quoted before by NICS I. Asstt. Admn Accounts Officer stated that an email dated 04.09.2018 is received from NICS I wherein they have stated that the amount will remain unchanged. Secretary informed that an email dated 04.09.2018 is received from Shri. Deependra Singh Bisen, ADG, Directorate General of Shipping, Mumbai informing that The Directorate in his RPF for revamp of e-governance project has included the SPFO module, so whenever the project will go live (as per timeline submitted by Rolta in the month of December 2018) the Cloud based DC and DR will be up and running. He has further advised to make

			<p>wherein Suggestions / modification were noted by M/s.STPL and staff.</p> <p>An email dated 08.06.2018 was received from STPL stating that they had successfully installed new application and database in SPFO's local server and it will work locally in PC with the link provided. He suggested the software application be tested and corrections / suggestions if any be conveyed. Accordingly, few correction / suggestions were conveyed to STPL from time to time and the last communication was made on 26.07.2018 with M/s.STPL is annexed at 'B'. Revised alteration / modification as per our requirement in software from STPL is yet to be received.</p>	<p>temporary arrangement till December 2018.</p> <p>Board decided that it may take longer time therefore instructed SPFO to arrange temporary cloud service for 1 year from NICSI.</p> <p>2) Secretary briefed the members stating that STPL will be providing the software for testing before 30th September, 2018 as per the telephonic conversation with Mr.Ajit Sarangi. Further, Secretary stated that a representative of STPL visited SPFO and he was provided with the details of modification / corrections required in the new system.</p> <p>Mr.Ankit Goel suggested that STPL team should visit EPFO office for studying the software.</p> <p>Members noted the position.</p>
3	Agenda item No.2, Sr.No.3 (under Action Taken Report) in the 131 st Board meeting held on 20.03.2018	Changes Suggested in SPF Act / Scheme on the basis of EPF Act / Scheme - Formation of Investment Monitoring Cell & Appointment of Concurrent Auditor.	Fresh proposal vide letter dated 14.05.2018 is made to EPFO to nominate a relevant expert authority as a member of the Committee. Reminder dated 14.08.2018 also issued to EPFO. Reply is awaited.	Mr.Ankit Goel informed that a letter dated 23.05.2018 has been sent to their head office, New Delhi for nominating a relevant expert authority as a member of the Committee.
4	Agenda item No.2, Sr.No.5 (under Action Taken Report) in the 131 st Board meeting held on 20.03.2018	Amendment in Recruitment Rules.	<p>(1)(a) RR of Commissioner has been approved by the Law Ministry, Gol and it has been forwarded for publication in Government notification.</p> <p>(1)(b) A letter dated 12.07.2018 has been sent to DGS, Mumbai to intimate latest status of the proposal of general pool accommodation to Commissioner. Reply is awaited.</p> <p>(2)A letter dated 26.02.2018 is received from DGS wherein</p>	<p>(1)(a) The Board noted the position.</p> <p>(1)(b) The Board noted the position.</p> <p>(2) Secretary informed the members that the RR of SPFO staff members is</p>

			clarification is called for RR for the post of AO, AAO and OS. A reply was sent to DGS on 05.03.2018 for further action. The matter is being followed up regularly.	under submission to DG for approval.															
5	Agenda item No.2, Sr.No.6 (under Action Taken Report) in the 131 st Board meeting held on 20.03.2018	Clearance of Un-posted Items.	<p>1) A separate Agenda is placed under item No.10.</p> <p>2) It is submitted that there is no provision in SPFO accounting system for splitting company wise with year wise break up of mismatch, overlapping and duplicate items. However, a list of mismatch with break up is prepared manually in excel sheet which is placed at annexure 'C'.</p>	The matter is discussed under item No.10.															
6	Agenda item No.2, Sr.No.7 (under Action Taken Report) in the 131 st Board meeting held on 20.03.2018	Settlement of unclaimed amount of seafarers of the unclaimed amount of Rs.47.19 crores.	<p>1) It is submitted that the amount un-claimed by Seafarers was transferred to in-operative account as per Board's decision. However, in the 86th Meeting held on 04.10.2001 the Board decided that all the in-operative account may be reactivated due to loss of interest to the Seafarers. Accordingly, all the in-operative accounts were re-activated.</p> <p>Further, while developing the new system, we may make provision to incorporate the transfer the unclaimed PF amount to forfeiture account but the Seafarers may lose interest.</p> <p>The Board may decide.</p> <p>2) The latest position of the unclaimed amount is given below :-</p> <table border="1" data-bbox="737 1653 1066 1998"> <thead> <tr> <th></th> <th>No. Of cases</th> <th>Amt (In Cr)</th> </tr> </thead> <tbody> <tr> <td>Total cases</td> <td>4483</td> <td>47.19</td> </tr> <tr> <td>Cases settled till 31.12.2017</td> <td>404</td> <td>9.94</td> </tr> <tr> <td>Cases settled from 01.01.2018 to 31.03.18</td> <td>45</td> <td>1.73</td> </tr> <tr> <td>Total cases settled</td> <td>449</td> <td>11.67</td> </tr> </tbody> </table>		No. Of cases	Amt (In Cr)	Total cases	4483	47.19	Cases settled till 31.12.2017	404	9.94	Cases settled from 01.01.2018 to 31.03.18	45	1.73	Total cases settled	449	11.67	Secretary briefed the members stating that total 449 cases have been settled amounting to Rs.11.67 crores. Chairperson enquired as to why the seamen have not claimed. Accordingly, Asstt Admn. Accounts Officer informed that the major cases in unclaimed amount are the balance amount after releasing first payment and amount transferred from dead account to active account in 2002 for which the addresses are not available. Annual account slip is sent yearly to the Seafarers. Besides, correspondence has been made to the members whose addresses are available with SPFO and the list is uploaded in the SPFO website. Capt.Rajesh Tandon stated that some seamen are ignorant about PF amount, therefore are not claimed by them. Further, Asstt. Admn Accounts Officer informed that as per Board's approval
	No. Of cases	Amt (In Cr)																	
Total cases	4483	47.19																	
Cases settled till 31.12.2017	404	9.94																	
Cases settled from 01.01.2018 to 31.03.18	45	1.73																	
Total cases settled	449	11.67																	

			<p>Further, as per DGS list of 575 Seafarers, wherein the full address is found, 255 letters were issued to seafarers for claiming the FW. Besides, the account slip for the financial year 2016-17 has also been sent.</p> <p>Further, the approval for fixation of rate of interest for crediting the interest in the seafarer account for the financial year 2017-18 has been received late vide their letter dated 13.06.2018. Hence, the interest is calculated in the month of June 2018 therefore the first quarter i.e. April to June 2018 unclaimed amount was not settled. However, the efforts are being made to reduce the unclaimed amount in the second quarter.</p>	<p>the amount was transferred to in-operative account but in the 86th Board of Trustee meeting held on 04.10.2001 the Board decided to re-activate the dead account as the Seafarer is losing interest if kept in dead account. Accordingly, the dead accounts were activated.</p> <p>Chairperson stated that there should be some criteria to transfer the fund to forfeiture account.</p> <p>It was agreed that an age wise and amount wise data of seafarers' unclaimed amount will be made and placed in the next Board meeting to decide on the amount which can be transferred to forfeiture account.</p>
7	Agenda item No.2, Sr.No.10 (under Action Taken Report) in the 131 st Board meeting held on 20.03.2018	Doubtful investment in Bonds to the tune of Rs.19.60 Lakhs (Face Value Rs.20 Lakhs) in 16% Gujarat Small Industries Corporation Limited.	Action completed. A letter dated 07.05.2018 is received from Ministry of Shipping stating that the proposal to write off doubtful investment made in GSICL was taken up with Ministry of Finance, Department of expenditure and agreed to the proposal vide letter dated 24.04.2018.	The Board noted the position.
8	Agenda item No.2, Sr.No.13 (under Action Taken Report) in the 131 st Board meeting held on 20.03.2018	Audit Committee observations of the meeting held on 22.12.2016.	Action completed. All the data of SPF main account, Admin account, forfeiture account, staff pension & Gratuity account and General provident Fund account required for making annual account is incorporated in the tally package.	The Board noted the position.
9	Agenda item No.2, Sr.No.15 (under Action Taken Report) in the 131 ^s Board meeting held on 20.03.2018	Fixation of rate of interest for credit to the members account for financial year 2017-18.	Action completed. In responsetothisoffice clarification, a letter dated 13.06.2018 is received from the Ministry of Shipping conveying approval of the Govt for fixation of the rate of interest @8.5% for the financial year 2017-18.	The Board noted the position.
10	Agenda item No.2, Sr.No.17 (under Action	Actuarial Valuation for SPF Staff / Officers, Pensioners,	(1)No further letters are received from the Ministry of Shipping	The Board noted the position.

	<p>Taken Report) in the 131st Board meeting held on 20.03.2018</p>	<p>Gratuity, Leave Encashment, etc.</p>	<p>regarding recoupment of 11.23 crores under the head "Staff Pension Gratuity Fund Account" as per Actuarial valuation report as on 31.03.2016. However a reminder was sent to them on 23rd August, 2018.</p> <p>(2)Global Risk Consultants vide email dated 24.08.2018 submitted draft report for the actuarial valuation as on 31.03.2017 amounting Rs.19.19 crores which includes leave encashment, pensioners, existing staff. However, clarification is called from them. Further the actuarial valuation for the financial year 2017-18 is under process.</p>	
11	<p>Agenda item No.2, Sr.No.18 (under Action Taken Report) in the 131st Board meeting held on 20.03.2018</p>	<p>Appointment of two Accountants (Junior Assistants) on regular basis and one Hindi translator on contract basis.</p>	<p>Action completed. Two Junior assistants i.e. Ms.Supriya S More and Mrs.Rajshree T Malkar are appointed on 24.04.2018 and 02.07.2018 respectively.</p> <p>Besides the work of Hindi translator is carried out on job work and on contract basis as the placement agency of M/s.Shreeram agency has not sent any candidate for the post.</p>	<p>The Board noted the position.</p>
12	<p>Agenda item No.2, Sr.No.19 (under Action Taken Report) in the 131st Board meeting held on 20.03.2018</p>	<p>Internal Repair / Renovation of office premises of SPFO.</p>	<p>(1) An amount of Rs.55 lakhs and Rs.26 lakhs was released on 27.03.2018 towards payment against civil & furniture works and electric works respectively to CPWD as advance payment.</p> <p>(2) Letter from MBPT for allotment of premises is still awaited. However, due to critical position (fall of ceiling) of SPFO office premises, office is shifted to Seamen Employment Office, "Nav Bhavan" till allotment of premises from MBPT. Further, it is informed that a letter dated 16.08.2018 has been sent to DGS for allotment of office premises in ground floor of "Nav Bhavan" which is vacant.</p>	<p>The Board noted the position.</p>

13	Agenda item No.2, Sr.No.20 (under Action Taken Report) in the 131 st Board meeting held on 20.03.2018	Revision of Pay Scales as recommended by the 7th Pay Commission for the Officers, Staff and Pensioners of the organization.	Action completed. The arrear payment of 7 th CPC amounting Rs.14,35,327/- was paid to the existing staff members on 26.03.2018 and arrears to the pensioners of SPFO amounting Rs.26,60,000/- approximately is under submission.	The Board noted the position.																														
14	Agenda item No.2, Sr.No.22 (under Action Taken Report) in the 131 st Board meeting held on 20.03.2018	Administrative charges. Noted: (a) In this connection, it is informed that some of the Shipping companies are depositing PF contribution of their officers. However most of the Shipping Companies are not depositing PF contribution of their officers in spite of issuance of two Circulars dated 18.05.2015 and 24.03.2017. List of Shipping companies depositing and not depositing PF of officers is enclosed Annexure 'F' .	Instructions has been sent vide letter dated 9 th July 2018 to the shipping companies those who are not registered with SPFO and those who are registered with SPFO but not depositing PF dues with SPFO and who are not depositing PF dues of officers.	Secretary informed that letters are sent to all the shipping companies as per the list provided by DGS e-governance and accordingly, responses are being received from the shipping companies. Chairperson recommended to send reminders to the Shipping companies who have not complied with the PF remittance.																														
15	Agenda item No.6, in the 131 st Board meeting held on 20.03.2018	Appointment of one Multi tasking staff on regular basis. As per BoT decision in the 76 th Meeting of BoT, SPFO held on 28.11.1996, the total sanctioned strength is as under:- <table border="1" data-bbox="343 1411 694 1825"> <thead> <tr> <th>S. No</th> <th>Group</th> <th>Total sanctioned Strength</th> <th>Filled up</th> <th>Vacant</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>'A'</td> <td>2</td> <td>--</td> <td>2*</td> </tr> <tr> <td>2.</td> <td>'B'</td> <td>1</td> <td>--</td> <td>1</td> </tr> <tr> <td>3.</td> <td>'C'</td> <td>28</td> <td>12</td> <td>16</td> </tr> <tr> <td>4.</td> <td>'D'</td> <td>5</td> <td>1</td> <td>4</td> </tr> <tr> <td>Total</td> <td></td> <td>36</td> <td>13</td> <td>23</td> </tr> </tbody> </table>	S. No	Group	Total sanctioned Strength	Filled up	Vacant	1.	'A'	2	--	2*	2.	'B'	1	--	1	3.	'C'	28	12	16	4.	'D'	5	1	4	Total		36	13	23	(1)An excel sheet is prepared and is placed at Annexure 'D'. (2)A list of work carried out by contractual workers including multitasking staff is annexed at 'E'. Further, it is submitted that a quotation was uploaded in SPFO website for appointment of placement agency for supply of manpower on job work basis as the contract is expiring on 31.08.2018. One multitasking staff is required to be appointed on regular basis for important indoor and outdoor work and also for opening and closing the office considering accountability of a regular staff in comparison to person hired on contract. Board may decide.	Board decided that one multitasking staff may be appointed.
S. No	Group	Total sanctioned Strength	Filled up	Vacant																														
1.	'A'	2	--	2*																														
2.	'B'	1	--	1																														
3.	'C'	28	12	16																														
4.	'D'	5	1	4																														
Total		36	13	23																														
16	Agenda item No.7, in the 131 st Board meeting held on 20.03.2018	Non-settlement of PF dues, due to various reasons. Financial year from 1999-2000 to 2008-09.	As per the address provided by NUSI of 15 Seafarers, letters were issued to Seafarers for calling bank details, voyage proof, LHR, FW application etc.	The Board noted the position.																														

			Out of 15 cases, 3 FW cases are settled during April, 2018 to July 2018.	
17	Agenda item No.04 in the 131 st Board meeting held on 20.03.2018	Revised Estimates for the Financial year 2017-18 and Budget Estimates for the Financial year 2018-19.	Action completed. A letter dated 25.06.2018 is received from Ministry of Shipping informing approval of revised estimate for the financial year 2017-18 and budget estimate for the financial year 2018-19.	The Board noted the position.
18	Agenda item No.5 in the 131 st Board meeting held on 20.03.2017	Fixation of rate of interest for credit to the Members accounts for the year 2018-19	A letter dated 18.04.2018 has been sent to the Ministry of Shipping for approval of rate of interest for the financial year 2018-19. A reminder dated 20.08.2018 has also been sent to the Ministry.	Secretary informed that a letter dated 13.08.2018 is received from the Ministry of Shipping stating that the rate of interest for the financial year 2018-19 will be approved after providing the actual interest earned on total investment of SPFO main account during the financial year 2018-19 as was done for the financial year 2017-18.
19	Agenda item No.7 in the 131 st Board meeting held on 20.03.2018	Appointment of Internal Auditors	A separate Agenda is placed under item No.8.	The matter is discussed under agenda item No.8.
20	Agenda item No.8 in the 131 st Board meeting held on 20.03.2018	Exemption under Section 20 of Seamen's Provident Fund Act 1966 to Shipping Companies	A letter dated 06.06.2018 was sent to EPFO to provide the rules of EPFO for exempting the employer who apply for exemption towards payment of Provident Fund contribution so that SPFO can frame the guidelines for exemption to Shipping companies. In response, a letter dated 15.06.2018 is received from EPFO and accordingly the Committee met on 16.07.2018. However, the members felt some more time is required to study this matter and the report will be submitted in the next Board meeting.	Shri.N.R.Saraiya informed that in the 61 st FSC meeting held on 04.09.2018, a list of 36 conditions under exemption is provided by Mr.Ankit Goel, Asst. Comm, EPFO. Chairperson instructed to submit report in the next Board meeting.
21	Agenda item No.10 in the 131 st Board meeting held on 20.03.2018	Status of Court cases (Including doubtful investment)	A separate Agenda is placed under item No.09.	The matter is discussed under agenda item No.09.
22	Agenda item No.12 in the 131 st Board meeting held on 20.03.2018	Issuance of No Objection Certificate for various vessels of Shipping Corporation of India	A separate Agenda is placed under item No.09.	The matter is discussed under agenda item No.09.

23	Agenda item No.13 in the 131 st Board meeting held on 20.03.2018	Memorandum of Understanding between SPFO Mumbai and Ministry of Shipping, Gol	Action completed. The Commissioner discussed this issue with Mr.Satish kumar, Under Secretary who in turn opined that the issue was basically for Gol under takings and not for autonomous Bodies like SPFO and SWFS.	The Secretary stated that Mr.Satish Kumar clarified that MOU is not required for SPFO and SWFS. Board noted the position.
24	Table paper No.1 in the 131 st Board meeting held on 20.03.2018	One time settlement scheme of UP State Yarn Co Ltd	Action completed. As per the decision of the Board, acceptance of the proposal for one time settlement scheme towards unpaid principal amount of Rs.89.75 lakhs along with affidavit and other documents were sent to UPSYCL. Accordingly UPSYCL has credited SPFO account with Rs.89.75 Lakhs on 13.04.2018.	The Board noted the position.

Agenda Item No.03:-

Minutes of the Audit Committee's meeting held on 16.07.2018.

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

3.2 The Board of Trustees confirmed the same.

Agenda Item No.4:-

Annual Accounts for the year 2017-18.

4.1 Asst Admn Accounts Officer informed that CAG audit has been completed on 24.08.2018 and there are no any adverse remarks / observation during the course of audit. The Board deliberated on the statement of accounts and thereafter adopted and approved the Annual Account for the Financial Year 2017-18 as per the recommendations of the Finance Sub-Committee.

Agenda Item No.5:-

Annual Report on working of seamen's Provident Fund Scheme, 1966 for the year 2017-18.

5.1 The recommendations of Finance Sub-Committee was considered by the Board and the Annual Report for the year 2017-18 was approved and adopted.

Agenda item No.6:-

Re-appropriation of Expenditure incurred during the Financial year 2017-168

6.1 The re-appropriation of expenditure of the SPFO incurred during the financial year 2017-18 was approved by the Board.

Agenda item No.7.- Appointment of Portfolio Manager for the period of two years 2017-18 and 2018-19.

7.1 The Secretary informed that an email dated 27.06.2018 was received from SBI Fund Management Pvt. Ltd., wherein they have mentioned that for mandate with AUM (Assets Under Management) over Rs. 1000 Crores their fund manager fees range from 0.01% to 0.02% p.a. The custody and fund accounting fees are separate which will not exceed Rs. 10 lakhs p.a. SPFO has total corpus fund balance of Rs. 1640 crores approximately as on 31.03.2018. The total AUM charges will be around Rs. 16.40 lakhs @0.01% and Rs. 32.80 lakhs @0.02% plus tax. Further, again vide email dated 10.08.2018 M/s.SBI Fund Management Pvt Ltd informed that they have decided to match the pricing of SBI in terms of portfolio management of Rs. 0.01% of the money invested annually which will be around Rs. 3 to 4 lakhs and custodial charges Rs. 50 to Rs. 60 thousand p.a. approximately.

7.2 After prolonged discussion, the Board approved the appointment of M/s.SBI Fund Management Pvt Ltd as Portfolio Manager of SPFO for the period of January, 2019 to March, 2019, and thereafter, it may be extended further for 2019-20 and 2020-21 on financial year basis based on performance.

Agenda item No.8.- Appointment of Internal Auditor for SPFO

8.1 Chairperson enquired as to why the internal auditor is not appointed for 3 years. Asst. Admn. Accounts Officer informed that as per the decisions in the 15th Audit Committee meeting held on 3rd and 7th July, 2015, the Internal Auditor term should not be beyond 2 years.

8.2 Shri.N.R Saraiya stated that the present internal auditor period may be extended for next three months or till appointment of new internal auditor on pro-rata basis.

8.3 Chairperson suggested that approval for appointment of internal auditor for two years and thereafter may be extended to 1 year based on their performance.

8.4 The recommendations of Finance Sub-Committee to appoint M/s.R.Seth & Associates as Internal Auditor of SPFO approved by the Board for 2 years and further extension for one year on same terms and conditions based on performance of the firm.

Agenda item No.9.- Status of Court cases (Including doubtful investment).

9.1 The Secretary briefed the members stating that no action is been initiated by the Advocate (Government Council). Letters were issued to the Law Ministry to appoint a new Government Council but no reply is received. Shri.Ankit Goel stated that when huge amount of Rs.92.78 Crores is involved then why a private advocate is not appointed. Secretary stated that the case of Rs.92.78 crores is in CBI Court. He further stated that if a private advocate is appointed then a huge amount will be spent as seen in the case of UP Co-operative Spinning Mills Federation Ltd wherein total amount spent is Rs.10.10 crores for recovery of Rs.46 Lakhs which is still under process.

9.2 Chairperson suggested that the case of GSICL which is to be written off is required to be closed and therefore further action be initiated. Accordingly, AAAO informed that a letter dated 13.08.2014 was received from Adv. Paurami Seth along with Court judgement stating that the Hon'ble Court has not accepted SPFO Appeal and the matter stands dismissed. Hence, the Board decided to send a letter to Ministry for write off.

9.3 Chairperson enquired about the court cases of GSICL and UPSYCL. AAO informed that the approval for write off of GSICL is received from the Ministry of Shipping on 07.05.2018 and the principal amount of UPSYCL is received which will be accounted in the books of accounts in the next financial year 2018-19

9.4 Shri.N.R.Saraiya stated that the amount of Rs.3.50 lakhs is spent on this case against Rs.1.62 Lakhs. Asst. Admn Accounts Officer informed that the case is filed on SPFO therefore it cannot be closed. Shri.N.R.Saraiya stated that when the Seafarer is already paid the amount and is informed to the Court then it is not required to pursue the matter. He suggested to ask the Advocate regarding the same.

9.5 Capt.Rajesh Tandon suggested that the heading should be "Shipping Corporation of India vs Vindhyawashini & Chinar and not "Shipping Corporation of India'.

9.6 Shri.Jayaseelan Idas suggested to provide the letter which was sent to the Law Ministry for appointment of another Government Council on behalf of Civil suit case No.633/2004 for recovery of Rs.92.78 crores of security scam which was noticed in 2002.

Agenda item No.10.:- Clearance of Unposted items.

10.1 Chairperson enquired as to why only 319 cases are cleared during the financial year 2018-19. Asst Admn Accounts Officer informed that approval for rate of interest for the financial year 2017-18 was received late from the Ministry vide letter dated 13.06.2018 therefore the account for the financial year 2017-18 was not closed through system. Hence, new financial year transactions were not recorded in system till closing of the financial year 2017-18 in system. Therefore, no clearance of un-posted could be done from April 2018 affecting the clearance of unposted items.

10.2 Capt.Rajesh Tandon stated that 2 new assistants have been appointed therefore extra hand be given for clearing unposted items.

10.3 Chairperson instructed to reduce the un-posted items and submit progressive report accordingly.

Agenda item No.11.:- Investment made for the period from 01.04.2017 to 31.03.2018.

11.1 Shri.N.R.Saraiya asked the representative of SBI Port folio manager of SPFO to point out the guidelines wherein the percentage is not required to be maintained at the end of the financial year. Shri.Monu kumar, representative of SBI (portfolio manager of SPFO) informed that the pattern is required to be maintained on the incremental investment which is maintained but the pattern cannot be maintained on the total holdings. Capt. Rajesh Tandon stated that the matter has been discussed and is found that the pattern may vary during the financial year but it is to be maintained at the end of the financial year.

11.2 Shri.Monu Kumar, stated that he will verify and let Board know whether the pattern is required to be maintained on total holdings also.

Table Paper No.1

Contributory Annuity Scheme for Seafarers.

T.1 Capt.Rajesh Tandon proposed that the matter may be discussed when Shri.Abdulgani Y Serang is present to debate the issue.

T.2 Secretary informed that a draft proposal for the Amendment in the Seamen's Provident Fund Act, 1966 and for the Contributory Annuity Fund Scheme (CAFS) was sent to the Ministry vide letter dated 09.09.2014. In response, a letter dated 01.09.2015 was received from the Ministry that "a Seamen Provident Fund Amendment bill, 2007 is still pending in Rajya Sabha since 2007. In view of this, the second amendment bill cannot be processed". Further, Secretary informed that Ministry vide letter dated 18.04.2017 informed that pursuant to Cabinet approval, the Seamen's Provident Fund (Amendment Bill), 2007 has been withdrawn by the Ministry of Shipping from Rajya Sabha on 07.04.2017.

T.3 Chairperson stated that with part time Commissioner, the matter cannot be studied properly.

T.4 Chairperson instructed to provide details, synopsis in the next meeting.

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

Date: 17.09.2018


(Subhash Barguzer)
Commissioner