



SAILORS' UNION OF INDIA (SUI)



Regd. Under The Indian Trade Union Act 1926

Affi. to Bharatiya Mazdoor Sangh, (Central Labor Organization.)

Add : Office No.36, 2nd Floor, Hansraj Damodar Building No.277, S.B.S. Road, Fort, Mumbai - 400 001. Maharashtra.
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Ref. SUI/DGS/05/09/2023

To,

Shri. Shyam Jagannathan. I.A.S

Director General of Shipping

Beta building, 9th floor

I think Techno Campus,

Kanjurmarg East,

Mumbai-42

Date: 19th September 2023

Subj: Suggestions & recommendation for streamlining of gratuity schemes in Seafarers Welfare Fund Society' (SWFS)

Sailors' Union of India: an affiliated shipping union to the Bharatiya Mazdoor Sangh (BMS) is very much concerned about the welfare of Indian seafarers and their families and constantly working towards their betterment. SUI's latest challenge is the streamlining of Gratuity Scheme by the Seafarers Welfare Fund Society (SWFS) is Managed by the Director General of Shipping since three decades.

The main objects of the Society are as under: -

1. To provide and maintain a fund by the name of the Seafarers' Welfare Fund;
2. To provide welfare facilities in general to seamen at ports in India and to seamen engaged as per provisions of section 101 of the Merchant Shipping Act, 1958, while at ports abroad;
3. To sanction expenditure from the Fund as necessary subject to such limitations as the Central Government may from time to time impose;
4. To prepare the annual budget of income and expenditure in respect of the Fund.
5. To acquire any movable or immovable property by purchase, lease, hire, exchange, gift, or otherwise subject to such limitations as the Central Government may from time to time impose;
6. To sell, all or any part of the movable or immovable property belonging to the Society by lease, mortgage, surrender, exchange, dispose or otherwise deal with subject to such limitations as the Central Government may from time to time impose;
7. To borrow or raise money with or without security with the previous approval of the Central Government.
8. To invest in any security or keep in deposit with any bank and otherwise deal with any money of the Society in such manner as may, from time to time, be prescribed by the Central Government.
9. To appoint, remove or suspend such manager, officers, clerks, agents and servants of the Society, from time to time as may be considered necessary.



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10. To give pensions, gratuities or charitable aid to employees or ex-employees of the society & their next of kin.
11. To draw, make, accept, endorse and discount cheques, Notes or other negotiable instruments;
12. For the purposes of aforesaid, to sign execute and deliver such assurances and deeds as may be necessary.

Throwing some light on the subject, the Sailors Union of India highlights that, for the last 3 decades the SWFS has been implementing the Gratuity Scheme of Indian seafarers. It is believed that the scheme work has been computerized and combined with the Seafarers Provident Fund Organisation (S.P.F.O) where shipping companies have remitted gratuity and the PF dues of seamen after they have been signed off. The SWFS maintains individual accounts of seafarers.

The gratuity dues of seafarers are found calculated (principal gratuity deposits plus interest) by SWFS only after receiving withdrawal claims from the retired seafarers. The interest on gratuity is decided by the management of SWFS every year and based on those interest rates the calculation is made at the end when the claims are received from the individual seaman.

The SUI asserts that, before their retirement, when seafarers approach SWFS to have a check about their gratuity amount due to them, they are being provided with a statement indicating only gratuity deposits made by the companies, sometimes which contain double entries, missing entries, entry pertaining to another seaman, etc... and therefore in absence of the interest part, the seaman approaching SWFS do not have an exact idea as to how much amount he will get.

SUI Highlighting about claims received along with CDCs, mentioned that when SWFS receive claims from individual seaman along with their original CDC(s), SWFS compares the statement of gratuity deposits with the entries of services made in the original CDC book and rectifies the statement data in computer and accordingly calculates interest dues payable, sometimes seafarers lose their CDCs, or when by the on-board death of seamen, SWFS denies them gratuity payment. It's a challenging nature of SWFS shows towards the seafarers and their relatives.

Moreover, it's become SWFS' habitual enquiry with the Seamen's Provident Fund Organization (SPFO) to gather the voyage details of the seamen/deceased seamen. To overcome the present situation, in an epistle- SUI has proposed a fool proof computerisation of gratuity scheme of SWFS on par with SPFO, which maintains PF dues of seafarers. Disputes should be sent directly to the Director General of Shipping who is the Chairperson of SWFS and the SPFO to take the necessary action and implementations of this issue.

We are proud to submit this proposal to the Director General of Shipping for a careful review of present functioning of the Society to examine the suggested proposals for further betterment, smooth and transparent functioning.



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Following are SUI's preventive measures that are suggested for consideration:

1. When gratuity deposit is received from the company for a particular seaman by SWFS, along with voyage particulars and his basic pay, first of all SWFS may check whether the gratuity amount remitted by the company is in order or not. If in order, the amount may be accordingly credited in his/her account. If the remitted amount is wrong, a letter may be issued to the shipping company for immediate clarification and the correct amount.
2. Provision may be made for linking the data such as CDC No, Name of the seaman, his/her year of birth, addresses, vessel's name, period of the voyage, etc., maintained with SPFO and data available with SWFS so that the SWFS can verify the correctness of relevant data in old cases and rectify it or SWFS can incorporate missing data. Example: the residential address of the seafarers
3. The interest dues payable on gratuity to individual seafarers be worked out time to time and added to the brought forward figure on completion of each accounting year (financial year) and a system generated statement indicating brought forward figure of principle gratuity amount during the previous year, added principal amount during the current year and similarly on interest part, etc. be sent to concerned seaman for his information/ record, which would facilitate the credibility and transparency of S.W.F.S among seafarers and other vested interests.
4. The data of live cases in SPFO may be obtained and linked with the existing gratuity data of SWFS for separating the alive/ active cases in gratuity cases out of the junk data of 3 decades or more and accordingly save that much cases only as active cases of gratuity to work out the liability and remaining old cases may be saved in another computer file under the logic that the seaman who claimed PF dues also might have claimed gratuity dues, and the settled cases cannot be eliminated from the system of SWFS.
5. The old cases held by SWFS (other than the cases available in SPFO) separately kept file of S.W.F.S should have the facility to shift to active/ alive cases for arranging payment in cases of receipt of claim out of those cases on a later stage. By doing this exercise SWFS can find out the total liability on gratuity scheme for active cases, balance out of the available amount of gratuity in SWFS (as per books of account). There is no doubt that SWFS will have surplus of amount in crores apart from gratuity liability, and with this SWFS can make good against the dead investment of gratuity amount if any for the last several years, and such surplus amount can be utilized for the welfare of the existing seafarers.
6. SPFO also have some separate scheme (full details not available) out of which that office provides grants to various welfare organization connected with seamen welfare including SWFS. On the same line, the SWFS can also utilize such unclaimed amounts of gratuity for a better cause like pension etc.
7. SUI strongly opposed the direction of the DGS to stop MEMA. (As on 31-03-2017, as per SPFO accounting system the total amount Rs. 73.14 crores are unclaimed amount in respect of those seafarers who have not applied for their final withdrawal claim after completion of 60 years, (Ref. No. R. No. RTI/Cr.NO.9/349/2017, dated 29/11/2017)



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8. *The legal issues if any in utilizing the unclaimed PF and the gratuity amounts of seamen can be consulted with SPFO as considered by the Management of SWFS. Both the unclaimed amount can be utilized for implement new schemes (Pension) for the retired seamen especially for deprived 17500 Red book holders.*
9. *The existing gratuity software system of S.W.F.S may not be competent for carrying out the above work if agreed which need to be examined and also, there must be a Web portal with all functioning and routine updates for a feasible accessibility and transparency.*
10. *The SWFS objective number 9 (Above numbered) must be implemented thoroughly.*
11. *The SWFS objective number 10 (Above numbered) must be removed instead, implement a pension schemes for the retired seafarers.*
12. *The RPSL seafarers' recruitment contributions must be levied time to time, same must be utilised for seafarers' welfare.*

We are expecting that, the above suggestions and recommendation will be considered and necessary action also will be initiated for the betterment of both active and the retired seafarers.

Jai Hind!

RP Veettil

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