

Minutes of the 92nd Meeting of the Committee of Management of the SWFS
held on 23.6.2021@ 12.00 noon.

The virtual 92nd meeting of the Committee of Management of the Seafarers Welfare Fund Society (the SWFS) was held on 23.6.2021 @ 12.00 noon. The meeting was presided over by Shri Amitabh Kumar, IRS, Director General of Shipping and Chairman of the Committee of Management of the SWFS.

2. The list of participants who attended the meeting is placed at Annexure-I hereto.

Leave of absence was granted to Capt. C. Carvalho. Capt, S.M. Halbe attended the meeting on behalf of Capt. C. Carvalho.

3. The Chairman welcomed all the members who attended the meeting and the agenda items were taken up for discussion and following is the brief of the deliberations/discussions and decisions taken during the meeting.

4. Agenda Item No. 1 & 2 : Confirmation of the minutes of the 91st COM meeting held on 23.5.2020 and the Action taken Report (ATR) on the decision taken at the 91st COM meeting.

4.1 The Chairman-SWFS observed that the previous meeting i.e. 91st COM meeting was held on 23.5.2020 and now the 92nd COM meeting is being held today and wanted to know the reasons why the meeting was not held in between and what is the periodicity of conducting the COM meeting as per Memorandum of Association (MoA) of the SWFS.

4.2. It was informed that the COM meeting is to be conducted once in a quarter as per Preliminary Rules of the Society. It was informed that due to Covid-19 outbreak and lockdown imposed the regular employees are called on rotation basis and hence the meeting could not be convened. The CAAO assured that in future the COM meetings will be convened as per Preliminary Rules of the SWFS.

4.3. The members of the COM concurred with the minutes and confirmed the same. The members also confirmed the Action taken report given in agenda item 2.

(Action : Member Secretary & CAAO)

5.0 Agenda Item No. 3: To consider the request received from Seafarers' Club, Chennai for financial support of Rs. 25 lacs to Rs. 30 lacs either as a grant-in-aid or as a long term interest free loan.

5.1. The members of the committee have gone through the agenda and observed that as per letters dated 21.10.20 & 11.12.20 and financials projections submitted, the Seafarers' Club, Chennai is going through the bad financial position due to lockdown and various restrictions imposed by the Government due to COVID-19 outbreak. The members have also gone through the Memorandum of Association of the SWFS.

5.2 Shri Abdulgani Serang informed that the Seafarers' Club, Chennai is providing the good welfare facilities to the seafarers. Due to pandemic outbreak of coronavirus their activities have restricted and as a result their earnings are affected very badly and he agreed that the SWFS should provide the financial support to the club. He further observed that the club needs money to meet its administrative

cost like wages, PF benefits, taxes, routine maintenance expenses and he desired to know whether the SWFS can give the financial assistance for this. Capt. Kenneth Sajnani and Capt. S.M. Halbe also supported the views of Shri Abdulgani Serang.

5.3. The members then have gone through the Memorandum of Association of the SWFS and observed that object clause nos. 3 (ii) and 3(xv) are relevant to the welfare of the seafarers. The CAAO read out those two object clauses, which are reproduced below.

Clause No. 3(ii) : To provide welfare facilities in general to seamen in ports in India and to seamen engaged as per provisions of section 101 of the Merchant Shipping Act, 1958 while at ports abroad.

and

Clause No. 3(xv): To do all other such things as in the opinion of the Society, are conducive to the welfare of seamen including aged, invalidated, distressed or destitute seamen or the families of seamen.

5.4. The Chairman informed that the Seafarers' Club, Chennai is providing the welfare facilities to the seafarers, while they are sign-on or sign-off, for attending various examinations, medical investigations etc. and for this they need to maintain and upkeep the club accommodation facility, canteen, building etc. for which the manpower is needed for which administrative expenses are required. Without incurring administrative expenses, the club will not be able to function and provide the minimum welfare facilities to the seafarers. Hence he suggested that the SWFS Committee should consider providing financial assistance by way of Grant-in-Aid. The Chairman advised to verify from the Registrar of the Societies and opinion from the Internal Auditors/Statutory Auditors whether the SWFS as per MoA can give a grant-in-Aid to the Club for this purpose and which documents / certificates needed to obtain from the Club.

5.5. Capt. Halbe further stated that when this agenda was circulated for taking decision, some members have provided their comments and requested for discussions on this issue. Capt. Halbe then read out the comments of the COM members and the matter was placed for discussions. Capt. Halbe further informed that as per information gathered by him from DG Shipping, there are three Seamen's Clubs in India under the control of Principle Officer, MMDs and those three clubs are located at Chennai, Kolkata and Kochi. Capt. Patankar was of the view that if SWFS give the financial assistance to the Seafarers' Club, Chennai, then other private clubs may also request for the financial support, in that case how to tackle those request. He further observed that the request of the Seafarers' Club, Chennai for financial support was received in October'20 and requested for the financial support of Rs. 25 lacs to Rs. 30 Lacs to meet their expenses for six months period ending June'21. The current coronavirus situation remains same as it was six months back and now they may be needed more funds to meet their expenses and hence suggested that the SWFS should write to them again for the required financial support and after the due diligence the finance can be provided to them.

5.6. The Chairman agreed to the views and the suggestion of Capt. Patankar and directed Member Secretary to write to the Secretary- Seafarers' Club, Chennai and obtain the latest position of the club and the finance required.

5.7. The Chairman also suggested that the Committee consisting of Shri S. Barguzer, DDG & Member Secretary-SWFS, Shri Abdulgani Serang, Capt. Tandon and Capt. Halbe be formed to study the clubs activities and functioning and the budgetary support required for Seafarers' Clubs at Chennai, Kolkata and Kochi, to ensure the welfare of the seafarers and to work out the schemes to support those three clubs.

The suggestion of the Chairman of formation of Committee is well taken by the COM members and agreed to the same.

5.8. All the members of the COM after discussion agreed that the SWFS should provide the financial support to the Seafarers' Club, Chennai, as requested by it, either by way of grant-in-aid or as long term interest free loan, after verifying and obtaining the opinions from the Registrar and Internal /Statutory auditors and the latest position of the Seafarers' Club Chennai.

(Action Member Secretary & CAAO)

6.0. Agenda Item No. 4: Appraisal and review of the new welfare scheme 'SWFS-Novel Coronavirus (COVID-19) Assistance Scheme for seafarers and their families implemented by the SWFS w.e.f. 23.5.2020 due to outbreak of coronavirus COVID-19 and the recommendations made by the Steering Committee in its meeting held on 8.1.2021.

6.1. The members were informed that the SWFS introduced the one time welfare scheme called "SWFS Novel Coronavirus (COVID-19) Assistance Scheme" for seafarers and their family members who get affected due to outbreak of pandemic coronavirus. This scheme is in operation since 23.5.2020. The members were also informed the statistical details about the number of applications received towards the death of seafarers due to Covid-19 and the in-patient hospitalisation applications received up to 31.5.2021 the number of cases settled and the amount disbursed up to 31.5.2021, the number of applications not considered and the reasons for the same and applications under process. The members have gone through the details provided in the form of statement and noted the same.

6.2 The members were also informed that as per scheme rules framed, the Steering Committee meeting was held on 8.1.2021 to consider the exceptional and doubtful cases under this scheme. The decisions and the recommendations taken by the Steering Committee were read out by the CAAO. The decisions taken by the Steering Committee were ratified by the members of the COM.

6.3. The members of the COM were informed that SWFS received the applications for in-patients hospitalisation claims of seafarers or their family members who have taken treatment in the non-Covid hospital i.e. the private hospital which are not included in the list of hospitals for COVID-19 treatment declared / nominated by the Central Government / respective State Government/ Union Territories/ District Administration/ Municipal Corporations. As the coronavirus affected patient has taken the treatment in the private hospital which is not declared by the above referred authorities, those claims were not considered as per scheme rules. The Chairman desired to know whether it is mentioned in our scheme. The CAAO confirmed the same. Capt. Halbe informed that when the scheme rules were framed at that time the members were not aware that the virus will spread so fast. Further due to limited capacity of beds for admitting the coronavirus patients in the Government hospitals the Government started declaring some big private hospitals for treatment of covid-19. However they also have limited number of beds available for covid-19 patient. Further in interior parts of India i.e. Semi-urban or Rural areas where no Government Hospitals are available, the patients has to be moved and admitted to some private hospitals for immediate treatment. Hence he proposed that the claims received by the SWFS for treatment taken in any private hospital for coronavirus covid-19 may be considered and processed by the SWFS. He further informed that for in-patient hospitalisation claims, there is already a cap of maximum of Rs. One lakh only and hence even if the hospitalisation expenses are more the amount is restricted to 50% of the claim or Rs. One Lakh only, whichever is less. Shri Abdulgani Serang supported the views of Capt. Halbe.

6.4. The Committee after discussion and deliberation decided to include the private Non-Covid hospitals also for consideration of in-Patient hospitalisation claims of seafarers and their families who get affected by coronavirus covid-19 and admitted for the COVID-19 treatment. The committee decided to amend the rules / eligibility criteria to include all the private Non-Covid hospitals/nursing homes also, from retrospective effect i.e. from the date of implementation of the scheme i.e. from 23.5.2020. The Chairman directed the SWFS administration to consider and settle all the previous bills submitted by the seafarers for in-patient hospitalisation treatment for coronavirus (Covid-19) treatment taken by seafarer or his/her family members, in the private Non-Covid hospitals, received by SWFS w.e.f. 23.5.20 onwards.

6.5. The members were informed that the Steering Committee in its meeting held on 8.1.2021 decided to extend the scheme up to 30.6.21. It was further informed that the COVID-19 situation is not yet ended in Indian and the Government authorities have predicted for third wave of coronavirus may start in next two to three months so that the scheme be extended further.

6.6. The Committee after discussions decided to extend the SWFS-Novel Coronavirus (COVID-19) Assistance Scheme till 30.6.2022.

6.7. Shri Mukul Dutta, Member Treasurer informed the members that, the Covid-19 patients who are having mild covid-19 are not admitted in the hospitals, but are advised for home / institutional quarantine of 14 days. And the designated quarantine centre doctor prescribes the medicines / tablets to be taken while home / institutional quarantine period. In such cases the patient expends the amount on purchase of those medicines / tablets, which is very nominal. The Member Treasurer requested the committee to consider such expenses incurred on medicines while in home /institutional quarantine.

6.8. The Committee of Management after discussion decided that considering such type of home /institutional quarantine cases, a lot of applications will start pouring in and it may lead opening of Pandora box and would mess up the purpose of the scheme and hence decided not to consider such applications under the scheme.

(Action : CAAO)

7.0. Agenda Item No. 5: To consider the letter received from one of the COM members Shri Abdulgani Serang of NUSI, representing seafarers, requesting the SWFS to bear the cost of administering the COVID-19 vaccine to seafarers and their family members.

7.1 The members of the Committee have gone through the agenda and a letter dated 5.1.21 received from Shri Abdulgani Serang, of NUSI and Member of the COM. Shri Abdulgani Serang informed that when the letter was issued at that time, there was no declaration by the Central Government about the free vaccination drive for COVID-19 to the Indian population. Now the Central Government has declared about free vaccination drive across the India for all Indian people aged above 18 years, hence the committee can decide to drop the agenda.

7.2. The Chairman after discussions with the other members decided to drop this agenda.

(No Action.)

8.0. Agenda Item No. 6: To consider and approve the financial quote received from M/s. CRISIL Limited for engaging them, as a consultant for selection of Fund Manager and Custodian for the SWFS for managing its funds and for evaluation of the performance of the selected Fund manager.

8.1. It was informed that as decided in the 89th COM meeting the bids were invited for appointment of Consultant for selection of Fund Manager, Custodian for the SWFS for managing the funds and for evaluation of the performance of the selected Fund Manager. The 1st bid which was invited on 18.10.2019, was rejected by the Consultancy Evaluation Committee (CEC) on technical ground, while inviting the bids. Hence the bids were re-published on 8.3.2021 on the website of the DG Shipping and SWFS received only one bid i.e. from M/s. CRISIL Limited. The Pre-qualification and Technical evaluations were done by the CEC and observed that M/s. CRISIL Limited is technically qualified for opening the financial bid submitted by it. The Financial bids were accordingly opened in the virtual meeting in front of the other members. M/s. CRISIL Limited quoted Rs. 32 lacs (Rs. Thirty two lacs only) towards the fees for selection of Fund Manager and Custodian for SWFS and Rs. 50 lacs (Rs. Twenty five lacs p.a.) for two years towards evaluation of performance of the selected fund manage. After observing the rates quoted by M/s. CRISIL Limited, the CEC decided to negotiate with M/s. CRISIL Limited for reasonable charges for the SWFS, as the funds of SWFS are comparatively less than the SPFO, where the CRISIL has quoted the same rates. The meeting for negotiation of charges was held on 15.6.21, with the representatives of the SWFS and CRISIL Limited. The CRISIL Ltd. representatives informed that CRISIL has committed and given undertaking to other organisations like EPFO, NPS, and Postal Life Insurance etc. that they will not quote lesser amount to other organisations, than what is being charged to them and hence could not considered SWFS request to reduce the charges. The CRISIL Ltd.'s representatives further stated that they have maintained the same charges for SWFS and SPFO.

8.2. The Chairman then asked who are the present fund manager and custodian for SWFS funds and how much fees is paid to them. It was informed that M/s. SBI Funds Management Private Ltd. was appointed as Fund Manager of SWFS in January, 2016 for the period up to 31.3.19 and M/s. SBI SG Global Securities Private Limited as a Custodian for SWFS for the same period. The professional fees agreed as per contract for the Fund Manager and the custodian was Rs. 2 lacs each per annum plus applicable taxes. i.e. the total charges/professional fees was Rs. 4 lacs (Rs. Four lacs) p.a. plus taxes. It was further informed that after the expiry of the contract period of three years, the issue was placed before the COM in the 89th COM Meeting held on 10.4.2019, to consider and approve the renewal of the contract further for three years period i.e. from 1.4.19 to 31.3.2022; however the COM decided to invite the fresh bids and follow the procedure implemented by the SPFO i.e. appointing the consultant for selection of fund manager and custodian and the performance evaluation of the selected fund manager. Since the management of the existing funds was necessary till the new fund manager and the custodian get appointed, the contract with the existing fund manager and custodian got extended periodically till 31.12.2021 on the same fees and terms and conditions, after obtaining the approval of the Chairman-SWFS. As such the present extension of the contract with fund manager and the custodian is made up to 31.12.2021.

8.3. The COM members observed that rates quoted by M/s. CRISIL Limited, are very high for the management and evaluation of the SWFS Funds. Some of the COM members also stated that the total charges for two years i.e. Rs. 82 lacs quoted and subsequent recurring charges of evaluation of performance are very high and it can better be utilised for the welfare of the seafarers.

8.4. The Committee after discussions and deliberations decided to cancel the bid for appointment of consultant for selection of fund manager and custodian and performance evaluation, as their rates are

very high for SWFS funds management. The Committee further held that the SWFS should continue or try to renew the contract with the existing fund manager and custodian.

8.5. The Chairman directed the Member Secretary to cancel the bid and inform the party accordingly. He further directed to find the possibility of renewal of the contract with the existing fund manager i.e. M/s. SBI Fund Management Private Ltd. and custodian M/s. SBI SG Global Securities Private Ltd. for further three years period w.e.f. 1.1.2022.

(Action : Member Secretary.)

9.0 Agenda Item No. 7: To consider the request received from one of the officers of the SWFS Shri V.N. Kutty, Asstt. Accounts Officer for his heart treatment taken by him which is not approved by the Central Government Health Scheme (CGHS).

9.1. The committee members were informed that the COM of the SWFS has approved the medical reimbursement expenses claims as per Central Government Health Scheme (CGHS) rates applicable for Mumbai region. Accordingly the medical reimbursement expenses claims of SWFS employees are settled as per CGHS Mumbai rates. It was further informed that one of the officers of the SWFS Shri V.N.Kutty, has undergone Enhanced External Counter Pulsation (EECP) therapy for his heart problem (for heart blockages) in Private Hospital. The EECP therapy is not recognised by CGHS and hence this therapy charges is not listed in the CGHS rate list. As this EECP therapy is carried out to remove the heart blockages, this therapy is considered equivalent to Heart Angioplasty and the CGHS rates applicable for the angioplasty was considered while working out the eligible medical reimbursement expenses. The total eligible medical reimbursement expenses worked out to Rs. 97,062/- as against his claim of Rs. 1,92,020/- as per statement attached with the agenda item. The said officer requested to consider his claim for disallowed expenses also.

9.2. The Chairman informed to the members that the central government employees are covered under CGHS Scheme. However the central government employee or his family member who take the treatment in private hospitals, their medical claims are settled as per CGHS rates only applicable to the respective region. Shri Mukul Dutta, Member Treasurer, further informed that, even though the EECP treatment is not included in the CGHS rates list, the equivalent charges of heart angioplasty is considered for the EECP therapy, while working out the eligible reimbursable amount. The SWFS administration has accordingly worked out the eligible reimbursable amount of Rs. 97,062/-, which is fair.

9.3. Some of the COM members suggested that instead of reimbursing the medical claims as per CGHS rates, the group mediclaim insurance policy can be taken for the SWFS staff and their family members, so that their claims will be settled directly by the insurance company. The Chairman appreciated the suggestion and stated that if the group mediclaim insurance policy is taken, the SWFS will required to pay the premium amount every year. The Chairman directed CAAO to obtain the details for the Group Mediclaim Insurance Policy for the SWFS staff and their family members and the amount of approximate yearly premium amount.

9.4. The Chairman after discussion with the members decided that the reimbursable amount of Rs. 97,062/- worked out by the SWFS administration is fair enough and reasonable and approved for reimbursement of Rs. 97,062/- only to Shri V.N. Kutty.

(No Action.)

11.0. Agenda Item No. 8: To nominate COM members on the Sub-Committee of SWFS and SPFO to discuss the matter in a letter addressed to Prime Minister's Office (PMO) by Retired Merchant Navy Sailors Association of India (RMNSA) and Sailor Union of India (SAI) for seafarers benefits.

10.1. The members gone through the letters dated 20.1.2021 written by M/s. Retired Merchant Navy Sailors Association (RMNSA) and the Sailors Association of India (SAI) and observed that the content of both the letters is same. Both the associations have addressed the letters to the Hon'ble Prime Minister of India and the same were acknowledged by the Prime Minister's Office (PMO). The copy of letters was forwarded to the Chairman SPFO as well as SWFS. As the Board of Trustees of the SPFO have nominated their Finance Sub-Committee members to discuss the issues, the Chairman-SWFS suggested to nominate the members of the Finance Sub-committee (FSC) of the SWFS, for a joint meeting. The Chairman desired to know the members of the FSC-SWFS. The CAAO informed that there are total six members in the FSC including FSC Chairman as follows.

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|-------|---------------------------|------|---|
| (i) | The Vice-Chairman-SWFS | | Chairman-FSC. |
| (ii) | The Member Secretary-SWFS | | Member FSC |
| (iii) | The Member Treasurer | | Member-FSC |
| (iv) | Capt. Kenneth Sajnani | | Member-FSC (Representing Indian Ship-owners Assn.) |
| (v) | Capt. Milind Patankar | | Member-FSC (Representing Foreign Ship-owners Assn.) |
| (vi) | Shri Amarsingh Thakur | | Member-FSC (Representing Seafarers Union/Assn.) |

10.2. The Chairman after discussion with the COM members, nominated the above six FSC members to attend the joint meeting with SPFO-FSC to discuss the issues mentioned in the letters received from RMNSA and SAI and submit the minutes.

(Action : Member Secretary)

11.0 Agenda Item No. 9: Any other Item.

11.1. Shri Mukul Dutta, Member Treasurer with the permission of the Chair informed to the committee that the SWFS received a sum of Rs. 16.40 lacs by way of transferred by the Behala Fund, as per direction of the then Administrative Ministry towards corpus fund of the SWFS, as the SWFS is the Central Organisation set up the Central Government for providing the welfare facilities to the seafarers and their families. As per records the conditional transfer was done by the Management of the Nabhik Griha Samity (NGS) under pressure from the GoI. As per old noting it is observed that the Government of India gave assurance to the Trustees of the Behala Fund that the interest accruing to the fund will be transferred to NGS for utilisation towards welfare of seamen at Kolkata. Accordingly the interest @ 12.71% p.a. i.e. Rs. 17375/- per month is paid to NGS since June'1985. The SWFS accordingly paid a sum of Rs. 32,83,875/- towards interest for the period June'1985 to March' 2001. In the 57th COM meeting held on 28.10.2005, the COM decided to pay the interest @ 4.5% p.a. (on the basis of interest paid by the Nationalised Banks from April, 2001) and hence since 1.4.2001, the SWFS is paying interest @ 4.5% i.e. Rs.72800/- p.a. As such since 1.4.2001 till 31.3.2021 the SWFS paid the interest of Rs. 14,56,000/- to the NGS. The total interest amount paid to the NGS since June' 1985 to 31.3.2021 is Rs. 47,39,875/-, which is accounted as grant-in-aid paid to NGS in our books of accounts.

11.2. The Member Treasurer further informed that on Rs. 16.40 Lacs amount received as corpus fund, the SWFS has paid the interest of Rs. 47.40 lacs to NGS till 31.3.2021, which is almost thrice and hence

he suggested that the COM of the SWFS should consider refunding the amount to the NGS instead of continue paying interest to NGS.

11.3. The Chairman stated that the suggestion of the Member Treasurer is good; however unless we get the details/documents of the transfer terms and conditions, it may not be proper to take a decision. The Committee formed to assess the budgetary support for three clubs at Chennai, Cochin and Kolkata will go through the details of this matter and submit the report on this issue also and thereafter the COM may take a decision.

11.4. The Chairman directed the Member Secretary-SWFS who is also one of the members of the said committee to obtain the details/documents on this issue.

(Action : Member Secretary).

The meeting ended at 2.00 p.m. with a vote of thanks to the Chair.

Annexure-I

Members present at the 92nd virtual meeting of the Committee of Management of the Seafares Welfare Fund Society held on 23.6.2021.

1. Shri Amitabh Kumar, IRS, Director General of Shipping, Gol - Chairman
2. Shri Kumar S. Bariar. Addl. Director General of Shipping, Gol - Vice-Chairman
3. Shri S. Barguzer, Dy. Director General of Shipping, Gol - Member Secretary
4. Shri Mukul Dutta, Shipping Master (Mumbai) - Member Treasurer
5. Capt. M.K. Patankar - Member
6. Capt. K. Sajanani - Member
7. Capt. P. Mathews - Member
8. Shri Abdulgani Serang - Member
9. Shri P. Vimalson - Member
10. Shri Amarsingh Thakur - Member
11. Shri Vikram Dingle - SCI Representative
12. Capt. A. Chattopadhyay - Co-opted Member
13. Capt. Rajesh Tandon - Co-opted Member
14. Capt. S.M. Halbe - on behalf of
Capt. C. Carvalho.
