

Bill Summary

The Seamen's Provident Fund (Amendment) Bill, 2007

- The Seamen's Provident Fund (Amendment) Bill, 2007 was introduced in the Rajya Sabha on May 3, 2007 and referred to the Standing Committee on Transport, Tourism and Culture (Chairperson: Sitaram Yechury). The Standing Committee submitted its report on September 5, 2007.
- Currently the central government is responsible for the management of the Seamen's Provident Fund. The Bill shall make the Board of Trustees responsible for managing the Fund. The Principal Act states that the Board of Trustees shall be a body corporate and consist of (a) a Chairman appointed by the government; (b) up to three people appointed by the government as its officials; (c) three people representing employers, appointed by the government after consultation with such organization or organizations of employers recognized by the government (d) and three people representing seamen, appointed by the government after consultation with such organisation or organizations of seamen recognized by the government.
- The Bill disassociates the government from responsibility for any of its trustees, employees or any other person at any time. Currently the Fund is guaranteed by the government. The Bill makes the Board of Trustees responsible for the Fund.
- In its report the Standing Committee noted the details of the Rs 93 crore scam that involved the then Commissioner of the Seamen's Provident Fund. The Finance Ministry had agreed to a one-time payout to cover the loss, contingent on the condition that an amendment, in the form of the current Bill, would transfer responsibility of the Fund from the government to the Board of Trustees.
- While the Standing Committee noted with approval that the funds had been made available by the Finance Ministry, it did not believe that the government could disassociate itself from the Fund. "The Committee notes that the Government has full control over the Seamen Provident Fund through its own nominees in the Board of Trustees and administrative set up. All its functions are carried out according to the guidelines issued by the Government. Therefore, the Committee finds no justification on the move of the Government to dissociate the Government from any responsibility with regard to compensation or indemnification of any loss caused to the Seamen's Provident Fund by investment in Securities by mismanagement, misappropriation or otherwise by the Board, any of its Trustees, its employees or any other person." The Standing Committee recommended that the Bill should be withdrawn in its present has form.

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