

**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., Principal Secretary to Government, Social Welfare Dept., Government of Karnataka.	Director
Shri. K.S. Mruthyunjaya	Managing Director
Shri. M.S. Shivaram, Dy Secretary to Government, Finance Department,	Director
Shri. M.A. Hussain, Dy Secretary, DPE, 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 Naron	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, Hiriyyur 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, Hiriyyur Taluq
2. Shri. S. kadinappa S/o. Shri. Kariyapa, Shivanagara, Hiriyyur Taluq
3. Shri. Govindappa S/o. Shri. Narasimhappa, Shivanagara, Hiriyyur Taluq
4. Shri. Narasappa S/o Kaveriyappa, Shivanagara, Hiriyyur Taluk
5. Smt. Narasamma W/o. Shri. Kudurappa, Shivanagara, Hiriyyur 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

