

**Minutes of the 194<sup>th</sup> Meeting of the Board of Directors of the Company held on 21<sup>st</sup> December 2012 at 5.00 p.m. at the Registered Office of the Corporation.**

**PRESENT:**

| Name and designation  |                   |
|---|-------------------|
| Shri. A.R. Krishnamurthy  | The Chairman      |
| Shri. E. Venkataiah, I.A.S.,<br>Principal Secretary to Government,<br>Social Welfare Dept.,<br>Government of Karnataka. | Director          |
| Shri. K.S. Mruthyunjaya   | Managing Director |
| Shri. M.S. Shivaram, Dy Secretary to<br>Government, Finance Department,   | Director          |
| Shri. M.A. Hussain, Dy Secretary, DPE,<br>Government of Karnataka   | Director          |

Shri. K.S. Mruthyunjaya, Managing Director of the Corporation extended warm welcome to Shri. A.R. Krishnamurthy, the Chairman of the Corporation, Shri. E. Venkataiah, IAS, the Principal Secretary to Government, Social Welfare Department, Shri. M.S. Shivaram, Dy Secretary to Government, Finance Department and Shri. M.A. Hussain, Dy Secretary, DPE, Government of Karnataka to the meeting.

Congratulating Shri. E. Venkataiah, IAS, on his appointment for the second time as the Principal Secretary, Social Welfare Department the Chairman extended warm welcome to all the Directors and ascertained that requisite quorum was present.

Leave of absence was granted to Shri. Naveen Raj Singh, I.A.S., Commissioner, Social Welfare Dept., Shri. Nagaraj C. Chavan, Managing Director, Karnataka Thanda Development Corporation Ltd., and the nominee director from Government of India and the CMD of NSCFDC.

The Board noted the appointment of Shri. E. Venkataiah, IAS, the Principal Secretary, SWD, as Director in place of Shri. Shambu Dhayal Meena, I.A.S., who was Secretary to Government, SWD.

**Item No.1 – Noting of the Minutes of the 193<sup>rd</sup> meeting of the Board of Directors held on 24.09.2012 and review of action taken report:**

The Managing Director informed that the minutes of the 193<sup>rd</sup> Meeting of the Board of Directors of the Company held on 24<sup>th</sup> September 2012 at 11.00 a.m., were circulated among the directors of the Corporation and no comments have been received on the same. The Board noted and confirmed the minutes of the 193<sup>rd</sup> Meeting of the Board of Directors of the Company held on 24<sup>th</sup> September 2012 at 11.00 a.m. The Board also

reviewed and noted the action taken report on the minutes of 193<sup>rd</sup> meeting of the Board.

**Item No.2 – Action taken report on the minutes of the 192<sup>nd</sup> meeting of the Board of Directors of the Corporation:**

The Managing Director explained the action taken on the decisions/directions of the Board in its 192<sup>nd</sup> meeting held on 24.08.2012. The Board reviewed and noted the action taken report.

**Item no.3 – Promotions to eligible officers and employees of the Corporation as per the C&R Rules of the Corporation:**

The Managing Director referred to the approval accorded by of the Departmental Promotion Committee on 05.11.2012 to give promotions to eligible candidates. The Board was informed that the Officers/ employees considered for promotion have passed the requisite departmental examination, poses stipulated period of satisfactory service and other requirements as per the C& R Rules of the Corporation. The Board also noted that the service records have been reviewed and the ACRs are found to be satisfactory. Since the following Officers/Employees have been found to be eligible in all respects, the Board approved the promotions accorded by DPC against filling up of available vacancies and authorized the Managing Director to issue necessary orders to the following promotes:

| Sl. No | Seniority list | Name of the Officer/ Employee | Present position         | Promoted position   |
|--------|----------------|-------------------------------|--------------------------|---------------------|
| 01     | 3              | Shri. Dinesh Kumar            | Dy General Manager       | General Manager     |
| 02     | 13             | Shri. Chandrakantha           | District Manager         | Dy. General Manager |
| 03     | 17             | Shri. T. Kumar                | District Manager         | Dy. General Manager |
| 04     | 18             | Smt. Kavitha M Warangal       | District Manager         | Dy. General Manager |
| 05     | 41             | Shri. P. Vijayaraj Kumar      | Recovery Officer         | District Manager    |
| 06     | 42             | Shri. Venkatappa              | Recovery Officer         | District Manager    |
| 07     | 46             | Smt. M. Thilagaveni           | Recovery Officer         | District Manager    |
| 08     | 45             | Shri. B. Shankara Murthy      | Recovery Officer         | District Manager    |
| 09     | 37             | Shri. B. Subbappa             | T.D.O                    | Recovery Officer    |
| 10     | 41             | Shri. M.G. Nayak              | T.D.O                    | Recovery Officer    |
| 11     | 184            | Shri. Micheal Narona          | First Division Assistant | T.D.O.              |
| 12     | 188            | Shri. Mariswamy               | First Division Assistant | T.D.O.              |
| 13     | 01             | Shri. N. Srinivas             | Stenographer             | T.D.O.              |
| 14     | 183            | Shri. A.B. Singyanavar        | First Division Assistant | T.D.O.              |



The Board also noted that the decision of the DPC to keep the promotion proposals in sealed cover in respect of certain Officers/employees against whom criminal cases, departmental enquiries and other disciplinary proceedings are pending and necessary action as per the Rules have been complied with in order to protect the interests of such employees.

**Item No.4 – Allotment and issue of Shares:**

The Board considered the proposal and accorded approval to the following: -

1. To allot 2,49,25,000 shares of Rs.10/- as under to Government of Karnataka and Government of India and issue of share certificates:

| Sl. No. |                           | No of shares of rupees ten each |
|---------|---------------------------|---------------------------------|
| 1.      | The Governor of Karnataka | 2,19,25,000                     |
| 2.      | The President of India    | 30,00,000                       |
|         | Total                     | 2,49,25,000                     |

2. To authorize the Managing Director to file the return of allotment in pursuance of Section 75 of the Companies Act, 1956.
3. To authorize any two Directors of the Corporation to sign and issue necessary share certificates under the Common Seal of the Corporation.
4. To incur requisite stamp duty @ 0.1% for issuing the share certificates amounting to Rs. 2,49,250/-.

**Item No.5 – To introduce One Time Settlement Scheme:**

The Board considered the proposal and approved to re-introduce the OTS Scheme upto to 31.03.2013 and extend interest waiver as per the approved Scheme, with a view to improve recovery. The Principal Secretary advised to send direct mailers to all the beneficiaries intimating the outstanding balances in their loan accounts and advising them to avail the interest waiver facility under the OTS.

**Item No.6 – Sanctioning of subsidy and linking to Bank finance for loans of Rs.1.00 lakh and more:**

The Board noted the Government order vide SWD:138:SDC:2012, Bangalore 03.10.2012 converting the margin money loan into 'subsidy linked bank finance' scheme, where 33% of the unit cost is given as subsidy subject to a maximum of Rs.1.00 lakh for ISB loans of Rs.1.00 lakh and above under Self Employment Programme. The Board approved to adopt the revised guidelines as per the said GO and decided to release subsidy of 33% of the unit cost subject to a maximum of Rs.1.00 lakh for ISB loans of

Rs.1.00 lakh and above under Self Employment Programme, directly to the concerned Banks only upon sanction of the term loan to the beneficiary.

The Chairman referred to the decision taken in the 192<sup>nd</sup> meeting to forward the proposals of vehicle loans to the Banks and advised to adopt the guidelines issued in the aforesaid order. The Board concurred with the views of the Chairman and accorded approval to forward the 750 applications for vehicle loans (as per the statement of constituency wise distribution) to the banks stating that the subsidy amount would be released upon sanction of the loan by the banks.

The Board also advised the management to extend 'subsidy linked bank finance' to other proposals under self employment programme other than vehicle loans also depending on the availability of funds and noted that the subsidy component would be met out of the total grant amount of Rs.24.00 Crores available under Self employment programme for the year 2012-13.

**Item No.7 – Implementation of Lift Irrigation Programme for the year 2012-13 under the Ganga Kalyana Scheme:**

The Board noted that 114 units of lift irrigation projects were approved with a financial outlay of Rs. 500.00 lakhs for the year 2011-12 out of which 96 works have been undertaken with a cost of Rs. 367.20 lakhs and the balance work aggregating to Rs. 132.80 lakhs are pending for want of documentary proof. The Board also noted that an amount of Rs. 500.00 lakhs has been earmarked for undertaking lift irrigation programme during the current year 2012-13. The Board considered the proposal to utilize Rs. 632.80 lakhs ( current year target 500.00 lakhs + last year's balance of 132.80 lakhs) and accorded approval to undertake lift irrigation programmes in 305 proposals spread across various districts as per the list tabled and as proposed.

The Principal Secretary advised to conduct an evaluation study of the Lift Irrigation carried out and submit a report of the successful implementation.

**Item No.8 – Sanctioning of bore-wells to the 105 families of liberated from bonded labour system.**

The Board considered the proposal and accorded approval as a special package to drill bore-wells in the lands owned by the 105 SC families identified in the taluks of Gundlupet, HD Kote, Chickaballapura and sidlaghatta who were liberated from the bonded labour system.



**Item No.9 – Sanctioning of bore-wells to the victims of social boycott in Shivanagara Village, Hiriyr Tq, Chitradurga District.**

The Board approved and ratified the action taken by the management with the approval of the Chairman in sanctioning bore-wells for the year 2011-12 to the following victims of atrocity involving social boycott:

1. Shri. Hanumanthappa S/o. Shri. Kariappa, Shivanagara, Hiriyr Taluq
2. Shri. S. kadinappa S/o. Shri. Kariyapa, Shivanagara, Hiriyr Taluq
3. Shri. Govindappa S/o. Shri. Narasimhappa, Shivanagara, Hiriyr Taluq
4. Shri. Narasappa S/o Kaveriyappa, Shivanagara, Hiriyr Taluk
5. Smt. Narasamma W/o. Shri. Kudurappa, Shivanagara, Hiriyr Taluq

**Item no.10 – Waiver of interest on the advance amount due from Karnataka Agro Industries Corporation Limited:**

The Board noted the content of the letter no. FD:298:Exp-4 2012 dated 08.08.2012 wherein the Finance Department has ordered waiver of the interest amount of Rs. 3,53,82,888.65 due from Karnataka Agro Industries Corporation Limited as per the Arbitration award. The Board advised the management to take action as per the directions of the Finance Department in the matter.

**Item No.11 – To revise implementation of Dairy Scheme in Kolar Package:**

The Board considered the proposal with reference to the order passed by the Government vide GO no. SWD 53 SDC 2011 dated 09.08.2011 and approved to revise the unit cost of dairy scheme (2 cows/buffalos to be implemented to benefit 5000 ex employees of KGML in Kolar and Chickaballapur District under the special Kolar Package, as under:

|                          |                    |
|--------------------------|--------------------|
| Subsidy amount           | Rs. 25000/-        |
| Term Loan                | Rs. 30575/-        |
| Beneficiary contribution | <u>Rs. 2975/-</u>  |
| Total unit cost          | <u>Rs. 58500/-</u> |

The Board noted that the NSCFDC has sanctioned the required term loans against the security of Rs. 30.00 Crores Government Guarantee and the same would adversely affect the implementation of regular NSCFDC linked schemes of the Corporation. Since the Government of Karnataka is not providing any additional guarantee, the Board advised to write back to NSFDC either to release the term loans without adjusting the Government Guarantee or to await for fresh Government Guarantee for release of term loans under the Kolar package.

Since the subsidy amount released by the Government for Kolar Package remained unutilized and has earned sizeable amount interest, the Board advised to work out a



scheme to utilize the interest amount towards term loans component of the dairy scheme and revert with a proposal.

**Item No.12 – To adopt the revised rates prescribed by the Government for engaging private vehicles on hire:**

The Board approved to adopt the revised rate of Rs. 25,000/- per month for hiring private cabs/vehicles for office use at District office and Head office as per the G.O. no. DPAR 96 Shavani 2012, Bangalore dated 23.08.2012.

**Item No. 13 – Reimbursement of medical expenses of employees of the Corporation:**

The Board approved reimbursement of the following medical expenses incurred by the employees of the Corporation, since the allowable limits as per the rules are in excess of Rs.5000/-:

| Name             | Treatment for                            | Hospital                                    | Bill / claim amount | Allowable amount as per rules |
|------------------|--|---|---------------------|-------------------------------|
| A.B. Jangannavar | Self -for knee treatment                 | KLES heart Foundation, Belgaum              | 77908.00            | 58520.00                      |
| M.R. Mahesh      | Father – Heart ailment                   | B'lore Baptist Hospital                     | 22990.85            | 7016.85                       |
| Narasimhamurthy  | Self – heart ailment                     | Jayadeva                                    | 24219.00            | 23920.00                      |
| A Shambulingaiah | Daughter – fire accident                 | AG Institute of Medical Sciences, Mangalore | 39586.00            | 8300.00                       |
| K.M. Prakash     | Self – heart                             | Vikram Hospital, Mysore                     | 177166              | 56211.00                      |
| Rathnamma        | Self – Gynecology                        | Udaya Nurshing Home, Chitradurga            | 45400.00            | 13200.00                      |
| Thimmaiah        | Mother – viral meningitis & sever anemia | KIMS, Bangalore                             | 15483.00            | 7876.00                       |
| S.P. Jayalakshmi | Self – Kidney ailment                    | Appolo BGS Hospital                         | 60950.00            | 19,7990.00                    |

**Item No.14 – Ratification of meeting expenses incurred:**

The Board reviewed and ratified the expenses incurred by the Corporation in connection with supply of Stationery, printer cartridges, snacks and other materials during the

meetings held at the office of the Hon'ble Minister of Social Welfare, Office of the Social Welfare Department and office of the D. Devaraj urs Backward Class Development Corporation Limited on various dates aggregating to Rs. 1,18,399/-.

**Item No. 15 – Revision of fees payable to Advocates on the Panel of the Corporation for various legal works:**

The Managing Director explained the need to revise the fees payable to the Advocates on the panel of the Corporation for representing before various courts at Taluq level, District level and State level as they have not been revised during the last 7 years. The Board authorized the Managing Director to move a suitable proposal as per the corresponding rates prescribed by the Law Department and in consultation with the empanelled Advocates to the next Board meeting for approval.

**Item No. 16 – Purchase of site allotted by the Hassan Urban Development Authority for construction of premises for Hassan District office:**

The Board considered the proposal and accorded approval to pay the cost of site measuring 9120 sq. ft at survey no. 29P and 30P in B. Kattihalli allotted by the Hassan Development Authority at 50% concessional rate amounting to Rs. 12,76,800/- and authorized the Managing Director to release from the internal accrual of the Corporation.

**Item No.17 – Absorption of services of H.K. Shantha, FDA on deputation from Karnataka Handloom Development Corporation Limited:**

The Board noted that the parent organization Karnataka Handloom Development Corporation Limited has issued no objection certificate for absorbing the services of Sri. HK Shantha in DBRADC and approved to absorb the services of HK Shantha in the Corporation as proposed against available vacancies for direct recruitment who will be eligible for seniority from the date of absorption and will be listed junior most official in that cadre.

**Item No. 18 – Education loan for pursuing higher education in India and abroad – forwarding application to NSCFDC:**

The Chairman referred to the decision taken in the 192<sup>nd</sup> meeting of the Board held on 24.08.2012 to forward the applications already received to NSCFDC for availing education loan for higher studies abroad and in India and explained the 4 such cases remaining to be sent to NSCFDC.

The Board after perusing the proposals advised the M.D to advice the candidates Mr. Manigandan, S/o. Devaraj, Mr. Naveen Jaeri, S/o. Jawera Shetty, to contact SWD for financial assistance instead loan from Dr. BRADCL. Regarding Ms. S.P. Akshatha,



D/o.S.P. Puttasiddaiah, Ms. Renuka, d/o. Thimmaiah cases, the Board approved to forward the proposals to NSCFDC after verifying the following aspects:

1. To ascertain from the concerned educational institution the details of fees, cost of books and other implements required for the course.
2. To ascertain from the applicants the details of benefits if any availed from the Social Welfare Department.
3. To deduct the benefits availed from the term loan amount and recommend for the balance.
4. To give preference to those students who did not or could not avail any benefit from the Social Welfare Department.

**Addl. Sub. No.1 - Enhancement of fee for the Company Secretary on retainership basis:**

Deferred.

**Addl. Sub. No.2 – To determine effective date of service benefits and pay fixtures to former employees of Mysore Lamp works Limited and Karnataka Telecom Limited who were absorbed in DRBARADC Ltd.**

The Board deliberated in detail the request made by the former employees of Mysore Lamp works Limited and Karnataka Telecom Limited who were absorbed in DRBARADC Ltd., for extending service benefits to them with effect from 24.02.2003, the date on which the G.O no. DPAR (BPE)38 ARU 2003 was issued instead of from the date of their absorption of their services in to the Corporation. The Board directed the management to refer the issue to DPE for their opinion on the matter.

**Addl. Sub. No.3 – Review of progress achieved on various schemes for 2012-13 upto the end of November 2012.**

The Managing Director explained the details of budgeted and pooled funds allocated for the year 2012-13 and funds released by the Government and targets set as well as progress achieved under various schemes of the Corporation. The Board reviewed and noted the same. While noting the delay in finalizing the rates for drilling bore-wells under Ganga Kalyana, the Principal Secretary advised to go ahead with calling for tender immediately and achieve the target in the last quarter of the financial year.

**Addl. Sub. No.4 – Acquiring residential quarters for the Chairman of the Corporation:**

The Managing Director informed that in pursuance of the decision taken in the 192<sup>nd</sup> Board meeting, a proposal is sent to Government for purchase of building at Amruthahalli owned by Smt. Vijayalakshmi W/o Gopinath at a cost of Rs.2.30 crores.



The Board advised the Managing Director to pursue the same to expedite Government approval.

**Vote of thanks:**

The meeting ended with a vote of thanks to the Chair.

  
CHAIRMAN