

Minutes of the 178th Meeting of the Board of Directors of the Company held on 20th March 2010 at 3.00 p.m. at the Registered Office of the Corporation.

PRESENT:

Name and designation	
Sriyuths:	
E. Venkataiah, I.A.S., Secretary to Government, Social Welfare Dept.	Chairman
N. Manjunath Prasad, IAS Commissioner, Social Welfare Department, Government of Karnataka	Director
K.S. Mruthyunjaya	Managing Director
A. Muniyellappa, Joint Secretary, Finance Department, Government of Karnataka	Director
M.A. Hussain, Dy. Secretary, Department of Public Enterprises, Govt. of Karnataka.	Director
Somla Naik, Managing Director, Karnataka Thanda Development Corporation Ltd.,	In attendance

Shri.K.S. Mruthyunjaya, Managing Director of the Corporation extended warm welcome to the Honourable Chairman and the Principal Secretary to Government, Social Welfare Department, the Commissioner, Social Welfare Department, the Managing Director, Karnataka Thanda Development Corporation Ltd., and the Joint Secretary, Finance Department to the meeting.

The Managing Director requested the Chairman, Shri. E. Venkataiah, IAS, Principal Secretary to Government, Social Welfare Department to preside over the meeting. The Chairman ascertained that requisite quorum was present and called the meeting to order.

Item No.1 – Noting of Minutes of the 177th Meeting held on 13th January 2010:

The Board noted the minutes of the 177th meeting held on 13th January 2010 and confirmed the same as no comments have been received from any of the Directors.

Item No.2 – Review of action taken report:

The Managing Director explained the action taken on the decisions of the previous Board meeting. The Board reviewed and noted the action taken on the decisions of the 177th meeting of the Board held on 13.01.2010. Referring to subjects nos. 16 and 17 of the 177th Meeting in respect of appeal submitted by Sri. Chandrappa Neralagi and regularization of Sri. A.B. Patil respectively, the Managing Director informed that these deferred subjects would be placed before the next meeting.



Item No. 3 - Appointment of Directors:

The Board noted that Shri. K.S. Mruthyunjava has been appointed as Managing Director of the Corporation in the place of Jithendra Nayak by the Government of Karnataka vide its notification No. SWD:319:BCA:2009 dated 19.01.2010. The Board also placed on record of its appreciation of the services rendered by Shri. Jithendra Nayak during his tenure as Managing Director.

The Board also noted that Shri. M.A. Hussain, Dy Secretary, DPE has been appointed as Director of the Corporation vide Government notification No. SWD:61:SDC:2009 dated 6th March 2010.

The Board noted the appointment and authorised the Managing Director to file necessary return with the ROC in pursuance of section 303(2) of the Companies Act, 1956.

Item No. 4 – Request for sanction of Administrative Grant for the Corporation:

The Managing Director explained difficulties faced by the Corporation in meeting the administrative expenses in view of poor recovery and ever increasing administrative cost and presented the case for seeking assistance in the form of grant from the Government. The Chairman advised to prepare a detailed budget for the Corporation for the year 2010-2011 to assess approximate difference of expenditure over revenue and place the proposal for administrative grant with estimated amount of deficit in revenue.

Item No. 5 – Constitution of Committee for Investment of unutilized Scheme funds

The Managing Director informed that the funds remaining unutilized under various Schemes are invested in short term deposits of Public Sector Banks based on the competitive rate of interest quoted in order to gainfully deploy the funds until they are utilized for various schemes. The Managing Director referred to the circular issued by the Department of Public Enterprises vide no. DPE 09 ARU 2009 dated 27.11.2009 and explained the guidelines to be followed for investment of surplus funds. The Board noted the guidelines and accordingly constituted an Investment Committee consisting of the following members to consider investment of funds in Banks and other government securities:

1. Managing Director
2. General Manager (Finance)
3. General Manager (P and A)

The Committee will consider and decide all the investment proposals of surplus funds and place the decisions taken will be placed before the Board for ratification.

The Chairman advised to give priority and patronize those banks who take part in implementation of the schemes of the Corporation and who consider the beneficiaries sponsored by the Corporation in extending financial assistance.

Item No.6 – Sanction of additional targets of bore-wells under Ganga Kalyana Scheme for the year 2009-10.

The Managing Director referred to the directions of the Board in its 177th Meeting that any additional demand for 4032 bore wells could be considered only after completion of regular target for the year 2009-10. In addition there have been further demand for 1460 bore-wells recommended by the Hon'ble Minister for Social Welfare and other elected representatives. He



also informed that the aggregate demand for additional bore-wells of 5492 additional fund of Rs.4723.12 Crores is required towards subsidy.

Considering the availability of limited funds, the Board decided to consider additional targets only if additional funds are made available. The additional targets recommended by the elected representatives could be considered within the physical target for the next financial year. The Board also authorised the Managing Director to communicate the decision of the Board to the respective elected representatives.

The Chairman suggested undertaking a census of SC land owners in the State who are without irrigation facility in order to arrive at the total demand for bore-wells and therefore a perspective plan could be worked out to address the issue. He also suggested deploying cost effective methods like engaging students of university for the purpose or by giving advertisements or by distributing handbills to the targeted community to register their name with details of their land owning, clearly stating that the exercise is purely for collection of data.

Item No. 7 – Reduction in release of subsidy amount for Ganga Kalyana Scheme for 2008-09 and 2009-10 by the Government and request for additional funds:

The Managing Director informed that the subsidy amounts have been short released by the Government during 2008-09 by Rs. 14.15 Crores and during 2009-10 by Rs.34.50 Crores. He also informed that despite sleep cut in release of subsidy amount the Corporation has achieved 6916 bore wells out of the target of 7825 for the year 2008-09.

Since the beneficiaries were already identified by the selection committees chaired by the MLAs of respective constituencies, the Board recommended the case for seeking additional funds to meet the targeted demand and authorised the Managing Director to seek release of Rs. 3665.00 lakhs being the aggregate amount of subsidy reduced by the Government during the last two years.

Item No. 7a – Reduction in release of subsidy amount under various schemes during 2009-10:

The Managing Director narrated the scheme wise particulars of subsidy and pooled funds amount sanctioned, funds released and reduction imposed by the Government during the year 2009-10.

The Board noted that out of the total amount of budgeted subsidy of Rs. 8190.00 lakhs and pooled funds of Rs. 6400.00 lakhs for 2009-10, the Government released only Rs. 5610.00 lakhs towards subsidy and Rs. 3987.00 lakhs towards pooled funds during the year 2009-10 thereby leaving a shortfall of Rs. 2580.00 lakhs towards subsidy and Rs. 2580.00 lakhs towards pooled funds.

Item No. 8 - Assigning of land acquired and distributed under Land Purchase Scheme to SC beneficiaries in Tumkur Village, Shahapur Taluq, Gulbarga District in favour of M/s. Core Green Sugar and Fuels Private Limited, Yadgir, for setting up a Sugar and Ethyl Alcohol manufacturing unit.

The Managing Director referred to the directions of the Board in its 175th Meeting to place the proposal along with the copies of the agreements entered into with the said 13 beneficiaries of LPS and a legal opinion on permissibility of the proposal. The Managing Director explained that the legal opinion has found the proposal to be in order and that the Corporation could consider the offer made by M/s. Core Green Sugar and Fuels Private Limited. The Board was also informed that



the 13 SC beneficiaries have given their written consent to the arrangement and were agreeable to settlement of dues, providing of alternative land and providing of employment for one in the family by the Company. Since alternative land is provided by the company which is in lieu of subsidy amount and since the amount of loan due on land purchase scheme is also settled by the Company, the Board decided to forward the proposal to Government for approval.

Item No. 9 - Waiver of outstanding loans extended to SC beneficiaries under various schemes.

The Managing Director presented the details of scheme wise disbursement of loans and financial assistance extended to SC/ST beneficiaries since the inception both directly and through national corporations like NSCFDC/NSKFDC/NSTFDC, the recovery of dues made by the Corporation since inception, scheme-wise demand and outstanding recovery for the year 2009-10, recovery demand for 2009-10 under Agri based schemes and Scheme wise demand and outstanding recovery under non-agriculture purposes for the year 2009-10. The Board, after detailed discussions, directed to regroup certain loan amounts due under agri-based activities and non agricultural based activities and forward the proposal to the Government for its consideration with the recommendations of the Board.

Item No.10 – Approval of revised Delegation of Power

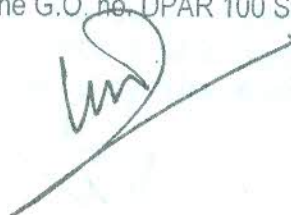
The Managing Director explained that the delegation of powers was last revised in the year 1995 and there is need to further revise the administrative and financial powers. The revised delegations of powers along with the existing powers were placed before the Board and the changes proposed were explained.

The Chairman observed that financial powers stated to be exercised at each time need to be specified with an annual upper limit for better control and monitoring. He also advised to further decentralize the powers to District Managers for faster implementation of schemes, where the beneficiaries have been identified by appropriate authorities. The Chairman also advised to regroup the powers on functional basis like, Scheme, Personnel, Administrative and General Powers. After due deliberations, the Board advised the management to re-draft the delegation of powers for its consideration.

Item No. 11 – Providing employment on compassionate grounds in group D category to the wife of deceased employee Sri. H. Jayaraj, who was working as Dalayath in Davangere District office.

The Managing Director referred to the application made by Smt. K.S. Netravathii, W/o. Late Sri.H. Jayaraj, who was serving as Dalayath in the District Office, Davanagere, seeking employment for herself on compassionate grounds, and informed that relevant supporting documents have been furnished by her.

The Board considered the proposal and accorded approval to appoint Smt. K.S. Kalavathi w/o. Late Sri. H. Jayaraj on compassionate grounds in group 'D' category against available vacancy based on her educational qualification as she has passed 7th Standard and other eligibility criterion and in accordance with Rule 3(2)(a) of the G.O. no. DPAR 100 SCA, Bangalore dated 12.09.96.



Item No. 12 – Reinstatement of Shri. K.H. Thimmappa, District Manager, Gulburga:

The Board noted that Shri. K.H. Thimmappa, District Manager, Gulburga was trapped by Lokayuktha and was sentenced 2 years imprisonment with a fine of Rs.20,000/- by the District Court Gulburga as the charges have been proved against him. As per the recommendations of the Lokayuktha Shri. K.H. Thimmappa was dismissed from service on 07.05.2009. On the appeal made by him the High Court of Kamataka reversed the order of Gulburga Court. The Corporation had sought legal opinion from retired Joint Secretary, DPAR who had recommended to withdraw the dismissal order dated 07.05.2009 and to initiate departmental enquiry if required. In response the permission sought by the Upa Lokayuktha in pursuance of Rule 14(A) of CCA Rules 1957, departmental enquiry was handed over to the Lokayuktha.

The Board also noted that on an earlier occasion Shri. K.H. Thimmappa was trapped by Lokayukta while accepting bribe while working as District Manager, Koppala and the Koppala Sessions Court had also ordered imprisonment. However Mr. Thimmappa had secured an interim stay from Circuit Bench of High Court at Dharwad on 08.01.2010.

Since the copy of the High Court has not yet reached the Corporation, the Board directed to await the Court order and hence the subject is deferred.

Item No. 13 – Release of payment for the advertisement released in news papers:

The Board considered the proposal and accorded approval to release Rs. 125916/- to M/s. Marketing Consultants & Agencies Ltd., towards the advertisement issued by the Social Welfare Department in the public interest in leading news papers on 14.10.2009.

Item No. 14 – Reimbursement of medical expenses incurred by Shri. Jagadish Janappa Kadamani, Driver, Davanagere:

The Board approved reimbursement of medical expenses of Rs. 7379/- to Shri. Jagadish Janappa Kadamani, Driver, Davanagere towards his treatment at Kasturba Hospital, Manipal against the total claim of Rs. 12623.45 as recommended by the Director of Health & Family Welfare Department and as per as per the Government Employees (Medical Attendance) Rules, 1963.

Item No.15 – Reimbursement of medical expenses incurred by Shri. Boraiah, T.D.O., Hassan Dstit. :

The Board approved reimbursement of medical expenses of Rs. 47181/- to Shri. Boraiah, TDO, Hassan towards treatment of his fathers kidney ailment at St. Philomena Hospital, Bangalore against the total claim of Rs. 140595/- as recommended by the Director of Health & Family Welfare Department and as per as per the Government Employees (Medical Attendance) Rules, 1963. As an advance of Rs. 50,000/- has already been made, the balance amount after adjusting the allowable medical expenditures shall be recovered from the employee.



