


Minutes of the 183rd Meeting of the Board of Directors of the Company held on 27th May 2011 at 11.00 a.m. at the Registered Office of the Corporation.

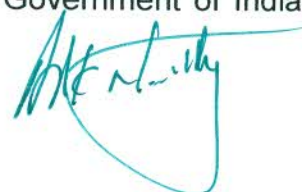
PRESENT:

Name and designation	
Shri. A.R. Krishnamurthy	Hon'ble Chairman
Shri. E. Venkataiah, I.A.S., Principal Secretary to Government, Social Welfare Dept., Government of Karnataka.	Director
Shri. Sarfaraz Khan KAS	Managing Director (I/C)
Shri. A. Muniyellappa Addl. Secretary to Government, Finance Department, Government of Karnataka.	Director
Shri. Somala Nayak Managing Director, Karnataka Thanda Development Corporation Ltd.,	Director

 Shri. Sarfaraz Khan K.A.S., Managing Director of the Corporation extended warm welcome to the Hon'ble Chairman of the Corporation Shri. A.R. Krishnamurthy, the Principal Secretary to Government Shri. E. Venkataiah, IAS, the Commissioner, Social Welfare Department, Shri. A. Muniyellappa, Addl. Secretary to Government, Finance Department and Shri. Somala Nayak, MD, KTDC Ltd., Directors of the Corporation to the meeting.

Welcoming the Directors to the meeting, the Chairman ascertained that requisite quorum was present and called the meeting to order.

Leave of absence was granted to Shri. M.A. Hussain, Dy Secretary, DPE, Government of Karnataka and the Nominee Director from Government of India and the CMD of NSCFDC.



Item No.1 – Noting of Minutes of the 182nd Meeting held on 23rd February 2011:

The Board noted and confirmed the minutes of the 182nd meeting held on 23rd February 2011.

Item No.2 – Review of action taken on the decisions of 182nd Board Meeting held on 23.02.2011:

During the course of the review, after perusing the records made available before the Committee, the Chairman observed that the earlier directions of the Board in its 181st and 182nd meetings pertaining to the COD cases are not fully complied with and therefore, the Chairman has expressed concern over the laxity of the concerned officials in pursuing these cases.

Item No. 3 – Report on performance during 2010-11 under various schemes:

The Board reviewed the targets achieved by the Corporation during 2010-11 under various schemes and noted progress achieved. The Managing Director expressed the need to redesign the schemes to avoid duplication of loan facilities under different heads. The Board concurred with the same and requested the MD to come out with a proposal.

Item No. 4 – Recommendations of DPE on a study conducted through Karnataka Enterprise Solutions Limited:

The Managing Director explained the recommendations of DPE on a study conducted through Karnataka Enterprise Solutions Limited. The Board noted the recommendations and directed the management to take corrective course of actions as advised.

Item No. 5 – Govt. owned Non-Banking Financial Companies – submission of road map and compliance of prudential norms.

The Board noted the letter addressed by the RBI and authorized the Managing Director to send a proposal to the Government on whether the Government would be extending guarantee the Non Performing Assets (NPA) arising on account of the loans extended to beneficiaries becoming bad.

Item No. 6 – Procurement of TATA Indica cars in respect of letter of intents issued by NSCFDC:

With the permission of the Chair, the GM explained that letters of intent for 100 TATA Indica Cars have been received from NSCFDC and out of which funds for

34 cars have been released and funds for the balance are expected from NSCFDC. The Principal Secretary ascertained the details of the orders placed for 50 cars against quota of the previous year and observed that the direction of HPC on determination of price by e-tendering process was not followed. He also advised to relook the procedure of remitting the loan portion in advance at the time of placing orders and waiting for the beneficiary to pay is part.

After detailed discussions on the proposal, the Board directed as under:

1. To write to NSFDC whether unutilized funds sanctioned under other schemes could be used for the 66 cars against which LOIs have been already issued. Alternatively the Board agreed to use funds from internal accruals for 66 cars as short term measure until funds are released by NSCFDC.
2. To call e-tender for 34 cars immediately to ascertain the price.
3. To insist the beneficiary to stick to schedule for remitting his part of the unit cost. In the event of delay on the part of the beneficiary in remitting promoters contribution within the stipulated time, the Managing Director is authorized to consider any other willing beneficiary in the approved list.
4. The Managing Director was advised to screen the proposals before forwarding them to NSFDC.

Item No. 7 - Sanction of direct loans under dairy scheme to 16 beneficiaries in Bidarahalli Villegge, Arkere Hobli, Rangapatna Assembly constituency, Mandya District.

Deferred.

Item No.8 – Sanction of direct loans under dairy scheme to 58 beneficiaries in Mulubagal Assembly constituency, Kolar District.

Deferred.

Item No.9 – Sanction of direct loans under dairy scheme to 75 beneficiaries in Chennagiri Assembly constituency, Dhavangere District.

Deferred.

Item no. 10 – Request of Mr. M.Mani S/o. Late Murugan for waiver of interest amount of Rs. 53325/- who remitted under OTS an amount of Rs. 4,00,000/- only against the OTS discounted amount of Rs. 4,53,325/.

The Board considered the request of the beneficiary and directed the Managing Director to verify the loan account of the beneficiary, ascertain the genuineness of the medical grounds cited for remission of the interest and revert with full

details of repayments made by the beneficiary. Hence deferred for full details of the case.

Item No.11 – Reimbursement of medical expenses claimed by Shri. Rajashekarappa, TDO, Tumkur Dist in respect of treatment availed for himself and his wife.

Deferred for thorough verification of claim.

Item No.12 - Reimbursement of medical expenses claimed by Shri. Boraiah, TDO, Hassan Dist.

Deferred for thorough verification of claim.

Item No. 13- Purchase of Photocopying machine for Mysore District office:

The Board approved to purchase a new photocopying machine on DGSND rates under buyback scheme as proposed.

The Board considered the need to upgrade the computers and authorized the Managing Director to upgrade/procure the computer systems in head office and district offices wherever the systems have become obsolete.

Item No.14 - Request of Shri. I.H. Sangamdev, Journalist to waive of the advance amount paid for producing documentary on welfare schemes of the Corporation and also to drop the criminal proceedings:

The Board considered the request of Sri Krishna Creations and Sri. Manikanta Enterprises with reference to the decision taken in the previous meeting and the representation made by Shri. Sangamdev. The Board advised the Managing Director to view the film and ascertain from the journalist on the possibility of updating the documentary film and thus make the film fit for telecasting. Hence deferred.

Item No.15 – Regularisation of services of Sri. A.B. Patil, an employee on consolidated pay and who was removed under compulsory retirement and reinstated in pursuance of court order.

The Managing Director explained the case in detail. The Chairman observed that the case has been pending since 2007 and stressed on the need to initiate disciplinary action against the officers who were found responsible for the delay. The Board advised the Managing Director to study the case in detail, including the reasons for delay in not taking action on the recommendation of the Upa Lokayuktha and take legal opinion. Hence deferred.

Item No.16 – Appeal given by Sri. Chandrappa Neralagi, SDC against the order of disciplinary authority as per the recommendation of enquiry officer.

The Board directed the Managing Director to conduct full enquiry of involvement of all the officers and so that all concerned should be charge sheeted if found guilty.

Item No.17 – Action against Sri. T Vishwanath, DM and Sri. B.H. Shaik, TDO who were ordered punishment by Court in atrocity case.

The Managing Director explained the facts of the case and the legal opinion on the course of action to be taken. The Board after due deliberations agreed with the legal opinion and directed the Managing Director to dismiss both the accused employees Sri. T Vishwanath, DM and Sri. B.H. Shaik, TDO from service as per the legal opinion. The Board also directed to black list M/s. Sindhu Borewell Co.

Item No.18 - Action against un authorized absence from service by Sri. Suresh Y. Hunagunda:

The Board took serious note of the habitual unauthorized absence and authorized the Managing Director to dismiss Sri. Suresh Y. Hunagunda from the services of the Corporation based on the enquiry report.

Item No.19 – Review of various COD cases and disciplinary proceedings(Lokayukta) :

The Board reviewed the status of various cases involving investigation conducted by the COD and other matters relating to the Disciplinary proceedings. The Board has carefully considered the charges leveled against 4 officials viz., Smt. A. Saroja Devi, N. Shivalingaiah, M. Nagaraj and Bomla Naik. The charges leveled against them are as follows.

I. Charges against Smt. A. Saroja Devi:

- 1) Two autorickshaw loans were sanctioned to the beneficiaries, but actually the beneficiaries are not in possession of the autorickshaws.
- 2) No documents are found for having sanctioned the loan.
- 3) In 6 cases, though the Corporation has sanctioned autorickshaw loan, the beneficiaries have not received the autorickshaws.

II. Charges against N. Shivalingaiah:

- 1) While he was working as loan recovery officer, Bangalore Urban District Office, between 24.6.1997 to 30.6.2001, without conducting spot inspection, he has recommended for sanctioning the loan.
- 2) In respect of 11 beneficiaries autorickshaws were given without verifying the caste certificates properly. As a result, the autorickshaws have been given to bogus caste certificates holders.
- 3) In 5 cases, loans have been sanctioned but autorickshaws have not distributed to beneficiaries.

III. Charges against Nagaraj:

- 1) 6 Autorickshaws were sanctioned, but whereabouts of the autorickshaws are not known. Therefore, it was the responsibility of Sri Nagaraj whether the autorickshaws were actually with the beneficiaries and whether the unit was established. He must have taken action for recovery of loan.
- 2) He is responsible for sanctioning two autorishaws loans to a very same beneficiary.

IV. Charges against Bomla Naik:

- 1) Autorickshaw loans were sanctioned, but the beneficiaries were misused the same. Under the circumstances, it was his duty to check the proper use of loan and also ensure recovery of loan.
- 2) In one case, two autorickshaws were given to a middleman by name Sri Murthy.
- 3) In 8 cases, middlemen have received the autos and the same have not gone to the actual beneficiaries.
- 4) Three autos were sold to unauthorized persons.

After going through each of the charges leveled against the above said officials and the report of the enquiry officers, the Board has observed that the enquiries are not conducted properly. In fact, in the COD report it is stated that out of 112 files only 95 files were made available to the COD officials. Remaining 17 files were not given. In addition to this, in the COD report, it is observed that out 13 persons, 12 persons have secured bogus caste certificates. 9 beneficiaries have received two autorickshaws each. Further, 56 beneficiaries have not received the autos, but the same have gone in the hands of middlemen. Therefore, it is clear that at the time of initiating enquiry, all the documents pertaining to the above issues were not made available to the then Managing Director. Therefore, the Board has come to the conclusion that while initiating departmental enquiries, factual aspects have not been taken note of by the Managing Director, while framing charges. Therefore, the report of the enquiry officer cannot be acceptable. Further, only as against 4 officials only departmental enquiries have been initiated leaving other erring officials. Under the circumstances, the Board has taken a decision to hold departmental enquiries against all the erring officials of the Corporation.

In addition to the above, only as against 2 officials criminal cases have been registered, leaving other remaining officials. Taking note of the same, the Board has observed that criminal cases should be registered against all the remaining officials.

As the matter is a very serious in nature, the Board after considering all the aspects has not accepted the report of the enquiry officers and dropped the disciplinary proceedings. The Board has taken a decision to refer the matter to the Hon'ble Lokayukta under Rule 14(A) of K.C.S. (CCA) Rules, 1957 for initiating the departmental enquiry afresh. The Board has authorized the Managing Director of the Corporation to take appropriate steps for speedy action in the matter.

Regarding Lokayukta Cases:

The Board after going through the records relating to the Lokayukta cases, has found that except registering the case by the Hon'ble Lokayukta, no departmental enquiry has been initiated against the erring officials as per the G.O. No. D.P.A.R. 05 Se EV 96 dated 2.12.1997. Therefore, the Board has taken serious note of these lapses for not initiating the departmental enquiry. In view of the above, the Board has authorised to initiate disciplinary proceedings by the Commissioner for Social Welfare against the persons involved in Lokayukta cases. The Managing Director is authorized to expedite the matter at the earliest.

Item No.20 – Proposal to purchase ½ acre of wet land under Land purchase scheme:

The Board approved and authorized the Managing Director to send the proposal to the Government.

Item No. 21 – Proposal for setting leather products unit under Direct Loan scheme by Mrs. Nirmala Chidanand Thelagara, Dhavangere -request for availing second benefit after returning the subsidy availed earlier:

The Principal Secretary advised the management to stick to the policy and do not entertain extending second benefit to a same beneficiary. The Board after deliberation, directed to refund the subsidy amount of Rs.10,000/- returned by Mrs. Nirmala and sponsor her proposal to Banks for term loan.

Item No. 22 – Proposal to avail Rs. 5000.75 lakhs term loans from NSCFDC to give refinance to 10530 beneficiaries under 40 trades during 2011-12.

The Board noted that in the absence of matching Government Guarantee its most unlikely that NSCFDC would consider the proposals to the extent targeted. Hence the Board authorized the Managing Director to send a proposal to the Government requesting for extending Government Guarantee. The Board also advised the management to work out a strategy to use the internal resources and pooled funds and thus reduce dependence on National Corporation.

Item No.23 – Providing bore wells to the victims of atrocity in Karagodu Village, Arakalakodu Tqluq, Ramnaathapura Hobli.

The Board deferred and directed to place the subject with FIR and recommendation from DC. The Board directed that all proposals to extend benefits to the victims of atrocity should be considered only based on the FIR and recommendation of the concerned DC.

Item No. 24 - To sanction term loans upto Rs. 50,000/- to beneficiaries under Ganga Kalyana Scheme:

The Board directed to furnish the details of bore wells drilled after October 2010 and deferred the proposal.

Item No.25 – Extending benefits to victims of atrocity- 97 families in Alagodu Village, T Narasipura Tq, Mysore Dist: Dist

The Board considered the proposal and approved to extend benefits to 97 families in Alagodu Village, T Narsipura Tq, Mysore District :

Purpose of Loan	No. Of Beneficiaries	Unit cost	Subsidy from S W D.	Loan from Dr. B R A D C L.,	Total
Diary Scheme	95	0.25	9.50	14.25	23.75
Autorickshaw	01	1.45	0.10	1.35	1.45
Tractor	01	6.00	0.10	5.90	6.00
Total	97	31.20	9.70	21.50	31.20

The Board advised to approach banks for term loans for Tractor in the event of NSFDC not coming forward to extend loan and to approach Agriculture Department and Commissioner Social Welfare for special subsidy.

Item No. 26 – Payment of Rs. 250,000/- to Mr. Jagadeesh, Legal Advisor as special case for getting favorable order in favour of the Corporation in M/s. Mahajan Borewells Co. case:

Concurring with the views expressed by the Principal Secretary, the Board declined the proposal as the matter is still open for appeal and there was no

special fee quoted by the Advocate and nor any such fee agreed to by the Corporation at the time of assigning the brief. However, as a special case, the Board authorized the Managing Director to pay a reasonable fee.

Item No.27 – Enhancement of consolidated pay to the Senior Computer Programmer:

The Board rejected the proposal and advised to engage services of a competent Computer programmer.

Addl. Sub. No.1: Annual Action Plan for 2011-12:

Deferred for detailed discussion on scheme wise allocation.

Addl. Sub. No.2 – Declaration as Non-Banking Finance Company not accepting deposits as required under guidelines issued by RBI:

The Board passed the following resolution as proposed:

RESOLVED to confirm that Dr. BR Ambedkar Development Corporation Limited has not been accepting any deposits from the public and that the Corporation shall not invite or accept any such deposits from the public.

Addl. Sub. No.3 – Extending term loans to 100 women artisans through NSFDC

The Board approved the proposal to provide term loans through NSFDC to 100 women artisans as per the list identified by the District Manager, Chamaraaj Nagar.

Vote of thanks:

The meeting ended with a vote of thanks.


Hon'ble Chairman