



भारत सरकार / GOVERNMENT OF INDIA
पत्तन, पोत परिवहन और जलमार्ग मंत्रालय
MINISTRY OF PORTS, SHIPPING AND WATERWAYS

नौवहन महानिदेशालय, मुंबई
DIRECTORATE GENERAL OF SHIPPING, MUMBAI

File No: 20-11011/32/2021-TRG - DGS

Date: 20.09.2021

SHOW CAUSE NOTICE

Background

The Directorate had accorded approval to the MTI “M/s. Southern Academy of Maritime Studies, Chennai” (MTI No. 402016), 108, East Madha Church Street, Royapuram, Chennai, Tamil Nadu – 600 013 for conducting Pre-sea and Post-sea courses. The MTI belongs to the Trust M/s **Sri Vekkaliyamm Educational and Charitable Trust** 94 East Madha Church Street Royapuram, Chennai, Tamil Nadu. The present Trustees of the said Trust are 1. Shri.M Karthikeyan (S/o Shri Madurai Chettiar), 2.Mrs. Gnanasoundari (wife of Mr. M. Karthikeyan), 3.M/s. Southern Academy of Maritime Studies Pvt. Limited and 4. Mrs. P. Rajameenakshi (wife of Mr. Padmanabhan).

2. Whereas, several complaints were received at the Directorate against the subject Maritime Training Institute (MTI), most of which fall within the meaning of “Major Deficiency”. The Directorate vide letter no. 20/11011/32/2021-TRG-DGS dated 01.06.2021 issued inspection order of the Institute to be carried by MMD, Chennai. Subsequently MMD, Chennai carried out inspection of the institute on 5th & 9th of August 2021.

3. Whereas, a copy of report of inspection with major and minor deficiencies has already been provided to SAMS, Chennai by the inspection team of MMD, Chennai (copy enclosed). The inspecting team pointing out several lapses and violations from the part of the institute management, against the applicable DGS guidelines, many of which fall within the meaning "Major Deficiency" as per Section 5.3 and 5.5 of Part 5 of DGS Order No. 07 of 2016 and Section 5.3.1 and 5.3.2 of Part 5 of DGS Orders 05 of 2016 dated 01.11.2016.

These deficiencies were mainly related to the following:

- a) Severe inadequacy of faculty and conduct of classes using unqualified faculty
- b) serious lapses in infrastructure including invalid land lease deed. Lease deed for the premises found expired.
- c) non-availability of video records of practical training
- d) Irregularities in attendance of faculty including the principal etc.
- e) Noncompliance of CIP inspection.
- f) Institute functioning without Principal.
- g) Video recording of Virtual classes not found.
- h) The MTI has not paid 1% Annual fee to the Directorate as per the actual fee collected from the candidates.
- i) The institute has not provided Ship Board Training to all DNS candidates of previous batches as per the Guidelines.
- j) The details of the Major and minor deficiencies noted by MMD Chennai are mentioned and attached as Annexure – 1.

4. Whereas, the Directorate General of Shipping in compliance to the Hon'ble High Court Order dated 19.08.2021 has issued a letter dated 26.08.2021 to SAMS requesting to submit compliance report to the Directorate on the report of inspection of SAMS Chennai held on 05.08.2021 and 09.08.2021 by the inspection team of MMD, Chennai latest by 30.08.2021. The report of inspection where 34 deficiencies both major and minor identified by the MMD, Chennai has also been shared with the SAMS.

5. Whereas, the SAMS has submitted their reply vide email dated 30.08.2021 and annexures on 01.09.2021 to the Directorate General of Shipping. SAMS has submitted reply on 34 deficiencies identified by the inspecting team of MMD, Chennai.

6. Whereas, in compliance to the Hon'ble High Court Order the Director General of Shipping has offered an opportunity for a personal hearing on 03.09.2021 at 1500 hrs. Three representatives from SAMS Shri A.R. Krishnamurthy, Shri K.V. Sarvesnaran and Shri O.L.V. Ganesan appeared before the Director General of Shipping on 03.09.2021 and made submission on the

deficiencies identified by the inspecting team of MMD, Chennai. The Director General of Shipping after hearing directed the representatives of SAMS to submit compliance report to the Principal Officer, MMD, Chennai such that they will further examine the same and submit their final report before the Director General of Shipping for final decision.

7. SAMS is directed to submit compliance report to PO, MMD, Chennai latest by 09.09.2021.
8. Whereas, as per the direction of the Directorate vide letter file No: 20-11011/32/2021-TRG – DGS dated 06.09.2021 SAMS Chennai submitted the reply and supporting documents given to the DGS vide letter dated 30th Aug 2021 to the MMD Chennai with a separate covering letter on 8th Sept 2021 to MMD Chennai.
9. Whereas, on the request of Institute personal hearing was extended to the institute on 13th Sept 2021 by the Principal Officer, MMD Chennai. The representatives of the institute and the members of the inspection team were present during the hearing. All the observations reported during the inspection and the reply given by the institute was discussed in detail during the hearing.
10. Whereas, the MMD, Chennai has scrutinized the reply received from the institute along with the additional records submitted on 14th September 2021 and observes that only 3 out of 34 reported deficiencies have been rectified.
11. Whereas, few of the Major Deficiencies noted after examining the reply submitted by the Institute (SAMS) are as follows:

11.1 Conduct of course upon expiry of registered lease deed: Knowing fully that registered lease agreement of the institute had expired on 1st February 2020, the institute continued to conduct the courses in violation of the applicable DGS orders, till such time the same was reported during the inspection on 5th August 2021. The justification for the failure to timely renew the deed on the pretext of Covid pandemic is not tenable, as the deed was expired before the Covid pandemic and that the institute had ample time for executing the same (10yrs). Hence, notwithstanding the fact that the deed has been renewed post-

inspection, the deficiency still remains as Major Deficiency as per para 5.3.1.7 of Part V of DGS Order 07 of 2021 and 6.4.1.1 of DGS Training Manual.

11.2 Inadequacy of faculty: As per the list given by the institute, on the date of the inspection the institute was having only 3 Master Mariner, 1 Second Engineer, 3 Second officers, 2 fourth engineer and two instructors. It is evident from the list of faculties provided post inspection that the institute is having less than 40% of required faculty strength and many are not even qualified as per the DG Order 5 of 2013.

11.3 Faculty not meeting qualification as per DGS requirements: The faculty list provided by the institute shows that three of them are second officers and two are fourth engineers, who are not qualified as per the DGS guidelines. (Ref. DGS Order 05 of 2013 and respective course guidelines). Further the institute has even found to have made wrong submissions in the DGS system, claiming them as Chief Mates and Chief Engineers respectively. Hence the deficiency still remains as a Major Deficiency under 6.4.1.5 of DGS Training Manual.

11.4 Irregularities in Fees collection: The inspection report also reveals serious irregularities in collection of fees for various courses by the institute, much higher than it has been submitted to the DGS. The explanation from the institute that the same is collected as Hostel/Mess/Book charges is not tenable, as DGS Trg. Circular 9 of 2013 has categorically defined /clarified the same. More seriously, the institute is collecting fees from various candidates in "cash" and is evidenced to have been engaging unauthorized agents for the same, notwithstanding clear instructions against this from the DGS vide Section 4.21 of DGS order 7 of 2016 and hence to be concluded as a Major Deficiency under 5.3.1.4 of DGS Order 7 of 2016.

11.5 Serious lapses in the basic minimum infrastructure: The inspection report shows that many buildings in the campus have huge cracks and damages in the walls, ceiling, floors etc requiring urgent civil work and maintenance. The contention of the institute that the same was pending for rectification due to the Covid pandemic and that the repair work has been initiated post-inspection is not

tenable, as the same deficiencies are evidenced to have been in existence much before the pandemic and have been reported even during the previous MMD inspection dated 3rd July 2018. Despite of this, the institute continued to conduct the courses with total disregard to the safety of the students and hence to be treated as a Major Deficiency under 6.4.1.7 of Training Manual 2018.

11.6 Non-adherence to course guidelines: (a) The institute admitted that the swimming pool in the institute campus is not fit for the conduct of PST practical training and a new one is under construction. However, the institute has issued many certificates for Basic Safety Training course. The contention about the tie-up arrangement with M/s. Royal Swimming pool for the purpose is not acceptable as per applicable DGS Circular dated 15th March 2018 and further, the institute could not produce any evidence for having imparted practical training, as mandated by DGS guidelines. (b) Fire-fighting mock-up is reported to be fully corroded and wasted and unsafe for the conduct of practical trainings. The institute does not deny the present condition of the mock-up, but tries to put the blame for its poor condition on the vendor who constructed the same. Both these observations clearly establish that the institute has been conducting these practical training of the course in violation of the applicable DGS Guidelines or seriously compromising on the safety of trainees. Hence these observations tantamount to be as a Major Deficiency under 6.4.1.9 of DGS Training Manual 2018, Training Circular 19 of 2020 and Training Circular 07 of 2016.

11.7 Non-availability of video recordings of practical training imparted: The institute could not produce video recordings of the practical training or online classes of any of the courses. The contention of the institute that all the records have been destroyed in ransom ware attack only seems to be an afterthought excuse. Hence the same stands as a Major Deficiency under 6.4.1.6 of DGS Training Manual 2018, Training Circular 19 of 2020 and Training Circular 07 of 2016.

11.8 Serious non-conformities related with Quality System: Comprehensive Inspection Programme (CIP) is a mandatory requirement under DGS Order No. 4 of 2016, as a mechanism to ensure quality training and for facilitating grading based on the performance of the institute for the prospective

candidates to have an informed choice of the institute. M/s SAMS has not undertaken any CIP inspection since for the year 2018. The institute could not provide any explanation for the same nor have they taken any corrective measure for undertaking the same even now. Hence the same stands as a Major Deficiency under 6.4.1.11 of Training Manual 2018 and DGS Order 04 of 2016.

11.9 Non-affiliation of Degree Programmes: As per para 1.5.2 of DGS Order 07 of 2016, for Nautical Science degree courses, the institute shall have affiliation from a recognized university. Presently, the institute does not have affiliation from a recognized University for conduct of B.Sc Nautical Science degree course, but only a collaborative arrangement with Alagappa University, which also is expired since 30th April 2021. Considering serious hurdles students would face in their future career progression for want of regular Degree from an affiliated University and further noting several complaints from various such trainees, this is to be treated as Major Deficiency under 6.4.1.9 of Training Manual 2018.

11.10 Several other pending non-conformities of both major and minor observed during the inspection relating to the functioning of institute.

12. In view of the above serious major non-conformities, the Maritime Training Institute “**M/s. Southern Academy of Maritime Studies, Chennai**” (MTI No. **402016**), is called upon to show cause as to why the following disciplinary action as given below should not be initiated against the MTI.

12.1 Restrict M/s Southern Academy of Maritime Studies (SAMS), Chennai from admitting any candidate to any new batches to any of the DGS approved courses, till such time all the deficiencies reported during the Inspection of the institute dated 5th & 9th August 2021 are rectified and verified & confirmed to the satisfaction of the Director General of Shipping.

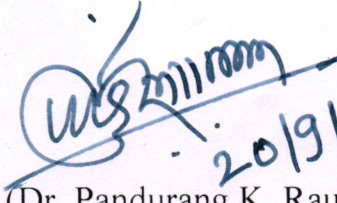
12.2 Block the MTI online profile from uploading any batch details in the E-Governance system forthwith, till the compliance of para (12.2) above.

12.3 Withdrawal/Suspension of all approvals granted to the M/s Southern Academy of Maritime Studies (SAMS).

12.4 Disciplinary action against the Trust "**Sri Vekkaliyamman Educational and Charitable Trust**", and the trustees of the Trust for Major Deficiency and blacklisting the Trust and trustees from being associated with any kind of business related to the Directorate General of Shipping for a period of minimum 5 years.

13. Your reply to this Show Cause Notice may be submitted to this Directorate latest by 23.09.2021 failing which the actions mentioned above shall be initiated.

14. This Show Cause Notice is issued with the approval of the Director General of Shipping and Additional Secretary to the Government of India in exercise of the powers conferred under the Merchant Shipping Act, 1958 as amended.


20/9/2021

(Dr. Pandurang K. Raut)

Deputy Director General of Shipping (Trg.)

To;
M/s. Southern Academy of Maritime Studies,
108, East Madha Church Street,
Royapuram, Chennai,
Tamil Nadu – 600 013.

Copy to:

1. The Principal Officer,
MMD, Mumbai/Kolkata/Chennai/Kochi/Kandla
2. Guard File.